

FINAL OFFICIAL STATEMENT DATED MARCH 9, 2010

NEW ISSUE

Ratings: Standard & Poor's: AAA
Moody's: Aaa

Subject to compliance by the County with certain tax-related covenants, in the opinion of Axe & Ecklund, P.C., Bond Counsel, under present law (i) interest on the Refunding Bonds is excluded from gross income of the owners of the Refunding Bonds for federal income tax purposes, but must be taken into account in computing the alternative minimum tax imposed on certain corporations, as more fully described under the heading "Tax Matters" herein, and (ii) the Refunding Bonds and interest thereon are exempt from all taxation provided by the laws of the State of Michigan except estate taxes, gross receipts taxes and taxes on gains realized from the sale, payment or other disposition of the Refunding Bonds.

\$10,990,000 **OAKLAND COUNTY BUILDING AUTHORITY** **BUILDING AUTHORITY REFUNDING BONDS, SERIES 2010** **COUNTY OF OAKLAND, MICHIGAN**

DATED: MARCH 1, 2010
**QUALIFIED TAX-
EXEMPT OBLIGATIONS**

GENERAL OBLIGATION LIMITED TAX BONDS

REGISTRATION: Book entry only system

INTEREST: Paid from March 1, 2010 - 1st Paid September 1, 2010 - Semi-Annually Thereafter

REGISTRAR, TRANSFER and PAYING AGENT: Huntington National Bank, Grand Rapids, Michigan

DENOMINATIONS: \$5,000 or a Multiple of \$5,000, Numbered From 1 Upwards

AUTHORITY: Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended and Act No. 34, Public Acts of Michigan, 2001, As amended

REDEMPTION PROVISIONS: The Refunding Bonds shall not be subject to redemption prior to maturity.

PURPOSE AND SECURITY: See "Security for the Refunding Bonds" and "Description of the Refunding Bonds" herein

BOOK ENTRY CUSTODIAL DEPOSITORY: The Depository Trust Company, New York, N.Y.

THE ABILITY OF THE COUNTY TO RAISE FUNDS WITH WHICH TO MEET ITS
FULL FAITH AND CREDIT PLEDGE IS SUBJECT TO CONSTITUTIONAL AND
STATUTORY LIMITATIONS ON THE TAXING POWER OF THE COUNTY.

MATURITY SCHEDULE

<u>Due</u> <u>Sept. 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Due</u> <u>Sept. 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Due</u> <u>Sept. 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>
2010	\$ 40,000	2.00%	0.45%	2015	\$ 900,000	5.00%	1.75%	2019	\$1,070,000	5.00%	2.95%
2011	20,000	2.00	0.55	2016	950,000	5.00	2.15	2020	1,120,000	5.00	3.10
2012	820,000	2.00	0.85	2017	980,000	5.00	2.50	2021	1,190,000	5.00	3.20
2013	800,000	5.00	1.05	2018	1,020,000	5.00	2.78	2022	1,230,000	5.00	3.35
2014	850,000	5.00	1.35								

Information prepared in cooperation with:

ANDREW E. MEISNER
County Treasurer
& Treasurer of the
Building Authority

JOEL GARRETT
Chairperson
Building Authority

Bond Counsel:
AXE & ECKLUND, P.C.
Grosse Pointe Farms, Michigan

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.



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NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE OAKLAND COUNTY BUILDING AUTHORITY OR THE COUNTY OF OAKLAND TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AUTHORITY OR THE COUNTY.

THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT HAS BEEN PREPARED FROM SOURCES WHICH ARE DEEMED TO BE RELIABLE, BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS.

THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO ADJUSTMENT WITHOUT NOTICE AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT NOR ANY SALE MADE UNDER IT SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY OR THE COUNTY SINCE THE DATE OF THIS OFFICIAL STATEMENT.

**OFFICIAL STATEMENT
OF THE
\$10,990,000
County of Oakland, State of Michigan
OAKLAND COUNTY BUILDING AUTHORITY,
BUILDING AUTHORITY REFUNDING BONDS, SERIES 2010**

The purpose of this Official Statement is to set forth information concerning the Oakland County Building Authority (the "Authority") and the Authority's proposed Oakland County Building Authority, Building Authority Refunding Bonds, Series 2010 (the "Refunding Bonds"). This Official Statement has been prepared in connection with the sale of the Refunding Bonds and for the information of those who initially become holders of the Refunding Bonds. Information summarized on the cover page is part of this Official Statement.

INTRODUCTION

The Authority, by adoption of a refunding bond resolution (the "Resolution"), has authorized the advance refunding of the callable portion of the Authority's outstanding Oakland County Building Authority Bonds, Series 2002, dated June 1, 2002, in the original principal amount of \$18,100,000 (the "Prior Bonds"), by the issuance of the Refunding Bonds described hereafter. This refunding issue will provide funds to be deposited with an escrow agent which will pay and/or redeem, when callable, the following Prior Bonds:

**Prior Bonds
Outstanding**
\$13,350,000
maturing in the
years 2010-2022

**Prior Bonds
Being Refunded**
\$11,750,000
maturing in the years 2012-
2022, redeemed on September 1, 2011
at a 0.00% call premium
(the "Refunded Bonds")

DESCRIPTION OF THE REFUNDING BONDS

The Refunding Bonds, aggregating the principal sum of \$10,990,000 shall be known as "Oakland County Building Authority, Building Authority Refunding Bonds, Series 2010" and shall be dated March 1, 2010. The Refunding Bonds shall be fully registered Refunding Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards. The Refunding Bonds shall mature on September 1, 2010 and each September thereafter as provided on the cover page of this Official Statement.

Term Bond Option

Refunding Bonds maturing in the years 2015-2022, inclusive, are eligible for designation by the original purchaser at the time of sale as serial bonds or term bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on September 1st of the year in which the Refunding Bonds are presently scheduled to mature. Each maturity of term bonds and serial bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

Adjustment In Principal Amount

The aggregate principal amount of this issue has been determined as the amount necessary to retire the Refunded Bonds and pay a portion or all of the costs of issuance of the Refunding Bonds, assuming certain conditions and events exist on the date of sale. Following receipt of proposals and prior to final award, the Authority reserves the right to increase or decrease the aggregate principal amount of the issue by an amount not to exceed \$500,000. The increase or decrease will be in increments of \$5,000 and may be made in any maturity or maturities. The purchase price will be adjusted proportionately to the reduction in issue size, but the interest rates specified by the successful proposer for all maturities will not change. The successful proposer may not withdraw the proposal as a result of any changes made within these limits.

If no proposal results in present value debt service savings acceptable to the County when the proceeds are used to provide for the refunding of the Refunded Bonds, the County may reject all proposals and negotiate with one or more of the proposers for the sale of the bonds on terms which will enable the County to achieve present value debt service savings acceptable to the County.

Qualification Under Section 265(b)(3) of the Internal Revenue Code of 1986

The Refunding Bonds have been designated by the Authority as "Qualified Tax-Exempt Obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

Interest Payment and Interest Rate

The Refunding Bonds shall bear interest payable September 1, 2010 and semi-annually thereafter on each September 1 and September, until maturity, with an average interest rate not exceeding 6% per annum. Interest shall be paid by check or draft mailed to the registered owner of each Refunding Bond as of the applicable date of record.

Bond Registrar, Paying Agent and Date of Record

Huntington National Bank, Grand Rapids, Michigan, has been selected as paying agent and bond registrar (the "Bond Registrar") for the Refunding Bonds. The Bond Registrar will keep records of the registered holders of the Refunding Bonds, serve as transfer agent for the Refunding Bonds, authenticate the original and any re-issued Refunding Bonds and will pay principal and interest to the registered holders of the Refunding Bonds as shown on the registration books of the Authority maintained by the Bond Registrar on the applicable date of record. The principal of each Refunding Bond will be paid when due upon presentation and surrender thereof to the Bond Registrar. The date of record shall be the 15th day of the month before such payment is due.

Book-Entry-Only

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond certificate will be issued for each maturity of the Refunding Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE REFUNDING BONDS AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS, HOLDERS OR REGISTERED OWNERS OF THE REFUNDING BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE REFUNDING BONDS.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Refunding Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Refunding Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Refunding Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Refunding Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments made by or on behalf of the County to DTC or its nominee shall satisfy the County's obligations under the Bond Resolution to the extent of the payments so made.

Principal and interest payments on the Refunding Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on a payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such payment date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent (the "Paying Agent"), or the County subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Refunding Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered. THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT NEITHER THE COUNTY, BOND COUNSEL, FINANCIAL ADVISOR NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

THE COUNTY AND THE COUNTY'S BOND COUNSEL OR FINANCIAL ADVISOR, THE UNDERWRITERS AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE REFUNDING BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE REFUNDING BONDS (ii) ANY DOCUMENT REPRESENTING OR CONFIRMING BENEFICIAL OWNERSHIP INTERESTS IN REFUNDING BONDS, OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE REFUNDING BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH THE PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE COUNTY, THE UNDERWRITERS NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY OTHER PERSON WITH RESPECT TO: (1) THE REFUNDING BONDS; (2) THE

ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE REFUNDING BONDS; (4) THE DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE REFUNDING BONDS; (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Discontinuation of Book-Entry-Only System

DTC may determine to discontinue providing its service with respect to the Refunding Bonds at any time by giving notice to the County and the Transfer/Paying Agent and discharging its responsibilities with respect thereto under applicable law. Upon the giving of such notice, the Transfer/Paying Agent shall attempt to have established a securities depository/book-entry system relationship with another qualified depository. If the Transfer/Paying Agent does not or is unable to do so, the book-entry-only system shall be discontinued.

Transfer Outside Book-Entry-Only System

In the event the book-entry-only system is discontinued, the following provisions would apply to the Refunding Bonds. The Transfer Agent shall keep the registration books for the Refunding Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Resolution, the Refunding Bonds may be transferred or exchanged for one or more Refunding Bonds in different authorized denominations upon surrender thereof at the corporate trust office of the Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Refunding Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement Refunding Bonds in authorized denominations; during the 15 days immediately preceding the date of mailing ("Record Date") of any notice of redemption or any time following the mailing of any notice of redemption, the Paying Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Refunding Bonds properly surrendered for partial redemption may be exchanged for new Refunding Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the County and Paying Agent shall be entitled to treat the registered owners of the Refunding Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Refunding Bonds for all purposes under the Resolution. No transfer or exchange

made other than as described above and in the Resolution shall be valid or effective for any purposes under the Resolution.

Plan of Refunding

The proceeds of the Refunding Bonds will be used to pay the principal and interest on the Refunded Bonds when due, to and including September 1, 2011 (the "Redemption Date"); to pay on said Redemption Date the principal of, premium, if any, on the Refunded Bonds maturing in the years 2012 through 2022; and to pay the costs of issuance.

Simultaneously with the issuance and delivery of the Refunding Bonds, sufficient amounts of the proceeds of the Refunding Bonds will be deposited in an escrow fund (the "Escrow Fund") held by Huntington National Bank, Grand Rapids, Michigan as escrow agent (the "Escrow Agent"), pursuant to an escrow agreement between the Authority and the Escrow Agent (the "Escrow Agreement"), and used to purchase obligations of the United States of America or an Agency thereof pledging the full faith and credit of the United States of America ("Government Obligations"), as described in the resolution authorizing the award of the Refunding Bonds. The proceeds of such Government Obligations, together with the earnings thereon and cash, if any, in the Escrow Fund shall be used to pay principal of, redemption premiums, and interest on the Refunded Bonds as stated above.

Prior Redemption

The Refunding Bonds shall not be subject to redemption prior to maturity.

Transfer or Exchange of Refunding Bonds

In the event the Book-Entry-Only System should be discontinued any Refunding Bond shall be transferable on the bond register maintained by the Bond Registrar with respect to the Refunding Bonds upon the surrender of the Refunding Bond to the Bond Registrar together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned Refunding Bond the Bond Registrar shall authenticate and deliver a new Refunding Bond or Refunding Bonds in equal aggregate principal amounts and like interest rate and maturity to the designated transferee or transferees.

Refunding Bonds may likewise be exchanged for one or more other Refunding Bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the Refunding Bond or Refunding Bonds being exchanged. Such exchange shall be effected by surrender of the Refunding Bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the Refunding Bond or his or her attorney in form satisfactory to the Bond Registrar. Upon

receipt of a Refunding Bond with proper written instructions the Bond Registrar shall authenticate and deliver a new Refunding Bond or Refunding Bonds to the registered owner of the Refunding Bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of the Refunding Bonds during the 15 days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the Authority, unless otherwise agreed by the Authority and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Refunding Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of or to pay for the Refunding Bonds. All expenses for printing CUSIP numbers on the Refunding Bonds will be paid by the Authority, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

SECURITY FOR THE REFUNDING BONDS

Authorization

The Refunding Bonds are being issued pursuant to Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended (the "Act"), and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") and the Authority's Resolution.

Primary Security

Pursuant to a certain Limited Tax Full Faith and Credit General Obligation Contract of Lease, dated July 1, 2001 and an Amendment to Limited Tax Full Faith and Credit General Obligation Contract of Lease, dated April 1, 2009 (together the "Lease"). The Refunding Bonds are issued in anticipation of, and are primarily payable from, the Cash Rentals which are in an amount fully sufficient to pay the principal of and interest on said Building Authority Refunding Bonds when due. The Authority has irrevocably pledged all of the Cash Rentals for such payment and has established a statutory first lien thereon for such purposes. The Cash Rentals constitute a full faith and credit general obligation of the County, and under the provisions of the Act, as amended, the County is required to provide sufficient monies in its annual budget for the payment thereof and, if necessary, to

levy ad valorem taxes on all taxable property within its boundaries. ANY SUCH LEVIES, HOWEVER, MUST BE SUBJECT TO EXISTING STATUTORY, CHARTER, AND CONSTITUTIONAL TAX LIMITATIONS. The Cash Rentals are not subject to setoff or abatement for any cause, including but not limited to, causality that results in the leased property being untenable.

Debt Retirement Fund

The Authority shall establish and maintain a debt retirement fund (the "Debt Retirement Fund") to be used solely for the purpose of (i) paying principal of, premium, if any, and interest on the Refunding Bonds as well as costs, including the fees and expenses of the Bond Registrar, incidental to the Refunding Bonds, and (ii) the fees and expenses of the paying agent or paying agents for the Refunding Bonds. Into said Fund there shall be deposited sufficient ad valorem property taxes or other funds lawfully available therefor to pay and be used solely for the purpose of paying the principal of, interest on and redemption premiums, if any, for the Refunding Bonds, which levy shall be without limitation as to rate or amount. The accrued interest and premium, if any, received upon delivery of the Refunding Bonds shall also be deposited in the Debt Retirement Fund.

All proceeds from taxes levied for the Debt Retirement Fund shall be deposited as collected into the Debt Retirement Fund. The Refunding Bonds shall be payable as from the general funds of the Authority, including the levy of ad valorem taxes. Commencing with the year 1996, there shall be levied upon the tax rolls of the Authority for the purpose of the Debt Retirement Fund each year, in the manner required by the provisions of Act 202, Public Acts of Michigan, 1943, as amended, an amount sufficient so that the estimated collection therefrom will be sufficient to promptly pay, when due, the principal of, premium, if any, and interest on the Refunding Bonds becoming due next following the levy and before the time of collection of the next following tax levy. If at the time of making any such annual tax levy there shall be surplus moneys on hand in the Debt Retirement Fund for the payment of principal of, premium, if any, and interest on the Refunding Bonds, then credit therefor may be taken against such annual levy for said fund. The taxes levied hereunder shall be subject to applicable constitutional, statutory and charter limitations.

CONTINUING DISCLOSURE

The County and the Authority (individually and "Obligated Person" and collectively, "Obligated Persons") have each covenanted and will covenant for the benefit of the Bondholders and the Beneficial Owners (as hereinafter defined under this caption only) pursuant to a resolution and a related Continuing

Disclosure Certificate to be delivered on the date of issuance of the Refunding Bonds to the purchaser thereof (individually a "Disclosure Certificate" and collectively, the "Disclosure Certificates"), to provide or cause to be provided: (i) each year, certain financial information and operating data relating to the respective Obligated Person for its preceding fiscal year (the "Annual Report") by not later than the date seven months after the first day of its fiscal year, commencing with the Annual Report for the fiscal year ending September 30, 2009; provided, however, that if the audited financial statements of any Obligated Person are not available by such date, they will be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for such Obligated Person will be included in the Annual Report; and (ii) timely notices of the occurrence of certain enumerated events related to the respective Obligated Person, if material. Currently, the fiscal year of the County commences on October 1. "Beneficial Owner" means, under this caption only, any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Refunding Bonds (including any person holding Refunding Bonds through nominees, depositories or other intermediaries).

Each Annual Report will be filed with the Municipal Securities Rulemaking Board ("MSRB") electronically through MSRB's Electronic Municipal Market Access system ("EMMA"). If any Obligated Person is unable to provide the MSRB its Annual Report by the date required, such Obligated Person shall send, in a timely manner, to the MSRB through EMMA, a notice of the failure to file the Annual Report by such date. The notices of material events will be filed by each Obligated Person with the MSRB through EMMA. These covenants have been made by each Obligated Person in order to assist the purchaser of the Refunding Bonds and registered brokers, dealers and municipal securities dealers in complying with the requirements of subsection of (b)(5) of the Rule. The information to be contained in each Annual Report, the enumerated events, the occurrence of which will require a notice, and the other terms of each Disclosure Certificate are set forth in Appendix A and Appendix B.

In the past five years, no Obligated Person has failed to comply, in all material respects, with any of its previous undertakings in a written contract or agreement that it entered into pursuant to subsection (b)(5) of the Rule.

BOND RATINGS

Standard & Poor's

The County has received a municipal bond rating of **AAA** from Standard & Poor's Ratings Services. No application was made to any other rating agency for a rating on the Refunding Bonds. The

County furnished to such rating agency certain materials and information in addition to that provided herein. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions made by the rating agencies. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Refunding Bonds.

The definitions of a rating furnished by Standard & Poor's Ratings Services are as follows:

- | | |
|--------------|---|
| AAA | Debt rated "AAA" has the highest rating to a debt obligation. Capacity to pay interest and repay principal is extremely strong. |
| AA | Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degree. |
| A | Debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes of circumstances and economic conditions than in debt in higher rated categories. |
| BBB | Debt rated "BBB" is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher debt rated categories. |
| BB-CC | Debt rated "BB", "B", "CCC" or "CC" is regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. "BB" indicates the lowest degree of speculation and "CC" the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions. |
| C | This rating is reserved for income bonds on which no interest is being paid. |

D Debt rated "D" is in default, and payment of interest and/or repayment of principal is in arrears.

Plus (+) or minus (-): The ratings "AA" to "BBB" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Moody's

The County has received a municipal bond rating of **Aaa** from Moody's Investors Service, Incorporated (hereafter "Moody's"). The rating will be the sole view of the rating agency. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Refunding Bonds.

A brief definition of the ratings furnished by Moody's are as follows:

Aaa Bonds which are rated "Aaa" are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa Bonds which are rated "Aa" are judged to be of a high quality by all standards. Together with the "Aaa" group, they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in "Aaa" securities or fluctuation of protective elements may be of great amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in the "Aaa" securities.

A Bonds which are rated "A" possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

Baa Bonds which are rated "Baa" are considered as medium grade obligations; i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great

length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

General Note: Those bonds in the "Aa", "A" and "Baa" groups which Moody's believes possess the strongest investment attributes are designated by the symbols "Aa-a", "A-1" and "Baa-1."

TAX MATTERS

General

In the opinion of Axe & Ecklund, P.C., Grosse Pointe Farms, Michigan ("Bond Counsel") based on its examination of the documents described in its opinion, under existing law, the interest on the Refunding Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference and is not taken into account in determining adjusted current earnings for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in clause (a) above is subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), that must be satisfied subsequent to the issuance of the Refunding Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Refunding Bonds to be included in gross income retroactive to the date of issuance of the Refunding Bonds. The Authority has covenanted to comply with all such requirements. Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Refunding Bonds and the interest thereon.

Prospective purchasers of the Refunding Bonds should be aware that (i) interest on the Refunding Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Refunding Bonds may be subject to a tax on excess net passive income of certain S corporations imposed by Section 1375 of the Code, (iii) interest on the Refunding Bonds is included in the calculation of modified adjusted gross income for purposes of determining taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Refunding Bonds by life insurance companies may affect the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Refunding Bonds, (vi) holders acquiring the Refunding Bonds subsequent to initial issuance will generally be required to treat market discount recognized under Section 1276 of the Code as ordinary taxable income, (vii) the

receipt or accrual of interest on the Refunding Bonds may cause disallowance of the earned income credit under Section 32 of the Code, (viii) interest on the Refunding Bonds is subject to backup withholding under Section 3406 of the Code in the case of registered owners that have not reported a taxpayer identification number and are not otherwise exempt from backup withholding, and (ix) registered owners of the Refunding Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Refunding Bonds, and financial institutions may not deduct that portion of their interest expense allocated to interest on the Refunding Bonds.

In the opinion of Bond Counsel, based on its examination of the documents described in its opinion, under existing law, the Refunding Bonds and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

Tax Treatment of Accruals on Original Issue Discount Bonds

For federal income tax purposes, the difference between the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Refunding Bonds initially sold at a discount as shown on the cover page hereof (the "**OID Bonds**") is sold and the amount payable at the stated redemption price at maturity thereof constitutes "original issue discount." Such discount is treated as interest excluded from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) with straight line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of registered owners of the OID Bonds who purchase such bonds after the initial offering of a substantial amount thereof. Registered owners who do not purchase such OID Bonds in the initial offering at the initial offering and purchase prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

Amortizable Bond Premium

For federal income tax purposes, the difference between an original registered owner's cost basis of the Refunding Bonds initially sold at a premium as shown on the cover page hereof (the "**Original Premium Bonds**") and the amounts payable on the

Original Premium Bonds other than stated interest constitutes an amortizable bond premium. The same applies with respect to any Bond, if a registered owner's cost basis exceeds the amounts payable thereon other than stated interest (collectively with the Original Premium Bonds held by the original registered owners, "**Premium Bonds**"). Such amortizable bond premium is not deductible from gross income but is treated for federal income tax purposes as an offset of the amount of stated interest paid on the Premium Bonds, which may affect liability for the branch profits tax imposed by Section 884 of the Code. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the registered owner's yield to maturity determined by using the registered owner's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the registered owner's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

Future Developments

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS THAT COULD CAUSE THE INTEREST ON THE REFUNDING BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE REFUNDING BONDS, OR OTHERWISE PREVENT THE REGISTERED OWNERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY SUCH FUTURE LEGISLATION, OR ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE REFUNDING BONDS FOR AUDIT EXAMINATION, OR THE AUDIT PROCESS OR RESULT OF ANY EXAMINATION OF THE REFUNDING BONDS OR OTHER BONDS THAT PRESENT SIMILAR TAX ISSUES, WILL NOT ADVERSELY AFFECT THE MARKET PRICE OF THE REFUNDING BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE REFUNDING BONDS AND THE TAX CONSEQUENCES OF THE ORIGINAL ISSUE DISCOUNT OR PREMIUM THEREON, IF ANY.

BOND HOLDERS' RISKS

The Federal Bankruptcy Code affects the rights and obligations of municipalities and their creditors. Although State legislative authority is a condition to the filing by municipalities of cases for relief under the Bankruptcy Code, recently-enacted legislation empowers local governments, such as the Authority or the County, to become a debtor under the Bankruptcy Code. This authorization would be invoked if fiscal

circumstances become such an emergency financial manager were appointed for the Authority or the County. No assurance can be given that future circumstances or legislation will not result in the Authority or the County filing for relief under the Bankruptcy Code. Should the Authority or the County file a petition for relief under the Bankruptcy Code, the bankruptcy court could reduce the amount of or extend the time of the Authority's or the County's legal obligation to pay its outstanding debts.

LITIGATION

To the knowledge of the Authority and the County, there is no controversy of any nature threatened or pending against the Authority or the County, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Refunding Bonds or in any way contesting or affecting the validity of the Refunding Bonds or any proceedings of the Authority or the County taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Refunding Bonds.

VERIFICATION

Grant Thornton LLP, will deliver to the Authority its verification report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Authority and its representatives. Included in the scope of examination will be a verification of mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of, and interest on, the Government Obligations deposited in the Escrow Fund to pay, when due, maturing principal of and interest on the Prior Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Refunding Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

APPROVAL OF LEGALITY

The approving opinion of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan, a copy of which opinion will be printed on the reverse side of each Bond, will be furnished without expense to the purchaser of the Refunding Bonds at the delivery thereof.

FINANCIAL ADVISOR

Municipal Financial Consultants Incorporated ("MFCI") of Grosse Pointe Farms, Michigan has served as financial advisor to

the Authority in connection with the sale of the Refunding Bonds. The financial advisor makes no representation as to the completeness or the accuracy of the information set forth in this Official Statement. Further information with respect to the issuance of the Refunding Bonds may be obtained by contacting MFCI, 21 Kercheval Avenue, Suite 360, Grosse Pointe Farms, Michigan 48236, telephone 313-884-1550.

RESPONSIBILITIES OF BOND COUNSEL

Bond Counsel has reviewed the statements made in this Official Statement under the captions "Description of the Refunding Bonds", "Security for the Refunding Bonds", "Tax Matters", "Approval of Legality" and "Responsibilities of Bond Counsel", but has not been retained to review and has not reviewed any other portion of this Official Statement. Bond Counsel has not made inquiry of any official or employee of the Issuer, the Authority, or any other person with respect to, or otherwise made any independent verification of, the accuracy or completeness of any statement made in this Official Statement (including those that it has reviewed) and has not expressed and will not express an opinion as to the accuracy or completeness of any statement made herein.

Except as stated in the immediately preceding paragraph and to the extent necessary to render its approving opinion respecting the validity of the Refunding Bonds and the exemption of the Refunding Bonds and the interest thereon from taxation, Bond Counsel has not been retained to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Refunding Bonds and, therefore, will not express an opinion with respect to the accuracy or completeness of any such documents, statements or other materials.

The fees of Bond Counsel for services rendered in connection with its approving opinion are expected to be paid from bond proceeds.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

**ANDREW E. MEISNER, County Treasurer
Oakland County
Building Authority**

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EXHIBIT A

GENERAL AND ECONOMIC INFORMATION REGARDING THE COUNTY

Introduction

Oakland County continues to be a great place to live, to work, to shop and to move your business to. The County is a special place to live where families can enjoy a quality of life that is second to none and where business can grow and prosper. Oakland County's tax base from 2001 to 2006 grew at annual pace of 5.9%, with only 3.7% of taxable valuation coming from the 10 largest taxpayers making the tax base extremely diversified.

Residential developments in the County include some of the finest home developments in the State. The median sales price of a single family home was \$160,000 in 2008. Oakland County led the seven-county southeast Michigan region between 2000 and 2006 in percent of total residential development activity with 28.1 percent of 112,462 net new living units.

Unemployment in the County averaged 13.3 percent in 2009, below the State's average rate of 14.0 percent. Oakland County did experience some job loss due to manufacturing reorganization in 2006 but is expecting consistent job growth for the next several years due to the availability of skilled and educated workers. Job growth is also projected in the coming decades in such sectors as private education and health, professional and technical services, and leisure and hospitality services.

Despite these economic problems Oakland County remains among the most prominent county economies in the nation, ranking number three for counties of the same size, with some of the most promising future prospects. To embrace a promising future, Oakland County has begun Emerging Sectors. A program designed to attract and assist business, promote partnerships, link research and development, and attract and develop a highly skilled work force benefiting both residents and businesses. Its goal is to ensure Oakland County and its work force continues to thrive today and tomorrow as a premier technology hub.

Oakland County has the highest level of personal income per capita of the major labor markets in Michigan. Oakland's per capita income was \$55,207 in 2007. Oakland County ranked seventh in per capita income in 2006 for counties with populations greater than one million.

Source: Oakland County Department of Planning and Economic Development

The County

The County is a public corporation created under the Constitution and Statutes of the State of Michigan, and has general governmental powers and authority. Under Act 206, the Treasurer of the County is the officer responsible for the collection of delinquent real property taxes returned to the County as uncollected on March 1 of any year. In addition, the County Treasurer is responsible for the application of the borrowing proceeds and the preservation of the security related to these Bonds. The County uses a modified accrual basis for accounting purposes.

Form of Government

The 25 member Board of Commissioners is the governing and legislative body of the County and is elected from districts for two (2) year terms. The County Executive is the chief administrative officer of the County and is elected at large for a four (4) year term.

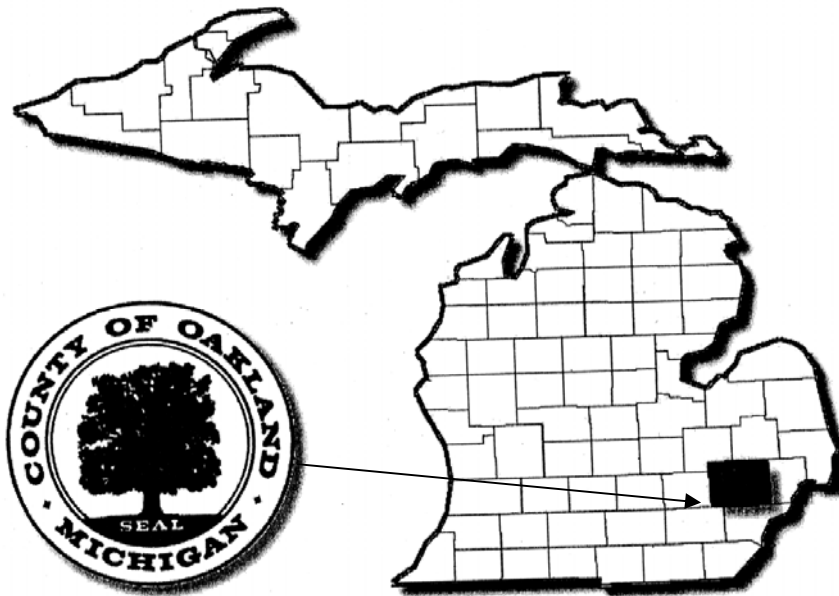
The County Executive is responsible for the overall supervision of all County departments, except those headed by other elected officials. The County Executive also has veto powers over any ordinance or resolution adopted by the Board of Commissioners including appropriating ordinances, which may be over ridden by a 2/3 vote of all members elected and serving on the County Board of Commissioners.

County Location, Transportation and Character

The County of Oakland is located in the southeast portion of Michigan's Lower Peninsula. The County covers an area of 910 square miles, which includes 30 cities, 10 villages and 21 townships. Within the county there are 5 rivers, 1,450 lakes, 900 miles of shoreline, and numerous small streams and almost 90 public and private golf courses, which attracts many business and residents to Oakland County.

Oakland (County) International Airport is capable of accommodating jets as large as a 727 and is home base for over 700 corporate and general aviation aircraft. It is the nation's sixth busiest general aviation airport and is the second busiest airport in Michigan with approximately 400,000 aircraft flying in and out each year. In 1996 the airport opened a full time U.S. customs office and expanded the airport to international commerce. There are now over 1,200 international flights per year.

Detroit Metropolitan Airport, located 18 miles south of the County, offers direct and connecting flights daily to nearly everywhere in the world. As a regional hub for Northwest Airlines, the number of direct, non-stop flights to and from Metro has increased tremendously. The new Mid-Field Terminal opened in February, 2002 and added 97 new gates to the airport. Also in 2008 a new terminal to replace Smith Terminal is scheduled to be opened.



The Port of Detroit, located south of the County (in Wayne County), serves as Southeast Michigan's link to the Great Lakes, the St. Lawrence Seaway and the world. An international port of entry with full U.S. Custom service and a Free Trade Zone enhance the area's attractiveness to foreign manufacturers. Michigan/Detroit is ranked third in exports (based on dollar value) after Los Angeles and New York.

Roads and Highways - Major investments in widening and in upgrades to many Interchanges along the 87 miles of interstate freeways serving Oakland County continue to be made. Interstate 75 and I-275 link the area with the states of Ohio, Kentucky, Tennessee, Georgia and Florida; and I-94, I-96 and I-696, Major east/west freeways in the state, link east to Canada and west

through Chicago. Oakland County and the surrounding area is free of toll roads.

Rail Service - The Grand Trunk Western Railroad furnishes most of Oakland County's rail needs. In addition, CSX Railroad also has a considerable amount of track in the western part of the County.

Residential - Residential development in the County includes some of the finest home developments in the State. The quality of homes (and average annual income) located in Birmingham and the Bloomfield Hills areas are among the highest in the Midwest. Homes in many other areas of the County are also of excellent quality. The estimated median housing value of a single family home was \$229,000 in 2005.

Commercial - Commercial development in the County equals or exceeds those in other areas of the state. Eighteen outstanding shopping facilities are provided in Troy, Birmingham and other cities in southeastern Oakland County. Regional shopping centers, located in Southfield, Troy, Auburn Hills and the Pontiac area are among Michigan's finest.

Agriculture - Agriculture has been declining steadily in recent years in terms of economic importance to the County. This trend is expected to continue as increasingly larger portions of farm property are converted into residential, commercial and industrial sites.

Retail Activity - Oakland County had total retail sales, in 2006, totaling \$25 billion. This exceeded the total retail sales of fourteen states and the District of Columbia and places Oakland County twenty among all counties.

Oakland County had a total Effective Buying Income (EBI), in 2003, of \$33.4 billion. This was higher than that of fourteen states and the District of Columbia.

Corporate - More than 60 percent of Fortune 500 companies do business in Oakland County, increasing 14 percent in two years. Of the Fortune Global 500 companies, 50 percent have business locations in Oakland County.

Oakland County continues to lead all Michigan counties in the number of business incorporating and forming in the state. Of the total new incorporations that took place in Michigan, Oakland County had 26 percent. Oakland County also has the state's largest number of business proprietorships and partnerships.

Hotels-Motels - Oakland County has 93 hotels and motels with 20 or more rooms. Several new hotel/motel properties are under construction and should be available in the very near future.

Source: Oakland County Department of Planning and Economic Development

Construction

Office Buildings – Between 2003 and 2006 3.9 million square feet of commercial space was added in Oakland County. Most major development was in Hi/tech, medical, institutional, and retail. The occupancy rate for the County averaged 84 percent, with over 9 million square feet of office space available for lease. The City of Southfield, followed by the City of Troy and Farmington Hills, has the most rental space available.

Industrial & Research Parks - Oakland Technology Park, located in Auburn Hills, is one of the top five research parks in the nation in terms of size. Daimler Chrysler's \$1 billion R & D headquarters and \$1.4 billion corporate world headquarters is located on 500 acres just outside the Tech park. Electronic Data Systems, Comerica Bank, World Computer, ITT Automotive and other major firms are located in this Tech Park. Oakland County leads all Michigan counties with more than 240 business parks totaling more than 10,000 acres.

Source: U.S. Census Bureau and Dodge Local Construction Potentials for non-residential projects

Utilities

All of southern Oakland County buys water from the City of Detroit. When projects now underway are completed, the City of Detroit will treat all of southern Oakland County's sewage (other than that of the City of Pontiac). Major drainage systems have been and are being built in the County. Following is a list of the Utility Suppliers for Oakland County:

Electricity:

Supplier	Detroit Edison
Fuel	90% Coal, 10% Nuclear

Natural Gas:

Supplier	Consumers Energy
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Water:

Supplier	Detroit Water and Sewer System
	Community and Private Wells
Source	Lake Huron
	Ground Water from Wells

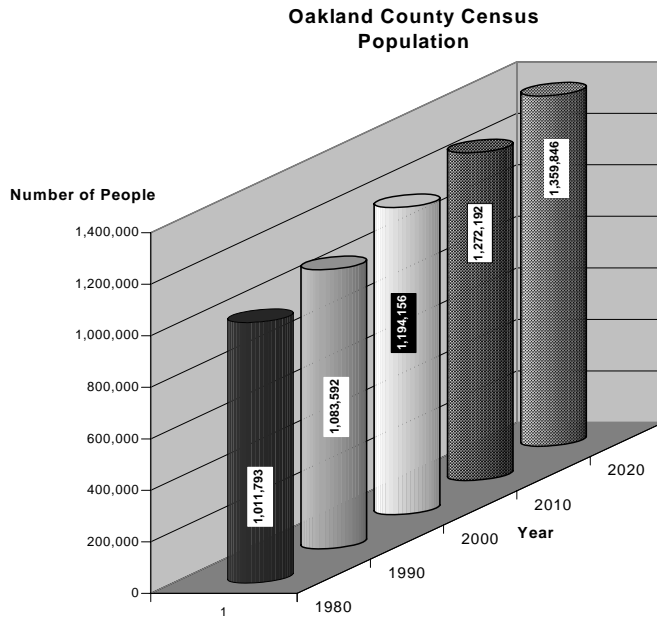
Sewer:

Supplier	Detroit Water & Sewer System
	Community Water Treatment Facilities and Septic Fields

System Types	Separate Storm and Sanitary Community Treatment Facilities
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Population

Between 2000 and 2006 Oakland County's population grew by 2%. By 2035 the population is forecast to be 1,333,767. Oakland County has 12 percent of Michigan's population.



Source: U.S. Census and SEMCOG

Education

There are twenty eight school districts in Oakland County, all offering preschool programs and all but one providing childcare or latchkey services. Of these districts, four – Birmingham, Clarkston, Farmington, and Troy, were awarded Gold medals in Expansion Magazines Education Quotient Rating Program.

Thirty institutions of higher learning with a total enrollment of over 100,000 are located in the County. The largest public degree-granting institutions headquartered in Oakland County are Oakland University, Oakland Community College, M-Tech and Lawrence Technological University. Several private and trade schools offer courses ranging from liberal arts and theological studies to vocational and occupational training.

Oakland University -The Schools of Management and Engineering work with industrial firms in developing personnel versed in manufacturing technologies and technology development processes, and management. The university's faculty consults with many industrial firms and facilitates on the transfer of technology between the University and the business community.

Oakland Community College - Approximately 24,000 students attend this multi-campus college specializing in technical and vocational education. The Computer Integrated Manufacturing curriculum is a partnership between the college and representatives of the major industrial firms in the County who assist in curriculum planning.

Lawrence Technological University - One of the Midwest's leading technical schools, Lawrence's engineering, architecture, business and industrial management and associate studies graduate 1,000 students yearly.

Other Educational Institutions - Central Michigan University, Wayne State University and Michigan State University have graduate studies and programs in the County. Wayne State University has opened a 100,000 square foot continuing

education center in Farmington Hills in 1995. This consolidates several satellite facilities in operation throughout the County. Walsh College concentrates on business and accounting education as does Baker College.

Within an hours drive are the main campuses of the University of Michigan, Wayne State University and Michigan State University. These are major centers of research. Each institution has institutes established for the purpose of providing technology research, development and transfer to the business sector for economic development. The Polymer Institute is located at the University of Detroit, less than two miles from the southern border of the County.

Job Growth

Educational services, health care, and social assistance led employment growth between 2000 and 2007 with 3.8 percent. The private service-providing sector is forecast to have job gains of 3,000 in 2009 and 5,500 in 2010. Oakland County also expects an increase of 1,200 net new jobs in 2009 and 5,600 in 2010 in employment in the private education and the health sector as we begin to shift away from manufacturing toward services which will dominate for years to come.

The county's economic base continues to diversify as the Emerging Sectors strategy is put into place. Since the program began in late 2004, Oakland County has seen more than 12,400 jobs created or retained, 67 companies attracted or retained, produced \$23 million in property tax and five new banks establish operations in Oakland County, making it the financial center of Michigan with 30 major banks operating here.

Source: Oakland County Department of Planning and Economic Development

Industrial and High Technology

Companies believe that if you are a part of the automotive industry, you must have a presence in southeast Michigan, and preferably Oakland County. Certainly research and development organizations continue to select Oakland County. Oakland County's business climate, infrastructure, and available assistance for research and development activities is unrivaled in the country and the world. In fact, over one-third of Michigan's R & D facilities are located in Oakland County. Much of this development has been driven by the need to meet Federal standards in automobiles. Employees in these firms are typically research engineers and their support staff.

Source: Oakland County Department of Planning and Economic Development

Foreign Investment

Over 700 businesses representing 33 foreign parent companies doing business in Michigan are located in Oakland County. Twenty eight percent of all foreign owned firms in the county are Japanese establishments and twenty two percent have German parent companies. Sixty-seven percent of all foreign owned firms in southeastern Michigan are in Oakland County.

County Tax Rates (in mills) \$1.00/\$1,000 of SEV)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Operating	4.19	4.19	4.19	4.19	4.19	4.19	4.19	4.19	4.19	4.19	4.19	4.19
Parks & Recreation	<u>0.2415</u>	<u>0.2415</u>	<u>0.2415</u>	<u>0.2415</u>	<u>0.2415</u>	<u>0.2422</u>	<u>0.2436</u>	<u>0.2453</u>	<u>0.2352</u>	<u>0.2376</u>	<u>0.2404</u>	<u>0.2429</u>
Total	4.4315	4.4315	4.4315	4.4315	4.4315	4.4322	4.4336	4.4353	4.4252	4.276	4.4304	4.4329

In August, 1978, the voters of Oakland County approved, as part of County wide fixed millage, a maximum millage of \$5.26 per \$1,000, subject to Headlee Amendment reductions. The maximum authorized millage for 2000, after the Headlee reduction, is 4.3688mills. See "Tax Rate Limitation" section.

Tax Rate Limitation

Article IX, Section 6, of the Michigan Constitution of 1963 provides, in part:

"Except as otherwise provided in this Constitution, the total amount of general ad valorem taxes imposed upon real and tangible personal property for all purposes in any one year shall not exceed 15 mills on each dollar of the assessed valuation of property as finally equalized."

Section 6 further provides that by a majority vote of qualified electors of the County, the 15 mill limitation may be increased to a total of not to exceed 18 mills, and the millage of the local units involved shall then be permanently fixed within that greater millage limitation.

Act 62, Public Acts of Michigan, 1933, as amended, defines local units as counties, townships, villages, cities, school districts, community college districts, intermediate school districts, districts and other organizations or districts which may be established with the power to levy taxes, except villages and cities for which there are provisions in their charters or general law fixing maximum limits on the power to levy taxes against property.

The County voted in 1978 to fix millage rates pursuant to Section 6 of the 1963 Michigan Constitution and eliminate the Tax Allocation Board. The fixed rates are as follows (per \$1,000 of equalized valuation):

<u>Units of Government</u>	<u>Millage Rate</u>
Any School District	9.54
County of Oakland	5.26
Any Township	1.41
Oakland County Intermediate School District	.25
	16.46

In addition, Article IX, Section 6, permits the levy of millage in excess of the above for:

1. All debt service on tax supported notes issued prior to December 23, 1978 or tax supported issues which have been approved by the voters for which the issuer has pledged its full faith and credit.
2. Operating purposes for a specified period of time provided that such increased millage is approved by a majority of the qualified electors of the local unit.

County Operating Tax Collection Record

Year of <u>Levy</u>	Collections to March 1 of Each Levy Year <u>Tax Levy *</u>	Collections Plus Delinquent Tax Funding <u>Amount**</u>	<u>Percent</u>	<u>Percent</u>
2008	262,899,380	251,050,564	95.49	100.00%
2007	262,814,606	251,354,868	95.64	100.00%
2006	252,400,473	241,012,251	95.49	100.00%
2005	238,685,067	227,704,056	95.40	100.00%
2004	227,583,190	214,916,156	94.43	100.00%
2003	216,173,657	204,777,737	94.73	100.00%
2002	206,294,411	194,663,962	94.36	100.00%
2001	192,549,695	181,781,363	94.41	100.00%
2000	179,455,454	170,218,781	94.85	100.00%
1999	169,119,667	160,852,822	95.11	100.00%
1998	158,822,030	150,584,994	94.18	100.00%
1997	154,608,230	146,878,133	95.00	100.00%

Prior to 1997, the County's fiscal year began on January 1st and ended on December 31st. Starting in 1997, the County's Fiscal Year started on October 1st ended on September 30th. Taxes are due December 1, and become delinquent the following March 1. The County has issued General Obligation Limited Tax Notes and established a 100% Tax Payment Fund at the County level, and after March 1st, the County pays, from the 100% Tax Payment Fund, all delinquent *real* property taxes from all municipalities in the County. The fund does not cover personal property taxes. Delinquent personal property taxes are negligible, and therefore, 100% Tax Collections are reported above.

* Includes real and personal property taxes.

** Reflects only real property delinquency and assumes 100% collection of personal property taxes.

Source: Oakland County Treasurer

County Wide Tax Collection Record

Year of Levy	Tax Levy*	Collections to March 1 of Each Levy Year Amount **	Percent	Collections Plus Delinquent Tax Funding Percent
2008	2,608,706,372	2,451,081,244	93.96	100
2007	2,655,538,647	2,505,486,055	94.34	100
2006	2,557,038,960	2,423,216,598	94.77	100
2005	2,431,651,204	2,320,949,348	95.45	100
2004	2,328,575,713	2,211,018,004	94.95	100
2003	2,146,982,204	2,041,180,799	95.07	100
2002	2,100,018,728	1,991,919,012	94.85	100
2001	1,975,880,508	1,876,042,662	94.95	100
2000	1,791,823,624	1,706,154,873	95.22	100
1999	1,691,970,818	1,616,138,944	95.52	100
1998	1,599,405,612	1,535,919,099	96.03	100
1997	1,500,568,037	1,432,890,384	95.49	100

* Includes real and personal property taxes.

** Reflects only real property delinquency and assumes 100% collection of personal property taxes.

*** Includes TIF sharing.

Source: Oakland County Treasurer

Property Subject to Taxation

The State Constitution limits the proportion of true cash value at which property can be uniformly assessed to 50% or less. By statute, the State legislature has provided that the property shall be assessed at 50% of its true cash value. The State legislature or the electorate may at some future time reduce the percentage below the present 50% of true cash value.

Responsibility for assessing local taxable property rests with the assessing officers of townships and cities. Any property owner may appeal his, her or its assessment to the local Board of Review and ultimately to the Michigan State Tax Tribunal.

The State Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government are responsible for actually assessing at 50% of true cash value, the final State equalized assessment against which local property tax rates are applied is derived through several steps. County equalization is brought about by adjustments of the various local unit assessment ratios to the same levels; thereafter, the State equalizes the various counties in relation to each other.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution, limiting the increase in taxable value of property in any year, commencing 1995, to 5% or the rate of inflation, whichever is less, until ownership of the property is transferred at which time the assessment reverts to 50% of the true cash value of the

property, as equalized. The effect of this assessment cap will be that different parcels of property will be taxed on different percentages of their cash value. The legislation implementing this constitutional amendment adds a new measure of property value for property taxes levied after 1994, known as taxable value. For the year 1995, the taxable value of property is based on the state equalized value (SEV) of that property in 1994. For each year after 1994, increases in the taxable value of property are limited by the constitutional assessment cap or the percentage change in the SEV of such property from the prior year until the transfer of ownership of the property at which time the taxable value shall be the property's SEV.

Industrial Facilities Tax

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended)("Act 198"), provides significant tax incentives to industry to renovate and expand aging plants and to build new plants in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new plants to the area. The issuance of any exemption certificate must be approved by the State Treasurer. Firms situated in such districts pay an Industrial Facilities Tax in lieu of property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the assessed value is frozen at previous levels. New plant and equipment is taxed at one-half the current millage rate. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one half the current millage rate, except for mills levied for local and intermediate school operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for school operating purposes in 1993. For abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act. For abatements granted after 1993, the State Treasurer may also permit abatement of one-half of the mills levied under the State Education Act. Abatements under Act 198 have been granted to properties in the County with a total 2004 State equivalent value of \$1,539,328,206 for real and personal property. The total number of parcel with exemptions in 2004 under Act 198 within the County was 281.

Others

The Obsolete Properties Tax (Act 146, Public Acts of Michigan, 2000) provides partial property tax abatements to property owners on the value of improvements made to certain types of commercial and residential properties. Currently, the City of Pontiac is the only community in Oakland County to utilize this tax abatement.

The Alternative Energy Act (Act 549, Public Acts of Michigan, 2002) provides tax incentives to businesses who are used solely for the purpose of researching, developing, or manufacturing an alternative energy technology. The exemption from property taxes would only apply to taxes levied January 1, 2003 to December 31, 2012. Currently, the City of Rochester Hills is the only community in Oakland County that has established an alternative energy business.

The Taxation of Lessees or Users of Tax-exempt Property Act (Act 189, Public Acts of Michigan, 1953) states that if real property exempt for any reason from ad valorem property taxation is leased, loaned, or otherwise made available to and used by a private individual, association, or corporation in connection with a business conducted for profit, the lessee or user of the real property is subject to taxation in the same amount and to the same extent as though the lessee or user owned the real property. The total number of lessees or users in 2005 under Act 189 within the County was 7.

Source: Oakland County Treasurer

Largest Taxpayers

The 10 largest taxpayers in the County and their September 18, 2009 taxable valuations are:

<u>Taxpayer</u>	<u>Taxable Valuation</u>
General Motors	\$900,634,242
DaimlerChrysler	\$561,632,390
Detroit Edison / DTE	\$473,058,860
Consumers Power / Energy	\$182,819,030
Taubman / 12 Oaks / Great Lakes Crossing	\$129,049,130
Ford Motor	\$116,950,440
BRE Southfield	\$111,023,990
Liberty Property LTD Partnership	\$92,623,160
Stuart Frankel / Somerset	\$86,743,770
Ramco-Gershenson	\$81,805,620

Source: Oakland County Equalization Department

Major Employers

<u>Employer Name</u>	<u>Approximate Number of Employees</u>
William Beaumont Hospital	13,694
General Motors Co.	8,200
Chrysler Group L.L.C.	6,710
Trinity Health Corp.	4,823
St. John Health System	4,396
EDS Corp.	4,000
Blue Cross Blue Shield of Michigan/Blue Care Network	3,959
U.S. Postal Service	3,540
Oakland County	3,474
Botsford Health Care	3,060
Henry Ford Health System	2,180
Comerica Bank	2,059
Flagstar Bancorp Inc.	1,880
Rochester Community Schools	1,786
Walled Lake Consolidated Schools	1,709
Delphi Corp.	1,600

Source: Oakland County Department of Planning and Economic Development

Labor Force

The 2007 number of private non-farm employees totaled more than 680,000. Unemployment was at an average of 13.3 percent for 2009 for Oakland County while the State of Michigan unemployment rate was 14.0 percent.

Source: Oakland County Department of Planning and Economic Development

Unemployment History

2009

	Total Work <u>Force</u>	<u>Unemployed</u>	Percent <u>Unemployed</u>
January	583,422	60,237	10.3
February	589,519	65,321	11.1
March	588,980	68,699	11.7
April	587,985	66,148	11.2
May	594,907	73,690	12.4
June	604,181	87,175	14.4
July	610,068	94,707	15.5
August	604,583	90,034	14.9
September	597,767	93,007	15.6
October	600,037	90,137	15.0
November	592,748	82,041	13.8
December	586,619	77,875	13.3
YTD	595,033	79,092	13.3
Average			

Annual Averages

	Total Work <u>Force</u>	<u>Unemployed</u>	Percent <u>Unemployed</u>
2009	595,033	79,092	13.3
2008	617,047	43,397	7.0
2007	628,839	38,336	6.1
2006	636,151	35,300	5.5
2005	641,432	36,332	5.7
2004	671,825	34,225	5.1
2003	669,875	34,525	5.2
2002	670,225	31,600	4.7
2001	688,050	26,625	3.9

Source: Department of Labor and Economic Growth

State of Michigan Unemployment

	<u>Yearly Average</u>	<u>Total Work Force</u>	<u>Unemployed</u>	<u>Percent Unemployed</u>
2009		4,848,000	680,000	14.0
2008		4,963,000	418,000	8.4
2007		5,020,000	360,000	7.2
2006		5,018,000	351,000	6.9
2005		5,097,000	344,000	6.7
2004		5,093,000	384,000	7.5
2003		5,085,000	365,000	7.2
2002		5,105,000	302,000	5.9
2001		5,241,000	262,000	5.0
2000		5,201,000	185,000	3.6
1999		4,942,000	194,000	3.8
1998		4,835,000	194,000	3.9
1997		4,986,000	210,000	4.2

Source: Department of Labor and Economic Growth

Income

Per capita personal income was \$55,207 per capita income in 2007. In 2007, Oakland County ranked 10th in per capita income for counties with populations greater than one million.

Per Capita Income

2007	66,641
2006	53,865
2005	52,274
2004	50,991
2003	49,048
2002	47,310
2001	47,426
2000	47,079
1999	44,053
1998	42,478
1997	38,462
1996	37,099
1995	35,578

Source: U.S. Dept of Commerce, Bureau of Economic Analysis

Labor County Contracts

As of December 2007, Oakland County had 3,930 positions of which 1,601 are represented by 9 certified bargaining units.

	<u>Number of Positions</u>	<u>Contract Expiration Date</u>
Sheriff's Law Enforcement		Pending arbitrator decision
Corrections and Services	740	In fact finding
Sheriff's Command Officers	104	9/30/2009
Children's Village Employees	122	9/30/2010
Family Court Employees	113	9/30/2009
Prosecutor's Investigators	7	9/30/2009
Oakland County Employees Union	380	9/30/2010 wage/benefits 9/30/2009
Public Health Nurses	112	9/30/2010
Board of Commissioners Committee Reporters	4	9/30/2009
Jail Clinic Health Nurses	19	9/30/2010
	<hr/> 1,601	

There are no current labor problems which might have a material effect upon Oakland County.

Source Oakland County Personnel Department.

Major Corporations

Oakland County is host to Major Corporate Headquarters and Major Regional Division Offices.

Here is a listing of those doing business in Oakland County:

Major Corporate Headquarters

IBM
Kelly Services
PHM Corp. (Pulte)
Federal-Mogul Corp.
Motorola
LaSalle Bank Midwest N.A.
Thorn Apple Valley Inc.
American Speedy Printing
Volkswagen of America
Ameritech Publishing Ventures
Lear Corporation
Stanley Door Systems
Handleman Co.
MLX Corp.
DaimlerChrysler AG
Textron Automotive Company
Delphi Automotive
United Auto Group

Major Regional Division Offices

BASF Corporation
Eaton
Xerox
Kodak
K-Mart
Borg-Warner
Lucas Industries
Allied-Signal Auto.
DuPont Auto Products
ITT Automotive
Texas Instruments
ThyssenKrupp Budd Co.
Apple Computer
Leaseway Transportation Corp
Uniroyal Goodrich Tire
Alexander Hamilton Life Insurance
ArvinMeritor

Revenue Sharing from the State of Michigan

The County receives revenue sharing payments from the State of Michigan under the State Constitution and the State Revenue Sharing Act of 1971, as amended (the "Revenue Sharing Act"). The table appearing at the end of this section shows State revenue sharing distributions received by the County during the County's past five fiscal years, and the estimated receipts for the County's 2004-2005 fiscal year.

The State's fiscal year begins October 1 of each year and end September 30 of the following calendar year. Before the State's 1996-97 fiscal year, the State shared revenues received from personal income tax, intangibles tax, sales tax and single business tax collections with counties, cities, townships and villages. In 1996, the State legislature began reform of both the formula for distribution of State revenue sharing and the designated sources of revenue to be shared. At that time, the State expressly designated the revenues of the sales tax as the sole source for revenue sharing.

On February 19, 2003, in response to continuing declines in the State's revenue estimates, Governor Jennifer Granholm issued Executive Order No. 2003-03 which approved of a further \$145 million in spending reductions in order to again bring the State's fiscal year 2003 general fund budget into balance. No further reductions to payments to local governments were included within Executive Order No. 2003-03.

On August 11, 2003, the Revenue Sharing Act was further amended by enactment of Act 168, Public Acts of Michigan, 2003 ("Act 168"). Act 168 readjusted the 2002-03 distribution formula approved by Act 679. The reductions enacted in Act 679 contemplated uniform reductions for all local units of approximately 3.5%; based upon lower-than-estimated sales tax receipts, however, the actual payments reflected a 3.5% reduction for the City of Detroit and a larger than 3.5% reduction for all other local units. Act 168 marginally reduced the combined constitutional and statutory payment for the City of Detroit for State fiscal year 2002-03 from \$322.2 million to \$319.7 million, and increased payments to all other local units by 0.2%. For State fiscal year 2003-04, based on then-current estimates, Act 168 further provided for a 3.0% reduction in the combined constitutional and statutory payments for the City of Detroit and all other local units from the statutory payment the City of Detroit and each local unit received in State fiscal year 2002-03. Act 168 further provided for a reduction in payments by more than 3.0% should State sales tax receipts fall below forecasts.

State estimates for actual revenues for fiscal year 2003-04 continue to fall below the revenue estimates upon which the appropriations for the fiscal year were based. As a result, on December 10, 2003, Governor Granholm issued Executive Order No. 2003-23 implementing additional spending reductions in order to bring the State's fiscal year 2004 general fund budget into balance. The Executive Order included an additional \$72 million reduction in payments to local governments, including a 3.0% reduction in revenue sharing payments previously appropriated by the Legislature in respect of statutory revenue sharing shortfalls. Governor Granholm indicated that the Executive Order was predicated on the State legislature's enactment of proposed amendments to Act 281, Public Acts of Michigan, 1967, as amended (the "Income Tax Act"), to delay until July 1, 2004, a previously authorized rollback of the State's income tax (from 4% to 3.9%) scheduled to take effect on January 1, 2004. Accordingly, on December 23, 2003 the Governor signed into law Act 239, Public Acts of Michigan, 2003 ("Act 239") to effectuate the delay of the authorized income tax rollback on January 1, 2004. Act 239, together with the Executive Order, bring the State's fiscal year 2004 general fund budget back into balance.

2004 Developments

The Michigan Legislature has approved a new proposal to temporarily replace revenue sharing by allowing counties to collect part of their millage earlier in the year thereby advancing their cash flows.

Act Nos. 356 and 357, Public Acts of Michigan, 2004 signed into law on September 30, 2004 make a number of changes. The most important change is a movement of the county fixed or allocated millage from December 1 to July 1. This movement occurs transitionally beginning in 2004 and is complete in July of 2007. In addition, a special Revenue Sharing Reserve Fund ("RSRF") will be established and used to reduce the State's obligation to pay revenue sharing to counties.

The Revenue Sharing Reserve Fund can be drawn on by counties to replace the revenue sharing payments which they would have otherwise received.

The impact on revenue sharing will vary widely from county to county with some counties being required to receive revenue sharing again directly from the State in as early as 2009, while in other counties this will not occur until 2013. The reason for the difference is the fact that revenue sharing payments are not based upon the amount of money which a county receives from a tax levy and the fact that some counties are on a fiscal year which ends September 30, and others are on a calendar fiscal year which ends December 31.

New Tax Collection and Levy Date for County Fixed or Allocated Millage

The money which is to pay for this new program will be generated by a cash flow shift which will accelerate the collection of county fixed or allocated millage. All counties collect a base tax (which is, of course, reduced by Headlee rollbacks and limited by Proposal A caps) which is either fixed by a vote of the county voters or allocated to the county by a tax allocation board. In addition, counties have a right to vote extra millages for various purposes for up to 20 years. THIS PROPOSAL DOES NOT APPLY TO EXTRA VOTED TAXES WHICH WILL CONTINUE TO BE LEVIED AND COLLECTED ON DECEMBER 1.

The new tax levy schedule is as follows:

<u>Year</u>	<u>July Tax</u>	<u>December Tax</u>
2004	-	3/3
2005	1/3	2/3
2006	2/3	1/3
2007	3/3	-

[The percentages set forth above are applied to the full levy of the allocated or fixed millage of the county]

Revenue Sharing Reserve Fund ("RSRF")

As a part of the legislation, a Revenue Sharing Reserve Fund ("RSRF") is created by each county and into that fund a percentage of the RSRF must be deposited in accordance with a schedule. The amount of the RSRF is 100 percent of the actual December 2004 county fixed or allocated levy (without any extra voted taxes).

The percentage to be deposited in the reserve is as follows:

<u>Tax Levy Date</u>	<u>Percentage to go to Reserve</u>
December '04	1/3
December '05	1/3
July '06	1/3

The amount to go into the reserve and the basis for determining the reserve will not change at all over the period of transition.

Counties with a fiscal year ending December 31 will accrue the reserve fund amounts to the fiscal year ending in the year of the December levy. Interest will accrue in the fund.

Resumption of Actual Revenue Sharing Payments

This proposal indicates that the statutory guarantee to counties to receive revenue sharing payments from the State shall remain in full force and effect. This statutory guarantee supersedes the current sunset provision in the State revenue sharing statute.

However, the payments to an individual county shall be reduced by the amount the individual county is able to withdraw in money from the RSRF. Once the money in the RSRF of any individual county is depleted, the State is supposed to immediately resume its obligation to make revenue sharing payments.

Revenue Sharing is scheduled to resume in 2016 for Oakland County.

Purchasers of the Bonds offered herein should be alert to further modifications to revenue sharing payments to Michigan local government units, to the potential consequent impact upon the County's general fund condition, and to the potential impact upon the market price or marketability of the Bonds resulting from changes in revenues received by the County from the State.

The following table sets forth the annual revenue sharing payments and other monies received by the County for the fiscal years ended September 30, 1999 through September 30, 2003.

<u>Fiscal Year Ending</u> <u>September 30</u>	<u>Revenue</u> <u>Sharing Payments</u>
2003	\$22,720,290
2002	25,447,856
2001	25,797,569
2000	23,386,203
1999	21,779,948

Pensions

The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2008:

Oakland County Employees' Retirement System Present Financial Report

	<u>General</u> <u>County</u>	<u>Command</u> <u>Officers</u>	<u>Sheriff's</u> <u>Deputies</u>	<u>Total</u>
A. Present Value of Future Benefit Payments				
1. For Retirees and beneficiaries				
a. Pension and death benefits	\$355,106,757	\$28,129,597	\$33,235,083	\$416,471,437
b. Reserves	None	None	None	None
c. Total	355,106,757	28,129,597	33,235,083	416,471,437
2. For inactive members	14,099,591	155,995	713,694	14,696,280
3. For present active members	201,930,888	18,471,918	66,552,802	286,955,608
4. Total	571,137,236	46,757,510	100,501,579	718,396,325
B. Valuation Assets	647,403,322	42,798,732	101,339,522	791,541,579
C. Unfunded Value of Future Benefit Payments				
1. Total: (A.4) – (B)	(76,266,086)	3,958,778	(837,943)	(73,145,251)
2. Present value of future member contributions	1,723,682	572,018	2,816,733	5,112,433
3. Present value of future required employer contributions: (1) – (2)	(77,989,768)	3,958,778	(3,654,676)	(78,257,684)
D. Present value of future pays	236,800,607	11,440,367	56,430,357	304,671,331
E. Employer normal cost:				
1. For System benefits: (C.3)/(D)	(32.93)%	29.60%	(6.48)%	(25.69)%

* As the Retirement System cannot contribute back to the County, the County contribution rate is 0% of covered pay for all three divisions combined.

**Oakland County Retirees' Health Care Trust
Present Financial Report**

	General Union	General Non-Union	Command Officers	Deputies	Total
A. Accrued Liability					
1. For retirees and beneficiaries	\$0	\$285,144,00 ⁵	\$16,688,227	\$27,788,944	\$329,621,17 ⁶
2. For vested terminated members	0	48,818,880	0	2,063,143	50,882,023
3. For present active members					
a. Value of expected future benefit payments	\$48,422,381	347,743,725	25,716,895	134,953,355	556,836,356
b. Value of future normal costs	15,475,584	106,367,161	5,560,355	57,712,280	185,115,380
c. Active member liability: (a) – (b)	32,946,797	241,376,564	20,156,540	77,241,075	371,720,976
4. Total	32,946,797	575,339,449	36,844,767	107,093,162	752,224,175
B. Valuation Assets	10,738,921	187,530,365	13,777,057	53,508,444	265,554,787
C. Unfunded Accrued Liability: (A.4) – (B)	22,207,876	387,809,084	23,067,710	53,584,718	486,669,388
D. Funded Percent: (B)/(A.4)	32.6%	32.6%	37.4%	50.0%	35.3%

State Equalized Valuation (represents 50% of true cash value)

Assessment Year(1)	Real Property	Personal Property	Total	% Change In Total	Taxable Value
2009	63,909,419,815	3,949,566,334	67,858,986,149	-8.97	62,416,676,895
2008	70,503,451,609	3,987,629,953	74,491,081,562	-3.67	64,745,976,336
2007	73,207,702,808	4,123,379,228	77,331,082,036	4.16	64,720,016,857
2006	72,291,329,373	4,148,396,210	76,439,725,583	5.56	62,133,415,235
2005	69,283,261,769	4,175,926,590	73,459,188,359	4.5	58,862,840,140
2004	65,813,024,378	4,483,972,263	70,296,996,641	4.79	55,986,490,872
2003	62,601,288,076	4,484,153,706	67,085,441,782	6.77	53,179,886,010
2002	58,197,370,454	4,632,159,968	62,829,530,422	9.33	50,688,809,599
2001	52,802,069,063	4,667,642,532	57,469,711,595	9.6	47,656,729,878
2000	47,946,109,270	4,491,256,560	52,437,365,830	7.96	44,370,573,909
1999	43,351,722,556	4,520,810,144	48,570,677,983	12.81	41,756,021,536
1998	38,968,362,590	4,088,471,704	43,056,834,294	10.61	39,011,931,708
1997	35,207,616,066	3,718,065,750	38,925,681,816	8.9	36,468,545,555

SEV does not include any value of tax exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under either Act 198, Michigan Public Acts, 1974, as amended, or Act 255, Michigan Public Acts, 1978, as amended. See "Taxing Procedures" herein. In accordance with Act 409, Public Acts of 1965, as amended, and Article IX, Section 3, of the Michigan Constitution of 1963, SEV represents 50% of true cash value.

(1) As of December 31st

Source: State of Michigan Tax Commission

Breakdown of State Equalized Valuation

	Tax Year								
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Residential	68.7	70.90	71.90	71.90	71.10	70.30	66.40	68.52	68.57
Commercial	19.0	17.6	16.7	16.6	16.8	16.9	17.0	16.89	16.77
Industrial	6.3	6.0	5.9	5.9	5.9	6.1	6.2	6.08	5.86
Personal Property	5.8	5.4	5.3	5.4	5.7	6.4	6.7	7.37	8.12
Agricultural	0.2	0.2	0.2	0.2	0.4	0.3	0.3	0.26	0.26
Developmental	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.09</u>	<u>0.1</u>	<u>0.1</u>	<u>0.4</u>	<u>0.47</u>	<u>0.42</u>
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**All numbers shown as percentages.*

Source: Oakland County Equalization Department

County Wide Tax Delinquencies

<u>Levy Year</u>	<u>Real Property</u>	<u>Personal Property</u>
2008	149,883,620.70	7,387,710.43
2007	138,097,525.69	9,102,775.59
2006	122,129,735.43	8,898,821.42
2005	97,528,003.06	9,893,351.63
2004	91,130,490.80	21,137,280.42
2003	80,232,958.66	19,453,518.12
2002	85,137,149.74	22,962,566.46
2001	79,926,145.56	19,911,701.16
2000	69,020,110.34	16,648,640.08
1999	65,336,152.76	10,495,720.93
1998	63,486,513.46	9,491,216.62
1997	59,255,925.55	8,421,726.83

Source: County Treasurer

Debt-History

The County of Oakland has no record of default.

Short-Term Financing

The County has issued short-term notes in order to establish the 100% Delinquent Tax Payment Fund. Notes issued in each of the years below have been in a face amount less than the actual real property tax delinquency. The County has pledged its full faith and credit and limited taxing power to the payment of principal and interest on notes issued since 1979. The County does not issue short-term obligations for cash flow purposes.

Year	Notes	Amount
<u>Issued</u>	<u>Issued</u>	<u>Outstanding</u>
2008	25,000,000	25,000,000
2007	25,000,000	0
2006	25,000,000	0
2005	25,000,000	0
2004	25,000,000	0
2003	25,000,000	0
2002	25,000,000	0
2001	25,000,000	0
2000	25,000,000	0
1999	25,000,000	0
1998	25,000,000	0
1997	25,000,000	0
1996	25,000,000	0
1995	25,000,000	0
1994	60,000,000	0
1993	40,000,000	0
1992	80,000,000	0
1991	80,000,000	0
1990	50,000,000	0
1989	40,000,000	0

Source: County Treasurer

Leases Obligations

The County leases its Law Enforcement Complex, Medical Care Facility, Information Technology and a portion of the Court House Building from the Oakland County Building Authority. Since ownership of the property will ultimately transfer to the County from the Building Authority, the leases have been capitalized. All County Building Authority Debt is listed in the Debt Statement.

The County leases certain office and computer equipment and facilities. Total lease expense and future minimum annual payments are not significant.

Future Financing

The County will be moving ahead with its projects and has bond offerings planned for 2010.

Banking

The banking needs of the County are adequately handled by:

Bank of Auburn Hills
Bank of Birmingham
Bank of Michigan
Charter One Bank, NA
Citizen's Bank
Citizen's First Saving Bank
Clarkston State Bank
Community Central Bank
Crestmark Bank
Fidelity Bank
First Place Bank
Flagstar Bank
Huntington Banks of Michigan-OH
Huron Valley State Bank
Independent Bank
Irwin Union Bank & Trust Company
JP Morgan Chase Bank
Lotus Bank
mBank
Mercantile Bank
Michigan Heritage Bank
National City Bank of Michigan & IL
Oakland Commerce Bank
Oxford Bank
Peoples State Bank
The Private Bank
TCF Bank
Warren Bank

County of Oakland
Net County Direct Debt - Unaudited
01/31/10

<u>Bonds & Notes with County Credit</u>	<u>Gross</u>	<u>Municipalities Share of Funds on Hand with County Treasurer</u>	<u>Self-Supporting or Portion Paid Directly by Benefited Municipalities</u>	<u>Net</u>	<u>County Share of Funds on Hand</u>	<u>Net County Debt</u>
<u>Limited Tax-Untaxed</u>						
General Obligation Building Authority	\$77,280,000	\$492 (d)	13,379,508 (a)	\$63,900,000	\$1,751,010	\$62,148,990
Building Authority Refunding	9,305,000	168 (d)	7,909,832 (a)	1,395,000	5 (d)	1,394,995
Lake Level	330,000	0	0	330,000	265,759 (d)	64,242
Sewer Disposal Bonds	1,900,000	8,952 (d)	1,891,048 (a)	0	0	0
Sewage Disposal Bonds Refunding	3,415,000	76,168 (d)	3,338,832 (a)	0	0	0
Water Supply Bonds	10,675,000	12,026 (d)	10,662,974 (a)	0	0	0
Water & Sewage Disposal	3,250,000	3,016 (d)	3,246,984 (a)	0	0	0
Water & Sewage Refunding	995,000	29,172 (d)	965,828 (a)	0	0	0
Water Supply-Refunding	1,050,000	0	1,050,000 (a)	0	0	0
Mich. Bond Auth.-Sewage Disp. Bonds	6,473,579	199 (d)	6,473,380 (a)	0	0	0
Total	\$114,673,579	\$130,192	\$48,918,387	\$65,625,000	\$2,016,773	\$63,608,227
<u>Drain District</u>						
Drain Notes	\$0	\$0	\$0	\$0	(\$505,565)	\$505,565
Drain Bonds	19,350,000	783,725 (d)	15,886,938 (a)	2,679,337	23,057 (d)	2,656,280
Drain Refunding	37,250,000	263,923 (d)	34,138,421 (a)	2,847,655	21,426 (d)	2,826,229
Michigan Bond Authority Drain	39,086,805	106,264 (d)	37,520,155 (a)	1,460,386	1,880 (d)	1,458,505
Total	\$95,686,805	\$1,153,913	\$87,545,514	\$6,987,378	(\$459,202)	\$7,446,580
<u>Limited Tax - Taxable</u>						
General Obligation Limited Taxable	\$50,000,000	\$0	\$0	\$50,000,000	\$50,000,000	\$0
Total	\$50,000,000	\$0	\$0	\$50,000,000	\$50,000,000	\$0
<u>Taxable with No County Credit</u>						
Certificates of Participation	\$519,610,000	\$0	\$0	\$519,610,000	\$519,610,000	\$0
Total	\$519,610,000	\$0	\$0	\$519,610,000	\$519,610,000	\$0
<u>Bonds and Notes with No County Credit</u>						
Michigan Transportation Fund	\$5,500,000	\$1,410,100	5,500,000 (c)	\$0	\$0	\$0
Total	\$5,500,000	\$1,410,100	\$5,500,000	\$0	\$0	\$0
<u>Overlapping Debt of County</u>						
Cities, Villages and Townships						\$921,384,248 (e)
School Districts						2,586,665,352 (e)
Community College, Intermediate School Districts and Library						63,898,549 (e)
County Issued Bonds Paid by Local Municipalities						136,463,901 (b)
Net County Overlapping Debt						\$3,708,412,050
NET COUNTY DIRECT AND OVERLAPPING DEBT						\$3,779,466,856

(a) Total County Issued Bonds Paid by Local Municipalities

(b) It is expected that a sizeable portion of these amounts will be paid from benefit charges and earnings of the various systems. (This amount is arrived by the totals indicated by "a")

(c) Self-Supporting Obligations

(d) January 31, 2007 Trial Balance

(e) Amount as of January 31, 2007

Source: Oakland County Treasurer

Oakland County
Schedule of Bonds Maturities
County Credit and Limited Tax
As of January 31, 2010
Principal Only

Year	Building Authority	Building Authority Refunding	Sewer Disposal Bonds	Sewer Disposal Refunding	Water Supply Bonds	Water & Sewage Refunding	Water & Sewage Disposal	Water Supply Refunding	M.B.A. Sewer Disposal Bonds	Lake Levels
2010	4,590,000	1,445,000	530,000	1,135,000	360,000	330,000	150,000	275,000	580,000	60,000
2011	4,200,000	50,000	145,000	920,000	375,000	340,000	150,000	280,000	595,000	60,000
2012	4,365,000	50,000	150,000	945,000	390,000	325,000	175,000	285,000	600,000	65,000
2013	4,525,000	385,000	150,000	125,000	405,000	0	175,000	210,000	615,000	65,000
2014	4,735,000	405,000	175,000	150,000	445,000	0	175,000	0	630,000	80,000
2015	4,950,000	420,000	190,000	140,000	460,000	0	175,000	0	635,000	0
2016	5,165,000	440,000	310,000	0	480,000	0	200,000	0	650,000	0
2017	5,355,000	455,000	250,000	0	500,000	0	200,000	0	665,000	0
2018	5,645,000	475,000	0	0	460,000	0	200,000	0	675,000	0
2019	5,860,000	500,000	0	0	435,000	0	200,000	0	100,000	0
2020	6,035,000	520,000	0	0	455,000	0	225,000	0	105,000	0
2021	6,100,000	540,000	0	0	475,000	0	225,000	0	100,000	0
2022	6,320,000	565,000	0	0	500,000	0	225,000	0	100,000	0
2023	3,480,000	590,000	0	0	520,000	0	250,000	0	105,000	0
2024	3,105,000	620,000	0	0	545,000	0	250,000	0	100,000	0
2025	1,200,000	650,000	0	0	570,000	0	275,000	0	100,000	0
Beyond 2025	2,850,000	1,845,000	0	0	3,870,000	0	275,000	0	218,579	0
	78,480,000	9,955,000	1,900,000	3,415,000	11,245,000	995,000	3,525,000	1,050,000	6,573,579	330,000

Source: Oakland County Treasurer

Oakland County
Schedule of Drain Bonds Maturities
County Credit and Limited Tax
As of January 31,2010
Principal Only

Year	Drain Bonds	Drain Notes	Drain Refunding	M.B.A. Drain Bonds
2010	2,000,000	0	5,345,000	5,550,000
2011	2,125,000	0	5,420,000	5,690,000
2012	2,110,000	0	3,875,000	5,830,000
2013	1,735,000	0	4,365,000	5,965,000
2014	995,000	0	4,000,000	6,120,000
2015	930,000	0	3,405,000	6,165,000
2016	990,000	0	2,775,000	6,315,000
2017	925,000	0	1,450,000	6,020,000
2018	790,000	0	1,010,000	6,165,000
2019	810,000	0	1,025,000	6,320,000
2020	855,000	0	1,060,000	6,392,676
2021	900,000	0	1,100,000	6,435,000
2022	925,000	0	1,135,000	6,605,000
2023	945,000	0	655,000	5,620,000
2024	865,000	0	630,000	5,755,000
2025	920,000	0	0	619,146
Beyond 2025	1,450,000	0	0	2,139,129
	20,270,000	0	37,250,000	93,705,951

Source: Oakland County Treasurer

**SCHEDULE OF BOND MATURITIES
WITH LIMITED COUNTY PLEDGE - TAXABLE
As of January 31, 2010**

Principal Only

Year	Delinquent Tax Notes		Total
2010	50,000,000		50,000,000
2011	0		0
2012	0		0
2013	0		0
2014	0		0
	\$50,000,000		\$50,000,000

Source: Oakland County Treasurer

**SCHEDULE OF BOND MATURITIES
WITH NO COUNTY PLEDGE - TAXABLE
As of January 31, 2010**

Principal Only

Year	Certificate of Participation		Total
2010	17,590,000		17,590,000
2011	18,320,000		18,320,000
2012	19,545,000		19,545,000
2013	20,520,000		20,520,000
2014	21,500,000		21,500,000
2015	22,720,000		22,720,000
2016	23,940,000		23,940,000
2017	25,405,000		25,405,000
2018	26,875,000		26,875,000
2019	28,340,000		28,340,000
2020	29,805,000		29,805,000
2021	31,760,000		31,760,000
2022	33,465,000		33,465,000
2023	35,420,000		35,420,000
2024	37,620,000		37,620,000
2025	39,820,000		39,820,000
Beyond 2025	126,785,000		126,785,000
	\$559,430,000		\$559,430,000

**Oakland County
Schedule of Bond Maturities
With No County Pledge
As of January 31, 2010**

Principal Only

Year	MTF Revenue Bonds		Total
2010	1,500,000		1,500,000
2011	1,500,000		1,500,000
2012	500,000		500,000
2013	500,000		500,000
2014	500,000		500,000
2015	500,000		500,000
2016	500,000		500,000
	\$5,500,000		\$5,500,000

Source: Oakland County Treasurer

OAKLAND COUNTY
PRINCIPAL & INTEREST REQUIREMENTS
As of January 31, 2010

Year	Principal	Interest	Total
2010	91,440,000.00	41,558,070.64	132,998,070.64
2011	40,170,000.00	38,903,512.78	79,073,512.78
2012	39,210,000.00	37,074,485.28	76,284,485.28
2013	39,740,000.00	35,222,647.15	74,962,647.15
2014	39,910,000.00	33,335,045.89	73,245,045.89
2015-2019	209,565,000.00	135,945,780.67	345,510,780.67
2020-2024	240,002,676.00	76,312,323.61	316,314,999.61
2025-2030	139,432,708.00	13,414,591.09	152,847,299.09
	\$839,470,384.00	\$411,766,457.11	\$1,251,236,841.11

Source: Oakland County Treasurer

Oakland County
Statement of Legal Debt Margin
As of January 31, 2010

Bonds and Notes with County Credit and Limited Tax	
GOLT Bldg. Authority	77,280,000.00
GOLT Bldg. Authority Refunding	9,305,000.00
GOLT Lake Level	330,000.00
GOLT Sewage	1,900,000.00
GOLT Sewage Refunding	3,415,000.00
GOLT Water	10,675,000.00
GOLT Water & Sewage Refunding	995,000.00
GOLT Water & Sewer	3,250,000.00
GOLT Water Refunding	1,050,000.00
Michigan Bond Authority Sewage Disposal	6,473,579.00
Total	<u>114,673,579.00</u>
Drain District	
Drain Notes	0
Drain Bonds	19,350,000.00
Drain Refunding	37,250,000.00
Michigan Bond Authority Drain	93,086,805.00
Total	<u>149,686,805.00</u>
Bonds and Notes with County Credit and Limited-Taxable	
GOLT Tax Notes	50,000,000.00
Total County Credit/Pledged Debt	<u>314,360,384.00</u>
Bonds and Notes with no County Credit - Taxable	
Certificates of Participation	519,610,000.00
	<u>519,610,000.00</u>
Bonds and Notes with no County Credit	
Motor Vehicle Highway Fund Revenue Notes	5,500,000.00
	<u>5,500,000.00</u>
Statutory Limit - 10% of Currently Approved SEV	6,785,898,614.90
Total County Credit/Pledged Debt	314,360,384.00
Available Statutory Debt Limit	<u>6,471,538,230.90</u>

Source: Oakland County Treasurer

EXHIBIT B

FINANCIAL INFORMATION REGARDING THE COUNTY OF OAKLAND

The following sections of the audited financial statements of the County of Oakland for the Fiscal Year ended September 30, 2008 have been extracted from the audit:

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County of Oakland
Statement of Net Assets
September 30, 2008

	Primary Government			
	Governmental Activities	Business- Type Activities	Totals	Component Units
Assets				
Current assets				
Pooled cash and investments	\$ 439,981,637	\$ 282,527,310	\$ 722,508,947	\$ 25,367,332
Cash and cash equivalents	-	-	-	16,933,256
Investments	-	-	-	22,228,721
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	34,745,370	-	34,745,370	-
Delinquent property taxes	2,751,193	97,216,535	99,967,728	-
Special assessments	-	-	-	11,067,910
Due from other governmental units	22,401,425	25,020,552	47,421,977	487,683
Due from component units	1,350,107	133,483	1,483,590	-
Accrued interest receivable	3,889,154	2,857,299	6,746,453	382,781
Accounts receivable	6,408,200	30,011,981	36,420,181	19,607,882
Contracts receivable	10,409,300	1,642,414	12,051,714	-
Internal balances - footnote 19	5,640,578	(5,640,578)	-	-
Inventories and supplies	448,852	827,428	1,276,280	3,188,875
Prepayments and other assets	10,097,582	1,536,851	11,634,433	1,133,269
Total current assets	538,123,398	436,133,275	974,256,673	100,397,709
Non-current assets				
Contracts receivable	27,331,667	-	27,331,667	-
Special assessments receivable	37,184,162	-	37,184,162	162,615,000
Restricted assets				
Cash and investments	428,028,418	-	428,028,418	-
Accrued interest receivable	1,852,014	-	1,852,014	-
Capital assets, net				
Land and other nondepreciable assets	30,902,717	84,946,141	115,848,858	300,737,188
Land improvements, net	204,039	7,574,367	7,778,406	327,904
Buildings and improvements, net	137,967,078	50,208,555	188,175,633	8,887,675
Equipment and vehicles, net	30,237,714	7,418,812	37,656,526	9,438,565
Infrastructure, net	15,580,156	81,348,496	96,928,652	771,499,461
Total capital assets, net	214,891,704	231,496,371	446,388,075	1,090,890,793
Total non-current assets	709,287,965	231,496,371	940,784,336	1,253,505,793
Total assets	\$1,247,411,363	\$ 667,629,646	\$1,915,041,009	\$1,353,903,502

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Net Assets (Continued)
September 30, 2008

	Primary Government			
	Governmental Activities	Business- Type Activities	Totals	Component Units
Liabilities				
Current liabilities				
Vouchers payable	\$ 29,684,775	\$ 3,516,678	\$ 33,201,453	\$ 10,138,081
Accrued payroll	21,714,245	-	21,714,245	-
Due to other governmental units	2,051,948	17,961,228	20,013,176	3,947,551
Due to primary government	-	-	-	1,483,590
Accrued interest payable	245,415	-	245,415	56,277
Other accrued liabilities	28,190,140	4,107,983	32,298,123	4,819,659
Accrued compensated absences	1,242,445	-	1,242,445	-
Unearned revenue	24,473,858	1,836,758	26,310,616	12,111,358
Claims and judgments	3,572,679	-	3,572,679	-
Bonds and notes payable	28,565,000	25,000,000	53,565,000	14,465,000
Total current liabilities	139,740,505	52,422,647	192,163,152	47,021,516
Non-current liabilities				
Accrued compensated absences	11,182,003	-	11,182,003	3,295,222
Claims and judgments	17,078,260	-	17,078,260	1,900,000
Other postemployment benefits	-	-	-	2,260,219
Unearned revenue	-	-	-	9,826,766
Bonds and notes payable	637,259,371	-	637,259,371	146,298,234
Total noncurrent liabilities	665,519,634	-	665,519,634	163,580,441
Total liabilities	805,260,139	52,422,647	857,682,786	210,601,957
Net assets				
Investment in capital assets, net of related debt	156,516,704	224,691,371	381,208,075	930,127,559
Restricted for				
Capital projects	9,238,783	-	9,238,783	11,508,932
Debt service	476,139	-	476,139	153,655,709
Airports	-	58,839	58,839	-
Community water and sewer	-	11,159,034	11,159,034	-
Unrestricted	275,919,598	379,297,755	655,217,353	48,009,345
Total net assets	\$ 442,151,224	\$ 615,206,999	\$1,057,358,223	\$1,143,301,545

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Activities (Continued)
Year Ended September 30, 2008

			Program Revenues	
			Charges for	Operating Grants and Contributions
	Expenses		Services	Capital Grants and Contributions
<u>Functions/Programs</u>				
Primary government				
Governmental activities				
General government, administrative	\$ 55,917,104	\$ (52,389,036)	\$ 854,210	\$ -
Public safety	193,657,522	49,174,229	26,927,251	2,179,783
Justice administration	94,185,884	31,465,349	674,877	-
Citizen services	89,557,378	6,345,201	19,547,323	-
Public works	33,657,302	8,973,627	313,462	3,294,672
Recreation and leisure	2,500,868	118,119	1,300	-
Commerce and community development	49,522,895	15,163,579	25,301,094	-
Unallocated depreciation	1,900,360	-	-	-
Interest on debt	48,251,563	-	-	-
Total governmental activities	569,150,876	58,851,068	73,619,517	5,474,455
Business-type activities				
Airports	6,607,247	4,896,123	-	95,525
Community safety support	14,885,712	9,305,150	-	3,599,133
Community tax financing	2,682,543	20,471,957	-	-
Community water and sewer	43,094,681	45,216,075	-	-
Jail commissary	1,439,198	1,403,706	-	-
Recreation and leisure	20,841,960	8,728,377	282,469	240,734
Sewage disposal systems	95,836,418	88,241,160	-	233,497
Total business-type activities	185,387,759	178,262,548	282,469	4,168,889
Total primary government	\$ 754,538,635	\$ 237,113,616	\$ 73,901,986	\$ 9,643,344
Component units				
Drainage districts	\$ 13,169,395	\$ 3,029,380	\$ 305,558	\$ 7,691,591
Road commission	100,914,230	17,360,061	60,976,537	40,626,477
Total component units	\$ 114,083,625	\$ 20,389,441	\$ 61,282,095	\$ 48,318,068
General revenues				
Taxes				
Property taxes				
State-shared revenue (unrestricted)				
Unrestricted investment earnings				
Gain on sale of capital assets				
Other revenues				
Transfers in (out)				
Total general revenues and transfers				
Change in net assets				
Net assets				
Beginning				
Ending				

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Activities (Continued)
Year Ended September 30, 2008

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			
Governmental Activities	Business- Type Activities	Totals	Component Units
\$ (107,451,930)	\$ -	\$ (107,451,930)	\$ -
(115,376,259)	-	(115,376,259)	-
(62,045,658)	-	(62,045,658)	-
(63,664,854)	-	(63,664,854)	-
(21,075,541)	-	(21,075,541)	-
(2,381,449)	-	(2,381,449)	-
(9,058,222)	-	(9,058,222)	-
(1,900,360)	-	(1,900,360)	-
(48,251,563)	-	(48,251,563)	-
(431,205,836)	-	(431,205,836)	-
-	(1,615,599)	(1,615,599)	-
-	(1,981,429)	(1,981,429)	-
-	17,789,414	17,789,414	-
-	2,121,394	2,121,394	-
-	(35,492)	(35,492)	-
-	(11,590,380)	(11,590,380)	-
-	(7,361,761)	(7,361,761)	-
-	#REF!	#REF!	-
-	#REF!	#REF!	-
(431,205,836)	#REF!	#REF!	-
-	-	-	(2,142,866)
-	-	-	18,048,845
-	-	-	15,905,979
260,528,403	15,124,023	275,652,426	-
10,687,879	-	10,687,879	-
18,827,633	15,840,203	34,667,836	3,012,570
123,665	-	123,665	-
1,714,661	-	1,714,661	-
14,740,624	(14,740,624)	-	-
306,622,865	16,223,602	322,846,467	3,012,570
(124,582,971)	#REF!	#REF!	18,918,549
566,734,195	601,657,250	1,168,391,445	1,124,382,996
\$ 442,151,224	#REF!	#REF!	\$ 1,143,301,545

The accompanying notes are an integral part of the financial statements.

Governmental Fund Financial Statements

Major Funds

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Public Health - This fund is used to account for revenue reserved for the purpose of providing health protection, maintenance, and improvement for the residents of Oakland County.

Revenue-Sharing Reserve Fund - This fund was created in 2005 under State of Michigan Public Act 357 of 2004 to serve as a substitute to county revenue-sharing payments. This fund provides a funding mechanism to shift county property tax levies from winter to summer over a three-year period.

Interim Retiree Medical Benefits Trust Fund - This fund was created in 2007 under the authority of Act 139 of Michigan Public Acts of 1973 to account for money placed in trust from Certificates of Participation sold to fund future estimated accrued actuarial liabilities of County retiree medical benefits.

Building Authority Debt Act 31 Fund - was established to accumulate the resources for the payment of bonded debt issued for the construction of, or improvement to various facilities (currently nine issues). Also includes debt issued as assistance in obtaining favorable lending rates for other units of government within the County.

Water and Sewer Debt Act 342 Fund - This fund was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the construction of water and sewer systems under Public Act 342 of 1939 (currently 10 issues).

Non-Major Funds

Non-major governmental funds are presented, by fund type, in the following sections:

Special Revenue funds

Debt Service funds

Capital Projects funds

County of Oakland
Balance Sheet
Governmental Funds
September 30, 2008

	Major Funds			
	General	Public Health	Revenue Sharing Reserve	Interim Retiree Medical Benefits Trust
Assets				
Current assets				
Pooled cash and investments	\$ 83,663,642	\$ 2,008,744	\$ 152,959,031	\$ 472,302
Investments, at fair value	-	-	-	427,556,116
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	34,745,370	-	-	-
Delinquent property taxes	2,751,193	-	-	-
Due from other governmental units	3,011,878	205,251	-	-
Due from component units	29,503	-	-	-
Accrued interest receivable	2,053,290	-	462,067	1,852,014
Accounts receivable	5,614,528	45,129	-	7,577
Contracts receivable	10,376,633	-	-	-
Due from other funds	21,038,837	102,011	-	-
Prepayments and other assets	134,276	2,239	-	-
Total current assets	<u>163,419,150</u>	<u>2,363,374</u>	<u>153,421,098</u>	<u>429,888,009</u>
Advances	-	-	-	-
Special assessments receivable	-	-	-	-
Contracts receivable	-	-	-	-
Total assets	<u>\$ 163,419,150</u>	<u>\$ 2,363,374</u>	<u>\$ 153,421,098</u>	<u>\$ 429,888,009</u>
Liabilities and Fund Balances				
Current liabilities				
Vouchers payable	\$ 5,624,815	\$ 274,409	\$ -	\$ 406,792
Accrued payroll	21,538,758	58,638	-	-
Due to other governmental units	1,109,475	114,065	-	-
Due to other funds	9,650,648	1,652,474	-	-
Deferred revenue	13,007,019	-	-	-
Deferred revenue - property taxes	22,871,139	-	-	-
Other accrued liabilities	5,289,934	262,542	-	77,707
Total current liabilities	<u>79,091,788</u>	<u>2,362,128</u>	<u>-</u>	<u>484,499</u>
Deferred revenue	-	-	-	-
Advances	-	-	-	-
Total liabilities	<u>79,091,788</u>	<u>2,362,128</u>	<u>-</u>	<u>484,499</u>
Fund balances				
Reserved				
Long-term receivables	-	-	-	-
Prepayments	134,276	-	-	-
Programs	267,215	-	-	429,403,510
Debt service	-	-	-	-
Unreserved, designated for, reported in:				
General fund	81,211,880	-	-	-
Special revenue funds	-	1,246	153,421,098	-
Capital projects funds	-	-	-	-
Unreserved, undesignated reported in:				
General fund	2,713,991	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balances	<u>84,327,362</u>	<u>1,246</u>	<u>153,421,098</u>	<u>429,403,510</u>
Total liabilities and fund balances	<u>\$ 163,419,150</u>	<u>\$ 2,363,374</u>	<u>\$ 153,421,098</u>	<u>\$ 429,888,009</u>

The accompanying notes are an integral part of the financial statements.

**County of Oakland
Balance Sheet (Continued)
Governmental Funds
September 30, 2008**

	Major Funds			Totals
	Building Authority Debt Act 31	Water and Sewer Debt Act 342	Non-Major Funds	September 30, 2008
Assets				
Current assets				
Pooled cash and investments	\$ 3,430	\$ 715,221	\$ 82,833,191	\$ 322,655,561
Investments, at fair value	-	-	-	427,556,116
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	-	-	-	34,745,370
Delinquent property taxes	-	-	-	2,751,193
Due from other governmental units	280,624	13,705	18,830,853	22,342,311
Due from component units	-	-	1,304,439	1,333,942
Accrued interest receivable	94	398	530,567	4,898,430
Accounts receivable	-	-	434,641	6,101,875
Contracts receivable	-	-	32,667	10,409,300
Due from other funds	-	-	3,949,453	25,090,301
Prepayments and other assets	-	-	4,236,025	4,372,540
Total current assets	<u>284,148</u>	<u>729,324</u>	<u>112,151,836</u>	<u>862,256,939</u>
Advances	-	-	126,000	126,000
Special assessments receivable	-	24,505,000	12,679,162	37,184,162
Contracts receivable	19,305,000	-	8,026,667	27,331,667
Total assets	<u>\$ 19,589,148</u>	<u>\$ 25,234,324</u>	<u>\$ 132,983,665</u>	<u>\$ 926,898,768</u>
Liabilities and Fund Balances				
Current liabilities				
Vouchers payable	\$ 1,100	\$ 551,050	\$ 3,046,668	\$ 9,904,834
Accrued payroll	-	-	57,494	21,654,890
Due to other governmental units	-	-	528,239	1,751,779
Due to other funds	-	895	15,708,619	27,012,636
Deferred revenue	280,624	-	8,433,522	21,721,165
Deferred revenue - property taxes	-	-	-	22,871,139
Other accrued liabilities	-	152,220	15,290,936	21,073,339
Total current liabilities	<u>281,724</u>	<u>704,165</u>	<u>43,065,478</u>	<u>125,989,782</u>
Deferred revenue	19,305,000	24,505,000	20,639,162	64,449,162
Advances payable	-	-	126,000	126,000
Total liabilities	<u>19,586,724</u>	<u>25,209,165</u>	<u>63,830,640</u>	<u>190,564,944</u>
Fund balances				
Reserved				
Long-term receivables	-	-	192,667	192,667
Prepayments	-	-	-	134,276
Programs	-	-	7,581,007	437,251,732
Debt service	2,424	25,159	448,556	476,139
Unreserved, designated for, reported in:				
General fund	-	-	-	81,211,880
Special revenue funds	-	-	42,517,900	195,940,244
Capital projects funds	-	-	9,238,783	9,238,783
Unreserved, undesignated reported in:				
General fund	-	-	-	2,713,991
Special revenue funds	-	-	(286,530)	(286,530)
Capital projects funds	-	-	9,460,642	9,460,642
Total fund balances	<u>2,424</u>	<u>25,159</u>	<u>69,153,025</u>	<u>736,333,824</u>
Total liabilities and fund balances	<u>\$ 19,589,148</u>	<u>\$ 25,234,324</u>	<u>\$ 132,983,665</u>	<u>\$ 926,898,768</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Assets
September 30, 2008

Total fund balances for governmental funds		\$ 736,333,824
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land, not being depreciated	\$ 7,235,551	
Construction in progress, not being depreciated	20,153,799	
Land improvements, net of \$927,243 depreciation	204,039	
Buildings and improvements, net of \$73,110,959 depreciation	136,611,645	
Equipment and vehicles, net of \$8,322,977 depreciation	6,268,303	
Infrastructure, net of \$9,602,916 depreciation	15,348,344	
		185,821,681
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.		
Capital lease receivable		6,805,000
Internal service funds are used by management to charge the cost of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.		94,691,397
Delinquent real property taxes were deferred in the governmental funds because they were not available to pay for current year expenditures.		20,119,946
Long-term receivables such as special assessments and contracts receivable are expected to be collected over several years and are deferred in the governmental funds and are not available to pay for current year expenditures.		64,449,162
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Assets. This is the net effect of these balances on the statement.		
Bonds and notes payable	(665,824,371)	
Accrued interest payable	(245,415)	
		(666,069,786)
Net assets of governmental activities		\$ 442,151,224

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2008

	Major Funds			
	General	Public Health	Revenue Sharing Reserve	Interim Retiree Medical Benefits Trust
Revenues				
Taxes	\$ 257,609,031	\$ -	\$ -	\$ -
Special assessments		-	-	-
Federal grants	230,721	36,400	-	-
State grants	9,740	5,076,878	-	-
Other intergovernmental revenues	13,019,919	-	-	-
Charges for services	81,540,752	1,784,829	-	430,290
Contributions	25,000	-	-	-
Investment income	2,752,375	-	8,348,430	(69,118,561)
Indirect cost recovery	8,661,578	-	-	-
Other	1,270,605	5,727	-	-
Total revenues	<u>365,119,721</u>	<u>6,903,834</u>	<u>8,348,430</u>	<u>(68,688,271)</u>
Expenditures				
Current operations				
County executive	65,390,381	33,548,493	-	-
Clerk/register of deeds	11,664,523	-	-	-
Treasurer	4,373,213	-	-	-
Justice administration	60,370,255	-	-	-
Law enforcement	149,692,928	-	-	-
Legislative	5,315,075	-	-	-
Drain commissioner	5,678,341	-	-	-
Non-departmental	17,129,106	-	-	62,151,426
Total current operations	<u>319,613,822</u>	<u>33,548,493</u>	<u>-</u>	<u>62,151,426</u>
Capital outlay	472,024	24,927	-	-
Intergovernmental	-	-	-	-
Debt service				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>320,085,846</u>	<u>33,573,420</u>	<u>-</u>	<u>62,151,426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,033,875</u>	<u>(26,669,586)</u>	<u>8,348,430</u>	<u>(130,839,697)</u>
Other financing sources (uses)				
Transfers in	39,592,441	26,791,025	-	-
Transfers out	(79,095,894)	(149,115)	(23,108,986)	-
Issuance of bonds	-	-	-	-
Discount on bonds sold	-	-	-	-
Total other financing sources (uses)	<u>(39,503,453)</u>	<u>26,641,910</u>	<u>(23,108,986)</u>	<u>-</u>
Net change in fund balances	<u>5,530,422</u>	<u>(27,676)</u>	<u>(14,760,556)</u>	<u>(130,839,697)</u>
Fund balances				
October 1, 2007	<u>78,796,940</u>	<u>28,922</u>	<u>168,181,654</u>	<u>560,243,207</u>
September 30, 2008	<u>\$ 84,327,362</u>	<u>\$ 1,246</u>	<u>\$ 153,421,098</u>	<u>\$ 429,403,510</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
Year Ended September 30, 2008

	Major Funds			Totals
	Building Authority Debt Act 31	Water and Sewer Debt Act 342	Non-Major Funds	September 30, 2008
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 257,609,031
Special assessments	2,804,703	3,628,492	8,867,299	15,300,494
Federal grants	-	-	52,144,174	52,411,295
State grants	-	-	19,130,945	24,217,563
Other intergovernmental revenues	-	-	3,464,948	16,484,867
Charges for services	720	6,275	22,362,333	106,125,199
Contributions	-	-	129,072	154,072
Investment income	3,557	15,433	2,547,563	(55,451,203)
Indirect cost recovery	-	-	-	8,661,578
Other	-	-	438,329	1,714,661
Total revenues	<u>2,808,980</u>	<u>3,650,200</u>	<u>109,084,663</u>	<u>427,227,557</u>
Expenditures				
Current operations				
County executive	-	-	85,748,319	184,687,193
Clerk/register of deeds	-	-	837,385	12,501,908
Treasurer	-	-	3,400,177	7,773,390
Justice administration	-	-	27,505,785	87,876,040
Law enforcement	-	-	7,218,295	156,911,223
Legislative	-	-	-	5,315,075
Drain commissioner	-	-	7,607,619	13,285,960
Non-departmental	-	-	1,337,318	80,617,850
Total current operations	-	-	133,654,898	548,968,639
Capital outlay	-	-	10,517,168	11,014,119
Intergovernmental	-	4,840	460,235	465,075
Debt service				-
Principal payments	4,300,000	2,645,000	6,775,000	13,720,000
Interest and fiscal charges	3,866,829	989,767	1,214,790	6,071,386
Total expenditures	<u>8,166,829</u>	<u>3,639,607</u>	<u>152,622,091</u>	<u>580,239,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,357,849)</u>	<u>10,593</u>	<u>(43,537,428)</u>	<u>(153,011,662)</u>
Other financing sources (uses)				
Transfers in	5,349,646	-	53,589,547	125,322,659
Transfers out	-	(988)	(9,827,054)	(112,182,037)
Issuance of bonds	-	-	1,739,371	1,739,371
Total other financing sources (uses)	<u>5,349,646</u>	<u>(988)</u>	<u>45,501,864</u>	<u>14,879,993</u>
Net change in fund balances	<u>(8,203)</u>	<u>9,605</u>	<u>1,964,436</u>	<u>(138,131,669)</u>
Fund balances				
October 1, 2007	<u>10,627</u>	<u>15,554</u>	<u>67,188,589</u>	<u>874,465,493</u>
September 30, 2008	<u>\$ 2,424</u>	<u>\$ 25,159</u>	<u>\$ 69,153,025</u>	<u>\$ 736,333,824</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities Year Ended September 30, 2008

Net change in fund balance - total governmental funds		\$ (138,131,669)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Construction in progress	\$ 5,869,954	
Equipment and vehicles	293,250	
Depreciation expense	<u>(7,390,983)</u>	(1,227,779)
The net effect of the transfer of capital assets from Internal Service fund-type to the general government is to increase net assets.		
		60,671
Payment received on capital lease from a business-type fund provide current financial resources and therefore revenue to governmental funds. The payment received reduces a capital lease receivable in the Statement of Net Assets.		
		(775,000)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		
		(12,318,069)
Delinquent real property taxes reported in the Statement of Activities did not provide current year financial resources in the governmental funds.		
Prior year's deferral	(17,200,574)	
Current year deferral	<u>20,119,946</u>	2,919,372
Revenue from special assessments and contracts receivable reported in the Statement of Activities in previous years did not provide current financial resources in the governmental funds until the current year.		
		(7,882,663)
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets. This is the amount proceeds exceed repayments.		
Bond proceeds	(1,739,371)	
Repayment of bond principal	34,485,000	
Accrued interest	<u>26,537</u>	32,772,166
Change in net assets of governmental activities		<u>\$ (124,582,971)</u>

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Financial Statements

Major Funds

Parks and Recreation - This fund is used to account for revenue earmarked for the operation of the County parks (currently 13). Principal revenues are from a voter-approved millage and user charges.

Delinquent Tax Revolving - This fund is used to account for money advanced by the County to cities, townships, villages and County funds for unpaid property taxes, and the subsequent collections of delinquencies from taxpayers.

Southeastern Oakland County S.D.S. (S.O.C.S.D.S.) – This fund was established to record the operations and maintenance of the system, which is used to move sewage and storm water to the City of Detroit for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

Water and Sewer Trust - This fund is used to account for monies received from those County residents whose water and sewer systems are maintained for their respective city, villages, or townships by Oakland County. There are currently 22 municipal water systems, and 16 municipal sewer systems that are operated under these contractual arrangements.

Non-Major Funds

Non-major proprietary funds are presented, by fund type, in the following sections:

Internal Service funds

Enterprise funds

County of Oakland
Statement of Net Assets
Proprietary Funds
September 30, 2008

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	S.O.C.S.D.S.	Water and Sewer Trust
Assets				
Current assets				
Pooled cash and investments	\$ 23,218,616	\$ 134,315,740	\$ 18,955,035	\$ 18,777,887
Delinquent property taxes	-	97,216,535	-	-
Due from other governmental units	1,311,303	3,344,069	3,697,312	1,363,363
Due from component units	-	-	-	-
Accrued interest receivable	83,445	1,691,702	195,837	158,716
Accounts receivable (net of allowance for uncollectibles where applicable)	387,573	11,553,815	5,973	17,021,055
Due from other funds	-	-	-	466,936
Current portion of contracts receivable	-	-	-	-
Current portion of advances receivable	-	450,383	-	-
Inventories and supplies	42,082	-	-	111,896
Prepayments and other assets	84,385	-	782,000	3,385
Total current assets	<u>25,127,404</u>	<u>248,572,244</u>	<u>23,636,157</u>	<u>37,903,238</u>
Noncurrent assets				
Advances	-	554,596	-	-
Capital assets, net				
Land and other nondepreciable assets	25,300,812	-	613,529	-
Land improvements, net	-	-	-	-
Building and improvements, net	19,206,473	-	76,688	-
Equipment and vehicles, net	1,110,408	-	116,956	-
Infrastructure, net	21,593,627	-	9,152,488	28,374,996
Total noncurrent assets	<u>67,211,320</u>	<u>554,596</u>	<u>9,959,661</u>	<u>28,374,996</u>
Total assets	<u>92,338,724</u>	<u>249,126,840</u>	<u>33,595,818</u>	<u>66,278,234</u>
Liabilities				
Current liabilities				
Vouchers payable	224,835	139,407	51,584	2,640,706
Accrued payroll	-	-	-	-
Due to other governmental units	-	326,129	6,648,971	720,031
Due to other funds	-	-	1,899	472,842
Deferred revenue	2,350	-	-	-
Capital lease obligation - current portion	550,000	-	-	-
Notes payable	-	25,000,000	-	-
Current portion of compensated absences	-	-	-	-
Current portion of claims and judgments	-	-	-	-
Current portion of advances payable	-	-	-	-
Other accrued liabilities	91,674	70,738	100,749	2,181,017
Total current liabilities	<u>868,859</u>	<u>25,536,274</u>	<u>6,803,203</u>	<u>6,014,596</u>
Noncurrent liabilities				
Capital lease obligations	550,000	-	-	-
Accrued compensated absences	-	-	-	-
Claims and judgments	-	-	-	-
Advances	-	-	-	-
Total noncurrent liabilities	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,418,859</u>	<u>25,536,274</u>	<u>6,803,203</u>	<u>6,014,596</u>
Net assets				
Invested in capital assets, net of related debt	66,111,320	-	9,959,661	28,374,996
Restricted for programs	-	-	-	11,159,034
Unrestricted	24,808,545	223,590,566	16,832,954	20,729,608
Total net assets	<u>\$ 90,919,865</u>	<u>\$ 223,590,566</u>	<u>\$ 26,792,615</u>	<u>\$ 60,263,638</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Net Assets (Continued)
Proprietary Funds
September 30, 2008

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Non-Major Funds	Totals September 30, 2008	
Assets			
Current assets			
Pooled cash and investments	\$ 87,260,032	\$ 282,527,310	\$ 117,798,378
Delinquent property taxes	-	97,216,535	-
Due from other governmental units	15,304,505	25,020,552	59,114
Due from component units	133,483	133,483	16,165
Accrued interest receivable	727,599	2,857,299	842,738
Accounts receivable (net of allowance for uncollectibles where applicable)	1,043,565	30,011,981	306,325
Due from other funds	366,537	833,473	6,429,819
Current portion of contracts receivable	1,642,414	1,642,414	-
Current portion of advances receivable	-	450,383	-
Inventories and supplies	673,450	827,428	448,852
Prepayments and other assets	667,081	1,536,851	5,725,042
Total current assets	<u>107,818,666</u>	<u>443,057,709</u>	<u>131,626,433</u>
Noncurrent assets			
Advances	-	554,596	-
Capital assets, net			
Land and other nondepreciable assets	59,031,800	84,946,141	3,513,367
Land improvements, net	7,574,367	7,574,367	-
Building and improvements, net	30,925,394	50,208,555	1,355,433
Equipment and vehicles, net	6,191,448	7,418,812	23,969,411
Infrastructure, net	22,227,385	81,348,496	231,812
Total noncurrent assets	<u>125,950,394</u>	<u>232,050,967</u>	<u>29,070,023</u>
Total assets	<u>233,769,060</u>	<u>675,108,676</u>	<u>160,696,456</u>
Liabilities			
Current liabilities			
Vouchers payable	460,146	3,516,678	19,779,941
Accrued payroll	-	-	59,355
Due to other governmental units	10,266,097	17,961,228	300,169
Due to other funds	199,289	674,030	4,666,927
Deferred revenue	1,834,408	1,836,758	1,500
Capital lease obligation - current portion	255,000	805,000	-
Notes payable	-	25,000,000	-
Current portion of compensated absences	-	-	1,242,445
Current portion of claims and judgments	-	-	3,572,679
Current portion of advances payable	-	-	450,383
Other accrued liabilities	1,663,805	4,107,983	7,116,801
Total current liabilities	<u>14,678,745</u>	<u>53,901,677</u>	<u>37,190,200</u>
Noncurrent liabilities			
Capital lease obligations	5,450,000	6,000,000	-
Accrued compensated absences	-	-	11,182,003
Claims and judgments	-	-	17,078,260
Advances	-	-	554,596
Total noncurrent liabilities	<u>5,450,000</u>	<u>6,000,000</u>	<u>28,814,859</u>
Total liabilities	<u>20,128,745</u>	<u>59,901,677</u>	<u>66,005,059</u>
Net assets			
Invested in capital assets, net of related debt	120,245,394	224,691,371	29,070,023
Restricted for programs	58,839	11,217,873	-
Unrestricted	93,336,082	379,297,755	65,621,374
Total net assets	<u>\$ 213,640,315</u>	<u>\$ 615,206,999</u>	<u>\$ 94,691,397</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended September 30, 2008

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	S.O.C.S.D.S.	Water and Sewer Trust
Operating revenues				
Charges for services	\$ 8,695,821	\$ 20,430,129	\$ 33,024,959	\$ 44,859,091
Other	15,844	41,828	8,492	356,984
Total operating revenues	8,711,665	20,471,957	33,033,451	45,216,075
Operating expenses				
Salaries	7,879,804	53,679	599,247	7,212,967
Fringe benefits	2,807,334	36,351	280,545	3,436,293
Contractual services	4,921,469	228,829	34,487,218	25,493,817
Commodities	845,529	-	262,448	2,147,126
Depreciation	3,238,945	-	1,355,817	631,990
Internal services	1,093,849	1,363,684	187,039	2,788,589
Intergovernmental	-	-	-	1,367,803
Total operating expenses	20,786,930	1,682,543	37,172,314	43,078,585
Operating income (loss)	(12,075,265)	18,789,414	(4,138,863)	2,137,490
Nonoperating revenues (expenses)				
Property taxes	15,124,023	-	-	-
Contributions	282,469	-	-	-
Interest revenue	1,072,069	8,444,540	1,010,899	1,054,027
Interest expense and paying agent fees	(55,030)	(1,000,000)	-	-
Bonds maturing	-	-	-	-
Gain (loss) on sale of property and equipment	16,712	-	-	(16,096)
Total nonoperating revenues	16,440,243	7,444,540	1,010,899	1,037,931
Income (loss) before transfers and contributions	4,364,978	26,233,954	(3,127,964)	3,175,421
Transfers and contributions				
Capital contributions	240,734	-	-	-
Transfers in	-	-	-	988
Transfers out	-	(19,189,736)	(21,700)	(147,560)
Total transfers and contributions	240,734	(19,189,736)	(21,700)	(146,572)
Change in net assets	4,605,712	7,044,218	(3,149,664)	3,028,849
Net assets				
October 1, 2007	86,314,153	216,546,348	29,942,279	57,234,789
September 30, 2008	\$ 90,919,865	\$ 223,590,566	\$ 26,792,615	\$ 60,263,638

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Proprietary Funds
Year Ended September 30, 2008

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Non-Major Funds	Totals September 30, 2008	
Operating revenues			
Charges for services	\$ 70,475,384	\$ 177,485,384	\$ 209,232,726
Other	337,304	760,452	36,554
Total operating revenues	70,812,688	178,245,836	209,269,280
Operating expenses			
Salaries	4,592,565	20,338,262	22,010,549
Fringe benefits	2,417,748	8,978,271	11,955,069
Contractual services	61,010,568	126,141,901	113,487,402
Commodities	1,763,074	5,018,177	7,141,535
Depreciation	6,283,980	11,510,732	6,745,345
Internal services	2,551,313	7,984,474	6,402,987
Intergovernmental	-	1,367,803	-
Total operating expenses	78,619,248	181,339,620	167,742,887
Operating income (loss)	(7,806,560)	(3,093,784)	41,526,393
Nonoperating revenues (expenses)			
Property taxes	-	15,124,023	-
Contributions	-	282,469	-
Interest revenue	4,258,668	15,840,203	5,160,275
Interest expense and paying agent fees	(237,099)	(1,292,129)	(42,213,775)
Bonds maturing	-	-	(20,765,000)
Gain (loss) on sale of property and equipment	(2,739,914)	(2,739,298)	123,665
Total nonoperating revenues	1,281,655	27,215,268	(57,694,835)
Income (loss) before transfers and contributions	(6,524,905)	24,121,484	(16,168,442)
Transfers and contributions			
Capital contributions	3,928,155	4,168,889	2,311,042
Transfers in	4,865,124	4,866,112	4,987,944
Transfers out	(247,740)	(19,606,736)	(3,448,613)
Total transfers and contributions	8,545,539	(10,571,735)	3,850,373
Change in net assets	2,020,634	13,549,749	(12,318,069)
Net assets			
October 1, 2007	211,619,681	601,657,250	107,009,466
September 30, 2008	\$ 213,640,315	\$ 615,206,999	\$ 94,691,397

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2008

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	S.O.C.S.D.S.	Water and Sewer Trust
Cash flows from operating activities				
Cash received from users	\$ 8,617,623	\$ 17,626,559	\$ 33,918,250	\$ 43,763,540
Cash paid to suppliers	(9,776,785)	(5,039,795)	(34,928,128)	(34,846,706)
Cash paid to employees	(7,879,804)	(53,679)	(599,247)	(7,212,967)
Net cash provided by (used in) operating activities	(9,038,966)	12,533,085	(1,609,125)	1,703,867
Cash flows from noncapital financing activities				
Transfers from other funds	-	-	-	988
Transfers to other funds	-	(20,689,736)	(21,700)	(147,560)
Contributions	282,469	-	-	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Purchase of delinquent property taxes	-	(150,012,692)	-	-
Delinquent property taxes collected	-	130,997,606	-	-
Issuance of short-term borrowings	-	25,000,000	-	-
Repayments received on advances	-	450,383	-	-
Property taxes	15,124,023	-	-	-
Interest paid on short-term borrowings	-	(1,000,000)	-	-
Payments on short-term borrowings	-	(25,000,000)	-	-
Net cash provided by (used in) noncapital financing activities	15,406,492	(40,254,439)	(21,700)	(146,572)
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	-
Capital contributions	230,640	-	-	-
Proceeds from sale of capital assets	26,034	-	-	-
Acquisition of capital assets	(1,777,643)	-	-	-
Payments on capital lease obligation	(525,000)	-	-	-
Interest and fees paid on capital lease obligation	(55,030)	-	-	-
Amount paid on advances and equipment contracts	-	-	-	-
Interest paid on advances and equipment contracts	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(2,100,999)	-	-	-
Cash flows from investing activities				
Interest on investments	1,065,194	8,110,303	975,972	1,038,012
Net cash provided by investing activities	1,065,194	8,110,303	975,972	1,038,012
Net increase (decrease) in cash and cash equivalents	5,331,721	(19,611,051)	(654,853)	2,595,307
Pooled cash and investments				
October 1, 2007	17,886,895	153,926,791	19,609,888	16,182,580
September 30, 2008	\$ 23,218,616	\$ 134,315,740	\$ 18,955,035	\$ 18,777,887

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2008

	Business-Type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
	Non-Major Funds	Totals September 30, 2008	
Cash flows from operating activities			
Cash received from users	\$ 70,524,394	\$ 174,450,366	\$ 207,348,824
Cash paid to suppliers	(66,904,673)	(151,496,087)	(120,023,587)
Cash paid to employees	(4,592,565)	(20,338,262)	(21,993,833)
Net cash provided by (used in) operating activities	(972,844)	2,616,017	65,331,404
Cash flows from noncapital financing activities			
Transfers from other funds	4,080,285	4,081,273	2,714,232
Transfers to other funds	(247,740)	(21,106,736)	(3,387,942)
Contributions	-	282,469	-
Principal paid on debt	-	-	(20,765,000)
Interest paid on debt	-	-	(42,160,909)
Purchase of delinquent property taxes	-	(150,012,692)	-
Delinquent property taxes collected	-	130,997,606	-
Issuance of short-term borrowings	-	25,000,000	-
Repayments received on advances	-	450,383	-
Property taxes	-	15,124,023	-
Interest paid on short-term borrowings	-	(1,000,000)	-
Payments on short-term borrowings	-	(25,000,000)	-
Net cash provided by (used in) noncapital financing activities	3,832,545	(21,183,674)	(63,599,619)
Cash flows from capital and related financing activities			
Transfers from other funds	784,839	784,839	1,953,697
Capital contributions	-	230,640	-
Proceeds from sale of capital assets	-	26,034	484,172
Acquisition of capital assets	(2,192,260)	(3,969,903)	(3,307,990)
Payments on capital lease obligation	(250,000)	(775,000)	-
Interest and fees paid on capital lease obligation	(237,099)	(292,129)	-
Amount paid on advances and equipment contracts	-	-	(450,383)
Interest paid on advances and equipment contracts	-	-	(52,866)
Net cash provided by (used in) capital and related financing activities	(1,894,520)	(3,995,519)	(1,373,370)
Cash flows from investing activities			
Interest on investments	4,125,295	15,314,776	4,985,388
Net cash provided by investing activities	4,125,295	15,314,776	4,985,388
Net increase (decrease) in cash and cash equivalents	5,090,476	(7,248,400)	5,343,803
Pooled cash and investments			
October 1, 2007	82,169,556	289,775,710	112,454,575
September 30, 2008	\$ 87,260,032	\$ 282,527,310	\$ 117,798,378

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2008

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	S.O.C.S.D.S.	Water and Sewer Trust
Operating income (loss)	\$ (12,075,265)	\$ 18,789,414	\$ (4,138,863)	\$ 2,137,490
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	3,238,945	-	1,355,817	631,990
(Increase) decrease in due from other governmental units	93,453	(1,908,216)	863,549	34,087
(Increase) decrease in due from component units	-	-	-	2,117
(Increase) decrease in accounts receivable	8,513	(2,845,398)	689	(1,419,633)
(Increase) decrease in due from other funds	-	-	20,561	(69,106)
(Increase) decrease in contracts receivable	-	-	-	-
(Increase) decrease in inventories and supplies	588	-	-	(14,387)
(Increase) decrease in prepayments and other assets	(67,193)	-	34,000	977
Increase (decrease) in vouchers payable	87,581	(1,469,591)	29,988	921,792
Increase (decrease) in accrued payroll	-	-	-	-
Increase (decrease) in due to other governmental units	-	130,983	205,106	(103,366)
Increase (decrease) in due to other funds	(190)	-	1	12,877
Increase (decrease) in deferred revenue	(196,008)	-	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) in current portion of contracts payable	-	-	-	-
Increase (decrease) in other accrued liabilities	(129,390)	(164,107)	20,027	(430,971)
Increase (decrease) in accrued compensated absences	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (9,038,966)</u>	<u>\$ 12,533,085</u>	<u>\$ (1,609,125)</u>	<u>\$ 1,703,867</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2008

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Non-Major Funds	Totals September 30, 2008	
Operating income (loss)	\$ (7,806,560)	\$ (3,093,784)	\$ 41,526,393
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	6,283,980	11,510,732	6,745,345
(Increase) decrease in due from other governmental units	(450,134)	(1,367,261)	12,026
(Increase) decrease in due from component units	358,431	360,548	49,669
(Increase) decrease in accounts receivable	53,461	(4,202,368)	(33,832)
(Increase) decrease in due from other funds	(257,885)	(306,430)	(1,948,363)
(Increase) decrease in contracts receivable	11,450	11,450	-
(Increase) decrease in inventories and supplies	69,099	55,300	22,522
(Increase) decrease in prepayments and other assets	(87,905)	(120,121)	7,741,583
Increase (decrease) in vouchers payable	(136,367)	(566,597)	12,217,031
Increase (decrease) in accrued payroll	-	-	16,716
Increase (decrease) in due to other govern- mental units	357,342	590,065	(83,497)
Increase (decrease) in due to other funds	171,058	183,746	2,502,063
Increase (decrease) in deferred revenue	(3,617)	(199,625)	(3,240)
Increase (decrease) in current portion of compensated absences	-	-	(89,394)
Increase (decrease) in current portion of claims and judgments	-	-	(691,794)
Increase (decrease) in current portion of contracts payable	-	-	-
Increase (decrease) in other accrued liabilities	464,803	(239,638)	(22,972)
Increase (decrease) in accrued compensated absences	-	-	(804,547)
Increase (decrease) in claims and judgments	-	-	(1,824,305)
Net cash provided by (used in) operating activities	<u>\$ (972,844)</u>	<u>\$ 2,616,017</u>	<u>\$ 65,331,404</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2008

Noncash transactions

Enterprise Funds

Major funds:

Noncash and capital related financing activities included capital assets contributed in the amount of \$10,094 in the Parks and Recreation fund, and write-off of \$16,096 of capital assets in the Water and Sewer Trust fund.

Nonmajor funds:

Noncash and capital related financing activities included contribution of capital assets of \$3,599,133, \$95,525 and \$233,497 in the CLEMIS, County Airports and Evergreen-Farmington SDS funds, respectively; write-off of \$2,262,115, \$98,510 and \$477,799 of capital assets in the CLEMIS, Radio Communications and County Airports funds, respectively.

Noncash and non-capital related financing activities included recording of Contracts Receivable and Deferred Revenue of \$733 and \$1,515,433 in the CLEMIS and County Airports funds, respectively.

Internal Service Funds

Noncash capital and related financing included \$2,297,115 of capital asset contributions in the Information Technology fund, \$13,927 of capital assets contributed in the Drain Equipment fund, and transfer of \$60,671 of capital assets to the general government in the Micrographics fund.

Noncash and non-capital related financing includes \$320,015 Transfers from Other Funds included in Due from Other Funds asset in the Micrographics fund.

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Financial Statements

Pension (and Other Postemployment Benefits) Trust Funds - Employee Pension Trust funds accept payments made by the County, invest fund resources, and calculate and pay pensions to beneficiaries. Postemployment benefit trust funds accumulate resources to provide health-related benefits to retired employees, dependents and beneficiaries.

Investment Trust Funds - These funds account for monies from external local units of government, held in a pooled investment portfolio for the benefit of the respective governmental units under contractual arrangement.

Agency Funds - These funds account for assets held by the County in a trustee capacity. Disbursements from these funds are contingent upon the trust agreement or applicable legislative enactment for each particular fund. Agency funds are generally clearance devices for monies collected for others, held briefly, and then disbursed to authorized recipients.

Combining schedules for fiduciary funds are presented, by fund type, in the following sections:

Pension (and Other Postemployment Benefits) Trust funds

Investment Trust funds

Agency funds

County of Oakland
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2008

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds	Agency Funds
Assets			
Cash and cash equivalents	\$ 4,750,235	\$ 31,279,091	\$ 715,971
Pooled cash and investments	-	-	308,660,599
Investments, at fair value			
Common stock	552,772,670	-	-
Government securities	71,138,732	-	-
Corporate bonds	129,154,097	-	-
Municipal bonds	1,842,529	-	-
Comingled	34,162,213	-	-
Limited partnerships	40,338,239	-	-
Asset-backed fixed income	23,634,224	-	-
CMO/REMIC investments	19,652,176	-	-
Mortgage-backed securities	46,746,158	-	-
Short-term investments	3,167,636	-	-
Commercial mortgage-backed securities	45,468,071	-	-
Money market funds	44,625,399	-	-
International common stock	25,265,350	-	-
Equity REIT	13,159,650	-	-
Other	11,625,183	-	-
Total investments	<u>1,062,752,327</u>	<u>-</u>	<u>-</u>
Receivables - interest and dividends	4,846,449	2,677	266,403
Receivables - other	9,518	-	-
Prepaid expenses	104,900	-	-
Total assets	<u>1,072,463,429</u>	<u>31,281,768</u>	<u>309,642,973</u>
Liabilities			
Vouchers payable	774,284	-	3,220
Due to other governmental units	-	-	294,693,612
Other accrued liabilities	1,001,153	-	14,946,141
Total liabilities	<u>1,775,437</u>	<u>-</u>	<u>309,642,973</u>
Net assets			
Held in Trust for Pension and other Postemployment healthcare benefits, and pool participants	<u>\$ 1,070,687,992</u>	<u>\$ 31,281,768</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

County of Oakland
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended September 30, 2008

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds
Additions		
Contributions		
Employer	\$ 60,200,684	\$ -
Pool participants	-	24,341,867
Plan members	1,003,088	-
Total contributions	61,203,772	24,341,867
Investment income	(161,606,513)	850,399
Other revenue	2,287,489	-
Total additions	(98,115,252)	25,192,266
Deductions		
Benefits	53,255,596	-
Retirement incentive	5,606,085	-
Administrative expenses	3,142,419	-
Distribution to pool participants	-	5,339,591
Total deductions	62,004,100	5,339,591
Net increase	(160,119,352)	19,852,675
Net assets held in trust for pension and other postemployment healthcare benefits, and pool participants		
October 1, 2007	1,230,807,344	11,429,093
September 30, 2008	<u>\$ 1,070,687,992</u>	<u>\$31,281,768</u>

The accompanying notes are an integral part of the financial statements.

Component Unit Financial Statements

Component Units

Drainage Districts - This component unit consists of many individual districts created for the purpose of alleviating drainage problems. This involves accounting for the resources and costs associated with the construction, maintenance, and financing of the individual drainage districts.

Road Commission - This component unit is responsible for the construction and maintenance of the County's system of roads and bridges, and is principally funded by the State-collected vehicle fuel and registration taxes under Michigan Public Act 51 of 1951.

Combining schedules for Drainage Districts Funds are presented, by fund type, in the Drainage Districts section.

County of Oakland
Statement of Net Assets
Component Units
September 30, 2008

	Drainage Districts	Road Commission	Total Component Units
Assets			
Current assets			
Pooled cash and investments	\$ 25,367,332	\$ -	\$ 25,367,332
Cash and cash equivalents	-	16,933,256	16,933,256
Investments	-	22,228,721	22,228,721
Receivables (net of allowance for uncollectibles where applicable)			
Special assessments	-	11,067,910	11,067,910
Due from other governmental units	487,683	-	487,683
Accrued interest receivable	241,945	140,836	382,781
Accounts receivable	14,753	19,593,129	19,607,882
Inventories and supplies	-	3,188,875	3,188,875
Prepayments and other assets	-	1,133,269	1,133,269
Total current assets	<u>26,111,713</u>	<u>74,285,996</u>	<u>100,397,709</u>
Capital assets, net			
Land and other nondepreciable assets	144,426,679	156,310,509	300,737,188
Land improvements, net	-	327,904	327,904
Buildings and improvements, net	-	8,887,675	8,887,675
Equipment and vehicles, net	-	9,438,565	9,438,565
Infrastructure, net	<u>277,663,534</u>	<u>493,835,927</u>	<u>771,499,461</u>
Total capital assets, net	<u>422,090,213</u>	<u>668,800,580</u>	<u>1,090,890,793</u>
Special assessments receivable	<u>162,615,000</u>	<u>-</u>	<u>162,615,000</u>
Total assets	<u>610,816,926</u>	<u>743,086,576</u>	<u>1,353,903,502</u>
Liabilities			
Current liabilities			
Vouchers payable	3,039,705	7,098,376	10,138,081
Due to other governmental units	3,947,551	-	3,947,551
Due to primary government	1,472,353	11,237	1,483,590
Deferred revenue and advances	-	12,111,358	12,111,358
Accrued interest payable	2,309	53,968	56,277
Current portion of long-term debt	11,990,000	2,475,000	14,465,000
Other accrued liabilities	<u>1,410,352</u>	<u>3,409,307</u>	<u>4,819,659</u>
Total current liabilities	<u>21,862,270</u>	<u>25,159,246</u>	<u>47,021,516</u>
Deferred revenue	9,826,766	-	9,826,766
Bonds and notes payable	140,798,234	5,500,000	146,298,234
Accrued compensated absences	-	3,295,222	3,295,222
Claims and judgements	-	1,900,000	1,900,000
Other postemploymentnet benefits	<u>-</u>	<u>2,260,219</u>	<u>2,260,219</u>
Total liabilities	<u>172,487,270</u>	<u>38,114,687</u>	<u>210,601,957</u>
Net assets			
Invested in capital assets, net of related debt	269,301,979	660,825,580	930,127,559
Restricted for			
Capital projects	11,508,932	-	11,508,932
Debt service	153,655,709	-	153,655,709
Unrestricted	<u>3,863,036</u>	<u>44,146,309</u>	<u>48,009,345</u>
Total net assets	<u>\$ 438,329,656</u>	<u>\$ 704,971,889</u>	<u>\$ 1,143,301,545</u>

The accompanying notes are an integral part of the financial statements

County of Oakland
Statement of Activities
Component Units
Year Ended September 30, 2008

	Expenses	Program Revenues			Drainage Districts	Road Commission	Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Functions/Programs							
Drainage Districts	\$ 13,169,395	\$ 3,029,380	\$ 305,558	\$ 7,691,591	\$ (2,142,866)	\$ -	\$ (2,142,866)
Road Commission	100,914,230	17,360,061	60,976,537	40,626,477	-	18,048,845	18,048,845
Total component units	<u>\$ 114,083,625</u>	<u>\$ 20,389,441</u>	<u>\$ 61,282,095</u>	<u>\$ 48,318,068</u>	<u>(2,142,866)</u>	<u>18,048,845</u>	<u>15,905,979</u>
General Revenues							
Unrestricted investment earnings					1,222,985	1,789,585	3,012,570
Change in net assets					(919,881)	19,838,430	18,918,549
Net assets							
Beginning					439,249,537	685,133,459	1,124,382,996
Ending					<u>\$ 438,329,656</u>	<u>\$ 704,971,889</u>	<u>\$ 1,143,301,545</u>

The accompanying notes are an integral part of the financial statements

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

1. Summary of Significant Accounting Policies

The basic financial statements of Oakland County (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The more significant of the County's accounting policies are described below.

The Financial Reporting Entity

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The accompanying financial statements present Oakland County (the Primary Government) and its component units. The County's Parks and Recreation Commission is not legally separate from the County, nor does it possess separate corporate powers. As such, the financial data of the County's Parks and Recreation Commission have been included with the financial data of the Primary Government. The financial data of the component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Unit

A blended component unit is a legally separate entity from the County, but is so intertwined with the County that it is, in substance, the same as the County. It is reported as part of the County and blended into the appropriate funds.

- ***Oakland County Building Authority (the Authority)*** – A five-person authority is appointed by the Oakland County Board of Commissioners, and its activity is dependent upon Board actions. The purpose of the Authority is to finance, through tax-exempt bonds, the construction of public buildings for use by the County, with the bonds secured by lease agreements with the County and retired through lease payments from the County. The Oakland County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of the County's public buildings. The Authority's activity is reported in various Debt Service funds (designated by the caption "Building Authority"), and the Building Improvement Fund, a capital projects fund.

Separate financial statements for the Authority are not published.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

Discretely Presented Component Unit

A discretely presented component unit is an entity that is legally separate from the County but for which the County is financially accountable, or its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. These component units are reported in separate columns to emphasize that they are legally separate from the County.

- **Road Commission for Oakland County (Road Commission)** – The Road Commission is governed by three appointees of the County Board of Commissioners who are not County Board members. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges, and is principally funded by State-collected vehicle fuel and registration taxes under Michigan Public Act 51 of 1951. The County has budgetary control and appropriation authority over its activities; however, such has not been exercised. The Road Commission's primary activities, which are as of and for the year ended September 30, 2008, is reported discretely as a governmental fund type - Special Revenue fund. The Road Commission Retirement System, which is as of and for the year ended December 31, 2007, is not reported in the financial statements of Oakland County.
- Complete financial statements of the Road Commission, which includes the Road Commission Retirement System and its separately issued statements, can be obtained from its administrative offices as follows:

Road Commission for Oakland County
31001 Lahser Road
Beverly Hills, Michigan 48025

- **Drainage Districts** – This component unit consists of approximately 200 individual districts created under Chapter 20 and 21 of Michigan Public Act 40 of 1956, for the purpose of alleviating drainage problems. This involves the construction, maintenance, and financing necessary to account for the cost of the drainage district. The individual districts, each a separate legal entity with power to assess the benefiting communities, is governed by the Drain Board for Oakland County which consists of the Oakland County Drain Commissioner, the Chairman of the Oakland County Board of Commissioners, and the Chairperson of the Finance Committee of the Board of Commissioners. Assessments are made against the applicable municipalities within each district, including the Road Commission for Oakland County and the State of Michigan for road drainage. All activities of the various drainage districts are administered by the Oakland County Drain Commissioner. However, the drainage districts are not subject to the County's appropriation process. Because of the relationship between the component unit and the primary government, it would be misleading to exclude the Drainage Districts Component Unit from the financial statements of Oakland County.
- The financial activities of the Drainage Districts as of and for the year ended September 30, 2008 are reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit, although financial information for the specific drainage districts may be obtained from:

Oakland County Drain Commissioner
#1 Public Works Drive
Waterford, Michigan 48328

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

Basic (Government-Wide) and Fund Financial Statements – GASB Statement #34

GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that net assets be classified for accounting and reporting purposes into the following three categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.
- **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net assets** consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous financial reporting model emphasized fund types (the total of all funds of a particular type), in the new financial reporting model the focus is on either the County as a whole, or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects the degree to which direct expenses that are clearly identifiable with a given functional category (General Government, Public Safety, Justice Administration, Citizen Services, Public Works, Recreation and Leisure, and Commerce and Community Development) are offset by program revenues. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or category, restricted investment earnings, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Property taxes and certain intergovernmental revenues are reported instead as general revenues, which are used to cover the net cost of the various functional categories of the County.

During fiscal year 2008, the Interim Retiree Medical Benefit Trust fund had losses of \$69,118,561 in restricted investment earnings which have been included in the General Government charges for services on the Statement of Activities.

The County policy is to eliminate internal activity from the Statement of Activities. This policy dictates the elimination of indirect expenses, but not direct expenses. The exception to this general rule is activities between funds reported as governmental activities and funds reported as business-type activities (i.e., billings for services or products by Internal Service Funds to Enterprise Funds).

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

The County does not currently employ an indirect cost allocation system. Rather, an administrative service fee is charged by the General Fund to the other operating funds to address General Fund services such as finance, personnel, purchasing, legal, administration, etc. This is treated like a reimbursement, eliminating revenues and expenses on the Statement of Activities.

This government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column.

The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund-based financial statements into the full accrual governmental column of the government-wide presentation.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the County's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity. When appropriate, surplus or deficits in the internal service funds are allocated back to the various users within the entity-wide Statement of Activities.

The County's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of third parties (pension participants and others) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements

The focus of the entity-wide financial statements under the new reporting model is to present the County as a whole. The focus of the Fund Financial Statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category), and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Basis of Presentation – Fund Accounting

Funds are used to report the County's financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Revenues are primarily derived from property taxes, state and federal distributions, and charges for services.

The Public Health Fund accounts for revenues reserved for the provision of health protection, maintenance, and improvement for the residents of Oakland County.

The Revenue Sharing Reserve Fund accounts for the State mandated transfers of equal amounts for a three-year period of the property tax shift from a winter levy to a summer levy to replace county revenue-sharing payments. These transfers from the General Fund will amount to the property tax levy for fiscal year 2004.

The Interim Retirees Medical Benefits Trust Fund accounts for monies received from the sale of trust certificates for the purpose of funding future estimated accrued actuarial liabilities of medical benefits of Oakland County retirees.

The Building Authority Debt Act 31 Fund was established to accumulate the resources for payment of bonded debt issued for the construction of, or improvement to various facilities. This also includes debt issued as assistance in obtaining favorable lending rates for other units of government within the County.

The Water and Sewer Refunding Debt Act 342 Fund accounts for the accumulation of resources, mainly special assessments against benefiting municipalities, for the payment of bonded debt issued for construction of various water and sewer systems in Oakland County.

The County reports the following major enterprise funds:

The Parks and Recreation Fund accounts for the operation of the Oakland County parks system.

The Delinquent Tax Revolving Fund accounts for money advanced to the County and other local units of government for unpaid property taxes, and the subsequent collection of delinquencies.

The Southeastern Oakland County S.D.S (S.O.C.S.D.S.) Fund was established to record the operations and maintenance of the system, which is used to move sewage and storm water to the City of Detroit for treatment. Costs are recovered by developing rates and billing the municipalities being served.

The Water and Sewer Trust Fund accounts for the collection of resources for operation of various water and sewer systems maintained by the County rather than the respective municipalities.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds are used to ensure that specified resources (other than expendable trusts and funds for major capital improvements) are used as required by legal, regulatory, and/or administrative provisions. Included within the Special Revenue Funds are programs for care of children, drain maintenance, and certain grant operations involving public health, employment training, community development, environmental infrastructure programs and other grants.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

Debt Service Funds account for the financing resources and payment of current principal and interest on debt. Debt Service Funds account for servicing of general long-term debt of various building authority debt issues, and debt associated with local water and sewer obligations upon which there are County guarantees.

Capital Projects Funds account for the acquisition, construction, and renovation of major capital facilities other than those financed by proprietary funds.

Proprietary Fund Types

Internal Service Funds account for goods and services provided to departments, funds, and governmental units on a cost-reimbursement basis. Included within the Internal Service Funds are certain fringe benefits provided to County employees which include health, workers' compensation, unemployment compensation, information technology, various equipment revolving funds, and central service-type operations.

Enterprise Funds, business-type activities, report operations for services to the general public, financed primarily by user charges intended to recover the cost of services provided, and include three airports, a medical care facility, four sewage disposal systems, parks and others.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. The exception to this general rule is activities between funds reported as governmental activities and funds reported as business-type activities.

Amounts reported as program revenues include 1) charges for customers for goods supplied or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources, as well as taxes, are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund Types

Fiduciary Funds consist of Pension (and other post-employment benefits) Trust, Investment Trust, and Agency funds, which account for assets held by the County in a trustee capacity or as an agent for others.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

Basis of Accounting

- **Primary government** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, except for certain miscellaneous receivables and special assessments, and current liabilities are included on the balance sheet. Governmental funds are used to account for all or most of the County's general activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt.
- Proprietary, Pension Trust and Investment Trust Funds are accounted for on a flow-of-economic-resources measurement focus. All assets and liabilities are included on the Statement of Net Assets with the balance classified as net assets. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.
- The financial statements have been prepared in conformity with generally accepted accounting principles. Governmental funds use the modified accrual basis of accounting, which recognizes revenues in the accounting period in which they become susceptible to accrual, generally when they become both measurable and available. Property taxes are levied on December 1 and July 1 of each year (see note 4) and are recognized as revenues in the fiscal year during which they are levied, and interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other revenues are considered to be available when anticipated to be collected within 60 days of the end of the fiscal period. Expenditures are recorded when the related fund liability is incurred, except debt service expenditures, which are recorded when paid.
- Proprietary, Pension Trust and Investment Trust Funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Agency funds, which report only a statement of fiduciary net assets, use the accrual basis of accounting.

Discretely Presented Component Units

The Road Commission uses the current financial resources measurement focus for its governmental fund-type activities. The governmental fund type is used to account for all of the Road Commission's activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt. Revenues and expenditures are recorded under the modified accrual basis of accounting, and, as such, revenue is recorded when measurable and available, and earned. Project-related revenue is recognized as related costs are incurred, except for interest on long-term debt, which is recorded when paid.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

The Drainage Districts use the current financial resources measurement focus for its activities. The governmental fund type is used to account for all of the Drainage Districts' activities, including the financing of the cost of construction and maintenance of Drainage Districts and servicing of long-term debt. Revenues and expenditures are recorded under the modified accrual basis of accounting, and as such, revenue is recorded when measurable and available, and earned. Project-related revenue is recognized as related costs are incurred, except for debt service expenditures, which are recorded when paid.

Budgets

Budgets and budgetary accounting are on the modified accrual basis, which is consistent with generally accepted accounting principles (GAAP basis) in that property tax revenue is recognized when made available by Board resolution. The budget was legally adopted by the Board of Commissioners prior to September 30, 2007 and presented in a separate document. Appropriation budgets were adopted for the General Fund and the following Special Revenue funds: Public Health, Child Care, and Social Welfare-Foster Care. Appropriations lapse at the end of the year. Project-length financial plans are budgeted for the remainder of the Special Revenue funds and for all Debt Service and Capital Projects funds. Budget and actual comparisons for such funds are not reported in the financial statements because annual budgets are not prepared.

Encumbrances are recorded at the time that purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Unliquidated encumbrances at the end of the year are set aside as designated within fund balance. In the succeeding year, the encumbrances are re-appropriated by the Board of Commissioners to cover the unliquidated encumbrances included in fund equity.

Pooled Cash and Investments

The County maintains a cash and investment pool for all funds except the pension trust funds, the Interim Retiree Medical Benefits Trust fund, and two agency funds (Jail Inmate Trust and District Court Trust), in order to maximize investment earnings. Investments of the pool are not segregated by fund but each contributing fund's balance is treated as equity in the pool. For funds not in the pool, cash equivalents are considered to be demand deposits and short-term investments with an original maturity date of three months or less from the date of acquisition.

Cash overdrafts occurring in funds participating in pooled cash accounts at September 30, 2008 have been reclassified as a "due to other funds," and a corresponding "due from other funds" was established in the General Fund. Similarly, negative accrued interest receivable caused by negative cash balances are also reclassified at year end as inter-fund liabilities.

The County's investments are stated at fair value, which is determined by using quoted market rates, if the investment is traded on a recognized stock exchange. There are no derivative instruments or products in the County's non-pension investment portfolio at September 30, 2008.

Pooled investment income is allocated to all funds based on the respective share of their average daily balances. Interest charges for funds with negative balances are reported as negative interest income.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

Inter-fund Receivables/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term receivables and payables resulting from such transactions are classified as "due from other funds" or "due to other funds" on the balance sheet.

Non-current portions of long-term inter-fund loan receivables are reported as advances and are offset equally by a reservation of fund balance.

Inventories

Inventories in proprietary funds, except for the Facilities Maintenance and Operations fund, an Internal Service fund, are stated at cost or market using the first-in, first-out method. Inventories in the Facilities Maintenance and Operations fund are stated at cost or market using the average-cost basis.

Prepayments

Payments made for services that will benefit periods beyond September 30, 2008 are recorded as prepayments.

Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., roads, drains, and similar items), are reported in the government-wide statements and applicable proprietary fund financial statements. Capital assets that are used for governmental activities are only capitalized in the government-wide statements and fully expended in the government funds. The County established capitalization thresholds for capital assets of \$5,000. Capital assets are stated at cost or, if donated, at estimated fair market value at the time of donation. In some instances, capital asset historical costs were not available; therefore, the costs of these assets at the dates of acquisitions have been estimated. Expenditures materially extending the life of capital assets are capitalized. Interest incurred during construction is only capitalized in proprietary funds. Capital assets are depreciated over their useful lives, using the straight-line depreciation method. Infrastructure ("public domain") assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters, are capitalized.

The County's estimated useful lives of the major classes of property and equipment follow:

Class	Years
Land improvements	10-15
Buildings and improvements	35-45
Equipment and vehicles	3-10
Sewage disposal systems	40-50
Infrastructure	10-75

Capital assets used in the general operation of the Road Commission are depreciated under various methods, including straight-line and sum-of-the-years-digits.

Compensated Absences

Compensated absences (vested sick and annual leave) of the Primary Government that are allowed to accumulate are charged to operations in the Fringe Benefit fund (an Internal Service fund) as the benefits accrue. Compensated absences for the Road Commission are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only for employee terminations as of year end.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

No liability is recorded for non-vesting accumulating rights to receive sick pay benefits for the Primary Government and Component Units.

Fund Equity

Reserves represent portions of fund equity not available for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Deferred Revenue

Deferred revenue is reported on the County's combined balance sheet. Amounts are classified as deferred when they do not meet the available criteria, such as grants received before the expenditure is incurred.

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2007 through September 30, 2008) and are reported as revenues in the financial statements. Amounts not collected within 60 days of the end of the fiscal year are considered unavailable for the current period, and are reported as deferred revenue.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, September 30, 2008. These estimates and assumptions also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Reporting Change

During fiscal year 2008, the County implemented Governmental Accounting Standards Board Statement No. 45, *Reporting for Employers for Postemployment Benefits Other Than Pension* and Statement No. 50, *Pension Disclosures*. These Statements established uniform financial reporting standards for OPEB and pension plans. Additional disclosures have been included in the Notes to the Financial Statements and Required Supplementary Information as required by these standards.

2. Legal Compliance - Budgets

The Board of Commissioners has established the legal level of control by control groups, as outlined in the County's General Appropriations Act. This act states that expenditures shall not exceed the total appropriations for personnel expenditures (salaries, overtime, and fringes), operating expenditures, and internal support expenditures (Internal Service fund charges), respectively, by department. Budgets are adopted and presented on the GAAP basis of accounting.

The Board of Commissioners is authorized to make amendments to the various budgets as deemed necessary. Current year supplemental budgetary appropriations were not material. Funds which receive an appropriation and can therefore be defined as those with an appropriated, annual, legally adopted budget are the General Fund and the following Special Revenue funds: Public Health, Revenue Sharing Reserve, Interim Retirees Medical Benefits Trust, Child Care, and Social Welfare-Foster Care. The budgetary comparison for the General Fund, the Public Health, Interim Retirees Medical Benefits Trust, and Revenue Sharing Reserve funds (major special revenue funds) are presented in the Required Supplementary Information. The Child Care and Social Welfare Foster Care funds are presented in the Special Revenue Funds section.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

Transfers within and between budgeted funds and departments may be made by the Fiscal Officer (Director of Management and Budget Department) in the following instances:

- (a) Transfers may be made from the non-departmental overtime reserve account and fringe benefit adjustment account to the appropriate departmental budget as specific overtime requests are reviewed and approved by the Fiscal Officer. Additionally, overtime appropriations may be transferred between divisions within a department at the request of the department head, if authorized by the Fiscal Officer or designee.
- (b) Transfers may be made from the non-departmental appropriation reserve accounts for maintenance department charges and miscellaneous capital outlay to the appropriate departmental budgets as specific requests for these items are reviewed and approved by the Fiscal Officer.
- (c) Transfers may be made from the non-departmental appropriation reserve accounts, emergency salaries, and summer help as specific requests for these items are reviewed and approved by the Director of the Human Resources Department.

At year end, the Board of Commissioners adopts a resolution which authorizes and closes amounts exceeding the original appropriation against the balances in other appropriations and closes the remaining balance to the General Fund's "Undesignated Fund Balance."

During the year, the County incurred expenditures over certain appropriations which are presented at the legal level of control as follows:

	Appropriation	Expenditures	Excess Expenditures
General Fund			
County Executive			
Human Services			
Operating expenditures	\$ 2,504,165	\$ 2,540,350	\$ 36,185
Internal support expenditures	10,598	13,984	3,386
Public Services			
Personnel expenditures	11,533,063	11,634,391	101,328
Justice administration			
Probate Court			
Operating expenditures	882,319	936,990	54,671
Law Enforcement			
Sheriff			
Personnel expenditures	102,486,318	102,921,659	435,341
Drain Commissioner			
Internal support expenditures	1,655,805	1,740,696	84,891
Special Revenue Funds			
Interim Retirees Medical Benefits Trust			
Non-departmental			
Operating expenditures	60,200,000	62,151,426	1,951,426

These excess expenditures were closed against other appropriation balances in accordance with the County's policy and approved by a Board of Commissioners resolution in fiscal year 2009.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

3. Deposits and Investments

The County has deposits and investments which are maintained for its primary government, component unit and fiduciary fund type.

For the primary government, the County manages its investments in a pool format which is used by all County funds. Share value is maintained at \$1, with interest rates floating daily. Investment income is allocated back to County funds based on their share of the pool which is based on their average daily cash balance.

For its pool, the County only uses federal and state-chartered banks and savings institutions, which are members of the FDIC, and have a location in the state of Michigan. All deposits and investments for the pool are held in the County's name and tax ID number.

The County Treasurer is permitted to offer an investment pool to local units of government, within the County, as a Local Government Investment Pool (LGIP). Contracted participants deposits are treated just like County funds and receive a share of earnings based on their average daily cash balance. The LGIP is not subject to regulatory oversight, is not registered with the SEC and does not issue a separate report. The LGIP is managed as a 2(a)7 fund with its net asset value maintained at \$1. Fair value of the position in the pool is the same as the value of the pool shares. The LGIP has not provided or obtained any legally binding guarantees during the period to support the value of the shares. Investments are valued monthly.

Deposits

It is County policy to review and verify a bank's creditworthiness through a system of ratio analysis and from information provided by several third-party sources. In addition, the County places concentration limits on banks based on creditworthiness resulting from both the ratio analysis and third-party information.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned.

As of September 30, 2008, the bank balance of the County's deposits was \$357,200,000. Insured deposits were \$2,100,000, and the remaining \$355,100,000 was uninsured, uncollateralized, and held in the County's name.

The Drainage District's component units cash, deposit and investments are maintained in pooled accounts of the County; therefore, their amount of insurance would be allocated to the Drainage District's deposits based on their prorated share of the investment portfolio.

The County's Investment Policy allows for the use of bank deposits including certificates of deposit. The only limitation placed on bank deposits is that they cannot exceed 60% of the total investment portfolio. In addition, the County's investment policy allows for no more than 15% be invested with any single financial institution.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

At September 30, 2008, the Road Commission component unit had \$27,145,000 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The book balance for these deposits has been reported on the Statement of Net Assets as cash and cash equivalents of \$16,933,256 and investments of \$12,950,000.

Investments - Internal Investment Pool

Investments, except those of the Retirement Systems and Deferred Compensation Plan, are administered by the Treasurer under guidelines established by Act 20 of the Michigan Public Acts of 1943, as amended and the Investment policy as adopted by the County's Board of Commissioners. The County's Investment Policy is more restrictive than state law and allows for the following instruments:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of Michigan financial institutions.
3. Commercial paper rated at the time of purchase at the *highest* classification established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
4. Repurchase agreements consisting of instruments in subdivision 1. The PSA Master Repurchase Agreement prototype agreement shall be employed with appropriate supplemental provisions regarding security delivery, security substitutions, and governing law. A signed Repurchase agreement must be on file before entering into a repurchase transaction.
5. Bankers' acceptances of United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Obligations described in subdivisions 1 through 6 if purchased through an inter-local agreement under the Urban Cooperation Act of 1967.
8. Investment pools organized under the Surplus Funds Investment Pool Act, PA 367 of 1982.
9. Investment pools organized under the Local Government Investment Pool Act, PA 121 of 1985.
10. Mutual funds registered under the Investment Company Act of 1940 with authority to only purchase investment vehicles that are legal for direct investment by a Michigan public corporation. Investment is limited to mutual funds that maintain a net asset value of \$1.00 per share.

County of Oakland
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As of September 30, 2008, the County had the following deposit and investment types in its internal investment pool.

Deposit and Investment Type	Market Value	Weighted Average Maturity (days)
Certificates of Deposit (1)	\$ 357,200,000	54
Money Market Investment Pools	179,381,961	1
Commercial Paper	64,823,405	10
U.S. Agencies	481,191,618	479
 Total Market Value of Internal Investment Pool	 \$ 1,082,596,984	
 Weighted Average Maturity of Internal Investment Pool (in days)		 166

- (1) The certificates of deposit are non-negotiable and therefore are not considered investments. They are presented here to give a clear picture of the investment pools' overall weighted average maturity.

Credit Risk – The County has \$481,191,618 invested in U.S. Government securities which are rated AAA by Standard & Poor's and Aaa by Moody's. State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization (NRSROs). It is the County's policy to further limit its investments in commercial paper to only the top rating as issued by NRSROs. As of September 30, 2008, the County had \$49,851,461 invested in A1+ (S&P), P1 (Moody's) commercial paper and \$14,971,944 invested in A1 (S&P), P1 (Moody's) commercial paper. Three of the money market investment pools used by the County, with a fair value of \$149,160,177 at September 30, 2008, carry an AAA (Standard & Poor's) and an Aaa (Moody's) rating. Six other money market investment pools used by the County, with a fair value of \$30,221,784 at September 30, 2008, are not rated. The County's investment policy is silent on the use of rated versus unrated money market funds. In addition, there is no rating requirement for those money market funds that are rated.

Custodial Credit Risk – Investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of another side party. The County's Investment Policy requires that all investment transactions (including collateral for repurchase agreements) be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian, as designated by the County Treasurer, and shall be evidenced by a safekeeping receipt. As of September 30, 2008, \$546,015,023 in investments, at par value, was held in third-party safekeeping in the County's name.

The County also invests in money market funds that have their securities safe kept with a third party selected by the counterparty. However, the pool's securities are held in trust for the participants of the fund and are not available to the counterparty if the counterparty should happen to fail. We believe this arrangement satisfies the County's investment policy safe-keeping requirement.

Concentration of Credit Risk – Investments - On September 30, 2008, the County had investments of 5% or more, of the total portfolio, with the following U.S. Agency issuers: Fannie Mae 10.68%, Federal Home Loan Bank 18.08% and Freddie Mac 13.67%. No other issuer of investments

County of Oakland
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exceeded 5%. The County's investment policy allows for no more than 15% be invested with any single financial institution.

Interest Rate Risk – To limit its exposure to fair value losses from raising interest rates, the County's Investment Policy limits the County's internal investment pool from purchasing investments that have a final maturity that is no more than three years from the date of purchase. As of September 30, 2008, the internal investment pool had a weighted average maturity of 166 days and the longest investment maturity in the portfolio was 1,095 days (3 years).

Investments – Pension Trust and Intermediate Retiree Medical Benefits Trust Funds

The Pension Trust Funds and the Intermediate Retirees Medical Benefits Trust Fund investments are made in accordance with Act 55 of the Michigan Public Acts of 1982, as amended, and are limited to no more than 65 percent in common stock. In addition, no investments, loans, or leases are with parties related to the pension plan.

Pension investments are made through the use of Investment Advisors which are selected and retained by the various Retirement Boards (PERS, VEBA and IRMB). The advisors serve at the leisure of the various boards as provided by investment agreements. At September 30, 2008, the Primary Government's Pension Trust fund had 18 investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement Systems' name.

As of September 30, 2008, the County had the following investment types in its Retirement System:

Investment Type	Fair Value	Percentage	Average Duration (In Years)
Government Bonds	\$ 105,699,845	7.1 %	5.503654
Asset-Backed Fixed Income	31,635,028	2.1	1.939946
Commercial Mortgage Backed Securities	60,907,579	4.1	4.505013
Mortgage Backed Securities	80,504,722	5.4	3.311814
Municipal Bonds	2,847,515	0.2	0.14
Corporate Bonds	179,541,661	12.0	3.837325
CMO/REMIC Investments	24,470,843	1.6	0.969441
Common Stock	776,940,116	51.9	N/A
Equity ADR	2,788,259	0.2	N/A
Equity REIT	18,742,374	1.2	N/A
International Common Stock	36,668,357	2.4	N/A
Investment Companies-Mutual Funds	60,780,664	4.1	N/A
Money Market Funds	56,133,011	3.7	0.025028
Short Term Investments	59,379,332	4.0	0.19
Real Estate	3,530	0.0	N/A
Total	\$ 1,497,042,836	100.0 %	

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Credit Risk The Board's adopted Statement of Investment Goals and Objectives (SIGO) states that no non-convertible bonds and convertible securities are authorized for purchase. In addition, no more than 10% of the total value of the portfolio, at the time of purchase, may be held in non-investment grade bonds as rated by Moody's and/or Standard & Poor's. Ninety percent of the total value of the portfolio must have a quality rating of A or better by Moody's and Standard & Poor's. Any security held in the portfolio that drops below investment grade as rated by Moody's or Standard & Poor's the investment manager is to advise the board of that fact along with a buy hold recommendation. The Board then shall instruct the investment manager as to which action should be taken. As of September 30, 2008, debt obligation investments held in the retirement system had the following ratings:

Fair Value	Percentage	Ratings	
		Moody's	S&P
\$289,638,461	59.20 %	Aaa	AAA
9,907,035	2.00	Aa1	AA+
18,364,394	3.80	Aa2	AA
35,239,279	7.20	Aa3	AA-
33,340,355	6.80	A1	A+
40,694,098	8.30	A2	A
37,335,952	7.60	A3	A-
19,479,273	4.00	Baa1	BBB+
5,142,820	1.10	Baa2	BBB
<u>\$489,141,667</u>	<u>100.00 %</u>		

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of another side party. The Retirement System's Statement of Investment Goals and Objectives (SIGO) require that all investment transactions shall be conducted through a custodian that will act as the system's third party. Securities shall be held by the custodian, as designated by the Retirement Boards, and shall be evidenced by a custodial report. As of September 30, 2008, \$1,497,039,306 in investments was held in third-party safekeeping in the County's name.

Concentration of Credit Risk The Board's adopted Statement of Investment Goals and Objectives (SIGO) states that no more than 5% of the assets of the Retirement System's portfolio may be invested in the fixed income obligations of any one corporation or its affiliates or 10% may be invested in the equity of any one corporation or its affiliates. Further, for fixed income investments, no more than 10% of the assets of the portfolio may be invested in the securities of any governmental agency that is not fully backed by the U.S. government. No limitation applies to obligations of the United States Treasury or any fully guaranteed agency of the federal government.

For equities, holdings of all securities of an industry group should not exceed 25% of the portfolio at cost. ADRs should not exceed a maximum of 10% of the portfolio at cost and shall be further limited to Canadian securities and non-U.S. domiciled corporations issuing U.S. securities. As of September 30, 2008, as reported by the system's investment managers, no holdings exceed any of the Board's adopted limits.

County of Oakland

Notes to Basic Financial Statements

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Interest Rate Risk The Board's adopted Statement of Investment Goals and Objectives (SIGO) places no limitation on the system's fixed income managers on the length to maturity for fixed income investments. As the schedule indicates above, the system's fixed income investments had average durations of between .025 years and 5.50 years which is reasonable given the long-term nature of the system. Having reasonable durations will reduce the retirement system's risk exposure to rapidly adjusting interest rates.

Security Lending Transactions Under the provisions of State statutes, the Oakland County Employees' Retirement System lends U.S. government securities, corporate bonds, and common stock to brokers and/or dealers in exchange for collateral that will be returned for the same securities in the future. The County's custodial bank (agent) manages the securities lending program and receives cash and cash equivalent securities as collateral. The custodial bank does not have the ability to pledge or sell collateral securities unless the borrower defaults. Borrowers are required to deliver collateral for each loan equal to but not less than 102 percent of the market value of the loaned securities.

The County did not impose any restrictions during the year ended September 30, 2008 on the amount of loans that the agent made on its behalf. There were also no failures by any borrowers to return loaned securities or pay distribution thereon. Furthermore, there were no losses during the period resulting from a default of the borrowers or the custodial banks.

The County and the borrower maintain the right to terminate all securities lending transactions on demand. Because the loans can be terminated at will, their duration does not generally match the duration of the investments. On September 30, 2008, the County had no credit risk exposure to borrowers. The collateral held and the market value of securities on loan for the County as of September 30, 2008 were \$211,649,881 and \$206,707,273, respectively, or 102.4% collateral to market value coverage.

Collateralized Mortgage Obligations In the County's Retirement System investment portfolio are Collateralized Mortgage Obligations (CMOs) with a market value of \$24,470,843 as of September 30, 2008. Investments include U.S. government-issued asset-backed certificates and corporate-issued asset-backed certificates. Current CMO holdings have maturity lengths ranging from 2.3 years to 59.1 years and are backed by investments in various assets, including mortgages.

Interest Rate Risk - Collateralized Mortgage Obligations The market value of such investments can be affected by, among other factors, changes in interest rates, including the effect of prepayments, marketability, and default rates on assets underlying the securities. At September 30, 2008, the Retirement system's investment in CMOs included investment in the Interest Only (IO) Class. Prepayments on the CMO related mortgages, especially those with relatively high interest rates, could reduce the yields on the Interest Only Class and could even result in the failure of investors in that Class to recover their investments. As prepayments increase in falling interest rate environments, IOs have a negative duration, which means their price typically rises when interest rates rise. At September 30, 2008, the County's CMO portfolio had effective duration ranges of -39.04 years and 18.2 years.

Variable Rate Coupon Notes and Bonds In the County's Retirement System investment portfolio are Variable Rate coupon instruments with a market value of \$16,911,723 as of September 30, 2008. Such investments include U.S. government-issued securities and corporate-issued securities. The variable rate securities have maturities through the year 2049 and are backed by investments in various assets, including mortgages.

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

Interest Rate Risk – Variable Rate Coupon Notes and Bonds The market value of these investments can be affected by, among other factors, changes in interest rates which affect their marketability. At September 30, 2008, the Retirement System was holding variable rate instruments that are reset against the LIBOR (London Inter Bank Offering Rate) with a plus factor. The coupons had short reset points ranging from twice a year, quarterly or monthly. The shorter the reset point the less sensitive the investment is to interest rate changes.

Declines in Investment Values - Subsequent to year end, the fair value of the County's investment portfolio reflected in the Interim Retiree Medical Benefit Trust and the Pension Trust Funds declined by approximately \$70 million and \$181 million receptivity. These declines are consistent with the overall decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

Risks and Uncertainties - The County invests in various securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

4. Receivables

Property Taxes

Prior to 2004, taxes were levied on December 1 on the taxable value of real and personal property as established the preceding December 31. Taxes became a lien on the property on December 1 and were due and payable on that date through February 28 of the following year, after which unpaid taxes became delinquent and subject to penalty. Michigan Public Act 357 of 2004 required a gradual shift of county property tax levies from winter to summer as a substitute to county revenue sharing from the State. This caused an accelerated levy on July 1, 2005 of one-third of the millage rate times the 2005 taxable values. The levy then alternated with two-thirds, two-thirds, one-third of the rate times the applicable taxable value through December 1, 2006. The entire County Operating Tax is levied on July 1 each year beginning in 2007. Taxable value is determined by using such factors as State equalized, assessed, and capped values, along with a value change multiplier. Equalized values for the 2008 summer levy amounted to \$74,491,081,562 with taxable values of \$64,745,976,336. The operating tax rate for the 2008 levy was 4.19 mills, with an additional 0.2415 mills voted for Parks and Recreation (winter levy only). As a side note, the date for delinquencies did not change with the shift in levy dates; therefore, while the levies were accelerated, the collections are not necessarily so. These receivables (current and delinquent) amounted to \$37,496,563 at September 30, 2008.

Delinquent Taxes

The Treasurer purchases, at face amount, real property tax receivables that are delinquent on March 1. These receivables (\$97,216,535 at September 30, 2008) are pledged for the repayment of notes, the proceeds of which were used to liquidate the amounts of delinquent real property taxes due to the County and other governmental agencies. Subsequent collections of delinquent taxes, which include interest, penalties, fees, and investment earnings, amounting to \$28,874,669 in 2008, are used to service the notes payable.

County of Oakland
Notes to Basic Financial Statements
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5. Allowances for Uncollectible Receivables

At September 30, 2008, the allowances for uncollectible receivables were as follows:

General Fund	\$ 201,814
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County of Oakland
Notes to Basic Financial Statements
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6. Investment Income – Pension Trust Funds

The following is a breakdown of the investment income for Pension Trust funds, and the Interim Retirees Medical Benefits Trust fund of the primary government for the year ended September 30, 2008:

	Employees' Retirement	VEBA Trust	IRMB Trust
Interest and dividends	\$ 22,927,612	\$ 11,726,200	\$ 13,637,711
Unrealized/ Realized gain (loss) on sale of investments (net)	<u>(130,483,562)</u>	<u>(65,776,763)</u>	<u>(82,756,272)</u>
Total	<u>\$ (107,555,950)</u>	<u>\$ (54,050,563)</u>	<u>\$ (69,118,561)</u>

County of Oakland
Notes to Basic Financial Statements
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7. Capital Assets

An analysis of property and equipment as reported in the Statement of Net Assets, and related accumulated depreciation, at September 30, 2008, for governmental activities follows:

	Balance October 1, 2007	Additions	Disposals	Balance September 30, 2008
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 7,365,551	\$ -	\$ -	\$ 7,365,551
Construction in progress	53,551,092	8,180,997	(38,194,923)	23,537,166
Total capital assets not being depreciated	<u>60,916,643</u>	<u>8,180,997</u>	<u>(38,194,923)</u>	<u>30,902,717</u>
Capital assets being depreciated				
Land improvements	1,131,282	-	-	1,131,282
Buildings and improvements	176,600,953	35,613,769	-	212,214,722
Equipment and vehicles	97,504,873	5,703,409	(2,129,868)	101,078,414
Infrastructure	27,626,288	494,655	-	28,120,943
Total capital assets being depreciated	<u>302,863,396</u>	<u>41,811,833</u>	<u>(2,129,868)</u>	<u>342,545,361</u>
Less: Accumulated depreciation				
Land improvements	905,619	21,624	-	927,243
Buildings and improvements	68,461,106	5,786,538	-	74,247,644
Equipment and vehicles	65,002,164	7,592,226	(1,753,690)	70,840,700
Infrastructure	11,804,847	735,940	-	12,540,787
Total accumulated depreciation	<u>146,173,736</u>	<u>14,136,328</u>	<u>(1,753,690)</u>	<u>158,556,374</u>
Total capital assets being depreciated, net	<u>156,689,660</u>	<u>27,675,505</u>	<u>(376,178)</u>	<u>183,988,987</u>
Governmental activities capital assets, net	<u>\$ 217,606,303</u>	<u>\$ 35,856,502</u>	<u>\$ (38,571,101)</u>	<u>\$ 214,891,704</u>
Depreciation expense was charged to functions as follows:				
Public safety		\$ 3,040,264		
Justice administration		1,444,146		
Citizens services		350,871		
Public infrastructure		628,729		
Commerce and Community Development		26,613		
Unallocated depreciation		1,900,360		
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>6,745,345</u>		
Total depreciation expense - governmental activities		<u>\$ 14,136,328</u>		

County of Oakland
Notes to Basic Financial Statements
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A summary of business-type property and equipment at September 30, 2008 follows:

	Balance October 1, 2007	Additions	Disposals	Balance September 30, 2008
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 54,967,399	\$ 23,754	\$ -	\$ 54,991,153
Construction in progress	48,300,773	2,857,853	(21,215,638)	29,942,988
Other	12,000	-	-	12,000
Total capital assets not being depreciated	<u>103,280,172</u>	<u>2,881,607</u>	<u>(21,215,638)</u>	<u>84,946,141</u>
Capital assets being depreciated				
Land improvements	23,895,684	-	-	23,895,684
Buildings and improvements	48,951,770	19,194,657	(18,414)	68,128,013
Equipment and vehicles	48,616,153	3,649,930	(294,341)	51,971,742
Infrastructure	228,970,099	628,509	-	229,598,608
Total capital assets being depreciated	<u>350,433,706</u>	<u>23,473,096</u>	<u>(312,755)</u>	<u>373,594,047</u>
Less: Accumulated depreciation				
Land improvements	15,145,434	1,175,883	-	16,321,317
Buildings and improvements	16,537,437	1,391,113	(9,092)	17,919,458
Equipment and vehicles	41,287,501	3,543,672	(278,243)	44,552,930
Infrastructure	142,850,048	5,400,064	-	148,250,112
Total accumulated depreciation	<u>215,820,420</u>	<u>11,510,732</u>	<u>(287,335)</u>	<u>227,043,817</u>
Total capital assets being depreciated, net	<u>134,613,286</u>	<u>11,962,364</u>	<u>(25,420)</u>	<u>146,550,230</u>
Business-type activities capital assets, net	<u>\$ 237,893,458</u>	<u>\$ 14,843,971</u>	<u>\$ (21,241,058)</u>	<u>\$ 231,496,371</u>
Depreciation expense was charged to functions as follows:				
Airports		\$ 1,812,090		
Community safety support		3,024,698		
Community water and sewer		631,990		
Recreation and leisure		3,238,945		
Sewage disposal systems		2,803,009		
Total depreciation expense - business-type activities		<u>\$ 11,510,732</u>		

County of Oakland
Notes to Basic Financial Statements
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An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2008, for component units follows:

	Balance October 1, 2007	Additions	Disposals	Balance September 30, 2008
Component Units				
Drainage Districts				
Capital assets not being depreciated				
Construction in progress	\$ 149,726,095	\$ 3,075,755	\$ (8,375,171)	\$ 144,426,679
Capital assets being depreciated				
Infrastructure	336,836,441	8,044,368	-	344,880,809
Less: Accumulated depreciation				
Infrastructure	63,255,900	3,961,375	-	67,217,275
Total capital assets being depreciated, net	273,580,541	4,082,993	-	277,663,534
Governmental activity capital assets, net	\$ 423,306,636	\$ 7,158,748	\$ (8,375,171)	\$ 422,090,213
Road Commission				
Capital assets not being depreciated				
Land and other	\$ 148,577,708	\$ 7,403,956	\$ -	\$ 155,981,664
Construction in progress	20,500	308,345	-	328,845
Total capital assets not being depreciated	148,598,208	7,712,301	-	156,310,509
Capital assets being depreciated				
Buildings and storage bins	17,817,903	85,461	(3,984)	17,899,380
Road equipment	49,673,973	2,722,370	(489,458)	51,906,885
Other equipment	5,787,403	132,765	(180,724)	5,739,444
Infrastructure	807,703,130	51,005,532	-	858,708,662
Brine wells and gravel pits	1,364,232	24,796	-	1,389,028
Total capital assets being depreciated	882,346,641	53,970,924	(674,166)	935,643,399
Less: Accumulated depreciation				
Buildings and storage bins	8,575,962	439,727	(3,984)	9,011,705
Road equipment	40,097,231	4,129,443	(485,211)	43,741,463
Other equipment	4,202,370	444,654	(180,723)	4,466,301
Infrastructure	332,791,496	32,081,239	-	364,872,735
Brine wells and gravel pits	976,021	85,103	-	1,061,124
Total accumulated depreciation	386,643,080	37,180,166	(669,918)	423,153,328
Total capital assets being depreciated, net	495,703,561	16,790,758	(4,248)	512,490,071
Governmental activity capital assets, net	\$ 644,301,769	\$ 24,503,059	\$ (4,248)	\$ 668,800,580

County of Oakland
Notes to Basic Financial Statements
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8. Long-term Debt

The County issues bonds and notes authorized by various State acts. Each act provides specific covenants for specific purposes.

Primary Government

	Interest rate	October 1, 2007	Additions	Reductions	September 30, 2008	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Debt with limited taxing authority									
Building authority - Act 31	2.50%-5.60%	\$ 86,035,000	\$ -	\$ (4,300,000)	\$ 81,735,000	\$ 4,455,000	\$ 77,280,000	\$ 62,430,000	\$ 19,305,000
Building authority refunding	4.37%-4.75%	13,055,000	-	(2,345,000)	10,710,000	1,405,000	9,305,000	2,750,000	7,960,000
Certificates of Participation - Taxable	6.00%-6.25%	556,985,000	-	(20,765,000)	536,220,000	16,610,000	519,610,000	536,220,000	-
Lake levels - Act 451	2.25%-3.40%	440,000	-	(55,000)	385,000	55,000	330,000	-	385,000
Sewage disposal - Act 342	3.50%-8.50%	4,600,000	-	(1,640,000)	2,960,000	1,000,000	1,960,000	-	2,960,000
Water and sewer - Act 342	4.00%-4.50%	3,550,000	-	(150,000)	3,400,000	150,000	3,250,000	-	3,400,000
Water supply - Act 342	4.40%-7.00%	11,345,000	-	(330,000)	11,015,000	340,000	10,675,000	-	11,015,000
Water and sewer refunding bonds	2.00%-3.50%	1,925,000	-	(310,000)	1,615,000	315,000	1,300,000	-	1,615,000
Water supply refunding bonds	4.40%-4.70%	1,820,000	-	(250,000)	1,570,000	255,000	1,315,000	-	1,570,000
Sewage disposal refunding bonds	3.00%-5.20%	13,160,000	-	(3,815,000)	9,345,000	3,410,000	5,935,000	-	9,345,000
Michigan Bond Authority - Sewage Disposal Bonds	2.25%	5,655,000	1,739,371	(525,000)	6,869,371	570,000	6,299,371	-	6,869,371
Total bonds - governmental activities		<u>\$ 698,570,000</u>	<u>\$ 1,739,371</u>	<u>\$ (34,485,000)</u>	<u>\$ 665,824,371</u>	<u>\$ 28,565,000</u>	<u>\$ 637,259,371</u>	<u>\$ 601,400,000</u>	<u>\$ 64,424,371</u>
Tax notes - limited taxing authority - business-type activities									
	1.625%	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ (25,000,000)</u>	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ -</u>	<u>\$ 25,000,000</u>	<u>\$ -</u>
Component units									
Drainage Districts									
Debt with limited taxing authority									
Drain bonds - Act 40	3.60%-8.00%	\$ 22,005,000	\$ 765,000	\$ (2,080,000)	\$ 20,690,000	\$ 2,170,000	\$ 18,520,000	\$ 1,485,685	\$ 19,204,315
Drain notes - Act 40	2.90%	685,000	-	(685,000)	-	-	-	-	-
Drain refunding bonds	3.75%-6.70%	46,910,000	2,475,000	(7,310,000)	42,075,000	4,685,000	37,390,000	3,213,084	38,861,916
Michigan Bond Authority - Drain Bonds	2.00%-2.50%	93,695,408	1,262,826	(4,935,000)	90,023,234	5,135,000	84,888,234	1,570,639	88,452,595
Total Drainage Districts		<u>\$ 163,295,408</u>	<u>\$ 4,502,826</u>	<u>\$ (15,010,000)</u>	<u>\$ 152,788,234</u>	<u>\$ 11,990,000</u>	<u>\$ 140,798,234</u>	<u>\$ 6,269,408</u>	<u>\$ 146,518,826</u>
Total County Debt		<u>\$ 886,865,408</u>	<u>\$ 31,242,197</u>	<u>\$ (74,495,000)</u>	<u>\$ 843,612,605</u>	<u>\$ 65,555,000</u>	<u>\$ 778,057,605</u>	<u>\$ 632,669,408</u>	<u>\$ 210,943,197</u>

County of Oakland
Notes to Basic Financial Statements
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Component Units (Continued)

Road Commission	Interest rate	October 1, 2007	Additions	Reductions	September 30, 2008	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Compensated absences	--	\$ 3,385,579	\$ -	\$ (90,357)	\$ 3,295,222	\$ -	\$ 3,295,222	\$ -	\$ 3,295,222
Self-insured losses	--	2,000,000	-	(100,000)	1,900,000	-	1,900,000	-	1,900,000
	--	-	2,260,219	-	2,260,219	-	2,260,219	-	2,260,219
Michigan Transportation Fund revenue notes	3.75%-4.75%	10,450,000	-	(2,475,000)	7,975,000	2,475,000	5,500,000	-	7,975,000
Total Road Commission		\$ 15,835,579	\$ 2,260,219	\$ (2,665,357)	\$ 15,430,441	\$ 2,475,000	\$ 12,955,441	\$ -	\$ 15,430,441
Total reporting entity		\$ 902,700,987	\$ 33,502,416	\$ (77,160,357)	\$ 859,043,046	\$ 68,030,000	\$ 791,013,046	\$ 632,669,408	\$ 226,373,638

The annual requirements to pay principal and interest on debt outstanding at September 30, 2008 (excluding the liabilities for compensated absences and uninsured losses for the Road Commission component unit) were:

	Bonds with limited taxing authority		Certificates of Participation limited taxing authority		Notes with limited taxing authority		Total primary government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 11,955,000	\$ 5,513,559	\$ 16,610,000	\$ 32,482,888	\$ 25,000,000	\$ 343,750	\$ 53,565,000	\$ 38,340,197
2010	10,790,000	5,033,720	17,590,000	31,456,887	-	-	28,380,000	36,490,607
2011	7,275,000	4,640,600	18,320,000	30,379,588	-	-	25,595,000	35,020,188
2012	7,325,000	4,358,005	19,545,000	29,243,638	-	-	26,870,000	33,601,643
2013	7,900,000	4,062,083	114,085,000	126,906,287	-	-	121,985,000	130,968,370
2014-2018	36,325,000	15,884,619	150,245,000	86,925,000	-	-	186,570,000	102,809,619
2019-2023	34,530,000	7,763,168	199,825,000	32,673,281	-	-	234,355,000	40,436,449
2024-2028	12,094,371	1,559,323	-	-	-	-	12,094,371	1,559,323
2029-2033	1,410,000	95,850	-	-	-	-	1,410,000	95,850
Totals	\$ 129,604,371	\$ 48,910,927	\$ 536,220,000	\$ 370,067,569	\$ 25,000,000	\$ 343,750	\$ 690,824,371	\$ 419,322,246

	Drainage Districts		Road Commission		Total reporting entity	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 11,990,000	\$ 4,745,267	\$ 2,475,000	\$ 323,813	\$ 68,030,000	\$ 43,409,277
2010	12,495,000	4,349,446	1,500,000	220,000	42,375,000	41,060,053
2011	12,810,000	3,928,640	1,500,000	160,000	39,905,000	39,108,828
2012	11,380,000	3,492,544	500,000	100,000	38,750,000	37,194,187
2013	11,665,000	3,117,908	500,000	80,000	134,150,000	134,166,278
2014-2018	46,485,000	10,350,162	1,500,000	120,000	234,555,000	113,279,781
2019-2023	38,277,826	4,015,135	-	-	272,632,826	44,451,584
2024-2028	7,685,408	202,129	-	-	19,779,779	1,761,452
2029-2033	-	-	-	-	1,410,000	95,850
Totals	\$ 152,788,234	\$ 34,201,231	\$ 7,975,000	\$ 1,003,813	\$ 851,587,605	\$ 454,527,290

County of Oakland

Notes to Basic Financial Statements

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The County has pledged its full faith and credit on debt totaling \$843,612,605. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2008, the debt limit was \$7,449,108,156. The County is obligated if payments received on assessments or contracts levied against benefiting municipalities are insufficient to meet principal and interest requirements of this debt when due, and is shown in the preceding table as debt "with governmental commitment."

The aforementioned bonds are to be repaid as summarized in the following paragraphs.

Building Authority – Act 31

Act 31, Michigan Public Acts of 1948, provides for an authority to issue bonds to build and equip various public buildings, which are then leased to the County. Proceeds from these leases are used to repay the bonds. The collection of lease payments and retirement of debt is reflected in the respective Debt Service fund. At September 30, 2008, there were nine issues outstanding, totaling \$81,735,000, maturing in the years 2009-2027, which represents debt originally issued in the years 1999-2007 totaling \$103,260,000.

Taxable Certificates of Participation

Represents debt issued in the form of trust certificates to fund future retiree health care costs reported in the VEBA Trust fund. Debt was issued under the authority of Public Act 139, Michigan Public Acts of 1973, in the amount of \$556,985,000, maturing in the years 2008 through 2027, and funds were placed in trust in the Intermediate Retirees Medical Benefits Trust fund, a special revenue fund. The annual actuarially determined amount will be transferred from the trust to the VEBA Trust Fund. At September 30, 2008 there remained debt outstanding in the amount of \$536,220,000, maturing in the years 2009-2027.

Sewage Disposal, Water and Sewer, and Water Supply Bonds – Act 342

Act 342, Michigan Public Acts of 1939 provides for a contract between the County and local municipalities which defines a schedule of annual payments to be made by the municipality to meet principal and interest obligations. Such contractual payments may be funded by revenues produced by utility or tax revenues. The County is obligated upon the default of the local municipality, and therefore, such obligation is shown as "with governmental commitment." Assessments are shown in their entirety with the corresponding deferred revenue in the Debt Service funds for each act. At September 30, 2008, there were eight issues outstanding, totaling \$17,375,000, maturing in the years 2009-2030. This represents debt originally issued in the amount of \$31,410,000 issued in the years 1988-2005.

Refunding Bonds

Michigan Public Act 202 of 1943 and Act 34 of 2001 provides for the refunding of bonds based on covenants contained in the act. The bonds will be repaid from assessments levied against the benefiting municipalities for water and sewer debt, or leases for Building Authority debt. At September 30, 2008, there were 11 issues outstanding, totaling \$23,240,000, maturing in the years 2009-2027. This represents debt originally issued in the years 1994-2006 totaling \$62,005,000.

Michigan Bond Authority Sewage Disposal Bonds

In October 1996, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$9,350,000 for the White Lake Township Sewage Disposal System project; the entire amount was received as of the end of fiscal year 1999. The amount outstanding for this issue at September 30, 2008 was \$5,200,000, which matures in the years 2009-2018.

County of Oakland

Notes to Basic Financial Statements

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In September 2007, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$2,000,000 for the Softwater Lake Capital Improvement Sewage Disposal System project. Through September 30, 2008, the County received \$1,739,371 from the State Revolving Loan fund, which matures in the years 2009-2025.

Lake Levels – Act 146

Act 451 of Michigan Public Acts of 1994 permits the issuance of debt for providing lake level control. Bonds are to be repaid through special assessments levied against benefiting property owners. In October 2004, the County authorized the issuance of bonds in the amount of \$575,000 for the Watkins Lake Level. The amount outstanding at September 30, 2008 was \$385,000, which matures in the years 2009-2014.

Tax Notes – Section 87B of Act 206

By agreement with various taxing authorities, the County purchases (at face value) real property taxes which are returned delinquent each March 1. The assets of the Delinquent Tax Revolving fund (an Enterprise fund), including receivables in the amount of \$249,126,840 at September 30, 2008, are pledged as collateral for payment of the tax notes. The proceeds of these notes were used to liquidate the amounts due the County's General Fund and other governmental agencies for purchase of their delinquent real property tax receivables and to provide an amount for note repayment. The amount outstanding at September 30, 2008 was \$25,000,000. Subsequent collections on delinquent taxes receivable, plus interest penalties and collection fees thereon, and investment earnings are used to service the debt.

Drain Bonds and Notes – Act 40 (Component Unit)

Act 40 provides for the creation of a Drain Board, which has the power to assess state, county, and local levels of government for principal and interest payments. Such assessments are to be funded from General Fund revenues of the respective municipality. The County portion of the assessment is identified as a general obligation. Further, the County is obligated if assessments levied against benefiting municipalities are insufficient to meet principal and interest requirements when due. Such obligations are shown as "with governmental commitment." At September 30, 2008, there were 18 issues outstanding, totaling \$22,429,371, maturing in the years 2009-2028. This represents original debt issued for \$44,540,000 in the years 1993-2008. In May 2005, a Drain Note was issued by a financial institution in the amount of \$685,000, which matured in the year 2008, for purchase of property within the Franklin Sub-Watershed Drainage District. Funds for repayment of this note were to be provided through the sale of the property once drain improvements were completed, however, with the declining market, this was not possible. Debt was issued in 2008 in the amount of \$765,000 in order to pay the amount of the note and cover additional carrying costs (and is included in the details above).

Drain Refunding Bonds (Component Unit)

Act 202 of 1943 and Act 34 of 2001 provides for the refunding of bonds based on covenants contained in the act. The County initiates the refunding of various drain bonds issued under Act 40 on behalf of the drainage districts component unit. Bonds will be repaid from assessments levied against the benefiting municipalities. At September 30, 2008, there were 17 issues outstanding, totaling \$42,075,000, maturing in the years 2009-2024. This represents debt originally issued in the years 1997-2008 in the amount of \$63,900,000.

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Notes to Basic Financial Statements
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Michigan Bond Authority Drain Bonds (Component Unit)

The County authorized issuance of bonds in the amount of \$9,365,000 in 1994 to the Michigan Municipal Bond Authority Revolving Loan fund for the Combined Sewer Overflow Project. In October 2000, the County additionally authorized the issuance of bonds for up to \$17,880,000 for the George W. Kuhn Drainage District, with the entire amount from the State Revolving Loan Fund being received by 2005. Further, in 2001, the County authorized an additional \$82,200,000 for the George W. Kuhn Drainage District Segment II, with successive authorizations of \$1,620,000 in 2005, \$3,170,000 in 2006, and \$1,765,000 in 2007. Through September 30, 2008, the drainage district received \$86,613,234 from the State Revolving Loan Fund for Segment II. At September 30, 2008, there were nine issues outstanding, totaling \$90,023,234, maturing in the years 2009-2024.

Advance Refunding of General Obligation Limited Tax Bonds

In June 2006, the County advance refunded a portion of a general obligation limited tax bond issue with surplus construction funds transferred to the debt service fund. These funds were placed in trust for the purpose of generating resources for the repayment of the refunded debt. Accordingly, the trust account assets and liability for the refunded bonds are not included in the County's financial statements. At September 30, 2008, there is an in-substance defeasance of \$820,000 of Building Authority Bonds Series 2002A (Rochester Hills - Sheriff Substation), maturing in the years 2020 through 2022 inclusively.

In August 2007, the County advance refunded a portion of two general obligation limited tax bond issues with a general obligation limited tax refunding drain bond issue on behalf of the Drainage Districts component unit, pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. The County issued \$12,460,000 of refunding bonds to provide resources placed in trust for the purpose of generating resources for the payment of future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunding bonds are not included in the Drainage Districts component unit, or the County's financial statements. At September 30, 2008 there is an in-substance defeasance of \$4,945,000 and \$6,845,000 for the George Kuhn Drainage District Series 2000B and 2001E, respectively, maturing in the years 2009 through 2024 inclusively.

In April 2008, the County issued \$2,475,000 of refunding bonds for a current refunding of a general obligation limited tax refunding bond issue on behalf of the Drainage Districts component unit, pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding drain bonds were issued for the payment of future debt service payment of the refunded debt. The debt refunded amounted to \$2,530,000 for the Birmingham CSO Drainage District Refunding Bonds Series 1999 maturing in the years 2009 through 2016 inclusively. The refunding was undertaken to reduce the debt service payments over the next eight years by \$226,884 and obtain an economic (present value) gain of \$198,757.

Changes in Other Long-term Liabilities

Long-term liabilities activity, as reported in the Fringe Benefit Fund and Building Liability Insurance Fund, Internal Service funds, for the fiscal year ended September 30, 2008 was as follows:

County of Oakland
Notes to Basic Financial Statements
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	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities					
Accrued compensated absences	\$ 13,318,389	\$ 1,331,839	\$ (2,225,780)	\$ 12,424,448	\$ 1,242,445
Claims and judgments					
Accrued unreported health costs	3,033,000	1,009,989	(1,310,989)	2,732,000	910,667
Accrued workers' compensation	12,047,810	1,065,330	(355,034)	12,758,106	1,485,960
Building and liability insurance	8,086,228	382,649	(3,308,044)	5,160,833	1,176,052
Governmental activity long-term liabilities	<u>\$ 36,485,427</u>	<u>\$ 3,789,807</u>	<u>\$ (7,199,847)</u>	<u>\$ 33,075,387</u>	<u>\$ 4,815,124</u>

9. Interfund Balances

Interfund receivables and payables at September 30, 2008 were:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Public Health	\$ 1,629,430
	Water and Sewer Debt Act 342	895
	Nonmajor governmental	15,263,382
	Nonmajor enterprise	38,448
	Internal Service	4,106,682
	Total	<u>21,038,837</u>
Public Health	Nonmajor governmental	<u>102,011</u>
Nonmajor governmental	General	3,294,895
	Nonmajor governmental	320,370
	S.O.C.S.D.S.	1,899
	Nonmajor enterprise	37,352
	Internal service	294,937
	Total	<u>3,949,453</u>
Water and Sewer Trust	Water and Sewer Trust	343,447
	Nonmajor enterprise	123,489
	Total	<u>466,936</u>
Nonmajor enterprise	Water and Sewer Trust	129,395
	Internal Service	237,142
	Total	<u>366,537</u>
Internal service	General	6,355,753
	Public Health	23,044
	Nonmajor governmental	22,856
	Internal Service	28,166
	Total	<u>6,429,819</u>
	Total	<u>\$ 32,353,593</u>

These balances result from the time difference between the dates that services are provided or transfers are authorized, transactions are recorded in the accounting system, and payments between funds are made.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2008 were:

Primary Government	Component Unit	
Due from Component Unit	Due to Primary Government	
General Fund	Drainage Districts	<u>\$ 29,503</u>
Nonmajor governmental	Drainage Districts	<u>1,304,439</u>
Nonmajor enterprise	Drainage Districts	<u>133,483</u>
Internal Service	Drainage Districts	4,928
	Road Commission	<u>11,237</u>
		<u>16,165</u>
	Total	<u>\$ 1,483,590</u>

Advances to/from other funds (including current and long-term portions) at September 30, 2008 were:

Receivable Fund	Payable Fund	
Nonmajor governmental	Nonmajor governmental	<u>\$ 126,000</u>
Delinquent Tax Revolving	Internal Service	<u>554,596</u>
	Total	<u>\$ 680,596</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

Interfund transfers between the funds within the Primary Government recorded in the accompanying financial statements as operating transfers in/out for the year ended September 30, 2008 were:

Transfers In	Transfers Out	Amount
General Fund	Revenue Sharing Reserve	\$ 23,108,986
	Nonmajor governmental	623,111
	Delinquent Tax Revolving	13,840,090
	Internal service	2,020,254
		<u>39,592,441</u>
Public Health	General Fund	<u>26,791,025</u>
Building Authority Act 31	Delinquent Tax Revolving	<u>5,349,646</u>
Nonmajor governmental	General Fund	48,127,501
	Public Health	136,115
	Nonmajor governmental	4,227,237
	Internal Service	1,098,694
		<u>53,589,547</u>
Water & Sewer Trust	Water & Sewer Debt Act 342	<u>988</u>
Nonmajor enterprise	General Fund	1,994,613
	Nonmajor governmental	2,668,742
	Nonmajor enterprises	200,000
	Internal service	1,769
		<u>4,865,124</u>
Internal Service	General Fund	2,182,755
	Public Health	13,000
	Nonmajor governmental	2,307,964
	Water & Sewer Trust	147,560
	S.O.C.S.D.S.	21,700
	Nonmajor enterprise	47,740
	Internal Service	267,225
		<u>4,987,944</u>
*General government	Internal service	<u>60,671</u>
	Total transfers	<u>\$ 135,176,715</u>

*Transfers of capital assets from Micrographics fund, internal service to general government.

The transfers to and from the various funds are made to account for budgetary authorizations and/or providing funding for operations as needed.

County of Oakland
Notes to Basic Financial Statements
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10. Fund Equities

At September 30, 2008, a deficit existed in the following funds:

Special Revenue Funds	
Lake Levels Act 146	\$ 167,539
Pollution Control Grants	118,991
Capital Projects Fund	
Lake Levels Act 146	53,089
Internal Service Funds	
Drain Equipment	2,084,121

In the Special Revenue funds, the Lake Levels Act 146 fund consists of 30 separate lake level funds. Annually, lake level funds are reviewed and assessments authorized. Assessments are determined in July and are placed on December tax bills. The assessments are meant to cover any individual fund deficits at that time, and also to cover the anticipated operating costs for the following year. Due to unexpected costs in FY 2008, there are several individual lake level funds with deficit balances; however, the majority of the overall net negative unreserved fund balance is due to a \$139,403 deficit in the Oxford Multi Lake Level fund. This deficit is related to a large maintenance project being funded through a 5-year special assessment beginning in FY 2009. Negative unreserved fund balances in the various other lake level funds will be reviewed and eliminated in future years assessments.

The negative unreserved fund balances in the Pollution Control Grant fund, reflects the fact that grant funds operate on a reimbursement basis; e.g., the County pays the original expenses and is reimbursed by the grantor agency after submission of the proper support documentation. Typically, reimbursement for year-end expenditures lags by two to three months. Once reimbursement is obtained, the negative unreserved fund balance will be eliminated. Should the reimbursement not be sufficient to cover the expense, the County has match funds budgeted which will be transferred to cover any remaining deficit.

The negative unreserved fund balance in the Lake Levels Act 146 Fund (Capital Projects fund type) primarily reflects costs that are related to the Bush Lake Level project. Costs-to-date include preliminary design costs as well as litigation costs associated with an on-going legal action that has not been resolved to date. Once the design phase is complete and the litigation is settled a decision will be made to determine if the project will move forward. If the project is to move forward, a total project cost analysis and plan of financing will be prepared. If the project does not move forward, a special assessment will be issued to cover the preliminary design costs as well as the costs for litigation.

The negative unrestricted net assets balance in the Drain Equipment Fund (Internal Service fund type) is primarily due to the recent change over the past several years to replace department-owned vehicles with leased vehicles from the Motor Pool Fund. The replacement of Drain department-owned vehicles requires a transfer from the Drain Equipment Fund to the Motor Pool Fund at the time of purchase and the number of owned vehicle replacements has been fairly significant over the past several years. Also, the lease charges from the Motor Pool Fund were more than anticipated (budgeted) for the fiscal year ended September 30, 2008 due to increased operating/fuel costs. Even with higher than anticipated fuel costs charged to the Drain Equipment Fund, there was a significant fiscal improvement in FY 2008 realizing a positive change of net assets of \$137,171 as compared to an operating loss of \$984,668 in the prior year (a swing of over \$1.1 million between

County of Oakland
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years of operations). The Drain Equipment vehicle rates, as well as other equipment rates, were increased for FY 2008 and will continue to escalate in order to cover annual operations and future replacement. It is anticipated the negative unrestricted net assets will be eliminated by the end of FY 2011 based on the continued rate adjustments, and the decrease in the number of department owned vehicles requiring one-time transfers to the Motor Pool Fund for replacement.

Reserved, designated, and undesignated fund balances and net assets at September 30, 2008, including the Road Commission and Drainage Districts component units, were as follows:

	Reserved	Unreserved	
		Designated	Undesignated
Primary Government			
General Fund			
Encumbrances	\$ -	\$ 133,569	\$ -
Prepays	134,276	-	-
Future operating requirements	-	66,137,160	-
Capital outlay	-	9,350,000	-
Other programs	267,215	5,591,151	-
Uncommitted	-	-	2,713,991
	<u>\$ 401,491</u>	<u>\$ 81,211,880</u>	<u>\$ 2,713,991</u>
Special Revenue Funds			
Encumbrances	\$ -	\$ 24,259	\$ -
Specific programs	429,403,510	195,915,985	(286,530)
	<u>\$ 429,403,510</u>	<u>\$ 195,940,244</u>	<u>\$ (286,530)</u>
Debt Service Funds			
Debt service - general obligations	\$ 476,139	\$ -	\$ -
Capital Projects Funds			
Long-term receivables	\$ 192,667	\$ -	\$ -
Work projects	7,581,007	9,238,783	-
Uncommitted	-	-	9,460,642
	<u>\$ 7,773,674</u>	<u>\$ 9,238,783</u>	<u>\$ 9,460,642</u>

County of Oakland
Notes to Basic Financial Statements
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Component Units	Reserved	Unreserved	
		Designated	Undesignated
Road Commission			
Governmental Fund			
Construction and maintenance	\$ 8,170,508	\$ 16,141,883	\$ -
Subsequent year's budget	-	5,634,965	-
Long-term portion of provision for uninsured losses	-	1,900,000	-
Compensated absences	-	3,295,222	-
Postemployment benefits	-	2,260,219	-
	<u>\$ 8,170,508</u>	<u>\$ 29,232,289</u>	<u>\$ -</u>
Drainage Districts			
Governmental Fund			
Construction and maintenance	\$ 15,371,968	\$ -	\$ -
Debt Service	867,475	-	-
	<u>\$ 16,239,443</u>	<u>\$ -</u>	<u>\$ -</u>

11. Employee Benefits

Primary Government

The County provides various benefits to its employees. Expenditures in 2008 for these benefits totaled the following: medical insurance, \$31,227,713; dental insurance, \$3,141,460; optical insurance, \$276,940; annual and sick leave, \$1,536,597; disability, \$2,469,015; tuition reimbursement, \$275,470; Social Security, \$16,688,241; workers' compensation, \$2,665,297; and unemployment claims, \$471,813.

Road Commission

The Road Commission provides medical, dental, and optical insurance to its employees. Expenditures in 2008 for these benefits approximated \$10,371,768. Workers' compensation expense in 2008 approximated \$1,079,283.

12. Defined Benefit Pension Plan

Plan Description

The County has a single-employer defined benefit pension plan, covering substantially all full-time employees. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

County of Oakland
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Since the County does not issue a stand-alone report for its County PERS, following are condensed financial statements for the period as of and including September 30, 2008:

Statement of Net Assets

Cash and investments	\$ 689,679,503
Other assets	3,199,530
Total assets	<u>692,879,033</u>
Liabilities	<u>587,404</u>
Net assets	<u>\$ 692,291,629</u>

Statement of Changes in Net Assets

Additions:	
Contributions	\$ 940,823
Investment income	(107,555,950)
Other revenue	1,166,265
Total additions	<u>(105,448,862)</u>
Deductions:	
Benefit payments	33,299,613
Retirement incentive	5,606,085
Other expenses	3,142,419
Total deductions	<u>42,048,117</u>
Change in net assets	(147,496,979)
Net assets held in trust, beginning of year	839,788,608
Net assets held in trust, end of year	<u>\$ 692,291,629</u>

Basis of Accounting

The County's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable, in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at an estimated fair value, or amortized cost.

Funding Policy/Contributions

The County policy is to fund normal costs of the Plan by contributions which are based on actuarially determined rates, expressed as percentages of annual covered payroll, and which are sufficient to accumulate assets to pay benefits when due. The current year and prior-period rates for the County plan were 0.0 percent and 0.0 percent, respectively, of annual covered payroll, which was determined through actuarial valuation performed at September 30, 2006 and September 30, 2005, respectively. There were no contributions from County funds for the years 2000 through 2008.

County of Oakland
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Sheriff's deputies contribute at a rate of 3 percent of their annual pay for the first 14 years of service and 5 percent thereafter. Command officers contribute 5 percent. General County Option A members who have elected improved benefits contribute 1 percent of their pay after 14 years of service. Contributions received from these employees for the years ended September 30, 2008 and September 30, 2007 amounted to \$940,823 and \$1,003,782, respectively.

The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions. All administrative costs of the plan are financed directly by Oakland County.

Benefits

Members of both plans may retire at age 55 (except Sheriff's deputies, who may retire with 25 years of service regardless of age), with 25 years of service, or at age 60 with eight years of service. Members vest after eight years of service.

Eligible employees under the County plan are provided benefits based on 2%, 2.2% for years in excess of 14 years (Sheriff's deputies, 2.2% for the first 14 years of service, and 2.5% for thereafter, command officers 2.5%) of the final average compensation times the number of years of credited service. Maximum County retirement is 75% of final average compensation, defined as the average of the highest five consecutive years during the last 10 years.

Duty disability benefits provided by the County are computed as a regular retirement, with additional service credited until attainment of age 60, less an amount offset by workers' compensation payments, with a maximum payment of 75% of final average compensation. Non-duty disability benefits after 10 years of service are computed as a regular retirement. Death benefits are provided to beneficiaries after 10 years of service, based on years of service.

Classes of Employees

The County PERS covers the majority of full-time employees of the County hired prior to July 1, 1994. The Plans' membership consists of the following at September 30, 2007, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,659
Terminated plan members entitled to, but not yet receiving benefits	212
Active plan members	<u>895</u>
Total	<u>2,766</u>

The County established a defined contribution plan for County employees, and all new employees and eligible part-time employees hired on or after July 1, 1994 are covered by the defined contribution plan, as the County's PERS is no longer available to new employees.

During fiscal year 2008, the County offered a retirement incentive for qualifying employees to retire. This incentive amounted to \$5.6 million representing 152 employees and was paid from the Oakland County Employees' Retirement Fund.

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September 30, 2008

Annual Pension Cost

The Oakland County Employees' Retirement System is considered 100% funded since fiscal year 2001; the annual contribution is \$0 and 0% since that period.

Funded Status and Funding Progress

	Actuarial Valuation as of September 30,		
	2007	2006	2005
Actuarial value of assets	\$ 799,307,403	\$ 746,695,624	\$ 709,058,495
Actuarial Accrued Liability (entry age)	652,118,082	668,999,513	658,515,200
Unfunded AAL	<u>(147,189,321)</u>	<u>(77,696,111)</u>	<u>(50,543,295)</u>
Funded ratio	122.6%	111.6%	107.7%
Covered payroll	\$ 55,704,389	\$ 57,453,054	\$ 58,521,380
UAAL as percentage of covered payroll	0.0%	0.0%	0.0%

Required supplementary information, which includes a Schedule of Employer Contributions, significant actuarial assumptions, and a Schedule of Funding Progress for the County, is presented immediately following the notes to the financial statements.

Actuarial Methods and Assumptions

The annual required contribution was determined as part of the actuarial valuation as of September 30, 2007, using the aggregate actuarial cost method. Significant actuarial assumptions used include (a) a 7.25 investment rate of return, (b) projected salary increases of 4.5 to 10.5 percent per year and (c) 1.5 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a three year period.

Fund Balance Reserved for Employees' Pension Benefits

Fund balances reserved for employees' pension benefits include legally required reserves. Fund balance as of September 30, 2008 consists of the following reserves:

Annuity reserve	\$ 8,135,155
Pension reserve	369,289,339
Pension accumulated reserve	<u>314,867,135</u>
Total fund balance	<u>\$ 692,291,629</u>

Annuity reserve represents the cumulative contribution for retirees, disabled members, or surviving spouses who have elected monthly annuity benefits. Pension reserve represents the funded pension benefits available for retired lives and is funded by actuarially determined transfers from the pension accumulated reserve. Pension accumulated reserve represents the accumulated reserve for pension payable by the County.

13. Defined Contribution Plans

The County maintains a defined contribution plan, Oakland Performance Retirement System (OPRS), which qualifies under Internal Revenue Code Section 401(a). Employees in the County PERS were first afforded the opportunity to transfer to the OPRS through December 31, 1995, retroactive to January 1, 1995. Employees who elected to transfer to the OPRS had their individually actuarially determined earned retirement benefits in the County PERS, determined as of January 1, 1995, plus accrued interest at the rate of 7.5% from January 1, 1995 until the date of election to transfer, transferred into the OPRS. Subsequent to 1995, the County reopened the

County of Oakland

Notes to Basic Financial Statements

September 30, 2008

opportunity for transfer several times, resulting in an additional 1,477 employees transferred from the County PERS to the OPRS.

The OPRS maintains a schedule of vesting, with the participants becoming fully vested upon completion of six years of continuous service. Employees transferring from the County PERS were allowed a permanent selection of employee contributions of 0% or 3% of their salary, with the employer matching the contribution respectively with 6% or 9% for general employees, or 7% or 10% for employees in certain bargaining units. For employees hired on or after July 1, 1994, the employer contributes 5% of the employee's salary. Effective December 1999, employees were offered an opportunity to increase their contribution with a county match of 2% for new hires and 1% for all others. In December 2000, the employee and county match were increased 1%. All employees are able to contribute up to 10% of their salary on a voluntary after-tax basis. All contributions are remitted to a third-party plan administrator.

Total membership in the OPRS as of September 30, 2008 was 2,751, which includes 624 employees who elected to transfer from the PERS in 1995 through 2000 and 2,127 current employees hired since July 1, 1994.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2008 was \$155,590,556, and the County's total payroll was \$225,569,890. The required contributions, which matched those actually made, were \$6,144,088 by employees and \$14,183,955 by the County, representing 3.9% and 9.1% of covered payroll, respectively.

In 2008, the County offered a voluntary defined contribution plan for part-time non-eligible employees. The plan qualifies under the Omnibus Budget Reconciliation Act of 1990 (OBRA) and IRS Section 3121 (b) (&) (F) which allows for a defined contribution plan in lieu of Social Security. With the implementation of this plan, the County contributes 1.3% and the employee contributes 6.2% of their earnings into a defined contribution plan. The employee would be immediately 100% vested in both the employer and employee contributions, but cannot access the money invested in the plan until they are separated from County employment. During fiscal year 2008, the County contributed \$101,358 to the plan.

The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions.

14. Postemployment Benefits

Oakland County provides medical care benefit insurance coverage to retired employees or survivors of deceased employees who were hired on or before September 20, 1985, or hired on or after September 21, 1985 and had 15 years of service (for family coverage) or 8 to 14 years of service (for retired members only). This single-employer defined benefit plan is administered through the Oakland County VEBA Trust (the Trust).

For employees whose employment ends prior to retirement, the Trust provides benefits to those with 15 to 19 years of service (for members only) or 20 years of service (for family coverage).

In 2008, the County provided 1,906 retirees medical insurance and reimbursed them for Medicare premiums under the Trust. In 2008, the County disbursed \$19,955,983 for this purpose.

Postemployment benefits are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions. The plan covers the

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

following classes of employees: General Union, Command Officers, Deputies, and General Non-Union. The County established a "Retirement Health Savings Plan" beginning January 1, 2007, whereby the general non-union class of employees hired on or after this date will no longer receive a defined health insurance benefit, but will receive a cash payment upon retirement from which they can purchase their own health insurance. At September 30, 2007, the date of the most recent actuarial valuation, membership in the OPEB consisted of 1,988 retirees and beneficiaries currently receiving benefits, 3,501 active employees and 313 terminated employees entitled to benefits but not yet receiving them.

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

	Fiscal year ended September 30,		
	2008	2007	2006
Annual OPEB cost (ARC)	\$ 60,200,684	\$ 54,780,659	\$ 37,488,000
Percentage of ARC contributed	100%	100%	100%
Net OPEB obligation	\$ -	\$ -	\$ -

In 2008, the County contributed \$60,200,684 and experienced a loss of \$54,050,563 in interest income, with retirees contributing \$62,265 toward the cost of hospitalization riders. Employer contributions in 2008 for the County OPEB as determined through actuarial valuations performed at September 30, 2006 were: General Union \$4,911,528, Command Officers \$2,285,205, Deputies \$8,816,879, and General Non-Union \$44,187,072. This is expressed in percentages of covered payroll as 31.93%, 25.28%, and 18.59%, respectively, for the first three classes. The General Non-Union division is expressed only in dollars due to a change to the level dollar amortization method, used to finance the unfunded accrued liability. Employees are not required to contribute to the plan.

The funding progress of the plan as of September 30, 2007, the most recent actuarial valuation report, is as follows:

Retirees and beneficiaries	\$ 393,524,759
Vested terminated employees who will be eligible when they collect retirement (age 60 in most cases) and their beneficiaries	61,600,806
Active employees and beneficiaries	431,018,398
Actuarial accrued liability	886,143,963
Actuarial value of assets	366,334,143
Unfunded AAL (UAAL)	<u>\$ 519,809,820</u>
Funded ratio	41.3%
Annual covered payroll	\$ 200,409,433
UAAL as a percentage of covered payroll	259.4%

Unfunded actuarial accrued liabilities are being amortized as a fixed percentage of payroll over a period of 28 years.

County of Oakland
Notes to Basic Financial Statements
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2007, actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which consists of a real rate of return of 2.25 percent a year plus a long-term rate of inflation of 5.25 percent a year and an annual healthcare cost trend rate of 9.5 percent initially, reduced by decrements to an ultimate rate of 5.25 percent after ten years. Both rates included a 5.25 percent inflation assumption. The actuarial value of assets was determined using the average of the market value at the valuation date with adjusted market values from the two prior years. Prior year market values are adjusted by adding contributions and regular investment income and subtracting benefits, refunds and expenses for the intervening years. The UAAL for the General group was amortized using a level dollar payment method. All other groups were amortized by level (principal & interest combined) percent-of-payroll contributions. Active member payroll was assumed to increase 5.25 percent a year for the purpose of determining the level percent contributions. The remaining amortization period at September 30, 2007 was 28 years.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

Since the County does not issue stand-alone financial reports for the VEBA Trust, following are condensed financial statements as of and including September 30, 2008:

Statement of Net Assets

Cash and investments	\$ 377,823,059
Other assets	1,761,337
Total assets	<u>379,584,396</u>
Liabilities	<u>1,188,033</u>
Net assets	<u>\$ 378,396,363</u>

Statement of Changes in Net Assets

Additions:	
Contributions	\$ 60,262,949
Investment income	(54,050,563)
Other revenue	1,121,224
Total additions	<u>7,333,610</u>
Deductions:	
Benefits	<u>19,955,983</u>
Change in net assets	(12,622,373)
Net assets held in trust, beginning of year	<u>391,018,736</u>
Net assets held in trust, end of year	<u>\$ 378,396,363</u>

The Road Commission contributes to the Road Commission for Oakland County Retiree Health Care Trust (the "Trust"). The Trust provides for future payment of medical benefits for eligible retirees, their spouses and their dependents. The obligation to provide benefits to employees was established by negotiation with various collective bargaining units or other actions of the Oakland County Board of Road Commissioners. At December 31, 2006, the date of the most recent actuarial valuation, membership consisted of 441 retirees and beneficiaries currently receiving benefits, 341 vested active employees, and 194 nonvested active employees. For the year ended September 30, 2008, the Road Commission's annual required contribution to the Trust was \$10,288,941. The Road Commission contributed \$3,000,000 in calendar year 2007, and paid \$5,028,722 directly toward insurance premiums and medical costs for retirees during the fiscal year 2008, leaving a net OPEB obligation of \$2,260,219 at September 30, 2008.

15. Deferred Compensation Plan

In fiscal year 1998, both the County and the Road Commission adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. During fiscal year 1999, as required by the statement, the County and the Road Commission each placed all Deferred Compensation Plan assets with a trustee, relinquishing all fiduciary accountability for the assets. Accordingly, the related assets and liabilities of the plan are not reported in the County and Road Commission financial statements.

16. Risk Management

The County is exposed to various risks of loss related to property, employee injuries, general liability claims, and torts, as well as medical benefits provided to employees. The County has purchased property insurance for: its building and contents in the amount of \$300,000,000 loss limit (rated values: building and contents in the amount of \$506,758,227), electronic data processing equipment in the amount of \$39,303,098, boats and motors in the amount of \$503,000, ATV/snowmobiles in the amount of \$66,000, helicopter physical damage in the amount of \$3,442,003, and automobile catastrophe physical damage in the amount of \$2,000,000. Liability insurance has been purchased for: airport operations in the amount of \$50,000,000, helicopter operations in the amount of \$100,000,000, automobile fleet operations in the amount of \$5,000,000, fiduciary liability in the amount of \$25,000,000, employee bonds in the amount of \$3,000,000, travel accident in the amount of \$100,000 per person/\$500,000 aggregate, N.E.T. law enforcement liability in the amount of \$5,000,000, workers' compensation statutory coverage in excess of \$500,000 each occurrence self-insured retention and employers liability in the amount of \$1,000,000. The County is uninsured for all other risks except as noted.

The Road Commission has similar risks and is uninsured for these claims within certain limits. General liability claims are covered \$1,000,000 per occurrence and \$4,000,000 in aggregate with a maximum coverage of \$20,000,000. Workers' compensation claims are covered with \$500,000 per occurrence with no aggregate coverage.

The County and the Road Commission estimate the liability for all the above-mentioned claims that have been incurred through September 30, 2008, including both those claims that have been reported, as well as those that have not yet been reported, and estimates of both future payments of losses and related claim adjustment expenses.

Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses. Neither the County nor the Road Commission has experienced settlements in excess of insurance coverage during the past three years.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

The County records estimates in the Fringe Benefits and the Building and Liability Insurance funds, both Internal Service funds, and the Road Commission records these estimates in the governmental fund type. Changes in the estimated claims liabilities are as follows:

	September 30, 2008	2007
Primary Government		
Beginning-of-period liability	\$ 23,167,038	\$ 25,191,548
Estimated claims incurred, claim adjustment expenses and changes in estimates		
Provisions for current-year events	40,303,839	48,168,954
Increase (decrease) in provisions for prior-year events	(1,992,486)	(2,830,882)
Total incurred claims, claim adjustment expenses and changes in estimates	38,311,353	45,338,072
Claim payments and claim adjustment expenses		
Related to current-year events	(37,942,828)	(44,754,470)
Related to prior-year events	(2,884,624)	(2,608,112)
Total claim payments and claim adjustment expenses	(40,827,452)	(47,362,582)
End-of-period liability	\$ 20,650,939	\$ 23,167,038
Road Commission - Component Unit		
Beginning-of-year liability	\$ 3,510,000	\$ 3,760,000
Estimated claims incurred and changes in estimates	11,651,410	11,645,423
Claim payments	(11,511,410)	(11,895,423)
End-of-year liability	\$ 3,650,000	\$ 3,510,000

17. Leases

The County (primary government) leases certain office facilities and other equipment under non-cancelable operating leases. Total costs for such leases for the County for the year ended September 30, 2008 were \$998,675. The future minimum lease payments as of September 30, 2008 are as follows:

Fiscal year	Primary government
2009	\$ 1,114,090
2010	768,839
2011	438,241
2012	321,309
2013	157,604
2014 - 2018	788,020
2019 - 2023	110,323
	<u>\$ 3,698,426</u>

Additionally, the County leases portions of certain buildings to various governmental agencies. The amount received from these leases for the fiscal year ended September 30, 2008 amounted to \$115,415, recorded in the Facilities Maintenance & Operations fund, an internal service fund type.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

The County has also “loaned” its AAA bond rating to assist local communities in the ability to finance local projects by pledging full faith and credit on the debt issued through the Oakland County Building Authority. Debt is to be paid from payments from the benefiting community over the life of the debt issues, with the structures being collateral. A contract, or lease, receivable with a corresponding deferred revenue is shown in the Debt Service Fund financial statements of the County. Debt and receivables are reported for a Sheriff’s Sub-station in the City of Rochester Hills for \$5.2 million in 2002, Pontiac Phoenix Center and Phoenix Plaza Amphitheatre Refunding bonds in the City of Pontiac in the amount of \$11.5 million and \$8.16 million, respectively, in 2006, and Community Mental Health Authority Housing Project in the amount of \$5,500,000 in 2007. The future minimum lease payments to be received as of September 30, 2008 are as follows:

Fiscal year	Primary government
2009	\$ 2,111,225
2010	2,099,913
2011	2,111,338
2012	2,095,900
2013	2,413,837
2014 - 2018	12,194,427
2019 - 2023	11,034,776
2024 - 2027	7,201,350
	<u>\$ 41,262,766</u>

18. Commitments and Contingencies

The County, the Drainage Districts, and the Road Commission are involved in legal actions in which plaintiffs seek damages of indeterminable amounts which may exceed insurance coverage where applicable. Litigation is subject to many uncertainties, and the outcome of individual matters cannot be predicted. Accordingly, a reasonable range of liability to the County, the Drainage Districts, or Road Commission pertaining to these matters cannot be determined. Management has taken steps to protect the County and believes any liability resulting from cases in which it is involved will not materially affect its financial position.

The County, the Drainage Districts, and the Road Commission received funds from various federal and state units to finance specific activities. The final determination of revenue is subject to the acceptance of project costs by the granting agency, usually after a compliance audit. To the extent that costs are disallowed by the granting agency, County, the Drainage Districts, and Road Commission resources would be required to reimburse the grant funds. Management believes that disallowed costs, if any, would be immaterial.

The County has outstanding construction commitments (contracts) at September 30, 2008 as follows: Work Release/Jail Management/Video Conferencing with a cost of \$2,420,000 for the Jail Management System portion with a remaining balance of \$653,472; the Jail Renovation and Visitation project with a cost of \$4,459,984 with a remaining balance of \$118,446; radio tower project of \$35,799,108 with a balance of \$18,118,300 and a commitment for purchase of multiple group homes for the Community Mental Health Authority Housing Project in the amount of \$5,500,000 with a remaining balance of \$1,100,000.

The Drainage Districts component unit has three construction contracts for the George W. Kuhn Drainage District project with a total cost of \$94,342,352, with a remaining balance of \$6,995,050 as of September 30, 2008.

County of Oakland
Notes to Basic Financial Statements
September 30, 2008

19. Statement of Net Assets – Reconciliation of Internal Balances

The internal balances amount on the Statement of Net Assets is reconciled as follows:

Governmental Activities

Governmental Funds

Due from other funds	\$ 25,090,301
Long-term advances receivable	126,000
Due to other funds	(27,012,636)
Current and long-term advances payable	(126,000)

Internal Service Funds

Due from other funds	6,429,819
Due to other funds	(4,666,927)
Current and long-term advances payable	(1,004,979)

Capital lease receivable for Parks and Recreation,
not reported in funds

1,100,000

Capital lease receivable for County Airports,
not reported in funds

5,705,000

Governmental activities, internal balances

\$ 5,640,578

Business-Type Activities

Proprietary Funds

Due from other funds	\$ 833,473
Current and long-term advances receivable	1,004,979
Due to other funds	(674,030)
Current and long-term capital lease payable	(6,805,000)

Business-type activities, internal balances

\$ (5,640,578)

20. Restricted Assets

Cash and investments in the amount of \$428,028,418 and accrued interest on the investments of \$1,852,014 recorded in the Interim Retirees Medical Benefits Trust Fund have been restricted on the County's entity-wide Statement of Net Assets. The amounts are a result of proceeds from the sale of the Trust Certificates of Participation, and are to be used exclusively for payment of the annual required contribution (ARC) to the VEBA Trust, a fiduciary fund, which accounts for post-employment benefits for retirees

EXHIBIT C

OAKLAND COUNTY BUILDING AUTHORITY Pontiac, Michigan

We have acted as bond counsel and have examined the law and such certified proceedings of the Oakland County Building Authority, County of Oakland, State of Michigan (the "Authority"), and other documents as we deemed necessary to render this opinion in connection with the issuance by the Authority of its \$10,990,000 aggregate principal amount Building Authority Refunding Bonds, Series 2010, dated March 1, 2010 (the "Refunding Bonds"). The Refunding Bonds are being issued under and pursuant to the Constitution and statutes of the State of Michigan and in particular Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended, and Act No. 34, Public Acts of Michigan, 2001, as amended, for the purpose refunding part of the outstanding Oakland County Building Authority Bonds, Series 2002, dated June 1, 2002 which were issued in anticipation of the receipt of certain rental payments ("Cash Rentals") pursuant to a Limited Tax Full Faith and Credit General Obligation Contract of Lease, dated July 1, 2001 and an Amendment to Limited Tax Full Faith and Credit General Obligation Contract of Lease, dated April 1, 2009 (together the "Lease Contract") between the County and the Authority to defray the cost of the acquiring, constructing, furnishing and equipping the 52nd District Court Third Division Building located in Oakland County, Michigan.

In so acting, we have examined one executed and authenticated refunding bond. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Refunding Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

OAKLAND COUNTY BUILDING AUTHORITY
Page Two

Based on such examination, we are of the opinion, as of the date hereof and under existing law:

1. The Bond Resolution has been duly adopted by the Commission of the Authority.

2. The Lease, as amended, is valid and binding upon the Authority and the County and the Refunding Bonds are valid and binding obligations of the Authority, payable as to both principal and interest solely from the Cash Rentals to be paid under the Lease. The County has pledged its limited tax full faith and credit for the payment of such Cash Rentals. However, the County does not have the power to levy any additional tax for the payment of such Cash Rentals in excess of applicable constitutional or statutory tax limitations.

3. Under existing statutes, regulations, rulings and court decisions as currently interpreted, the interest on the Refunding Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, it should be noted that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. This opinion is subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Refunding Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Such requirements include filing certain returns with the United States Internal Revenue Service and rebating to the United States certain investment earnings unless certain conditions are met. Failure to comply with such requirements could cause the interest on the Refunding Bonds to be so included in gross income retroactive to the date of issuance of the Refunding Bonds. The Authority has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Refunding Bonds and the interest thereon.

4. In addition, the Refunding Bonds and the interest thereon are exempt from taxation presently in effect in the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The State of Michigan enacted into law the Michigan Business Tax Act (the "MBTA"), which became effective on January 1, 2008. Under the MBTA, as presently interpreted, the Refunding Bonds will be excluded from the calculation of "net capital" for purposes of taxation of financial institutions, and so long as the interest on the Refunding Bonds qualifies for exclusion from gross income for federal income tax purposes as described above, such interest will be excluded for purposes of calculating the Business Income Tax component of the Michigan Business Tax. The MBTA does not provide, however, for an exclusion of the interest on the Refunding Bonds from "gross receipts" for purpose of the Modified Gross Receipts component of the Michigan Business Tax.

5. The Refunding Bonds have been designated by the Authority as "qualified tax-exempt obligations" for purposes of Section 265 (b) (3) of the Code.

The rights of holders of the Refunding Bonds may be affected by bankruptcy, reorganization, moratorium, receivership or other similar laws affecting the enforceability of creditors' rights now existing or hereafter enacted to the extent constitutionally applicable, and the enforcement of such rights may be subject to the exercise of judicial discretion in appropriate cases.

AXE & ECKLUND, P.C.

By _____

Las.os-oak186

APPENDIX A

FORM OF CONTINUING DISCLOSURE CERTIFICATE

COUNTY OF OAKLAND

\$ _____

Oakland County Building Authority,
Building Authority Refunding Bonds, Series 2010

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Oakland (the "County") in connection with the issuance by the Oakland County Building Authority (the "Authority") of its \$ _____ Building Authority Refunding Bonds, Series 2010 (the "Bonds"). This Disclosure Certificate is being executed and delivered pursuant to a resolution adopted by the Board of Commissioners of the County on _____, 2009 (the "Resolution"). The County covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the County for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the County and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the County shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

SECTION 2. Definitions. The following capitalized terms shall have the following meanings in this Disclosure Certificate:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the County, or any successor Dissemination Agent appointed in writing by the County and which has filed with the County a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Certificate, the EMMA Internet Web site address is <http://www.emma.msrb.org>.

"GAAP" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. As of the date of this Disclosure Certificate, the address and telephone numbers of the MSRB are as follows:

CDI
1640 King Street, Suite 300
Alexandria, Virginia 22314-2719
Tel: (202) 223-9503
Fax: (703) 683-1930

"Official Statement" shall mean the Official Statement for the Bonds dated _____, 2010.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Counsel" shall mean legal counsel expert in federal securities law.

"State" shall mean the State of Michigan.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

SECTION 3. Provision of Annual Reports.

(a) Each year, the County shall provide, or shall cause the Dissemination Agent to provide, not later than nine months after the first day of the County's fiscal year, commencing with the County's Annual Report for the fiscal year ending September 30, 2009, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Currently, the County's fiscal year commences January 1. Not later than fifteen (15) business days prior to said date, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). In each

case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the County are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements most recently prepared for the County shall be included in the Annual Report.

(b) If the County is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the County shall send a notice, in a timely manner, to the MSRB in substantially the form attached as Exhibit A, together with a cover sheet in substantially the form attached as Exhibit C.

(c) If the County's fiscal year changes, the County shall send written notice of such change to MSRB, , in substantially the form attached as Exhibit B, together with a cover sheet in substantially the form attached as Exhibit C.

(d) Whenever any Annual Report or portion thereof is filed as described above, it shall be attached to a cover sheet in substantially the form attached as Exhibit C.

(e) If the Dissemination Agent is other than the County, file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

(f) In connection with providing the Annual Report, the Dissemination Agent (if other than the County) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

SECTION 4. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the County for its fiscal year immediately preceding the due date of the Annual Report.

(b) An update of the financial information and operating data relating to the County of the same nature as that contained in the following tables in the Official Statement: "County Tax Rates," "County Operating Tax Collection Record," "County Wide Tax Collection Record," "Largest Taxpayers," "Labor County Contracts," "Revenue Sharing from the State of Michigan," "State Equalized Valuation," "Short Term Financing," "Net County Direct and Overlapping Debt – Unaudited," "Schedule of Bond Maturities County Credit and Limited Tax," "Schedule of Drain Bond Maturities – County Credit and Limited Tax," "Schedule of Bond Maturities with Limited County Pledge-Taxable," "Schedule of Bond Maturities with No County Pledge," and "Principal and Interest Requirements".

The County's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law.

Any or all of the items listed above may be included by specific reference to other documents available to the public on the MSRB's Internet Web site or filed with the SEC. The County shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The County covenants to provide, or cause to be provided, notice of any of the following events with respect to the Bonds, if material, in a timely manner and in accordance with the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities;
and
- (11) Rating changes.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall as soon as possible determine if such event would be material under applicable federal securities laws. The County covenants that its determination of materiality will be in conformance with federal securities laws.

(c) If the County determines that the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall promptly cause a notice of such occurrence to be filed with the MSRB, together with a cover sheet in substantially the form attached as Exhibit C. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the County shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the County), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The County acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the County is liable.

(f) The County acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the County does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Mandatory Electronic Filing with EMMA: All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at <http://www.emma.msrb.org> as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Act Release No. 59062 on December 5, 2008.

SECTION 7. Termination of Reporting Obligation.

(a) The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance of the Resolution or the prior redemption or payment in full of all of the Bonds. If the County's obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with the Disclosure Certificate in the same manner as if it were the County, and the County shall have no further responsibility hereunder.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the County (i) receives an opinion of Securities Counsel, addressed to the County, to the effect that those portions of the Rule, which require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB.

SECTION 8. Dissemination Agent. The County, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Disseminating Agent. The initial Dissemination Agent shall be the County. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the County) shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate.

SECTION 9. Amendment; Waiver. (a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(1) If the amendment relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(2) This Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the County shall describe such amendment or waiver in the next Annual Report, and shall include a narrative explanation of the reason for the amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the County, or the Dissemination Agent (if other than the County) at the written direction of the County, to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall

have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Failure to Comply. In the event of a failure of the County or the Dissemination Agent (if other than the County) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the County or the Dissemination Agent (if other than the County) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds or under the Resolution.

SECTION 12. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 14. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Certificate, and, in the sole determination of the County or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the County or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 15. Additional Disclosure Obligations. The County acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the County, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the County under such laws.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

COUNTY OF OAKLAND

By: _____
ANDREW. E. MEISNER
Its: Treasurer

Date: _____, 2010

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EXHIBIT A

NOTICE TO
THE MSRB
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: County of Oakland, Michigan

Name of Bond Issue: \$_____ Oakland County Building Authority, Building Authority
Refunding Bonds, Series 2010

Date of Bonds: _____, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Certificate with respect to the Bonds. The Issuer anticipates that the Annual Report will be filed by _____, _____.

COUNTY OF OAKLAND

By: _____

Its: _____

Dated: _____, _____

EXHIBIT B

NOTICE TO
THE MSRB
OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer: County of Oakland, Michigan

Name of Bond Issue: \$_____ Oakland County Building Authority, Building
Authority Refunding Bonds, Series 2010

Date of Bonds: _____, 2010

NOTICE IS HEREBY GIVEN that the Issuer's fiscal year has changed. Previously, the Issuer's
fiscal year ended on _____, _____. It now ends on _____, _____.

COUNTY OF OAKLAND

By: _____

Its: _____

Dated: _____, _____

EXHIBIT C

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement
(please include name of state where Issuer is located):

Provide nine-digit CUSIP* numbers if available, to which the information relates:

<hr/>	<hr/>	<hr/>
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<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

**IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL
SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:**

Issuer's Name (please include name of state where Issuer is located): _____

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s) if available, of Issuer: _____

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

☐ Electronic (number of pages attached) _____ ☐ Paper (number of pages attached) _____

If information is also available on the Internet, give URL: _____

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply):

A. ☐ **Annual Financial Information and Operating Data pursuant to Rule 15c2-12**

(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: _____

B. ☐ **Financial Statements or CAFR pursuant to Rule 15c2-12**

Fiscal Period Covered: _____

C. ☐ **Notice of a Material Event pursuant to Rule 15c2-12** (Check as appropriate)

1. <input type="checkbox"/> Principal and interest payment delinquencies	6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security
2. <input type="checkbox"/> Non-payment related defaults	7. <input type="checkbox"/> Modifications to rights of security holders
3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties	8. <input type="checkbox"/> Bond calls
4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties	9. <input type="checkbox"/> Defeasances
5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform	10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities
	11. <input type="checkbox"/> Rating changes

D. ☐ **Notice of Failure to Provide Annual Financial Information as Required**

E. ☐ **Other Secondary Market Information** (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:**Issuer Contact:**

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Issuer Web Site Address _____

Dissemination Agent Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Relationship to Issuer _____

Obligor Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Obligor Web Site Address _____

Investor Relations Contact, if any:

Name _____ Title _____

Telephone _____ Email Address _____

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

OAKLAND COUNTY BUILDING AUTHORITY

§ _____

Oakland County Building Authority,
Building Authority Refunding Bonds, Series 2010

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Oakland County Building Authority (the "Authority") in the County of Oakland (the "County") in connection with the issuance by the Authority of its \$ _____ Building Authority Refunding Bonds, Series 2010 (the "Bonds"). This Disclosure Certificate is being executed and delivered pursuant to a resolution adopted by the Commission of the Authority on _____, 2009 (the "Resolution"). The Authority covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the Authority and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

SECTION 2. Definitions. The following capitalized terms shall have the following meanings in this Disclosure Certificate:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Authority, or any successor Dissemination Agent appointed in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Certificate, the EMMA Internet Web site address is <http://www.emma.msrb.org>.

"GAAP" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. As of the date of this Disclosure Certificate, the address and telephone numbers of the MSRB are as follows:

CDI
1640 King Street, Suite 300
Alexandria, Virginia 22314-2719
Tel: (202) 223-9503
Fax: (703) 683-1930

"Official Statement" shall mean the Official Statement for the Bonds dated _____, 2010.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Counsel" shall mean legal counsel expert in federal securities law.

"State" shall mean the State of Michigan.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Authority shall provide, or shall cause the Dissemination Agent to provide, not later than nine months after the first day of the Authority's fiscal year, commencing with the Authority's Annual Report for the fiscal year ending September 30, 2009, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Currently, the Authority's fiscal year commences January 1. Not later than fifteen (15) business days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). In each

each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the Authority are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements most recently prepared for the Authority shall be included in the Annual Report.

(b) If the Authority is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Authority shall send a notice, in a timely manner, to the MSRB in substantially the form attached as Exhibit A, together with a cover sheet in substantially the form attached as Exhibit C.

(c) If the Authority's fiscal year changes, the Authority shall send written notice of such change to MSRB, , in substantially the form attached as Exhibit B, together with a cover sheet in substantially the form attached as Exhibit C.

(d) Whenever any Annual Report or portion thereof is filed as described above, it shall be attached to a cover sheet in substantially the form attached as Exhibit C.

(e) If the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

(f) In connection with providing the Annual Report, the Dissemination Agent (if other than the Authority) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

SECTION 4. Content of Annual Reports. The Authority's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the Authority, which is the same as for the County, for its fiscal year immediately preceding the due date of the Annual Report.

(b) An update of the financial information and operating data relating to the County of the same nature as that contained in the following tables in the Official Statement: "County Tax Rates," "County Operating Tax Collection Record," "County Wide Tax Collection Record," "Largest Taxpayers," "Labor County Contracts," "Revenue Sharing from the State of Michigan," "State Equalized Valuation," "Short Term Financing," "Net County Direct and Overlapping Debt – Unaudited," "Schedule of Bond Maturities County Credit and Limited Tax," "Schedule of Drain Bond Maturities – County Credit and Limited Tax," "Schedule of Bond Maturities with Limited County Pledge-Taxable," "Schedule of Bond Maturities with No County Pledge," and "Principal and Interest Requirements".

The Authority's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law.

Any or all of the items listed above may be included by specific reference to other documents available to the public on the MSRB's Internet Web site or filed with the SEC. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The County covenants to provide, or cause to be provided, notice of any of the following events with respect to the Bonds, if material, in a timely manner and in accordance with the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities;
and
- (11) Rating changes.

(b) The audited financial statements of the Authority for its fiscal year immediately preceding the due date of the Annual Report.

The Authority's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law.

Any or all of the items listed above may be included by specific reference to other documents available to the public on the MSRB Internet Web Site or filed with the SEC. The Authority shall clearly identify each such other document so included by reference.

SECTION 6. Reporting of Significant Events.

(a) The Authority covenants to provide, or cause to be provided, notice of any of the following events with respect to the Bonds, if material, in a timely manner and in accordance with the Rule:

- (1) principal and interest payment delinquencies;
- (2) nonpayment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financing difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modifications to rights of Bondholders;
- (8) Bond calls;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds; and
- (11) rating changes.

(b) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws. The Authority covenants that its determination of materiality will be in conformance with federal securities laws.

(c) If the Authority determines that the occurrence of a Listed Event would be material under applicable federal securities laws, the Authority shall promptly cause a notice of such occurrence to be filed with the MSRB, together with a cover sheet in substantially the form attached as Exhibit C. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the Authority shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Authority), solely in its capacity as such, is not

obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The Authority acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Authority is liable.

(f) The Authority acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Authority does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 7. Mandatory Electronic Filing with EMMA: All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at <http://www.emma.msrb.org> as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Act Release No. 59062 on December 5, 2008.

SECTION 8. Termination of Reporting Obligation.

(a) The Authority's obligations under this Disclosure Certificate shall terminate upon the legal defeasance of the Resolution or the prior redemption or payment in full of all of the Bonds. If the Authority's obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with the Disclosure Certificate in the same manner as if it were the Authority, and the Authority shall have no further responsibility hereunder.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Authority (i) receives an opinion of Securities Counsel, addressed to the Authority, to the effect that those portions of the Rule, which require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB.

SECTION 9. Dissemination Agent. The Authority, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Disseminating Agent. The initial Dissemination Agent shall be the Authority. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Authority) shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Certificate.

SECTION 10. Amendment; Waiver. (a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(1) If the amendment relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(2) This Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the Authority shall describe such amendment or waiver in the next Annual Report, and shall include a narrative explanation of the reason for the amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the Authority, or the Dissemination Agent (if other than the Authority) at the written direction of the Authority, to the MSRB.

SECTION 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 12. Failure to Comply. In the event of a failure of the Authority or the Dissemination Agent (if other than the Authority) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Authority or the Dissemination Agent (if other than the Authority) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds or under the Resolution.

SECTION 13. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 15. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Certificate, and, in the sole determination of the Authority or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Authority or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 16. Additional Disclosure Obligations. The Authority acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Authority, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Authority under such laws.

SECTION 17. Governing Law. This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

OAKLAND COUNTY BUILDING
AUTHORITY

By: _____
ANDREW E. MEISNER
Its: Treasurer

Date: _____, 2010

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EXHIBIT A

NOTICE TO
THE MSRB
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Oakland County Building Authority, Michigan

Name of Bond Issue: \$_____ Oakland County Building Authority, Building Authority
Refunding Bonds, Series 2010

Date of Bonds: _____, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Certificate with respect to the Bonds. The Issuer anticipates that the Annual Report will be filed by _____, _____.

OAKLAND COUNTY
BUILDING AUTHORITY

By: _____

Its: _____

Dated: _____, _____

EXHIBIT B

NOTICE TO
THE MSRB
OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer: Oakland County Building Authority, Michigan

Name of Bond Issue: \$_____ Oakland County Building Authority, Building
Authority Refunding Bonds, Series 2010

Date of Bonds: _____, 2010

NOTICE IS HEREBY GIVEN that the Issuer's fiscal year has changed. Previously, the Issuer's
fiscal year ended on _____, _____. It now ends on _____, _____.

OAKLAND COUNTY
BUILDING AUTHORITY

By: _____

Its: _____

Dated: _____, _____

EXHIBIT C

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement
(please include name of state where Issuer is located):

Provide nine-digit CUSIP* numbers if available, to which the information relates:

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**IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL
SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:**

Issuer's Name (please include name of state where Issuer is located): _____

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s) if available, of Issuer: _____

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

☐ Electronic (number of pages attached) _____ ☐ Paper (number of pages attached) _____

If information is also available on the Internet, give URL: _____

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply):

A. ☐ **Annual Financial Information and Operating Data pursuant to Rule 15c2-12**

(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: _____

B. ☐ **Financial Statements or CAFR pursuant to Rule 15c2-12**

Fiscal Period Covered: _____

C. ☐ **Notice of a Material Event pursuant to Rule 15c2-12** (Check as appropriate)

1. <input type="checkbox"/> Principal and interest payment delinquencies	6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security
2. <input type="checkbox"/> Non-payment related defaults	7. <input type="checkbox"/> Modifications to rights of security holders
3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties	8. <input type="checkbox"/> Bond calls
4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties	9. <input type="checkbox"/> Defeasances
5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform	10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities
	11. <input type="checkbox"/> Rating changes

D. ☐ **Notice of Failure to Provide Annual Financial Information as Required**

E. ☐ **Other Secondary Market Information** (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:**Issuer Contact:**

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Issuer Web Site Address _____

Dissemination Agent Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Relationship to Issuer _____

Obligor Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Obligor Web Site Address _____

Investor Relations Contact, if any:

Name _____ Title _____

Telephone _____ Email Address _____

COUNTY OF OAKLAND

COUNTY OFFICIALS

L. BROOKS PATTERSON, *County Executive*
ANDREW E. MEISNER, *County Treasurer*
RUTH A. JOHNSON, *Clerk and Register of Deeds*
JESSICA COOPER, *Prosecuting Attorney*
MICHAEL J. BOUCHARD, *Sheriff*
JOHN P. MCCULLOCH, *Water Resources Commissioner*
JUDITH K. CUNNINGHAM, *Corporation Counsel*

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ANDREW E. MEISNER, *Treasurer*
L. BROOKS PATTERSON, *Member*