

NEW ISSUE

Ratings♦:
 Moody's: Aaa
 S&P Global: AAA

Book-Entry-Only

In the opinion of Dickinson Wright PLLC, Bond Counsel, subject to compliance with certain covenants, under existing law, (1) the interest on the Bonds is excluded from gross income for federal income tax purposes to the extent described herein, (2) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, and (3) the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof to the extent described herein.

\$5,215,000

**COUNTY OF OAKLAND, STATE OF MICHIGAN
 OAKLAND COUNTY OAKLAND TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS BONDS, SERIES 2022**

CERTAIN BOND DETAILS

Dated	Date of Delivery (May 26, 2022)	Principal	Due July 1, as shown on the inside cover
Registration	Fully Registered, Book-Entry-Only	Interest.....	Due January 1, 2023, and Semiannually Thereafter
Denominations.....	\$5,000 or Multiples Thereof	Prior Redemption	July 1, 2032, at Par

AUTHORITY, PURPOSE, AND SECURITY: The Oakland County Oakland Township Water Supply System Improvements Bonds, Series 2022 (the "Bonds") are being issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, a resolution adopted by the Board of Commissioners of the County of Oakland (the "County") on December 9, 2021, and a resolution adopted by the Board of Trustees of the Charter Township of Oakland (the "Township") on October 26, 2021, approving the Oakland County Oakland Township 2021 Water Supply System Improvements Contract (the "Contract") (defined below). Proceeds from the sale of the Bonds are to be issued for the acquisition and construction of a water supply system improvements and facilities at the Knorrwood Pines Well House site (See "Description of the Project") and to pay the costs of issuance of the Bonds.

The Bonds will be payable as to principal and interest from payments (the "Contract Payments") to be made by the Township to the County pursuant to the Contract, and the provisions of Act 342, Public Acts of Michigan, 1939, as amended. The Township has pledged its full faith and credit for the payment of its Contract Payments and is required annually to levy taxes upon all taxable property to the extent necessary to make its Contract Payments. As additional security, the full faith and credit of the County are pledged for the prompt payment of the principal of and interest on the Bonds. If the Township shall fail to make payments to the County that are sufficient to pay the principal of and interest on the Bonds as the same shall become due, then an amount sufficient to pay the deficiency shall be advanced from the general fund of the County. The ability of the Township and the County to levy taxes for payment of the Contract Payments and the Bonds, as applicable, is subject to applicable constitutional, statutory, and charter tax rate limitations.

BOOK-ENTRY-ONLY: The Bonds are issuable as fully registered bonds without coupons, and when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interest in the Bonds will be made in book-entry-only form, in the denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "Book-Entry-Only System" and Appendix G, "Draft Official Notice of Sale."

PAYMENT OF BONDS: Interest on the Bonds will be payable semi-annually on the first day of January and July of each year commencing January 1, 2023. The Bonds will be issued fully registered as to principal and interest in the denomination of \$5,000 or any integral multiple thereof not exceeding the principal amount of each maturity. The principal and interest shall be payable at the principal corporate trust office of The Huntington National Bank in Grand Rapids, Michigan or other designated office, the Bond Registrar and Paying Agent, or such other Bond Registrar and Paying Agent as the County may hereafter designate. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants, as more fully described herein. Interest shall be paid when due by check or draft mailed to the registered owner as shown on the registration books as of the fifteenth day of the month preceding the payment date for each interest payment.

Underwriter:

BAIRD

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

LEGAL OPINION: Dickinson Wright, PLLC

♦As of Date of Delivery. See "BOND RATINGS" herein.

\$5,215,000
COUNTY OF OAKLAND, STATE OF MICHIGAN
OAKLAND COUNTY OAKLAND TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS
BONDS, SERIES 2022

MATURITY SCHEDULE†

Base CUSIP◊: 672411

Principal Due: July 1,

CUSIP					CUSIP				
Coupon					Coupon				
Year	Number	Amount	Rate %	Yield %	Year	Number	Amount	Rate %	Yield %
2023	2Q7	\$ 65,000	5.000%	2.100%	2028	2V6	\$ 105,000	5.000%	2.900%
2024	2R5	90,000	5.000%	2.300%	2029	2W4	115,000	5.000%	3.000%
2025	2S3	95,000	5.000%	2.500%	2030	2X2	120,000	5.000%	3.100%
2026	2T1	95,000	5.000%	2.700%	2031	2Y0	125,000	5.000%	3.200%
2027	2U8	100,000	5.000%	2.800%	2032	2Z7	130,000	5.000%	3.300%

\$280,000 5.000% Term Bonds Due July 1, 2034 Priced to Yield 3.500%*, CUSIPs 6724113B9
\$305,000 4.000% Term Bonds Due July 1, 2036 Priced to Yield 3.750%*, CUSIPs 6724113D5
\$335,000 4.000% Term Bonds Due July 1, 2038 Priced to Yield 3.900%*, CUSIPs 6724113F0
\$360,000 4.000% Term Bonds Due July 1, 2040 Priced to Yield 4.000%, CUSIPs 6724113H6
\$390,000 4.000% Term Bonds Due July 1, 2042 Priced to Yield 4.100%, CUSIPs 6724113K9
\$420,000 4.125% Term Bonds Due July 1, 2044 Priced to Yield 4.200%, CUSIPs 6724113M5
\$705,000 4.250% Term Bonds Due July 1, 2047 Priced to Yield 4.250%, CUSIPs 6724113Q6
\$1,380,000 4.250% Term Bonds Due July 1, 2052 Priced to Yield 4.300%, CUSIPs 6724113V5

*Priced to the first call date of July 1, 2032.

PRIOR REDEMPTION: Bonds maturing in the years 2033 to 2052, inclusive, are subject to optional redemption as described under the *Description of the Bonds - Prior Redemption* herein.

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No dealer, broker, salesman or other person has been authorized by the County 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 County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement has been obtained from the County, the Township, and other sources which are believed to be reliable, including The Depository Trust Company with respect to the information contained under the heading "Book-Entry-Only System," but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the County or the Township.

The information and expressions of opinion in this Official Statement are subject to change 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 County or the Township since the date of this Official Statement. The Paying Agent has not participated in the preparation of this Official Statement and assumes no responsibility for it.

This Official Statement contains forward-looking statements, which can be identified by the use of the future tense or other forward-looking terms such as "may," "intend," "will," "expect," "anticipate," "plan," "management believes," "estimate," "continue," "should," "strategy," or "position" or the negatives of those terms or other variations of them or by comparable terminology. In particular, any statements express or implied, concerning future receipts of installments of special assessments or the ability to generate cash flow to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the County's management believes that the assumptions on which those forward looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially from any results indicated or suggested by those assumptions. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Official Statement should not be regarded as a representation by either the County or the Township that its plans and objectives will be achieved. All forward-looking statements are expressly qualified by the cautionary statements contained in this paragraph. Neither the County nor the Township undertake any duty to update any forward-looking statements.



COUNTY OF OAKLAND
1200 North Telegraph Road
Pontiac, MI 48341

COUNTY OFFICIALS

County Executive
David Coulter

Treasurer
Robert Wittenberg

Prosecuting Attorney
Karen McDonald

Clerk and Register of Deeds
Lisa Brown

Sheriff
Michael J. Bouchard

Acting Director Corporation Counsel
Pete Menna

Water Resources Commissioner
Jim Nash

BOARD OF COMMISSIONERS

David T. Woodward
Chairperson

Marcia Gershenson
Vice-Chairperson

District 1 - Michael J. Gingell
District 2 - Robert Hoffman
District 3 - Michael Spisz
District 4 - Karen Joliat
District 5 - Kristen Nelson
District 6 - Eileen T. Kowall
District 7 - Christine Long

District 8 - Philip J. Weipert
District 9 - Gwen Markham
District 10 - Angela Powell
District 11 - Tom Kuhn
District 12 - Chuck Moss
District 13 - Marcia Gershenson
District 14 - William Miller

District 15 - Adam L. Kochenderfer
District 16 - Penny Luebs
District 17 - Yolanda S. Charles
District 18 - Charlie Cavell
District 19 - David T. Woodward
District 20 - Gary R. McGillivray
District 21 - Janet Jackson

Bond Counsel Dickinson Wright PLLC
Troy, Michigan
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Troy, Michigan
Paying Agent The Huntington National Bank
Grand Rapids, Michigan

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**OFFICIAL STATEMENT OF THE
\$5,215,000
COUNTY OF OAKLAND, STATE OF MICHIGAN
OAKLAND COUNTY OAKLAND TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS BONDS,
SERIES 2022**

INTRODUCTION

This Official Statement, which includes the cover and inside cover page and the Appendices hereto, sets forth information concerning the County of Oakland (the "County"), Oakland County Oakland Township Water Supply System Improvements Bonds, Series 2022 (the "Bonds"). The Bonds are being issued for the acquisition and construction of water supply system improvements and facilities at the Knorrwood Pines Well House site and to pay the costs of issuance of the Bonds. The information contained herein is presented in connection with the sale of the Bonds and for the information of those who initially became holders of the Bonds. Information describing the Bonds summarized on the cover and inside cover page is part of this Official Statement.

All financial and other information presented in this Official Statement with respect to each of the County and the Charter Township of Oakland (the "Township") has been provided by representatives of the County, and the Township, respectively, from their records, except for information expressly attributed to other sources. Information from other sources has not been independently confirmed or verified by either the County or the Township, and the accuracy of such information is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these opinions or estimates have been or will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as part of a contract with any original purchaser or subsequent owner of any Bond or beneficial interest therein.

Reference to provisions of Michigan law, whether codified in the Michigan Compiled Laws or uncoded, or of the Michigan Constitution, are references to those current provisions, and such provisions may be amended, repealed, or supplemented.

DESCRIPTION OF THE BONDS

The Bonds, aggregating the principal sum of \$5,215,000, shall be known as "Oakland County Oakland Township Water Supply System Improvements Bonds, Series 2022" and shall be dated the date of their delivery (May 26, 2022). The Bonds shall be fully registered 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 regardless of rate and maturity date. The Bonds shall mature on July 1, 2023, and each July 1 thereafter, until maturity, as provided on the inside cover page of this Official Statement.

Authorization

The Bonds are being issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, a resolution adopted by the Board of Commissioners of the County on December 9, 2021, and a resolution adopted by the Board of Trustees of the Charter Township of Oakland (the "Township") on October 26, 2021, approving the Oakland County Oakland Township 2021 Water Supply System Improvements contract (the "Contract").

Not Qualified Under Section 265(b)(3) of the Internal Revenue Code of 1986

The Bonds have NOT been designated by the County as "Qualified Tax-Exempt Obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

Interest Payment

The Bonds shall bear interest payable January 1, 2023, and semi-annually thereafter on each January 1 and July 1, until maturity. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months. Interest shall be paid by check or draft mailed to the registered owner of each bond as of the applicable date of record.

Paying Agent and Bond Registrar

The County anticipates designating The Huntington National Bank, Grand Rapids, Michigan, as bond registrar and paying agent (the "Paying Agent") for the Bonds in connection with the issuance and initial delivery thereof. The Paying Agent will keep records of the registered holders of the Bonds, serve as transfer agent for the Bonds, authenticate the original and any re-issued Bonds and will pay principal and interest to the registered holders of the Bonds as shown on the registration books of the County maintained by the Paying Agent on the applicable date of record. The principal of each Bond will be paid when due upon presentation and surrender thereof to the Paying Agent. The date of record shall be the 15th day of the month before such payment is due. The County may, from time to time as required, designate a qualified successor bond registrar and paying agent. Alternatively, the County Treasurer may serve as bond registrar and paying agent for the Bonds if the County determines that it is in the best interest of the County.

Prior Redemption

The Bonds maturing prior to July 1, 2033, shall not be subject to optional redemption prior to maturity. Bonds maturing on or after July 1, 2033, shall be subject to redemption prior to maturity at the option of the County, in any order, in whole or in part in integral multiples of \$5,000 on any date on or after July 1, 2032. Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a Bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a Bond is called for redemption, upon surrender of the Bond to the Paying Agent, the Paying Agent shall authenticate and deliver to the registered owner of the Bond a new Bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each Bond being redeemed by first class mail at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the Bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the Paying Agent to redeem the same.

Mandatory Redemption of Term Bonds

The Bonds maturing July 1, 2034, July 1, 2036, July 1, 2038, July 1, 2040, July 1, 2042, July 1, 2044, July 1, 2047 and July 1, 2052 (the "Term Bonds") are subject to mandatory redemption by the County at par plus accrued interest to the date of redemption on the dates in the principal amount set forth in the following tables. The Term Bonds to be mandatorily redeemed shall be selected by lot in such manner as shall be determined by the Paying Agent.

Term Bonds Due July 1, 2034

<u>Redemption</u>	<u>Amount</u>
<u>July 1</u>	
2033	\$135,000
2034	145,000 (maturity)

Term Bonds Due July 1, 2036

Redemption	
<u>July 1</u>	<u>Amount</u>
2035	\$150,000
2036	155,000 (maturity)

Term Bonds Due July 1, 2038

Redemption	
<u>July 1</u>	<u>Amount</u>
2037	\$165,000
2038	170,000 (maturity)

Term Bonds Due July 1, 2040

Redemption	
<u>July 1</u>	<u>Amount</u>
2039	\$175,000
2040	185,000 (maturity)

Term Bonds Due July 1, 2042

Redemption	
<u>July 1</u>	<u>Amount</u>
2041	\$190,000
2042	200,000 (maturity)

Term Bonds Due July 1, 2044

Redemption	
<u>July 1</u>	<u>Amount</u>
2043	\$205,000
2044	215,000 (maturity)

Term Bonds Due July 1, 2047

Redemption	
<u>July 1</u>	<u>Amount</u>
2045	\$225,000
2046	235,000
2047	245,000 (maturity)

Term Bonds Due July 1, 2052

Redemption	
<u>July 1</u>	<u>Amount</u>
2048	\$255,000
2049	265,000
2050	275,000
2051	285,000
2052	300,000 (maturity)

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the 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 Bonds. All expenses for printing CUSIP numbers on the Bonds will be paid by the County, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and paid for by the purchaser.

SOURCES AND USES OF FUNDS

Sources of Funds

Par Value of Bonds	\$ 5,215,000.00
Original Issue Premium/Discount	135,415.75
Total Sources	<u>\$ 5,350,415.75</u>

Uses of Funds

Deposit to Construction Fund	\$ 5,166,900.00
Underwriter's Discount	91,850.75
Estimated Costs of Issuance	91,665.00
Total Uses	<u>\$ 5,350,415.75</u>

DESCRIPTION OF THE PROJECT

The Project consists of the construction of a Water Supply System storage tank at the existing Knorrwood Pines Well House site located in the Charter Township of Oakland, consisting, without limitation, of the construction of the following:

- A new ground storage tank with a level control system, backup alarm floats, temperature transducers, and overflow splash pad.
- A tank cleanout drying bed with underdrains for use during tank maintenance.
- A new booster pump station building with pumps and variable frequency drives.
- New water main piping and valves to connect the new booster station to the new storage tank and for connection of the new booster station to the existing water distribution system.
- A new emergency diesel generator to provide power to the booster station and existing well house at full design capacity when required.
- Improvements to the existing Knorrwood Pines Well House including a new roof, replacement and upgrades of existing piping and valves and measurement equipment, removal of the existing booster pump, new phosphate storage and dosing equipment, and a new chemical feed room with sodium hypochlorite storage and dosing equipment, heating and ventilating equipment, and FRP door.
- A new chain link fence surrounding the existing well house property with a new entry gate.
- Site improvements including a new paved access drive, parking area, landscaping, lighting, and other outdoor features.
- All associated electrical systems, power wiring, instrumentation, control, and SCADA systems, lighting, fire protection systems, security systems, gas, heating, potable water supply systems, paving, storm drainage, and other related systems and appurtenances, which will be integrated into the existing system.

SECURITY FOR THE BONDS

Contract Payments and Full Faith and Credit of the County

The Bonds will be payable as to principal and interest from payments (the "Contract Payments") to be made by the Township to the County pursuant to the Oakland County Oakland Township 2021 Water Supply System Improvements Contract, dated October 1, 2021 (the "Contract") and the provisions of Act 342, Public Acts of Michigan, 1939, as amended ("Act 342"). The Contract Payments are pledged solely for the payment of the principal of and interest on the Bonds. The County will deposit the Contract Payments in a principal and interest fund (the "Principal and Interest Fund") and all moneys in the Principal and Interest Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds. If the Township fails to make the Contract Payments to the County in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due, an amount sufficient to pay the deficiency shall be advanced from the general fund of the County. The Township has pledged its

full faith and credit for the payment of its Contract Payments and is required annually to levy taxes upon all taxable property to the extent necessary to make its Contract Payments. The ability of the Township and the County to levy taxes for payment of the Contract Payments and the Bonds, as applicable, is subject to applicable constitutional, statutory, and charter tax rate limitations.

The rights and remedies of bondholders may be affected by bankruptcy insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

Summary of Certain Contract Provisions

The Contract was entered into pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended ("Act 342"). Pursuant to the Contract and the Township Resolution, the Township is obligated to pay 100% of the principal and interest requirements on the Bonds, and the obligation of the Township to make the Contract Payments is unconditional.

The Township is required to make the Contract Payments to the County thirty (30) days prior to the principal or interest payment dates on the Bonds. The Contract Payments are subject to a penalty, payable to the County of 1% of any amount unpaid when due for each month or fraction thereof that such amount remains unpaid.

Pursuant to the Contract, the Township Resolution, and Act 342, the Township has irrevocably pledged its full faith and credit in support of its obligation to make its Contract Payments. If revenues from other sources are insufficient, the Township is required to make its Contract Payments from its general funds or to levy ad valorem taxes upon all taxable property within the Township sufficient to pay the principal and interest on the Bonds, which taxes are levied subject to applicable constitutional, statutory, and charter limitations. The Township, under certain conditions, also has authorized the Treasurer of the State of Michigan to withhold certain moneys payable to the Township and apply such withheld amounts to any Contract Payments that may be in default. Any such moneys so withheld are regarded under the Contract as pledged by the Township to the payment of its Contract Payments. In addition, the County is given all other rights and remedies provided by law to enforce the obligation of the Township to make its Contract Payments.

POTENTIAL IMPACT OF THE COVID-19 PANDEMIC

In March of 2020, the World Health Organization declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of the coronavirus. Shortly thereafter, Michigan Governor Gretchen Whitmer declared a state of emergency across the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak, and then President Donald Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic.

State of Emergency- Epidemic Orders

In response to the effect of COVID-19 in Michigan, the Governor exercised broad authority under the Emergency Powers of the Governor Act, Act 302, Public Acts of Michigan, 1945, as amended and the Emergency Management Act, Act 390, Public Acts of Michigan, 1976, as amended. Beginning on March 10, 2020, the Governor issued a series of executive orders declaring a state of emergency and a state of disaster in the State in response to COVID-19, indicating that the state of emergency and state of disaster will terminate on the earlier of a specified date or when emergency and disaster conditions no longer exist.¹ Beginning on March 23, 2020, the Governor issued a series of executive orders directing Michigan businesses and other venues to temporarily suspend or reduce in-person

¹ All COVID-19-related executive orders and executive directives issued by the Governor, Michigan Department of Health and Human Services epidemic orders, as well as other releases and information regarding COVID-19 in the State, can be accessed at www.michigan.gov/coronavirus.

operations that are not necessary to sustain or protect life and further directed individuals to stay in their homes unless they are part of the critical infrastructure workforce.

In light of two 2020 Michigan Supreme Court decisions those orders became legally ineffective; however, beginning on October 9, 2020, the Michigan Department of Health and Human Services (“DHHS”) issued a series of statewide orders limiting attendance at various types of gatherings and capacity at various types of venues, including a variety of businesses. Effective June 22, 2021, DHHS rescinded such orders, effectively lifting all such limitations.

American Rescue Plan Act of 2021

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (“ARPA”), which provides a total of \$350 billion in assistance to states, counties, municipalities, territories and tribal governments to cover expenses, make up for lost revenue and ease the overall economic impact from the COVID-19 pandemic.

ARPA funds may be used to address the economic effects of COVID-19, including the provision of aid to households, small businesses, nonprofits, and impacted industries such as tourism and hospitality. State and local governments may also use ARPA funds to provide premium pay (up to \$13 per hour or \$25,000 per worker) to essential employees or make grants to the employers of essential employees; to make investments in water, sewer and broadband infrastructure; and to provide government services to the extent of any revenue reduction resulting from COVID-19. ARPA funds may not be used to make pension payments or to offset revenue losses resulting from any tax cut, tax delay or tax rebate enacted after March 3, 2021.

Michigan received a total allocation of \$10.6 billion in state and local relief under ARPA, of which the County expects to receive a total of \$244,278,949 and the Township expects to receive a total of \$2,045,956. All ARPA funds must be obligated on or before December 31, 2024 and spent on or before December 31, 2026.

Impact on the County, Township, and the Bonds

The Township has pledged its full faith and credit for the payment of its Contract Payments to the County and is required annually to levy taxes upon all taxable property within the County, subject to applicable constitutional, statutory and charter tax rate limitations. If the Township fails to make its Contract Payments, the County has pledged, as additional and secondary security, its full faith and credit, subject to constitutional and statutory limitations, for the payment of principal of and interest on the Refunding Bonds. The County and the Township do not currently anticipate that the 2022 levy of property taxes will be materially affected; however the County and the Township cannot predict the effect the spread of COVID-19 will have on collection of those taxes or on future property tax levies and collections.

Although the State’s finances have been adversely affected by the continued spread of COVID-19, 2022 revenue projections remain higher than previously projected. At the State’s Consensus Revenue Estimating Conference held in January 2022 (the “January Conference”), consensus revenue estimates for State fiscal year 2021-22 were forecasted to decrease slightly from the prior year but remain above projections from the State’s prior consensus revenue estimating conference held in May 2021 (the “May Conference”). The State fiscal year 2021-22 estimates forecast a 1.2% decrease in net combined General Fund-General Purpose and School Aid Fund (“GF-SAF”) revenue compared to State fiscal year 2020-21, though GF-SAF revenues were 17.2% higher in State fiscal year 2020-21 compared to State fiscal year 2019-20. Relative to State fiscal year 2020-21, net combined GF-SAF revenues were projected to increase 2.7% in State fiscal year 2022-23 and increase 2.9% in State fiscal year 2023-24.

Local units of government, including the County, receive revenue sharing payments from the State under the Michigan Constitution and the State Revenue Sharing Act of 1971, as amended. The revenue sharing payments are comprised of two components – a constitutional distribution and a statutory distribution. Constitutional revenue sharing payments to local units of government for State fiscal year 2019-20 were nominally lower than in State fiscal year 2018-19. At the May Conference, Constitutional revenue sharing payments for State fiscal year 2020-21 were projected to increase by 10.6% compared to State fiscal year 2019-20. Revenue figures presented at the January Conference did not include constitutional revenue sharing payments to local governments. The increase projected at the May Conference affected payments to local units of government, including the Township. Statutory revenue sharing, which is set by legislative appropriation, has been negatively affected by the COVID-19 pandemic. August

2020 statutory revenue sharing payments were eliminated and replaced with payments from a portion of funds allocated to the State under the federal Coronavirus Aid, Relief and Economic Security Act, Public Law 116-36 (the "CARES Act"), which were equal to or greater than the eliminated August 2020 revenue sharing payments, but were required to be spent in accordance with CARES Act restrictions. The State's enacted fiscal year 2021-22 budget increased statutory revenue sharing payments by approximately 2.0% compared to State fiscal year 2020-21 levels. See "*Revenues from the State of Michigan*" in APPENDIX A. Future State revenue shortfalls or increased spending pressures in other areas, or a combination of the two, whether due to the COVID-19 pandemic or otherwise, may adversely affect future revenue sharing payments to the County. The County cannot currently predict the ultimate effect the spread of COVID-19 will have on its future finances or operations.

BOOK-ENTRY-ONLY SYSTEM

At the option of the purchaser, DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, 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 17 A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 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. Beneficial Owners are, however, 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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. 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 (nor its nominee), Paying Agent, or County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the County or 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 depository with respect to the Bonds at any time by giving reasonable notice to the County or Paying Agent. Under such circumstances, in the event that a successor 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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 BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS (II) ANY DOCUMENT REPRESENTING OR CONFIRMING BENEFICIAL OWNERSHIP INTERESTS IN BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE 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 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 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 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 Bonds at any time by giving notice to the County and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. Upon the giving of such notice, the Paying Agent shall attempt to have established a securities depository/book-entry system relationship with another qualified depository. If the 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 Paying Agent shall keep the registration books for the Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Resolution, the Bonds may be transferred or exchanged for one or more 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 Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; 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 Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; and the County and Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Resolution.

Transfer or Exchange of Bonds

Any Bond shall be transferable on the bond register maintained by the Paying Agent with respect to the Bonds upon the surrender of the Bond to the Paying Agent together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Paying Agent. Upon receipt of a properly assigned Bond, the Paying Agent shall authenticate and deliver a new Bond or Bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

Bonds may likewise be exchanged for one or more other Bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the Bond or Bonds being exchanged. Such exchange shall be effected by surrender of the Bond to be exchanged to the Paying Agent with written instructions signed by the registered owner of the Bond or his or her attorney in form satisfactory to the Paying Agent. Upon receipt of a bond with proper written instructions, the Paying Agent shall authenticate and deliver a new Bond or Bonds to the registered owner of the Bond or his or her properly designated transferee or transferees or attorney.

Any service charge made by the Paying Agent for any such registration, transfer or exchange shall be paid for by the County, unless otherwise agreed by the County and the Paying Agent. The Paying Agent 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.

CONTINUING DISCLOSURE

The County and Township have covenanted and will covenant for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined) pursuant to the Resolution and the Continuing Disclosure Certificate to be delivered on the date of issuance of the Bonds to the purchaser thereof (the "Disclosure Certificate"), to provide or cause to be provided: (i) each year, certain financial information and operating data for the preceding fiscal year (the "Annual Report") (a) with respect to the County, by not later than seven (7) months after the first day of its fiscal year, commencing with the Annual Report for its fiscal year end September 30, 2022, and (b) with respect to the Township, by not later than seven (7) months after the first day of its fiscal year, commencing with the Annual Report for its fiscal year end March 31, 2022; provided, however, that if the audited financial statements of the County and the Township 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 most recently prepared for the County or Township will be included in the Annual Report; and (ii) timely notices of the occurrence of certain enumerated events, if material. "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding 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 the County or Township are unable to provide the MSRB its Annual Report by the date required, the County or Township shall send, in a timely manner, to the MSRB through EMMA, a notice of the failure to file the Annual Report by such date. Notices of material events will be filed by the County or Township with the MSRB through EMMA. These covenants have been made by the County and Township in order to assist the purchaser of the Bonds and registered brokers, dealers and municipal securities dealers in complying with the requirements of subsection of (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (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 the Disclosure Certificate are set forth in "Appendix F", "FORMS OF CONTINUING DISCLOSURE CERTIFICATES".

A failure by the County or Township to comply with the Disclosure Certificate will not constitute an event of default on the Bonds (although beneficial owners will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Except as described in this paragraph, Oakland County has complied with all of its existing continuing disclosure undertakings over the last five years in all material respects. For the fiscal years ended September 30, 2017, 2018, 2019, the County filed its continuing disclosure as required but inadvertently failed to link some CUSIPs to such filings. Upon discovery in 2020, the County linked the continuing disclosure to those missed CUSIPs. The County's Annual Reports for the fiscal years ended September 30, 2016 through 2018 omitted certain information relating to its county-wide tax collection record. Such omission was discovered in 2020, and notice of such omission along with updated information relating to county wide tax collection record has been posted to EMMA on or before the date of this Official Statement. Except for these incidents, in the past five years, the County has not 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.

The Township has not in the previous five years failed to comply, in all material respects, with any previous continuing disclosure agreements executed by the Township pursuant to the Rule.

BOND RATINGS

Moody's Investor Services, Inc.

Moody's Investors Service, Inc. (hereafter "Moody's"), will assign, as of the date of delivery, a municipal bond rating of "Aaa" to the Bonds.

The County furnished certain materials and information in addition to that provided herein. The rating is the sole view of Moody's and is based on Moody's own research, analysis, and methodologies. 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 Bonds. Additional information is available upon request from Moody's Investors Service, Inc., 7 Trade Center at 250 Greenwich St., New York, NY 10007, (212) 553-0377.

S&P Global Ratings

S&P Global Ratings (hereafter "S&P"), will assign, as of the date of delivery, a municipal bond rating of "AAA" to the Bonds.

The County furnished certain materials and information in addition to that provided herein. The rating is the sole view of S&P and is based on S&P's own research, analysis, and methodologies. 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 Bonds. Additional information is available upon request from S&P Global Ratings, 55 Water St., New York, NY 10014, (212) 438-1000.

TAX MATTERS

General

In the opinion of Dickinson Wright PLLC, Bond Counsel ("**Bond Counsel**"), based on its examination of the documents described in its opinion, under existing law as enacted and construed on the date of the initial delivery of the Bonds, the interest on the Bonds is (a) excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax.

Bond Counsel is also of the opinion that, based on its examination of the documents described in its opinion, under existing law as enacted and construed on the date of the initial delivery of the Bonds, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Bonds and interest thereon.

The opinions on federal tax matters is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The County has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. The opinions assume the accuracy of the County's certifications and representations and the continuing compliance with the County's covenants. Noncompliance with these covenants by the County may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to their attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market prices of the Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("**IRS**") or any court. Bond Counsel cannot give, and has not given, any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "**Code**"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, foreign corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits individuals otherwise eligible for the earned income tax credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

Arbitrage and Rebate Requirements

Interest on the Bonds will remain excluded from gross income under applicable federal tax law only if, among other requirements, the Issuer complies with certain arbitrage requirements set forth in Section 148 of the Code. These requirements include yield and other limits regarding investment of the proceeds of the Bonds and other funds, and rebate of certain investment earnings on such amounts on a periodic basis to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance may occur or be ascertained. The Issuer has covenanted in the Bond Resolution to comply with all such requirements.

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 Bonds initially sold at a discount corresponding to the yields as shown on the inside 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 excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer'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 taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a valid IRS Form W-9, together with appropriate attachments, reporting and certifying under penalties perjury the recipient's correct taxpayer identification number ("TIN") and further certifying that the recipient is not subject to backup withholding on a valid IRS Form W-9 or suitable substitute, or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Bonds through a brokerage account has executed a valid IRS Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Future Developments

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the State in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the State as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

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 BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESS NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE IRS, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

LITIGATION

To the knowledge of the County, there is no controversy of any nature threatened or pending against the County, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of 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 Bonds.

APPROVAL OF LEGALITY

The approving opinion of Dickinson Wright PLLC, attorneys of Troy, Michigan, will be furnished without expense to the purchaser of the Bonds at the delivery thereof.

MICHIGAN DEPARTMENT OF TREASURY STATUS

The County and Township have each received a letter from the Michigan Department of Treasury stating that it is in material compliance with the criteria of Act No. 34, Public Acts of Michigan, 2001, as amended for a municipality to be granted qualified status. The County may proceed to issue the Bonds without further approval from the Department.

MUNICIPAL ADVISOR

MFCI, LLC of Troy, Michigan, (the "Municipal Advisor") is a registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Municipal Advisor has been retained by the County to provide certain municipal advisory services relating to the planning, structuring and issuance of the Bonds, including preparation of certain parts of the deemed "final" Preliminary Official Statement and the final Official Statement (the "Official Statements").

The Municipal Advisor will make no representation, warranty or guarantee regarding the accuracy or completeness of the information in the Preliminary Official Statement or Official Statement, other than information about the Municipal Advisor supplied by the Municipal Advisor, and its assistance in preparing these documents should not be construed as a representation that it has independently verified such information.

The Municipal Advisor is not engaged in the business of underwriting, trading, marketing, or the distribution of securities or any other negotiable instruments. The Municipal Advisor's duties, responsibilities, and fees arise solely as registered Municipal Advisor to the County, and it has no secondary obligation or other responsibility. The Municipal Advisor's fees are expected to be paid from Bond proceeds.

RESPONSIBILITIES OF BOND COUNSEL

Bond Counsel has reviewed the statements made in this Official Statement under the captions "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "CONTINUING DISCLOSURE" (first two paragraphs only), "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 County 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 Bonds and the exemption of the 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 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 or other funds available to the County.

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.

County of Oakland

By: /s/ Robert Wittenberg

Its: Treasurer

By: /s/ Jim Nash

Its: Water Resources Commissioner

The Charter Township of Oakland certifies that to its best knowledge and belief, this Official Statement, as it pertains to its own economic and financial conditions, is true and correct as of the date of this Official Statement, and does not contain, or omit, any material facts which would make the statements contained herein misleading.

Charter Township of Oakland

By: /s/ Adam Kline

Its: Manager

APPENDIX A

GENERAL AND ECONOMIC INFORMATION REGARDING THE COUNTY

Introduction

Oakland County continues to be a great place to live, work, shop, and establish a business. The County is a exceptional place to live where residents enjoy a high quality of life and where business growth and opportunity is strong. The County's taxable value for real and personal property continues to rebound along with the overall economy and has grown 21.5% since 2018. With only 3.56% of taxable valuation coming from the ten largest taxpayers, the County continues to have a well-diversified tax base.

Residential developments in the County include some of the finest in the State. Based on building permit data, the average value of a new construction single-family home was approximately \$312,000 in 2020. 52% of the County's residential development from 2017 to 2021 has been single-family units. Since 2017, 46% of new residential construction in the Southeast Michigan region has taken place in Oakland County.

The unemployment rate for Oakland County averaged 4.7% in 2021. Oakland County did experience some job loss due to manufacturing reorganization in 2006 and the national recession that followed but has experienced consistent job growth since the middle of 2010 until job losses associated with the COVID-19 pandemic began to register in the data in April 2020. Based on their July 2021 report, the University of Michigan's economic forecast for Oakland County projects that the County's unemployment rate will decline to a level of 2.4% by the end of 2023, which would equal the previous record low unemployment rate in the County, recorded in the fourth quarter of 2019. While Oakland lost about 145,000 jobs in the second quarter of 2020, the County is expected to recover all the job losses by 2023.

In 2021, Oakland County was recognized as one of the most prosperous counties in the nation. In comparing Oakland County with 37 other counties of similar population throughout the nation, University of Michigan economists ranked Oakland County ninth overall based on selected indicators of prosperity.

Oakland County has the highest level of median household income of the major labor markets in Michigan. The estimated median household income of Oakland County residents in 2020 was \$81,587.

Source: Oakland County Department of Planning and Economic Development, University of Michigan Research Seminar in Quantitative Economics

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, Public Acts of Michigan, 1893, as amended, 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 funds. The County uses a modified accrual basis for accounting purposes.

Form of Government

The County operates under the unified form of county government adopted pursuant to Act 139, Public Acts of Michigan, 1973, as amended. The 21-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 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 ordinances or resolutions adopted by the Board of Commissioners, including appropriating resolutions, which may be overridden 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 and covers an area of 910 square miles, which includes 30 cities, 10 villages, and 21 townships. Within the County there are more than 1,400 lakes, 900 miles of interior shoreline, 5 rivers, and numerous small streams. There are approximately 82 private and public golf courses, including Groveland Oaks, the first park in Michigan to be environmentally certified by the Michigan Turfgrass Environmental Stewardship Program, which attracts many businesses and residents to Oakland County.

Oakland (County) International Airport can accommodate large commercial jets and is home base for over 624 corporate and general aviation aircraft. It is the nation's 16th busiest general aviation airport (2021 data) and is the second busiest airport in Michigan with more than 130,000 annual takeoffs and landings. In 1996 the airport opened a full-time U.S. customs office and expanded the airport to international commerce. The airport contributes over \$584 million to the County's economy each year.

Detroit Metropolitan Airport (DTW), located 18 miles south of the County, offers direct and connecting flights daily to nearly everywhere in the world. With more than 36 million passengers and 1,100 flights per day in 2019, Detroit Metropolitan Airport is one of the busiest airports in the United States. DTW serves as one of the largest hubs for both Delta and Spirit Airlines. The facility consists of two passenger terminals, 145 gates, six jet runways, and two modern Federal Inspection Services facilities for international arrivals.

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. Customs Service and a Free Trade Zone, enhancing the area's attractiveness to foreign manufacturers. In 2020, nearly \$31 billion in goods were exported from the Detroit MSA. The Detroit region ranked seventh in exports (based on dollar value) after Houston, New York, Los Angeles, Chicago, Dallas, and New Orleans.

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 are free of toll roads.



Rail Service – CSX offers class-one industrial and commercial freight shipping from Wixom, Michigan to Detroit or Chicago. Canadian National Railway operates class-one industrial/commercial freight shipping from Birmingham, Michigan to Detroit or Windsor, Ontario. Amtrak Passenger Rail Service has stations in the Michigan cities of Birmingham, Pontiac, and Royal Oak for trains traveling to Chicago Union Station and points in between.

Residential – For the period 2011-2020, the County issued over 28,000 new construction permits (including multi-family). Oakland County continues to post strong numbers in residential development and had the highest total in the seven-county Southeast Michigan region according to SEMCOG data. The average residential sale price of a home in Oakland County increased from \$279,441 in 2019 to \$290,674 in 2020, a 4.0% increase.

Commercial. Oakland County recorded 2.9 million square feet of nonresidential development completed in 2020 across 78 projects with a reported value of nearly \$310 million. In 2021, the County recorded 34 completed non-residential projects with a reported value of nearly \$200 million and covering 2.1 million square feet. Currently,

there are 64 nonresidential development projects underway in the county with 8.3 million square feet of floorspace and a reported value of more than \$650 million.

Agriculture. Agriculture has been declining steadily due to farm property being converted into residential, commercial, and industrial sites, but remains an important part of the County's economic diversification strategy.

Retail Activity. The County is home to an extensive collection of malls and shopping centers ranging from small village malls and popular local downtown shopping districts, to multi-floor regional malls found in most major cities. From luxury retailers at Somerset Collection to value-oriented stores at Great Lake Crossing Outlets, Oakland County offers shopping to meet the needs of residents and visitors alike.

Corporate. As of 2021, 57% percent of Fortune 500 companies do business in Oakland County. In 2020, according to the Bureau of Labor Statistics, nearly 19,000 Oakland County workers are employed by the Management and Companies and Enterprises Industry.

Hotels-Motels. As of 2020, Oakland County had 100 hotels and motels with 20 or more rooms. Several new hotel/motel properties have opened in the past few years.

Source: Oakland County Department of Planning and Economic Development

Office Buildings. More than ten million square feet of floor space has been completed in Oakland County since the start of 2007, accounting for nearly a third of Southeast Michigan's total nonresidential development. According to Jones Lang LaSalle, office lease and vacancy rates in Oakland County submarkets remain competitive with the rest of metro Detroit. Vacancy rates across Southeast Michigan have risen due to the ongoing COVID-19 pandemic. In the fourth quarter of 2021, Royal Oak/Southeast Oakland County remains one of the strongest markets with an estimated vacancy rate of 5.2% versus the region wide suburban average of 22.8%. Other vacancy rates for Oakland County submarkets include Birmingham/Bloomfield 16.6%, Farmington/Farmington Hills 23.2%, Southfield 30.9%, and Troy 22.8%.

Source: SEMCOG, Jones Lang LaSalle

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

Source: SEMCOG

Water & Sewage. All of southern Oakland County buys water from the Great Lakes Water Authority. When projects now underway are completed, the Great Lakes Water Authority will treat all of southern Oakland County's sewage (other than those served by the Clinton River Water Resource Recovery Facility). Major drainage systems have been and are being built in the County. Following is a list of the utility suppliers and sources for Oakland County:

<u>Electric Suppliers:</u>	Detroit Edison	Consumers Power	
<u>Natural Gas Suppliers:</u>	Consumers Energy	MichCon	Semco Energy
<u>Water Sources:</u>	Great Lakes Water Authority	Lake Huron	Ground Water from Wells
<u>Sewer and System Types:</u>	Great Lakes Water Authority	Community Water	Clinton River Water
		Treatment Facilities and	Resource Recovery
		Septic Fields	System
	Separate Storm and Sanitary		
	Community Treatment Facilities		

Education

There are 28 school districts in Oakland County. In 2021, U.S. News & World Report rated the International Academy in Bloomfield Hills number 3 in Michigan and number 43 in the nation's top U.S. high schools. Six other high schools located in Oakland County were listed in the top 10 of Michigan high schools.

In the fall of 2006, Oakland County launched a Mandarin Chinese language program in four school districts. Today, all school districts in Oakland County and three consortium schools offer this language 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. Over 75% of Michigan's schools offer dual-enrollment programs which give high school students the opportunity to earn college credits. The national average of schools offering dual-enrollment is only 65%.

Oakland University. Oakland University has a total unduplicated headcount enrollment of 17,170 as of Fall 2021. 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. The new William Beaumont/Oakland University School of Medicine is a game-changing development for Oakland University, Oakland County, and the practice of medicine.

Oakland Community College. Oakland Community College has an unduplicated headcount enrollment of 23,980, as of fiscal year 2021, who attend this multi-campus college specializing in technical and vocational education.

Lawrence Technological University. One of the Midwest's leading technical schools, Lawrence's engineering, architecture, business and industrial management and associate studies graduate approximately 886 students annually.

Other Educational Institutions. Central Michigan University and Michigan State University have graduate studies and programs in the County. Walsh College concentrates on business and accounting education, as does Baker College.

The main campuses of the University of Michigan, Wayne State University, and Michigan State University are between 20 to 90 miles from the County. These are major centers of research. Each university 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.

Source: Oakland County Department of Planning and Economic Development

Population

Oakland County's 2020 population was estimated to be 1,274,395, which represents a 6 percent increase since 2010. Out of 83 counties in Michigan, it has the second largest population. Oakland County is also projected to have the third largest actual population gain in the metro Detroit area by 2045 with nearly 68,000 new residents.

Table 1 – Population Trends, 1970 – 2020

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1970	907,871	2011	1,210,145	2016	1,251,027
1980	1,011,793	2012	1,221,138	2017	1,256,016
1990	1,083,592	2013	1,232,947	2018	1,256,694
2000	1,194,156	2014	1,238,718	2019	1,257,584
2010	1,202,362	2015	1,244,602	2020	1,274,395

Source: U.S. Department of Commerce, Census Bureau, 2020 Decennial Census

Income

Oakland County's estimated median household income (MHI) was \$81,587 in 2020, the second-highest among Michigan's 83 counties. Oakland County's median household income also compares favorably to the national MHI of \$67,521 and Michigan's MHI of \$57,234.

Table 2 – Median Household Income in Oakland County, 2011 – 2020

Year	Median Household Income
2020	\$81,587
2019	79,698
2018	76,387
2017	73,369
2016	69,850
2015	67,465
2014	66,436
2013	65,594
2012	65,637
2011	66,456

Source: U.S. Department of Commerce, U.S. Census Bureau, American Community Survey, 5-year estimates

Job Growth

Oakland County is recognized as one of the most prosperous counties in the nation. Oakland County's economy is continuing to improve since the days of the "Great Recession." Oakland County was at its peak employment level in the third quarter of 2000, but during the recession lost 166,463 jobs by the time it reached its low point in the fourth quarter of 2009. Since then, Oakland County recovered 144,800 jobs through the first quarter of 2020, marking over ten consecutive years of job growth.

In their July 2021 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes estimate that the COVID-19 pandemic caused the loss of 145,851 Oakland County jobs during the second quarter of 2020. The report estimated that a strong rebound in jobs through the first quarter of 2021, would bring the total jobs recovered to 59.5 percent. The report forecasts that the jobs recovery will continue over the next three years, at a slightly faster pace in the County than in the State. Total employment among County residents fell by 30 percent from March to April 2020, but the full year data for 2021 showed that the number of employed residents had returned to within 3.7 percent of the pre-pandemic level. This remaining gap reflects additional slack in the labor market, as people who are currently out of the workforce continue to return to the labor force.

The County's economic base continues to diversify since Oakland County's Emerging Sectors Initiative was put into place. Since the inception of Emerging Sectors in 2004, more than 571 Emerging Sector companies have generated more than \$5.4 billion in investment while creating or retaining more than 95,000 jobs. The vast majority of those jobs are in the high-wage category. It is clear that Oakland County is succeeding at attracting companies from emerging sectors from around the country, and in some instances, from around the globe.

Source: Oakland County Department of Planning and Economic Development, Oakland County Economic Outlook 2021-2023

Industrial and High Technology

Companies that are a part of the automotive industry, generally have a presence in southeast Michigan including many in Oakland County specifically. Certainly, research and development organizations continue to select Oakland County as one-third of all Michigan's R & D facilities are located in Oakland County. Automation Alley, founded in Oakland County and headquartered in Troy, is Southeast Michigan's leading technology business association. Automation Alley is Michigan's Industry 4.0 knowledge center, with a global outlook and a regional

focus and is one of Michigan's designated SmartZones. SmartZones are technology and business accelerators that provide distinct geographical locations to assist technology-based firms, entrepreneurs and researchers.

In January 2022, General Motors Co. announced plans to invest about \$4 billion dollars in Oakland County to expand its Orion Township electric vehicle plant. The expanded facility will assemble GM's full size electric pickup and is estimated to create about 2,300 new jobs.

Source: Oakland County Department of Planning and Economic Development

Foreign Investment

Over 1,000 businesses, representing 39 countries are located in Oakland County.

Labor Force

The unemployment rate for Oakland County and the State of Michigan average 4.7% and 5.9%, respectively, in 2021. The February 2022 unemployment rate for Oakland County was 3.8% and the State of Michigan was 5.3%

Table 3 – Unemployment History in the County, Calendar Year 2021

Month	Total Labor Force	Unemployment	Percent Unemployed
January	645,755	36,437	5.6%
February	645,599	34,567	5.4
March	653,183	35,567	5.4
April	648,859	30,798	4.7
May	652,621	31,488	4.8
June	661,767	36,547	5.5
July	669,656	35,447	5.3
August	672,011	33,396	5.0
September	668,994	28,680	4.3
October	669,615	24,851	3.7
November	668,939	21,282	3.2
December	666,967	21,420	3.2

Source: State of Michigan, Department of Technology, Management & Budget- <https://milmi.org/DataSearch/LAUS>

Table 4 – Unemployment History in the County, 2012-2021 (Annual Averages)

Calendar Year	Total Labor Force	Unemployment	Percent Unemployed
2021	660,330	30,873	4.7%
2020	648,742	60,170	9.3
2019	680,255	23,220	3.4
2018	673,420	22,479	3.3
2017	664,575	23,490	3.5
2016	653,406	27,253	4.2
2015	634,053	29,950	4.7
2014	631,312	40,898	6.5
2013	628,635	49,021	7.8
2012	616,205	50,751	8.2

Source: State of Michigan, Department of Technology, Management & Budget- <https://milmi.org/DataSearch/LAUS>

Table 5 – Unemployment History in the State of Michigan, 2012-2021 (Annual Averages)

Calendar Year	Total Work Force	Unemployment	Percent Unemployed
2021	4,776,000	280,000	5.9%
2020	4,846,000	484,000	10.0
2019	4,969,000	203,000	4.1
2018	4,940,000	206,000	4.2
2017	4,911,000	225,000	4.6
2016	4,849,000	242,000	5.0
2015	4,760,000	258,000	5.4
2014	4,760,000	344,000	7.2
2013	4,737,000	414,000	8.7
2012	4,685,000	423,000	9.0

Source: State of Michigan, Department of Technology, Management & Budget

Major Employers

The 25 largest employers in the County and number of employees as of July 2021.

Table 6 – Twenty-Five Largest Employers in the County

Employer Name	Approximate Number of Employees
Beaumont Hospitals	16,542
Stellantis (formerly FCA US LLC)	12,897
United Wholesale Mortgage	9,126
General Motors Co.	7,291
Ascension Michigan	5,577
Henry Ford Health System	5,079
U.S. Postal Service	5,000
Trinity Health Michigan	3,505
Oakland County	3,468
Magna International of America	2,284
Comerica Bank	2,007
Flagstar Bancorp Inc.	1,996
Lear Corp.	1,919
Rochester Community Schools	1,911
Continental Automotive Systems	1,845
Oakland University	1,832
Blue Cross Blue Shield of Michigan	1,814
Walled Lake Consolidated Schools	1,637
The Suburban Collection	1,577
McLaren Health Care	1,430
U.S. Farathane	1,311
Farmington Public Schools	1,180
State of Michigan	1,093
Huron Valley Schools	1,065
Plante Moran PLLC	1,006

Source: Crain's Detroit Business

Major Corporations

Oakland County is host to major corporate headquarters and major regional division offices. Below is a listing of the top ten doing business in Oakland County.

Table 7 – Companies with Major Corporate or Regional Division Offices in Oakland County

<u>Company</u>	<u>2020 Revenue</u> <u>(billions)</u>
Stellantis, N.V.	\$71.3
Penske Automotive Group, Inc.	20.4
Lear Corporation	17.0
Aptiv PLC	13.1
BorgWarner Inc.	10.2
United Wholesale Mortgage	4.9
Kelly Services Inc.	4.5
TI Fluid Systems	3.4
Meritor Inc.	3.0
Flagstar Bancorp Inc.	2.1

Source: Crain's Detroit Business

Banking

The banking needs within the County are adequately handled by:

Bank of America	First Merchants Bank	Main Street Bank
Bank of Ann Arbor	Flagstar Bank	Mercantile Bank
Charter One Bank, NA	Genisys Credit Union	Michigan First Credit Union
Chief Financial Credit Union	Horizon Bank	MSU Federal Credit Union
CIBC	Huron Valley State Bank	Oxford Bank
Citizen Community Federal	Independent Bank	PNC Bank
Clarkston State Bank	JP Morgan Chase Bank	The Huntington National Bank
Comerica Bank	Lakes Community Credit Union	
Crestmark Bank	mBank	

County Budget Process

Budget Practices. The County's budgetary practices have resulted in favorable variances against actual operations. Historically the County budgeted for all authorized positions at full funding, regardless of whether they are filled or not. Starting with the FY 2021 budget an overall turnover factor is included in the General Fund operating budget.

Multiple-Year Budgeting. After years of preparing and managing an operating budget for two-year periods of time, in 2009, the County expanded its budget practices to a triennial budget. On September 29, 2021, the Oakland County Board of Commissioners adopted the FY 2022 to FY 2024 Budget and General Appropriations Act. The County maintains the triennial budget with periodic amendments. Each new program or action is considered for the current year and the subsequent two years on a line-item basis.

Dynamic Budgeting. The County continually monitors budget and supplementary data, including real estate trends, foreclosure data, and other information which impacts County operations. This data is continually evaluated to determine long-term budget trends and to adjust current budgets. County expenditures are monitored on an ongoing basis, with an updated budget forecast produced and approved by the Board of Commissioners on a quarterly basis.

Operating and Other Reserves. The County recently updated its fund balance policy to maintain a minimum fund balance of 25% of annual General Fund expenditures (Miscellaneous Resolution #15175 adopted in July 22, 2021). The County recognizes that it is essential that it maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations and/or unanticipated expenditures. The General Fund balance is projected to be well above the minimum operating reserve through FY 2024, exceeding 50% of annual General Fund expenditures, based on the County's budget that was adopted on September 29, 2021. The County also has a formally expressed policy of maintaining a targeted amount of at least \$200,000,000 in its Delinquent Tax Revolving Fund.

Additional information on the County's budget is available at:

<https://www.oakgov.com/Investors/Pages/default.aspx>

**Table 8 – History of State Equalized Valuation (SEV) and Taxable Value (TV)
(SEV Value represents 50% of True Cash Value)**

Assessment Year	Real Property	Personal Property	Total SEV	% Change In Total SEV	Taxable Value
2022	\$85,872,455,469	\$3,863,299,665	\$89,735,755,134	5.84%	\$69,645,264,171
2021	81,062,991,752	3,721,556,729	84,784,548,481	4.42	65,419,654,128
2020	77,592,268,960	3,603,125,954	81,195,394,914	5.84	62,997,745,070
2019	73,184,421,995	3,531,580,300	76,716,002,295	6.74	60,306,168,847
2018	68,461,534,887	3,409,823,960	71,871,358,847	4.15	57,302,006,431
2017	65,554,572,199	3,453,780,010	69,008,352,209	6.03	54,723,743,027
2016	61,675,751,998	3,409,099,116	65,084,851,114	7.04	52,786,202,473
2015	56,923,321,000	3,882,782,774	60,806,103,774	10.39	51,895,341,437
2014	51,433,104,533	3,651,502,760	55,084,607,293	7.11	50,048,650,087
2013	47,639,423,175	3,790,500,640	51,429,923,815	1.16	49,235,110,306

Source: Oakland County Equalization Department

SEV does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatements. 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. See "Property Subject to Taxation" herein.

Table 9 – History and Percentage Breakdown of State Equalized Valuation by Tax Year

Type of Property	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Residential	76.1%	76.4%	76.4%	76.3%	76.5%	76.9%	76.7%	75.3%	73.7%	71.3%
Commercial	16.3	16.0	16.1	15.9	15.7	15.2	15.2	15.5	16.7	18.0
Industrial	3.2	3.1	3.0	3.0	3.0	2.8	2.8	2.7	2.9	3.1
Personal Property	4.3	4.4	4.4	4.6	4.7	5.0	5.2	6.4	6.6	7.4
Agricultural	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Developmental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Oakland County Equalization Department

Figures in the table above may not add to 100% due to rounding.

Ten Largest Taxpayers

The 10 largest taxpayers in the County and their 2021 taxable valuations are approximately 3.57% of the County's total 2021 taxable value, indicating a well-diversified tax base:

Table 10 – Ten Largest Taxpayers

Taxpayer	Taxable Valuation
DTE Electric and Gas	\$728,375,215
Consumers Energy	575,449,330
ITC Transmission	173,341,230
FCA Auburn Hills Owner LLC	167,647,670
Taubman, Great Lakes/12 Oaks Mall	145,109,000
Singh	122,284,390
Enbridge	110,049,040
Edward Rose/Occidental Dev.	109,070,910
General Motors	108,239,120
Hartman & Tyner	95,688,190
Total	\$2,335,254,095

Note: The taxable values have been compiled from a number of sources/reports and may include estimated figures. The 2022 data is not yet available.

Source: Oakland County Equalization Department

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.

Responsibility for assessing local taxable property rests with the assessing officers of cities, villages, and townships. Any property owner may appeal his or her 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 is that different parcels of property are 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 or exempt the abatement totally from mills levied under the State Education Act. Abatements under Act 198 have been granted to properties in the County with a total 2021 taxable valuation of \$306,064,726 for real and personal property.

Others

The Obsolete Property Rehabilitation Act (Act 146, Public Acts of Michigan, 2000, as amended) 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 Taxation of Lessees or Users of Tax-exempt Property Act (Act 189, Public Acts of Michigan, 1953, as amended) (“Act 189”) 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. In 2021, the total number of lessees or users of property under Act 189 within the County was 28.

Source: Oakland County Treasurer

Personal Property Tax Revenues

State of Michigan voters approved the enactment of Michigan Public Acts 153 and 154 of 2013 and Acts 80 and 86 through 93 of 2014 by referendum on August 5, 2014 (collectively, and as have been subsequently amended, the “PPT Reform Acts”), which significantly reformed Personal Property tax in Michigan.

Under the PPT Reform Acts, owners of industrial and commercial Personal Property with a total true cash value of \$80,000 or less may file an affidavit claiming a Personal Property tax exemption. To be eligible for the exemption, all of the commercial or industrial Personal Property within a city or township that is owned by, leased to, or controlled by the claimant has to have an accumulated true cash value of \$80,000 or less. (This threshold will increase to \$180,000 beginning with the tax year 2023.) Beginning in calendar year 2016, owners of certain manufacturing Personal Property that was either purchased after December 31, 2012, or that is at least 10 years old were able to claim an exemption from Personal Property tax. In 2022, all eligible manufacturing Personal Property is at least 10 years old or was purchased after December 31, 2012, so that it could be exempted from Personal Property tax.

To replace personal property tax revenues lost by local governments the PPT Reform Acts divided the existing state use tax into two components, a “state share tax” and a “local community stabilization share tax,” and established the Local Community Stabilization Authority (the “LCSA”) to levy and administer distribution of the local community stabilization share. The Michigan Department of Treasury collects the local community stabilization share tax on behalf of the LCSA. The local community stabilization share tax revenues are not subject to the annual appropriations process and are provided to the LCSA for distribution pursuant to a statutory formula. The County has received full reimbursement of PPT losses for FY 2017 through FY 2021 with the State of Michigan reimbursing at rates of more than 100% for those years.

The ultimate nature, extent, and impact of other tax and revenue measures, which are from time to time considered, cannot currently be predicted. Purchasers of the Bonds should consult with their legal counsel and financial advisors as to the consequences of any such legislation on the market price or marketability of the Bonds, the security therefor and the operations of the County. The County's adopted budget for FY 2022 – FY 2024 assumes reimbursement of \$2.40 million annually.

County Tax Rates

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 operating millage for 2021, after the Headlee reduction, is 4.0132 mills. See "Tax Rate Limitation" herein.

Table 11 - County Tax Rates (in mills) \$1.00/\$1,000 of Taxable Valuation

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating	4.0132	4.0200	4.0400	4.0400	4.0400	4.0400	4.0900	4.1900	4.1900	4.1900
Parks & Recreation	0.3470	0.3500	0.2329	0.2349	0.2392	0.2410	0.2415	0.2415	0.2415	0.2415
Huron Clinton Authority	0.2089	0.2104	0.2117	0.2129	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Zoo Authority	0.0956	0.0965	0.0973	0.0982	0.0990	0.0998	0.1000	0.1000	0.1000	0.1000
Arts Authority	0.1897	0.1913	0.1929	0.1945	0.1981	0.1996	0.2000	0.2000	0.2000	0.2000
Total	4.8544	4.8682	4.7748	4.7805	4.7909	4.7950	4.8461	4.9461	4.9461	4.9461

Source: Oakland County Treasurer

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."

Article IX, 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. These limitations may be further increased to an aggregate amount of up to 50 mills for a period of up to 20 years, if approved by a majority vote of the qualified electors of the County.

Act 62, Public Acts of Michigan, 1933, as amended, ("Act 62") 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 Article IX, Section 6 of the 1963 Michigan Constitution and Act 62 and eliminate the Tax Allocation Board. The fixed rates are as follows (per \$1,000 of equalized valuation):

<u>Unit 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	<u>0.25</u>
Total Millage Rate	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

Table 12 – Collection Record of County's Tax Levy, 2012 - 2021

<u>Year of Tax Levy (1)</u>	<u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Tax Levy (2)</u>	<u>Amount</u>	<u>Percentage</u>		<u>Amount</u>	<u>Percentage</u>
2021	2021	\$255,643,144	\$221,700,293	86.72%	\$ -	\$221,700,293	86.72%
2020	2020	246,663,143	223,110,366	90.45	21,514,465	244,624,831	99.17
2019	2019	237,559,852	215,492,770	90.71	21,223,051	236,715,821	99.64
2018	2018	226,289,005	201,249,308	88.93	24,724,355	225,973,663	99.86
2017	2017	216,149,261	196,045,294	90.70	19,952,482	215,997,776	99.93
2016	2016	208,735,308	186,750,930	89.47	21,893,519	208,644,449	99.96
2015	2015	207,429,739	186,742,691	90.03	20,596,594	207,339,285	99.96
2014	2014	204,966,211	181,910,042	88.75	22,977,344	204,887,386	99.96
2013	2013	201,089,193	179,700,449	89.36	21,384,238	201,084,687	100.00
2012	2012	200,442,426	179,242,176	89.42	21,197,794	200,439,970	100.00

(1) Tax levy date is July 1 of each year.

(2) Tax levy is subject to change due to the fact that settlement at the County level has not yet taken place for the current fiscal year.

Source: Oakland County Treasurer

Operating and extra voted taxes become delinquent the following March 1. In some prior years, the County has issued General Obligation Limited Tax Notes and established a Delinquent Tax Revolving Fund at the County level, and after March 1st, the County pays, from the Delinquent Tax Revolving Fund, all delinquent real property taxes from all municipalities in the County. The fund does not cover personal property, buildings on leased land, DNR-PILT, or tax abated property taxes.

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Table 13 – Collection Record of County Wide Tax Levy, 2012 - 2021

Year of Tax Levy	Tax Levy*	Collections to March 1 of Each Levy Year Amount**	Percent	Collections Plus Delinquent Tax Funding Percent
2021*		In Process		
2020*	\$2,745,535,326	\$2,673,107,911	97.36%	100.00%
2019*	2,624,523,402	2,553,427,283	97.29	100.00
2018	2,513,293,651	2,442,068,195	97.17	100.00
2017	2,398,951,788	2,331,000,581	97.17	100.00
2016	2,328,096,528	2,256,640,187	96.93	100.00
2015	2,286,212,705	2,212,322,514	96.77	100.00
2014	2,217,628,392	2,140,231,078	96.51	100.00
2013	2,170,304,164	2,083,958,031	96.02	100.00
2012	2,155,447,277	2,059,602,174	95.55	100.00

* Includes real and personal property taxes.

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

Source: Oakland County Treasurer

Table 14 – History of County Wide Tax Delinquencies

Levy Year	Real Property	Personal Property
2021		In Process
2020	\$66,860,487.96	\$5,337,123.56
2019	66,197,750.10	4,898,368.56
2018	66,133,316.14	4,970,962.04
2017	63,093,751.40	4,699,079.29
2016	66,517,083.17	4,813,003.09
2015	68,796,395.48	4,791,215.74
2014	72,532,013.95	4,669,385.41
2013	80,215,223.23	6,132,887.66
2012	89,699,373.20	5,702,067.01

Source: Oakland County Treasurer

Revenue Sharing from the State of Michigan

The County receives revenue sharing payments from the State of Michigan under the State revenue Sharing Act of 1971, as amended (the “Revenue Sharing Act”). The County’s revenue sharing distribution is subject to annual legislative appropriation and may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature’s appropriation committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

The State’s ability to make revenue sharing payments to the County in the amounts and at the times specified in the Revenue Sharing Act is subject to the State’s overall financial condition and its ability to finance any temporary cash flow deficiencies. Act 357, Public Acts of Michigan, 2004 (“Act 357”) amended the General Property Tax Act to temporarily eliminate statutory revenue sharing payments to counties by creating a reserve fund, against which counties could draw in lieu of annual revenue sharing payments, paid for by the permanent advancement of the counties’ property tax levy from December to July each year, beginning in 2005. Under Act 357, a county would resume receiving state revenue sharing payments in the first year in which the County’s

property tax revenue reserve was less than the amount the County would have otherwise received in state revenue sharing payments. The County resumed receiving the revenue sharing payments in 2015.

Under the fiscal year 2022 budget, signed into law on September 29, 2021, by Governor Whitmer, a portion of county revenue sharing payment distributions are made pursuant to the Revenue Sharing Act and a portion are distributed through an incentive-based program called the county incentive program (“CIP”). For fiscal year 2022, \$231.5 million has been appropriated for revenue sharing distributions to counties, of which \$188.1 million will be distributed pursuant to the Revenue Sharing Act and \$43.4 million will be distributed through the CIP. The CIP provides eligible counties distributions for complying with “best practices” to increase transparency. The Department of Treasury shall distribute revenue sharing funds to counties so that each eligible county receives a payment equal to 106.6435% of the amount determined pursuant to the Revenue Sharing Act, less the amount such county is eligible to receive under the CIP. However, each eligible county that is determined to have a retirement pension benefit system in underfunded status under section 5 of Act 202, Public Acts of Michigan, 2017, must allocate any 2022 incremental increase to its unfunded pension liability. Oakland County has complied with the CIP requirements in all years since they were institute and does not currently have an unfunded pension liability. Eligible counties are those that would be eligible to resume receiving state revenue sharing payments under Act 357.

Purchasers of the Bonds should be alert to further modifications to revenue sharing payments to Michigan local governmental 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 amounts of annual revenue sharing payments from the State for the County’s fiscal years ended September 30, 2016, through September 30, 2021, and the estimated revenue sharing payments for the County’s fiscal year ending September 30, 2022.

Table 15 – Revenue Sharing from the State of Michigan

County of Oakland Fiscal Year End September 30 th	Revenue Sharing Payments
2022	\$27,902,012*
2021	27,357,386
2020	20,953,995**
2019	26,808,155
2018	26,683,378
2017	26,419,185
2016	26,163,877

*Projected – State of Michigan Executive Recommendation:

https://www.michigan.gov/documents/treasury/FY22_CRS_CIP_Projections_Exec_Rec_716175_7.pdf

**Reduced via Executive Reduction Order mid-year, with an amount of federal CARES Act funds exceeding the reduction appropriated and distributed to the County.

County Labor Contracts

As of April 2022, Oakland County has 3,513 full-time eligible positions of which 1,807 are represented by 13 certified bargaining units.

There are no current labor problems that might have a material effect upon Oakland County. Oakland County adopted Miscellaneous Resolution #19383 on December 12, 2019, that established a Neutrality and Card Check Recognition Policy. The UAW has formed a union at Oakland County with a primary focus on administrative positions. The County anticipates that the number of employees in the union could be between 600 and 700. The County expects negotiations with the new union to be collaborative in nature, with no material impact on the County’s financial position.

Union contracts with the Oakland County Sheriff Deputies Association and Oakland County Command Officers Association expired September 30, 2021. Negotiations regarding new contracts are ongoing with both unions. Any increased financial costs to the County resulting from resolution of the negotiations will be incorporated into the County's long-term financial planning.

Table 16 – Oakland County Employees Represented by Bargaining Unit

County Employee Group	Number of Positions	Contract Expiration Date
Sheriff's Law Enforcement	440	9/30/2021
Corrections and Services	309	9/30/2021
Sheriff's Command Officers	120	9/30/2021
Children's Village Employees	118	9/30/2025
Family Court Employees	77	9/30/2025
Prosecutor's Investigators	11	9/30/2024
Oakland County Employees Union	302	9/30/2022
Public Health Nurses	67	9/30/2025
Clerk Register Supervisors	14	9/30/2024
Operating Engineers	6	9/30/2025
MAPE Supervisory	16	TBD
UAW Supervisory	93	9/30/2024
UAW Non-Supervisory	234	9/30/2024
	1,807	

Source: Oakland County Human Resources Department as of April 5, 2022.

Pensions

The September 30, 2021 fiscal year end reported net pension asset was determined using a measure of the total pension liability and the pension net position as of the September 30, 2021 measurement date. The September 30, 2021, total pension liability was determined by an actuarial valuation performed as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. The plan's fiduciary net position represents 110.00% of the total pension liability.

The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2020. Additional information can be found on the County's website at:

<https://www.oakgov.com/investors/Pages/default.aspx>

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Table 17 – Oakland County Employees Retirement System

	General Union	Command Officers	Road Deputies	Corrections Deputies	Total
A. Accrued Liability					
1. For retirees and beneficiaries	\$485,238,968	\$47,257,377	\$65,380,091	\$61,965,976	\$659,842,412
2. For vested /terminated members	4,586,239	404,981	550,991	298,575	5,840,786
3. For present active members					
a. Value of expected future benefit payments	52,347,579	6,899,282	5,734,370	2,243,306	67,224,537
b. Value of future normal costs	3,036,333	207,139	214,084	114,828	3,572,384
c. Active member liability: (a) – (b)	49,311,246	6,692,143	5,520,286	2,128,478	63,652,153
4. Total	539,136,453	54,354,501	71,451,368	64,393,029	729,335,351
B. Valuation Assets	552,004,521	55,463,166	73,069,968	65,026,192	745,563,847
C. Unfunded Accrued Liability: (A.4) – (B)	(12,868,068)	(1,108,665)	(1,618,600)	(633,163)	(16,228,496)
D. Funding Ratio: (B) / (A.4)	102.4%	102.0%	102.3%	101.0%	102.2%

Other Post-Employment Benefits (“OPEB”)

The September 30, 2021 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the September 30, 2021 measurement date. The September 30, 2021 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. The plan's fiduciary net position represents 165.10 percent of the total OPEB liability. The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2020. Additional information can be found on the County's website at:

<https://www.oakgov.com/investors/Pages/default.aspx>

Table 18 – Oakland County Retirees' Health Care Trust* – Present Financial Report

	General Members	Command Officers	Road Deputies	Corrections Deputies	Total
A. Accrued Liability					
1. For retirees and beneficiaries	\$389,585,385	\$33,423,348	\$53,014,338	\$47,157,668	\$523,180,739
2. For vested and terminated members	45,503,152	1,745,427	5,283,591	1,622,279	54,154,449
3. For present active members					
a. Value of expected future benefit payments	248,821,614	35,916,893	71,293,605	43,957,578	399,989,690
b. Value of future normal costs	32,192,037	5,167,627	13,150,170	7,739,713	58,249,547
c. Active member liability: (a) – (b)	216,629,577	30,749,266	58,143,435	36,217,865	341,740,143
4. Total	651,718,114	65,918,041	116,441,364	84,997,812	919,075,331
B. Valuation Assets	994,836,897	81,639,768	174,235,042	130,491,715	1,381,203,422
C. Unfunded Accrued Liability: (A.4) – (B)	(343,118,783)	(15,721,727)	(57,793,678)	(45,493,903)	(462,128,091)

* The State of Michigan adopted Public Act 329, effective October 9, 2012, which authorized local units of government to issue taxable general obligation bonds to fund OPEB obligations. This created the opportunity for the County to take advantage of lower bond interest rates and to refinance the 2007 COPS debt. On September 27, 2013, Oakland County initiated a private placement of \$350 million in bonded debt to refinance the outstanding long-term OPEB COP's debt of \$422.1 million which were subsequently called on April 1, 2014. The remaining amount of \$72.1 million needed to call the debt came from surplus assets in the Interim trust fund set up to keep the VEBA Trust fully funded.

Table 19 –Oakland County Net Direct Debt as of May 11, 2022 – Unaudited
Including the Bonds described herein

	<u>Gross</u>	Self-Supporting or Portion Paid Directly by Benefited <u>Municipalities</u>	<u>Net</u>
<u>Limited Tax</u>			
Building Authority	\$ 26,975,000	-	\$ 26,975,000
Building Authority Refunding	18,130,000	-	18,130,000
Retirees Health Care	154,900,000	-	154,900,000
Sewer Disposal	18,205,000	8,220,000	9,985,000
Water Supply	5,761,200	5,761,200	-
Water & Sewage Refunding	11,455,000	9,200,000	2,255,000
MFA Sewage Disposal	46,580,473	600,727	45,979,746
Total Limited Tax	<u>282,006,673</u>	<u>23,781,927</u>	<u>258,224,746</u>
<u>Drain Districts</u>			
Drain	65,225,648	64,706,296	519,352
Drain Refunding	45,510,000	6,536,224	38,973,776
MFA Drain	136,925,146	122,437,710	14,487,436
Total Drain Districts	<u>247,660,794</u>	<u>193,680,230</u>	<u>54,060,565</u>
Total Limited Tax and Drain Districts	<u>\$529,667,467</u>	<u>\$217,462,157</u>	<u>\$312,205,310</u>

Table 20 – Oakland County Overlapping Debt as of May 11, 2022
Including the Bonds described herein

Cities, Villages, and Townships	\$1,138,719,413
School Districts	2,923,568,402
Community College, Intermediate School Districts and Library	<u>46,133,756</u>
Net County Overlapping Debt	<u>4,108,421,571</u>
Net County Direct Debt	<u>312,205,310</u>
Net County Direct and Overlapping Debt	<u>\$4,420,626,881</u>

Overlapping Debt: Property in the County is currently taxed for a proportionate share of outstanding debt. Obligations of overlapping governmental entities including school districts, cities, villages and townships within the County.

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

Table 21 – Oakland County Schedule of Bond Maturities
County Limited Tax General Obligation
Principal Only as of May 11, 2022

<u>Fiscal Year</u>	<u>Building Authority</u>	<u>Building Authority Refunding</u>	<u>Water Supply</u>	<u>Sewage</u>	<u>Water & Sewage Refunding</u>	<u>MFA Sewer Disposal</u>	<u>Retiree Healthcare**</u>
2022	\$ -	\$ 2,125,000	\$ 66,800	\$ 675,000	\$ 575,000	\$ 2,430,000	\$ -
2023	3,895,000	2,355,000	131,800	1,595,000	815,000	3,120,700	28,605,000
2024	1,795,000	1,960,000	156,800	1,630,000	860,000	3,196,100	29,660,000
2025	1,865,000	1,355,000	161,800	1,670,000	890,000	3,266,500	30,750,000
2026	1,950,000	1,305,000	161,800	1,705,000	945,000	3,341,900	31,885,000
2027	2,030,000	1,360,000	171,800	1,755,000	995,000	3,428,027	34,000,000
2028	2,120,000	1,415,000	151,800	1,460,000	1,020,000	3,415,400	-
2029	2,215,000	1,470,000	161,800	1,505,000	1,080,000	3,505,800	-
2030+	11,105,000	4,785,000	4,596,800	6,210,000	4,275,000	20,876,046	-
Total	\$26,975,000	\$18,130,000	\$5,761,200	\$18,205,000	\$11,455,000	\$46,580,473	\$154,900,000

** All of the outstanding \$154,900,000 Retiree Healthcare Bonds are federally taxable.

Source: Oakland County Treasurer

Table 22 – Oakland County Schedule of Drain Bond Maturities
County Limited Tax General Obligation – Drain Districts
Principal Only as of May 11, 2022

<u>Fiscal Year</u>	<u>Drain</u>	<u>Drain Refunding*</u>	<u>MFA Drain</u>
2022	\$ 1,810,000	\$ 2,545,000	\$ 6,865,000
2023	2,557,065	4,140,000	14,704,300
2024	2,657,065	4,200,000	15,046,576
2025	2,762,065	3,785,000	9,993,500
2026	3,352,065	3,430,000	9,712,246
2027	3,342,065	3,510,000	9,842,700
2028	3,282,065	3,600,000	10,069,600
2029	3,442,065	3,690,000	10,189,200
2030+	42,021,193	16,610,000	50,502,024
Total	\$65,225,648	\$45,510,000	\$136,925,146

* Includes \$38,010,000 of federally taxable bonds.

Source: Oakland County Treasurer

**Table 23 – Oakland County Schedule of Principal and Interest Requirements
as of May 11, 2022
Including the Bonds described herein**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-2024	\$140,172,206	\$35,387,181	\$175,559,387
2025-2029	228,514,198	33,761,441	262,275,639
2030-2034	118,817,349	12,218,973	131,036,322
2035-2040	42,163,714	4,000,397	46,164,111
Total	<u>\$529,667,467</u>	<u>\$85,367,992</u>	<u>\$615,035,459</u>

Source: Oakland County Treasurer

**Table 24 – Legal Debt Margin as of May 11, 2022
Including the Bonds described herein**

2022 State Equalized Value (SEV)	\$89,735,755,134
Statutory Limit - 10% of 2022 SEV	8,973,575,513
 Total Bonded Debt Outstanding	 <u>529,667,467</u>
Available Statutory Debt Limit	<u>\$8,443,908,046</u>

Source: Oakland 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 Delinquent Tax Revolving 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 has not issued short-term obligations for cash flow purposes.

**Table 25 – History of Oakland County Delinquent Tax Anticipation Notes
as of May 11, 2022**

<u>Year Issued</u>	<u>Notes Issued</u>	<u>Amount Outstanding</u>
2022	-	-
2021	-	-
2020	-	-
2019	-	-
2018	25,000,000	-
2017	25,000,000	-
2016	25,000,000	-
2015	25,000,000	-
2014	25,000,000	-
2013	25,000,000	-

Source: Oakland County Treasurer

Lease Obligations

The County leases a portion of its Law Enforcement Complex, Rochester Hills 52-3 District Court, Executive Office Building, Airport T-Hangars, Airport Terminal Building, Animal Control Building and various Facility Infrastructure and Information Technology Capital Projects 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. There are also a number of sub-leases between the County and various governmental entities with the debt being funded from payments from the benefiting community over the life of the debt issues, with the structures being collateral. Current sub-leases are in place with the City of Rochester Hills, City of Keego Harbor, City of Oak Park, and Oakland Community Health Network (formerly Oakland County Community Mental Health Authority).

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

Future Financing

The Evergreen-Farmington Sanitary Drain Drainage District plans to finance a portion of multiple projects totaling approximately \$72,700,000 second half of 2022. Local municipalities within Oakland County will likely be apportioned 100% of this bond issue, and the County expects some communities to prepay some or all of their apportionment. The actual amount bonded will depend on the final project cost and the amount of local municipality prepayments. In the past, Oakland County has pledged its full faith and credit as additional security to the bonds apportioned to local municipalities within County.

The Oakland Macomb Interceptor Drain Drainage District may issue up to \$12,250,000 of drain bonds, in one or more series, within the next two years. The timing of these issues is currently unknown. Local municipalities within Oakland County will likely be apportioned about 33.1% of these bond issues. In the past, Oakland County has pledged its full faith and credit as additional security to the bonds apportioned to local municipalities within County.

The Bald Eagle Lake Drain Drainage District, County of Oakland, State of Michigan, issued \$820,648 of drain bonds on May 10, 2022. Property owners within the Bald Eagle Lake Drain Drainage District will be assessed special drain assessments equal to 100% of this bond issue. Oakland County has pledged its full faith and credit as additional security to the Bald Eagle Lake Drain Bonds, Series 2022.

The County has outstanding bond issues that are callable within the next twelve months. The County may issue current refunding bonds if present value interest savings is sufficient.

The County has contracted with an outside firm to provide a comprehensive assessment of its long-term facility needs. It will consider debt financing of future major facility projects based on the results of that assessment.

APPENDIX B

Oakland County Annual Comprehensive Financial Report

The auditor was not requested to examine or review and therefore has not examined or reviewed any financial documents, statements, or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly has not conducted any post-audit review procedures and will not express any opinion with respect to the accuracy or completeness of such financial documents, statements or materials. The County's September 30, 2021, 2020, and 2019 Annual Comprehensive Financial Reports are available at the following link:

[September 30, 2021 Annual Comprehensive Financial Report](#)

[September 30, 2020 Annual Comprehensive Financial Report](#)

[September 30, 2019 Annual Comprehensive Financial Report](#)



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2021

PREPARED BY: Department of Management & Budget • Kyle I. Jen, Director



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March 25, 2022

To the Oakland County Board of Commissioners and
Citizens of Oakland County

State law requires that all general purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of Oakland County, Michigan for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of Oakland County. Consequently, management assumes full responsibility for the completeness and reliability of the financial information presented in this report. To provide a reasonable basis for making these representations, the management of Oakland County has established a comprehensive internal control framework designed to protect the government's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of Oakland County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Oakland County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Oakland County's financial statements have been audited by Plante & Moran, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Oakland County for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall presentation of the financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Oakland County's financial statements for the fiscal year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

The independent audit of the financial statements of Oakland County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and

compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Those reports are available in Oakland County's separately issued Single Audit Report.

The Fiscal Year 2021 ACFR includes a Statement of Net Position and a Statement of Activities, which provides readers with the financial position of Oakland County, viewed as a single entity. In addition, the report provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). Oakland County's MD&A, which provides a detailed discussion of the County's fiscal year 2021 financial performance, can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of Oakland County

Incorporated on March 28, 1820, Oakland County covers approximately 910 square miles in southeast Michigan, immediately north of the City of Detroit and Wayne County. With a population of 1,253,459 (2020 estimate) and the County seat in Pontiac, Oakland County is home to a mix of urban and rural communities, encompassing 62 cities, villages, and townships, including thirty-two (32) downtown areas and many scenic natural settings, providing a good quality of life for any lifestyle. The County ranks ninth (9th) in the nation among counties with populations between 900,000 and 1,600,000 based on five key economic measures as cited in a June 2021 report by University of Michigan economists. Oakland County enjoys a world class reputation due to its renowned business environment and its many attributes that contribute to an excellent quality of life.

Government Structure

Oakland County operates under the authority of Michigan Public Act 139 of 1973, the Optional Unified Form of County Government Act, approved by the electorate in 1974. An elected County Executive is responsible for the management of County affairs as specified under Public Act 139. Specific programs and services under the County Executive include human services in the form of public health, child care, and emergency management/homeland security; community and economic development; planning; public safety; public records; public works; airports; and a wide range of other services, such as Michigan State University Cooperative Extension, animal control, workforce development, veterans' services, and senior programs. All of these activities are supported by administrative services, central services, and information technology.

The Treasurer, Clerk/Register of Deeds, Prosecutor, and Sheriff are offices established by the State's constitution. A Water Resources Commissioner was established as an elected position in 1909 and currently operates under Public Act 40 of 1956 (as amended), the Uniform Drain Code. These offices, including the County Executive, are elected countywide with four-year terms. The Treasurer is responsible for collection of delinquent taxes, settlements with local units, cash management, and investments. The Clerk/Register of Deeds is responsible for recording vital statistics and maintaining court records, Board of Commissioner proceedings, and documents affecting property ownership. The Sheriff and Prosecutor are responsible for law enforcement. The Water Resources Commissioner is responsible for construction and maintenance of drains, lake level controls, water supply systems, and

sewer interceptors.

The Oakland County Courts consist of the Sixth Judicial Circuit (including Family Division), Probate, and 52nd District Courts. The Circuit Court, with twenty (20) judges, has jurisdiction over criminal cases where the minimum penalty is over one year of incarceration, civil damage cases where the claim exceeds \$25,000, and domestic relation matters. The Probate Court, with four (4) judges, is responsible for estates and mental health matters. The 52nd District Court, with ten (10) judges, has jurisdiction over misdemeanors, ordinance and charter violations, civil cases under \$25,000, and preliminary examinations in felony cases.

The Board of Commissioners is comprised of twenty-one (21) members elected to two-year terms by their respective districts and serves as the legislative body responsible for establishing policy and appropriating funds.

Component Units

A three-member Road Commission, established under Michigan Public Act 283 of 1909 and appointed by the County's Board of Commissioners, is responsible for more than 2,700 miles of roads. Its budget of approximately \$161.0 million (excluding Special Assessment Districts) is funded principally by State-collected vehicle fuel and registration taxes under Public Act 51 of 1951. Other sources of funds are provided by federal, state, and local governments as well as proceeds from the sale of bonds. The Road Commission is not subject to the Board of Commissioners' appropriation process and, therefore, is reflected as a discretely presented component unit in the County's Comprehensive Annual Financial Report, as required by the Governmental Accounting Standards Board (GASB) Statement Number 14, *The Financial Reporting Entity*, as amended by Statement Number 39, *Determining Whether Certain Organizations are Component Units*, Statement Number 61, *The Financial Reporting Entity: Omnibus*, and Statement Number 80, *Blending Requirements for Certain Component Units*.

A three-member Drain Board was established pursuant to Michigan Public Act 40 of 1956, and consists of the Oakland County Water Resources Commissioner, the Chairperson of the County Board of Commissioners, and the Chairperson of the County Board of Commissioners' Finance Committee. This board is responsible for the construction and maintenance of drainage districts created under Chapter 20 of Act 40, funding for which is provided by assessments against the benefiting municipalities. Debt issued is backed by the full faith and credit of Oakland County.

A ten-member commission, appointed by the Board of Commissioners, is responsible for Parks and Recreation, which acquires and develops County parks. Currently, Parks and Recreation maintains and operates fourteen (14) parks that provide camping, golf, swimming, an off-road vehicle park, and a variety of other recreational activities, as well as a local Farmers Market. Parks and Recreation is supported, in part, by a separately voted tax levy, subject to annual tax limitation adjustments pursuant to the Michigan constitution (FY 2021 rate was .3500 mills). Parks and Recreation's activity is blended into the County's Comprehensive Annual Financial Report due to the specific agency relationship established by State statute, as required by GASB Statements Number 14, Number 39, Number 61, and Number 80.

County Budget

Oakland County maintains a focus on long-term financial planning. As described below, the County operates under a three-year rolling budget, which allows for continuous planning at least three fiscal years into the future. Such a process allows the County to anticipate financial challenges and take appropriate timely management action in response to major budgetary fluctuations.

Under the provisions of the State of Michigan's Uniform Budget Act for Local Units of Government (P.A. 621 of 1978 as amended by P.A. 493 of 2000), the Triennial Budget and General Appropriations Act (GAA) serves as the foundation for Oakland County's financial planning and control; this covers the County's fiscal year of October 1 through September 30. The County Executive is required to submit a proposed budget and recommended GAA to the Board of Commissioners no later than 90 days prior to the beginning of the next fiscal year (July 1). The Board of Commissioners is required to hold public hearings on the proposed budget and adopt the final budget and GAA for the ensuing fiscal year no later than September 30, the close of the current fiscal year.

The appropriated budget is prepared by fund (e.g., General Fund), function (e.g., Administration of Justice), and department (e.g., Circuit Court). Control categories are established at the department level for Personnel Expenditures (e.g., salaries, overtime, and fringe benefits), Operating Expenditures (e.g., contractual services and commodities), and Internal Support Expenditures (e.g., Internal Service charges for information technology, motor pool, office space, etc.). Departments may exceed individual line-item appropriations (e.g., professional services, office supplies, etc.) within the aforementioned categories provided the Control Category is not overspent. Budget amendments providing additional spending authorization are required to be made by action of the Board of Commissioners, upon recommendation of the County Executive.

Although the appropriated budget is prepared on the fund/function/department basis, Oakland County's financial system also has the ability to budget and account by program cost center. The ability to budget and account for County activity by program is a valuable tool for policy makers to analyze and determine where to appropriate limited County resources in order to maximize their positive impact on County residents.

Budget-to-actual comparisons are provided in the Financial Section of this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Economic Condition of Oakland County

Oakland County is recognized as one of the most prosperous counties in the nation. In their June 2021 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes reported that Oakland County ranks ninth overall when compared to other counties in the United States with populations between 900,000 and 1.6 million. Oakland maintained its overall top ten ranking when looking the following factors: education (associate's degree or higher), child poverty, median income, professional occupations, and high-income senior population.

While the COVID-19 pandemic certainly had an impact on Oakland County's economy, including its small businesses and workforce, the overall economic diversity and solid fundamentals positions the County well for an economic recovery. This is attributed to Oakland County's educated workforce, high level of managerial and professional jobs, and the attractive standard of living with a solid foundation for economic prosperity in the future. In 2020, Oakland County received direct Coronavirus Aid, Relief, and Economic Security (CARES) Act funding of approximately \$219.4 million. And in 2021, the County received the first installment of \$122,134,475 of the total \$244,268,949 awarded funding from American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund. This funding will aid in Oakland County's economic recovery and allow for longer-term investments to further strengthen the future well-being of the county's residents. See more on the pandemic funding in the Major Initiatives section of this transmittal letter.

Oakland County did experience continued job growth in early 2020, marking just over 10 years of job growth which is the longest streak since the job data has been collected. However, the COVID-19 recession led to a 145,851 (19.6 percent) employment decline in Oakland County. Economists Gabriel Ehrlich and Donald Grimes stated in their June 2021 report that by the first quarter of 2021 Oakland County recovered approximately 59.5 percent of the job losses. They also forecasted that job recovery will continue over the next three years. Furthermore, they expect the County to return to its pre-pandemic employment level in the first quarter of 2023 and to exceed that value by 1.7 percent at the end of 2023.

Prior to the COVID-19 pandemic, Oakland County's unemployment rate had fallen (improved) steadily from the 2009 high rate of 13.0%. Unemployment spiked to 19.6% in May 2020 as a result of the pandemic. According to a Michigan Department of Technology, Management & Budget published document, Oakland County's unemployment rate was 3.3% as of December 2021. The same published document reported the national unemployment rate at 3.9% and the State of Michigan unemployment rate of 5.6% as of December 2021. Oakland County's December 2021 unemployment rate of 3.3% was lower in comparison to both Macomb County (4.1%) and Wayne County (5.4%).

Oakland County's 2020 per capita personal income (PCPI) of \$76,941 is the highest among Michigan's 83 counties according to the U.S. Bureau of Economic Analysis (BEA) most recent published data on November 16, 2021. The 2020 PCPI reflects an increase of 5.0 percent from 2019. The Oakland County's per capita income also compares favorably to the national average (\$56,510) and the state average (\$53,259).

The 2021 market value of property in Oakland County is approximately \$169.6 billion, an increase of approximately \$7.2 billion from 2020 to 2021 (4.42%). The Taxable Value (TV), which is the calculation on which property tax revenue is based, increased 3.84%. This is the ninth year of increase in property value following five (5) consecutive years of decline. The budget assumptions referenced in the FY 2022 – FY 2024 adopted budget document includes an estimated 4.25% increase in taxable value as of December 31, 2021 (FY 2022 revenue); a 4.25% increase in taxable value as of December 31, 2022 (FY 2023 revenue); and an additional 4.25% increase in taxable value as of December 31, 2024 (FY 2024 revenue).

Oakland County's collective property values remain the highest of all 83 counties in Michigan and represents 16.7% of the state's total value (as compared to Oakland County's population representing approximately 12.6% of Michigan's total). The majority of Oakland County's taxable value is within the residential class of property, which is approximately 75.0% of the total property tax base. The average residential sale price of a home in Oakland County increased from \$290,674 in 2020 to \$309,965 in 2021, a 6.6% increase.

The average 2021 property tax rate is \$43.31 per thousand dollars of taxable value, a slight increase from the 2020 average of \$43.05 per thousand dollars of taxable value. The average property tax rate is distributed to the following taxing authorities:

Local School Districts	32.14%
Cities, Villages, Townships	32.11%
State Education Tax	13.75%
County Operating	9.27%
Intermediate School District	7.39%
Community College	3.40%
Parks & Recreation/Zoo/Art/Huron Clinton	1.94%
	<u>100.00%</u>

The County's general operating millage rate for the July 1, 2021 tax levy was 4.0132 mills and the FY 2022 budget authorized a tax rate of 3.9880 mills for the July 1, 2022 tax levy. The County has one of the lowest county tax rates in the State of Michigan.

Fiscal Policies

Oakland County has established a number of financial policies to ensure that the business of the County is conducted in an effective and efficient manner. Some of these policies, such as those related to Debt Administration and Cash Management, affect the daily financial operations and thus the financial statements. The impacts of these policies are demonstrated in the financial statements themselves, as well as the notes accompanying the financial statements; particularly Note #3 (Cash Management) and Note #8 (Debt Administration).

Other policies and practices not as fully explained in the ensuing document that nonetheless impact the County's financial position in FY 2021 and beyond include the Budgeting and Forecasting activities; the capital improvement activities particularly associated with the Delinquent Tax Revolving Fund; and the Pension and Other Post-Employment Benefit practices. These practices are summarized below.

Budgeting and Forecasting

The hallmark of the County's focus on long-term financial planning is preparation and adoption of a triennial budget and five-year forecast. Not only is the budget adopted for the next three fiscal years, the triennial budget is considered a "rolling" budget in that when it is amended, the amendment always reflects the impact for both the remainder of the current fiscal year and the full impact on the next two fiscal years.

The County recently revised its fund balance policy with Miscellaneous Resolution #21301 adopted by the Board of Commissioners in July 2021. The previous fund balance policy had a minimum fund balance level of 20% of annual General Fund expenditures. The updated policy reflects a minimum fund balance level of 25% of annual on-going General Fund expenditures to protect the continuity of county services during an economic downturn, with clearer guidelines on the economic circumstances under which those funds can be appropriated, and another 5% of on-going annual expenditures for non-economic budget risks.

The second criterion is the need for additional cash flow reserves arising from Michigan Public Act 357 of 2004 that requires the County to collect property taxes in arrears. Under this State Act, counties levy property taxes in July of each calendar year, which is ten months AFTER the beginning of Oakland County's fiscal year. Prior to enacting P.A. 357, the County levied property taxes in December, only three months after the beginning of the fiscal year. Because of the prudent management of the General Fund balance, the County has been able to maintain its cash flow needs, despite the shift to a later levy date. However, the County will continue to monitor its cash flow needs and will take appropriate actions if short-term borrowing is needed to augment General Fund cash balances.

In accordance with P.A. 139 of 1973, the County Executive is required to report the current financial position of the County to the Board of Commissioners on a quarterly basis. These quarterly reports are prepared by the Fiscal Services Division of the Department of Management and Budget and presented to the Board of Commissioners' Finance Committee. The County Executive has traditionally exceeded this requirement by not only reporting the current financial position of the County each quarter, but has also provided a quarterly forecast of the projected financial condition of the County at the close of the current fiscal year. These reports include a comparison of the amended budget to the forecasted amounts and explanations for major variances. Any recommended budget amendments are presented at that time and individual departments may be called to appear before the Finance Committee during this process. This process means the budget remains current throughout the year and that actual expenditures are continually monitored, compared to the budget, and reported to the Board of Commissioners. The quarterly forecast documents, as well as monthly budget-to-actual reports, are posted on the County's website.

The result of these historic practices is a balanced line-item County budget (adopted by the Board of Commissioners in September 2021) for fiscal years 2022, 2023, and 2024. The County also has a historic practice of preparing a high-level five-year forecast that incorporates known revenue and expenditure impacts for the additional two years to facilitate long-term financial planning.

Capital Improvement Program and the Delinquent Tax Revolving Fund – Fiscal Responsibility Plan

The Delinquent Tax Revolving Fund (DTRF) was established in 1974 to help stabilize local revenues by paying the local taxing units 100% of their respective shares of delinquent ad valorem real property taxes in anticipation of the collection of those taxes by the County Treasurer. The County funds the DTRF by borrowing money and issuing revolving fund notes when needed. Payment of the notes is made from the proceeds of delinquent tax collections. State law provides that once the notes are paid in full, any surplus in the fund may be transferred to the County General Fund by appropriate action of the Board of Commissioners. Oakland County's DTRF has consistently provided its local units of

government with a stable revenue stream while also generating a surplus. Responsible use of this surplus is the purpose of the Fiscal Responsibility Plan. The Fiscal Responsibility Plan, contained in the annual GAA, provides clear guidance regarding the conditions and functions for which surplus DTRF funds may be used.

The law demands the purpose of the DTRF not be jeopardized, which purpose is to regularly pay local taxing units within the County 100% of their respective share of delinquent ad valorem real property taxes prior to the collection of those taxes by the County Treasurer. The policy, therefore, is to maintain a sufficient corpus in the DTRF to meet this primary purpose and only then to prudently utilize any surplus in excess of this baseline amount for other County purposes.

Oakland County's Fiscal Responsibility Plan directs that any appropriations from unrestricted DTRF funds, except penalties and investment interest, are limited to one-time and/or limited purpose expenditures. Further, the use of these funds for one-time and/or limited purpose expenditures requires a minimum two-thirds approval by the Board of Commissioners. As a result of Oakland County's DTRF utilization policy, the corpus of the DTRF continues to be available not only to protect the revenue stream for the local units of government but also to generate interest earnings that, prudently managed, can be utilized in lieu of new taxes as a funding source for necessary capital projects.

The net position of the DTRF as of September 30, 2021, totaled approximately \$208.1 million. The DTRF is well positioned to guarantee timely payments to local units of government and to pay outstanding notes on delinquent taxes. The County has leveraged available unrestricted assets by using the DTRF to cover debt service on certain major Board-approved capital projects that house essential public services. There are three major building projects that were initiated in the early 2000's where debt service of approximately \$4.5 million annually is being covered by the DTRF. The debt on two of these projects will be paid in full by the end of FY 2022 with the third project to be paid in full by the end of FY 2024, thus freeing up approximately \$2.7 million to potentially support new debt beginning in FY 2023 and another \$1.8 million starting in FY 2025. Additionally, in November 2015 the County issued debt of approximately \$15.5 million to construct the Oakland County Animal Shelter and Pet Adoption Center. The animal shelter facility was fully operational in late 2017. The General Fund has covered the debt service for the first seven years by transferring \$7.0 million in FY 2016 and another \$1.7 million in FY 2018 from the General Fund to a separate debt service fund. It is not expected that the DTRF will need to cover the animal control facility debt service until late 2025.

Even using the DTRF to support these capital initiatives, the fund's net position is still more than sufficient to meet all the fund commitments. As a result, the County has used a portion of the DTRF equity (the amount higher than required to meet funding commitments) to support General Fund / General Purpose operations. Historically, prudent stewardship of the Fund has enabled the County to draw annually from the DTRF to support General Fund / General Purpose operations. The five-year forecast anticipates the continuation of annual transfers from the DTRF to support General Fund / General Purpose operations in the amount of \$3.0 million annually for FY 2022 through FY 2026.

Pension and Other Postemployment Benefits

Oakland County has established two retirement plans for its employees. The first plan is the Defined Benefit Pension Program, referred to as the County's Public Employees' Retirement System (PERS). The second plan is the Defined Contribution Pension Program, referred to as the Oakland Performance Retirement System (OPRS), which qualifies under Internal Revenue Code Section 401(a).

Individuals employed on or before July 1, 1994 had a choice to belong either to the PERS or the OPRS. All eligible individuals employed since July 1, 1994 have been enrolled in the OPRS.

Due to the voluntary shifting of 1,126 employees from the PERS to OPRS, and the fact that all newly hired employees participate in the OPRS, the OPRS has resulted in a savings of approximately \$193.6 million, with substantially reduced County financial risk, since inception of the program without jeopardizing the retirement security of valued employees.

The County has implemented benefit changes that will limit the growth of the cost of Other Post-Employment Benefits (OPEB) in the future, while still providing employees with a method to retain health care insurance once they leave County service. Rather than receiving a specific level of health care insurance when they retire from County service, employees hired after January 1, 2006, are enrolled in a "Retirement Health Savings Plan" (RHS). Under the RHS, for non-represented employees and most represented employees, the County contributes \$1,950 annually (\$75 per pay) to each employee's retirement health savings account (\$3,250 annually for those bargaining units bound by state law to binding arbitration). Upon leaving County service, the employee is entitled to the vested funds the County contributed based upon their length of service.

In 2014, the Board of Commissioners approved Miscellaneous Resolution #14005 that provided a one-time window which allowed certain eligible employees to voluntarily and irrevocably convert from the defined benefit VEBA Plan to the defined contribution RHS Plan. The "buy out" provided a lump sum deposit equivalent to \$2,000 per year for each year of eligible service. The result was that 83 employees opted out of the VEBA Plan with approximately \$2.1 million being set aside in individual RHS Plan accounts for these employees. It is estimated that the ratio of savings is approximately 5:1; meaning for every \$1 provided for the one-time voluntarily conversion, \$5 in savings is anticipated in present value liabilities. The resolution also lowered the longevity requirements for the graduated vesting schedule with the RHS Plan. The previous vesting schedule allowed for a partial benefit (60%) provided after 15 years of service with full benefit provided after 25 years of service. The revised vesting schedule allows for partial vesting after 6 years of employment with employees becoming fully vested in the RHS Plan after 10 years of County service. Once the employee separates employment and receives the vested cash benefit, the County's financial obligations ends.

Employees hired prior to January 1, 2006, qualify for participation in the County's Voluntary Employees' Benefit Association (VEBA). The VEBA is an irrevocable trust fund; assets from this fund can only be used to pay retiree health care cost. Although this is an increasingly popular vehicle to support retiree health care, Oakland County has gone one significant step further by fully funded its OPEB obligation.

In July 2007 the County issued \$557.0 million in Trust Certificates of Participation (COPs). COPs are taxable debt, which were issued over a period of 20 years at a 6.23% interest rate. Subsequent to the issuance of the 2007 COPs, new legislation was adopted by the State of Michigan (Public Act 329 effective October 9, 2012) that allowed local units of government to issue limited taxable general obligation bond to fund OPEB obligations. On September 27, 2013, Oakland County issued private placement debt of \$350.0 million in securities and used \$72.1 million from available assets in the Interim Retiree Medical Care Benefits Trust (IRMBT) and VEBA in order to refinance the outstanding \$422.1 million 2007 COPs debt. The \$350.0 million in securities were sold in two series; \$316.0 million was placed with Bank of America/Merrill Lynch, which was chosen as the Senior Underwriter in a competitive bid process, and \$34.0 million was placed with the County Treasurer as part of the County's investment portfolio which previously held a portion of the COPs. The refinancing reduced the annual debt interest rate from 6.23% to an all-inclusive interest rate of 3.80% over the remaining life of the debt with the obligation to be paid in full by April 2027. As a result, the annual debt service payment is reduced by an average of \$13.2 million per year and provides gross cumulative savings of \$171.1 million. This refinancing not only saved County taxpayers money, but also established a superseding plan to secure health care for all eligible County retirees and employees, and their covered dependents, to the end of their eligibility.

A more detailed discussion of Oakland County's pension and VEBA performance may be found in Notes #10, 11, 12, 13, and 14 to the financial statements.

County governments have faced a number of financial challenges over the past several years, including the additional challenges with the on-going COVID-19 pandemic. However, because of its historic long-term financial planning, prudent management of capital projects, the use of alternative funding sources, sound cash and investment management policies, and solid pension and post-employment benefit planning, along with the efforts of elected officials and employees, Oakland County has met the challenges. The continuation of these practices will be important to ensure the long-term fiscal stability of Oakland County government and preserve its ability to provide necessary public services to its citizens.

Major Initiatives

Even through the continued significant challenges brought about with the COVID-19 pandemic, Oakland County government continued to provide the services expected by its residents, supported its local cities, villages, and townships, and worked with the private sector to support recovery of the local economy – all while still balancing a multi-year budget and maintaining a healthy fund balance. This was accomplished through the combined efforts of Oakland County's elected officials, administrators, and employees.

The COVID-19 pandemic has impacted residents, businesses, local communities, and the County workforce on many levels. To aid in the transparent communication with the public, Oakland County created a COVID-19 Response dashboard website. The site was coordinated through the County's information technology, communications, and public health teams to share a variety of information to keep the public informed. The site features an assortment of information, such as pandemic trend data with interactive maps as well as grant programs available to businesses, local governments, non-profit

organizations, school districts, and residents. The site also provides transparent information on the how the County utilized federal, state, and local funding in direct response to the pandemic, a vaccination hub, testing site information, and community resources. The site was awarded the Granicus Digital Government Award from the Center for Digital Government for its overall digital Coronavirus Response.

The County's response to the pandemic is on-going. As previously noted, Oakland County received and fully utilized \$219.4 million in direct CARES Act funding as well as other COVID-19-related grants to stabilize and mitigate the effects of the pandemic locally. The additional \$244.3 million of awarded ARPA Coronavirus Local Fiscal Recovery Fund federal monies are expected to be used over the next four years to further aid in the recovery. As of end of FY 2021, the \$32.2 million appropriated from ARPA funding has been allocated to address acute needs of residents and businesses, as well as to support county COVID-19 operations. The County continues to thoughtfully plan out the use of the remaining ARPA funding.

The County has also taken measures to address on-going security initiatives, major technology replacement and improvement projects, and infrastructure projects. This includes the replacement of the Oakland County public safety radio system. With an estimated overall project cost of \$61.0 million, the project will include replacement of the legacy 911 copper network to a regional Emergency Services Internet-protocol Network (ESInet) for the Next Generation 911 and the replacement of the Public Safety Radio Communications system that will enhance the communications and interoperability for first responders. This latest technology allows 911 calls to be routed using geographic information system coordinates and will allow callers to use wireless devices to transmit photographs, videos, in-car crash system data, and text messages. \$18.5 million of tax-exempt debt was issued in May 2020 for the radio project, \$4.5 million of additional funding appropriated in 2021 from the General Fund to add enhanced GPS functionality to better serve the public while protecting first responders, and the remaining amount of the project will predominately be covered through annual 911 operating surcharge funding.

Another noteworthy project is the replacement of County's human capital management and financial management system, a system key to running the County's day-to-day operations. The County's PeopleSoft applications were installed in two phases with the human resources (HR) component being implemented in 1998 and the financials component being implemented in 2006, and while the system has been maintained over the years, the systems have not been upgraded to new functionality since 2009 due to budgetary cuts required as a result of the Great Recession. Both the financial and HR applications lack many of the work process improvements offered by modern systems and the technical infrastructure to run the PeopleSoft applications has aged significantly, prompting the replacement. A Request for Proposal (RFP) was issued in late 2016 with eighteen (18) proposals submitted, reviewed, and scored. Workday was chosen as the provider for the new human capital management and financial management system. With a phased implementation approach, the first phase which included HR, Time Tracking, and Payroll functionality went live in July 2020. Due to challenges of the COVID-19 pandemic, implementation of the second phase, which encompasses the financial suite of applications, is scheduled to go live in May 2022. The Workday

system is expected to streamline operations and provide additional functionality that will enhance the financial management of the County.

Oakland County's Workforce Development Division serves as the Oakland County Michigan Works! Agency and administers a variety of workforce programs and services. Oakland County Michigan Works! operates six service centers and works in partnership with employers, educators, economic developers, and community organizations in their mission to create a qualified workforce that meets both current and future talent needs of the county's businesses. Two notable new events that took place over the past year included partnership programs with Oakland Schools, Oakland Community College, and the business community. This past April, the virtual Oakland County Apprenticeship Showcase event was held to give job seekers a chance to meet one-on-one with organizations that offer registered apprenticeship programs. The event included representatives from the building trades, manufacturing, health care, pharmacy, information technology, and culinary employers. Also, Oakland County Michigan Works! received grant funding from the State of Michigan to support the apprenticeship opportunities. The grant includes covering costs of on-the-job training as participants work toward earning registered certifications for in-demand careers. This past August, the launch of a logistics technician training and certification program was an effort to meet the growing need for logistics professionals, which is expected to grow four percent annually through 2029 according to the U.S. Bureau of Labor Statistics. Both of these programs are aligned with the County's Oakland80 program, an initiative that calls for 80 percent of eligible residents to have either an educational degree or an advanced certification by 2030.

In September 2021, the Oakland County Health Division was recognized by the Public Health Accreditation Board (PHAB) when it received the coveted national accreditation award. The national accreditation program sets standards against which the nation's governmental public health departments can assess and continuously improve the quality of their program and services. This accreditation helps health departments identify the areas that are critical to improving the work they do for their communities. The PHAB cited the Health Division's robust relationships with community partners, commitment to improvement and growth, and skills in promoting the value of public health as its top strengths when it awarded the national accreditation. The Health Division received perfect scores in health equity, data collection and use, environmental health, lab services, emergency preparedness, access to care, and workforce.

The County continues to be a leader in efforts to share government resources through intergovernmental cooperative programs. The County's Courts and Law Enforcement Management Information System (CLEMIS) program is a premiere example of regional collaboration with over 250 public safety agencies across Southeast Michigan. Also, many local communities' contract with Oakland County for services such as road patrol, police and fire dispatch services, real property assessing and personal property appraisals, animal control, information technology services, water and sewer services, and collection of delinquent taxes.

The county executive's FY 2022 – FY 2024 budget recommendation reflected a commitment to strengthening fiscal discipline practices, maintaining a balanced budget, and focusing on priority areas that require investment and leadership by the county. This includes expanding and protecting health

care; supporting criminal justice reform; increasing workforce development opportunities; initiating environmental sustainability measures; embracing diversity, equity and inclusion; enhancing cyber security; and strengthening emergency management support.

As noted in the accompanying financial statements, Oakland County's General Fund balance totaled \$288.4 million as of September 30, 2021. This level of fund balance equates to 58.6% of budgeted fiscal year 2022 General Fund/General Purpose expenditures. Of the \$288.4 million total equity amount \$0.4 million is considered non-spendable, \$12.2 million is assigned for carry forward balances and encumbrances, and \$16.5 million is assigned to balance the fiscal year 2022 budget. When the above amounts are removed, the General Fund balance still stands at \$259.3 million, or 52.7% of General Fund/General Purpose expenditures.

Awards and Acknowledgements

The financial community has acknowledged the County's solid tax base and financial policies in recent years. The County continues to earn the highest bond rating achievable from Standard and Poor's (AAA) and Moody's Investors Service (Aaa).

In a credit opinion dated April 19, 2021 Moody's Investors Service reaffirmed Oakland County's Aaa status and stated:

"The outlook is stable because the county's credit profile will remain consistent given its positive tax base trajectory, significant reserve cushion, as well as management's track record and commitment to complying with its budgetary and debt policies and practices. The federal stimulus will contribute to financial stability through the remainder of the current pandemic."

Oakland County has retained a AAA/Aaa bond rating since 1998. Oakland County's AAA/Aaa bond rating, affirmed by two rating agencies, allows the County to borrow at the lowest possible interest rate, saving County taxpayers millions of dollars in future costs.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Oakland County for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020; this was the 30th consecutive year Oakland County received this prestigious award. In order to be awarded the Certificate of Achievement, Oakland County is required to publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, Oakland County also received the GFOA's Distinguished Budget Presentation Award for its triennial budget document dated October 1, 2018 which covers FY 2019 through FY 2021. This latest award is the 16th in a row. In order to qualify for the Distinguished Budget Presentation Award,

Oakland County's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operation guide, and a communications device. Oakland County was the first governmental entity in the state of Michigan to achieve this honor in 1984, the first year of the program.

Furthermore, Oakland County is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). The fiscal year 2020 PAFR award was the County's 24th consecutive citation.

In closing, the preparation of the Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division of the Department of Management and Budget. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report. The division shares credit with all Countywide elected officials, including the Sheriff, Prosecuting Attorney, Clerk/Register of Deeds, Treasurer, and Water Resources Commissioner, as well as the County Board of Commissioners and the members of the Circuit, Probate, and 52nd District Courts, for their unfailing support in maintaining the highest standards of professionalism in the management of Oakland County's governmental finances.

Respectfully submitted,


David Coulter
Oakland County Executive


Kyle I/Man
Director, Management & Budget

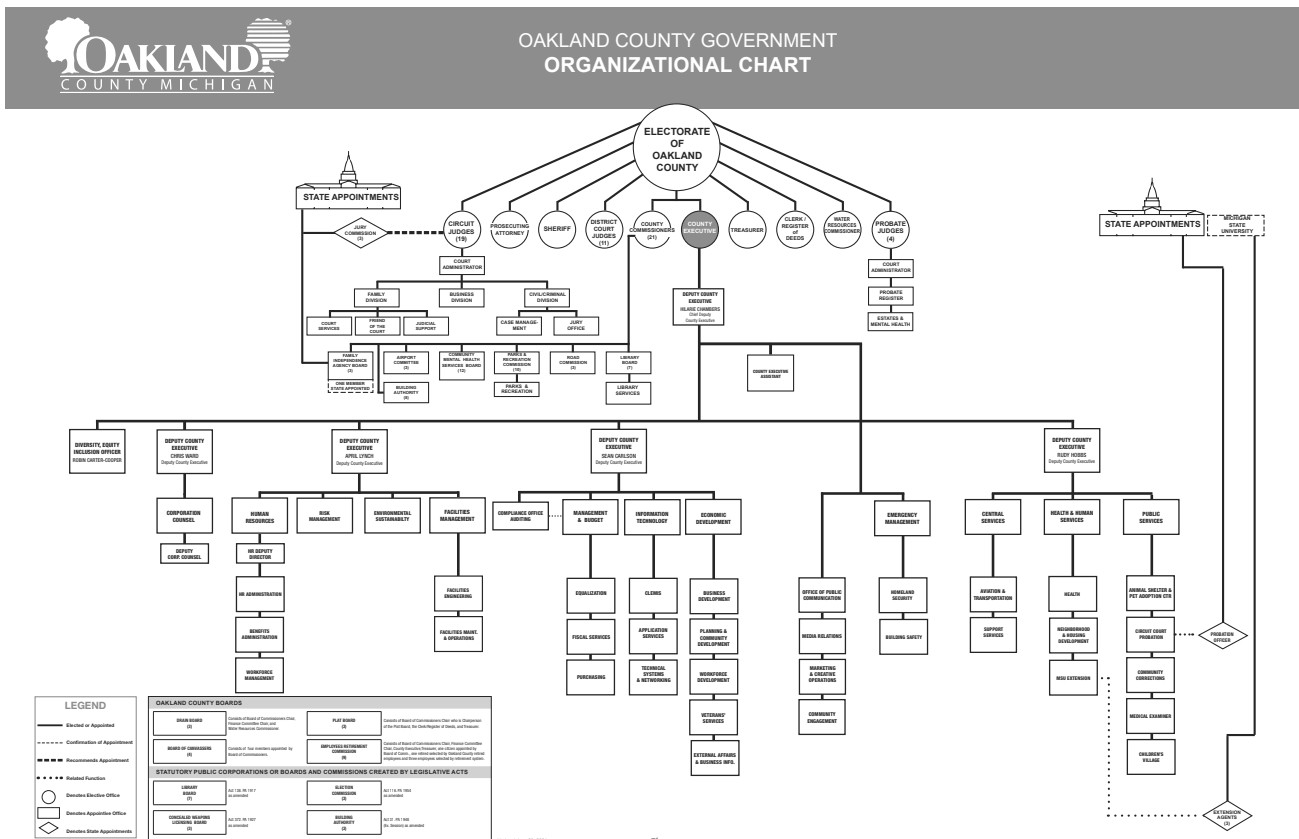

Lynn Sankiss
Fiscal Services Officer, Fiscal Services Division



Presented to

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended
September 30, 2020

XV





Independent Auditor's Report

To the Board of Commissioners
 Oakland County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan (the "County") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise Oakland County, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan as of September 30, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the current year, the County adopted the provisions of Governmental Accounting Standards Board No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

COUNTY EXECUTIVE

David Coulter

BOARD OF COMMISSIONERS

Dave Woodward, Chairperson
 Marcia Gershenson, Vice-Chairperson

Charlie Cavell	Adam Kochenderfer	William Miller
Yolanda S. Charles	Eileen Kowall	Chuck Moss
Michael J. Gingell	Thomas E. Kuhn	Kristen D. Nelson
Bob Hoffman	Christine A. Long	Angela Powell
Janet Jackson	Penny Luebs	Michael Spisz
Karen Joliat	Gary R. McGillivray	Philip J. Weipert
	Gwen Markham	

OTHER ELECTED OFFICIALS

Clerk/Register of Deeds Lisa Brown	Treasurer Robert Wittenberg	Water Resources Commissioner Jim Nash
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Prosecuting Attorney Karen D. McDonald	Sheriff Michael J. Bouchard
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Chief Circuit Judge Shalina Kumar	Chief Probate Judge Kathleen A. Ryan	Chief District Judge Joseph G. Fabrizio
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AIRPORT COMMITTEE

Eileen Kowall
 Christine A. Long
 Penny Luebs
 Gary McGillivray
 Kristen Nelson

BUILDING AUTHORITY

Eric McPherson, Chairperson
 Robert Wittenberg, Vice-Chairperson
 Jamele Hage, Secretary
 Emerson Devon Jackson
 David Coulter
 James Eshakti, Designee

PARKS AND RECREATION

Gary R. McGillivray, Chairperson J. David Vandervelen, Vice-Chairperson Ebony Bagley, Secretary Christine A. Long, Executive Committee Member Sue Wells, Interim Executive Officer	Nancy Quarles E. Lance Stokes
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Yolanda S. Charles Amanda Herzog	Robert E. Kostin Andrea LaFontaine Jim Nash
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ROAD COMMISSION

Andrea LaLonde, Chairperson
 Nancy Quarles, Vice-Chairperson
 Ronald J. Fowkes, Commissioner

DRAIN BOARD

Jim Nash, Water Resources Commissioner
 Dave Woodward, Board of Commissioners Chairperson
 Gwen Markham, Finance Committee Chairperson

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oakland County, Michigan's basic financial statements. The combining and individual fund statements and schedules, introductory section, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, as identified in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, as identified in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section, as identified in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022 on our consideration of Oakland County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oakland County, Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oakland County, Michigan's internal control over financial reporting and compliance.

Andre J. Munn, PLLC

March 25, 2022

Oakland County, Michigan

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Oakland County's (the County) financial performance, providing an overview of the activities for the fiscal year ended September 30, 2021. This analysis should be read in conjunction with the Transmittal Letter, beginning on page 1 of this report, and with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide:

- In total, Oakland County's financial position increased by \$153.3 million or 9.1 percent during fiscal year 2021, increasing from \$1,683.8 million to \$1,837.1 million (excluding component units).
- Governmental activities net position increased by approximately \$131.6 million, increasing from \$877.5 million to \$1,009.1 million.
- Business-type activity net position increased \$21.7 million from \$806.3 million to \$828.0 million.

Fund Level:

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of \$344.8 million, an overall increase of \$28.1 million from the fiscal year 2020 governmental funds combined ending fund balance.
- The General Fund balance increased by \$21.4 million from \$267.0 million at the end of fiscal year 2020 to \$288.4 million at the end of fiscal year 2021.
- At the close of the fiscal year, the County's proprietary funds reported a combined ending net position of \$1,328.0 million, consisting of \$828.0 million for the Enterprise Funds (a \$21.7 million increase from fiscal year 2020) and \$499.9 million for the Internal Service Funds (a \$120.6 million increase from fiscal year 2020).

Capital and Long-term Debt Activities:

- The County's capital assets experienced a net increase of \$24.4 million during fiscal year 2021, which is attributed to a \$27.3 million net increase in business type activities and a net decrease of \$2.9 million in governmental activities.
- The County reported approximately \$11.5 million in new general government debt and business type debt during fiscal year 2021. This supported debt for general government of \$11.3 million and \$2 million of business type debt. Of the \$11.5 million of additions, approximately \$9.5 million was related to refunding bond issues to take advantage of call options and favorable interest rates.
- The County's primary government bond and note obligations decreased by \$53.2 million during fiscal year 2021, which reflects \$22.7 million in payments and refunding activity related to Building Authority debt, \$26.6 million in payments related to Retirees Health Care bonds, and \$3.9 million in payments and refunding activity related to Water and Sewer debt.
- The County is \$7.9 billion below its authorized debt limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the County consists of the following components: 1) Introductory Section which includes the *Transmittal Letter*; 2) Financial Section which includes the *Auditor's Report*, the *Management Discussion and Analysis*, the *Basic Financial Statements* (government-wide financial statements, fund financial statements, notes to the financial statements), *Required Supplementary Information* such as a budget to actual comparison for the General Fund, additional *Required Information* including combining financial statements for all non-major governmental funds, proprietary funds and fiduciary funds; and 3) Statistical Section which provides a ten (10) year history on specific data regarding the County.

Government-wide Financial Statements (Reporting the County as a Whole)

The set of *basic financial statements* includes the Statement of Net Position and the Statement of Activities, which report information about the County as a whole and about its activities. Their purpose is to assist in answering the question: is the County, in its entirety, better or worse off as a result of this fiscal year's activities? These statements, which include all non-fiduciary assets and liabilities, are reported on the *accrual basis of accounting*, similar to a private business. Accrual accounting means revenues are accounted for when they are *earned*, and expenses are accounted for when an *obligation* is incurred; regardless of when the actual cash is received or disbursed.

The Statement of Net Position presents the entire County's assets and liabilities, recording the difference between the two as "net position." Over time, increases or decreases in net position measure whether the County's financial position is improving or declining.

The Statement of Activities presents information showing how the County's net position changed during fiscal year 2021. All changes in net position are reported based on the period for which the underlying events occur, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

Both statements report the following activities:

- *Governmental Activities* – Most of the County's basic services are reported under this category. Taxes, charges for services, and intergovernmental revenues primarily fund these services. Most of the County Executive departments, law enforcement, the courts, the Board of Commissioner operations, and other countywide elected official operations are reported under these activities.
- *Business-type Activities* – These activities operate like private businesses. The County charges fees to recover the cost of the services provided. The Oakland County International Airport, Water and Sewer services, and the Parks and Recreation Fund operations are examples of these activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the Board of Commissioners appoints a majority of the organization's policy board and there is a degree of financial accountability to the County. Two organizations are included as component units: the Road Commission for Oakland County and the Drainage Districts.

As stated previously, the government-wide statements report on an *accrual* basis of accounting. However, the governmental funds report on a *modified accrual basis*. Under modified accrual accounting, revenues are recognized when they are available to pay obligations of the fiscal period, expenditures are recognized when they are due and able to be paid from available resources.

Because of the different basis of accounting between the fund statements (described below) and the government-wide statements, a reconciliation between the two statement types is presented in the financial section. The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities (depreciation) are not reported on the governmental fund financial statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures on the governmental fund financial statements.
- Internal service funds are reported as governmental activities on the government-wide statements, but are reported as proprietary funds on the fund financial statements.
- Long-term contingencies, such as litigation, etc., appear as liabilities on the government-wide statements; however, they will not appear on the governmental fund financial statements unless current resources are used to pay a specific obligation.
- Bond proceeds are reported as liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund financial statements.

Fund Financial Statements (Reporting the County's Major Funds)

The fund financial statements provide information on the County's significant (major) funds – not on the County as a whole. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to keep track of specific sources of funding and spending for a particular purpose. State law or policy requires some separate funds, such as the Child Care Fund; other funds are required by bond or grant agreements, such as the Friend of the Court Fund. Funds are also utilized to track specific operations, which include the internal services funds (e.g. Motor Pool, Fringe Benefits, Building and Liability Insurance, etc.) and enterprise funds (e.g. Airports and Parks and Recreation).

The *basic financial statements* only report major funds as defined by the GASB and the Michigan Department of Treasury. All other funds are classified as non-major funds. The County includes detailed information on its non-major funds in other sections of this report.

The County's funds are divided into three categories – governmental, proprietary, and fiduciary – and use different accounting approaches:

- *Governmental Funds* – Most of the County's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year, and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the County's programs. These funds are reported using the *modified accrual* basis of accounting as described above. Because this basis of accounting differs from the government-wide statements, additional information is provided reconciling the governmental fund statements to the government-wide statements.

Governmental funds include the *General Fund*, as well as *Special Revenue Funds* (use of fund balance is restricted), *Capital Projects Funds* (used to report major capital acquisitions and construction), and *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest).

Oakland County, Michigan

Management's Discussion and Analysis

- *Proprietary Funds* – Services, for which the County charges customers (whether outside the County structure or a County department) a fee, are generally reported in proprietary funds. Proprietary funds use the *accrual* basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. *Enterprise funds* report activities that provide supplies and services to the general public as well as the cities, villages, and townships. An example is the Oakland County International Airport. *Internal Service funds* report activities that provide supplies and a service primarily to the County's other operations, such as the Motor Pool Fund. Internal Service funds are reported as governmental activities on the government-wide statements.

- *Fiduciary Funds* – The County acts as a trustee or fiduciary for its employee pension plans. It is also responsible for other assets that, because of trust arrangements, can only be used for the trust beneficiaries. The County's fiduciary activities are reported in separate statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension, VEBA, and trust funds, are reported using the accrual basis of accounting. The government-wide statements *exclude* the custodial fund activities and balances because these assets are not available to the County to fund its operations.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements.

Required Supplementary Information

Following the basic financial statements is additional Required Supplementary Information (RSI) which further explains and supports the information in the financial statements. RSI includes a budgetary comparison schedules for the General Fund and ARP Local Fiscal Recovery Fund, and pension and OPEB trend data.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together, by fund type, and are presented in single columns in the basic financial statements, but are not reported individually, as are the major funds, on the government-wide statements.

Special Note:

The fiscal year 2021 Annual Comprehensive Financial Report (ACFR) reflects the implementation of Governmental Accounting Standards Board (GASB) Statement 84, Fiduciary Activities.

Oakland County, Michigan

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The government-wide financial analysis focuses on the net position and changes in net position of the County's governmental and business-type activities. As previously stated, Oakland County's overall financial position improved during fiscal year 2021. As reflected on the table below, the County's combined net position increased by \$153.3 million. This includes the net position increase of \$131.6 million (15.0 percent) for governmental activities and the net position increase of \$21.7 million (2.7 percent) for business-type activities.

Oakland County's Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 792.9	\$ 787.0	\$ 521.3	\$ 523.0	\$ 1,314.2	\$ 1,310.0
Capital Assets	227.1	230.0	390.9	363.6	618.0	593.6
Other Long-term Assets	690.2	438.8	-	21.6	690.2	460.4
Total Assets	1,710.2	1,455.8	912.2	908.2	2,622.4	2,364.0
Deferred Outflows of Resources						
Related to Pension	-	27.0	-	-	-	27.0
Related to OPEB	2.8	65.3	-	-	2.8	65.3
Total Deferred Inflows of Resources	2.8	92.3	-	-	2.8	92.3
Current Liabilities	266.4	322.2	44.6	50.7	311.0	372.9
Other Liabilities	263.7	317.2	47.1	51.2	310.8	368.4
Total Liabilities	530.1	639.4	91.7	101.9	621.8	741.3
Deferred Inflows of Resources						
Related to Pension	45.5	-	-	-	45.5	-
Related to OPEB	128.4	31.2	-	-	128.4	31.2
Total Deferred Inflows of Resources	173.9	31.2	-	-	173.9	31.2
Net Position:						
Net Investment in Capital Assets	203.4	199.4	339.9	327.1	543.3	526.5
Restricted	60.0	52.5	120.5	122.3	180.5	174.8
Unrestricted	745.7	625.6	367.6	356.9	1,113.3	982.5
Total Net Position	\$ 1,009.1	\$ 877.5	\$ 828.0	\$ 806.3	\$ 1,837.1	\$ 1,683.8

Oakland County, Michigan

Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the County's net position changed during the fiscal year:

Changes in Oakland County's Net Position (in millions of dollars)

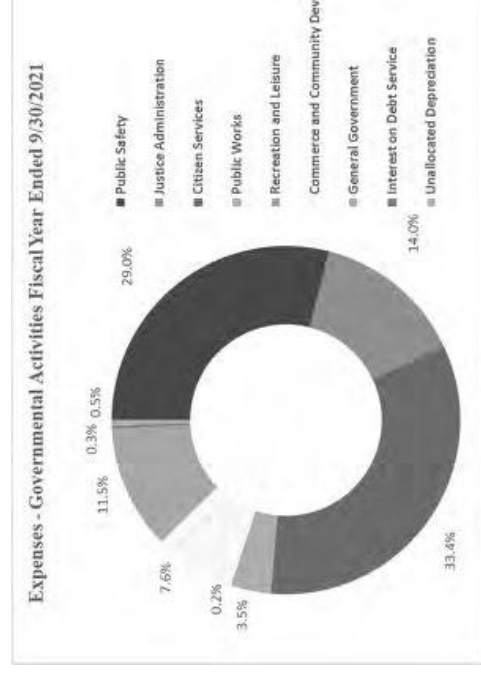
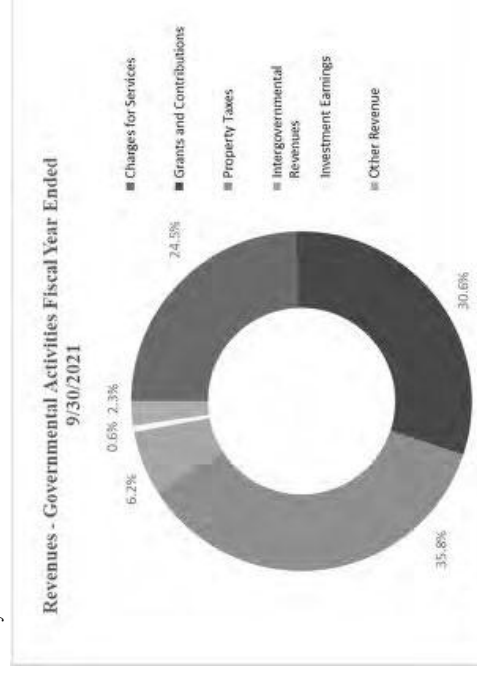
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 175.1	\$ 161.3	\$ 302.5	\$ 293.1	\$ 477.6	\$ 454.4
Grants and Contributions						
Operating Capital	219.7	184.0	0.4	1.2	220.1	185.2
	0.1	1.8	1.1	12.9	1.2	14.7
General Revenues						
Property Taxes	256.7	247.9	21.6	13.7	278.3	261.6
Intergovernmental Revenue	44.9	38.6	0.3	0.3	45.2	38.9
Investment Earnings	4.3	11.2	2.5	7.5	6.8	18.7
Other Revenue	16.2	0.2	-	-	16.2	0.2
Gain on Sale of Assets	0.8	0.4	-	-	0.8	0.4
Total Revenues	717.8	645.4	328.4	328.7	1,046.2	974.1
Expenses						
Public Safety	170.2	181.2	23.1	19.7	193.3	200.9
Justice Administration	82.7	83.4	-	-	82.7	83.4
Citizen Services	197.2	166.2	6.9	7.1	204.1	173.3
Public Works	20.6	12.2	244.8	239.4	265.4	251.6
Recreation and Leisure	0.9	1.0	26.3	23.1	27.2	24.1
Commerce and Community Dev.	44.9	38.8	-	-	44.9	38.8
General Government	68.1	45.2	0.9	0.8	69.0	46.0
Interest on Debt Service	2.3	3.1	-	-	2.3	3.1
Unallocated Depreciation	2.9	3.3	-	-	2.9	3.3
Total Expenses	589.8	534.4	302.0	290.1	891.8	824.5
Revenues (Under) Over						
Expenditures	128.0	111.0	26.4	38.6	154.4	149.6
Special item - Transfer of water system	-	-	(1.1)	(3.3)	(1.1)	(3.3)
Transfers - On-going	3.6	8.1	(3.6)	(8.1)	-	-
Increase (Decrease) in Net Position	131.6	119.1	21.7	27.2	153.3	146.3
Net Position - Beginning	877.5	758.4	806.3	779.1	1,683.8	1,537.5
Net Position - Ending	\$ 1,009.1	\$ 877.5	\$ 828.0	\$ 806.3	\$ 1,837.1	\$ 1,683.8

Oakland County, Michigan

Management's Discussion and Analysis

Governmental Activities:

The following charts depict revenue and expenses of the governmental activities for the fiscal year:



Oakland County, Michigan

Management's Discussion and Analysis

In total, fiscal year 2021 governmental activity revenue increased by \$72.4 million (11.2 percent) from fiscal year 2020 primarily reflecting increased federal and state funding to support COVID-19 pandemic response programs.

Property taxes generated \$256.7 million in revenue, remaining the largest source of support for governmental activities, comprising 35.7 percent of all governmental activity revenue. Governmental activities have decreased their dependency on property taxes; the fiscal year 2021 percentage is far below fiscal year 2008, when property taxes represented 60.6 percent of governmental activity revenue. However, this reduced reliance on property tax revenue is due to reduced property values when compared to 2008 rather than substantial increases from other revenue sources.

Property tax revenue increased by approximately \$8.8 million from the amount realized during fiscal year 2020. This overall increase is primarily due to increasing property taxable values over the past year as well as the timing of property tax collections. The County's operating millage rate of 4.0132 mills is the ninth lowest county general operating millage rate in the State. For more details regarding actual property tax collections, please see the statistical section appearing in the last section of this document.

For FY 2021, the second largest source of support for governmental activities is the \$219.7 million received in operating and capital grants contributions, which is 30.6 percent of the total revenue for governmental activities. This amount represents a \$34.0 million increase (19.3 percent) from fiscal year 2020. There were also several grants passed through the State of Michigan for the COVID-19 pandemic response related to small business support, public health, and public safety needs. Included in this total change is a \$35.7 million increase in operating grants and a \$1.7 million decrease in capital contributions and grants in comparison to fiscal year 2020.

Charges for services, which reflects revenue generated by county operations charging specific benefiting parties for services performed, as well as recognition of other revenues generated by specific programs, is the third largest source of governmental activity revenue, generating \$175.1 million or 24.4 percent of the total. The increase in revenue is largely due to Register of Deeds and increases in the housing transfer related activities. There are a wide variety of activities charged under this category including service rendered to individuals, such as fees for marriage licenses, passports, and access to county records; as well as services rendered to other governmental units including contracted law enforcement and dispatch services, real and personal property assessing services, and the housing of state wards in the County's juvenile facility.

The \$175.1 million collected in fiscal year 2021 represents a \$13.8 million increase (8.5 percent) from the previous fiscal year. The primary reason for the increase is due to law enforcement contract revenue as services for special events, which did not take place in the prior year due to the pandemic; court activity was reduced in the prior year also due to the pandemic.

Oakland County, Michigan

Management's Discussion and Analysis

Oakland County governmental activities also recorded \$44.9 million in intergovernmental revenue during fiscal year 2021, a \$6.3 million increase from the \$38.6 million received in fiscal year 2020. The increase is primarily related revenue sharing payments from the State of Michigan increasing back to pre-pandemic levels. Intergovernmental revenue is "shared" revenue by the state and federal government and is not tied to contractual obligations such as grant agreements. However, in the case of the convention facility liquor tax revenue, one-half of the revenues distributed by the State under the authority of the State Convention Facility Development Act, P.A. 106 of 1985, must be earmarked for substance abuse prevention and treatment programs.

Governmental activities generated \$4.3 million in investment earnings during fiscal year 2021; this amount reflects a \$6.9 million decrease (61.6 percent) from the amount earned in fiscal year 2020. The decrease is substantially due to reduced investment earnings and market value adjustments in comparison to the previous year.

Governmental activity fiscal year expenses increased \$35.4 million from the fiscal year 2020 expense level, a 10.4 percent increase from the previous fiscal year. The increase was significantly less than prior year's increase and was primarily attributed to expense returning to pre-pandemic levels.

Citizen Services, which includes all public health activities, public services such as Veterans' Services, and the care of children who have been declared wards of the Oakland County Family Court, has jumped to the largest governmental activity with \$197.2 million in expenses, or 34.6 percent of the total governmental activities. Expenses increased by \$31.0 million from the fiscal year 2020 level (18.6 percent). The overall increase is largely related the COVID-19 pandemic programming efforts that have continued.

Public Safety fell to the second largest governmental activity, behind Citizen Services; expensing \$170.2 million of the \$589.8 million total governmental activities amount (28.9 percent). Public Safety, which encompasses law enforcement, crime prevention, incarceration, emergency management, and technical support, experienced a \$11.0 million decrease (6.1 percent) in comparison to the previous fiscal year. The primary reason for the decrease is related to the reduction of hazard pay that was provided during the height of the pandemic.

Justice Administration is the third largest expense category accounting for \$82.7 million, or 14.5 percent of the total governmental activity expenses. The Justice Administration activity, which centers on the operations of the 6th Judicial Circuit Court and 52nd District Court, as well as the Prosecuting Attorney and County Clerk functions which support the courts and the Reimbursement Unit of the Fiscal Services Division, experienced a \$.7 million increase (1.0 percent) from the previous fiscal year. This minimal increase indicates personnel costs and costs associated with the Michigan Indigent Defense Commission activity are leveling off.

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expensed \$20.6 million in fiscal year 2021, or 3.6 percent of the total governmental activities expenses. This level of expense is a net increase of \$8.4 million (68.9 percent) from fiscal year 2020. Most of this increase is due to fluctuating Act 342 water and sewer projects and other infrastructure projects that did not meet capitalization thresholds.

Oakland County, Michigan

Management's Discussion and Analysis

Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced \$44.9 million in expenses, or 7.9 percent of the total governmental activities. This reflects an increase of \$6.1 million (15.7 percent) from fiscal year 2020. The majority of the increase is related to the timing of Community Development Block Grant awards (please note the pandemic related programming for Community Development Block Grants is captured under Citizen Services activity).

The General Government activity, which is comprised of the administration and financial management of County business, expensed \$68.1 million in fiscal year 2021, or 11.5 percent of the total governmental activity expenses. The level of expenses in fiscal year 2021 increased by \$22.9 million (50.6 percent) from fiscal year 2020 level. The majority of the increase is result of an estimated potential liability related to the *Rafaeli, LLC v Oakland County* court case that was filed in 2015. While the County prevailed in a ruling issued by the Oakland County Circuit Court on July 27, 2021, that the Michigan Supreme Court's 2020 decision on claims should be applied prospectively, the highly complex legal history of the case and the uncertainty in the pending appeal process resulted in management's decision to record a potential liability in the fiscal year 2021 government-wide statements only.

The result of fiscal year 2021 governmental activity was an overall increase of \$131.6 million in net position, to \$1,009.1 million. Of the total \$1,009.1 million in governmental activities' net position, \$203.4 million is invested in capital assets; \$60.0 million is reported as restricted, meaning these assets are legally committed for a specific purpose through statute or by another authority outside the County government; and \$745.7 million is reported as unrestricted.

Business-type Activities:

Net position in business-type activities is reported at \$828.0 million for fiscal year 2021, an increase of \$21.7 million (2.7 percent) over the amount reported at the end of fiscal year 2020. Of the total net position, \$339.9 million is for the net investment in capital assets, \$120.5 million is restricted, and \$367.6 million is reported as unrestricted. It is important to note that although reported as unrestricted, many of these assets have been reserved through Board of Commissioners resolutions to be spent on specific activities.

During fiscal year 2021, business-type activities generated \$328.4 million in revenue; this is a slight decrease of \$.3 million (.1 percent) from the previous fiscal year. Overall, the business-type activities remained steady in the interceptor sewage disposal system revenue as well as retail water and sewer revenue.

Business-type activity recorded expenses of \$302.0 million, an increase of \$11.9 million from fiscal year 2020 (4.1 percent). This increase is related to expenses increasing in Public Works, Public Safety and Recreation and Leisure.

Oakland County, Michigan

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

GASB Statement 34 requires that funds designated as "major" be presented as a separate column on the face of the financial statements. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues or total expenditures/expenses that equal at least ten (10) percent of those categories for either the governmental funds or the enterprise funds and where the individual fund total also represents five (5) percent of those categories for governmental and enterprise funds combined.

Governmental Funds

Three (3) governmental funds are designated as major funds of the County: The *General Fund*, *American Rescue Plan (ARP) Local Fiscal Recovery Fund*, and the *Water and Sewer Debt Act 342 Fund*. As the County completed fiscal year 2021, the governmental funds reported combined fund balances of \$344.8 million with the fund balances of the General Fund, ARP Local Fiscal Recovery Fund, and the Water & Sewer Debt Act 342 representing 83.6 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of \$344.8 million represents an increase of \$28.1 million from the combined fund balances reported at the end of fiscal year 2020. The overall increase in the combined governmental fund balances includes a \$21.4 million increase to the General Fund balance. The Water and Sewer Debt Act 342 remained relatively unchanged. The non-major governmental funds increased by \$6.7 million overall and primarily reflects the timing of expenditures in the special revenue and capital project funds.

General Fund

The General Fund is the principal operating fund of the County. Unless otherwise required by statute, contractual agreement, or policy, all County revenues and expenditures are recorded in the General Fund. As of September 30, 2021, the General Fund reported a fund balance of \$288.4 million. This amount reflects an increase of \$21.4 million (8.0 percent) from the fund balance of \$267 million reported as of September 30, 2020.

The overall \$21.4 million increase in the General Fund balance is a result of General Fund revenues exceeding General Fund expenditures by \$69.9 million. In addition, the General Fund received \$6.4 million transfers from other funds, while transferring \$55.0 million to other funds, rendering a net "transfer-out" of \$48.5 million.

General Fund revenues were recorded at \$579.7 million for fiscal year 2021. This amount is an increase of \$53.4 million (10.1 percent) from the \$526.3 million received in fiscal year 2020. The majority of the increase is due to federal and state funding provided in response to the COVID-19 pandemic, as well as improved property taxable values and property tax collections. See the Transmittal Letter for more information on the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

General Fund expenditures were \$509.8 million, an increase of \$42.8 million from the fiscal year 2020 level (9.2 percent). Again, the overall change primarily reflects programming in response to the COVID-19 pandemic.

Oakland County, Michigan

Management's Discussion and Analysis

The General Fund received \$6.4 million in transfers from other funds; this is an increase of \$0.2 million (3.2 percent) from the amounts transferred during fiscal year 2020. This increase relates to eligible amounts authorized for transfer from restricted funds and the completion and close out of projects in comparison to the previous year.

The General Fund transferred \$55.0 million to other funds during fiscal year 2021. This amount is \$3.1 million less (5.6 percent) than the fiscal year 2020 transfers. The decrease reflects less transfers made to the Child Care Fund (CCF) operating subsidy in fiscal year 2021.

Of the total \$288.4 million General Fund balance, all but \$15.7 million is Non-Spendable or Assigned for specific purposes. The total fiscal year 2021 General Fund balance of \$288.4 million represents 49.7 percent of the fiscal year 2021 General Fund operations. However, when removing Non-Spendable, or Assignments that were specifically for encumbrance or carryforward amounts, that leaves fund balance of approximately \$276.2 million or 47.7 percent of fiscal year 2021 General Fund operations. The General Fund balance of \$288.4 million represents 83.6 percent of the combined fund balances of the governmental funds.

General Fund Budgetary Highlights

Oakland County's budget is a dynamic document and process. Although the FY 2021 budget was adopted on September 23, 2020 (prior to the start of the fiscal year), the budget is frequently amended during the course of the fiscal year to reflect changing operational demands.

The General Fund revenue budget was increased by \$145.5 million (33.6 percent) during the fiscal year 2021 from \$432.4 million to \$577.9 million. The substantial increase is primarily to recognize the remaining CARES Act federal funding provided to support the COVID-19 pandemic response as well as favorable property tax revenue.

Actual General Fund revenue totaled \$579.7 million, \$1.9 million more than the amended budget. Although variances naturally occur in every revenue line item, the most significant reason for this overall variance is related to favorable property tax revenue of \$2.3 million due to a 3.84% improvement of taxable value as well as the timing of property tax collections. Intergovernmental Revenue was \$1.1 million favorable overall largely due to an excess distribution from the State of Michigan for personal property tax loss reimbursement. While the majority of the departments experienced unfavorable Charges for Services revenue due to the on-going COVID-19 pandemic, the Charges for Services revenue category resulted in an overall favorable variance of \$1.1 million due to significant favorability in the Clerk/Register of Deeds department for the recording of real estate transactions. The overall favorability was partially offset by unfavorable \$1.3 million Investment Income revenue due to market value adjustments and \$1.8 million in unfavorable State Grant revenue as a portion of the health-related advance funding from the State was not able to be recognized as earned revenue.

The General Fund expenditure budget increased \$169.4 million (42.6 percent) from \$397.3 million to \$566.7 million during fiscal year 2021. Most of the amendments, approximately \$142.6 million, were related to various support appropriations authorized for the on-going pandemic response. Also, \$14.7 million was re-appropriated in fiscal year 2021 for carry forward requests and encumbrances that were approved with the FY 2020 Year End Report approved by the Board of Commissioners in December 2020. Furthermore, there were appropriations made during fiscal year 2021 of \$2.0 million in new Local Road Improvement program projects and new Tri-Party Road Improvement Program projects in the amount of \$2.0 million.

Oakland County, Michigan

Management's Discussion and Analysis

The General Fund expenditures for fiscal year 2021 were \$56.9 million below budget. Of the \$56.9 million favorability, approximately \$13.0 million was related to salary and fringe benefit savings due to vacancies and turnover. There was also \$41.5 million in contractual/commodity operating favorability. Approximately \$11.5 million of the \$41.5 million favorability was included as a carry forward request to be re-appropriated in fiscal year 2022. The majority of the remaining contractual/commodity operating favorability is due to the true up of CARES Act funding that was applied to county personnel pandemic support costs.

The adopted budget also included other financing sources and uses for General Fund operations, essentially the net result of the General Fund receiving resources from other funds less the amount of General Fund resources provided to (or transferred to) other funds. The adopted budget assumed that the General Fund would transfer \$35.7 million more in resources to other funds (financing uses) than it would take in from other funds (financing sources). The financing uses budget was increased during fiscal year 2021 by \$28.3 million from \$41.0 million to \$69.3 million. Major amendments included \$7.0 million to support the County's Building and Liability Fund; \$5.2 million to the Major Departmental Support Projects Fund toward the Financial and Human Capital Management System Replacement Project; \$4.4 million to provide additional functionality and equipment replacement for the County's Public Safety Radio Communications Project; \$3.9 million to internal service funds that provided required pandemic operational support; \$1.6 million for Phase III of the Universal Communications and Collaboration Project; \$1.5 million for a feasibility study for a new Sheriff's Emergency Operations Center, Training Center, and Strategic Storage Facility; \$1.3 million County funding toward the Economic Development Administration CARES Act Recovery Assistance Grant; and \$625,500 for the County Campus Sustainability Planning Project.

Actual financing uses from the General Fund were \$14.3 million less than budgeted. This variance largely reflects reduced operational requirements for the Child Care Fund (\$11.5 million), Economic Development Administration CARES Act Recovery Assistance Grant that requested to be carried forward and re-appropriated in fiscal year 2022 (\$1.3 million), Housing & Community Development Grants (\$625,822), the Friend of the Court Grant Fund (\$383,678), and Law Enforcement Grants (\$374,020).

ARP Local Fiscal Recovery Fund

The ARP Local Fiscal Recovery Fund is a new major fund this year. This fund was created to track Federal funding awarded through the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recover Fund. See the Transmittal Letter for Additional information on ARPA funding. Total revenues for this fund were reported at \$5.5 million for fiscal year 2021. This amount represents 7.9% of the total revenues in the governmental funds. The expenditures were \$5.5 million, representing 8.3% of governmental funds expenditures. There is no effect on fund balance for the governmental funds.

The Water and Sewer Debt Act 342

The remaining governmental fund classified as major is the *Water and Sewer Debt Act 342 Fund*, which experienced a decrease in fund balance of \$4,481 to report a total fund balance of \$17,909.

Oakland County, Michigan

Management's Discussion and Analysis

Enterprise Funds

There are five (5) *enterprise funds* that are classified as major: the *Parks and Recreation Fund*, the *Delinquent Tax Revolving Fund*, the *Water and Sewer Trust Fund*, the *Evergreen-Farmington Sewage Disposal System (EFSDS) Fund*, and the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund*. As of September 30, 2021, the Enterprise Funds had a combined net position of \$828.0 million, an increase of \$21.7 million from the combined net position reported at the end of fiscal year 2020. The five major enterprise funds reported net positions of \$621.9 million (75.1 percent of the total combined Enterprise net position). The net position of these five major Enterprise funds decreased overall by \$108.5 million and the non-major enterprise funds increased by \$130.2 million for fiscal year 2021. The primary reason for these fluctuations is due to the shifting from major funds to non-major funds by the *County Airport Fund* and the *Clinton Oakland Sewage Disposal System (COSDS) Fund*.

All of the major Enterprise Funds experienced an increase in net position. The *Delinquent Tax Revolving Fund (DTRF)* ended fiscal year 2021 with a net position of \$208.16 million, \$2.5 million (1.2 percent) more than the net position recorded at the end of fiscal year 2020. This increase is primarily the result of continued payment plan collection efforts as of September 30, 2021.

The *Water and Sewer Trust Fund* realized a \$4.6 million increase (2.7 percent) in fiscal year 2021 to report a net position of \$174.9 million. This overall increase is mainly attributed to fluctuations in operating activity for the various water and sewer systems.

The *Evergreen-Farmington Sewage Disposal System Fund (EFSDS)* increased in net position by \$2.5 million (2.5 percent) to \$103.4 million. The increase in net position is attributed to fluctuating operating activity over the prior year.

The *Parks and Recreation Fund* net position increased \$6.7 million (7.8 percent) during fiscal year 2021 to a total of \$91.8 million in net position. This increase is a result of the increased tax revenue.

The *Southeast Oakland County Sewage Disposal System Fund (SOCSDS)* experienced a \$2.4 million increase (14.8 percent) in net position to \$43.6 million. The increase is primarily due to a reduction in contractual service expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The County categorizes its capital assets as follows: land, land improvements, building and improvements, equipment and vehicles, infrastructure, and construction in progress.

At the end of fiscal year 2021, the County had invested \$618.1 million, net of accumulated depreciation. This amount of net capital assets reflects an overall increase of \$24.4 million from fiscal year 2020. As seen in the table below, this is attributed to a \$2.9 million decrease in governmental activities and a \$27.3 million increase to business-type activities. The overall change is largely related to on-going infrastructure and technology projects in progress for business-type activities.

Oakland County, Michigan

Management's Discussion and Analysis

Oakland County's Capital Assets

(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 7.4	\$ 7.4	\$ 68.5	\$ 68.5	\$ 75.9	\$ 75.9
Land Improvements	0.4	0.4	11.8	12.5	12.2	12.9
Buildings and Improvements	138.3	141.7	49.3	49.9	187.6	191.6
Equipment and Vehicles	27.6	24.2	19.1	21.6	46.7	45.8
Infrastructure	16.3	16.9	58.2	62.5	74.5	79.4
Subtotal	190.0	190.6	206.9	215.0	396.9	405.6
Construction in Progress	37.1	39.4	184.0	148.6	221.1	188.0
Total Capital Assets	\$ 227.1	\$ 230.0	\$ 390.9	\$ 363.6	\$ 618.0	\$ 593.6

Please review Note 6 of the financial statements, for additional information regarding capital assets.

Long-term Debt - As of September 30, 2021, the Primary Government had \$311 million in limited taxing authority bonds outstanding. This represents a \$41.7 million decrease from September 30, 2020 in the limited tax authority bonds. In addition, the County uses its full faith and credit, as a secondary obligor, to back \$258.3 million of Drainage District component unit debt. The Drainage District component unit debt experienced an overall increase of \$21.2 million in fiscal year 2021.

Outstanding Debt as of September 30, 2021 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Bonds - Limited Tax Authority	\$ 263.5	\$ 301.5	\$ 47.5	\$ 51.2	\$ 311.0	\$ 352.7
Total Bonds	\$ 263.5	\$ 301.5	\$ 47.5	\$ 51.2	\$ 311.0	\$ 352.7
Notes - Limited Tax Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Outstanding Debt	\$ 263.5	\$ 301.5	\$ 47.5	\$ 51.2	\$ 311.0	\$ 352.7
		Total County Commitment				
		2021	2020	2021	2020	
Bonds - Limited Tax Authority	\$ 258.3	\$ 280.5	\$ 569.3	\$ 633.2		
Total Bonds	\$ 258.3	\$ 280.5	\$ 569.3	\$ 633.2		
Notes - Limited Tax Authority	\$ -	\$ -	\$ -	\$ -		
Total Outstanding Debt	\$ 258.3	\$ 280.5	\$ 569.3	\$ 633.2		
Debt Limit (10% of SEV)			\$ 8,478.4	\$ 8,119.5		
Available Statutory Debt Limit			\$ 7,909.1	\$ 7,486.3		

Oakland County, Michigan

Management's Discussion and Analysis

Oakland County issued approximately \$11.3 million in general government and business-type activity debt in fiscal year 2021. Of the \$11.3 million, all is for governmental-type activities of which \$9.5 million is attributed to eligible bond issues being refinanced due to favorable interest rates. Business-type activities included \$2 million in new issues which related to water and sewer infrastructure projects.

During fiscal year 2021, \$53.2 million in outstanding general government and business-type debt was paid or refunded to take advantage of bond issues eligible for refinancing.

The Drainage Districts component unit issued \$38.7 million in new or refunding debt during fiscal year 2021 and retired about \$60.9 million in debt obligations.

A more detailed discussion of the County's long-term debt obligations is presented in Note 7 to the financial statements.

Bond Ratings

The County's general obligations are rated AAA by Standards and Poor's and Aaa by Moody's Investors Services.

Limitations on Debt

State statute limits the County's debt obligations to 10 percent of the current state equalized value (SEV). The County's SEV as of September 30, 2021 was \$84.8 billion. The County is \$7.9 billion below its authorized debt limit.

ECONOMIC OUTLOOK

Oakland County is recognized as one of the most prosperous counties in the nation. As detailed in the *Transmittal Letter* preceding this *Management's Discussion and Analysis*, while the unemployment rate spiked to 19.6% in May 2020 as a result of the pandemic, Oakland County's unemployment rate declined to 3.3% as of December 2021. Economists have indicated that by the first quarter of 2021 Oakland County recovered approximately 59.5 percent of the job losses. They have also forecasted that job recovery will continue over the next three years. They expect the county to return to its pre-pandemic employment lever in the first quarter of 2023 and exceed that value by 1.7 percent at the end of 2023.

The budget assumptions in the FY 2022 – FY 2024 adopted budget document includes an estimated 3.84% increase in taxable value as of December 31, 2021 (FY 2022 revenue); a 4.25% increase of taxable value as of December 31, 2022 (FY 2023 revenue); and an additional 4.25% increase in taxable value as of December 31, 2023 (FY 2024 revenue). Every 1.0 percent increase in taxable value adds approximately \$2.6 million to the County's property tax revenue.

The initiatives taken by the County's Elected Officials and Administration have resulted in structural reductions of county expenses as well as revising the County's fund balance policy to reflect an increase in minimum targeted fund balance from 20 percent to 25 percent of annual ongoing general fund expenditures. On September 29, 2021, the Oakland County Board of Commissioners adopted a balanced budget for fiscal years 2022, 2023, and 2024 (through September 30, 2024). That document also includes budget estimates for fiscal years 2025 and 2026.

Oakland County, Michigan

Management's Discussion and Analysis

CONTACTING THE COUNTY'S DEPARTMENT OF MANAGEMENT AND BUDGET

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If there are questions about this report, or a need for additional information, contact the Department of Management and Budget, Fiscal Services Division at (248) 858-0940.

Statement of Net Position

September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 609,277,504	\$ 404,276,833	\$ 1,013,553,337	\$ 155,966,317
Investments	19,744,077	113,526,777	19,744,077	234,894,806
Receivables (Note 4)	152,225,359	265,752,136	839,627	-
Due from component units	789,060	(330,904)	1,993,455	5,610,100
Inventories and supplies	1,746,047	247,408	3,485,510	12,314,851
Prepaid expenses and other assets	8,829,341	-	-	47,288,433
Restricted assets	71,914,093	-	71,914,093	-
Net pension asset (Note 10)	618,263,365	-	618,263,365	-
Net OPEB asset (Note 12)	44,413,726	252,469,753	296,883,479	403,726,734
Capital assets (Note 6)	182,707,274	138,478,480	321,185,754	1,259,887,487
Assets not subject to depreciation				
Assets subject to depreciation - Net	1,710,225,540	912,216,634	2,622,444,174	2,111,312,533
Total assets				
				4,585,119
Deferred Outflows of Resources				15,850,294
Deferred pension costs (Note 10)	2,824,688	-	2,824,688	
Deferred OPEB costs (Note 12)				
	2,824,688	-	2,824,688	20,435,413
Total deferred outflows of resources				
Liabilities				
Accounts payable	38,961,777	27,629,703	66,591,480	22,595,264
Due to other governmental units	281,835	683,927	965,762	6,775,161
Due to primary government	-	-	-	939,627
Refundable deposits and bonds	42,374,332	3,596,696	45,971,028	2,585,133
Accrued interest	137,028,306	1,243,147	138,271,453	61,675,436
Unearned revenue (Note 5)				
Noncurrent liabilities:				
Due within one year:				3,531,296
Payable from restricted assets (Note 7)	1,669,197	-	1,669,197	-
Provision for claims and judgments (Note 15)	7,352,474	-	7,352,474	932,856
Current portion of bonds payable (Note 7)	38,731,800	3,962,600	42,724,400	22,842,400
Due in more than one year:				
Compensated absences (Note 7)	15,022,777	-	15,022,777	2,536,954
Provision for claims and judgments (Note 15)	20,753,921	-	20,753,921	1,056,151
Net pension liability (Note 10)	-	-	-	26,815,323
Net OPEB obligation (Note 12)	-	-	-	121,981,535
Bonds payable - Net of current portion (Note 7)	227,934,784	47,057,359	274,992,143	243,672,253
Total liabilities	530,111,203	84,203,432	614,314,635	522,710,501
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 10)	45,487,674	-	45,487,674	12,308,018
Deferred OPEB cost reductions (Note 12)	128,361,090	-	128,361,090	10,388,492
Total deferred inflows of resources	173,848,764	-	173,848,764	22,696,510
Net Position				
Net investment in capital assets	203,351,000	339,898,274	543,249,274	1,440,856,705
Restricted:				
Debt service	4,756,488	-	4,756,488	167,535,293
Public safety	9,340,732	-	9,340,732	-
Public works	1,540,000	-	1,540,000	-
Justice administration	4,606,136	-	4,606,136	27,953,592
Superseding trust - OPEB	19,788,528	-	19,788,528	-
Justice administration	21,433	-	21,433	-
Commerce and community development	8,154,012	-	8,154,012	-
Community water and sewer	129,542,162	-	129,542,162	-
Unrestricted	745,666,223	367,574,466	1,113,240,689	(50,004,655)
Total net position	\$ 1,009,090,261	\$ 828,016,202	\$ 1,837,105,463	\$ 1,586,340,935

See notes to financial statements.

Statement of Net Position

September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 609,277,504	\$ 404,276,833	\$ 1,013,553,337	\$ 155,966,317
Investments	19,744,077	113,526,777	19,744,077	234,894,806
Receivables (Note 4)	152,225,359	265,752,136	839,627	-
Due from component units	789,060	(330,904)	1,993,455	5,610,100
Inventories and supplies	1,746,047	247,408	3,485,510	12,314,851
Prepaid expenses and other assets	8,829,341	-	-	47,288,433
Restricted assets	71,914,093	-	71,914,093	-
Net pension asset (Note 10)	618,263,365	-	618,263,365	-
Net OPEB asset (Note 12)	44,413,726	252,469,753	296,883,479	403,726,734
Capital assets (Note 6)	182,707,274	138,478,480	321,185,754	1,259,887,487
Assets not subject to depreciation				
Assets subject to depreciation - Net	1,710,225,540	912,216,634	2,622,444,174	2,111,312,533
Total assets				4,585,119
				15,850,294
Deferred Outflows of Resources				
Deferred pension costs (Note 10)	2,824,688	-	2,824,688	
Deferred OPEB costs (Note 12)				
	2,824,688	-	2,824,688	20,435,413
Total deferred outflows of resources				
Liabilities				
Accounts payable	38,961,777	27,629,703	66,591,480	22,595,264
Due to other governmental units	281,835	683,927	965,762	6,775,161
Due to primary government	-	-	-	939,627
Refundable deposits and bonds	42,374,332	3,596,696	45,971,028	2,585,133
Accrued interest	137,028,306	1,243,147	138,271,453	61,675,436
Unearned revenue (Note 5)				
Noncurrent liabilities:				
Due within one year:				3,531,296
Payable from restricted assets (Note 7)	1,669,197	-	1,669,197	-
Provision for claims and judgments (Note 15)	7,352,474	-	7,352,474	932,856
Current portion of bonds payable (Note 7)	38,731,800	3,962,600	42,724,400	22,842,400
Due in more than one year:				
Compensated absences (Note 7)	15,022,777	-	15,022,777	2,536,954
Provision for claims and judgments (Note 15)	20,753,921	-	20,753,921	1,056,151
Net pension liability (Note 10)	-	-	-	26,815,323
Net OPEB obligation (Note 12)	-	-	-	121,981,535
Bonds payable - Net of current portion (Note 7)	227,934,784	47,057,359	274,992,143	243,672,253
Total liabilities	530,111,203	84,203,432	614,314,635	522,710,501
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 10)	45,487,674	-	45,487,674	12,308,018
Deferred OPEB cost reductions (Note 12)	128,361,090	-	128,361,090	10,388,492
Total deferred inflows of resources	173,848,764	-	173,848,764	22,696,510
Net Position				
Net investment in capital assets	203,351,000	339,898,274	543,249,274	1,440,856,705
Restricted:				
Debt service	4,756,488	-	4,756,488	167,535,293
Public safety	9,340,732	-	9,340,732	-
Public works	1,540,000	-	1,540,000	-
Justice administration	4,606,136	-	4,606,136	27,953,592
Superseding trust - OPEB	19,788,528	-	19,788,528	-
Justice administration	21,433	-	21,433	-
Commerce and community development	8,154,012	-	8,154,012	-
Community water and sewer	129,542,162	-	129,542,162	-
Unrestricted	745,666,223	367,574,466	1,113,240,689	(50,004,655)
Total net position	\$ 1,009,090,261	\$ 828,016,202	\$ 1,837,105,463	\$ 1,586,340,935

See notes to financial statements.

Statement of Activities

Year Ended September 30, 2021

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business Type Activities	Total	Component Units	
\$ (45,954,067)	\$ -	\$ (45,954,067)	\$ -	
(80,902,065)	-	(80,902,065)	-	
(49,948,176)	-	(49,948,176)	-	
(14,895,583)	-	(14,895,583)	-	
(5,688,109)	-	(5,688,109)	-	
(959,961)	-	(959,961)	-	
8,535,685	-	8,535,685	-	
(2,928,922)	-	(2,928,922)	-	
(2,292,741)	-	(2,292,741)	-	
(195,003,939)	-	(195,003,939)	-	
-	(1,379,552)	(1,379,552)	-	
-	(5,672,946)	(5,672,946)	-	
-	12,136,036	12,136,036	-	
-	5,295,973	5,295,973	-	
-	(15,409,585)	(15,409,585)	-	
-	7,211,831	7,211,831	-	
-	2,181,757	2,181,757	-	
(195,003,939)	2,181,757	(192,822,182)	-	
-	-	-	864,721	
-	-	-	50,710,435	
-	-	-	-	
-	-	-	51,575,156	
256,727,921	21,580,908	278,308,829	-	
44,943,661	327,889	45,271,550	-	
4,287,664	2,452,090	6,739,754	1,140,681	
795,382	-	795,382	148,633	
16,214,433	-	16,214,433	237,132	
322,939,261	24,360,987	347,300,248	1,526,446	
3,678,051	(3,678,051)	-	-	
-	(1,125,283)	(1,125,283)	-	
131,613,373	21,739,410	153,352,783	53,101,602	
877,476,888	806,275,792	1,683,752,680	1,533,239,333	
\$ 1,009,090,261	\$ 828,015,202	\$ 1,837,105,463	\$ 1,586,340,935	

See notes to financial statements.

Oakland County, Michigan

Governmental Funds

Balance Sheet

September 30, 2021					
	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds	
	General Fund	Water and Sewer Debt Act 342	ARP Local Fiscal Recovery Fund		
Assets					
Pooled cash and investments	\$ 276,918,080	\$ 246,589	\$ 122,393,053	\$ 77,817,170	
Receivables (Note 4)	72,512,839	38,626,124	-	36,928,032	
Due from component units	166,573	-	-	564,111	
Due from other funds	19,224,600	-	-	4,091,709	
Advances to other funds	-	-	-	1,044,079	
Inventories and supplies	249,595	-	-	249,595	
Prepaid expenses and other assets	154,040	-	-	62,399	
	\$ 369,225,727	\$ 38,872,713	\$ 122,393,053	\$ 120,507,500	
Total assets				\$ 650,998,993	
Liabilities					
Accounts payable	\$ 19,925,002	\$ 224,233	\$ 10,105	\$ 10,178,324	
Due to other governmental units	53,187	640	-	155,115	
Due to other funds	16,000,622	1,314	6,357,129	14,398,656	
Advances from other funds	-	-	-	819,079	
Accrued liabilities and other	16,187,519	2,880	-	2,723,563	
Unearned revenue	9,383,144	-	116,025,819	11,617,922	
	\$ 61,549,474	\$ 229,077	\$ 122,393,053	\$ 39,892,659	
Total liabilities	\$ 61,549,474	\$ 229,077	\$ 122,393,053	\$ 224,064,263	
Deferred Inflows of Resources - Unavailable revenue (Note 5)	\$ 19,273,236	\$ 38,625,727	\$ -	\$ 24,258,331	
Deferred Inflows of Resources - Unavailable revenue (Note 5)	\$ 19,273,236	\$ 38,625,727	\$ -	\$ 24,258,331	
Total liabilities and deferred inflows of resources	\$ 80,822,710	\$ 38,854,804	\$ 122,393,053	\$ 64,150,990	
Fund Balances (Note 9)					
Nonspendable	403,635	-	-	62,399	
Restricted	-	17,909	-	27,071,690	
Committed	-	-	-	32,266,214	
Assigned	272,232,679	-	-	272,232,679	
Unassigned	15,766,703	-	-	12,722,910	
	\$ 288,403,017	\$ 17,909	\$ -	\$ 56,396,510	
Total fund balances	\$ 288,403,017	\$ 17,909	\$ -	\$ 344,777,436	
Total liabilities, deferred inflows of resources, and fund balances	\$ 369,225,727	\$ 38,872,713	\$ 122,393,053	\$ 120,507,500	
Total liabilities, deferred inflows of resources, and fund balances	\$ 369,225,727	\$ 38,872,713	\$ 122,393,053	\$ 650,998,993	

See notes to financial statements.

Oakland County, Michigan

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

September 30, 2021

Fund Balances Reported in Governmental Funds	\$ 344,777,436
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	187,117,929
Receivables such as special assessments and contracts receivable that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	81,550,125
Bonds payable are not due and payable in the current period and are not reported in the funds	(84,181,584)
Accrued interest is not due and payable in the current period and is not reported in the funds	(320,769)
Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities	(19,800,000)
Internal service funds are included as part of governmental activities	499,947,124
Net Position of Governmental Activities	<u>\$ 1,009,090,261</u>

See notes to financial statements.

Oakland County, Michigan

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended September 30, 2021

	General Fund	Water and Sewer Debt Act 342	ARP Local Fiscal Recovery Fund	Nonmajor governmental funds	Total Governmental Funds
Revenue					
Taxes	\$ 258,448,312	\$ -	\$ -	\$ -	\$ 258,448,312
Special assessments	-	4,033,368	-	-	8,047,693
Intergovernmental:					
Federal grants	130,155,484	-	5,286,272	44,957,251	180,408,987
State and local	52,106,102	-	-	43,732,238	96,838,340
Charges for services	119,005,677	1,000	-	13,802,823	132,809,500
Indirect cost recovery	9,084,669	-	-	-	9,084,669
Investment income	144,754	3,151	238,804	215,921	602,630
Other revenue	10,805,560	-	-	3,570,185	14,375,745
Total revenue	579,750,538	4,037,519	5,535,076	110,282,743	699,615,876
Expenditures					
Current operations					
County Executive	120,460,220	-	637,100	85,305,581	206,402,901
Clerk/Register of Deeds	9,468,326	-	-	2,374,208	11,843,534
Treasurer	7,082,824	-	-	-	7,082,824
Justice administration	55,885,252	-	21,462	27,176,426	83,063,140
Law enforcement	184,529,052	-	1,383,814	7,873,006	193,785,872
Legislative	6,059,427	-	220	-	6,069,647
Water Resource Commissioner	8,315,375	173,280	-	2,292,065	10,780,720
Non-departmental	87,580,095	-	3,488,004	7,308,509	98,376,608
Capital outlay	1,143,455	-	4,476	572,920	1,720,851
Intergovernmental	29,263,540	-	-	-	29,263,540
Debt service:					
Principal	-	2,275,821	-	8,286,800	10,562,621
Interest and fiscal charges	-	1,272,148	-	1,451,923	2,724,071
Total expenditures	509,788,566	3,721,249	5,535,076	142,641,438	661,686,329
Excess of Revenues Over (Under) Expenditures	69,961,972	316,270	-	(32,348,695)	37,929,547
Other Financing Sources (Uses)					
Transfers in	6,406,210	-	-	43,594,587	50,000,797
Transfers out	(54,991,789)	-	-	(6,419,160)	(61,410,949)
New debt issued	-	-	-	1,843,603	1,843,603
Issuance of refunding bonds	-	9,460,000	-	-	9,460,000
Debt premium	-	1,613,428	-	-	1,613,428
Payment to bond refunding escrow agent	-	(11,394,179)	-	-	(11,394,179)
Insurance recoveries	712	-	-	61,883	62,595
Total other financing (uses) sources	(48,584,867)	(320,751)	-	39,080,913	(9,824,705)
Net Change in Fund Balances	21,377,105	(4,481)	-	6,732,218	28,104,842
Fund Balances - Beginning of year	267,025,912	22,390	-	49,624,292	316,672,594
Fund Balances - End of year	\$ 288,403,017	\$ 17,909	\$ -	\$ 56,356,510	\$ 344,777,436

See notes of financial statements.

Oakland County, Michigan

Governmental Funds Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended September 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$	28,104,842
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation		(1,906,876)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		(5,593,315)
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position		(12,917,031)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		23,051,721
Interest expense is recognized in the government-wide statements as it accrues		57,518
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds		(19,800,000)
Internal service funds are included as part of governmental activities		120,616,514
Change in Net Position of Governmental Activities	\$	131,613,373

See notes to financial statements.

Oakland County, Michigan

	Parks and Recreation	Delinquent Tax Revolving	Water and Sewer Trust	Evergreen-Farmington S.D.S.
Assets				
Current assets:				
Cash and investments	25,309,770	\$ 145,545,592	\$ 104,377,612	\$ 22,423,582
Receivables	488,725	63,147,382	29,821,402	5,930,987
Due from component units	-	-	-	66,226
Due from other funds	20,155	-	-	-
Inventories and supplies	123,095	-	-	-
Prepaid expenses and other assets	2,282	-	1,058,281	349,431
Total current assets	25,944,027	208,692,974	135,257,295	28,770,226
Noncurrent assets:				
Net pension asset	-	-	-	-
Net OPEB asset	-	-	-	-
Capital assets:				
Assets not subject to depreciation	33,253,162	-	31,096,269	75,977,966
Assets subject to depreciation - Net	33,711,055	-	34,547,190	20,302,426
Total noncurrent assets	66,964,217	-	65,643,459	96,280,392
Total assets	92,908,244	208,692,974	200,900,754	125,050,618
Deferred Outflows of Resources - Deferred OPEB costs				
Liabilities				
Current liabilities:				
Accounts payable	575,664	350,466	9,387,950	7,137,920
Due to other governmental units	5,673	176,499	10,341	-
Due to other funds	36,437	-	70,911	-
Accrued liabilities and other	212,174	76,573	1,371,608	99,472
Unearned revenue	190,048	-	-	-
Compensated absences	-	-	-	-
Provision for claims and judgments	-	-	-	-
Current portion of bonds payable	-	-	1,147,600	1,230,000
Total current liabilities	1,019,996	603,538	11,988,410	8,467,392
Noncurrent liabilities:				
Advances from other funds	-	-	225,000	-
Compensated absences	-	-	-	-
Provision for claims and judgments	-	-	-	-
Bonds payable - Net of current portion	-	-	13,751,328	13,180,000
Total noncurrent liabilities	-	-	13,976,328	13,180,000
Total liabilities	1,019,996	603,538	25,964,738	21,647,392
Deferred Inflows of Resources				
Deferred pension cost reductions	-	-	-	-
Deferred OPEB cost reductions	-	-	-	-
Net Position				
Net investment in capital assets	66,964,217	-	50,744,531	81,870,392
Restricted:				
Public works	-	-	67,396,295	13,963,678
Superseding trust - OPEB	-	-	-	-
Unrestricted	24,924,031	208,089,436	66,795,190	7,569,156
Total net position	\$ 91,888,248	\$ 208,089,436	\$ 174,936,016	\$ 103,403,226

See notes to financial statements.

Oakland County, Michigan

Proprietary Funds Statement of Net Position

September 30, 2021

S.O.C.S.D.S.	Enterprise Funds		Governmental Activities
	Normal Enterprise	Total Enterprise Funds	
\$	33,625,956	\$ 72,993,321	\$ 404,275,833
			\$ 131,902,612
			19,744,077
	4,759,217	9,379,064	113,526,777
	-	3,741	4,158,364
	-	-	69,987
	-	20,155	38,976
	-	124,313	15,066,996
	367,518	247,408	1,496,452
		1,707,998	3,485,510
			8,612,902
	38,752,691	84,208,437	521,625,650
			181,020,379
	-	-	-
	-	-	71,914,093
	-	-	616,263,365
	9,558,592	102,593,774	252,469,753
	3,646,150	46,271,659	21,480,274
			138,478,480
			16,522,797
	13,204,732	148,855,433	390,948,233
			730,180,529
	51,957,423	233,063,870	912,573,883
	-	-	911,200,908
	-	-	2,824,688
	7,974,593	2,203,110	27,629,703
	-	491,414	8,624,113
	22,901	-	683,927
	400,320	1,436,549	72,893
	-	3,596,696	1,515,490
	-	1,053,099	130,249
	-	-	2,732,422
	-	-	1,243,147
	-	-	1,689,197
	-	-	7,352,474
	-	1,615,000	27,585,000
	8,397,814	6,799,172	3,992,600
			37,276,322
			49,553,010
	-	-	-
	-	225,000	-
	-	-	15,022,777
	-	-	20,753,921
	-	47,057,359	154,900,000
	-	20,126,031	-
	-	47,282,359	190,676,698
	-	20,126,031	-
	8,397,814	26,925,203	84,558,081
			240,229,708
	-	-	-
	-	-	45,487,674
	-	-	128,361,090
	13,204,732	127,114,402	339,898,274
			40,003,071
	14,856,049	16,535,830	112,751,852
	-	-	-
	15,498,828	62,488,435	375,365,076
			19,788,528
			440,155,525
\$	43,559,609	\$ 206,136,667	\$ 828,015,202
			\$ 499,947,124

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See notes to financial statements.

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	Enterprise Funds				Evergreen-Farmingford S.D.S.
	Parks and Recreation	Delinquent Tax Revolving	Water and Sewer Trust		
Operating Revenue					
Charges for services	10,307,912	\$ 12,400,286	\$ 101,572,486	\$	48,360,298
Other	48,409	-	833,989		21,444
Total operating revenue	10,356,321	12,400,286	102,406,475		48,381,742
Operating Expenses					
Salaries	9,497,524	124,501	108,574		-
Fringe benefits - Pension	3,332,839	76,321	57,392		-
Fringe benefits - OPEB	-	-	-		-
Contractual services	6,826,064	167,632	51,818,116		41,062,401
Commodities	865,158	123,626	2,167,337		47,277
Internal services	1,485,778	-	26,543,651		1,841,328
Intergovernmental	1,010,650	-	14,226,943		-
Depreciation	3,286,455	-	1,913,525		860,607
Total operating expenses	26,284,568	492,080	96,855,538		43,801,613
Operating (Loss) Income	(15,928,247)	11,908,206	5,550,937		4,580,129
Nonoperating Revenue (Expense)					
Property tax revenue	21,580,908	-	-		-
Investment income	180,204	616,960	682,514		147,288
Interest expense	-	-	(397,846)		(386,609)
(Loss) gain on sale of assets	(16,944)	-	-		(2,035,431)
Other nonoperating revenue	101,583	-	-		-
Operating grants	327,351	-	142,884		-
Local community stabilization share	327,989	-	-		-
Total nonoperating revenue (expense)	22,561,091	616,960	437,550		(2,286,752)
Income (Loss) - Before capital contributions	6,632,844	12,525,186	5,988,487		2,293,377
Capital Contributions	46,675	-	-		138,765
Transfers In	38,842	-	-		-
Transfers Out	(36,437)	(10,083,798)	(200,600)		-
Special Items - Transfer of water system assets to Highland Township (Note 6)	-	-	(1125,283)		-
Change in Net Position	6,681,924	2,441,388	4,662,604		2,432,142
Net Position - Beginning of year	85,206,324	205,648,048	170,273,412		100,971,084
Net Position - End of year	\$ 91,888,248	\$ 208,089,436	\$ 174,936,016	\$	103,403,226

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended September 30, 2021

	Enterprise Funds		Governmental Activities
	Normal	Total Enterprise Funds	Proprietary Internal Service Fund
S.O.C.S.D.S.			
\$	55,011,037	\$ 69,312,737	\$ 283,552,107
-	38,044	-	1,546,023
55,049,981	69,346,669	287,941,474	285,098,130
-	4,898,733	14,629,332	47,550,201
-	2,586,851	6,053,503	25,157,190
-	-	-	(21,943,818)
50,348,983	43,941,382	194,154,578	178,416,835
249,346	6,304,875	9,653,993	7,720,925
2,220,304	3,421,191	35,635,878	9,018,857
-	6,844,979	21,762,572	-
122,698	5,880,532	12,044,217	6,833,451
52,941,331	73,578,943	293,954,073	178,495,787
2,108,650	(4,232,274)	3,987,401	106,602,343
-	-	21,580,908	-
280,540	554,564	2,452,090	3,655,949
-	(530,385)	(1,326,842)	(7,383,506)
-	(3,990)	(2,166,345)	795,362
-	760,305	1,230,540	806,332
-	-	327,989	-
280,540	780,494	22,369,903	(2,135,845)
2,369,190	(3,451,780)	26,357,304	104,466,498
-	-	185,440	1,061,813
-	7,014,942	7,053,784	15,483,700
(50,000)	(361,000)	(10,731,835)	(395,497)
-	-	(1,125,283)	-
2,319,190	3,202,182	21,739,410	120,616,514
41,240,419	202,936,505	806,275,792	379,330,610
\$ 43,589,609	\$ 206,138,667	\$ 828,015,202	\$ 499,947,124

Oakland County, Michigan

	Enterprise Funds			
	Parks and Recreation	Delinquent Tax Revolving	Water and Sewer Trust	Evergreen-Farmington S.D.S.
Cash Flows from Operating Activities				
Receipts from customers	\$ 10,465,349	\$ 10,780,001	\$ 106,302,504	\$ 50,771,403
Payments to suppliers	(9,201,471)	(470,474)	(89,351,108)	(42,089,552)
Payments to employees and fringes	(12,776,242)	(199,914)	(184,263)	-
Payments to other funds	(1,516,017)	(123,626)	(26,495,330)	(1,841,328)
Net cash and cash equivalents (used in) provided by operating activities	(13,028,381)	9,985,987	11,291,805	6,840,523
Cash Flows from Noncapital Financing Activities				
Operating grants and subsidies	513,894	-	142,884	-
Transfers from other funds	38,842	-	-	-
Transfers to other funds	-	-	225,000	-
Transfers to other funds	(36,437)	(10,083,798)	-	-
Property taxes	21,880,908	-	(200,800)	-
Local community stabilization share	327,989	-	-	-
Purchase of delinquent property taxes	-	(66,864,416)	-	-
Delinquent property taxes collected	-	67,112,757	-	-
Net cash and cash equivalents provided by (used in) noncapital financing activities	22,425,236	(9,836,457)	167,284	-
Cash Flows from Capital and Related Financing Activities				
Proceeds from capital assets	17,593	-	(5,575,302)	(3,917,525)
Purchase of capital assets	(3,616,035)	-	(1,338,832)	(1,983,609)
Principal and interest paid on capital debt	-	-	-	-
Net cash and cash equivalents used in capital and related financing activities	(3,598,442)	-	(6,914,224)	(5,501,134)
Cash Flows from Investing Activities				
Interest received on investments	195,152	919,441	900,632	189,205
Purchase of investment securities - Net of sales	-	-	-	-
Net cash and cash equivalents provided by investing activities	195,152	919,441	900,632	189,205
Net Increase (Decrease) in Cash and Cash Equivalents	5,993,565	1,069,971	5,445,497	1,528,594
Cash and Cash Equivalents - Beginning of year	19,316,205	144,475,621	98,932,115	20,894,988
Cash and Cash Equivalents - End of year	\$ 25,309,770	\$ 145,545,592	\$ 104,377,612	\$ 22,423,582
Classification of Cash and Cash Equivalents - Cash and Investments	\$ 25,309,770	\$ 145,545,592	\$ 104,377,612	\$ 22,423,582
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities				
Operating (loss) income	\$ (15,928,247)	\$ 11,908,206	\$ 5,550,937	\$ 4,560,129
Adjustments to reconcile operating (loss) income to net cash from operating activities:				
Depreciation	3,266,455	-	1,913,525	860,607
Changes in assets and liabilities:				
Receivables	109,028	(1,620,285)	3,896,029	2,386,661
Prepaid and from other funds	(1,635)	-	-	-
Investment income	18,846	-	-	-
Prepaid and other assets	(2,282)	-	(249,527)	(349,431)
Net pension or OPEB asset	-	-	1,703	-
Accounts payable	(516,163)	(302,842)	130,817	(840,443)
Deferals related to pension or OPEB	-	-	-	-
Accrued and other liabilities	54,221	908	-	-
Total adjustments	2,899,866	(1,922,219)	5,740,868	2,260,394
Net cash and cash equivalents (used in) provided by operating activities	\$ (13,028,381)	\$ 9,985,987	\$ 11,291,805	\$ 6,840,523
Significant Noncash Transactions				
Contribution of capital assets	\$ 46,675	\$ -	\$ -	\$ 277,530
Transfer of water system assets to Highland Township	-	-	1,125,283	-

Oakland County, Michigan

Proprietary Funds
Statement of Cash Flows

Year Ended September 30, 2021

S.O.C.S.D.S.	Enterprise Funds		Governmental Activities	
	Nonmajor Enterprise	Total	Proprietary Internal Service Fund	
\$	57,215,475 \$	67,555,297 \$	303,090,020 \$	283,558,729
(59,032,201)	(57,468,702)	(236,613,596)	(59,178,872)	(59,178,872)
(2,220,304)	(3,428,854)	(35,625,450)	(197,514,621)	(197,514,621)
			(8,979,839)	
(4,037,030)	(787,608)	10,285,296	17,884,397	
-	760,305	1,417,123	806,332	
-	7,014,942	7,053,764	8,483,700	
(50,000)	(361,000)	(10,731,835)	(395,497)	
-	-	21,580,908	-	
-	-	327,889	-	
-	-	(66,864,416)	-	
-	-	67,112,757	-	
(50,000)	7,414,247	20,121,310	8,884,535	
-	298	17,880	795,382	
(1,082,133)	(28,194,478)	(42,395,653)	(4,811,290)	
-	(2,434,596)	(5,357,037)	(33,998,508)	
(1,092,133)	(30,628,778)	(47,734,711)	(38,014,416)	
334,069	734,752	3,273,251	3,852,474	
-	-	-	(3,242,271)	
334,069	734,752	3,273,251	510,203	
(4,845,094)	(23,267,387)	(14,074,854)	(10,625,281)	
38,471,050	96,260,708	418,350,687	142,527,893	
\$	33,025,956 \$	72,893,321 \$	404,275,833 \$	131,802,612
\$	33,625,956 \$	72,893,321 \$	404,275,833 \$	131,802,612
\$	2,108,650 \$	(4,232,274) \$	3,987,401 \$	106,602,343
122,698	5,880,932	12,044,217	6,833,451	
2,105,494	(1,791,372)	5,148,555	(1,538,401)	
-	(1,055,119)	59,302	113,896	
-	40,586	1,063,324	889,904	
53,843	1,610,721	1,703	(328,336,784)	
(6,487,715)	(2,328,823)	(12,145,169)	1,305,539	
-	40,325	95,454	232,135,112	
-	-	6,277,895	(88,717,946)	
(6,145,680)	3,444,686			
\$	(4,037,030) \$	(787,608) \$	10,285,296 \$	17,884,397
\$	- \$	- \$	324,205 \$	1,061,813
-	-	-	1,125,283	

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See notes to financial statements.

Fiduciary Funds
Statement of Fiduciary Net Position

September 30, 2021

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Custodial Funds	Total Fiduciary Funds
Assets				
Pooled cash and investments	\$ 98,326,248	\$ 1,046,869,881	\$ 283,177,028	\$ 1,428,373,157
Investments:				
U.S. government securities	305,784,834	-	-	305,784,834
Other fixed income	24,118,950	-	-	24,118,950
Commercial mortgage-backed securities	19,996,174	-	-	19,996,174
International common stock	623,555,532	-	-	623,555,532
Common, preferred, and convertible stocks	541,895,346	-	-	541,895,346
Corporate bonds	316,318,952	-	-	316,318,952
Real estate	221,133,882	-	-	221,133,882
Bank loans	3,083,133	-	-	3,083,133
Partnerships	80,966,352	-	-	80,966,352
Hedge funds	125,356,091	-	-	125,356,091
Receivables - Accrued interest receivable	4,114,406	-	160,986	4,275,392
Prepaid expenses and other assets	168,890	-	-	168,890
Total assets	2,364,818,790	1,046,869,881	283,338,014	3,695,026,685
Liabilities				
Accounts payable	2,955,085	-	364,946	3,320,031
Due to other governmental units	-	-	270,873,802	270,873,802
Accrued liabilities and other	2,081,757	81,368	-	2,163,125
Total liabilities	5,036,842	81,368	271,238,748	276,356,958
Net Position - Restricted				
Pension	790,825,096	-	-	790,825,096
Postemployment benefits other than pension	1,568,956,852	-	-	1,568,956,852
Pool participants	-	1,046,788,513	-	1,046,788,513
Individuals, organizations, and other governments	-	-	12,099,266	12,099,266
Total net position	\$ 2,359,781,948	\$ 1,046,788,513	\$ 12,099,266	\$ 3,418,669,727

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Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year Ended September 30, 2021

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Custodial Funds	Total Fiduciary Funds
Additions				
Investment income (loss):				
Interest and dividends	\$ 28,652,615	\$ 5,986,465	\$ 12,942	\$ 34,652,022
Net increase in fair value of investments	381,400,414	-	-	381,400,414
Investment-related expenses	(5,747,498)	-	-	(5,747,498)
Net investment income	404,305,531	5,986,465	12,942	410,304,938
Contributions - Employer contributions	454,676	1,066,250,086	-	1,066,704,762
Property tax collections	-	-	1,122,578,758	1,122,578,758
Other revenue	5,849,433	-	-	5,849,433
Forfeitures, escheats, and deposits	-	-	16,994,765	16,994,765
Total additions	410,609,640	1,072,236,551	1,139,586,465	2,622,432,656
Deductions				
Benefit payments	105,243,133	-	-	105,243,133
Redemptions of investments by participating municipalities	-	824,555,327	-	824,555,327
Administrative expenses	859,520	-	-	859,520
Taxes disbursed	-	-	1,122,578,758	1,122,578,758
Release of funds	-	-	6,729,682	6,729,682
Court-ordered funds	-	-	9,455,752	9,455,752
Total deductions	106,102,653	824,555,327	1,138,764,192	2,069,422,172
Net Increase in Fiduciary Net Position	304,506,987	247,681,224	822,273	553,010,484
Net Position - Beginning of year (as restated)	2,055,274,961	799,107,289	11,276,993	2,865,659,243
Net Position - End of year	\$ 2,359,781,948	\$ 1,046,788,513	\$ 12,099,266	\$ 3,418,669,727

See notes to financial statements.

Component Units

Statement of Net Position

September 30, 2021

	Drainage Districts	Road Commission	Total
Assets			
Ported cash and investments	\$ 56,707,577	\$ 99,279,740	\$ 155,986,317
Receivables	209,466,045	25,438,761	234,904,806
Inventory and supplies	-	5,610,100	5,610,100
Prepaid expenses and other assets	882	3,917,774	3,918,656
Restricted assets	47,288,433	-	47,288,433
Capital assets:			
Assets not subject to depreciation	163,211,853	240,514,881	403,726,734
Assets subject to depreciation - Net	501,745,541	758,141,946	1,259,887,487
Total assets	978,420,331	1,132,892,202	2,111,312,533
Deferred Outflows of Resources			
Deferred pension costs	-	4,585,119	4,585,119
Deferred OPEB costs	-	13,850,284	13,850,284
Total deferred outflows of resources	-	20,435,413	20,435,413
Liabilities			
Accounts payable	10,358,539	12,236,725	22,595,264
Due to other governmental units	6,779,161	-	6,779,161
Due to primary government	800,549	39,078	839,627
Refundable deposits and bonds	-	2,145,133	2,145,133
Accrued liabilities and other	3,302,492	2,285,893	5,588,385
Unearned revenue	49,444,878	12,230,558	61,675,436
Noncurrent liabilities:			
Due within one year:			
Payable from restricted assets	3,531,296	-	3,531,296
Provision for claims and judgments	-	932,856	932,856
Current portion of bonds payable	22,842,400	-	22,842,400
Due in more than one year:			
Accounts payable	-	2,536,954	2,536,954
Provision for claims and judgments	-	1,055,151	1,055,151
Net pension liability	-	26,535,050	26,535,050
Net OPEB obligation	-	121,981,535	121,981,535
Bonds payable - Net of current portion	243,672,253	-	243,672,253
Total liabilities	340,731,568	181,978,933	522,710,501
Deferred Inflows of Resources			
Deferred pension cost reductions	-	12,308,018	12,308,018
Deferred OPEB cost reductions	-	10,388,492	10,388,492
Total deferred inflows of resources	-	22,696,510	22,696,510
Net Position			
Net investment in capital assets	442,199,878	998,656,827	1,440,856,705
Restricted:			
Debt service	167,535,293	-	167,535,293
Public works	27,953,592	-	27,953,592
Unrestricted	-	(50,004,655)	(50,004,655)
Total net position	\$ 637,688,763	\$ 946,652,172	\$ 1,584,340,935

See notes to financial statements.

Oakland County, Michigan

**Component Units
Statement of Activities**

Year Ended September 30, 2021

Net Revenue and Changes in Net Position			
Drainage Districts	Road Commission	Total	
\$ 864,721	\$ -	\$ 864,721	
-	50,710,435	50,710,435	
864,721	50,710,435	51,575,156	
517,691	622,990	1,140,681	
-	148,633	148,633	
237,132	-	237,132	
754,823	771,623	1,526,446	
1,619,544	51,482,058	53,101,602	
636,069,219	897,170,114	1,533,239,333	
\$ 637,688,763	\$ 948,652,172	\$ 1,586,340,935	

Program Revenue			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 134,367,789	\$ 128,658,080	\$ 57,316	\$ 6,517,114
133,252,306	23,814,469	114,421,526	45,726,746
\$ 267,620,095	\$ 152,472,549	\$ 114,478,842	\$ 52,243,860

Functions/Programs
Drainage Districts
Road Commission

Total component units

General revenue:
Unrestricted investment income
Gain on sale of capital assets
Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

September 30, 2021

Note 1 - Significant Accounting Policies***Accounting and Reporting Principles***

The basic financial statements of Oakland County, Michigan (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 principles established by the 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, Michigan 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 Units

A blended component unit is a legally separate entity from the County that 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.

Discretely Presented Component Units

A discretely presented component unit is an entity that is legally separate from the County but for which the County is financially accountable or whose 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.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)***Drainage Districts***

This component unit consists of individual districts created under Chapters 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, are governed by the Drain Board for Oakland County, which consists of the Oakland County water resources 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 water resources 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, Michigan.

The financial activities of the Drainage Districts as of and for the year ended September 30, 2021 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 Water Resources Commissioner, #1 Public Works Drive, Waterford, MI 48328.

Road Commission for Oakland County (the "Road Commission")

The Road Commission is governed by three appointees of the County Board of Commissioners who are not 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 control has not been exercised. The Road Commission's primary activities, which are as of and for the year ended September 30, 2021, are 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, 2020, is not reported in the financial statements of Oakland County, Michigan.

Complete financial statements of the Road Commission, which include the Road Commission Retirement System and its separately issued statements, can be obtained from its administrative offices at 31001 Lahser Road, Beverly Hills, MI 48025.

Fiduciary Component Units***Oakland County Public Employees' Retirement System (PERS)***

The PERS is governed by a nine-member board, as described in Note 10. Although it is legally separate from the County, it is reported as a fiduciary component unit because the County appoints the voting majority to the board and imposes a financial burden on the County.

Voluntary Employees' Beneficiary Trust (VEBA)

The VEBA is governed by a nine-member board, as described in Note 12. Although it is legally separate from the County, it is reported as a fiduciary component unit because the County appoints the voting majority to the board and imposes a financial burden on the County.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)**Fund Accounting**

The County accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the County to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The County reports the following funds as 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. Revenue is primarily derived from property taxes, state and federal distributions, and charges for services.
- The Water and Sewer 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 APR Local Fiscal Recovery Fund accounts for the financial resources received under the American Rescue Plan Act.

Additionally, the County reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Capital project funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for capital-related items. The funds operate until the purpose for which they were created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the County). The County reports the following funds as major enterprise funds:

- The Parks and Recreation Fund accounts for the operation of the Oakland County, Michigan 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 Water and Sewer Trust Fund accounts for the collection of resources for the operation of various water and sewer systems maintained by the County, rather than the respective individual municipalities.
- The Evergreen-Farmington S.D.S. (Sewage Disposal System) Fund was established to record the operations and maintenance of the system, which is used to move sewage to the Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities serviced.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

- 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 Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities being served.

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 and services provided to county employees and funds which include health, workers' compensation, unemployment compensation, information technology, various equipment revolving funds, and central service-type operations.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the County's programs. Oakland County, Michigan's fiduciary funds include Pension and Other Postemployment Benefits, Trust Funds to account for retirees' retirement and medical benefits; the investment trust fund, which reports funds deposited by and invested for local units of government; and custodial funds, which account for assets held in a custodial capacity by the County for others. These funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the programs of Oakland County, Michigan.

Interfund Activity

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the County has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the County considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: property taxes, special assessments, and federal and state grant revenue. Conversely, property taxes, special assessments, federal grant reimbursements, and certain other revenue will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual basis presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the County's enterprise functions and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

Specific Balances and Transactions**Pooled Cash and Investments**

The County maintains a cash and investment pool for all funds except the pension trust funds, the Superseding Trust Fund, and two custodial 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, 2021 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 is also reclassified at year end as an interfund liability.

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September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

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.

Interfund Receivables/Payables

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.

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by nonspendable fund balance.

Inventories

Inventories in governmental and proprietary funds are stated at cost using the first-in, first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Prepayments

Payments made for services that will benefit periods beyond September 30, 2021 are recorded as prepayments using the consumption method.

Unearned Revenue

Revenue for which asset recognition has been met but for which revenue recognition criteria have not yet been met for payments received before earnings are complete is reported as a liability.

Restricted Cash

The County has unspent bond proceeds remaining from the 2020 General Obligation Debt for the OMI Drainage District of \$47,288,433.

Capital Assets

Capital assets, which includes 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 acquisition 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.

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Note 1 - Significant Accounting Policies (Continued)

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.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The County recognizes deferred outflows from changes in assumptions related to the OPEB plans. The Road Commission component unit reports deferred outflows from contributions to the plan subsequent to the measurement date for both the pension and OPEB plans and changes in assumptions in relation to the OPEB plan.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The County has four types of deferred inflows, the first of which arising only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from five sources: property taxes, contracts, grants, special assessments, and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type is related to the difference between expected and actual experience related to the OPEB plans. The third type is related to changes in assumptions related to the OPEB Plans. These amounts will be amortized over future years and included in net OPEB expense. The fourth type is related to the net difference between projected and actual earnings on retirement and OPEB plan investments. The Road Commission component unit reports deferred inflows of resources related to both the pension and OPEB plan for the difference between expected and actual experience and net difference between projected and actual earnings on investments along with grant reimbursement funding and special assessment receivables that were not received within the 60-day period of availability.

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2020 through September 30, 2021) and are reported as revenue 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 inflows.

Note 1 - Significant Accounting Policies (Continued)

Net Position

Net position of the County is classified in three components.

- Net investment in capital assets 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 position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often is designated to indicate that management does not consider them to be available for general operations. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

Net Position Flow Assumption

The County will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The County will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Equity

In the fund financial statements for the governmental funds, the following are the components of fund balance:

- Nonspendable: resources that are not in spendable form (i.e., inventories)
- Restricted: amounts that are restricted to specific purposes externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation
- Committed: amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the County's highest level of decision-making authority. A formal resolution by the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment.
- Assigned: amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. These assignments are authorized by the Board of Commissioners through a formal resolution.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

- Unassigned: the residual classification of the General Fund and the reporting of any negative fund balance of a governmental fund.

Property Tax Revenue

County general operating property taxes are levied annually on July 1 (lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes become delinquent. The assessed value of real and personal is established by the local units, accepted by the County, and equalized under state statute at approximately 50 percent of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which requires property taxes to be levied based on the taxable value of the underlying property. Annual increases in taxable value are limited to the lesser of 5 percent or the rate of inflation. Taxable value reverts to 50 percent of true cash value when the property is sold. Taxable value is determined by using such factors as equalized, assessed, and capped values.

The taxable value of real and personal property for the July 1, 2021 general operating levy was \$65.4 billion. The general operating tax rate for this levy was 4.0132 mills, which is the maximum allowable millage levy per the Headlee Amendment to the Michigan Constitution. The County also has a voter-approved tax of 0.39 mills for parks and recreation, which is levied on December 1 each year. The amount unpaid at fiscal year end is reported as current property taxes receivable in the County's General Fund.

Pension

The County offers pension benefits to retirees. The County records a net pension liability (asset) for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Pension Liability (Asset)

The government-wide statements include a liability (asset) for our unfunded (overfunded) legacy costs related to the County's pension plan. The net pension liability (asset) is the difference between the total pension liability and the plan's fiduciary net position. The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience. The net pension liability (asset) is recorded on the government-wide, internal service, and discretely presented component unit statements. This change does not impact the General Fund or any other governmental fund. Refer to the pension footnotes for further details.

Other Postemployment Benefit Liability (Asset)

The County offers a defined health care benefits plan to retirees. The County records an OPEB liability (asset) for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

The net OPEB liability (asset) is recorded on both the government-wide, internal service, and discretely presented component unit financial statements. This change does not impact the General Fund or any other governmental fund. Refer to the OPEB notes for further details.

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 Benefits 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.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits for the primary government and component units.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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. These estimates and assumptions also affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the County's financial statements for the year ended September 30, 2021 but were extended to September 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Ornibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, interagency transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The County does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. With the London Interbank Offered Rate (LIBOR) expected to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The removal of LIBOR as an appropriate benchmark interest rate for a hedging derivative instrument is effective for the County's financial statements for the September 30, 2022 fiscal year. All other requirements of the statement are effective for the County's financial statements for the September 30, 2021 fiscal year. Lease modification requirements are effective one year later.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transfers in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the County's financial statements for the year ending September 30, 2023.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the County's financial statements for the year ending September 30, 2023.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the County's financial statements for the year ending September 30, 2022.

Adoption of New Accounting Pronouncement

During the current year, the County adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the accounting for custodial funds (previously agency funds) has changed. In previous years, the net position of custodial funds was \$0. The beginning net position of custodial funds was restated as follows:

Register of Deeds Trust	\$157,455
Sheriff NET Forfeiture	799,468
Circuit Court Trust	4,676,470
Escheats Trust	82,452
Legatee Trust	756,534
Special Trusts	3,492,534
Public Library Trust	624,944
District Court Trust Accounts	401,559
Jail Inmate Trust Account	285,577
Total custodial funds	\$11,276,993

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

In addition, the assets and corresponding liabilities reported in the Contractor's Retainage Fund were previously reported as fiduciary activities but no longer meet the definition of such; therefore, these activities are now reported within governmental or proprietary funds. The fund balance and net position were not restated for this change.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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 that receive an appropriation and can, therefore, be defined as those with an appropriated, annual, legally adopted budget are the General Fund and three special revenue funds: ARP Local Fiscal Recovery, Child Care, and Social Welfare Foster Care. The budgetary comparison for the General Fund and ARP Local Fiscal Recovery Fund are presented in the required supplemental information and the Child Care and Social Welfare Foster Care funds are presented in the other supplementary information.

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 nondepartmental 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 nondepartmental 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 nondepartmental 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 that authorizes and closes amounts exceeding the original appropriation against the balances in other appropriations and closes the remaining balance to the General Fund's unassigned fund balance.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the County incurred expenditures in the General Fund that were in excess of the amounts budgeted as follows:

	Budget	Actual
Nondepartmental - Personnel	\$ (2,553,693)	\$ 7,303,880

September 30, 2021

Note 2 - Stewardship, Compliance, and Accountability (Continued)***Fund Deficits and Management's Plan***

At September 30, 2021, the County had a deficit in fund balance in the following fund:

Capital project fund - Chapter 4 Drain Construction Fund: \$602,051

The negative unassigned fund balance in the Chapter 4 Drain Construction Fund reflects costs that are related to the Lower Pettibone Lake Sanitary Chapter 4 Drain Construction project in the amount of \$485,992 and the Bald Eagle Lake Chapter 4 Drain Construction project in the amount of \$116,059.

Lower Pettibone Lake Sanitary Chapter 4 Drain Construction Project

A loan from the Long-term Revolving Fund was approved by the Oakland County Board of Commissioners via Miscellaneous Resolution #14136 adopted on June 11, 2014 to provide up to \$1,200,000 in funding for this project. A 20-year assessment against each of the benefiting properties in the district has been approved to repay the loan with first payment due in December 2014. The construction of the sewer was completed and became operational as of January 2015, and the deficit for this specific project will be eliminated when the long-term assessment roll collection is completed. The long-term receivable is on the balance sheet to track the collection. Collection of the special assessment has reduced the deficit by \$68,454 from the FY 2020 deficit of \$554,446 to the FY 2021 deficit of \$485,992.

Bald Eagle Lake Chapter 4 Drain Construction Project

This project was initiated after concerns from property owners in Brandon Township prompted an investigation of the drainage issues. Repairs were started and it was determined that it would be more cost effective to replace the infrastructure. Also, it was determined that a new drainage district should be established to perform necessary updates to the system. A hearing for a new drainage district took place in 2021, and the project is anticipated for construction in spring 2022. Estimated project costs of \$850,000 will be financed by the sale of bonds or a loan. The loan will be repaid by an assessment roll over a 10-year period. The financing for the project is planned for around May 2022.

Capital project fund - Lake Levels Act 146 Fund: \$21,448

The negative unassigned fund balance in the Lake Levels Act 146 Fund relates to the Bush Lake Level project in the amount of \$24,833.

Bush Lake Level

Construction of a new lake level control structure has been completed. In 2010, the Oakland County Board of Commissioners authorized a loan in the amount of \$300,000 from the County's Long-term Revolving Fund to the Bush Lake Special Assessment District to be collected in 10 annual installments. The long-term special assessment for the project commenced in FY 2011. The project cost was more than anticipated, and the final collections from the long-term assessment roll are being reviewed. The \$24,833 deficit within the construction fund will be covered by additional annual assessments to be incorporated with the lake level maintenance fund assessment. The district will be assessed appropriate additional amounts to ensure the ability to eliminate the deficit within the next five to seven years given the small district size and being mindful of the impact to residents in the district.

Note 3 - Deposits and Investments

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

For the primary government, the County manages its investments in a pool format that is used by all county funds. Income, gains, and losses are allocated back to county funds based on their share of the pool, which is calculated based on their average daily cash balance.

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September 30, 2021

Note 3 - Deposits and Investments (Continued)

For its pool, the County only uses federal- and state-chartered financial institutions that are members of the FDIC, NCUA, or DIFS 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 option to local units of government within the County, called the Local Government Investment Pool (LGIP). Contracted participant deposits are treated just like county funds. Income, gains, and losses are allocated based upon the participant's average daily balance. The LGIP is not subject to regulatory oversight, is not registered with the SEC, and does not issue a separate report. Fair value of the position in the pool is approximately equal to 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 is the risk that, in the event of a bank failure, the County's deposits may not be returned.

As of September 30, 2021, the bank balance of the County's deposits was \$1,696,874,299. Insured deposits were \$4,750,000, and the remaining \$1,692,124,299 was uninsured, uncollateralized, and held in the County's name.

The Drainage Districts component unit's cash, deposits, and investments are maintained in pooled accounts of the County; therefore, their amount of insurance would be allocated to the Drainage Districts' 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 percent of the total investment portfolio. In addition, the County's investment policy limits the investment with any single financial institution to 15 percent.

At September 30, 2021, the Road Commission component unit had bank deposits of \$26,789,251 (checking and savings accounts) that were uninsured and uncollateralized. The Road Commission believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Road Commission evaluates each financial institution with which it deposits funds and assesses the level of risk for each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments - Internal Investment Pool

Investments, except those of the retirement systems, Superseding Trust Fund, 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 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

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September 30, 2021

Note 3 - Deposits and Investments (Continued)

3. Commercial paper rated at the time of purchase at the highest classification established by no less than two standard rating services and that matures no 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 no less than one standard rating service
7. Obligations described in subdivisions 1 through 6 if purchased through an interlocal 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.

As of September 30, 2021, the County had the following deposit and investment types in its internal investment pool:

	Governmental Activities (Dollars)	Weighted- average Maturity (Days)
Certificates of deposit (1)	994,669,229	248
Deposit accounts (1)	702,205,070	1
Money market investment pools	271,074	1
Treasury notes	62,018,320	1,070
Negotiable CDs	37,287,343	340
Municipal bonds	39,011,770	2,008
Government agencies	642,109,852	1,031
Total fair value of internal investment pool	<u>2,477,572,658</u>	
Weighted-average maturity of internal investment pool (in days)	-	428

(1) These items are considered deposits and not investments. They are presented here to give a clear picture of the investment pool's overall weighted-average maturity.

Credit Risk

The County had \$62,018,320 invested in Treasury notes that are rated AAA by Standard & Poor's and Aaa by Moody's. The County had \$642,109,852 invested in U.S. government agencies that are rated AA by Standard & Poor's and Aaa by Moody's. The County had \$39,011,770 invested in AAA (S&P) and Aaa (Moody's) municipal bonds. The money market investment pool had \$271,074 invested with a rating of AAAm (S&P). The County's investment policy is silent on the use of rated versus unrated money market funds. In addition, there is no rating level requirement for rated money market funds.

September 30, 2021

Note 3 - Deposits and Investments (Continued)**Custodial Credit Risk**

Custodial credit risk 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, 2021, investments with a fair value of \$780,427,285 were 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 safekeeping requirement.

Concentration of Credit Risk - Investments

On September 30, 2021, the County had investments of 5 percent or more of the total portfolio with the following agency issuers: Federal Farm Credit Bank - 8.05 percent and Federal Home Loan Bank - 11.91 percent. No other issuer exceeded 5 percent of the total portfolio.

Interest Rate Risk

To limit its exposure to fair value losses from rising interest rates, the County's investment policy states the County will not directly invest in securities that mature more than three years from date of purchase; however, securities exceeding the three-year limitation may be purchased provided maturity dates coincide with the expected use of the funds. As of September 30, 2021, the internal investment pool had a weighted-average maturity of 428 days, and the longest investment maturity in the portfolio was 2,008 days (5.5 years).

Investments - Pension Trust Funds and VEBA Trust

The Pension and VEBA Trust Funds 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 that are selected and retained by the Retirement (PERS, VEBA, and ST) and Deferred Compensation Board. The advisors serve at the leisure of the board, as provided by investment agreements. At September 30, 2021, the primary government's pension trust fund had 30 investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement System's name.

September 30, 2021

Note 3 - Deposits and Investments (Continued)

As of September 30, 2021, the County had the following investment types in its pension and VEBA Trust funds:

Investment Type	Fair Value	Percentage	Average Duration (in Years)
Common stock	\$ 1,172,272,280	50.14%	N/A
Preferred stock	3,839,610	0.16%	N/A
Convertible equity	1,588,955	0.07%	N/A
Government bonds	160,084,994	6.85%	8.01
Government agencies	77,737,348	3.33%	9.51
Municipal bonds	828,708	0.04%	58.11
Corporate bonds	318,302,930	13.61%	10.51
Bank loans	3,081,849	0.13%	3.83
Government mortgage-backed securities	66,675,413	2.85%	22.66
Commercial mortgage-backed securities	19,892,384	0.85%	23.61
Asset-backed securities	18,714,261	0.80%	9.97
Non-government-backed CMOs	287,418	0.01%	29.06
Index-linked government bonds	3,861,174	0.17%	4.08
Other fixed income	5,674,774	0.24%	3.31
Real estate	224,610,208	9.61%	N/A
Sukuk	408,406	0.02%	5.81
Partnerships	92,585,231	3.96%	N/A
Hedge funds	126,071,558	5.39%	N/A
Cash and cash equivalents	41,467,954	1.77%	0.03
Total	\$ 2,337,965,455		

Credit Risk - Pension and VEBA Trust

The board's adopted Statement of Investment Goals and Objectives (SIGO) states that no nonconvertible bonds and convertible securities are authorized for purchase. In addition, no more than 10 percent 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. Of the total value of the portfolio, 90 percent must have a quality rating of A or better by Moody's and Standard & Poor's. For 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 shall then instruct the investment manager as to which action should be taken.

As of September 30, 2021, debt obligation investments held in the pension and VEBA Trust funds had the following ratings:

Fair Value	Percentage	S&P Rating	Moody's Rating
\$ 174,007,904	21.18%	AAA	Aaa
28,565,655	3.48	AA	Aa
85,696,442	10.43	A	A
88,801,802	10.81	BBB	Baa
24,662,110	3.00	BB	Ba
7,811,462	0.95	B	B
136,400	0.02	CCC	Caa
275,072,461	33.48	Not rated	Not rated
136,795,037	16.65	U.S. Government Guaranteed	U.S. Government Guaranteed
\$ 821,549,273			

September 30, 2021

Note 3 - Deposits and Investments (Continued)**Custodial Credit Risk - Pension and VEBA Trust Funds**

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 an outside party. The Retirement System's Statement of Investment Goals and Objectives requires 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, 2021, \$2,337,965,455 in investments was held in third-party safekeeping in the County's name.

Concentration of Credit Risk - Pension Trust Funds and Superseding Trust

The board's adopted Statement of Investment Goals and Objectives states that no more than 5 percent of the assets of the Retirement System's portfolio may be invested in the fixed-income obligations of any one corporation or its affiliates and no more than 10 percent may be invested in the equity of any one corporation or its affiliates. Further, for fixed-income investments, no more than 10 percent 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 percent of the portfolio at cost. ADRs should not exceed a maximum of 10 percent 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, 2021, as reported by the system's investment managers, no holdings exceed any of the board's adopted limits.

Interest Rate Risk Pension Trust Funds and Superseding Trust

The board's adopted Statement of Investment Goals and Objectives places no limitation on the system's fixed-income managers on the length to maturity for fixed-income investments. As the schedule on the previous page indicates, the system's fixed-income investments had average durations of between 0.03 years and 58.11 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.

Collateralized mortgage obligations (CMOs) are U.S. government-issued asset-backed certificates and corporate-issued asset-backed certificates. Current CMO holdings have maturity lengths ranging from 26.1 years to 35.6 years and are backed by investments in various assets, including mortgages. As of September 30, 2021, the market value was \$287,418.

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, 2021, the County's CMO portfolio had an effective duration of 1.80 years.

September 30, 2021

Note 3 - Deposits and Investments (Continued)**Fair Value Measurements**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The County's primary government has the following recurring fair value measurements as of September 30, 2021:

	Assets Measured at Carrying Value on a Recurring Basis at September 30, 2021		
	Level 1	Level 2	Level 3
Investment Type			Total Value
Government agencies	\$ -	\$ 642,109,852	\$ -
Municipal bonds	-	39,011,770	-
Treasury notes	-	62,018,320	-
Negotiable CDs	-	37,287,343	-
Total	\$ -	\$ 780,427,285	\$ 780,427,285
Investments measured at NAV - Money market investment pools			271,074
Total assets			\$ 780,698,359

The fair value of Treasury notes, negotiable CDs, government agencies, and municipal bonds at September 30, 2021 was determined primarily based on Level 2 inputs, and they are valued using quoted prices for identical securities in markets that are not active. The money market investment pools are valued at published fair value per share (unit) for the fund.

September 30, 2021

Note 3 - Deposits and Investments (Continued)

The following tables represent the County's pension and VEBA Trust funds' assets measured at fair value on a recurring basis at September 30, 2021:

	Assets Measured at Carrying Value on a Recurring Basis at September 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2021
Assets				
Equity securities:				
Common stock	\$ 709,077,097	\$ -	\$ -	\$ 709,077,097
Preferred stock	3,839,610	-	-	3,839,610
Convertible equity	1,588,955	-	-	1,588,955
Private equity fund	-	-	38,481,461	38,481,461
Total equity securities	714,505,662	-	38,481,461	752,987,123
Debt securities:				
Government bonds	-	160,084,994	-	160,084,994
Government agencies	-	23,198,616	-	23,198,616
Municipal/Provincial bonds	-	828,708	-	828,708
Corporate bonds	-	220,468,473	-	220,468,473
Government mortgage-backed securities	-	66,675,413	-	66,675,413
Commercial mortgage-backed securities	-	19,892,384	-	19,892,384
Non-government-backed CMO	-	287,418	-	287,418
Asset-backed securities	-	18,714,261	-	18,714,261
Index-linked government bonds	-	3,861,174	-	3,861,174
Bank loans	-	3,081,849	-	3,081,849
Sukuk	-	408,406	-	408,406
Other fixed income	-	5,674,774	-	5,674,774
Total debt securities	-	523,176,470	-	523,176,470
Total investments by fair value level	\$ 714,505,662	\$ 523,176,470	\$ 38,481,461	1,276,163,593
Investments measured at NAV:				
International equity				200,814,562
Global fixed income				97,834,457
Private fixed income				63,563,322
Index funds				262,360,621
Hedged equity long/short funds				158,983,377
Real estate				221,133,190
Total investments measured at NAV				1,004,699,529
Total assets				\$ 2,280,863,122

September 30, 2021

Note 3 - Deposits and Investments (Continued)

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: equity mutual funds are valued using fair value per share for each fund, and fixed-income investments are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Debt and equity securities classified in Level 3 are based upon unobservable inputs.

Investments in Entities that Calculate Net Asset Value per Share

The County holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At September 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
International equity	\$ 200,814,562	\$ -	Monthly	10 days
Global fixed income	97,834,457	-	Daily	3 days
Private fixed income	63,553,323	77,747,042	Daily	3 days
Index funds	262,380,621	-	Daily	3 days
Hedged equity long/short funds	158,983,377	-	Quarterly	90 days
Real estate	221,133,190	22,256,106		
Total	\$ 1,004,699,530	\$ 100,003,148		

The international equity fund seeks long-term growth of capital by investing at least 80 percent of its net assets in large capitalization equity securities listed in the Morgan Stanley Capital International Europe, Australasia, and Far East Index (MSCI EAFE Index).

The global fixed-income fund seeks current income with capital appreciation and growth of income by investing at least 80 percent of its net assets in bonds of governments, government-related entities, and government agencies located anywhere in the world. The fund regularly enters into various currency-related and other transactions involving derivative instruments.

The private fixed-income fund invests in senior secured loans to U.S. middle market private equity portfolio companies with annual cash flow of up to \$100 million that are owned or controlled by leading private equity sponsors.

The index fund seeks to replicate the total return of the S&P 500 index. Under normal market conditions, at least 80 percent of its total assets will be invested in stocks in the S&P 500 index. The fund utilizes a passive investment approach attempting to replicate the investment performance of its benchmark.

The hedged equity long/short fund is composed of hedge funds that invest in global equity markets using long/short strategies both from a bottom-up (stock-pickers) orientation and a top-down (macro) orientation, including emerging markets.

The fair values of the investments in the preceding five classes have been estimated using net asset value per share of the investments.

The real estate funds class included several real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using the net asset value of the County's ownership interest in partners' capital.

September 30, 2021

Note 3 - Deposits and Investments (Continued)

Disclosures Regarding Redemption Only Upon Liquidation

The investments in the private real estate, real estate, and real estate international can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 1 to 10 years.

Note 4 - Receivables

Receivables as of September 30, 2021 for the County's individual major funds and the nonmajor, internal service, and component units in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Primary Government					Business-Type Activities				
	Governmental Activities			Total		Business-Type Activities			Total	
	General Fund	Water and Sewer Debt Act 342	Nonmajor Funds	Proprietary Internal Service Fund	Governmental Activities	Enterprise	Business-Type Activities	Drainage Districts	Road Commission	Component Units
Receivables:										
Property taxes receivable	\$ 33,942,851	-	\$ -	-	\$ 33,942,851	-	-	-	-	-
Special assessments receivable	-	38,625,727	10,186,133	-	48,811,860	-	-	-	-	-
Delinquent property taxes receivable	607,169	-	-	-	607,169	-	-	-	48,675	49,657,422
Accrued interest receivable	-	-	-	-	-	-	-	-	14,011	2,031,561
Due from other governments	19,256,314	397	141,250	1,055,266	1,985,516	-	-	-	286,107	705,746
Other	397,416	-	16,678,960	42,357	35,976,028	-	-	-	309,312	10,752,653
Contracts receivable	16,334,089	-	872,689	3,060,741	4,330,846	-	-	-	-	27,896,634
Allowance for doubtful accounts	(25,000)	-	9,649,000	-	27,383,089	-	-	-	(149,380)	-
Net receivables	\$ 72,512,839	\$ 38,626,124	\$ 36,928,032	\$ 4,158,364	\$ 152,225,359	\$ 488,725	\$ 63,147,382	\$ 29,821,402		
Primary Government										
Business-Type Activities										
Evergreen-Farmingington S.D.S.	-	-	-	-	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-	-	-	-
Delinquent property taxes receivable	-	-	-	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-	-	-
Due from other governments	149,561	257,871	572,133	3,255,458	163,122	-	-	-	-	-
Other	3,008,788	4,468,779	6,894,460	16,838,507	4,711,597	-	-	-	-	-
Contracts receivable	2,772,656	32,467	1,619,633	40,610,599	195,882	-	-	-	-	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Net receivables	\$ 5,930,387	\$ 4,759,217	\$ 9,379,064	\$ 113,526,777	\$ 209,466,045	\$ 25,428,761	\$ 234,894,806			

The allowance in the General Fund is for accounts receivable, and the allowance in the Parks and Recreation Fund is for taxes receivable.

Note 5 - Unavailable/Unearned Revenue

September 30, 2021

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental and enterprise funds report unearned revenue in connection with resources that have been received but not yet earned.

At September 30, 2021, the various components of unearned and unavailable revenue were as follows:

	Governmental Funds		Enterprise Funds		Component Units	
	Modified Accrual - Deferred Inflow - Unavailable	Liability - Unearned	Modified Accrual - Deferred Inflow - Unavailable	Liability - Unearned	Liability - Unearned	Total
Property taxes	\$ 9,793,117	\$ -	\$ 9,793,117	\$ -	\$ -	\$ -
Special assessments	48,411,860	-	48,411,860	-	49,323,354	2,16,889,614
Grants	3,845,307	-	3,845,307	-	-	-
Contracts receivable	8,975,000	-	8,975,000	-	-	-
Other	11,762,010	137,028,306	148,790,316	1,243,147	12,352,082	12,352,082
Total	\$ 82,157,294	\$ 137,028,306	\$ 219,185,600	\$ 1,243,147	\$ 61,675,438	\$ 229,241,696

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2021 of the County's governmental and business-type activities was as follows:

Governmental Activities

	Balance October 1, 2020		Reclassifications		Additions		Disposals and Adjustments		Balance September 30, 2021	
Capital assets not being depreciated:										
Land	\$ 7,365,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,365,551	
Construction in progress	39,415,420	(9,735,546)	(9,735,546)	7,368,301	-	-	-	-	37,048,175	
Subtotal	46,780,971	(9,735,546)	(9,735,546)	7,368,301	-	-	-	-	44,413,726	
Capital assets being depreciated:										
Buildings and improvements	280,842,423	3,614,674	-	-	-	-	-	-	284,457,097	
Equipment and vehicles	147,568,894	5,920,872	-	6,101,772	(2,551,432)	-	-	-	156,839,106	
Infrastructure	38,270,983	200,000	-	-	-	-	-	-	38,470,983	
Land improvements	1,675,941	-	-	-	-	-	-	-	1,675,941	
Subtotal	468,148,241	9,735,546	-	6,101,772	(2,551,432)	-	-	-	481,434,127	
Accumulated depreciation:										
Buildings and improvements	139,187,910	-	-	6,943,825	-	-	-	-	146,131,735	
Equipment and vehicles	123,173,903	-	-	8,495,755	(2,473,038)	-	-	-	129,196,620	
Infrastructure	21,349,141	-	-	782,213	-	-	-	-	22,131,354	
Land improvements	1,230,036	-	-	37,108	-	-	-	-	1,267,144	
Subtotal	284,940,990	-	-	16,258,901	(2,473,038)	-	-	-	298,726,853	
Net capital assets being depreciated	183,207,251	9,735,546	-	(10,157,129)	-	-	-	(78,394)	182,707,274	
Net governmental activities capital assets	\$ 229,988,222	\$ -	\$ -	\$ (2,788,828)	\$ -	\$ -	\$ -	\$ (78,394)	\$ 227,121,000	

Note 6 - Capital Assets (Continued)

September 30, 2021

Business-type Activities

	Balance October 1, 2020		Reclassifications		Additions		Disposals and Adjustments		Balance September 30, 2021	
Capital assets not being depreciated:										
Land	\$ 68,492,877	\$ -	\$ -	\$ 9,181	\$ -	\$ -	\$ -	\$ -	\$ 68,502,058	
Construction in progress	146,603,984	(4,634,822)	(4,634,822)	39,986,533	-	-	-	-	183,955,695	
Other	12,000	-	-	-	-	-	-	-	12,000	
Subtotal	217,108,861	(4,634,822)	(4,634,822)	39,995,714	-	-	-	-	252,469,753	
Capital assets being depreciated:										
Buildings and improvements	105,148,603	1,661,214	1,661,214	40,037	-	-	-	-	106,849,854	
Equipment and vehicles	91,222,720	598,730	598,730	509,820	-	-	(595,805)	-	91,735,465	
Infrastructure	325,852,867	1,684,750	1,684,750	-	-	-	(1,206,736)	-	326,330,901	
Land improvements	45,139,104	690,128	690,128	-	-	-	-	-	45,829,232	
Subtotal	567,361,314	4,634,822	4,634,822	549,857	-	-	(1,802,541)	-	570,743,452	
Accumulated depreciation:										
Buildings and improvements	55,217,341	-	-	2,285,745	-	-	-	-	57,503,086	
Equipment and vehicles	69,609,140	-	-	3,582,699	-	-	(556,982)	-	72,644,857	
Infrastructure	263,386,778	-	-	4,781,885	-	-	(61,455)	-	268,067,218	
Land improvements	32,845,953	-	-	1,363,878	-	-	-	-	34,029,811	
Subtotal	420,859,192	-	-	12,044,217	-	-	(638,437)	-	432,264,972	
Net capital assets being depreciated	146,502,122	4,634,822	4,634,822	(11,494,360)	-	-	(1,164,104)	-	138,478,480	
Net business-type activity capital assets	\$ 363,610,983	\$ -	\$ -	\$ 28,501,354	\$ -	\$ -	\$ (1,164,104)	\$ -	\$ 390,948,233	

In January 2021, the County approved a transfer of certain assets of the Highland Township Water Supply System to grant the Township control over the assets. As a result of the transfer, the County recognized a loss of \$1.1 million on the disposal of the assets as a special item in the Water and Sewer Trust enterprise fund.

September 30, 2021

Note 6 - Capital Assets (Continued)

Capital asset activity for the County's component units for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance September 30, 2021
Road Commission					
Capital assets not being depreciated:					
Land and other	\$ 234,407,809	\$ -	\$ 4,611,935	\$ -	\$ 239,019,744
Construction in progress	511,127	(425,244)	1,409,254	-	1,495,137
Subtotal	234,918,936	(425,244)	6,021,189	-	240,514,881
Capital assets being depreciated:					
Buildings and storage bins	23,683,286	425,244	225,884	-	24,334,414
Road equipment	81,567,244	-	3,956,646	(3,310,160)	82,215,730
Other equipment	8,001,979	-	771,380	-	8,773,359
Infrastructure	1,237,059,890	-	69,832,228	(25,208,510)	1,281,683,608
Brine wells and gravel pits	2,489,608	-	-	-	2,489,608
Subtotal	1,352,802,007	425,244	74,788,138	(28,518,670)	1,399,496,719
Accumulated depreciation:					
Buildings and storage bins	14,453,060	-	410,591	-	14,863,651
Road equipment	63,460,261	-	6,677,156	(3,310,160)	66,827,257
Other equipment	5,720,130	-	548,979	-	6,269,109
Infrastructure	522,927,100	-	53,597,774	(25,208,510)	551,316,364
Brine wells and gravel pits	1,968,334	-	110,058	-	2,078,392
Subtotal	608,528,885	-	61,344,558	(28,518,670)	641,354,773
Net capital assets being depreciated	744,273,122	425,244	13,443,580	-	758,141,946
Net component units - Road Commission capital assets	\$ 979,192,058	\$ -	\$ 19,464,769	\$ -	\$ 998,656,827
Depreciation expense was charged to functions of the primary government as follows:					
Governmental activities:					
Public safety					\$ 4,355,312
Justice administration					1,091,736
Citizens services					849,144
Public infrastructure					164,812
Commerce and community development					35,524
Unallocated depreciation					2,926,922
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets					6,833,451
Total governmental activities					\$ 16,258,901

September 30, 2021

Note 6 - Capital Assets (Continued)

Business-type activities:		
Airports	\$ 2,657,422	
Community safety support	2,269,012	
Community water and sewer	1,913,525	
Recreation and leisure	3,266,455	
Sewage disposal systems	1,937,803	
Total business-type activities	\$ 12,044,217	
Component units:		
Drainage Districts	\$ 10,018,583	
Road Commission	61,344,558	
Total component units	\$ 71,363,141	

September 30, 2021

Note 7 - Long-term Debt

The County issues bonds and notes authorized by various state acts. Each act provides specific covenants for specific purposes. Long-term debt activity for the year ended September 30, 2021 is summarized as follows:

Governmental Activities

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	General Obligation	With Governmental Commitment
Bonds payable:								
Direct borrowings:								
Refugee Health Care	3.62%	\$ 175,990,000	\$ -	\$ (26,595,000)	\$ 149,495,000	\$ 27,585,000	\$ 148,485,000	\$ -
Water supply - Act 342	3.34%	145,000	-	(20,000)	125,000	20,000	-	125,000
Michigan Bond Authority -								
Sewage Disposal	1.62%	29,593,709	1,843,603	(1,670,000)	29,767,312	1,720,000	-	29,767,312
Bonds	2.50%							
Total direct borrowings								
principal		204,828,709	1,843,603	(28,295,000)	178,377,312	29,325,000	148,485,000	29,892,312
outstanding								
Other debt:								
Building authority - Act 31	2.00% - 3.375%	19,320,000	-	(2,705,000)	16,615,000	2,790,000	16,615,000	-
Building authority	2.00%	21,190,000	-	(5,060,000)	16,130,000	5,185,000	7,155,000	8,975,000
Refunding	5.00%							
Refugee Health Care	4.53%	34,000,000	-	-	34,000,000	-	34,000,000	-
Bonds - Act 451	2.00%	1,468,000	-	(46,800)	1,421,200	46,800	-	421,200
Water supply - Act 342	1.70%	11,335,000	-	(11,335,000)	-	-	-	-
Sewage disposal - Act 342	3.25%	9,255,000	-	(645,000)	8,610,000	650,000	-	8,610,000
Water and sewer	1.50%	1,095,000	-	(936,000)	160,000	160,000	-	160,000
Water supply refunding	2.00% - 5.00%	-	9,460,000	(260,000)	9,200,000	575,000	-	9,200,000
Total other debt								
principal		96,864,000	9,460,000	(20,987,800)	85,136,200	9,406,800	57,770,000	27,366,200
outstanding								
Unamortized bond premiums		1,913,565	1,613,427	(373,920)	3,153,072	-	3,153,072	-
Total bonds payable		303,406,274	12,917,030	(49,656,720)	266,666,584	38,731,800	3,153,072	-
Compensated absences		16,548,231	1,798,575	(1,654,822)	16,691,974	1,669,197	-	-
Claims and judgments		21,946,793	13,098,370	(7,755,768)	28,106,395	7,552,474	-	-
Total governmental activities long-term debt		\$ 341,903,288	\$ 26,623,975	\$ (59,062,310)	\$ 311,464,953	\$ 47,775,471	\$ 209,408,072	\$ 57,298,512

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Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	General Obligation	With Governmental Commitment
Bonds payable:								
Direct borrowings:								
Michigan Bond Authority -								
Water and Sewage	2.50% - 6.00%	\$ 17,428,912	\$ 183,916	\$ (1,239,900)	\$ 16,373,928	\$ 1,267,600	\$ 16,373,928	\$ -
Disposal Bonds								
Other debt:								
Building - County	2.00%	-	-	(620,000)	4,030,000	625,000	4,030,000	-
BA - Act 31 - Radio	5.00%	4,650,000	-	-	14,140,000	990,000	14,140,000	-
Sewage disposal - Act 34	5.00%	15,125,000	-	(895,000)	14,140,000	990,000	14,140,000	-
Sewage disposal refunding	1.51% - 3.125%	11,335,000	-	(865,000)	10,470,000	900,000	10,470,000	-
Total other debt	3.00%	2,670,000	-	(205,000)	2,465,000	210,000	2,465,000	-
principal		33,780,000	-	(2,675,000)	31,105,000	2,725,000	31,105,000	-
outstanding								
Unamortized bond premiums		3,911,389	-	(340,358)	3,571,031	-	3,571,031	-
Total bonds payable		55,121,301	183,916	(4,255,258)	51,049,959	3,962,600	51,049,959	-
Total business-type activities long-term debt		\$ 55,121,301	\$ 183,916	\$ (4,255,258)	\$ 51,049,959	\$ 3,962,600	\$ 51,049,959	\$ -

September 30, 2021

Note 7 - Long-term Debt (Continued)

Component Unit - Drainage Districts and Road Commission

Bonds payable:	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	General Obligation	With Governmental Commitment
Direct borrowings:	1.00% - 2.45% -	\$ 520,000	\$ -	\$ (80,000)	\$ 440,000	\$ 85,000	\$ 158,708	\$ 281,292
Michigan Bond Authority - Drain Bonds	1.625% - 6.00%	157,332,769	692,215	(14,645,100)	143,379,884	14,997,400	14,785,743	128,594,141
Total direct borrowings principal outstanding		157,852,769	692,215	(14,725,100)	143,819,884	15,082,400	14,944,451	128,875,433
Other debt:	1.00% - 7.00%	111,240,000	-	(44,280,000)	66,960,000	3,230,000	898,146	66,061,854
Drain Refunding Bonds	1.85% - 3.00%	11,430,000	38,010,000	(1,945,000)	47,495,000	4,530,000	39,202,990	8,292,010
Total other debt principal outstanding		122,670,000	38,010,000	(46,225,000)	114,455,000	7,760,000	40,101,136	74,353,864
Unamortized bond premiums		7,640,486	1,021,362	(422,079)	8,239,769	-	8,239,769	-
Total bonds payable		288,163,255	39,723,577	(61,372,179)	266,514,653	22,842,400	55,045,587	203,229,297
Net pension liability - Road Commission		36,882,420	1,694,353	(12,041,723)	26,535,050	-	-	-
Net OPEB liability - Road Commission		126,286,932	4,453,914	(8,761,311)	121,881,535	-	-	-
Compensated absences - Road Commission		3,793,997	-	(1,247,043)	2,556,954	-	-	-
Claims and judgments - Road Commission		1,505,941	1,471,002	(988,936)	1,988,007	932,856	-	-
Total component unit long-term debt		\$456,624,545	\$ 47,342,846	\$ (84,411,192)	\$419,556,199	\$ 23,775,256	\$ 63,285,396	\$203,229,297

September 30, 2021

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

The annual requirements to pay principal and interest on debt outstanding at September 30, 2021 (excluding the liabilities for compensated absences, other postemployment benefits, pension liability, and uninsured losses for the County and Road Commission component unit) are as follows:

Years Ending September 30	Governmental Activities			
	Direct Borrowings		Other Debt	
	Principal	Interest	Principal	Interest
2022	\$ 29,325,000	\$ 5,618,970	\$ 9,406,800	\$ 3,266,016
2023	30,390,000	4,559,138	6,776,800	2,916,461
2024	31,485,000	3,460,623	4,336,800	2,702,739
2025	32,620,000	2,322,284	2,941,800	2,560,541
2026	33,805,000	1,142,548	2,991,800	2,451,693
2027-2031	9,785,727	2,109,920	48,117,200	3,691,544
2032-2036	10,966,585	836,323	9,910,000	823,347
2037-2041	-	-	655,000	15,603
Total	\$178,377,312	\$ 20,049,806	\$ 85,136,200	\$ 18,427,944

Years Ending September 30	Business-type Activities			
	Direct Borrowings		Other Debt	
	Principal	Interest	Principal	Interest
2022	\$ 1,267,600	\$ 401,510	\$ 2,725,000	\$ 1,133,102
2023	1,300,700	369,593	2,845,000	1,038,422
2024	1,336,100	336,883	2,935,000	938,436
2025	1,361,500	303,288	2,615,000	833,468
2026	1,396,900	269,058	2,705,000	733,912
2027-2031	7,103,249	804,962	14,295,000	2,015,794
2032-2036	2,607,879	130,453	2,985,000	75,028
2037-2041	-	-	-	-
Total	\$ 16,373,928	\$ 2,615,747	\$ 31,105,000	\$ 6,768,162

Years Ending September 30	Component Units - Drainage Districts			
	Direct Borrowings		Other Debt	
	Principal	Interest	Principal	Interest
2022	\$ 15,082,400	\$ 3,251,618	\$ 7,760,000	\$ 3,140,141
2023	14,299,300	2,903,602	7,020,000	2,914,327
2024	14,641,576	2,561,456	7,180,000	2,720,637
2025	9,578,500	2,278,427	6,880,000	2,525,249
2026	9,802,246	2,056,265	6,610,000	2,336,159
2027-2031	50,224,810	6,836,078	34,795,000	8,346,780
2032-2036	28,275,000	1,771,044	28,610,000	3,244,881
2037-2041	1,916,052	50,678	15,600,000	787,700
Total	\$ 143,819,884	\$ 21,709,168	\$ 114,455,000	\$ 26,015,874

Note 7 - Long-term Debt (Continued)

The County has pledged its full faith and credit on debt totaling \$569,267,324. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2021, the debt limit was \$8,478,454,848. 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, 2021, there were two issues outstanding totaling \$16,615,000, maturing in the years 2022-2035, which represents debt originally issued in the years 2012-2015 totaling \$34,775,000.

Retirees Health Care Bonds

In September 2013, the County issued refunding bonds in the amount of \$350,000,000 in order to refinance and redeem the 2007 Certificates of Participation debt. This enabled the County to fully fund the VEBA Trust Fund as of September 30, 2014. The County thereafter entered into a superseding contract with a new Superseding Trust created by the County, under which contract the County is now obligated to maintain the funding in the VEBA Trust Fund in future years pursuant to the terms of that contract under a superseding plan that has superseded and supplanted the obligation of the County to maintain retiree health services by keeping the VEBA Trust Fund at full funding. As of September 30, 2021, there were two issues outstanding totaling \$182,485,000, maturing in the years 2022-2027. The debt is recorded in the Fringe Benefits Fund, an internal service fund of the County.

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 that 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 revenue produced by utility or tax revenue. 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 inflows in the debt service funds for each act. At September 30, 2021, there were five issues outstanding, totaling \$8,735,000, maturing in the years 2022-2037. This represents debt originally issued in the amount of \$11,250,000 issued in the years 2017-2018.

Refunding Bonds

Michigan Public Act 31 of 1948 and Act 34 of 2001 provide for the refunding of bonds based on covenants contained in the acts. The bonds will be repaid from assessments levied against the benefiting municipalities for water and sewer debt or leases for the Building Authority's debt. At September 30, 2021, there were 11 issues outstanding totaling \$25,490,000, maturing in the years 2022-2040. This represents debt originally issued in the years 2010-2021 totaling \$48,875,000.

Lake Levels

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 March 2020, the County authorized the issuance of bonds in the amount of \$468,000 for the Upper Straits Lake Level. This debt issued matures in the year 2030. At September 30, 2021, there was a balance outstanding of \$421,200.

Note 7 - Long-term Debt (Continued)***Michigan Bond Authority Sewage Disposal Bonds***

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. As of September 30, 2010, a final amount of \$1,935,727 was received from the State Revolving Loan Fund. The amount outstanding at September 30, 2021 for this issue is \$600,727, which matures in the years 2022-2027.

In September 2014, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$36,855,000 for the Evergreen and Farmington Sewage Disposal Systems Middlebelt Transport and Storage Tunnel project. As of September 30, 2021, \$123,415 remains undrawn from the State Revolving Loan Fund. The amount outstanding at September 30, 2021 for this issue is \$29,166,585, which matures in the years 2022-2036.

Business-type

Two of the Building Authority's refunding bond issues for the County Airports Fund consist of the Airport T-Hangar Refunding in the amount outstanding as of September 30, 2021 of \$1,275,000 maturing in the years 2022-2024 and the Airport Terminal Building in the amount outstanding as of September 30, 2021 of \$2,755,000, maturing in the years 2022-2030. These represent original refunding debt issued in the amount of \$4,585,000 in 2012 for the Airport T-Hangar and \$2,970,000 in 2020 for the Airport Terminal Building.

In March 2012, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$2,415,000 for the Evergreen-Farmington Sewage Disposal System 8 Mile Pumping Station Septage Facility (enterprise fund type). The amount outstanding for this issue at September 30, 2021 was \$1,475,000, which matures in the years 2022-2032.

In August 2012, in conjunction with the transfer of operations of the City of Pontiac, Michigan water and sewer system to the County, the County's Water and Sewer Trust Fund assumed the debt obligations initiated by the City of Pontiac, Michigan for four Clean Water/Water Quality projects. The total authorized loan amount is \$8,220,720. In addition, in October 2014, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for City of Pontiac Water Supply System improvements for \$6,890,000. Further, in October 2015, the County authorized the issuance of two additional bonds from the Michigan Municipal Bond Authority Revolving Loan fund for the City of Pontiac Water Supply System, one for up to \$6,850,000, with \$1,762,500 principal forgiveness. As of September 30, 2021, \$851,994 remains undrawn. The other issuance was for up to \$720,000. As of September 30, 2021, \$178,012 is undrawn. Additionally, in October 2016, the County authorized the issuance of bonds for the City of Pontiac Water Supply System for \$5,165,000, with \$1,000,000 principal forgiveness. As of September 30, 2021, \$2,142,586 is undrawn. The debt obligation recorded as of September 30, 2021 amounted to \$14,898,928 maturing in the years 2021-2035.

In February 2018, the County issued \$3,065,000 of refunding bonds for a current refunding of a general obligation limited tax bond issue for the Evergreen-Farmington Sewage Disposal System pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. The amount outstanding as of September 20, 2021 was \$2,465,000, which matures in the years 2022-2031.

In September 2018 and March 2020, the County issued \$8,300,000 and \$3,910,000, respectively, of general obligation limited tax sewage disposal bonds for the Evergreen-Farmington Sewage Disposal System pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. The amount outstanding as of September 30, 2021 was \$10,470,000, which matures in the years 2022-2033.

In May 2020, the County issued \$15,125,000 of general obligation limited tax bonds for the Radio Communications project pursuant to authorization contained in Michigan Public Act 31 of 1948 and Act 34 of 2001. The amount outstanding as of September 30, 2021 was \$14,140,000, which matures in the years 2022-2032.

Note 7 - Long-term Debt (Continued)***Drain Bonds - 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 revenue of the respective municipality. The County's 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, 2021, there were 12 issues outstanding, totaling \$67,400,000, maturing in the years 2022-2040. This represents original debt issued for \$85,410,000 in the years 2003-2020.

Drain Refunding Bonds (Component Unit)

Act 202 of 1943 and Act 34 of 2001 provide for the refunding of bonds based on covenants contained in the acts. The County initiates the refunding of various drain bonds issued under Act 40 on behalf of the drainage district's component unit. Bonds will be repaid from assessments levied against the benefiting municipalities. At September 30, 2021, there were six issues outstanding, totaling \$47,495,000, maturing in the years 2022-2034. This represents debt originally issued in the years 2013-2021 in the amount of \$56,390,000.

Michigan Bond Authority Drain Bonds (Component Unit)

The County authorized the issuance of bonds for \$17,880,000 in October 2000 from the Michigan Municipal Bond Authority Revolving Loan fund for the George W. Kuhn Drainage District. Further, in 2001, the County authorized an additional \$82,200,000 for the George W. Kuhn Drainage District Segment II, with successive authorizations in the years 2005 through 2008 amounting to \$13,246,822. In February 2010, Oakland County, Michigan; Macomb County, Michigan; and their underlying municipalities, under the authority of Chapter 21 of Public Act 40, Public Acts of Michigan of 1956, were permitted to issue bonds in the amount of \$26,076,000 for the Oakland-Macomb Interceptor Drainage District with successive authorizations for Segments II, III & IV in the years 2012, 2013, and 2015, respectively, amounting to \$99,160,000. In August 2012, in conjunction with the transfer of operations of the City of Pontiac, Michigan wastewater treatment system to the County, the County's Drainage Districts assumed the debt obligations initiated by the City of Pontiac, Michigan for two clean water/water quality projects. The total authorized loan amount was \$13,322,810. Further, in October 2014, the County authorized an additional \$9,840,000, with \$1,000,000 principal forgiveness, for the Pontiac Waste-Water Treatment Drain District. In June 2017, the County authorized the issuance of bonds for Clinton River Water Resource Recovery Facility Drainage District for \$31,995,000, with \$2,500,000 principal forgiveness. As of September 30, 2021, \$1,738,948 remains undrawn. At September 30, 2021, there were 14 issues outstanding, totaling \$143,379,884, maturing in the years 2022-2038.

Current Refunding of General Obligation Limited Tax Bonds

In May 2021, the County issued a refunding bond in the amount of \$3,990,000 (Series 2021A) for a current refunding of a general obligation limited tax bond issue pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax bonds were issued for the payment of future debt service payments of the refunded debt. The refunding bond included a premium of \$657,604. The debt refunded amounted to \$4,555,000 of Water Supply System Bonds, Series 2012, maturing in the years 2021 through 2032. The refundings were undertaken to reduce the debt service payments over the next 12 years by \$493,764 and to obtain an economic (present value) gain of \$460,861.

Note 7 - Long-term Debt (Continued)**September 30, 2021**

In August 2021, the County issued a refunding bond in the amount of \$5,470,000 (Series 2021B) for a current refunding of a general obligation limited tax bond issue pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding bonds were issued for the payment of future debt service payment of the refunded debt. The refunding bond included a premium of \$955,823, and the County contributed \$493,531 from a debt retirement fund. The debt refunded amounted to \$6,325,000 Water Supply System Bonds, Series 2012 maturing in the years 2021 through 2034. The refunding was undertaken to reduce the debt service payment over the next 14 years by \$755,609 and to obtain an economic (present value) gain of \$683,288.

In May 2021, the County issued \$38,010,000 of refunding bonds for a current refunding of 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 obligations of the refunded debt. The refunding bond included a premium of \$1,021,362, and the County contributed \$3,059,936 from a debt retirement fund. The debt refunded amounted to \$38,595,000 for the City of Pontiac Wastewater Treatment Facility Drainage District, Series 2012A maturing in the years 2021 through 2034. The refunding was undertaken to reduce the debt service payments over the next 14 years by \$6,253,855 and obtain an economic (present value) gain to the benefiting municipalities of \$5,557,846.

Debt Authorized but Unissued

As detailed in the preceding paragraphs, the County has debt that has been authorized through the Michigan Municipal Bond Authority Revolving Loan fund but unissued (undrawn) in the total amount of \$5,034,955.

Note 8 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Debt Act 342 Fund	\$ 1,314
	Nonmajor governmental funds	13,846,600
	ARP Local Fiscal Recovery Fund	5,327,451
	Parks and Recreation Fund	8,605
	Internal service funds	40,630
	Total General Fund	19,224,600
Nonmajor governmental funds	General Fund	2,335,767
	Nonmajor governmental funds	274,942
	ARP Local Fiscal Recovery Fund	613
	S.O.C.S.D.S. Fund	22,901
	Internal service funds	1,457,486
	Total nonmajor governmental funds	4,091,709
Parks and Recreation Fund	General Fund	12,884
	ARP Local Fiscal Recovery Fund	7,271
	Total Parks and Recreation Fund	20,155
Internal service funds	General Fund	13,651,971
	ARP Local Fiscal Recovery Fund	1,021,794
	Nonmajor governmental funds	277,114
	Water and Sewer Trust Fund	70,911
	Internal service funds	17,374
	Parks and Recreation Fund	27,632
	Total internal service funds	15,068,996
	Total	\$ 38,403,460

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. In the General Fund, the receivable primarily consists of \$5,708,819 to cover various funds with deficit cash balances at year end, return of excess funding of \$6,465,465 in the Child Care Fund, and \$5,327,451 from the ARP Local Fiscal Recovery Fund. The receivable in the nonmajor governmental funds primarily consists of \$2,070,045 for the FOC Cooperative Reimbursement Program grant match and \$1,444,926 from the Information Technology Fund for the HR-financial system replacement. Other interfund receivables/payables include charges from the Drain Commissioner Revolving Fund for amounts due from various drains and lake level funds, the Drain Equipment Fund, and Information Technology Fund for charges for services and/or supplies.

The County has made the following long-term advances between funds:

	Fund Borrowed From	Fund Loaned To	Amount
Nonmajor governmental funds		Nonmajor governmental funds	\$ 819,079
		Water and Sewer Trust Fund	225,000
		Total nonmajor governmental funds	\$ 1,044,079

Note 8 - Interfund Receivables, Payables, and Transfers (Continued)
September 30, 2021

Advances distinguish long-term internal borrowings from receivables and payables that arise in connection with routine borrowings and short-term loans (due to/due from other funds). These include the balances of loans from the Long-term Revolving Fund to the Water and Sewer Trust Fund for the Lake Orion Sewer SCADA Project, \$225,000; the Bush Lake Level Dam project, \$38,638; construction of the Lower Pettibone Lake Sanitary Drain, \$698,750; and \$81,491 for deficits from maintenance and repairs of two Chapter 4 Drains.

The balance of amounts loaned to (borrowed from) discretely presented component units is as follows:

	Due from Component Unit	Due to Primary Government	Amount
General Fund		Drainage Districts	\$ 166,417
		Road Commission	156
		Total General Fund	166,573
Nonmajor governmental funds		Drainage Districts	564,091
		Road Commission	20
		Total nonmajor governmental funds	564,111
Evergreen-Farmington S.D.S. Fund		Drainage Districts	66,226
Nonmajor enterprise funds		Drainage Districts	3,741
Internal service funds		Drainage Districts	74
		Road Commission	38,902
		Total internal service funds	38,976
		Total	\$ 839,627

These amounts are primarily short-term funding provided by the Drain Commissioner Revolving Fund and charges for services and/or supplies by the Drain Equipment Fund to the Drainage Districts component unit and administrative charges to the Road Commission component unit.

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Note 8 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are composed of the following:

Receiving Fund (Transfer In)	Paying Fund (Transfer Out)	Amount
General Fund	Nonmajor governmental funds	\$ 749,652
	Parks and Recreation Fund	8,605
	S.O.C.S.D.S. Fund	50,000
	Internal service funds	113,385
	Delinquent Tax Revolving Fund	5,484,568
	Total General Fund	6,406,210
Nonmajor governmental funds	General Fund	33,329,740
	Nonmajor governmental funds	5,665,617
	Delinquent Tax Revolving Fund	4,599,230
	Total nonmajor governmental funds	43,594,587
Parks and Recreation Fund	General Fund	38,842
Nonmajor enterprise funds	General Fund	6,808,692
	Nonmajor enterprise funds	75,000
	Internal service funds	131,250
	Total nonmajor enterprise funds	7,014,942
Internal service funds	General Fund	14,814,515
	Nonmajor governmental funds	3,891
	Parks and Recreation Fund	27,832
	Nonmajor enterprise funds	286,000
	Water and Sewer Trust Fund	200,600
	Internal service funds	150,862
	Total internal service funds	15,483,700
Total	Total	\$ 72,538,281

The transfers to and from the various funds are made to account for budgetary authorizations and/or providing funding for operations as needed. Major transfer amounts consist of the General Fund records transfers to fund operations of the Child Care Fund, various grant funds, and capital projects in the amount of \$8,409,709, \$8,146,742, and \$7,443,071, respectively, and \$5,200,000 to the HR-financial system replacement. Additionally, transfers in the amount of \$7,000,000 and \$6,899,325 were made to fund operations of the Building and Liability Insurance Fund and Information Technology Fund, respectively, along with \$4,440,730 transferred to fund costs in the Radio Communications Fund. In the nonmajor governmental funds, a transfer was made in the amount of \$4,162,994 from the Building Improvement Fund to fund various work projects.

September 30, 2021

Note 9 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	General Fund	Water and Sewer Debt Act 342 Fund	Primary Government	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Nonspendable:							
Inventory	\$ 249,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,595
Prepays	154,040	-	-	4,888	-	57,511	216,439
Total nonspendable	403,635	-	-	4,888	-	57,511	466,034
Restricted:							
Debt service	-	17,909	-	-	4,738,589	-	4,756,498
Specific programs	-	-	-	22,333,101	-	-	22,333,101
Total restricted	-	17,909	-	22,333,101	4,738,589	-	27,089,599
Committed - Capital projects	-	-	-	-	-	32,266,214	32,266,214
Assigned:							
Budget stabilization reserve	119,700,000	-	-	-	-	-	119,700,000
Property tax forfeiture activities	44,641,831	-	-	-	-	-	44,641,831
Strategic investment plan	44,000,000	-	-	-	-	-	44,000,000
Reserve for noneconomic budget risks	24,000,000	-	-	-	-	-	24,000,000
Future operating requirements	16,544,257	-	-	-	-	-	16,544,257
2022 and beyond	-	-	-	-	-	-	-
Carryforwards	11,475,017	-	-	-	-	-	11,475,017
Technology	-	-	-	-	-	-	-
replacement/hardware	7,742,000	-	-	-	-	-	7,742,000
ROOC triparty	2,966,669	-	-	-	-	-	2,966,669
Encumbrances	720,789	-	-	-	-	-	720,789
Gypsy moth match	250,000	-	-	-	-	-	250,000
Marine safety patrol match	150,000	-	-	-	-	-	150,000
Rx discount card program	42,116	-	-	-	-	-	42,116
Total assigned	272,232,679	-	-	-	-	-	272,232,679
Unassigned	15,766,703	-	-	(2,420,294)	-	(623,499)	12,722,910
Total fund balance	\$ 288,403,017	\$ 17,909	\$ 19,917,695	\$ 4,738,589	\$ 31,700,226	\$ 344,777,436	

Note 10 - Pension Plans**Plan Description**

The Oakland County Public Employees' Retirement System (PERS) is a single-employer defined benefit pension plan covering all eligible employees. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan is administered by the Oakland County Retirement and Deferred Compensation Board.

The financial statements of the pension system are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund). PERS does not issue a separate financial report.

September 30, 2021

Note 10 - Pension Plans (Continued)

Management of PERS is vested with the Retirement and Deferred Compensation Board, which consists of nine voting members composed of the following individuals:

- Oakland County Board of Commissioners chairperson or designee
- BOC Finance Committee chairperson or designee
- County treasurer or designee
- County executive or designee
- Three elected employee members
- One elected retiree member
- One citizen member appointed by the board and confirmed by the Oakland County Board of Commissioners

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. The benefits are administered by the Oakland County Retirement and Deferred Compensation Board.

Benefits Provided

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 8 years of service. Members vest after 8 years of service.

Eligible employees under the county plan are provided benefits based on 2 percent, but 2.2 percent for years in excess of 14 years (sheriff's deputies, 2.2 percent for the first 14 years of service and 2.5 percent thereafter, command officers 2.5 percent), of the final average compensation times the number of years of credited service. Maximum county retirement is 75 percent of final average compensation, defined as the average of the highest 5 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 percent of final average compensation. Nonduty 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.

Employees Covered by Benefit Terms

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, 2020, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	1,986
Inactive plan members entitled to but not yet receiving benefits	52
Active plan members	128
Total employees covered by the plan	2,146

Contributions

The County's 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, that are sufficient to accumulate assets to pay benefits when due. For fiscal year 2021, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2019.

September 30, 2021

Note 10 - Pension Plans (Continued)

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 year ended September 30, 2021 amounted to \$99,693.

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, Michigan.

Net Pension Liability (Asset)

The County has chosen to use the September 30 measurement date as its measurement date for the net pension asset. The September 30, 2021 fiscal year end reported net pension asset was determined using a measure of the total pension liability and the pension net position as of the September 30, 2021 measurement date. The September 30, 2021 total pension liability was determined by an actuarial valuation performed as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021.

Changes in the net pension liability (asset) during the measurement year were as follows:

Changes in Net Pension Liability (Asset)	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at October 1, 2020	\$ 740,266,215	\$ 717,768,650	\$ 22,497,565
Changes for the year:			
Service cost	999,693	-	999,693
Interest	51,454,905	-	51,454,905
Differences between expected and actual experience	(11,723,351)	-	(11,723,351)
Contributions - Employee	-	99,693	(99,693)
Net investment income	-	135,268,864	(135,268,864)
Benefit payments, including refunds	(62,086,459)	(62,086,459)	-
Administrative expenses	-	(225,652)	225,652
Net changes	(21,355,212)	73,056,446	(94,411,658)
Balance at September 30, 2021	\$ 718,911,003	\$ 790,825,096	\$ (71,914,093)

The plan's fiduciary net position represents 110.00 percent of the total pension liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the County reported a recovery of pension expense of \$21,943,818.

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Net difference between projected and actual earnings on pension plan investments	Deferred Inflows of Resources
\$	\$ 45,487,674

September 30, 2021

Note 10 - Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30	Amount
2022	\$ (6,980,935)
2023	(8,034,789)
2024	(13,374,782)
2025	(17,097,168)
Total	\$ (45,487,674)

Actuarial Assumptions

The total pension liability in the September 30, 2021 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.25 percent to 9.25 percent, an investment rate of return (net of investment expenses) of 7.25 percent, and the RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the two-dimensional MP-2014 improvement scales. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that county contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s). For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	32.50 %	7.50 %
International equity	12.50	8.50
Domestic bonds	25.00	2.50
International bonds	5.00	3.50
Real estate	10.00	4.50
Alternative assets	15.00	5.59

September 30, 2021

Note 10 - Pension Plans (Continued)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension asset	\$ (6,060,852)	\$ (71,914,093)	\$ (128,533,213)

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS board by a majority vote of its members. It is the policy of the PERS board to pursue an investment strategy that is in compliance with Michigan Public Act 314 of 1965 and manages risks through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The board's adopted asset allocation policy as of October 30, 2018 is included in the investment rate of return table above.

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.12 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

Net position restricted for employees' pension benefits include legally required reserves.

The annuity reserve represents the cumulative contributions 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.

September 30, 2021

Note 10 - Pension Plans (Continued)

The balances of the reserve accounts at September 30, 2021 are as follows:

Annuit reserve	\$ (1,405,591)
Pension reserve	192,452,622
Pension accumulated reserve	599,778,065
Total	\$ 790,825,096

Road Commission for Oakland County Retirement System

The Road Commission for Oakland County Retirement System board of trustees administers the Road Commission for Oakland County Retirement System - a single-employer defined benefit pension plan that provides retirement, disability, and death benefits for all eligible general employees of the retirement system. Benefit terms have been established by contractual agreements between the retirement system and the various employee union representation or other actions of the Oakland County Board of Road Commissioners; amendments are subject to the same process. At December 31, 2019, the date of the most recent actuarial valuation, membership consisted of 602 inactive plan members or beneficiaries currently receiving benefits, 60 inactive plan members entitled to but not yet receiving benefits, and 437 active plan members. The Road Commission's net pension liability as of December 31, 2020 was \$26,535,050. The Road Commission has chosen to use December 31, 2020 as its measurement date for the net pension liability. The September 30, 2021 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of December 31, 2019. For the year ended September 30, 2021, the Road Commission recognized pension expense of \$1,151,164. At September 30, 2021, the Road Commission reported total deferred outflows of resources of \$4,585,119 and deferred inflows of resources of \$12,308,018, leaving a net pension liability at September 30, 2021 of \$26,535,050.

Note 11 - Retirement 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 percent from January 1, 1995 until the date of election to transfer, transferred into the OPRS. Subsequent to 1995, the County reopened the 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 percent of their salary, with the employer matching the contribution respectively with 6 or 9 percent for general employees, or 7 or 10 percent for employees in certain bargaining units. For employees hired on or after July 1, 1994, the employer contributes 5 percent of the employee's salary. Effective December 1999, employees were offered an opportunity to increase their contribution with a county match of 2 percent for new hires and 1 percent for all others. In December 2000, the employee and county match were increased 1 percent. All employees are able to contribute up to 10 percent 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, 2021 was 3,377, which includes 235 employees who elected to transfer from the PERS in 1995 through 2000 and 3,142 current employees hired since July 1, 1994.

September 30, 2021

Note 11 - Retirement Plans (Continued)

The County's payroll for employees covered by the OPRS for the year ended September 30, 2021 was \$254,262,224. The required contributions, which matched those actually made, were \$10,134,205 by employees and \$21,863,401 by the County, representing 4.0 and 8.6 percent of covered payroll, respectively.

In 2008, the County offered a voluntary defined contribution plan for part-time noneligible 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 percent and employees contribute 6.2 percent of their earnings into a defined contribution plan. The employee would be immediately 100 percent 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 2021, the County contributed \$198,001 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.

Note 12 - Other Postemployment Benefit Plan

Plan Description

The Oakland County Employees' Retirement System - Voluntary Employees' Beneficiary Association Trust (VEBA) is a single-employer defined benefit health plan, covering all eligible employees. The plan provides health care benefits to plan members and their beneficiaries. The plan is administered by the Oakland County Retirement and Deferred Compensation Board through two funding vehicles: the Oakland County VEBA Trust (the "Trust") and the Superseding Trust.

Management of VEBA is vested with the Retirement and Deferred Compensation Board, which consists of nine voting members composed of the following individuals:

- Oakland County Board of Commissioners chairperson or designee
- BOC Finance Committee chairperson or designee
- County treasurer or designee
- County executive or designee
- Three elected employee members
- One elected retiree member
- One citizen member appointed by the board and confirmed by the Oakland County Board of Commissioners

Benefits

In 2021, the County provided 3,034 retirees medical insurance and reimbursed 1,809 of them for Medicare premiums under the Trust. In 2021, the County disbursed \$43,156,676 for this purpose.

September 30, 2021
Note 12 - Other Postemployment Benefit Plan (Continued)

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 following classes of employees: general, command officers, and deputies. The plan in all classes is now closed to new hires. The County has established a "Retirement Health Savings Plan" beginning on January 1, 2007. For general members hired on and after January 1, 1995 (May 27, 1995 for command officers and sheriff's deputies), the portion of health care costs paid by the Trust will be based on years of service at retirement. If a member has less than 15 years of service, there is no county-paid retiree health coverage. If a member has 15 years of service at retirement, 60 percent of the health care premium will be paid by the Trust. The percentage increases 4.0 percent per year of service over 15, with a 100 percent maximum coverage after 25 years of service. New employees are required to join the County's retirement health savings plan effective January 1, 2006 for general nonunion employees, March 5, 2009 for sheriff command officers, January 1, 2010 for sheriff corrections deputies, and February 9, 2012 for sheriff road patrol deputies. Employees will receive a cash payment upon retirement from which they can purchase their own health insurance.

Plan Membership

The Oakland County VEBA covers the majority of full-time employees of the County hired prior to September 21, 1985 having 8 or more years of service or hired between September 20, 1985 and January 1, 1995 with 15 years of service (for family coverage) or 8-14 years of service (for retired members only). The plans' membership consists of the following at September 30, 2020 the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	2,649
Inactive plan members entitled to but not yet receiving benefits	189
Active plan members	1,578
Total plan members	4,416

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).

Funding Policy Contributions

In 2013, the County contributed an additional \$236,000,000 in order to fully fund the VEBA. The County contributions are based on a 10-year open amortization of the unfunded actuarial accrued liabilities (UAL) for the overfunded divisions. For fiscal year 2021, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2019, given the VEBA was fully funded. The insurance premiums are paid by the VEBA.

Net OPEB Asset

The County has chosen to use the September 30 measurement date as its measurement date for the net OPEB asset. The September 30, 2021 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the September 30, 2021 measurement date. The September 30, 2021 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. The net OPEB asset has been recorded in the Fringe Benefits Fund, an internal service fund that is used to account for the County's employee fringe benefits.

September 30, 2021
Note 12 - Other Postemployment Benefit Plan (Continued)

Changes in the net OPEB asset during the measurement year were as follows:

Changes in Net OPEB Asset	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at October 1, 2020	\$ 953,168,072	\$ 1,337,506,311	\$ (384,338,239)
Changes for the year:			
Service cost	9,355,546	-	9,355,546
Interest	67,891,807	-	67,891,807
Differences between expected and actual experience	(29,755,582)	-	(29,755,582)
Changes in assumptions	-	354,983	(354,983)
Contributions - Employee	(8,152,094)	-	(8,152,094)
Net investment income	-	267,795,534	(267,795,534)
Benefit payments, including refunds	(42,814,260)	(42,814,260)	-
Administrative expenses	-	(380,146)	380,146
Member-financed benefit payments	-	(354,983)	354,983
Other income	-	5,849,415	(5,849,415)
Net changes	(3,474,583)	230,450,543	(233,925,126)
Balance at September 30, 2021	\$ 949,693,489	\$ 1,567,956,854	\$ (618,263,365)

The plan's fiduciary net position represents 165.10 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County recognized a recovery of OPEB expense of \$74,257,854.

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (23,372,984)
Changes in assumptions	2,824,688	(4,878,161)
Net difference between projected and actual earnings on OPEB plan investments	-	(100,109,945)
Total	\$ 2,824,688	\$ (128,361,090)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending September 30	Amount
2022	\$ (36,148,297)
2023	(26,621,581)
2024	(28,330,507)
2025	(34,436,017)
Total	\$ (125,536,402)

September 30, 2021

Note 12 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 3.25 to 9.25 percent; an investment rate of return (net of investment expenses) of 7.25 percent; a health care cost trend rate of 7.5 percent for 2022, decreasing to an ultimate rate of 3.5 percent years 10 and later years; and the RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the two-dimensional MP-2014 improvement scales.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that county contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return of OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s).

The VEBA plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS board by a majority vote of its members. It is the policy of the PERS board to pursue an investment strategy that is in compliance with the Michigan Public Act 314 of 1965 and manages risks through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The table below includes the board's adopted asset allocation policy as of January 11, 2018.

For each major asset class that is included in the OPEB plans' target asset allocation as of September 30, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term	
		Expected	Real
		Rate of Return	
Domestic equity	32.50 %	7.50 %	
International equity	12.50	8.50	
Domestic bonds	25.00	2.50	
International bonds	5.00	3.50	
Real estate	10.00	4.50	
Other assets	15.00	5.59	

September 30, 2021

Note 12 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net OPEB asset		
\$ (506,057,953)	\$ (618,263,365)	\$ (712,480,114)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB asset of the County, calculated using the health care cost trend rate of 8.0 percent, as well as what the County's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

1 Percentage Point Decrease (6.5%)	Current Health Care Cost Trend Rate (7.5%)	1 Percentage Point Increase (8.5%)
Net OPEB asset		
\$ (725,329,001)	\$ (618,263,365)	\$ (489,861,631)

OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is not available in a separately issued financial report. For the purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows or resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The change in assumption is related to the medical/Rx trend rates.

Rate of Return

For the year ended September 30, 2021, the annual money weighted rate of return on VEBA plan investments, net of VEBA plan investment expense, was 20.34 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 12 - Other Postemployment Benefit Plan (Continued)

Road Commission for Oakland County Retiree Health Care Trust

The Road Commission contributes to the Road Commission for Oakland County Retiree Health Care Trust (the "RHC Trust"). The RHC 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, 2018, the date of the most recent actuarial valuation, membership consisted of 416 inactive plan members or beneficiaries currently receiving benefits and 262 active plan members. For the year ended September 30, 2021, the Road Commission made payments for postemployment health benefit premiums of \$6,754,923 and advance funding contributions of \$2,500,000. For the year ended September 30, 2021, the Road Commission recognized OPEB expense of \$9,946,875, deferred outflows of resources of \$15,850,294, deferred inflows of resources of \$10,388,492, and a net OPEB liability of \$121,981,535 at September 30, 2021.

Note 13 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the pension plan and postemployment health care plan:

	Oakland County Employees' Retirement	VEBA Trust	Total
Statement of Net Position			
Cash and investments	\$ 789,887,340	\$ 1,570,648,154	\$ 2,360,535,494
Other assets	1,620,211	2,663,085	4,283,296
Liabilities	(682,455)	(4,354,387)	(5,036,842)
Net position	\$ 790,825,096	\$ 1,568,956,852	\$ 2,359,781,948
Statement of Changes in Net Position			
Net investment income	\$ 135,497,983	\$ 268,807,548	\$ 404,305,531
Contributions	99,693	354,983	454,676
Other additions		5,849,433	5,849,433
Benefit payments	(62,086,459)	(43,156,674)	(105,243,133)
Other deductions	(454,771)	(404,749)	(859,520)
Net change in net position	\$ 73,056,446	\$ 231,450,541	\$ 304,506,987

Note 14 - 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's financial statements.

Note 15 - 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 a commercial property policy for its building and contents, electronic data processing equipment, boats and motors, ATV/snowmobiles, and automobile catastrophe physical damage coverage. The policy is subject to a maximum per occurrence catastrophic loss limit of \$350,000,000. Policy limits (subject to the maximum \$350,000,000 per occurrence catastrophic loss limit) are: building and contents in the amount of \$654,612,581; electronic data processing equipment in the amount of \$42,181,639; boats and motors in the amount of \$569,000; ATV/snowmobiles in the amount of \$66,000; automobile catastrophe physical damage in the amount of \$2,000,000; flood coverage in the amount of \$50,000,000 (subject to limitations in some flood zones); earthquake coverage in the amount of \$50,000,000; and boiler and machinery coverage in the amount of \$100,000,000. Property insurance for helicopters' hull physical damage in the amount of \$3,139,792 and helicopters' additional equipment physical damage in the amount of \$1,354,800. 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 dishonesty/fraudulent performance 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 \$1,000,000 each occurrence; self-insured retention and employers' liability in the amount of \$1,000,000; parks facility rental liability in the amount of \$1,000,000; excess liability with limits of \$15,000,000 over auto liability; and \$15,000,000 over a \$15,000,000 SIR/deductible; cyber liability with limits of \$5,000,000; liquor liability insurance in the total amount of \$5,000,000 for parks and recreation facilities at Springfield Oaks and Lyon Oaks and \$3,000,000 at White Lake Oaks; and water resource commission CVT maintenance agreement liability coverage in the amount of \$17,000,000. The County is self-insured for all other risks except as noted.

The County and the Road Commission estimate the liability for all of the above-mentioned claims that have been incurred through September 30, 2021, including both those claims that have been reported and 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.

The County records estimates in the Fringe Benefits and the Building and Liability Insurance funds, both internal service funds. The Road Commission component unit records these estimates in the governmental fund type, with \$900,000 estimated current portion of general liability claims included in accrued liabilities. Changes in the estimated claims liabilities are as follows:

	Primary Government	2021	2020
Liability - Beginning of period		\$ 21,948,793	\$ 21,222,616
Estimated claims incurred, claim adjustment expenses and changes in estimates		58,996,187	56,163,104
Claim payments and claim adjustment expenses		(52,838,585)	(55,436,927)
Liability - End of period		\$ 28,106,395	\$ 21,948,793
	Road Commission - Component Unit	2021	2020
Liability - Beginning of year		\$ 2,405,941	\$ 2,374,219
Estimated claims incurred and changes in estimates		14,484,214	26,338,640
Claim payments		(14,002,148)	(26,306,918)
Liability - End of year		\$ 2,888,007	\$ 2,405,941

Note 16 - Leases

Operating Leases

The County (primary government) leases certain office facilities and other equipment under noncancelable operating leases. Total costs for such leases for the County for the year ended September 30, 2021 were \$1,288,797. The future minimum lease payments as of September 30, 2021 are as follows:

Years Ending	Amount
2022	\$ 1,420,622
2023	1,240,100
2024	1,079,121
2025	1,039,186
2026	629,082
2027-2031	1,016,440
2032-2036	530,730
Total	\$ 6,955,281

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, 2021 totaled \$125,389, recorded in the Facilities Maintenance and Operations Fund, an internal service fund type.

Contracts Receivable

The County has also bonded its AAA bond rating to assist local communities in the ability to finance local projects by pledging its 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 presented in the debt service fund financial statements of the County. Debt and receivables are reported for Community Mental Health Authority Housing Project in the amount of \$5,500,000 in 2007 (refunded for \$2,875,000 in 2014); Keego Harbor City Hall and DPW Building in the amount of \$1,120,000 in 2010 (refunded for \$835,000 in 2020); City of Oak Park, Michigan in the amount of \$2,500,000 in 2012 (refunded for \$1,700,000 in 2020); and Community Mental Health Authority Project in the amount of \$14,500,000 in 2012 (refunded for \$6,075,000 in 2020). The future minimum lease payments to be received as of September 30, 2021 are as follows:

Years Ending	Amount
2022	\$ 1,313,538
2023	1,295,963
2024	1,314,688
2025	1,065,913
2026	991,538
2027-2031	3,764,063
2032-2036	919,888
2037-2041	350,681
Total	11,016,272
Less amount representing interest	2,041,272
Present value	\$ 8,975,000

Note 16 - Leases (Continued)

As of September 30, 2021, the County has a contract receivable of approximately \$14,272,000 reported in the General Fund for law enforcement contracts. The various contracts are for the County's sheriff department to provide law enforcement services from January 1, 2019 to December 31, 2021 for townships, villages, and cities within the County. The contract receivable at year end includes future services to be provided over the length of the contract. On the General Fund statements and full accrual governmental activities statements, approximately \$4,833,000 of the contract receivable was recorded as unearned revenue, as the services were not performed prior to year end.

Note 17 - 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, the 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) under the jurisdiction of the Water Resources Commissioner and has contracts for Act 342 projects at September 30, 2021 as follows: Evergreen-Farmington S.D.S. - Middlebelt Road Tunnel Project with a cost of \$35,338,985 and a remaining balance of \$4,445,063 and Southern Oakland County Sewage Disposal System - Dequindre Pump Station Rehabilitation with a cost of \$6,018,777 and a remaining balance of \$216,316. There is one outstanding contract under the direction of the facilities management department for Jail MDC Rooms Renovation with a cost of \$3,684,012 and a remaining balance of \$561,341 as of September 30, 2021.

There are six contracts for information technology projects at September 30, 2021 as follows: Imaging System Replacement with a cost of \$3,027,883 and a remaining balance of \$191,904, Network Equipment Replacement with a cost of \$9,617,073 and a remaining balance of \$327,664, Oblique Imagery Project with a cost of \$1,310,000 and a remaining balance of \$88,463, the New Financial Human Capital Management Program with a cost of \$14,126,433 and a remaining balance of \$3,058,711, Identity and Access Management with a cost of \$2,000,001 and a remaining balance of \$606,608, and the P25 Radio Replacement Project with a cost of \$51,858,982 and a remaining balance of \$11,796,854.

The Drainage Districts' component unit has a construction contract for Clinton River Water Resource Recovery Facility - Bio-solids Handling & Septage Receiving Facility Project with a cost of \$33,688,133 and a remaining balance of \$1,826,792; Clinton River Water Resource Recovery Facility Drainage District Administrative Building Renovation with a cost of \$2,603,081 and a balance of \$197,355; a contract for construction, assessment, and inspection for the Oakland-Macomb Interceptor Drainage District Project with a total cost of \$42,749,992 and a remaining balance of \$6,181,738; a contract for northeast sanitary pump station odor/corrosion control for the Oakland-Macomb Interceptor Drainage District Project with a total cost of \$4,267,897 and a remaining balance of \$200,872; a contract for northeast sanitary pump station PCI rehabilitation for the Oakland-Macomb Interceptor Drainage District Project with a total cost of \$15,396,902 and a remaining balance of \$12,805,055; and a contract for northeast sanitary pump station electrical and mechanical upgrades for the Oakland-Macomb Interceptor Drainage District Project with a total cost of \$17,733,249 and a remaining balance of \$17,276,6847 as of September 30, 2021.

Note 17 - Commitments and Contingencies (Continued)

The Road Commission for Oakland County component unit reports construction projects in progress at September 30, 2021 in the amount of \$104 million, with remaining commitments of \$38 million. The Road Commission's net share of these costs following estimated revenue from federal aid and contributions from state and local participants totals approximately \$12 million.

The County is a defendant in a lawsuit entitled *Rafaeli, LLC v. Oakland County*. The plaintiffs failed to pay their real estate taxes and the County foreclosed on their properties and sold them. At the auction, the County received more money than was owed for taxes and retained the surplus proceeds pursuant to statute. The lawsuit was initially dismissed by the circuit court and affirmed on appeal. However, the Michigan Supreme Court reversed the dismissal and remanded the case back to the circuit court. On remand, the circuit court granted the County's motion to dismiss on the basis that the Michigan Supreme Court's decision should be applied prospectively, i.e., only to those foreclosure-related auctions that occur after the date of the Michigan Supreme Court's decision (July 17, 2020). That decision is currently on appeal, but if the decision is applied retroactively, the potential exposure to the County is in excess of \$40 million.

Note 18 - Tax Abatements

The County received reduced property tax revenue during the year as a result of industrial facility taxes (IFTs), brownfield redevelopment agreements, Personal Property Tax (PA 328), and other agreements entered into by cities, villages, townships, and authorities within the County.

The IFTs were entered into based upon the Plant Rehabilitation and Industrial Development District Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFTs provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in building of new facilities, and promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at both 100 and 50 percent of the millage rate applicable to other real and personal property in the County. The abatements amounted to \$625,538 for the County General Fund and \$54,087 for the County Parks and Recreation Fund for the fiscal year.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements amounted to \$824,096 for the County General Fund and \$71,255 for the County Parks and Recreation Fund for the year.

The County also receives reduced property tax revenue as a result of the Personal Property Tax (Act 328 of 1998, as amended by PA 20 of 1999) granted by cities, villages, and townships with the County. Personal Property Tax exemptions are intended to promote purchase of new equipment. The abatements amounted to \$725,320 for the County General Fund and \$62,715 for the County Parks and Recreation Fund for the year.

Finally, various local governments within Oakland County use Payment in Lieu of Taxes (PILOT) programs that are designed to provide tax abatements primarily for owners of low to moderate income multifamily housing units. Under this program, the local governments establish ordinances and enter into agreements that allow the low to moderate multifamily housing unit property owners to make payments at lower amounts than would have been otherwise due in the normal course of property tax collection. The County has estimated the PILOT abatement impact by taking the County's ad valorem tax amount less the actual PILOT payments for the year. The abatements amounted to \$340,571 for the year.

Oakland County, Michigan

	Required Supplemental Information			
	Schedule of Changes in the Net Pension Liability and Related Ratios			
	2017	2016	2015	2014

Last Eight Fiscal Years

Total Pension Liability	2021	2020	2019	2018
Service cost	\$ 999,693	\$ 1,338,793	\$ 1,665,384	\$ 2,128,819
Interest	51,454,905	52,040,691	52,604,818	53,272,144
Differences between expected and actual experience	(11,723,351)	67,870	(1,895,454)	(5,905,800)
Changes in assumptions	-	-	-	-
Benefit payments, including refunds	(62,086,459)	(60,628,743)	(59,356,307)	(57,579,562)
Net Change in Total Pension Liability	(21,355,212)	(7,181,389)	(6,981,559)	(8,084,399)
Total Pension Liability - Beginning of year	740,266,215	747,447,604	754,429,163	762,513,562
Total Pension Liability - End of year	\$ 718,911,003	\$ 740,266,215	\$ 747,447,604	\$ 754,429,163
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Contributions - Member	99,693	165,953	232,357	301,807
Net investment income	135,268,864	33,216,391	27,485,137	49,559,010
Administrative expenses	(225,652)	(179,361)	(218,956)	(240,203)
Benefit payments, including refunds	(62,086,459)	(60,628,743)	(59,356,307)	(57,579,562)
Net Change in Plan Fiduciary Net Position	73,056,446	(27,425,760)	(31,857,769)	(7,958,948)
Plan Fiduciary Net Position - Beginning of year	717,768,650	745,194,410	777,052,179	785,011,127
Plan Fiduciary Net Position - End of year	\$ 790,825,096	\$ 717,768,650	\$ 745,194,410	\$ 777,052,179
County's Net Pension (Asset) Liability - Ending	\$ (71,914,093)	\$ 22,497,565	\$ 2,253,194	\$ (22,623,016)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.00 %	96.96 %	99.70 %	103.00 %
Covered Payroll	\$ 8,526,997	\$ 10,576,095	\$ 13,385,938	\$ 16,019,655
County's Net Pension Liability as a Percentage of Covered Payroll	(843.37)%	212.72 %	16.83 %	(141.22)%

See notes to required supplemental information.

	2017	2016	2015	2014
\$ 2,483,176	\$ 2,864,098	\$ 3,705,776	\$ 4,196,269	
53,389,706	53,131,461	50,740,081	50,492,624	
(607,861)	2,639,268	2,621,256	-	
(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)	
(574,196)	4,709,302	34,334,676	4,694,970	
763,087,758	758,378,456	724,043,780	719,348,810	
\$ 762,513,562	\$ 763,087,758	\$ 758,378,456	\$ 724,043,780	
\$ -	\$ -	\$ 4,554,832	\$ 5,770,835	
372,273	443,238	473,247	560,091	
83,094,349	65,710,783	5,099,460	70,247,939	
(259,250)	(245,352)	(296,825)	(2,959,649)	
(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)	
27,368,155	11,983,144	(42,236,252)	23,625,293	
757,642,972	745,659,828	787,896,080	764,270,787	
\$ 785,011,127	\$ 757,642,972	\$ 745,659,828	\$ 787,896,080	
\$ (22,497,565)	\$ 5,444,786	\$ 12,718,628	\$ (63,852,300)	
102.95 %	99.29 %	98.32 %	108.82 %	
\$ 18,631,927	\$ 21,834,812	\$ 24,707,298	\$ 29,901,825	
(120.75)%	24.94 %	51.48 %	(213.54)%	

GASB Statement No. 67 was implemented in FY September 30, 2014 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.

Required Supplemental Information
Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended September 30										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,554,832	\$ 5,770,835	\$ 5,400,095	\$ -
Contributions in relation to the statutorily required contribution	-	-	-	-	-	-	4,554,832	5,770,835	5,400,095	-
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 8,526,997	\$ 10,576,095	\$ 13,385,938	\$ 16,019,655	\$ 18,631,927	\$ 21,834,812	\$ 24,707,298	\$ 29,901,825	\$ 33,706,963	\$ 38,275,780
Contributions as a Percentage of Covered Payroll	- %	- %	- %	- %	- %	- %	18.44 %	19.30 %	16.02 %	- %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	10 years, open if over 100 percent funded
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.25 percent wage inflation
Investment rate of return	7.25 percent net of investment and administrative expenses
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the two-dimensional MP-2014 improvement scales
Cost of living adjustments	1.5 percent noncompounding annually

See notes to required supplemental information.

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Oakland County, Michigan

Required Supplemental Information
Schedule of Pension Investment ReturnsLast Eight Fiscal Years
Years Ended September 30

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return - Net of investment expense	20.12 %	4.79 %	3.79 %	6.43 %	11.58 %	9.20 %	0.35 %	8.74 %

GASB Statement No. 67 was implemented for FY September 30, 2014 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.

See notes to required supplemental information.

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Oakland County, Michigan

Required Supplemental Information
Schedule of Changes in the Net OPEB Asset and Related Ratios

	Last Five Fiscal Years				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 9,355,546	\$ 9,220,055	\$ 8,876,381	\$ 9,742,233	\$ 11,009,857
Interest	67,691,807	66,070,507	63,749,998	70,251,346	67,892,444
Differences between expected and actual experience	(29,755,582)	(17,653,479)	(63,355,110)	(82,048,924)	(6,799,845)
Changes in assumptions	(8,152,094)	(7,578,642)	50,098,376	(51,205,346)	(1,152,000)
Benefit payments, including refunds	(42,814,260)	(37,509,924)	(37,474,992)	(37,449,853)	(31,732,905)
Net Change in Total OPEB Liability	(3,474,583)	27,705,801	31,852,653	(90,610,344)	40,189,551
Total OPEB Liability - Beginning of year	953,168,072	925,462,271	893,609,618	984,219,962	944,050,411
Total OPEB Liability - End of year	\$ 949,693,489	\$ 953,168,072	\$ 925,462,271	\$ 893,609,618	\$ 984,219,962
Plan Fiduciary Net Position					
Contributions - Member	\$ 354,983	\$ 279,397	\$ 290,718	\$ 234,284	\$ 218,517
Net investment income	267,795,534	63,070,473	46,821,806	84,162,823	134,380,948
Administrative expenses	(380,446)	(369,973)	(251,109)	(234,953)	(204,115)
Employer-financed benefit payments	(42,814,260)	(37,509,924)	(37,474,992)	(37,449,853)	(31,732,905)
Member-financed benefit payments	(584,483)	(279,357)	(280,718)	(234,284)	(218,517)
Other income	5,849,415	4,167,201	2,593,472	3,449,258	3,352,028
Net Change in Plan Fiduciary Net Position	230,450,543	29,927,777	12,055,182	49,945,293	105,775,956
Plan Fiduciary Net Position - Beginning of year	1,337,506,311	1,307,578,534	1,295,523,352	1,245,580,059	1,139,804,203
Plan Fiduciary Net Position - End of year	\$ 1,567,956,854	\$ 1,337,506,311	\$ 1,307,578,534	\$ 1,295,523,352	\$ 1,245,580,159
Net OPEB Asset - Ending	\$ (618,263,369)	\$ (384,338,239)	\$ (382,116,263)	\$ (401,913,734)	\$ (261,360,197)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	165.10 %	140.32 %	141.29 %	144.98 %	126.56 %

Contributions to the OPEB plan are not based on a measure of pay; therefore, no covered payroll is presented.

GASB Statement No. 74 was implemented in FY September 30, 2017 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.

See notes to required supplemental information. 96

Oakland County, Michigan

Required Supplemental Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended September 30

	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*	2013*	2012*
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,184	\$ 818,930	\$ 35,236,330	\$ 36,969,985	\$ 37,268,761
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (800,184)	\$ (818,930)	\$ (35,236,330)	\$ (36,969,985)	\$ (37,268,761)
Covered-employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,464,508	\$ 144,715,626	\$ 146,473,723	\$ 154,128,944	\$ 162,819,440
Contributions as a Percentage of Covered-employee Payroll	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %

*The County fully funded the VEBA plan through the issuance of debt.

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, open if over 100 percent funded
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Health care cost trend rates	Medical, prescription drug, Medicare Part B: 9.00 percent trend, gradually decreasing to 3.25 percent in year 12. Dental and vision: 3.25 percent trend for all years
Salary increase	3.25 percent wage inflation
Investment rate of return	7.25 percent net of investment and administrative expenses
Retirement age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the two-dimensional MP-2014 improvement scales
Other information	None

Oakland County, Michigan

Required Supplemental Information
Schedule of OPEB Investment Returns

	Last Five Fiscal Years				
	2021	2020	2019	2018	2017

Annual money-weighted rate of return - Net of investment expense	20.34 %	5.20 %	3.72 %	6.50 %	12.10 %
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GASB Statement No. 74 was implemented for FY September 30, 2017 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.

Oakland County, Michigan

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

	Year ended September 30, 2021			
	Original Budget	Final Amended Budget	Actual	Variance with Amended Budget
Revenues				
Taxes				
Current property taxes	\$ 250,898,729	\$ 255,892,156	\$ 257,785,520	\$ 1,893,364
Delinquent taxes - prior years	125,000	125,000	370,009	245,009
Marijuana tax	-	-	196,009	196,009
Trailer tax	85,000	85,000	96,775	11,775
Total	251,108,729	256,102,156	258,448,313	2,346,157
Other intergovernmental revenues				
Circuit judges' salaries	914,480	914,480	901,495	(12,985)
Probate judges' salaries	622,464	622,464	617,278	(5,186)
District judges' salaries	457,240	457,240	490,737	33,497
State court fund - P.A. 189	4,500,000	4,500,000	4,089,193	(410,807)
Local comm stabilization share	2,250,000	2,351,027	3,959,585	1,607,558
Revenue sharing	27,357,244	27,407,244	27,357,386	(49,858)
Convention facility liquor tax	9,574,329	9,538,497	9,538,497	-
Other	301,850	315,350	225,888	(89,462)
Total	45,977,607	46,106,302	47,779,059	1,072,757
Charges for services				
County Executive	-	-	1,413	1,413
Management and Budget	4,120,275	4,120,275	4,165,530	45,255
Central Services	316,000	316,000	314,239	(1,761)
Human Services	4,720,519	4,754,115	4,795,526	41,411
Public Services	1,618,614	1,632,714	1,245,864	(386,850)
Community and Economic Development	404,071	404,071	379,232	(24,839)
Clerk/Register of Deeds	13,765,300	13,765,300	23,841,425	10,076,125
Treasurer	4,646,600	4,646,600	3,442,957	(1,203,643)
Circuit Court	3,027,500	3,302,700	2,597,002	(705,698)
District Court	12,746,021	12,746,021	8,911,539	(3,834,482)
Probate Court	561,600	561,600	617,499	55,899
Prosecuting Attorney	278,000	816,489	526,286	(290,203)
Sheriff	65,995,054	66,189,842	63,196,217	(2,993,625)
Legislative	14,200	14,200	1,845	(12,355)
Water Resources Commissioner	3,346,261	3,753,208	4,107,931	354,723
Non-Departmental	918,565	918,565	861,171	(57,394)
Total	116,078,580	117,941,700	119,005,676	1,063,976

Oakland County, Michigan

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

	Year ended September 30, 2021			
	Original Budget	Final Amended Budget	Actual	Variance with Amended Budget
Investment income	1,500,000	1,500,000	144,754	(1,355,246)
Indirect cost recovery	9,100,000	9,100,000	9,084,669	(15,331)
Federal grants	1,949,550	130,216,857	130,155,464	(61,393)
State grants	6,233,963	6,710,608	4,927,043	(1,783,565)
Contributions	-	170,564	170,602	38
Other revenue	434,000	10,037,956	10,634,958	597,002
Total revenues	432,382,429	577,886,143	579,750,538	1,864,395
Expenditures				
County Executive				
Administration				
Personnel	5,923,117	6,486,697	5,864,399	522,288
Operating	371,055	2,553,893	2,208,183	345,710
Internal Support	805,512	1,211,669	1,166,882	44,787
Total Administration	7,099,684	10,252,259	9,339,464	912,795
Management and Budget				
Personnel	18,541,277	19,208,913	17,601,583	1,607,330
Operating	791,946	907,376	508,280	399,096
Internal Support	3,557,999	4,434,972	4,338,583	96,389
Total Management and Budget	22,891,222	24,551,261	22,448,446	2,102,815
Central Services				
Personnel	1,487,086	1,532,765	1,415,536	117,229
Operating	334,123	334,123	327,468	6,655
Internal Support	755,168	783,049	778,453	4,596
Total Central Services	2,576,327	2,649,937	2,521,457	128,480
Emergency Management & Homeland Security				
Personnel	-	964,452	913,253	51,199
Operating	-	521,875	520,954	921
Internal Support	-	698,816	697,398	1,418
Total Emergency Management & Homeland Security	-	2,185,143	2,131,605	53,538
Facilities Management				
Personnel	1,088,992	1,137,546	1,033,624	103,922
Operating	278,714	626,495	407,869	218,626
Internal Support	131,502	134,697	112,824	21,873
Total Facilities Management	1,499,208	1,898,738	1,554,317	344,421
Human Resources				
Personnel	3,040,789	3,163,119	2,970,455	192,664
Operating	965,001	1,057,359	556,233	501,126
Internal Support	1,188,672	1,394,829	1,385,632	9,197
Total Human Resources	4,795,062	5,615,307	4,912,320	702,987

Oakland County, Michigan

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

	Year ended September 30, 2021			
	Original Budget	Final Amended Budget	Actual	Variance with Amended Budget
Human Services				
Personnel	31,352,718	33,887,222	26,217,164	7,670,058
Operating	6,209,123	8,744,802	6,057,926	2,686,876
Internal Support	4,117,767	4,504,404	4,463,409	40,995
Total Human Services	41,679,608	47,136,428	36,738,499	10,397,929
Public Services				
Personnel	10,435,279	10,808,033	9,710,624	1,097,409
Operating	1,570,656	2,014,176	1,459,910	554,266
Internal Support	3,029,238	3,318,151	3,182,849	135,302
Total Public Services	15,035,173	16,140,360	14,353,383	1,786,977
Office of Public Communication				
Personnel	-	285,918	192,665	93,253
Operating	-	200	154	46
Internal Support	-	650	611	39
Total Office of Public Communication	-	286,768	193,430	93,338
Community and Economic Development				
Personnel	7,542,535	6,958,382	6,524,156	434,226
Operating	1,827,878	21,443,072	18,592,246	2,850,826
Internal Support	1,197,379	1,376,345	1,282,787	93,558
Total Community and Economic Development	10,567,792	29,777,799	26,399,189	3,378,610
Total County Executive	106,144,076	140,494,000	120,592,110	19,901,890
Clerk/Register of Deeds				
Personnel	7,800,142	8,287,213	6,461,203	1,826,010
Operating	1,325,912	1,847,975	1,265,018	582,957
Internal Support	1,335,219	1,828,471	1,798,881	29,590
Total Clerk/Register of Deeds	10,461,273	11,963,659	9,525,102	2,438,557
Treasurer				
Personnel	3,550,959	3,662,533	3,288,648	373,885
Operating	3,433,770	3,448,770	2,486,301	962,469
Internal Support	1,131,410	1,577,659	1,307,997	269,662
Total Treasurer	8,116,139	8,688,962	7,082,946	1,606,016
Justice Administration				
Circuit Court				
Personnel	24,066,035	25,000,635	22,883,565	2,117,070
Operating	4,004,002	4,733,186	2,335,553	2,397,633
Internal Support	5,114,921	6,514,592	6,478,819	35,773
Total Circuit Court	33,184,958	36,248,413	31,697,937	4,550,476
District Court				
Personnel	13,783,852	14,318,021	13,328,918	989,103
Operating	2,189,472	2,265,144	1,976,001	289,143
Internal Support	1,839,721	1,988,651	1,871,951	116,700
Total District Court	17,813,045	18,571,816	17,176,870	1,394,946

Oakland County, Michigan

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

	Year ended September 30, 2021			
	Original Budget	Final Amended Budget	Actual	Variance with Amended Budget
Probate Court				
Personnel	4,909,356	5,078,186	4,844,511	233,675
Operating	1,030,424	1,030,424	990,693	39,731
Internal Support	1,087,985	1,182,426	1,175,242	7,184
Total Probate Court	7,027,765	7,291,036	7,010,446	280,590
Total Justice Administration	58,025,768	62,111,265	55,885,253	6,226,012
Law Enforcement				
Prosecuting Attorney				
Personnel	17,919,630	18,530,392	17,255,866	1,274,526
Operating	560,166	785,611	516,896	268,715
Internal Support	2,327,478	2,651,693	2,595,474	56,219
Total Prosecuting Attorney	20,807,274	21,967,696	20,368,236	1,599,460
Sheriff				
Personnel	135,078,401	136,389,000	132,382,019	4,006,981
Operating	11,980,683	14,151,508	12,873,197	1,278,311
Internal Support	19,238,134	19,888,681	19,370,232	518,449
Total Sheriff	166,297,218	170,429,189	164,625,448	5,803,741
Total Law Enforcement	187,104,492	192,396,885	184,993,684	7,403,201
Legislative				
Board of Commissioners				
Personnel	3,229,714	3,278,680	3,118,339	160,341
Operating	872,150	3,690,090	2,193,167	1,496,923
Internal Support	627,380	828,676	813,677	14,999
Total Legislative	4,729,244	7,797,446	6,125,183	1,672,263
Water Resources Commissioner				
Personnel	228,118	235,118	234,788	330
Operating	287,975	287,975	258,607	29,368
Internal Support	7,226,628	7,857,388	7,821,980	35,408
Total Water Resources Commissioner	7,742,721	8,380,481	8,315,375	65,106
Non-departmental				
Personnel	(10,000,000)	(2,553,693)	7,303,880	(9,857,573)
Operating	13,668,674	134,307,390	107,756,695	26,550,695
Internal Support	11,324,110	3,085,750	2,208,338	877,412
Total Non-departmental	14,992,784	134,839,447	117,268,913	17,570,534
Total expenditures	397,316,497	565,672,145	509,788,586	56,883,559
Excess of Revenues Over (Under) expenditures	35,065,932	11,213,998	69,961,972	58,747,974

Oakland County, Michigan

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

	Year ended September 30, 2021			
	Original Budget	Final Amended Budget	Actual	Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in				
Special Revenue	-	589,480	589,478	(2)
Restricted Funds	-	589,480	589,478	(2)
Total special revenue funds	-	-	-	-
Total debt service funds	-	-	-	-
Capital Projects	-	-	-	-
Project Work Orders	-	-	160,174	160,174
Total capital projects funds	-	-	160,174	160,174
Internal Service Funds	-	-	-	-
Building and Liab Insurance	-	113,385	113,385	-
Total internal service funds	-	113,385	113,385	-
Enterprise Funds	-	8,606	8,605	(1)
Parks and Recreation Fund	5,300,000	5,300,000	5,484,568	184,568
Delinquent Tax Revolving	-	50,000	50,000	-
SOCSDS	5,300,000	5,358,606	5,543,173	184,567
Total enterprise funds	5,300,000	6,061,471	6,406,210	344,739
Total Transfers in	-	-	-	-
Transfers out				
Special Revenue	(19,533,991)	(19,888,998)	(8,409,709)	11,479,289
Child Care	(1,000)	(1,000)	-	1,000
Social Welfare Foster Care	(1,868,991)	(1,867,162)	(1,867,162)	-
Mandated Indigent Defense Fund	(56,165)	(56,166)	(53,056)	3,109
Drains Act 40 Ch 4 18 Maint	(6,377,343)	(6,377,343)	(5,993,664)	383,679
Friend of the Court Grant	-	(1,300,000)	(15,400)	1,284,600
Other Grants	-	(10,063)	(1,125)	8,938
Judicial Grants	(1,446,308)	(1,921,412)	(1,547,392)	374,020
Law Enforcement Grants	(589,161)	(1,214,983)	(589,161)	625,822
Housing Community Development	(29,872,959)	(32,637,126)	(18,476,669)	14,160,457
Total special revenue funds	-	-	-	-
Debt Service	(2,209,750)	(2,209,750)	(2,210,000)	(250)
Building Authority Debt Act 31	(2,209,750)	(2,209,750)	(2,210,000)	(250)
Total debt service funds	-	-	-	-
Capital Projects	(3,000,000)	(3,000,000)	(3,000,000)	-
Building Improvement	(120,000)	(2,936,303)	(2,834,884)	101,419
Project Work Orders	-	(6,808,187)	(6,808,187)	-
Major Dept Support Projects	(3,120,000)	(12,744,490)	(12,843,071)	101,419
Total capital projects funds	-	-	-	-

Oakland County, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund

	Year ended September 30, 2021		
	Original Budget	Final Amended Budget	Variance with Amended Budget
Internal Service Funds			
Facilities Maint and Operation	-	(661,997)	(661,997)
Information Technology	(3,620,676)	(6,899,325)	(6,899,325)
Drain Equipment	-	(253,193)	(253,193)
Building and Lab Insurance	-	(7,000,000)	(7,000,000)
Total internal service funds	(3,620,676)	(14,814,515)	(14,814,515)
Enterprise Funds			
Parks and Recreation Fund	-	(38,842)	(38,842)
Fire Records Management	(507,699)	(507,699)	(473,276)
CLEMS	(1,644,186)	(1,894,686)	(1,894,686)
Radio Communications	-	(4,440,730)	(4,440,730)
Total enterprise funds	(2,151,885)	(6,881,957)	(6,847,534)
Total Transfers out	(40,975,270)	(69,287,838)	(54,991,789)
Insurance Recoveries	-	-	712
Total other financing sources (uses)	(35,675,270)	(63,226,367)	(48,584,867)
Net Change in Fund Balances	(609,338)	(52,012,369)	21,377,105
Fund Balances - Beginning of year	267,025,912	267,025,912	267,025,912
Fund Balances - End of year	\$ 266,416,574	\$ 215,013,543	\$ 288,403,017

Oakland County, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund ARP Local Fiscal Recovery Fund

	Year Ended September 30, 2021		
	Amended Budget	Actual	Variance with Amended Budget
Revenue			
Intergovernmental - Federal grants	\$ 32,162,399	\$ 5,296,272	\$ (26,866,127)
Investment income	-	238,804	238,804
Total revenue	32,162,399	5,535,076	(26,627,323)
Expenditures			
Current services:			
Personnel	1,049,399	1,049,133	266
Operating	22,114,000	4,483,024	17,630,976
Internal services - Library	8,185,617	2,919	8,182,698
Total expenditures	31,349,016	5,535,076	25,813,940
Excess of Revenue Over Expenditures	813,383	-	(813,383)
Other Financing Uses - Transfers out	(813,383)	-	813,383
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of year	-	-	-
Fund Balance - End of year	\$ -	\$ -	\$ -

Budgetary Information

Budgets and budgetary accounting are on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP). The Oakland County Board of Commissioners has established the legal level of control by control groups, as outlined in the County's General Appropriations Act.

The appropriated budget for Oakland County, Michigan is prepared by fund, function, and department, with control categories established at the department level for personnel, operating, and internal support expenditures. Departments may exceed individual line-item appropriations within the aforementioned categories provided the control category is not overspent. Budget amendments providing additional spending authorizations are required to be made by action of the Board of Commissioners upon recommendation of the Oakland County executive. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as designations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year(s). It should be noted that capital outlay expenditures are budgeted and recorded in the operating expenditures category; however, they are reported separately in the governmental funds section of the basic financial statements.

Funds that 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: ARP Local Fiscal Recovery, Child Care, and Social Welfare Foster Care.

The County Board of Commissioners adopts a resolution that authorizes and closes amounts exceeding the original appropriation against the balances in other appropriations and closes the remaining balance to the General Fund's unassigned fund balance.

Pension Information

Benefit Changes

There were no changes of benefit terms in 2021.

Changes in Assumptions

2015: For the calculation of net pension liability as of September 30, 2015, the mortality table used was updated to the RP-2014 Healthy Annuitant Mortality Table, projected to 2021 using a static projection based on the two-dimensional MP-2014 improvement scales. The wage inflation percentage was also updated to 3.25 percent. Additionally, the actuarial cost method was changed to the individual entry age method.

There were no changes of assumptions in 2021.

OPEB Information

Benefit Changes

There were no changes of benefit terms in 2021.

Changes in Assumptions

2018 - The health care trend rates were updated to 9.00 percent, decreasing to 3.25 percent in 12 years.

2019 - The health care trend rates were updated to 8.25 percent, decreasing to 3.25 percent in 10 years.

2020 - The health care trend rates were updated to 8.25 percent, decreasing to 3.50 percent in 10 years.

2021 - The health care trend rates were updated to 7.50 percent, decreasing to 3.50 percent in 10 years.

Oakland County, Michigan	Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)
<u>Special Revenue Funds</u>	
These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, such as special assessment revenue, noncapital grants, and other earmarked revenue not included within other fund categories.	
<u>Indigent Defense Fund</u>	
This fund accounts for funding to assist with the Compliance Plan and Costs Analysis approved by the Michigan Indigent Defense Commission for the provision of Oakland County, Michigan to provide indigent criminal defense services specified in Standards 1-4. This includes continuing legal education, counsel at first appearance, and obtaining experts and investigators for indigent defense.	
<u>Child Care Fund (formerly the Juvenile Maintenance Fund)</u>	
This fund is used to account for revenue earmarked for the placement of children to foster care homes and for the detention of children in the Children's Village, as ordered by Probate Court.	
<u>Register of Deeds Automation Fund</u>	
This fund is used to account for revenue from additional fees, as authorized by the State of Michigan, to allow for technology improvements in Clerk/Register of Deeds offices.	
<u>Oakland Enhancement Fund</u>	
This fund is used to account for revenue received from various sources for the purpose of coordinating economic development within the County.	
<u>Restricted Funds Fund</u>	
This fund is used to account for donations made for various specific purposes or other amounts held for disbursement at a future date. This includes the following:	
1. Donations made to, and their disbursements from, Oakland County Children's Village to benefit youths 2. Blind handicapped library gift accounts for donations made to the Blind/Handicapped Library 3. Oakland County sheriff's department seized funds is used to account for moneys relinquished to the sheriff's department as a result of investigation by the department and their disbursement pending trial 4. Prosecutor citizens' reward program is used to account for moneys received from public donations and awarded to citizens for their special assistance on major cases initiated by the prosecutor's office 5. Probate court trust is used to account for individual donations made to the court and their subsequent disbursement to assist youths 6. Donations for programs such as the medical examiner library and FSC; animal population control; and education, arts, culture, and film.	
<u>Waste Resource Management Fund</u>	
This fund is used to account for administrative costs associated with brownfield plans.	
<u>Water and Sewer Act 342 Fund</u>	
This fund is used to account for the construction, under contractual arrangement, of water and sewer systems under Public Act 342 of 1939. Upon completion of the projects, these systems are turned over to the respective municipalities for operations and maintenance.	
<u>Oakland County, Michigan</u>	
	Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)
<u>Lake Levels Act 146 Fund</u>	This fund is used to account for funds from special assessments to finance the cost of maintaining lake levels in the County, created under Public Act 146 of 1961.
<u>Drains Act 40 Maintenance Chapters 4 and 18 Fund</u>	This fund is used to record expenditures for the operations and maintenance of drainage districts created under Chapters 4 and 18 of Public Act 40 of 1956. Revenue is provided from special assessments against the benefiting properties within the district.
<u>Lake Improvements Act 345 Fund</u>	This fund is used to account for funds held for lake improvement boards remaining from a phase-out that began in 2004, awaiting action by the improvement boards to transfer responsibility to the respective local municipality.
<u>Friend of the Court Fund</u>	This fund is used to account for costs of the operation of this division of the circuit court responsible for providing services to individuals involved in court actions relating to case initiation, establishment, collections, and enforcement of child support orders, as directed by the State of Michigan Child Support Enforcement System. Revenue sources include federal and state funding and charges for services.
<u>Multi-Organizational Grants Fund</u>	This fund accounts for costs in the following grants: 1. Community Corrections, which utilizes state funds to increase utilization of community-based sanctions and services for nonviolent offenders 2. Juvenile Accountability Block Grant, which utilizes federal and county funds to develop programs to promote greater accountability in the juvenile justice system
3. Byrne Formula Justice Assistance Grants (JAG) replaces the Local Law Enforcement Block Grant (LLEBG) programs. JAG provides federal funds to support a broad range of activities to prevent and control crime and to improve the criminal justice system.	
<u>Workforce Development Grants Fund</u>	This fund accounts for costs involved in providing employment services to individuals who are unemployed, physically or economically disadvantaged, or transitioning from school to employment. Costs include training, education, and transportation, funded through state and federal grants.
<u>Law Enforcement Grants Fund</u>	This fund consists of grants used to record costs of various law enforcement programs utilizing federal, state, and local funds.
<u>Housing and Community Development Fund</u>	This fund accounts for block grants received from the U.S. Department of Housing and Urban Development for the use of low- to moderate-income home improvement loans, municipal projects, and homeless-assistance projects, including counseling.
<u>Human Service Grants Fund</u>	This fund accounts for the cost of various health-related/grant-funded programs.

Oakland County, Michigan	Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)
<u>Other Grants Fund</u> This fund consists of grants where the function does not relate specifically to one of the other areas: 1. Clerk/Register of Deeds Survey/Remonumentation, which utilizes state funds to locate, verify, replace, or reposition corners within the County, per Public Act 345 of 199 2. Tornado Siren, which utilizes county and municipal funds in the procurement and installation of tornado siren units used in the tornado warning system 3. Great Lakes Water Authority, a cost reimbursement agreement for due diligence examination of business issues related to the research, creation, and implementation of the authority 4. Grants for programs such as Domestic Preparedness Equipment, Homeland Security grants, MI Financial Empowerment, Holly Dispatch Consolidation, AAA Safety, DTE Energy Tree Planting, Friend of the Court Access and Visitation, Two Seven Oh, and MEDC Region 10	<u>Water and Sewer Debt Refunding Fund</u> This fund was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the refinancing of debt obligations for construction of various water and sewer systems. <u>Capital Project Funds</u> These funds account for the purchase or construction of major capital facilities that are not financed by proprietary funds. <u>Building Improvement Fund</u> This fund was established as a holding account for moneys transferred from the County's General Fund for future funding of major county building programs. <u>Project Work Orders Fund</u> This fund was established to account for the costs of various improvement projects for county facilities. <u>Facilities Management Infrastructure and IT Projects Fund</u> This fund was established to account for the costs of various capital improvements of county infrastructure administered by facilities management and capital improvement projects for information technology. <u>Animal Control and Pet Adoption Center Construction Fund</u> This fund was established to account for the costs of construction of a new facility for the animal control division and the related pet adoption center. Construction is financed by the issuance of general obligation bonds. <u>Major Departmental Support Projects Fund</u> This fund was established to account for the costs of departmental support projects with estimated aggregated expenditures over \$5 million, which are funded by current available resources rather than bond issues. <u>Lake Levels Act 146 Fund</u> This fund is to account for the costs of construction or reconstruction of various dam structures for purposes of lake level control and augmentation wells under P.A. 146 of 1961. <u>Lake Improvements Act 345 Fund</u> This fund is used to account for the costs of construction of augmentation wells for purposes of lake level control. Financing is provided by special assessment rolls, as permitted under P.A. 345 of 1966. <u>Chapter 4 Drain Construction Fund</u> This fund is used to account for the costs of construction of drains under Chapter 4 of Public Act 40 of 1966 (Drain Code). Revenue is provided from special assessments against the benefiting properties within the district. <u>Drain Commissioner Revolving Fund</u> This fund was established to provide funds for preliminary costs of various drains (including component unit drainage districts), lake level projects, and lake improvements. <u>Long-term Revolving Fund</u> This fund was established to provide preliminary financing for specific capital projects as approved by the Oakland County Board of Commissioners. Funds advanced are recovered through special assessments, or contracts with municipalities, in the individual projects.
<u>Other Grants Fund</u> This fund consists of grants where the function does not relate specifically to one of the other areas: 1. Clerk/Register of Deeds Survey/Remonumentation, which utilizes state funds to locate, verify, replace, or reposition corners within the County, per Public Act 345 of 199 2. Tornado Siren, which utilizes county and municipal funds in the procurement and installation of tornado siren units used in the tornado warning system 3. Great Lakes Water Authority, a cost reimbursement agreement for due diligence examination of business issues related to the research, creation, and implementation of the authority 4. Grants for programs such as Domestic Preparedness Equipment, Homeland Security grants, MI Financial Empowerment, Holly Dispatch Consolidation, AAA Safety, DTE Energy Tree Planting, Friend of the Court Access and Visitation, Two Seven Oh, and MEDC Region 10	<u>Judicial Grants Fund</u> This fund accounts for drug court programs through Oakland County Circuit and 52nd Division District Courts. <u>Oakland Brownfield Initiative Fund</u> This fund is used to account for grant revenue and administration/management costs incurred in assisting the redevelopment of tax-reverted properties through Brownfield Cleanup Revolving Loan Fund programs. The Brownfield Consortium Assessment program consists of Oakland County, Michigan plus cities to perform environmental investigations on parcels throughout the County, with special focus on the cities comprised in this consortium. <u>Concealed Pistol Licensing Fund</u> This fund was created under State of Michigan Public Act 3 of 2015, accounts for the deposit of concealed pistol licensing fees collected by the County Clerk/Register of Deeds and the allowable expenditures related to the cost of administering this act. <u>Debt Service Funds</u> These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. <u>Building Authority Debt Act 31 Fund</u> This fund was established to accumulate the resources for the payment of bonded debt issued for the construction of or improvement to various facilities. The fund also included debt issued as assistance in obtaining favorable lending rates for other units of government within the County. <u>Building Authority Debt Refunding Fund</u> This fund was established to accumulate resources for the payment of bonded debt issued for the refinancing of debt obligations under Public Act 202 of 1943, or Act 34 of 2001 for various building authority funds. It also includes refunding debt issued as assistance in obtaining favorable lending rates for other units of government within Oakland County. <u>Lake Level Debt Fund</u> This fund was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the financing of actions necessary to establish lake levels pursuant to Part 307 of Public Act 451 of 1994.

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

	Special Revenue Funds								Drains - Act 40	Lake	
	Indigent Defense	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management	Water and Sewer Act 342	Lake Levels Act 146	Maintenance Chapters 4 and 18	Improvements Act 345	Friend of the Court
Assets											
Pooled cash and investments	\$ 2,141,019	\$ 3,712,063	\$ 6,226,963	\$ 35,426	\$ 3,577,290	\$ 3,190,934	\$ 4,414,915	\$ 475,944	\$ 3,521,793	\$ 52	\$ -
Receivables:											
Special assessments receivable	-	-	-	-	-	-	-	-	31,210	-	-
Accrued interest receivable	-	-	20,186	516	4,146	-	19,037	1,118	30,009	-	-
Due from other governments	272,985	5,335,789	-	-	-	-	-	17,262	-	-	1,670,557
Other	-	47,938	200	5,482	17,789	-	-	-	10,576	-	30,274
Contracts receivable	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	20	-	-	-	-	-	-	-	-
Due from other funds	-	613	-	-	-	-	-	11,951	829	-	2,040,045
Advances to other funds	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 2,414,004	\$ 9,096,403	\$ 6,247,369	\$ 41,424	\$ 3,599,225	\$ 3,190,934	\$ 4,433,952	\$ 506,275	\$ 3,594,417	\$ 52	\$ 3,740,876
Liabilities											
Accounts payable	\$ 453,812	\$ 263,403	\$ 408,709	\$ -	\$ -	\$ 2,067,067	\$ 1,524,676	\$ 17,901	\$ 111,718	\$ -	\$ 15,100
Due to other governmental units	-	-	40	-	-	-	-	-	270	-	1,170
Due to other funds	-	6,465,465	-	-	136,736	1,204	-	24,043	204,326	-	3,482,503
Advances from other funds	-	-	-	-	-	-	-	-	81,491	-	-
Accrued liabilities and other	15,483	477,910	6,508	5,482	-	-	-	7,899	1,466,542	-	242,104
Unearned revenue	1,944,709	-	-	-	-	-	-	-	-	-	-
Total liabilities	2,414,004	7,206,778	415,257	5,482	136,736	2,068,271	1,524,676	49,843	1,864,347	-	3,740,877
Deferred Inflows of Resources - Unavailable revenue	-	1,833,645	-	-	-	-	-	-	31,210	-	1,670,557
Total liabilities and deferred inflows of resources	2,414,004	9,040,423	415,257	5,482	136,736	2,068,271	1,524,676	49,843	1,895,557	-	5,411,434
Fund Balances (Deficit)											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	55,980	5,832,112	35,942	3,462,489	1,122,663	2,909,276	456,432	1,698,860	52	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	(1,670,558)
Total fund balances (deficit)	-	55,980	5,832,112	35,942	3,462,489	1,122,663	2,909,276	456,432	1,698,860	52	(1,670,558)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 2,414,004	\$ 9,096,403	\$ 6,247,369	\$ 41,424	\$ 3,599,225	\$ 3,190,934	\$ 4,433,952	\$ 506,275	\$ 3,594,417	\$ 52	\$ 3,740,876

Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds

September 30, 2021

	Special Revenue Funds									
	Multi-Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Total Special Revenue Funds
Assets										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 7,093,863	\$ 5,189,419	\$ -	\$ -	\$ 706,795	\$ 2,501,512	\$ 42,787,988
Receivables:										
Special assessments receivable	-	-	-	-	-	-	-	-	-	31,210
Accrued interest receivable	-	-	-	10,862	-	-	-	-	-	85,874
Due from other governments	237,579	2,674,143	1,170,437	3,915,249	353,462	578,200	161,628	291,669	-	16,678,960
Other	-	-	-	-	91,483	-	-	-	-	203,742
Contracts receivable	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	20
Due from other funds	-	-	252,346	11,269	35,797	322	28,538	-	-	2,381,710
Advances to other funds	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	4,268	-	620	-	-	-	-	4,888
Total assets	\$ 237,579	\$ 2,674,143	\$ 1,427,051	\$ 11,031,243	\$ 5,670,781	\$ 578,522	\$ 190,166	\$ 998,464	\$ 2,501,512	\$ 62,174,392
Liabilities										
Accounts payable	\$ 22,962	\$ 2,229,320	\$ 107,311	\$ 813,949	\$ 238,585	\$ 67,308	\$ 27,270	\$ 291,653	\$ 43,436	\$ 8,704,180
Due to other governmental units	-	-	-	761	152,874	-	-	-	-	155,115
Due to other funds	187,104	427,810	1,166,419	11,269	1,480,388	304,424	152,239	-	389	14,044,319
Advances from other funds	-	-	-	-	-	-	-	-	-	81,491
Accrued liabilities and other	27,513	17,013	90,525	40,110	112,241	7,724	6,950	-	1,258	2,525,262
Unearned revenue	-	-	-	9,643,071	-	30,142	-	-	-	11,617,922
Total liabilities	237,579	2,674,143	1,364,255	10,509,160	1,984,088	409,598	186,459	291,653	45,083	37,128,289
Deferred Inflows of Resources - Unavailable revenue	-	-	393,350	488,675	123,410	547,102	40,443	16	-	5,128,408
Total liabilities and deferred inflows of resources	237,579	2,674,143	1,757,605	10,997,835	2,107,498	956,700	226,902	291,669	45,083	42,256,697
Fund Balances (Deficit)										
Nonspendable	-	-	4,268	-	620	-	-	-	-	4,888
Restricted	-	-	-	33,408	3,562,663	-	-	706,795	2,456,429	22,333,101
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(334,822)	-	-	(378,178)	(36,736)	-	-	(2,420,294)
Total fund balances (deficit)	-	-	(330,554)	33,408	3,563,283	(378,178)	(36,736)	706,795	2,456,429	19,917,695
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 237,579	\$ 2,674,143	\$ 1,427,051	\$ 11,031,243	\$ 5,670,781	\$ 578,522	\$ 190,166	\$ 998,464	\$ 2,501,512	\$ 62,174,392

Oakland County, Michigan

Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds

September 30, 2021

	Debt Service Funds					Capital Project Funds				
	Building Authority Debt Act 31	Building Authority Debt Refunding	Lake Levels Debt	Water and Sewer Debt Refunding	Total Debt Service Funds	Building Improvement	Project Work Orders	Facilities Management Infrastructure and IT Projects	Animal Control and Pet Adoption Center Construction	Major Departmental Support Projects
Assets										
Pooled cash and investments	\$ 3,804,905	\$ 140,022	\$ 108,558	\$ 325,402	\$ 4,378,887	\$ 7,153,946	\$ 13,783,980	\$ 5	\$ 497,564	\$ 6,568,603
Receivables:										
Special assessments receivable	-	-	301,037	9,360,000	9,661,037	-	-	13,608	-	-
Accrued interest receivable	15,557	-	49	-	15,606	-	-	-	25,383	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Other	-	668,947	-	-	668,947	-	-	-	-	-
Contracts receivable	-	8,975,000	-	-	8,975,000	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	11,397	-	-	1,444,926
Advances to other funds	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	57,511
Total assets	\$ 3,820,462	\$ 9,783,969	\$ 409,644	\$ 9,685,402	\$ 23,699,477	\$ 7,153,946	\$ 13,795,377	\$ 13,613	\$ 522,947	\$ 8,071,040
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ 321,233	\$ 321,233	\$ -	\$ 670,132	\$ -	\$ -	\$ 430,532
Due to other governmental units	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	2,710	-	859	3,569	-	11,397	-	-	258,507
Advances from other funds	-	-	-	-	-	-	-	-	-	-
Accrued liabilities and other	-	49	-	-	49	-	188,252	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	2,759	-	322,092	324,851	-	869,781	-	-	689,039
Deferred Inflows of Resources - Unavailable revenue	-	8,975,000	301,037	9,360,000	18,636,037	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	8,977,759	301,037	9,682,092	18,960,888	-	869,781	-	-	689,039
Fund Balances (Deficit)										
Nonspendable	-	-	-	-	-	-	-	-	-	57,511
Restricted	3,820,462	806,210	108,607	3,310	4,738,589	-	-	-	-	-
Committed	-	-	-	-	-	7,153,946	12,925,596	13,613	522,947	7,324,490
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	3,820,462	806,210	108,607	3,310	4,738,589	7,153,946	12,925,596	13,613	522,947	7,382,001
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 3,820,462	\$ 9,783,969	\$ 409,644	\$ 9,685,402	\$ 23,699,477	\$ 7,153,946	\$ 13,795,377	\$ 13,613	\$ 522,947	\$ 8,071,040

Oakland County, Michigan

Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds

September 30, 2021

	Capital Project Funds						
	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving Fund	Total Capital Project Funds	Total
Assets							
Pooled cash and investments	\$ 57,273	\$ 9,622	\$ 198,319	\$ 1,007,233	\$ 1,373,750	\$ 30,650,295	\$ 77,817,170
Receivables:							
Special assessments receivable	-	-	493,886	-	-	493,886	10,186,133
Accrued interest receivable	-	-	779	-	-	39,770	141,250
Due from other governments	-	-	-	-	-	-	16,678,960
Other	-	-	-	-	-	-	872,689
Contracts receivable	-	-	-	-	74,000	74,000	9,049,000
Due from component units	-	-	-	564,091	-	564,091	564,111
Due from other funds	-	-	-	253,676	-	1,709,999	4,091,709
Advances to other funds	-	-	-	-	1,044,079	1,044,079	1,044,079
Prepaid expenses and other assets	-	-	-	-	-	57,511	62,399
Total assets	\$ 57,273	\$ 9,622	\$ 692,984	\$ 1,825,000	\$ 2,491,829	\$ 34,633,631	\$ 120,507,500
Liabilities							
Accounts payable	\$ 29,095	\$ -	\$ 23,152	\$ -	\$ -	\$ 1,152,911	\$ 10,178,324
Due to other governmental units	-	-	-	-	-	-	155,115
Due to other funds	788	-	79,247	-	829	350,768	14,398,656
Advances from other funds	38,838	-	698,750	-	-	737,588	819,079
Accrued liabilities and other	10,000	-	-	-	-	198,252	2,723,563
Unearned revenue	-	-	-	-	-	-	11,617,922
Total liabilities	78,721	-	801,149	-	829	2,439,519	39,892,659
Deferred Inflows of Resources - Unavailable revenue	-	-	493,886	-	-	493,886	24,258,331
Total liabilities and deferred inflows of resources	78,721	-	1,295,035	-	829	2,933,405	64,150,990
Fund Balances (Deficit)							
Nonspendable	-	-	-	-	-	57,511	62,399
Restricted	-	-	-	-	-	-	27,071,690
Committed	-	9,622	-	1,825,000	2,491,000	32,266,214	32,266,214
Unassigned	(21,448)	-	(602,051)	-	-	(623,499)	(3,043,793)
Total fund balances (deficit)	(21,448)	9,622	(602,051)	1,825,000	2,491,000	31,700,226	56,356,510
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 57,273	\$ 9,622	\$ 692,984	\$ 1,825,000	\$ 2,491,829	\$ 34,633,631	\$ 120,507,500

Oakland County, Michigan

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended September 30, 2021

	Special Revenue Funds										Drains - Act 40		Lake	
	Indigent Defense	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management	Water and Sewer Act 342	Lake Levels Act 146	Maintenance Chapters 4 and 18	Improvements Act 345	Friend of the Court			
Revenue														
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	756,309	\$ 1,163,496	\$ -	\$ -	-	
Intergovernmental:														
Federal grants	-	178,942	-	-	-	-	-	-	-	-	-	-	-	
State sources	3,926,258	10,955,358	-	-	-	-	-	-	-	-	-	11,871,507	-	
Charges for services	-	7,248,731	1,567,140	398,411	641,288	98,775	-	-	-	74,648	-	-	1,478,766	
Investment income	32,856	-	40,285	265	18,353	13,946	-	23,425	7,169	30,486	-	-	-	
Other revenue	-	1,494,585	-	-	152,778	-	1,780,839	5,569	-	3	-	-	61,599	
Total revenue	3,959,114	19,877,616	1,607,425	398,676	812,419	112,721	1,804,264	769,047	1,268,633	-	-	-	13,411,872	
Expenditures														
Current services:														
Salaries	545,792	11,785,806	264,399	257,873	-	-	-	-	-	-	-	-	9,868,047	
Fringe benefits	338,130	6,546,437	146,042	139,130	-	-	-	-	-	-	-	-	5,355,498	
Contractual services	4,346,295	6,812,458	1,184,599	10,144	-	28,153	461,306	308,918	546,264	-	-	-	1,209,114	
Commodities	7,843	397,076	-	-	-	-	-	1,426	10,997	-	-	-	68,833	
Internal services	566,366	2,701,167	230,882	1,265	-	-	48,048	288,407	464,027	-	-	-	2,055,146	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-	
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total expenditures	5,804,426	28,242,944	1,825,922	408,412	-	28,153	509,354	598,751	1,021,288	-	-	-	18,556,638	
Excess of Revenue (Under) Over Expenditures	(1,845,312)	(8,365,328)	(218,497)	(9,736)	812,419	84,568	1,294,910	170,296	247,345	-	-	-	(5,144,766)	
Other Financing Sources (Uses)														
Transfers in	1,867,162	8,409,734	-	-	-	-	-	-	53,056	-	-	-	5,993,664	
Transfers out	(21,850)	-	-	-	(760,672)	-	-	-	-	-	-	-	-	
New debt issued	-	-	-	-	-	-	1,843,603	-	-	-	-	-	-	
Insurance recoveries	-	-	-	-	-	-	61,883	-	-	-	-	-	-	
Total other financing sources (uses)	1,845,312	8,409,734	-	-	(760,672)	-	1,905,486	-	-	53,056	-	-	5,993,664	
Net Change in Fund Balances	-	44,406	(218,497)	(9,736)	51,747	84,568	3,200,396	170,296	300,401	-	-	-	848,898	
Fund Balances (Deficit) - Beginning of year	-	11,574	6,050,609	45,678	3,410,742	1,038,095	(291,120)	286,136	1,398,459	52	-	-	(2,519,456)	
Fund Balances (Deficit) - End of year	\$ -	\$ 55,980	\$ 5,832,112	\$ 35,942	\$ 3,462,489	\$ 1,122,663	\$ 2,909,276	\$ 456,432	\$ 1,698,860	\$ 52	-	-	\$ (1,670,558)	

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Oakland County, Michigan

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds

Year Ended September 30, 2021

	Special Revenue Funds									
	Multi-Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Total Special Revenue Funds
Revenue										
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,919,805
Intergovernmental:										
Federal grants	3,292	14,200,229	781,756	10,649,997	18,225,821	752,464	-	164,750	-	44,957,251
State sources	1,863,793	1,228,955	4,011,702	10,049	1,890,498	6,657,552	704,987	611,579	-	43,732,238
Charges for services	-	-	1,803	1,462,105	4,546	-	-	-	804,384	13,780,497
Investment income	-	-	-	-	-	-	-	-	14,609	181,394
Other revenue	12,943	-	-	-	42,366	19,415	79	-	9	3,570,185
Total revenue	1,880,028	15,429,184	4,795,061	12,122,151	20,163,331	7,429,431	705,066	776,329	819,002	108,141,370
Expenditures										
Current services:										
Salaries	1,051,624	667,580	3,037,871	1,560,318	7,181,923	226,046	323,842	-	90,895	36,862,016
Fringe benefits	555,377	329,227	1,604,804	830,766	3,494,704	112,136	168,579	-	60,496	19,681,326
Contractual services	243,916	14,298,383	712,421	9,609,909	6,680,061	6,685,284	109,002	776,346	14,130	54,036,703
Commodities	12,584	1,765	119,895	32,112	471,071	208,493	7,525	-	68,720	1,398,340
Internal services	16,527	132,229	337,303	201,611	543,842	1,045	-	-	31,089	7,618,954
Capital outlay	-	-	120,882	-	88,753	9,417	-	-	-	219,052
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,880,028	15,429,184	5,933,176	12,234,716	18,460,354	7,242,421	608,948	776,346	255,330	119,816,391
Excess of Revenue (Under) Over Expenditures	-	-	(1,138,115)	(112,565)	1,702,977	187,010	96,118	(17)	563,672	(11,675,021)
Other Financing Sources (Uses)										
Transfers in	-	-	1,718,561	589,161	-	15,400	1,125	-	-	18,647,863
Transfers out	-	-	-	-	-	(11,397)	-	-	-	(793,919)
New debt issued	-	-	-	-	-	-	-	-	-	1,843,603
Insurance recoveries	-	-	-	-	-	-	-	-	-	61,883
Total other financing sources (uses)	-	-	1,718,561	589,161	-	4,003	1,125	-	-	19,759,430
Net Change in Fund Balances	-	-	580,446	476,596	1,702,977	191,013	97,243	(17)	563,672	8,084,409
Fund Balances (Deficit) - Beginning of year	-	-	(911,000)	(443,188)	1,860,306	(569,191)	(133,979)	706,812	1,892,757	11,833,286
Fund Balances (Deficit) - End of year	\$ -	\$ -	\$ (330,554)	\$ 33,408	\$ 3,563,283	\$ (378,178)	\$ (36,736)	\$ 706,795	\$ 2,456,429	\$ 19,917,695

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Oakland County, Michigan

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds

Year Ended September 30, 2021

	Debt Service Funds					Capital Project Funds				
	Building Authority Debt Act 31	Building Authority Debt Refunding	Lake Levels Debt	Water and Sewer Debt Refunding	Total Debt Service Funds	Building Improvement	Project Work Orders	Facilities Management Infrastructure and IT Projects	Animal Control and Pet Adoption Center Construction	Major Departmental Support Projects
Revenue										
Special assessments	\$ -	\$ 1,312,938	\$ 166,963	\$ 541,121	\$ 2,021,022	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:										
Federal grants	-	-	-	-	-	-	-	-	-	-
State sources	-	1,015	309	1,423	2,747	-	3,157	-	-	-
Charges for services	-	493	49	208	28,302	-	-	6	3,298	-
Investment income	27,552	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	27,552	1,314,446	167,321	542,752	2,052,071	-	3,157	6	3,298	-
Expenditures										
Current services:										
Salaries	-	-	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-	-	-	-
Contractual services	-	227	-	-	227	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
Internal services	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	6,042,793	4	-	6,880,631
Debt service:										
Principal	2,705,000	5,060,000	46,800	475,000	8,286,800	-	-	-	-	-
Interest and fiscal charges	543,156	830,482	11,914	66,371	1,451,923	-	-	-	-	-
Total expenditures	3,248,156	5,890,709	58,714	541,371	9,738,950	-	6,042,793	4	-	6,880,631
Excess of Revenue (Under) Over Expenditures	(3,220,604)	(4,576,263)	108,607	1,381	(7,686,879)	-	(6,039,636)	2	3,298	(6,880,631)
Other Financing Sources (Uses)										
Transfers in	2,210,000	5,798,905	-	-	8,008,905	3,008,506	7,031,126	-	-	6,808,187
Transfers out	(3)	(1,199,672)	-	-	(1,199,675)	(4,162,994)	(262,572)	-	-	-
New debt issued	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,209,997	4,599,233	-	-	6,809,230	(1,064,488)	6,768,554	-	-	6,808,187
Net Change in Fund Balances	(1,010,607)	22,970	108,607	1,381	(877,649)	(1,064,488)	728,918	2	3,298	(72,444)
Fund Balances (Deficit) - Beginning of year	4,831,069	783,240	-	1,929	5,616,238	8,218,434	12,196,678	13,611	519,649	7,454,445
Fund Balances (Deficit) - End of year	<u>\$ 3,820,462</u>	<u>\$ 806,210</u>	<u>\$ 108,607</u>	<u>\$ 3,310</u>	<u>\$ 4,738,589</u>	<u>\$ 7,153,946</u>	<u>\$ 12,925,596</u>	<u>\$ 13,613</u>	<u>\$ 522,947</u>	<u>\$ 7,382,001</u>

Oakland County, Michigan

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds

Year Ended September 30, 2021

	Capital Project Funds						
	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving Fund	Total Capital Project Funds	Total
Revenue							
Special assessments	\$ -	\$ -	\$ 73,498	\$ -	\$ -	\$ 73,498	\$ 4,014,325
Intergovernmental:							
Federal grants	-	-	-	-	-	-	44,957,251
State sources	-	-	-	-	-	-	43,732,238
Charges for services	-	-	16,422	-	-	19,579	13,902,823
Investment income	1,433	-	1,488	-	-	6,225	215,921
Other revenue	-	-	-	-	-	-	3,570,185
Total revenue	1,433	-	91,408	-	-	99,302	110,292,743
Expenditures							
Current services:							
Salaries	-	-	-	-	-	-	36,862,016
Fringe benefits	-	-	-	-	-	-	19,681,326
Contractual services	-	-	-	-	-	-	54,036,930
Commodities	-	-	-	-	-	-	1,398,340
Internal services	-	-	-	-	-	-	7,618,954
Capital outlay	110,441	-	52,228	-	-	13,086,097	13,305,149
Debt service:							
Principal	-	-	-	-	-	-	8,286,800
Interest and fiscal charges	-	-	-	-	-	-	1,451,923
Total expenditures	110,441	-	52,228	-	-	13,086,097	142,641,438
Excess of Revenue (Under) Over Expenditures	(109,008)	-	39,180	-	-	(12,986,795)	(32,348,695)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	16,937,819	43,594,587
Transfers out	-	-	-	-	-	(4,425,566)	(6,419,160)
New debt issued	-	-	-	-	-	-	1,843,603
Insurance recoveries	-	-	-	-	-	-	61,883
Total other financing sources (uses)	-	-	-	-	-	12,512,253	39,080,913
Net Change in Fund Balances	(109,008)	-	39,180	-	-	(474,542)	6,732,218
Fund Balances (Deficit) - Beginning of year	87,560	9,622	(641,231)	1,825,000	2,491,000	32,174,768	49,624,292
Fund Balances (Deficit) - End of year	<u>\$ (21,448)</u>	<u>\$ 9,622</u>	<u>\$ (602,051)</u>	<u>\$ 1,825,000</u>	<u>\$ 2,491,000</u>	<u>\$ 31,700,226</u>	<u>\$ 56,356,510</u>

Oakland County, Michigan

Other Supplemental Information Budgetary Comparison Schedule - Non-Major Special Revenue Funds Social Welfare Foster Care

Year ended September 30, 2021			
	Final Amended Budget (Unaudited)	Actual	Variance with Amended
Revenues			
State Grants	\$ 1,000	\$ -	\$ (1,000)
Total revenues	1,000	-	(1,000)
Expenditures			
County Executive	2,000	-	2,000
Human Services	2,000	-	2,000
Operating	2,000	-	2,000
Total Human Services	(1,000)	-	1,000
Total County Executive	1,000	-	(1,000)
Total expenditures	1,000	-	(1,000)
Excess of Revenues Over (Under) expenditures			
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances			
Fund Balances - Beginning of year	-	-	-
Fund Balances - End of year	-	-	-

Oakland County, Michigan

Other Supplemental Information Budgetary Comparison Schedule - Non-Major Special Revenue Funds Child Care

Year ended September 30, 2021			
	Final Amended Budget (Unaudited)	Actual	Variance with Amended
Revenues			
Federal grants	\$ 300,000	\$ 178,942	\$ (121,058)
State grants	14,864,544	10,955,358	(3,909,186)
Charges for services	4,444,097	7,248,731	2,804,634
Other revenue	5,000	1,494,585	1,489,585
Total revenues	19,613,641	19,877,616	263,975
Expenditures			
County Executive			
Public Services	19,170,555	16,382,921	2,787,634
Personnel	3,970,347	3,738,480	231,867
Operating	2,727,811	2,689,019	38,792
Total Public Services	25,868,713	22,810,420	3,058,293
Human Services			
Personnel	-	-	-
Operating	3,086,182	893,230	2,192,952
Internal Support	-	-	-
Total Human Services	3,086,182	893,230	2,192,952
Total County Executive	28,954,895	23,703,650	5,251,245
Justice Administration			
Circuit Court			
Personnel	1,950,800	1,949,323	1,477
Operating	7,520,102	2,577,821	4,942,281
Internal Support	12,970	12,150	820
Total Circuit Court	9,483,872	4,539,294	4,944,578
Total Justice Administration	9,483,872	4,539,294	4,944,578
Non-departmental			
Personnel	-	-	-
Operating	1,075,471	-	1,075,471
Internal Support	-	-	-
Total Non-departmental	1,075,471	-	1,075,471
Total expenditures	39,514,238	28,242,944	11,271,294
(19,900,597)	(8,365,328)	11,535,269	
Excess of Revenues Over (Under) expenditures			
Other Financing Sources (Uses)			
Transfers in	19,889,023	8,409,734	(11,479,289)
Total other financing sources (uses)	19,889,023	8,409,734	(11,479,289)
Net Change in Fund Balances			
Fund Balances - Beginning of year	(11,574)	44,406	55,980
Fund Balances - End of year	11,574	11,574	-
	-	\$ 55,980	\$ 55,980

Other Supplemental Information
Internal Service Funds
Fund Descriptions

These funds account for the financing of goods or services provided by one county department or agency to other departments or agencies on a cost-reimbursement basis.

Facilities Maintenance and Operations Fund

This fund accumulates the costs of operating and maintaining the County's buildings, grounds, and utilities. The fund recovers costs by developing rates and billing user departments.

Information Technology Fund

This fund accounts for the operations of the Department of Information Technology, a service bureau that provides services to other county departments and divisions: local governmental units, private sector, and @access Oakland customers. Costs include the program and system support, maintenance, enhancements, and new development for all major systems applications.

Drain Equipment Fund

This fund accounts for the cost of vehicles and other equipment used for the construction and maintenance of various drains and lake level projects. The fund is reimbursed as the accumulated costs are distributed to specific projects or funds.

Motor Pool Fund

This fund accumulates the costs of purchasing, servicing, and operating county-owned vehicles. The fund recovers these costs by developing rates and billing user departments.

Telephone Communications Fund

This fund accumulates the costs of operating the county telephone system. The fund is reimbursed for the accumulated costs by distributing the charges to the specific fund or department.

Building and Liability Insurance Fund

This fund was established to accumulate moneys that are available to settle claims against the County when no insurance coverage exists and to make insurance premium payments. The fund is reimbursed by the user departments for insurance premiums paid and moneys accumulated for self-insurance.

Fringe Benefits Fund

This fund is used to account for the County's employee fringe benefits. Moneys are accumulated in this fund as a result of payroll allocations made on a departmental and/or bargaining unit basis. This fund also accumulates and disburses moneys related to workers' compensation and unemployment compensation claims and performs as the debt service fund for the County's Retiree Healthcare Refunding debt, including the reporting of keeping the VEBA Trust at full funding through assets of the Superseding Trust Fund. Due to the nature of the fund serving as the mechanism for employee benefits, the entire net pension and net OPEB liability (asset) is also recorded in the Fringe Benefits Fund.

		Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Assets					
Current assets:					
Pooled cash and investments	\$ 7,323,722	\$ 7,851,576		20,895,209	\$ 5,992,846
Receivables:					
Accounts receivable	45,091	63,206		5,766	9,025
Due from other governments	671	33,593		2,597	921
Other	51,321	104,219		289,355	-
Due from component units	7,307	25,691		5,978	-
Due from other funds	814,075	6,639,134		366,644	27,832
Inventories and supplies	177,357	13,969		991,915	313,271
Prepaid expenses and other assets	238	5,421,142		4,220	3,765
Total current assets	8,419,772	20,152,460		22,561,692	5,938,560
Noncurrent assets:					
Net OPEB asset	-	-		-	-
Capital assets:					
Assets not subject to depreciation	1,258,148	15,075,306		6,404,968	-
Assets subject to depreciation - Net		6,239,052		5,220,149	5,800,179
Total noncurrent assets	1,258,148	21,314,358		11,625,117	5,800,179
Total assets	9,677,920	41,466,818		34,186,809	11,738,739
Deferred Outflows of Resources - Deferred OPEB costs					
Liabilities					
Current liabilities:					
Accounts payable	785,005	1,601,000		229,566	12,901
Due to other governmental units	-	3		-	-
Due to other funds	5,937	1,495,554		-	-
Accrued liabilities and other	211,773	256,416		855,936	22,785
Unearned revenue	-	750		-	-
Compensated absences	671	-		-	-
Provision for claims and judgments	-	-		-	-
Current portion of bonds payable	-	-		-	-
Total current liabilities	1,003,436	3,353,763		1,085,502	35,686
Noncurrent liabilities:					
Compensated absences	-	-		-	-
Provision for claims and judgments	-	-		-	-
Bonds payable - Net of current portion	-	-		-	-
Total noncurrent liabilities	-	-		-	-
Total liabilities	1,003,436	3,353,763		1,085,502	35,686
Deferred Inflows of Resources					
Deferred pension cost reductions	-	-		-	-
Deferred OPEB cost reductions	-	-		-	-
Total deferred inflows of resources	-	-		-	-
Net Position					
Net investment in capital assets	1,258,148	21,314,358		11,625,117	5,800,179
Restricted - Superseding Trust - OPEB	7,416,336	16,799,697		21,476,190	5,902,874
Unrestricted	-	-		-	-
Total net position	\$ 8,674,484	\$ 38,113,055		\$ 33,101,307	\$ 11,703,053

Oakland County, Michigan

Other Supplemental Information Combining Statement of Net Position Internal Service Funds

September 30, 2021

Telephone Communications	Building and Liability Insurance	Fringe Benefits	Total Internal Service Funds
\$	2,081,538 \$	4,112,121 \$	131,902,612
-	-	19,744,077	19,744,077
20,566	160,250	750,492	1,055,286
4,485	100	42,357	42,357
1,230	61,533	2,553,083	3,080,741
-	-	38,976	38,976
-	7,011,387	207,924	15,066,996
17,151	2,047,675	1,118,683	8,495,932
2,124,970	13,392,966	108,429,959	181,020,379
-	-	71,914,093	71,914,093
-	-	618,263,365	618,263,365
5,269	-	-	21,480,274
5,269	-	680,177,458	730,180,529
2,130,239	13,392,966	798,607,417	911,200,908
-	-	2,824,688	2,824,688
219,579	166,303	5,609,759	8,624,113
-	-	72,890	72,890
-	-	1,155,639	1,155,639
2,074	11,729	1,372,709	2,732,422
-	-	-	1,421
-	-	1,669,197	1,669,197
-	3,360,000	3,992,474	7,352,474
-	-	27,585,000	27,585,000
221,653	3,538,032	40,314,938	49,553,010
-	-	15,022,777	15,022,777
-	9,749,975	1,003,946	20,753,921
-	-	154,500,000	154,500,000
-	9,749,975	180,926,723	190,676,698
221,653	13,288,007	221,241,661	240,228,708
-	-	45,487,674	45,487,674
-	-	128,361,090	128,361,090
-	-	173,848,764	173,848,764
5,269	-	-	40,003,071
1,903,317	104,959	19,788,528	19,788,528
-	-	386,553,152	440,155,525
\$	1,908,586 \$	104,959 \$	408,341,880 \$
			489,947,124

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Operating Revenue				
Charges for services	25,161,005 \$	38,993,697 \$	47,755,638 \$	8,035,735
Other	1,714	20,533	45,105	7,543
Total operating revenue	25,162,719	39,014,230	47,800,743	8,043,278
Operating Expenses				
Salaries	9,491,018	11,416,426	23,500,514	980,849
Fringe benefits	5,403,929	5,470,784	12,728,890	481,082
Fringe benefits - Pension	-	-	-	-
Contractual services	9,111,234	21,816,151	1,264,251	1,574,578
Commodities	1,794,676	1,533,366	1,418,935	2,717,477
Internal services	1,328,371	1,173,649	5,063,629	217,704
Depreciation	279,174	3,089,228	62,1097	2,831,308
Total operating expenses	27,398,402	44,499,594	44,597,216	8,802,998
Operating (Loss) Income	(2,235,683)	(5,485,364)	3,203,527	(759,720)
Nonoperating Revenue (Expense)				
Investment income	58,938	(2,586)	114,591	34,219
Interest expense	-	-	-	-
Gain on sale of assets	-	1,881	19,500	773,956
Operating grants	116,683	647,108	42,541	-
Total nonoperating revenue (expense)	175,621	646,403	176,632	808,175
(Loss) Income - Before capital contributions	(2,060,062)	(4,838,961)	3,380,159	48,455
Capital Contributions				
Transfers In	665,888	7,185,326	453,792	178,694
Transfers Out	(118,750)	-	(150,862)	(12,500)
Change in Net Position	(1,512,924)	3,408,178	3,683,089	214,649
Net Position - Beginning of year	10,187,408	34,704,877	29,418,218	11,488,404
Net Position - End of year	\$ 8,674,484 \$	38,113,055 \$	33,101,307 \$	11,703,053

Other Supplemental Information

Combining Statement of Revenue, Expenses, and Changes in Net Position

Internal Service Funds

Year Ended September 30, 2021

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Total Internal Service Funds
\$	3,527,604.45	4,769,237.158,658	155,309,191.1,312,425	283,552,107.1,546,023
3,527,649		4,927,895	156,621,616	285,098,130
229,648		488,323	1,433,423	47,550,201
119,079		232,866	300,500	25,137,610
-		-	(21,542,618)	(25,137,610)
-		-	(74,257,854)	(74,257,854)
2,981,919		10,882,525	130,806,177	178,416,835
185,734		53,245	27,602	7,720,925
587,869		153,966	513,669	9,018,857
12,644		-	-	6,833,451
4,096,893		11,800,945	37,299,739	178,485,787
(589,244)		(6,873,050)	119,321,877	106,602,343
14,434		35,974	3,400,379	3,655,949
45		-	(7,383,508)	(7,383,508)
-		-	795,382	795,382
-		-	-	806,332
14,479		35,974	(3,993,129)	(2,135,845)
(554,765)		(6,837,076)	115,328,748	104,486,498
-		-	-	1,061,813
-		7,000,000	-	15,483,700
-		(113,385)	-	(395,497)
(554,765)		49,539	115,328,748	120,616,514
2,463,351		55,420	291,012,932	379,330,610
\$ 1,908,686	\$ 104,959	\$ 406,341,680	\$ 499,947,124	

Oakland County, Michigan

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
\$	25,234,189	37,787,153	47,743,120	8,117,372
(11,111,161)		(23,810,616)	(2,732,714)	(4,353,318)
(14,455,440)		(16,815,224)	(35,515,417)	(1,435,441)
(1,332,359)		(1,155,210)	(3,081,360)	(21,710)
Net cash and cash equivalents (used in) provided by operating activities	(2,044,786)	(3,977,597)	3,994,143	2,090,946
Cash Flows from Operating Activities				
Receipts from customers				
Payments to suppliers				
Payments to employees and fringes				
Payments to other funds				
Net cash and cash equivalents (used in) provided by operating activities				
Cash Flows from Noncapital Financing Activities				
Operating grants and subsidies				
Transfers from other funds				
Transfers to other funds				
Net cash and cash equivalents provided by (used in) noncapital financing activities				
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets				
Purchase of capital assets				
Principal and interest paid on capital debt				
Net cash and cash equivalents (used in) provided by capital and related financing activities				
Cash Flows from Investing Activities				
Investment income				
Purchases of investment securities				
Purchase of investment securities - Net of sales				
Net cash and cash equivalents provided by (used in) investing activities				
Net (Decrease) Increase in Cash and Cash Equivalents				
Cash and Cash Equivalents - Beginning of year				
Cash and Cash Equivalents - End of year				
Classification of Cash and Cash Equivalents - Cash and Investments				
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities				
Operating (loss) income				
Adjustments to reconcile operating (loss) income to net cash from operating activities:				
Depreciation				
Changes in assets and liabilities:				
Receivables				
Due to and from other funds				
Prepaid expenses				
Prepaid and other assets				
Net pension or OPEB asset				
Accounts payable				
Deferrals related to pension or OPEB				
Accrued and other liabilities				
Total adjustments				
Net cash and cash equivalents (used in) provided by operating activities				
Significant Noncash Transactions - Capital contribution				

Oakland County, Michigan

Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions

These funds account for operations and services provided for county residents and are financed primarily through user charges.

Delinquent Personal Property Tax Administration Fund

This fund is used to account for the collection of delinquent personal property taxes and their subsequent disbursement to various municipalities, school districts, and other governmental units. Cost-related activities involving the collection of taxes are also recorded in this fund. Per State of Michigan statutes, money collected in excess of costs shall be intermittently transferred to the County's General Fund.

Fire Records Management Fund

This fund was established to accumulate revenue and costs associated with providing a centralized Fire Records Management System (FRMS). The system will aid in uniform reporting and data sharing for participating local fire departments.

CLEMS (Courts and Law Enforcement Management Information System) Fund

This fund was established to accumulate revenue and costs associated with providing law enforcement units with immediate access to criminal and vehicle information throughout the United States and Canada. This includes the costs of purchasing, servicing, and operating mobile data terminals and base stations.

Radio Communications Fund

This fund accumulates the costs of purchasing, servicing, and operating the county radio system. The fund recovers costs by developing rates and billing users and also receives revenue from the 911 surcharge.

Huron-Rouge S.D.S. (Sewage Disposal System) Fund

This fund was established to record the operations and maintenance of the system, which is used to move sewage to Wayne County for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

Clinton-Oakland S.D.S. (Sewage Disposal System) Fund

This fund was established to record the operations and maintenance of the system, which is used to move sewage to the Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

County Airports Fund

This fund was established to account for the county airports.

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds

Year Ended September 30, 2021

Telephone Communications	Building and Liability Insurance	Fringe Benefits	Total Internal Service Funds
\$ 3,599,889 \$ (2,892,405) (367,484)	5,220,348 \$ (5,797,652) (577,304) (135,965)	155,947,658 \$ (9,422,000) (127,530,581) (500,726)	283,558,729 \$ (9,179,872) (137,444,561) (6,975,839)
(272,494)	(1,449,003)	19,543,198	17,864,397
-	-	-	806,332
-	-	-	8,483,700
-	(113,385)	-	(395,497)
-	(113,385)	-	8,894,535
45	-	-	873,775
-	-	-	(4,880,663)
-	-	(33,998,508)	(33,998,508)
45	-	(33,998,508)	(38,014,416)
18,705	48,861	3,516,081	3,852,474
-	-	(5,180,284)	(5,180,284)
-	-	1,938,013	1,938,013
18,705	48,861	273,810	510,203
(263,744)	(1,515,527)	(14,181,500)	(10,625,261)
2,335,282	5,627,648	98,237,100	142,527,853
\$ 2,081,538 \$ 4,112,121 \$ 84,055,600 \$ 131,902,612			
\$ 2,081,538 \$ 4,112,121 \$ 84,055,600 \$ 131,902,612			
\$ (969,244) \$ (6,873,050) \$ 119,321,877 \$ 106,602,343			
12,644	-	-	6,833,451
71,240	302,453	(773,968)	(1,539,401)
-	-	12,909	13,918
64,666	(297,271)	481,516	889,904
150,582	5,415,389	(328,336,784)	(328,336,784)
(2,362)	3,476	(2,718,322)	1,305,539
296,750	5,424,047	232,135,112	232,135,112
-	-	(579,152)	(136,651)
296,750	5,424,047	(99,778,679)	(88,717,946)
\$ (272,494) \$ (1,449,003) \$ 19,543,198 \$ 17,864,397			
-	-	-	2,123,626

Oakland County, Michigan

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds September 30, 2021

	Delinquent Tax Administration	Fire Records Management	CLEMIS	Radio Communications
Assets				
Current assets:				
Pooled cash and investments	\$ 1,079,744	\$ 670,975	\$ 7,868,858	\$ 21,501,607
Receivables:				
Accrued interest receivable	57,934	3,566	48,310	167,985
Due from other governments	-	86,207	1,093,486	32,731
Other	-	412	258,905	1,299,694
Contracts receivable	-	-	-	-
Due from component units	-	-	-	-
Inventories and supplies	-	-	-	124,313
Prepaid expenses and other assets	-	-	522,835	943,669
Total current assets	1,137,678	761,160	9,762,494	24,069,989
Noncurrent assets:				
Capital assets:				
Assets not subject to depreciation	-	-	1,195,418	35,736,091
Assets subject to depreciation - Net	-	856,865	1,883,986	1,186,744
Total noncurrent assets	-	856,865	3,079,404	36,922,835
Total assets	1,137,678	1,618,025	12,871,898	60,992,834
Liabilities				
Current liabilities:				
Accounts payable	1,138	65,618	318,743	289,002
Due to other governmental units	-	-	469,446	21,355
Accrued liabilities and other	3,068	4,595	61,554	304,755
Unearned revenue	-	4,046	371,755	13,900
Current portion of bonds payable	-	-	-	990,000
Total current liabilities	4,206	74,259	1,221,498	1,619,012
Noncurrent liabilities - Bonds payable - Net of current portion	-	-	-	16,146,312
Total liabilities	4,206	74,259	1,221,498	17,765,324
Net Position				
Net investment in capital assets	-	856,865	3,079,404	19,786,523
Restricted - Public works	-	-	-	-
Unrestricted	1,133,472	686,901	8,570,996	23,440,987
Total net position	\$ 1,133,472	\$ 1,543,766	\$ 11,650,400	\$ 43,227,510

	Huron-Rouge S.D.S.	Clinton-Oakland S.D.S.	County Airports	Total Nonmajor Enterprise Funds
\$	13,024,245	\$ 12,487,820	\$ 16,360,072	\$ 72,983,321
	26,972	160,027	107,339	572,133
	1,615,473	3,866,493	70	6,694,460
	-	-	60,622	1,619,633
	-	-	492,838	492,838
	-	3,741	-	3,741
	-	-	-	124,313
	-	222	241,172	1,707,998
	14,666,690	16,518,303	17,262,113	84,208,437
	8,227,727	20,801,804	38,622,734	102,583,774
	390,263	10,865,291	31,088,510	46,271,659
	8,617,990	31,667,095	67,711,244	148,855,433
	23,284,660	48,165,398	84,973,357	233,063,870
	1,200,654	301,427	26,328	2,203,110
	-	613	-	491,414
	415,526	13,305	633,746	1,436,549
	-	-	663,398	1,053,099
	-	-	625,000	1,615,000
	1,616,380	315,345	1,948,472	6,799,172
	-	-	3,979,719	20,126,031
	1,616,380	315,345	5,928,191	26,925,203
	8,617,990	31,667,095	63,106,525	127,114,402
	10,825,613	13,500,827	-	24,326,440
	2,224,697	2,702,131	15,938,641	54,697,825
\$	21,668,300	\$ 47,870,053	\$ 79,045,166	\$ 206,138,667

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications
Operating Revenue				
Charges for services	\$ 590,982	\$ 308,343	\$ 6,732,205	\$ 10,379,572
Other	-	-	36	2,311
Total operating revenue	590,982	308,343	6,732,241	10,381,883
Operating Expenses				
Salaries	158,039	256,327	2,350,254	701,936
Fringe benefits	68,652	147,726	1,204,562	433,969
Contractual services	110,979	141,495	5,318,688	1,884,818
Commodities	2,748	-	160,673	5,963,188
Internal services	22,733	88,375	694,393	1,062,864
Intergovernmental	-	-	-	-
Depreciation	-	280,611	1,327,660	660,741
Total operating expenses	363,151	912,034	11,066,230	10,707,516
Operating Income (Loss)	227,831	(603,691)	(4,323,989)	(325,633)
Nonoperating Revenue (Expense)				
Investment income	5,080	3,378	57,975	170,027
Interest expense	-	-	(3,990)	(415,644)
Loss on sale assets	-	-	-	-
Operating grants	-	-	-	-
Total nonoperating revenue (expense)	5,080	3,378	53,985	(245,617)
Income (Loss) - Before transfers	232,911	(600,313)	(4,270,004)	(571,250)
Transfers In	-	473,276	1,894,686	4,646,980
Transfers Out	-	-	-	(286,000)
Change in Net Position	232,911	(127,037)	(2,375,318)	3,789,730
Net Position - Beginning of year	900,561	1,670,803	14,025,718	39,437,780
Net Position - End of year	1,133,472	1,543,766	11,650,400	43,227,510

Huron/Rouge S.D.S.	Clinton-Oakland S.D.S.	County Airports	Total Nonmajor Enterprise Funds
\$ 9,707,763 \$ 3,131	\$ 36,691,058 \$ 25,086	4,902,814 \$ 3,368	69,312,737 33,932
9,710,894	36,716,144	4,906,182	69,346,669
-	-	1,431,677	4,898,733
7,770,388	27,184,303	731,942	2,886,851
567	37,616	1,530,711	43,941,382
155,426	1,100,026	140,083	6,304,875
-	6,544,979	300,374	3,421,191
50,325	904,173	-	6,544,979
7,976,706	35,771,097	2,657,422	5,880,932
1,734,188	945,047	6,792,209	73,578,943
106,421	99,306	(1,886,027)	(4,232,274)
-	-	112,377	554,564
-	-	(114,741)	(330,365)
-	139,092	621,213	760,305
106,421	238,398	618,849	780,494
1,840,609	1,183,445	(1,287,178)	(3,451,780)
-	-	-	7,014,942
-	-	(75,000)	(3,261,000)
1,840,609	1,183,445	(1,342,178)	3,202,162
19,827,691	46,686,608	80,387,344	202,936,505
\$ 21,668,300 \$	\$ 47,870,053 \$	\$ 79,054,166 \$	\$ 206,138,667

Oakland County, Michigan

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications
Cash Flows from Operating Activities				
Receipts from customers	\$ 590,992	\$ 304,827	\$ 6,585,738	\$ 9,872,574
Payments to suppliers	(19,326)	(1,044)	(6,033,689)	(7,677,474)
Payments to employees and fringes	(22,793)	(404,942)	(3,533,699)	(1,130,339)
Payments to other funds	(22,733)	(65,375)	(702,056)	(1,082,864)
Net cash and cash equivalents provided by (used in) operating activities	223,186	(288,936)	(3,660,513)	2,327
Cash Flows from Noncapital Financing Activities				
Operating grants and subsidies	-	-	-	-
Transfers from other funds	-	473,276	1,894,686	4,646,980
Transfers to other funds	-	-	-	(286,000)
Net cash and cash equivalents provided by noncapital financing activities	-	473,276	1,894,686	4,360,980
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	-	-	296	-
Purchase of capital assets	-	(53,046)	(249,576)	(19,156,608)
Principal and interest paid on capital debt	-	-	-	(1,646,977)
Net cash and cash equivalents used in capital and related financing activities	-	(53,046)	(249,282)	(20,803,585)
Cash Flows Provided by Investing Activities - Interest received on investments	7,092	4,497	74,915	234,744
Cash Flows Provided by Investing Activities	230,278	135,791	(1,940,194)	(16,205,534)
Net Increase (Decrease) in Cash and Cash Equivalents	849,466	535,184	9,809,052	37,707,141
Cash and Cash Equivalents - Beginning of year	1,079,744	670,975	7,868,858	21,501,607
Cash and Cash Equivalents - End of year	1,079,744	670,975	7,868,858	21,501,607
Classification of Cash and Cash Equivalents - Cash and Investments				
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 227,831	\$ (603,691)	\$ (4,323,989)	\$ (325,633)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	-	280,611	1,327,660	660,741
Changes in assets and liabilities:				
Receivables	-	(6,306)	(146,503)	(509,309)
Due to and from other funds	-	-	(7,663)	-
Inventories	-	-	-	40,546
Prepaid and other assets	-	-	236,369	107,838
Accounts payable	(5,601)	38,049	(770,697)	22,578
Accrued and other liabilities	956	2,401	24,310	5,566
Total adjustments	(4,645)	314,755	663,476	327,960
Net cash and cash equivalents provided by (used in) operating activities	223,186	(288,936)	(3,660,513)	2,327

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended September 30, 2021

	Huron-Rouge S.D.S.	Clinton-Oakland S.D.S.	County Airports	Total
\$	9,711,709	\$ 37,073,607	\$ 3,415,860	\$ 67,555,297
	(7,327,449)	(35,719,104)	(508,732)	(57,468,792)
	(155,426)	(1,100,026)	(2,153,377)	(7,445,259)
			(300,374)	(3,428,854)
	2,228,834	254,477	453,017	(787,608)
	-	139,092	621,213	760,305
	-	-	(75,000)	7,014,942
	-	-	-	(361,000)
	-	139,092	546,213	7,414,247
	(5,390,896)	(2,477,748)	(866,602)	298
	-	-	(787,619)	(2,434,596)
	(5,390,896)	(2,477,748)	(1,654,221)	(30,628,778)
	136,874	129,662	146,968	734,752
	(3,025,188)	(1,954,517)	(508,023)	(23,267,387)
	16,049,433	14,442,337	16,868,095	96,260,708
\$	13,024,245	\$ 12,487,820	\$ 16,360,072	\$ 72,993,321
\$	13,024,245	\$ 12,487,820	\$ 16,360,072	\$ 72,993,321
\$	1,734,188	\$ 945,047	\$ (1,886,027)	\$ (4,232,274)
	50,325	904,173	2,657,422	5,890,932
	815	357,463	(1,490,322)	(1,794,162)
	-	-	-	(7,663)
	-	-	-	40,546
	-	(222)	1,266,736	1,610,721
	443,506	(1,951,984)	(104,674)	(2,328,823)
	-	-	9,882	43,115
	494,646	(690,570)	2,339,044	3,444,666
\$	2,228,834	\$ 254,477	\$ 453,017	\$ (787,608)

Oakland County, Michigan	Other Supplemental Information Fiduciary Funds Fund Descriptions (Continued)
<u>Pension Trust Funds</u>	
Employee pension trust funds accept payments made by the County, invest fund resources, and calculate and pay pensions and retirees' health care to beneficiaries.	
<u>Oakland County Employees' Retirement Fund</u>	
This fund is used to account for the financial operations of the Oakland County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system.	
<u>VEBA (Voluntary Employees' Beneficiary Association) Trust Fund</u>	
The OPEB (other postemployment benefits) trust plan is funded through the VEBA Trust Fund.	
This fund was established as a trust under Internal Revenue Code Section 501(c)(9) to account for funding on an actuarial basis, including contributions by Oakland County, Michigan, and subsequent disbursement for postemployment medical benefits.	
<u>Investment Trust Fund</u>	
The investment trust fund accounts for resources of external units of government that are pooled in an investment portfolio for the benefit of the participants.	
<u>Local Governmental Investment Pool Fund</u>	
This fund was established as a trust with cities, townships, and villages in Oakland County whereby the county treasurer, under contractual arrangement, pools resources of the participants. Interest earnings net of fees accrue to the benefit of the participants in the pool.	
<u>Custodial Funds</u>	
These funds account for assets held by the County in a custodial capacity. Disbursements from these funds are contingent upon agreement or applicable legislative enactment for each particular fund.	
<u>Undistributed Taxes Fund</u>	
This fund is a conglomerate of various current year tax funds that receive tax moneys and disburse them to municipalities, school districts, and other governmental units.	
<u>Register of Deeds Trust Fund</u>	
This fund is used to account for redemption moneys received from the sale of real estate by the sheriff's department and their subsequent disbursement.	
<u>Sheriff's NET (Narcotics Enforcement Team) Forfeiture Fund</u>	
This fund is used to account for money seized, or the sale of confiscated property at auction, under authorization of Michigan state law. The money is held until the court case has been resolved, and, at least yearly, any forfeited moneys are distributed to local, state, or federal police agencies that participate in the NET program.	
<u>Circuit Court Trust Fund</u>	
This fund is used to account for moneys received and disbursed by the Clerk's Office per Circuit Court order.	
<u>Escheats Trust Fund</u>	
This fund is used to account for moneys that have not been claimed. This includes payroll, retirement, and other checks issued by the County and moneys from the Legatee Trust and Special Trust funds. All moneys go to the State of Michigan after a prescribed length of time.	
Oakland County, Michigan	Other Supplemental Information Fiduciary Funds Fund Descriptions (Continued)
<u>Legatee Trust Fund</u>	This fund is used to account for estate assets that remain unclaimed. After five years, these moneys are transferred to the Oakland County Escheats Trust Fund.
<u>Special Trust Fund</u>	This fund is used to account for moneys deposited with the county treasurer that are released at a later date. Juvenile court bonds, transient merchant license bonds, and overbids on sheriff land sales are included.
<u>Public Library Trust Fund</u>	This fund is used to account for moneys received by district and circuit courts for court fines and disbursed to public libraries based on a percentage of the current census.
<u>District Court Trust Account</u>	This fund is used to account for appearance bonds and other trust moneys in the four divisions of the County's district court system.
<u>Jail Inmate Trust Account</u>	This fund is used to hold moneys collected from and for inmates of the Oakland County Jail. Checks are written to cover bond payments, commissary purchases of other personal needs, and to return account balances upon inmate release or transfer to another facility. Individual accounts are tracked in the Jail Management System (JAMS).

Oakland County, Michigan

Other Supplemental Information Combining Statement of Fiduciary Net Position Fiduciary Funds

September 30, 2021

	Pension and Other Postemployment Benefits Trust Funds		Investment Trust Funds		Custodial Funds		
	Oakland County Employees' Retirement	VEBA Trust	Total	Government Investment Pool	Undistributed Taxes	Register of Deeds Trust	Sheriff's NET Forfeiture
Assets							
Pooled cash and investments	\$ 18,539,671	\$ 79,786,577	\$ 98,326,248	\$ 1,046,869,881	\$ 270,873,802	\$ 365,108	\$ 391,533
U.S. government securities	10,160,288	204,181,966	305,784,834	-	-	-	-
Other fixed income	10,106,396	14,012,554	24,118,950	-	-	-	-
Common stocks	7,281,131	12,715,043	19,996,174	-	-	-	-
International common stock	148,984,862	474,570,670	623,555,532	-	-	-	-
Common, preferred, and convertible	236,509,367	305,385,979	541,895,346	-	-	-	-
Corporate bonds	109,456,258	206,862,694	316,318,952	-	-	-	-
Real estate	77,730,977	143,402,905	221,133,882	-	-	-	-
Bank loans	1,334,110	1,749,023	3,083,133	-	-	-	-
Partnerships	29,115,881	51,850,471	80,966,352	-	-	-	-
Large funds	49,225,619	76,130,272	125,355,891	-	-	-	-
Receivable	1,617,813	2,496,593	4,114,406	-	-	-	23,527
Interest receivable	-	-	-	-	-	-	-
Prepaid expenses and other assets	2,398	168,492	168,890	-	-	-	-
Total assets	791,507,551	1,573,311,239	2,364,818,790	1,046,869,881	270,873,802	365,108	415,060
Liabilities							
Accounts payable	677,419	2,277,666	2,955,085	-	-	-	-
Due to other governmental entities	-	-	-	-	270,873,802	-	-
Accrued liabilities and other	5,036	2,076,721	2,081,757	81,368	-	-	-
Total liabilities	682,455	4,354,387	5,036,842	81,368	270,873,802	-	-
Net Position							
Restricted:							
Pension	790,825,096	-	790,825,096	-	-	-	-
Postemployment benefits other than pension	-	1,568,956,852	1,568,956,852	-	-	-	-
Pool participants	-	-	-	1,046,788,513	-	-	-
Individuals, organizations, and other governments	-	-	-	-	-	365,108	415,060
Total net position	\$ 790,825,096	\$ 1,568,956,852	\$ 2,359,781,948	\$ 1,046,788,513	\$ -	\$ 365,108	\$ 415,060

	Custodial Funds						Total Fiduciary Funds
	Circuit Court Trust	Escheats Trust	Legatee Trust	Special Trust	Public Library Trust	District Court Trust Account	
	\$ 5,540,090	\$ 5,350	\$ 990,222	\$ 3,552,351	\$ 607,790	\$ 520,180	\$ 1,428,373,157
	-	-	-	-	-	-	305,784,834
	-	-	-	-	-	-	24,118,950
	-	-	-	-	-	-	19,996,174
	-	-	-	-	-	-	623,555,532
	-	-	-	-	-	-	541,895,346
	-	-	-	-	-	-	316,318,952
	-	-	-	-	-	-	221,133,882
	-	-	-	-	-	-	3,083,133
	-	-	-	-	-	-	80,966,352
	-	-	-	-	-	-	125,355,891
	96,341	-	-	27,732	9,218	1,168	4,275,392
	-	-	-	-	-	-	168,890
	5,639,431	5,350	990,222	3,550,083	617,008	530,348	3,695,026,685
	364,946	-	-	-	-	-	3,320,031
	-	-	-	-	-	-	270,873,802
	-	-	-	-	-	-	2,163,125
	364,946	-	-	-	-	-	276,356,956
	-	-	-	-	-	-	790,825,096
	-	-	-	-	-	-	1,568,956,852
	-	-	-	-	-	-	1,046,788,513
	5,274,405	5,350	990,222	3,560,083	617,008	530,348	12,099,266
	\$ 5,274,405	\$ 5,350	\$ 990,222	\$ 3,560,083	\$ 617,008	\$ 530,348	\$ 3,418,669,727

Oakland County, Michigan

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year Ended September 30, 2021

	Pension and Other Postemployment Benefits Trust Funds			Investment Trust Funds			Custodial Funds		
	Oakland County Employees' Retirement	VEBA Trust	Total	Government Investment Pool	Local Investment Pool	Undistributed Taxes	Register of Deeds Trust	Sheriff's NET Forfeiture	
Additions									
Investment income (loss):	\$ 9,914,205	\$ 18,738,410	\$ 28,652,615	\$ 5,986,465	\$ -	\$ -	\$ -	\$ -	\$ 645
Interest and dividends	127,472,152	253,928,262	381,400,414	-	-	-	-	-	-
Net increase in fair value of investments	(1,888,374)	(3,859,124)	(5,747,498)	-	-	-	-	-	-
Investment-related expenses	-	-	-	-	-	-	-	-	-
Net investment income	135,497,983	268,807,548	404,305,531	5,986,465	-	-	-	-	645
Contributions - Employee	99,693	354,983	454,676	1,066,250,086	-	-	-	-	-
Property tax collections	-	-	-	-	-	1,122,578,758	-	-	-
Other revenue	-	5,849,433	5,849,433	-	-	-	-	-	-
Forfeitures, escheats, and deposits	-	-	-	-	-	-	742,192	-	436,710
Total additions	135,597,676	275,011,964	410,609,640	1,072,236,551	1,122,578,758	1,122,578,758	742,192	-	437,355
Deductions									
Benefit payments	62,086,459	43,156,674	105,243,133	-	-	-	-	-	-
Reimbursements for investments by participating municipalities	-	-	-	824,555,327	-	-	-	-	-
Administrative expenses	454,771	404,749	859,520	-	-	-	-	-	-
Taxes disallowed	-	-	-	-	-	1,122,578,758	-	-	-
Release of funds	-	-	-	-	-	-	534,539	821,763	-
Court-ordered funds	-	-	-	-	-	-	-	-	-
Total deductions	62,541,230	43,561,423	106,102,653	824,555,327	1,122,578,758	1,122,578,758	534,539	821,763	-
Net Increase (Decrease) in Fiduciary Net Position	73,056,446	231,450,541	304,506,987	247,681,224	-	-	207,653	(384,408)	-
Net Position - Beginning of year (as restated)	717,768,650	1,337,596,311	2,055,274,961	795,107,289	-	-	157,455	799,468	-
Net Position - End of year	\$ 790,825,096	\$ 1,568,956,852	\$ 2,359,781,948	\$ 1,046,788,513	\$ -	\$ -	\$ 365,108	\$ 415,060	\$ -

	Custodial Funds						Jail Inmate Trust Account	Total Fiduciary Funds
	Circuit Court Trust	Escheats Trust	Legatee Trust	Special Trust	Public Library Trust	District Court Trust Account		
\$ 7,293	\$ -	\$ -	\$ 4,184	\$ -	\$ -	\$ 820	\$ -	\$ 34,652,022
-	-	-	-	-	-	-	-	381,400,414
-	-	-	-	-	-	-	-	(5,747,498)
7,293	-	-	4,184	-	-	820	-	410,304,938
-	-	-	-	-	-	-	-	1,066,704,762
-	-	-	-	-	-	-	-	1,122,578,758
-	-	-	-	-	-	-	-	5,849,433
5,746,816	1,058,118	632,904	2,253,613	2,121,474	2,048,979	1,953,959	-	16,994,765
5,754,109	1,058,118	632,904	2,257,797	2,121,474	2,049,799	1,953,959	-	2,622,432,656
-	-	-	-	-	-	-	-	105,243,133
-	-	-	-	-	-	-	-	824,555,327
-	-	-	-	-	-	-	-	859,520
-	1,135,220	390,216	-	-	1,921,010	1,917,894	-	1,122,578,758
5,156,004	-	2,170,248	2,120,410	2,120,410	2,120,410	1,917,894	-	9,455,752
5,156,004	1,135,220	390,216	2,170,248	2,120,410	2,120,410	1,917,894	-	2,069,422,172
598,015	(77,102)	233,688	87,549	(7,936)	128,789	36,025	-	553,010,484
4,676,470	82,452	755,534	3,492,534	624,944	401,559	285,577	-	2,865,659,243
\$ 5,274,485	\$ 5,350	\$ 990,222	\$ 3,590,053	\$ 617,008	\$ 530,348	\$ 321,602	\$ -	\$ 3,418,669,727

Statement of Net Position and Governmental Funds Balance Sheet

Drainage Districts

September 30, 2021

	Governmental Funds				Statement of Net Position
	Special Revenue	Debt Service	Capital Projects	Full Accrual Adjustments	
Assets					
Pooled cash and investments	\$ 36,658,044	\$ 2,104,084	\$ 17,945,449	\$ 56,707,577	\$ -
Receivables					
Special assessments receivable	508,622	203,886,822	-	204,395,444	-
Accrued interest receivable	130,800	32,322	-	163,122	-
Due from other governments	4,659,834	51,763	-	4,711,597	-
Other	193,592	2,290	-	195,882	-
Due from other funds	-	-	-	-	-
Prepaid expenses and other assets	882	-	-	882	-
Restricted assets	-	-	47,288,433	-	47,288,433
Capital assets:					
Assets not subject to depreciation	-	-	-	163,211,653	163,211,653
Assets subject to depreciation - Net	-	-	-	501,745,541	501,745,541
Total assets	\$ 42,151,774	\$ 206,077,281	\$ 65,233,882	\$ 313,462,937	\$ 979,420,331
Liabilities					
Accounts payable	\$ 8,680,153	\$ 1,608,944	\$ 69,442	\$ 10,358,539	\$ -
Due to other governmental units	6,700,682	78,479	-	6,779,161	-
Due to primary government	666,043	3,741	130,765	800,549	-
Due to other funds	-	-	-	-	-
Accrued liabilities and other	422,752	6,880	2,872,860	3,302,492	-
Unearned revenue	121,524	36,843,944	12,479,410	49,444,678	-
Noncurrent liabilities					
Due within one year:					
Payable from restricted assets	-	-	3,531,296	3,531,296	-
Current portion of bonds payable	-	-	-	22,842,400	-
Bonds payable - Net of current portion	-	-	-	243,672,253	243,672,253
Total liabilities	16,591,154	38,541,988	19,083,773	74,216,915	265,514,653
Deferred Inflows of Resources					
Unavailable revenue - special assessments	508,622	167,057,638	-	167,566,260	-
Fund Balance - Restricted	25,051,998	477,655	46,150,109	71,679,762	-
Net Position					
Net investment in capital assets					442,199,878
Restricted					123,899,123
Unrestricted	25,051,998	477,655	46,150,109	71,679,762	637,688,763
Total fund balances/net position					-
Total liabilities, deferred inflows of resources, and fund balances/net position	\$ 42,151,774	\$ 206,077,281	\$ 65,233,882	\$ 313,462,937	\$ 979,420,331

Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance

Drainage Districts

For the Year Ended September 30, 2021

	Governmental Funds				Statement of Activities
	Special Revenue	Debt Service	Capital Projects	Full Accrual Adjustments	
Revenue					
Special assessments	\$ 14,438,374	\$ 29,271,413	\$ 6,517,114	\$ 50,226,901	\$ 9,087,464
State grants	57,316	-	-	57,316	-
Charges for services	75,844,409	5,546	250	75,850,205	-
Investment income	236,173	31,370	250,148	517,691	-
Other revenue	31,017	1,590	-	32,607	-
Total revenue	90,607,289	29,309,919	6,767,512	126,684,720	9,087,464
Expenses					
Current:					
Salaries	369	-	-	369	-
Contractual services	84,642,245	437,382	26,411,051	111,490,668	(1,923,553)
Commodities	1,312,250	-	-	1,312,250	-
Internal services	6,086,572	-	571,473	6,658,045	-
Depreciation	-	-	-	-	10,018,583
Debt service:					
Principal	-	22,355,100	-	22,355,100	-
Interest	-	7,253,506	-	7,253,506	(422,079)
Total expenses	92,021,436	30,045,988	26,982,534	149,049,938	(14,882,149)
Excess of Revenues Over Expenses	(1,414,147)	(736,049)	(20,215,022)	(22,365,219)	23,749,613
Other Financing Sources (Uses)					
Transfers in	-	-	43,210	43,210	-
Issuance of refunding bonds	(43,210)	-	-	(43,210)	(43,210)
New debt issued	-	38,010,000	-	38,010,000	(38,010,000)
Debt premium	-	-	692,215	692,215	(692,215)
Payment to bond refunding escrow agent	-	1,021,362	-	1,021,362	-
Insurance recoveries	-	(38,595,000)	-	(38,595,000)	-
Total other financing sources (uses)	235,149	-	-	235,149	-
Net Change in Fund Balances	191,539	436,382	735,425	1,363,726	(1,128,577)
Fund Balances/Net Position - Beginning of year	(1,222,208)	(299,687)	(19,479,597)	(21,001,492)	22,621,036
Fund Balances/Net Position - End of year	28,274,206	777,342	65,629,706	92,681,254	543,387,965
Fund Balances/Net Position	\$ 25,051,998	\$ 477,655	\$ 46,150,109	\$ 71,679,762	\$ 586,009,001
					\$ 637,688,763

Statistical Section

Statistical Section

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

The statistical section is organized into the following main categories:

Financial trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and economic information

These schedules help the reader understand the environment within which the government's financial activities take place.

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Oakland County, Michigan

		As of September 30,										Net Position by Component	
												Last Ten Fiscal Years	
												September 30, 2021	
		2012	2013	2014	2015	2016 ⁽¹⁾	2017	2018	2019	2020	2021		
Governmental Activities:													
Net investment in capital assets		\$ 148,709,168	\$ 137,512,571	\$ 145,910,667	\$ 158,456,894	\$ 147,744,764	\$ 168,617,536	\$ 181,610,977	\$ 183,757,890	\$ 189,348,222	\$ 203,351,000		
Restricted		92,163,322	79,479,130	55,967,444	55,967,444	36,039,694	43,887,694	43,887,694	43,887,694	43,887,694	40,000,000		
Unrestricted		157,152,382	101,318,485	180,545,866	228,025,269	304,822,163	338,663,951	432,098,567	529,810,572	625,617,223	743,669,223		
Total net position		\$ 398,773,881	\$ 401,298,186	\$ 380,353,457	\$ 424,473,875	\$ 488,498,914	\$ 546,234,007	\$ 657,439,421	\$ 758,440,980	\$ 877,476,888	\$ 1,009,080,261		
Business Type Activities:													
Net investment in capital assets		\$ 289,004,302	\$ 264,682,840	\$ 268,982,194	\$ 284,732,715	\$ 298,224,229	\$ 298,608,145	\$ 283,504,939	\$ 304,042,430	\$ 327,109,356	\$ 339,686,274		
Restricted		177,418,640	73,813,076	79,286,471	89,043,864	98,337,169	86,499,021	87,172,136	111,130,441	122,316,499	20,544,462		
Unrestricted		337,479,877	397,673,527	354,266,212	333,631,963	345,190,207	351,717,949	365,217,051	363,965,666	350,849,937	367,574,466		
Total net position		\$ 703,902,619	\$ 706,169,443	\$ 701,546,867	\$ 708,208,142	\$ 742,691,605	\$ 746,825,115	\$ 755,894,126	\$ 779,078,957	\$ 806,275,792	\$ 828,015,202		
Primary government in total:													
Net investment in capital assets		\$ 437,713,470	\$ 402,195,411	\$ 414,892,851	\$ 441,189,609	\$ 446,988,993	\$ 467,225,681	\$ 475,115,916	\$ 487,800,320	\$ 526,457,578	\$ 543,248,274		
Restricted		170,336,961	146,280,406	132,163,385	129,235,576	134,269,156	137,451,541	140,502,013	163,002,954	174,827,942	180,612,500		
Unrestricted		434,632,289	536,992,012	534,626,068	362,256,832	649,962,370	686,361,500	797,715,616	866,716,263	892,467,160	1,113,245,669		
Total net position		\$ 1,102,682,700	\$ 1,107,467,829	\$ 1,081,992,394	\$ 1,132,682,017	\$ 1,231,190,519	\$ 1,293,059,122	\$ 1,413,333,547	\$ 1,537,519,537	\$ 1,682,752,690	\$ 1,837,106,463		

(1) Implementation of GASB Statement No. 75 resulted in restatement of Net Position as of September 30, 2016.

Oakland County, Michigan

As of September 30,					
	2012	2013	2014	2015	
Expenses					
Governmental activities:					
General government, administrative	\$ 24,883,201	\$ 24,802,464	\$ 23,850,091	\$ 69,539,633	
Public safety	203,647,570	195,275,037	201,580,810	186,050,353	
Justice administration	91,355,151	90,873,460	93,496,165	86,238,778	
Citizen services	83,141,703	82,502,384	87,214,484	83,738,255	
Public works	29,173,892	29,008,606	42,267,177	38,300,439	
Recreation and leisure	1,747,878	1,551,035	1,448,875	1,322,395	
Commerce and community development	53,775,460	48,895,303	48,411,360	44,364,348	
Unallocated depreciation	1,912,755	1,911,473	2,083,460	3,164,143	
Interest on debt	4,041,393	2,626,856	3,244,225	3,273,505	
Total governmental activities expenses	493,679,003	477,446,616	503,596,647	515,991,849	
Business- type activities:					
Airports	9,016,461	6,653,186	6,910,625	7,023,922	
Community safety support	17,370,233	17,084,677	21,277,821	21,312,944	
Community tax financing	1,615,467	1,399,607	1,278,589	1,230,707	
Community water and sewer	53,137,399	77,371,824	77,684,287	81,572,797	
Recreation and leisure	20,108,609	21,181,725	22,860,691	23,741,356	
Sewage disposal systems	121,129,202	126,797,005	128,252,661	129,927,136	
Total business- type activities expenses	222,377,371	250,488,024	258,264,694	264,809,082	
Total primary government expenses	<u>\$ 716,056,374</u>	<u>\$ 727,934,642</u>	<u>\$ 761,861,341</u>	<u>\$ 780,800,931</u>	
Program Revenues					
Governmental activities:					
Charges for services:					
General government, administrative	\$ 24,431,514	\$ 28,230,087	\$ 25,879,090	\$ 24,225,570	
Public safety	60,028,240	60,741,916	63,007,666	64,625,234	
Justice administration	31,950,808	31,730,104	31,711,482	31,830,801	
Citizen services	5,829,293	6,448,453	7,310,429	8,414,435	
Public works	16,293,669	22,030,824	19,090,066	12,855,569	
Recreation and leisure	79,342	38,154	39,934	14,686	
Commerce and community development	14,240,342	18,967,967	17,156,997	17,646,879	
Operating grants and contributions:					
General government, administrative	1,972,545	812,900	786,094	4,448,510	
Public safety	28,147,900	23,147,123	17,770,136	17,630,677	
Justice administration	662,382	456,013	508,391	741,357	
Citizen services	20,364,604	21,776,402	23,545,171	14,728,273	
Public works	2,635,398	930,304	261,174	362,098	
Recreation and leisure	254,812	72,414	14,965	-	
Commerce and community development	30,464,781	24,636,978	23,443,405	22,065,499	
Capital grants and contributions:					
General government, administrative	-	-	-	-	
Public safety	618,415	965,065	193,234	163,231	
Justice administration	-	-	-	-	
Citizen services	-	-	-	-	
Public works	1,961,591	-	3,557,413	5,761,319	
Total governmental activities program revenues	<u>\$ 239,955,636</u>	<u>\$ 240,986,704</u>	<u>\$ 234,277,647</u>	<u>\$ 225,514,138</u>	

Changes in Net Position

Last Ten Fiscal Years

September 30, 2021

As of September 30,					
	2016	2017	2018	2019	2020
\$ 36,922,795	\$ 7,210,199	\$ 35,548,340	\$ 35,091,684	\$ 45,235,354	\$ 68,097,576
186,368,098	198,159,722	169,208,509	175,918,304	181,218,780	170,165,901
88,190,032	91,193,006	78,025,038	82,205,431	83,420,779	82,680,325
77,513,361	80,436,567	73,510,309	75,939,004	166,218,189	197,192,575
53,585,849	44,539,179	27,336,927	26,120,398	12,162,537	20,629,427
1,346,384	1,322,395	1,294,311	1,097,813	958,837	959,961
42,667,769	42,558,106	40,532,530	40,338,245	38,828,613	44,925,802
3,527,266	3,825,781	3,557,676	3,791,283	3,287,405	2,928,922
3,222,007	3,568,860	3,609,194	3,295,856	3,089,502	2,292,741
493,343,561	472,859,717	432,622,834	443,798,018	534,419,996	589,873,230
6,630,136	6,587,495	6,316,381	6,557,528	7,101,012	6,906,947
20,772,663	19,648,350	18,114,764	18,374,698	19,678,111	23,091,421
988,159	970,801	1,423,477	1,126,127	838,789	865,232
82,330,145	85,734,595	100,192,304	89,291,813	90,362,472	97,253,386
23,460,676	25,050,628	26,891,978	26,267,157	23,046,773	26,284,570
132,107,791	136,073,377	136,558,969	136,973,962	149,067,323	147,594,346
266,289,570	276,065,246	291,497,873	280,591,305	290,084,480	301,955,902
<u>\$ 759,633,131</u>	<u>\$ 748,924,963</u>	<u>\$ 724,120,707</u>	<u>\$ 724,389,323</u>	<u>\$ 824,504,476</u>	<u>\$ 891,829,132</u>
\$ 23,078,190	\$ 28,420,204	\$ 27,513,139	\$ 23,675,763	\$ 20,723,525	\$ 20,623,894
64,274,890	65,792,333	69,089,611	71,255,942	69,317,706	71,808,818
32,064,235	31,447,605	31,538,861	31,330,523	25,999,629	29,203,725
9,488,715	9,315,993	9,710,756	11,072,215	7,678,391	10,534,209
34,566,771	30,265,391	16,873,895	16,102,696	16,194,572	14,928,777
15,468	16,046	14,527	11,085	3,968	-
18,361,879	21,023,719	20,968,785	21,319,207	21,372,375	28,015,186
600,500	614,012	722,999	675,071	772,768	1,519,615
18,302,689	18,934,764	21,820,828	20,709,746	18,573,921	17,455,018
680,004	854,996	571,023	2,559,438	5,784,960	3,528,424
15,731,575	15,028,275	16,820,290	18,311,577	140,807,013	171,747,027
1,069,022	400,203	1,000	-	-	42,541
8,000	7,004	-	-	-	-
20,163,033	19,855,509	20,652,246	20,338,952	18,118,102	25,446,301
-	161,669	23,273	-	-	-
282,049	-	45,046	71,241	47,165	-
39,190	-	-	119,100	1,176,908	-
-	-	-	13,054	512,800	15,756
1,207,474	2,158,419	2,187,532	-	-	-
<u>\$ 239,933,684</u>	<u>\$ 244,296,142</u>	<u>\$ 238,553,811</u>	<u>\$ 237,565,610</u>	<u>\$ 347,083,803</u>	<u>\$ 394,869,291</u>

(Continued)

Oakland County, Michigan

	As of September 30,			
	2012	2013	2014	2015
Program Revenues (Continued)				
Business- type activities:				
Charges for services:				
Airports	\$ 4,502,884	\$ 4,381,999	\$ 4,294,902	\$ 4,421,496
Community safety support	13,242,926	11,417,222	13,085,563	12,833,963
Community tax financing	21,965,251	21,845,083	18,306,142	16,657,070
Community water and sewer	59,090,782	80,223,019	80,597,277	80,058,849
Recreation and leisure	8,751,064	8,430,978	8,525,094	9,978,385
Sewage disposal systems	118,951,504	121,781,246	126,670,775	137,441,935
Operating grants and contributions:				
Airports	-	-	-	287,991
Community water and sewer	13,301,375	-	48,319	807,591
Recreation and leisure	25,385	96,241	92,689	69,032
Sewage disposal systems	-	21,783	-	518,864
Capital grants and contributions:				
Airports	17,054,233	778,548	1,252,591	485,207
Community safety support	786,768	2,189,506	2,255,765	761,013
Community water and sewer	-	-	1,206,737	1,294,332
Recreation and leisure	38,796	288,141	-	308,000
Sewage disposal systems	103,635	1,476,762	93,399	8,219,302
Total business- type activities	257,814,603	252,930,538	258,429,243	274,143,030
Total primary government program revenues	<u>\$ 497,770,239</u>	<u>\$ 493,917,242</u>	<u>\$ 490,706,890</u>	<u>\$ 499,657,168</u>
Net (Expenses) / Revenues				
Governmental activities	(253,723,367)	(236,459,914)	(269,319,000)	(290,477,711)
Business- type activities	35,437,232	2,442,514	(1,835,451)	9,333,948
Total primary government net expenses	<u>\$ (218,286,135)</u>	<u>\$ (234,017,400)</u>	<u>\$ (271,154,451)</u>	<u>\$ (281,143,763)</u>
General Revenue and Other				
Changes in Net Position				
Governmental activities:				
Property taxes	\$ 200,634,390	\$ 199,808,014	\$ 206,256,326	\$ 204,218,641
State- shared revenue (unrestricted)	11,128,237	12,789,988	14,066,100	39,238,141
Unrestricted investment earnings	2,955,907	2,553,617	4,917,507	3,589,453
Gain on sale of capital assets	213,451	270,885	205,284	135,786
Other revenues	6,513,306	3,752,043	3,397,021	5,623,075
Transfers in (out)	33,139,742	19,803,672	19,532,013	17,940,753
Total governmental activities	<u>\$ 254,585,033</u>	<u>\$ 238,978,219</u>	<u>\$ 248,374,251</u>	<u>\$ 270,745,849</u>

Changes in Net Position (continued)					
Last Ten Fiscal Years					
September 30, 2021					
	As of September 30,				
	2016	2017	2018	2019	2020
\$	4,624,215	\$ 4,671,073	\$ 4,711,066	\$ 4,972,876	\$ 4,622,299
\$	14,293,818	13,775,015	14,601,037	15,168,428	17,066,500
\$	15,872,925	13,613,000	12,723,395	11,712,916	12,293,716
\$	92,591,784	95,595,194	98,234,422	95,637,473	104,088,318
\$	9,981,419	10,022,384	10,424,470	10,375,407	6,365,194
\$	133,611,778	138,190,001	142,048,906	145,549,376	148,678,133
\$	-	96,254	92,761	87,823	297,432
\$	1,398,631	339,060	50,227	575,779	32,458
\$	77,079	80,828	660,093	159,458	274,351
\$	727,072	1,197,809	1,212,675	772,439	535,493
\$	915,522	995,851	-	7,713,316	22,106
\$	77,563	-	-	-	2,114,445
\$	1,057,973	227,084	772,916	-	-
\$	-	82,700	68,469	53,810	2,923
\$	27,520,966	14,654,105	8,809,512	834,483	10,773,357
\$	302,750,745	293,540,458	294,409,949	293,613,582	307,176,725
\$	<u>542,684,429</u>	<u>\$ 537,836,600</u>	<u>\$ 532,963,760</u>	<u>\$ 531,179,192</u>	<u>\$ 654,260,528</u>
(253,409,877)	(228,563,575)	(194,069,023)	(206,232,408)	(187,336,193)	(195,003,939)
36,461,175	17,475,212	2,912,076	13,022,277	17,092,245	2,181,757
<u>\$ (216,948,702)</u>	<u>\$ (211,088,363)</u>	<u>\$ (191,156,947)</u>	<u>\$ (193,210,131)</u>	<u>\$ (170,243,948)</u>	<u>\$ (192,822,182)</u>
\$	210,219,877	\$ 221,228,539	\$ 227,384,489	\$ 238,804,207	\$ 247,883,604
\$	42,849,430	44,185,407	45,299,918	44,691,290	38,533,633
\$	3,894,824	3,417,064	5,743,583	12,661,175	11,238,804
\$	435,178	407,829	478,887	472,207	432,430
\$	3,765,977	1,808,840	1,543,368	1,503,877	220,576
\$	17,841,687	15,250,989	12,156,434	9,101,211	8,063,054
<u>\$ 279,006,973</u>	<u>\$ 286,298,668</u>	<u>\$ 292,606,679</u>	<u>\$ 307,233,967</u>	<u>\$ 306,372,101</u>	<u>\$ 326,617,312</u>

(Continued)

Oakland County, Michigan

Changes in Net Position (continued)					
Last Ten Fiscal Years					
September 30, 2021					

	As of September 30,				
	2016	2017	2018	2019	2020
\$ 12,246,824 \$ 12,393,806 \$ 12,707,412 \$ 13,197,395 \$ 13,735,450 \$ 21,580,908					
3,617,151 271,123 323,212 286,449 301,929 327,989					
(17,841,687) (15,195,838) (12,156,434) (5,170,285) (3,344,522) (1,125,283)					
(1,977,712) (13,341,702) 6,156,935 10,162,154 10,104,990 19,557,653					
\$ 277,029,261 \$ 272,956,966 \$ 298,763,614 \$ 317,396,121 \$ 316,477,091 \$ 346,174,965					
25,597,096 57,735,093 98,537,656 101,001,559 119,035,908 131,613,373					
34,483,463 4,133,510 9,069,011 23,184,431 27,197,235 21,739,410					
\$ 60,080,559 \$ 61,868,603 \$ 107,606,667 \$ 124,185,990 \$ 146,233,143 \$ 153,352,783					

	As of September 30,			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position (Continued)				
Business- type activities:				
Property taxes	\$ 11,664,549	\$ 11,398,103	\$ 11,567,251	\$ 11,832,814
State- shared revenue (unrestricted)	2,050,923	1,758,041	5,179,637	2,914,365
Unrestricted investment earnings	37,492,899	6,471,638	-	-
Special items	(33,139,742)	(19,803,672)	(19,532,013)	(17,940,753)
Transfers in (out)	18,068,629	(175,890)	(2,785,125)	(3,193,574)
Total business- type activities	\$ 272,653,662	\$ 238,802,329	\$ 245,589,126	\$ 267,552,275
Total primary government				
Change in Net Position				
Governmental activities	861,666	2,518,305	(20,944,749)	(19,731,862)
Business- type activities	53,505,861	2,286,624	(4,620,576)	6,140,374
Total primary government	\$ 54,367,527	\$ 4,784,929	\$ (25,565,325)	\$ (13,591,488)

	As of September 30,					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	534,766	\$ 353,124	\$ 306,104	\$ 246,786	\$ 491,034	\$ 403,635
	5,884,980	10,401,084	12,860,936	9,795,577		
	245,859,255	251,021,647	230,412,909	248,479,921	264,217,322	272,232,679
	2,982,467	3,004,232	1,464,988	1,212,494	2,317,556	15,766,703
\$ 255,241,468	\$ 264,780,087	\$ 245,044,937	\$ 259,734,778	\$ 267,025,912	\$ 288,403,017	
\$	1,102,916	\$ 1,150,421	\$ -	\$ -	\$ -	\$ 62,399
	25,721,135	26,218,607	24,737,155	23,218,412	22,239,848	27,089,599
	51,423,615	33,562,352	44,273,743	41,684,723	32,815,999	32,266,214
\$ 76,237,037	\$ 57,637,103	\$ 65,518,118	\$ 63,904,002	\$ 49,549,682	\$ 56,374,419	
	(3,010,629)	(3,294,277)	(3,492,780)	(999,133)	(5,509,165)	(3,043,793)
\$ 75,226,408	\$ 54,342,826	\$ 62,025,338	\$ 60,411,818	\$ 48,940,519	\$ 53,364,654	

(Continued)

Last Ten Fiscal Years
September 30, 2021

(Continued)

Oakland County, Michigan

	As of September 30,				
	2012	2013	2014	2015	
Other Financing (Uses)					
Transfers in	\$ 93,460,173	\$ 79,499,398	\$ 88,060,822	\$ 67,778,233	
Transfers out	(59,410,852)	(64,468,826)	(75,126,053)	(59,866,546)	
Insurance recoveries	-	-	183,718	222,022	
Payment to bond escrow agent	-	(348,800,000)	-	-	
Issuance of bonds	9,300,000	33,825,000	10,126,377	2,331,098	
Issuance of refunding bonds	13,620,000	350,000,000	2,875,000	-	
Premiums on bonds sold	203,846	1,702,443	206,732	-	
Discount on bonds sold	(76,269)	-	(12,642)	-	
Total other financing sources (uses)	57,096,898	51,758,015	26,313,954	10,464,807	
Net change in fund balances	\$ 7,609,061	\$ 17,887,754	\$ (23,521,205)	\$ (13,275,835)	

Debt service as a percentage of noncapital expenditures (1) 5.30% 5.73% 3.05% 4.72%

(1) Noncapital expenditures are total governmental expenditures less capital expenditures.
(Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances)

Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
September 30, 2021

	As of September 30,				
	2016	2017	2018	2019	2020
\$	75,470,868	\$ 60,650,931	\$ 82,037,565	\$ 57,258,755	\$ 59,897,924
(62,329,852)	-	(52,137,819)	(75,031,735)	(53,244,682)	(63,193,039)
-	-	765,010	857,096	130,000	-
40,475,488	-	14,732,205	2,589,311	130,870	470,633
20,870	-	-	-	-	19,496,000
(23,433)	-	18,510	-	-	2,028,965
53,613,941	-	24,228,837	10,452,237	4,274,943	18,700,483
\$ 26,069,845	\$ (8,061,315)	\$ (11,854,135)	\$ 13,075,725	\$ (6,966,186)	\$ 28,104,842

2.40% 2.89% 2.93% 2.79% 5.54% 3.75%

Taxable Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years
September 30, 2021

Fiscal Year	Real Property (1)							
	Residential Property		Commercial Property		Industrial Property		Other Property (2)	
	Assessed and	Taxable Value	Assessed and	Taxable Value	Assessed and	Taxable Value	Assessed and	Taxable Value
	Equalized Value		Equalized Value		Equalized Value		Equalized Value	
2012	\$ 35,547,089,465	\$ 34,593,300,582	\$ 9,790,228,900	\$ 9,237,144,077	\$ 1,713,799,360	\$ 1,651,432,130	\$ 80,814,920	\$ 48,663,123
2013	36,689,706,285	35,101,766,037	9,272,424,780	8,747,850,059	1,607,003,900	1,555,458,630	70,288,210	44,390,050
2014	40,589,040,038	36,222,002,217	9,183,062,325	8,592,084,460	1,596,788,260	1,543,801,500	64,213,910	40,619,450
2015	45,768,414,870	37,726,099,014	9,416,529,950	8,668,179,912	1,670,792,580	1,575,950,217	67,583,600	42,908,710
2016	49,933,653,218	38,997,799,934	9,867,734,909	8,731,176,989	1,806,943,546	1,606,675,259	67,420,325	42,597,045
2017	53,043,295,649	40,609,322,089	10,486,445,800	8,957,063,497	1,954,501,320	1,661,231,821	70,329,430	44,178,330
2018	54,971,706,209	42,722,004,594	11,275,983,448	9,373,464,567	2,141,831,950	1,751,303,050	72,013,280	46,014,710
2019	58,567,480,435	45,025,561,832	12,230,078,570	9,874,861,799	2,308,382,440	1,824,916,636	78,480,550	49,363,690
2020	62,000,752,770	47,186,788,266	13,049,878,820	10,260,143,342	2,458,558,940	1,895,811,378	83,078,430	51,861,930
2021	64,781,503,832	49,073,505,006	13,588,906,280	10,599,175,014	2,608,937,140	1,973,439,019	83,644,500	51,964,260

Fiscal Year	Personal Property		Total Property		Total Direct Tax Rate (3)
	Assessed and	Taxable Value	Assessed and	Taxable Value	
	Equalized Value		Equalized Value		
2012	\$ 3,707,092,321	\$ 3,705,414,081	\$ 50,839,024,966	\$ 49,235,953,993	4.4315
2013	3,790,500,640	3,785,645,530	51,429,923,815	49,235,110,306	4.4315
2014	3,651,502,760	3,650,142,460	55,084,607,293	50,048,650,087	4.4315
2015	3,882,782,774	3,882,203,584	60,806,103,774	51,895,341,437	4.3315
2016	3,409,099,116	3,407,953,246	65,084,851,114	52,786,202,473	4.2810
2017	3,453,780,010	3,451,947,290	69,008,352,209	54,723,743,027	4.2792
2018	3,409,823,960	3,409,219,510	71,871,358,847	57,302,006,431	4.2768
2019	3,531,580,300	3,531,464,890	76,716,002,295	60,306,168,847	4.2749
2020	3,603,125,954	3,603,140,154	81,195,394,914	62,997,745,070	4.2529
2021	3,721,556,729	3,721,570,829	84,784,548,481	65,419,654,128	4.3632

Notes:

(1) The County assesses property annually. Assessed value is approximately 50% of actual cash value (estimated market value). Values are equalized by adding or deducting from the assessed value of each class of property in all assessing jurisdictions in order to bring each unit to a common level of valuation. Taxable value is a result of a ballot proposal passed by the electorate in the state of Michigan in 1994. Taxable value increases are limited to (following adjustments for additions or losses) the rate of inflation or 5%, whichever is less. The taxable value limit does not apply to a property in the year following a transfer of ownership (sale).

(2) Includes Agricultural and Developmental property

(3) Per \$1,000 of taxable value. Includes County Operating and Oakland County Parks and Recreation.

Source: Oakland County Department of Management & Budget, Equalization Division

Oakland County, Michigan

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years
September 30, 2021

	As of September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County direct rates										
County operating	4.1900	4.1900	4.1900	4.0900	4.0400	4.0400	4.0400	4.0400	4.0200	4.0132
Parks and Recreation	0.2415	0.2415	0.2415	0.2415	0.2410	0.2392	0.2368	0.2349	0.2329	0.3500
Total rate	4.4315	4.4315	4.4315	4.3315	4.2810	4.2792	4.2768	4.2749	4.2529	4.3632
Overlapping rates										
Huron- Clinton Metro Authority (a)	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2140	0.2129	0.2117	0.2104
Intermediate school districts (5)										
Median rate	3.3690	3.3690	3.3690	3.3633	3.3398	3.3079	3.2813	3.2539	3.7457	3.7207
Low range	2.9295	2.9295	2.9295	2.9295	2.9115	2.8915	2.8798	2.8744	2.8573	2.8320
High range	3.5341	3.5341	3.5341	3.5341	3.5463	3.5463	3.5463	3.5463	3.5463	3.5420
Community colleges (3)										
Median rate	1.7967	1.7967	1.7967	1.7967	1.7880	1.7766	1.7662	2.2700	2.2877	2.7472
Low range	1.5844	1.5844	1.5844	1.5819	1.5707	1.5555	1.5431	1.5303	1.5184	1.5057
High range	2.8596	2.8596	2.8596	2.8596	2.8096	2.8096	2.8047	2.8019	2.7605	2.7472
Cities (31)										
Median rate	16.0541	16.7929	17.5856	17.5854	16.8995	17.2076	17.1311	18.4133	18.0833	17.5522
Low range	8.8200	7.3600	7.8600	7.8600	7.8332	7.8270	8.3229	8.3212	8.3189	8.3590
High range	30.4298	37.4634	38.1191	39.2669	39.1859	39.2861	39.0343	38.3265	37.4707	36.5995
Villages (11)										
Median rate	14.4597	15.2286	15.9168	15.6106	15.4412	15.3816	15.1381	15.0275	14.5747	14.8989
Low range	8.8900	8.8900	9.5000	8.8020	7.8250	9.9863	10.0000	9.9927	9.6658	9.2996
High range	20.0210	17.9756	18.5025	18.4701	18.4744	18.4043	19.3535	18.7295	19.5172	19.2841
Townships (21)										
Median rate	7.2685	7.2786	7.9168	7.6106	8.1787	8.0907	8.0064	7.9721	7.9030	7.8442
Low range	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
High range	13.8002	13.8002	15.1064	14.6712	14.6987	14.6799	14.6784	14.0745	14.0669	14.0583
School districts (35) (b)										
Homestead:										
Median rate	13.9513	13.9513	14.3880	15.4086	15.3000	15.0000	14.9991	14.1984	14.1670	14.4658
Low range	9.0500	9.8700	9.8700	6.0000	8.8700	8.8700	9.2700	9.2700	9.2700	9.1132
High range	26.4868	26.8868	26.8868	26.2068	26.2618	26.1868	26.6868	24.5077	24.6808	23.7940
Non-Homestead:										
Median rate	30.7000	31.0000	31.0000	31.0000	30.2450	30.9693	30.2779	30.1038	29.9773	
Low range	26.4420	26.4420	25.6974	24.0000	25.6739	25.6665	25.6165	25.6103	26.6500	25.4600
High range	34.8500	35.3610	37.4500	41.0000	40.8512	40.5603	40.9516	41.9463	41.8741	41.7944
DDAs (10)										
Median rate	1.8978	1.8978	1.8978	1.8787	1.8046	1.7142	1.8525	1.8411	1.7853	1.7853
Low range	1.3794	1.3794	1.3794	1.3794	1.3549	1.3326	1.3072	1.2958	1.2860	1.2860
High range	1.9734	1.9734	1.9734	1.9732	1.9516	1.9514	1.9685	1.9510	1.9510	1.9510
Public Transportation Authority (c)	0.5900	0.5900	1.0000	1.0000	0.9998	0.9941	0.9863	1.0000	0.9827	0.9851
Zoological Authority	0.1000	0.1000	0.1000	0.1000	0.0998	0.0990	0.0980	0.0962	0.0973	0.0965
Art Institute Authority (d)	0.2000	0.2000	0.2000	0.2000	0.1996	0.1981	0.1961	0.1945	0.1929	0.1913

Notes:

The County's maximum allowable operating millage levy for 2021 was 4.0132.

(a) Tax rate is recommended by this parks authority, and is approved by the Oakland County Board of Commissioners. The rate is included in the "County Combined Rate" on tax statements, but is not recorded as revenue on the County's financial statements.

(b) Includes State of Michigan levy of 6.0000 mills for State Education Tax.

(c) Special voted tax, levied in 18 cities, 3 villages, and 3 townships only. Included in CVT rates above.

(d) Art Institute Authority added FY 2012

Source: Oakland County Department of Management & Budget, Equalization Division yearly "Apportionment of Local Tax Rates" document.

Principal Tax Payers					
Current and Nine Years Ago					
September 30, 2021					
Taxpayer	2021 Taxable Value*	2021 Rank	% of total	2012 Taxable Value	2012 Rank
1 Detroit Edison Company/DTE	\$ 728,375,215	1	1.11%	\$ 422,268,265	1
2 Consumers Energy	575,449,330	2	0.88%	207,981,515	4
3 International Transmission (ITC)	173,341,230	3	0.26%	93,147,480	7
4 FCA Auburn Hills Owner LLC (formerly Chrysler)	167,647,670	4	0.26%	252,006,277	2
5 Taubman/ Great Lakes/ 12 Oaks Mall	145,109,000	5	0.22%	123,192,338	5
6 SighCidermill Village	122,284,390	6	0.19%	-	-
7 Enbridge Energy	110,049,040	7	0.17%	-	-
8 Edward Rose/ Occidental Dev	109,070,910	8	0.17%	-	-
9 General Motors	108,239,120	9	0.17%	237,369,915	3
10 Hartman & Tyner	95,688,190	10	0.17%	-	-
Comcast	86,396,750	11	0.15%	77,158,287	9
SL Town Etal (Bre Southfield, Town Centre)	79,351,810	12	0.13%	72,446,563	11
Redco	76,142,020	13	0.12%	-	-
Meijer/ Goodwill Co	74,840,650	14	0.11%	58,244,142	12
Oakland Management	69,557,540	15	0.11%	-	-
Ranco Lion Venture	69,553,200	16	0.11%	90,284,530	8
Redwood- ERC Novi LLC	68,167,050	17	0.10%	44,299,146	15
Kroger	57,236,520	18	0.09%	31,635,578	19
Somerset Collection LTD PTN (Frankel Forbes/ Cohn)	49,518,400	19	0.08%	121,435,922	6
VHS Huron Valley- Sinai Hospital	48,199,130	20	0.07%	-	-
Total	\$ 3,014,217,165		4.85%	\$ 1,831,439,988	3.97%

* Note: The Taxable Values have been compiled from a number of sources/ reports and may include estimated figures.

Source: Oakland County Department of Management & Budget, Equalization Division

County Operating Property Tax Levies and Collections

Last Ten Fiscal Years
September 30, 2021

Fiscal Year	Tax Levy (1)	Collected within the Fiscal Year of the Levy (2)		Collections in Subsequent Years		Percent of Levy	Total Collections to Date
		Amount	Percent of Levy	Amount	Percent of Levy		
2012	\$ 200,442,426	\$ 179,242,176	89.42%	\$ 21,197,794	10.58%	100.00%	\$ 200,439,970
2013	201,089,193	179,700,449	89.36%	21,384,238	10.64%	100.00%	201,084,687
2014	204,966,211	181,910,042	88.75%	22,977,344	11.25%	99.96%	204,887,386
2015	207,429,739	186,742,691	90.03%	20,686,594	9.97%	99.96%	207,339,285
2016	208,735,308	186,750,830	89.47%	21,893,519	10.53%	99.96%	208,644,449
2017	216,149,381	196,045,284	90.70%	19,952,482	9.30%	99.96%	215,997,776
2018	226,289,005	201,249,308	88.93%	24,724,355	10.93%	99.86%	225,973,663
2019	237,559,652	215,482,770	90.71%	21,223,051	9.03%	99.64%	236,153,821
2020	246,908,469	223,110,366	90.36%	-	-	99.08%	244,624,631
2021	255,643,144	221,700,293	86.72%	-	-	86.72%	221,700,293

(1) Tax levy is subject to change due to the fact that settlement at the County level has not yet taken place for the current fiscal year.

(2) Tax levy is dated July 1, collections for the current fiscal year reflect only a three month period.

Source: Oakland County Treasurer

Ratio of General Bonded Debt Outstanding Last Ten Fiscal Years September 30, 2021

Year	Governmental Activities Debt (1)			Business-Type Activities		
	General Obligation Bonds	Taxable Property Values (a)	Per Capita (b)	Special Assessment Bonds (c)	Total Primary Government	Percentage of Personal Income (b) Per Capita (b)
2012	\$ 515,605,000	1.05%	\$ 421.38	\$ 52,885,727	\$ 19,589,279	8.32%
2013	428,985,000	0.87%	347.22	46,625,727	34,705,982	7.16%
2014	402,340,000	0.80%	323.72	53,557,104	33,818,351	6.46%
2015	375,630,000	0.72%	301.81	41,468,202	21,260,612	5.44%
2016	363,425,000	0.69%	290.50	63,328,690	26,807,354	5.47%
2017	334,205,000	0.61%	266.08	73,575,895	28,257,164	5.05%
2018	303,945,000	0.53%	241.86	71,330,206	35,699,261	4.58%
2019	272,620,000	0.45%	216.78	67,156,076	34,837,915	4.07%
2020	239,730,000	0.38%	190.63	61,762,709	51,209,912	3.83%
2021	206,255,000	0.32%	164.55	57,258,512	47,478,928	3.22%

Notes:

- (1) The County does not hold any funds restricted for the repayment of debt principal.
(a) Taxable values can be found in Table 5.
(b) Population and personal income data can be found in Table 12.
(c) See Notes to Basic Financial Statements, Note 7 - Debt. Special Assessment debt is shown with governmental commitment.

Source: Oakland County Department of Management & Budget, Fiscal Services Division

Net County Direct and Overlapping Debt September 30, 2021

	Net Amount Outstanding
Direct debt	
Building Authority bonds	\$ 32,745,000
Water & sewer special assessment debt	47,862,312
Lake Levels special assessment debt	421,200
Retirees Health Care bonds	182,485,000
Total direct debt	263,513,512
Overlapping debt	
Cities	798,191,534
Townships	374,079,723
Villages	30,332,325
School districts	2,849,577,686
Intermediate school districts	41,391,868
Community colleges	3,832,547
Libraries	2,477,575
Net overlapping debt	4,099,883,258
Net direct and overlapping debt	\$ 4,363,396,770

Overlapping Debt:

Property in the County is currently taxed for a proportionate share of outstanding debt obligations of overlapping governmental entities including school districts, cities, villages and townships within the County. The table above shows the County's outstanding tax supported overlapping debt as of FY end.

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

Oakland County, Michigan

Legal Debt Margin	
Last Ten Fiscal Years	
September 30, 2021	

Year	State Equalized Valuation	Debt Limit 10% of SEV	Amount of Debt		Debt Applicable to Limit as a Percentage of Debt Limit
			Applicable to Limit	Legal Debt Margin	
2012	\$ 50,839,024,966	\$ 5,083,902,496	\$ 823,206,612	\$ 4,260,695,884	16.19%
2013	51,429,923,815	5,142,992,382	1,168,123,578	3,974,868,804	22.71%
2014	55,084,607,293	5,508,460,729	737,931,143	4,770,529,586	13.40%
2015	60,806,103,774	6,080,610,377	727,915,288	5,352,695,089	11.97%
2016	65,084,851,114	6,508,485,111	743,347,532	5,765,137,579	11.42%
2017	69,008,352,209	6,900,835,221	711,202,791	6,189,632,430	10.31%
2018	71,871,358,847	7,187,135,885	674,306,686	6,512,829,199	9.38%
2019	76,716,002,295	7,671,600,230	611,908,264	7,059,891,966	7.98%
2020	81,195,394,914	8,119,539,491	633,225,390	7,486,314,101	7.80%
2021	84,784,548,481	8,478,454,848	569,267,324	7,909,187,524	6.71%

Sources:

Equalized Valuations = Oakland County Department of Management & Budget, Equalization Division

Debt = See Notes to Financial Statements, Notes No. 4 & 7

Oakland County, Michigan

Demographic and Economic Statistics	
Last Ten Fiscal Years	
September 30, 2021	

Year	Population	Personal Income		Per Capita Personal Income	Unemployment Rate
		(in thousands)	\$		
2012	1,223,723	71,287,224	\$	58,254	7.70%
2013	1,235,656	72,043,499		58,304	6.60%
2014	1,243,076	76,465,367		61,513	5.00%
2015	1,244,895	81,137,696		65,176	3.70%
2016	1,251,563	83,550,230		66,757	3.60%
2017	1,256,478	86,780,122		69,066	3.40%
2018	1,257,472	89,687,634		71,324	3.20%
2019	1,257,726	92,402,126		73,468	2.90%
2020	1,253,459	96,441,996		76,941	6.80%
2021	1,253,459 (a)	96,441,996 (a)		76,491 (a)	3.60%

(a) Current data not available at the time of publication.

Sources:

Population and Personal Income = Michigan Bureau of Economic Analysis

Unemployment Rate = Michigan Department of Technology, Management & Budget

Oakland County, Michigan

Principal Employers

Current and Nine Years Ago
September 30, 2021

Employer	Employees	Rank	% of Total	Employees	Rank	% of Total
Beaumont Health System	16,542	1	2.66%	11,389	1	2.22%
Stellantis (formerly FCA US LLC, Chrysler)	12,897	2	2.07%	9,894	2	1.93%
United Wholesale Mortgage	9,126	3	1.47%	-	-	-
General Motors Corporation	7,291	4	1.17%	8,258	3	1.62%
Ascension Michigan (formerly St John Providence Hospital)	6,577	5	0.90%	4,354	5	0.85%
Henry Ford Health System	5,079	6	0.82%	3,356	7	0.66%
U.S. Postal Service	5,000	7	0.80%	3,363	6	0.66%
Trinity Health (formerly St. Joseph Mercy)	3,505	8	0.56%	5,822	4	1.14%
Oakland County Government	3,468	9	0.56%	3,229	8	0.63%
Magna International of America Inc.	2,284	10	0.37%	-	-	-
Flagstar Bankcorp Inc.	-	-	-	2,119	9	0.41%
Oakland University	-	-	-	2,095	10	0.41%
	70,769		11.38%	53,879		10.53%

Source:
Oakland County Department of Planning & Economic Development

Oakland County, Michigan

County Employees by Function/Program

Last Ten Fiscal Years
September 30, 2021

Function/ program:	As of September 30, (1)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
County Executive Administration	47	47	60	60	60	62	62	63	64	54
Management & Budget	203	204	189	188	188	188	188	188	197	206
Central Services	58	59	59	60	61	61	61	62	64	64
Human Resources	47	46	46	48	48	49	50	56	58	57
Board of Commissioners	34	34	30	30	30	30	31	33	36	41
Clerk/ Register of Deeds	116	112	112	112	112	112	112	112	112	110
County Treasurer	46	46	47	47	46	46	46	46	46	46
Public Safety										
Sheriff	1,119	1,088	1,107	1,117	1,169	1,200	1,205	1,239	1,257	1,349
Community Corrections	58	60	59	59	59	60	60	61	72	70
Animal Control	33	36	36	37	38	37	37	34	57	56
Justice Administration										
Circuit Court	409	410	410	412	415	417	420	420	433	429
District Court	185	188	186	188	190	189	189	191	217	211
Probate Court	49	49	49	51	52	53	53	53	54	55
Prosecuting Attorney	172	170	171	170	169	169	169	169	176	176
Medical Examiner	26	26	26	26	26	26	26	26	26	28
Citizens Services										
Administration	2	2	2	2	2	2	2	2	2	2
Health	373	370	369	366	365	357	347	351	375	453
Homeland Security	16	12	12	11	11	11	11	11	11	11
Children's Village	189	192	192	201	203	206	211	214	224	227
Veterans' Services (3)	16	16	16	16	16	16	16	16	16	0
MSU Extension- Oakland County	15	15	15	13	13	13	13	13	14	11
Public Works										
Water Resources Commissioner	263	263	266	314	370	376	378	382	385	385
Facilities Management	188	187	189	190	194	197	199	189	189	189
Information Technology	161	161	159	160	166	173	173	173	177	178
Recreation and Leisure										
Library Board (2)	10	7	7	7	6	6	6	6	5	0
Parks and Recreation	379	378	421	425	441	440	484	497	511	805
Commerce and Community Development										
Administration	12	12	12	12	14	14	14	15	17	17
Planning and Economic Development Services	46	46	48	49	48	48	49	48	46	46
Community and Home Improvement	23	23	22	22	22	22	22	22	22	23
Workforce Development	9	9	9	9	9	9	9	9	10	26
Totals	4,304	4,268	4,326	4,402	4,543	4,589	4,643	4,701	4,873	5,325

(1) Employee count reflects authorized, budgeted positions
(2) Transferred under Board of Commissioners in 2021
(3) Transferred under Economic Development in 2021

Source:
Oakland County Human Resources Department

Oakland County, Michigan

Operating Indicators by Function/Program

Last Ten Fiscal Years
September 30, 2021

Function/ Program	As of September 30,				As of September 30,					
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Law Enforcement										
Dispatched Calls	197,767	272,066	286,235	292,131	333,680	375,492	389,998	405,809	379,498	399,646
Arrests	12,126	11,525	11,943	11,355	13,727	13,200	13,404	12,452	7,240	5,317
Inmate bookings	19,796	19,913	19,317	18,789	18,236	18,124	17,351	16,554	9,554	9,859
Judicial										
Circuit Court civil/ criminal cases disposed	13,147	12,442	11,742	10,981	11,132	10,889	11,319	12,495	9,518	10,614
District Court cases filed	119,643	118,307	119,347	122,934	119,077	118,358	124,569	120,882	77,576	78,431
Citizen Services										
Veteran benefits claims filed	6,805	6,202	5,461	5,697	5,544	5,114	4,645	4,435	3,222	2,146
Deeds/ Mortgages	109,403	119,116	90,969	101,807	107,252	101,409	92,210	98,804	128,702	148,377
Jobs retained and created	9,269	8,866	11,332	10,057	19,053	33,804	10,108	6,235	2,978	5,353
Immunizations	62,309	61,141	54,600	59,156	51,086	45,951	55,105	43,350	25,014	183,634
Community Development										
BFC/ EDC Loans	28	40	34	26	13	20	20	5	11	16
Applications for home improvement	387	500	533	393	519	560	440	512	300	257
Single family homes rehabilitated	163	183	198	206	183	207	244	272	172	155
Parks and Recreation										
Participants- Parks/ County Market	1,221,658	1,358,617	1,147,845	913,524	999,654	1,285,490	1,317,042	1,119,711	989,184	1,221,037
Participants- Golf Courses	130,281	95,531	104,492	184,067	160,895	147,388	140,452	147,047	116,552	167,983
Participants- Recreation Facilities	411,068	437,407	485,981	492,530	456,053	500,395	577,786	606,342	197,858	287,430
Participants- Banquet Facilities	125,008	90,915	87,436	89,888	75,449	71,488	67,515	60,671	27,820	15,613
Airports										
Takeoffs and landings	128,766	117,981	111,672	126,070	125,132	131,294	130,762	140,028	123,332	126,240
Public Works										
Water and sewer customers	77,280	78,096	79,312	78,432	119,630	120,989	118,415	122,747	124,040	124,625
Water main breaks	79	128	123	156	133	114	165	148	129	160
Water permits issued	626	902	921	884	734	849	596	278	214	387

Source:

Oakland County Department of Management & Budget, Fiscal Services Division
and other individual departments

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Oakland County, Michigan

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years
September 30, 2021

Function/ program	As of September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Justice and Law Enforcement										
Correction facilities capacities	1,653	1,653	1,653	1,653	1,653	1,508	1,664	1,664	1,664	1,664
Substations	14	13	13	13	13	13	13	13	13	13
Parks and Recreation										
Number of county parks	14	13	13	13	13	13	13	13	14	14
Park acreage	6,643	6,756	6,756	6,756	6,743	6,743	6,743	6,747	6,849	6,851
Airport										
Number of runways	5	5	5	5	5	5	5	5	5	5
Number of T-Hangars	738	650	646	646	646	646	646	646	644	624
Facilities										
Buildings	40	40	40	40	40	40	41	41	41	37
County facilities square footage	1,913,681	1,936,042	1,890,262	1,888,888	1,891,804	1,885,019	1,922,091	1,922,091	1,922,091	1,849,991
Public Works										
Combined Sewer Overflow Retention										
Treatment Facilities	4	4	4	4	4	4	4	4	4	4
Water mains (miles)	136	161	516	440	442	363	365	313	313	317
Water storage capacity (millions of gallons)	3	3	15	15	15	18	17	15	15	15
Sewers (miles)	138	138	138	138	145	144	144	145	144	144
Permitted Sewer treatment capacity (millions of gallons)	15,595	15,568	15,580	15,580	15,567	15,567	15,567	15,567	15,577	15,577

Sources:

Various County departments

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Oakland County, Michigan

	City of Oak	Facilities	CMHA Building	Animal Control	CMHA Housing	52/3 District
	Park Project	Infrastructure & IT Projects	Renovation	& Pet Adoption Center Debt	Project Refunding	Court Bldg. Refunding
Cash	\$ -	\$ 5	\$ -	\$ 3,804,900	\$ 163	\$ 5
Lease receivable	-	-	-	-	1,025,000	-
Other assets	-	-	-	15,557	165	-
Deferred inflows - contracts	-	-	-	-	1,025,000	-
Other liabilities	-	-	-	-	-	-
Current year activity:						
Transfers in	-	2,210,000	-	-	-	1,311,300
Leases and other income	1	-	2	27,549	322,758	-
Issuance of refunding bonds, incl. premiums	-	-	-	-	-	-
Debt service:						
Principal	-	2,050,000	-	655,000	280,000	1,190,000
Interest	-	159,750	-	382,656	42,150	121,000
Fiscal charges	-	250	-	500	500	300
Contractual services	-	-	-	-	-	-
Transfers out	1	-	2	-	-	-
Principal and interest requirements:						
2022	-	2,222,125	-	1,034,457	338,375	1,291,500
2023	-	2,207,625	-	1,032,606	322,800	-
2024	-	-	-	1,031,906	330,400	-
2025	-	-	-	1,025,681	102,000	-
2026	-	-	-	1,028,856	-	-
Thereafter	-	-	-	10,314,741	-	-
	\$ -	\$ 4,429,750	\$ -	\$ 15,468,247	\$ 1,093,575	\$ 1,291,500

(1) Excludes debt reported in Proprietary Funds

Oakland County, Michigan

Building Authority Data (Continued)

September 30, 2021

	Office Bldg. Renovation Refunding	Sheriff Substation Refunding	City of Keego Harbor Refunding	WkRel-Jail Mgt Video Refunding	City of Oak Park Refunding	CMHA Bldg. Reno Refund Refunding	Office Bldg. Reno Refund Refunding	Totals
Cash	\$ -	\$ -	\$ 38,335	\$ -	\$ 100,966	\$ 505	\$ 234	\$ 4,852,894
Lease receivable	-	-	760,000	-	1,635,000	5,555,000	-	9,350,000
Other assets	-	-	-	-	-	669,657	-	859,176
Deferred inflows - contracts	-	-	760,000	-	1,635,000	5,555,000	-	9,350,000
Other liabilities	120	-	21	67	854	2,759	-	97,761
Current year activity:								
Transfers in	1,698,771	-	-	1,500,159	-	2	1,288,672	6,903,698
Leases and other income	-	-	51,524	-	132,097	808,065	-	1,632,048
Issuance of refunding bonds, incl. premiums	-	-	-	-	-	-	-	20,803,964
Debt service:								
Principal	470,000	-	30,000	1,405,000	65,000	520,000	1,100,000	28,630,000
Interest	29,094	-	25,123	95,460	58,588	268,812	188,672	1,591,443
Fiscal charges	125	-	72	71	371	72	72	1,850
Contractual services	-	227	-	-	-	-	-	132,297
Transfers out	1,199,672	-	-	-	-	-	-	3,704
Principal and interest requirements:								
2022	499,694	-	50,763	1,445,250	129,900	794,500	1,284,625	9,136,306
2023	485,093	-	49,512	-	126,400	797,250	1,271,750	9,091,189
2024	-	-	53,138	-	127,775	803,375	1,276,125	6,293,036
2025	-	-	51,638	-	128,900	783,375	-	3,622,719
2026	-	-	50,137	-	129,775	811,625	-	2,091,594
Thereafter	-	-	737,656	-	1,455,225	2,841,750	-	17,369,766
	\$ 984,787	\$ -	\$ 992,844	\$ 1,445,250	\$ 2,097,975	\$ 6,831,875	\$ 3,832,500	\$ 47,604,610

(1) Excludes debt reported in Proprietary Funds



OAKLAND COUNTY, MICHIGAN
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Oakland County, Michigan

**Report to the Finance Committee
of the Oakland County Board of Commissioners
September 30, 2021**

Independent Auditor's Report

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with *Government
Auditing Standards*

1-2

Schedule of Findings and Responses

3-5

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Commissioners
Oakland County, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan (the "County") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as Finding 2021-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as Finding 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Responses to the Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 25, 2022

Oakland County, Michigan

Schedule of Findings and Responses

Year Ended September 30, 2021

Financial Statement Audit Findings

Reference Number	Finding
2021-001	Finding Type - Material weakness Criteria - The County should have a process in place to ensure year-end journal entries are properly recorded in accordance with generally accepted accounting principles (GAAP) prior to the commencement of the audit. Condition - Year-end journal entries necessary to state the financial statements in accordance with GAAP were identified as part of the audit. Context - The following material year-end journal entries were proposed by the auditors and posted by the County in order to ensure the financial statements were stated in accordance with GAAP: • Adjustment of approximately \$14.8 million to increase property tax revenue and decrease unavailable revenue in the General Fund. • Adjustment of \$8.5 million to adjust expense and accounts payable in the Southeast Oakland County Sewage Disposal System (S.O.C.S.D.S.) Fund for an accrual that was recorded twice. • Adjustment of \$19.8 million to adjust expense and accrued liabilities in governmental activities in the government-wide financial statements

• In addition, there was an uncorrected misstatement, the effects of which management has determined are immaterial to the financial statements taken as a whole. The uncorrected misstatement related to an intergovernmental receivable and related unavailable revenue in the fund statements and revenue in the government-wide financial statements.

Cause - Processes were not in place to ensure year-end closing entries were properly recorded in the general ledger prior to the commencement of the audit.

Effect - If the year-end journal entries identified above had not been recorded, the financial statements would have been materially misstated.

Recommendation - The County should continue to work with all applicable departments to ensure their control procedures properly identify and record all year-end journal entries.

Oakland County, Michigan

Schedule of Findings and Responses (Continued)

Year Ended September 30, 2021

Financial Statement Audit Findings (Continued)

Reference Number	Finding
2021-001 (Cont.)	Views of Responsible Officials and Planned Corrective Actions - Oakland County, Michigan agrees with the finding and will ensure processes for reviewing similar transactions take place and are properly recorded in future years. - The property tax revenue year-end adjustment is to record the estimated tax collections within 60 days after year end. The property tax collection report as of September 30, 2021 and historical collection trend information was used to determine a reasonable estimate for the timing of revenue recognition. The reduced collections as of September 30, 2021 were reviewed in conjunction with the treasurer's office and attributed to the lagging economic impacts of the pandemic. The actual collection within 60 days after September 30 was more than estimated, and an additional \$14.8 million of revenue was recognized in fiscal year 2021 activity. The County will run additional collection reports during the 60-day revenue recognition window to monitor for any material change in the timing of collections that would prompt a self-determined update to the original estimate. - The \$8.5 million adjustment for the S.O.C.S.D.S. Fund was related to an expense accrual that was initially set up in fiscal year 2020 and was not reversed in fiscal year 2021 when the actual payment was made. There are two separate funds that roll up to the S.O.C.S.D.S. reporting column, and the duplicate liability was not detected. It is important to note that no duplication of payment occurred. Additional measures will be taken to review the accrual and reversal process and the accrual functionality within the new financial system will be leveraged to avoid this issue in the future. - The \$19.8 million expense and accrued liabilities was recorded for an estimated potential liability related to a 2015 court case involving foreclosed property activity. The County prevailed in a ruling issued by the Oakland County Circuit Court on July 27, 2021 that the Michigan Supreme Court's 2020 decision on claims should be applied prospectively. It was determined that no liability was required to be recorded in the governmental funds financial statements. However, given the highly complex legal history of the case and the uncertainty in the pending appeal process it was determined late in the audit process to record a potential liability in the fiscal year 2021 government-wide financial statements only.

Oakland County, Michigan

Schedule of Findings and Responses (Continued)

Year Ended September 30, 2021

Financial Statement Audit Findings (Continued)

Reference Number	Finding
2021-002	Finding Type - Significant deficiency Criteria - The County should have a process in place to complete year-end adjustments and supporting reconciliations and accounting records in a timely manner prior to the commencement of the audit. Condition - The County's general ledger and underlying accounting records were not reconciled and closed in a timely manner for certain balances. Context - The County provided year-end adjustments and general ledger balances for a variety of accounts related to the year ended September 30, 2021 in March 2022 after the commencement of the audit. Cause - The County has experienced staffing reductions and reassignments over the past year, resulting in responsibilities being divided over fewer staff. Effect - Untimely preparation of year-end adjustments and supporting reconciliations and accounting records does not provide adequate time for the County to review and could lead to inaccurate financial reporting. In addition, providing adjustments and general ledger balances after the commencement of the audit creates inefficiencies in the process. Recommendation - The County should ensure it has adequate resources to fully and accurately reconcile and record year-end entries prior to the start of the audit. Views of Responsible Officials and Planned Corrective Actions - Oakland County, Michigan agrees with the finding and will work to ensure these items are completed in a more timely manner in future years. As context, the County is in the process of implementing a new Enterprise Resource Planning (ERP) system, with the financial aspect of the system planning to go live in May 2022. In addition to the personnel resource drain of the implementation, as part of larger workforce planning efforts, the County has offered a Voluntary Early Separation Incentive Program (VESIP) to many of its long-time employees including several key members of the fiscal staff. These two major events have created a heavy drain on the personnel resources of the County. Coupled with the challenges of full staffing during the height of the last surge of the pandemic, the County was slightly behind in the reconciliation of year-end schedules. It is the County's belief that once the new ERP system has been implemented, the number of competing priorities will diminish, and the workload of staff will go back to a manageable level. The ERP will also allow staff to take advantage of new efficiencies and reconcile accounting records on a monthly quarterly basis. This will prevent or highlight any issues before the audit process begins.

To the Finance Committee of the Oakland
County Board of Commissioners
Oakland County, Michigan

March 25, 2022

No new accounting policies were adopted, and the application of existing policies was not changed during 2021, except for the required implementation of GASB Statement No. 84, *Fiduciary Activities*.

We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were as follows:

- Estimated accounts receivable related to unbilled water and sewer fees - The County estimates water and sewer usage as of September 30, 2021 based on historical data and subsequent billings. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated receivable balance, we concluded that the estimate was reasonable.
- The liability for accrued workers' compensation claims, including claims incurred but not reported - The County uses a third-party administrator to track reported claims and to estimate the required reserves for the reported claims. In addition, the County's insurance and safety coordinator estimates an amount for claims incurred but not reported based on a 10-year history of reported claims. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.
- The liability for general liability claims and judgments, including claims incurred but not reported - The County's risk management department tracks reported claims and estimates the required reserves for the reported claims. In addition, the County uses a third-party actuarial company to estimate an amount for claims incurred but not reported based on a history of reported claims. The County has an open file related to a 2015 court case involving foreclosed property activity. The County prevailed in a ruling issued by the Oakland County Circuit Court on July 27, 2021 that the Michigan Supreme Court's 2020 decision on claims should be applied prospectively. It was determined that no liability was required to be recorded in the governmental funds financial statements. However, given the highly complex legal history of the case and the uncertainty in the pending appeal process, it was determined late in the audit process to record a potential liability in the fiscal year 2021 government-wide financial statements only. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability amounts reported, we concluded the estimates were reasonable.
- The liability for incurred but not reported health costs - The County uses a third-party administrator to estimate the required reserves for claims incurred but not reported. The third-party administrator estimates the liability based on a history of reported claims. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.
- The liability for property tax refunds - The County's equalization department and fiscal services department have estimated possible property tax refunds based on a review of current properties under appeal with the Michigan Tax Tribunal. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded that the estimate was reasonable.

March 25, 2022

To the Finance Committee of the Oakland
County Board of Commissioners
Oakland County, Michigan

We have audited the financial statements of Oakland County, Michigan (the "County") as of and for the year ended September 30, 2021 and have issued our report thereon dated March 25, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 29, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the County. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the County's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the County, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated March 25, 2022 regarding our consideration of Oakland County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on October 20, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements.

To the Finance Committee of the Oakland
County Board of Commissioners
Oakland County, Michigan

March 25, 2022

- The liability for defined pension benefits and retiree health care - The County uses an independent actuary to estimate and value the County's obligations for the defined pension benefits and retiree health care costs. The actuary estimates the liabilities based on projected pension payments and assumptions for the defined pension and actual historical claims, along with assumptions for retiree health care. Based on our review of the report, we concluded that the estimate was reasonable.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were as follows:

- Note 3 - Deposits and Investments
- Note 10 - Defined Benefit Pension Plan
- Note 11 - Defined Contribution Plans
- Note 12 - Postemployment Benefits
- Note 17 - Commitments and Contingencies

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following material misstatements detected as a result of result of audit procedures were corrected by management.

- Adjustment of approximately \$14.8 million to increase property tax revenue and decrease unavailable revenue in the General Fund.
- Adjustment of \$8.5 million to adjust expense and accounts payable in the S.O.C.S.D.S. Fund for an accrual that was recorded twice.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the County, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

To the Finance Committee of the Oakland
County Board of Commissioners
Oakland County, Michigan

March 25, 2022

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 25, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the County's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such other information is properly stated. However, we read the introductory and statistical sections of the Annual Comprehensive Financial Report, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

This information is intended solely for the use of the Oakland County Board of Commissioners and management of Oakland County, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC



Timothy St. Andrew

Client: Oakland County, Michigan
Opinion Unit: Governmental Activities
Y/E: 9/30/2021

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES

Client: Oakland County, Michigan
Opinion Unit: General Fund
Y/E: 9/30/2021

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES

Client: **Oakland County, Michigan**
 Opinion Unit: **Aggregate Remaining Fund Info**
 Y/E: **9/30/2021**

The effect of misstatements and classification errors (identified) would be to increase (decrease) the reported amounts in the financial statement categories identified below:

The effect of misstatements and classification errors (identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES

APPENDIX C

Charter Township of Oakland General Description and Statistical Information

CHARTER TOWNSHIP OF OAKLAND

LOCATION AND DESCRIPTION

Charter Township of Oakland is a charter township in the northeastern portion of Oakland County, in the outskirts of Metro Detroit, in the State of Michigan.

Oakland Township is less densely populated than neighboring townships to the west, south, and east; and retains many elements of a rural, wooded residential bedroom community. Local ordinances and zoning laws are aimed at limiting commercial and industrial development while maintaining a cap on population density by way of a master plan.

FORM OF GOVERNMENT

The Township is governed by a Board of Trustees which is composed of seven members who are elected for four year terms. The Board is composed of a Supervisor, a Clerk, a Treasurer and four Trustees. The chief executive and administrative officer of the Township is the Supervisor. The Board is vested with all legislative powers except those otherwise provided by law.

POPULATION

2020 U.S. Census	20,067
2010 U.S. Census	16,779
2000 U.S. Census	13,071
1990 U.S. Census	8,227

Source: data.census.gov

FISCAL YEAR

April 1 to March 31

PROPERTY VALUATIONS

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year minus any losses, multiplied by the lesser of 1.05 or the inflation rate, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

REAL PROPERTY TAX ASSESSMENTS

Responsibility for assessing taxable real property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local Board of Review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits

Real property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in this Official Statement. Property granted tax abatements under the Michigan Plant Rehabilitation and Industrial Development District Act, Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") are recorded on separate tax rolls while subject to tax abatement. The valuation of tax abated property is based upon SEV but is not included in either the SEV or Taxable Value data in this Official Statement except as noted.

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 property tax incentives to industry to renovate and expand aging industrial facilities and to build new industrial facilities 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 industrial facilities.

Property owners situated in such districts pay an Industrial Facilities Tax ("IFT") in lieu of ad valorem property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the IFT is determined by calculating the product of the taxable value of the replacement facility in the year before the effective date of the abatement certificate multiplied by the total mills levied by all taxing units in the current year. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one-half the total mills levied by all taxing units, except for mills levied for local school district operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for local school district operating purposes in 1993. For new facility 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, plus the number of mills levied under the State Education Tax Act. For new facility abatements granted after 1993, the State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. 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.

The Township has zero (0) IFT exemption certificates currently outstanding, aggregating \$0 in 2021 Equivalent Taxable Value.

HISTORY OF PROPERTY VALUATIONS

Property Value as of 12/31	Valuation Year	Total Taxable Value	Percent Change	State Equalized Value	Percent Change
2021	2022	\$ 1,676,786,860	5.62%	\$ 1,969,653,510	4.11%
2020	2021	1,587,553,260	4.36%	1,891,846,350	3.32%
2019	2020	1,521,295,620	4.98%	1,831,069,220	4.69%
2018	2019	1,449,116,440	5.70%	1,749,008,250	4.88%
2017	2018	1,370,955,470	5.34%	1,667,618,830	4.27%

MICHIGAN PROPERTY TAX REFORM

The enactment of Michigan Public Acts 153 and 154 of 2013, together with subsequent enactment of Michigan Public Acts 80 and 86 through 93 of 2014, significantly reformed personal property tax in Michigan. The voters of the State approved a referendum on August 4, 2014, to which all of these acts were tied, and therefore these acts will continue in effect.

Under these acts, owners of industrial and commercial personal property with a total true cash value of \$80,000 or less may annually file an affidavit claiming a personal property tax exemption. To be eligible for the exemption, all of the commercial or industrial personal property within a city or township that is owned by, leased to, or controlled by the claimant has to have accumulated true cash value of \$80,000 or less. Beginning in 2016, owners of certain eligible manufacturing personal property that was either purchased after December 31, 2012, or that is at least 10 years old have been able to claim an exemption from personal property tax by filing an affidavit claiming the exemption. By 2022, all eligible manufacturing personal property will be at least 10 years old or purchased after December 31, 2012, so that it could be exempted from personal property tax.

To replace revenues lost by local governments, due to these exemptions, a portion of the current State use tax is set aside as a "local community stabilization share" that will not be subject to the annual appropriations process and is automatically provided to a "local community stabilization authority" for distribution pursuant to a statutory formula anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions. The Township received \$10,609.65 from the Local Community Stabilization Authority to replace personal property tax revenues in 2021.

An analysis of **State Equalized Valuation**

State Equalized Value Breakdown by Use

	2018	2019	2020	2021	2022
Residential	\$ 1,600,066,190	\$ 1,664,746,890	\$ 1,729,609,510	\$ 1,778,386,020	\$ 1,847,697,460
Commercial	34,941,680	45,777,200	60,646,190	71,046,150	77,903,430
Industrial	2,266,930	2,323,920	2,321,690	2,311,690	2,113,290
Agricultural	2,380,340	2,458,330	2,544,130	2,601,280	2,528,060
Utility	27,963,690	33,701,910	35,947,700	37,501,210	39,411,270
Total	\$ 1,667,618,830	\$ 1,749,008,250	\$ 1,831,069,220	\$ 1,891,846,350	\$ 1,969,653,510

State Equalized Value Breakdown by Class

	2018	2019	2020	2021	2022
Real	\$ 1,632,566,940	\$ 1,708,588,430	\$ 1,787,420,750	\$ 1,845,591,080	\$ 1,921,462,610
Personal	35,051,890	40,419,820	43,648,470	46,255,270	48,190,900
Total	\$ 1,667,618,830	\$ 1,749,008,250	\$ 1,831,069,220	\$ 1,891,846,350	\$ 1,969,653,510

An analysis of **Taxable Value** is as follows:

Taxable Value Breakdown by Use

	2018	2019	2020	2021	2022
Residential	\$ 1,309,103,520	\$ 1,372,270,370	\$ 1,428,825,800	\$ 1,482,383,440	\$ 1,566,549,720
Commercial	30,786,640	40,062,380	53,503,990	64,697,340	68,234,890
Industrial	2,098,240	2,054,340	1,971,200	1,909,710	1,571,550
Agricultural	1,003,380	1,027,440	1,046,930	1,061,560	1,019,430
Utility	27,963,690	33,701,910	35,947,700	37,501,210	39,411,270
Total	\$ 1,370,955,470	\$ 1,449,116,440	\$ 1,521,295,620	\$ 1,587,553,260	\$ 1,676,786,860

Taxable Value Breakdown by Class

	2018	2019	2020	2021	2022
Real	\$ 1,335,903,580	\$ 1,408,696,620	\$ 1,477,647,150	\$ 1,541,297,990	\$ 1,628,595,960
Personal	35,051,890	40,419,820	43,648,470	46,255,270	48,190,900
Total	\$ 1,370,955,470	\$ 1,449,116,440	\$ 1,521,295,620	\$ 1,587,553,260	\$ 1,676,786,860

Source: Oakland County Equalization Department

MAJOR TAXPAYERS

According to Township officials, the 2021 Taxable Value of each of the Township's major taxpayers is as follows:

10 Largest Taxpayers	2021 Taxable Valuation
Consumers Energy	\$19,969,920
DTE Electric Company	12,902,970
Blossom Ridge, LLC	10,523,860
Blossom Village, LLC	10,498,240
Blossom Creek, LLC	8,702,010
Woodlands Associates, LLC	5,005,660
Eagle Creek Master LTD	5,314,850
DTE Gas Company	3,422,600
Blossom Springs, LLC	3,083,650
The Wyndgate	3,024,550
TOTAL	\$ 82,448,310
Top Ten % of 2021 Taxable Value	5.19%

2022 not yet available.

Source: Charter Township of Oakland.

TAX RATES * (Per \$1,000 of Taxable Value)

Category	2021	2020	2019	2018	2017
Township Operating	0.5016	0.5067	0.5100	0.5143	0.5184
Township Extra Voted	5.1334	5.2147	5.1480	5.1874	5.2330
Township Total	5.6350	5.7214	5.6580	5.7017	5.7514

Total Tax Rates in the Township by School District:

	2021	2020	2019	2018	2017
Romeo Schools¹					
Total Non-Principal Residence	44.3906	44.5488	42.5510	42.5584	42.2009
Total Principal Residence	26.3906	26.5488	24.5510	24.5584	24.2009
Lake Orion Schools²					
Total Non-Principal Residence	48.5951	48.7535	48.6534	48.6962	48.8707
Total Principal Residence	30.5951	30.7535	30.6534	30.6962	30.8707
Rochester Schools²					
Total Non-Principal Residence	42.3095	44.3034	44.5170	45.2545	45.3997
Total Principal Residence	24.3095	26.3034	26.5170	27.2545	27.3997

1. Does not include Oakland Community College levy.
2. Includes Oakland Community College levy.

Source: Charter Township of Oakland Treasurer

CONSTITUTIONAL MILLAGE ROLL-BACK

Article IX, Section 31 of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be permanently reduced through a Millage Reduction Factor unless reversed by a vote of the electorate of the local taxing unit.

TAX RATE LIMITATIONS

The Township is authorized pursuant to Act 359, Public Acts of Michigan, 1947, as amended (the “Charter Township Act”) to levy the following tax rates:

Purpose	Authorized	2021 Millage after Rollback	Expiration Date of Levy
Operating	1.4100	0.8162	N/A
Older Persons Commission	0.3200	0.3167	2029
Library	0.6212	0.5822	2029
Parks	0.7307	0.6977	2026
Fire	0.9975	0.9304	2028
Police	1.7193	1.6420	2022
Land Preservation	0.6310	0.6153	2030
OPC Transportation	0.0876	0.0834	2025
Trail System	0.1700	0.1621	2026
Historic District	0.1170	0.1084	2031

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

1. All debt service on tax supported bonds 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 said increase is approved by a majority of the qualified electors of the local unit.
3. Payment of valid judgments levied in accordance with State law.

TAX LEVIES AND COLLECTIONS

The Township's taxes are due and payable and a lien created upon the assessed property on July 1, each year. Taxes remaining unpaid on the following March 1st are turned over to the County Treasurer for collection.

The delinquent real property taxes are subject to additional penalties and interest by the county. Unless the delinquent real property taxes are paid within approximately 25 months from the date of delinquency the underlying property is foreclosed upon and sold at public action.

Oakland County has established a Delinquent Tax Revolving Fund which pays all real property taxes returned delinquent to the County Treasurer as of March 1st of each year. If feasible, it is anticipated that the Delinquent Tax Revolving Fund will continue to reimburse the Township for any uncollected taxes, but there is no assurance that this will be the case since the County is not obligated to continue this fund in future years. Uncollected personal property taxes must be collected by the local treasurer and are negligible.

Fiscal Year	Total Tax Levy	Collections to March 1st of the Following Year	
		Dollar Amount	Percent
2021	\$43,035,571	\$ 42,384,911	98.49%
2020	44,126,582	43,429,007	98.42%
2019	42,033,059	41,216,994	98.06%
2018	40,557,413	39,791,088	98.11%
2017	38,698,042	37,962,470	98.10%

Source: Treasurer, Charter Township of Oakland

REVENUES FROM THE STATE OF MICHIGAN

The Township 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 payments are composed of two components – a constitutional distribution and a statutory distribution.

The constitutional distribution is mandated by the State Constitution and distributed on a per capita basis to townships, cities and villages. The amount of the constitutionally mandated revenue sharing component distributed to the Township can vary depending on the population of the Township and the receipt of sales tax revenues by the State.

The statutory distribution is authorized by legislative action and distribution is subject to annual State appropriation by the State Legislature. Statutory distributions may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature’s appropriations committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

On September 29, 2021, Governor Whitmer signed into law the budget for fiscal year 2022. The budget includes a constitutional revenue sharing distribution to cities, villages and townships of approximately \$912.04 million. The budget continues the incentive-based revenue sharing program known as the City, Village, and Township Revenue Sharing (or “CVTRS”) program begun in fiscal year 2015 that distributes revenue sharing to cities, villages and townships that meet requirements for accountability and transparency, including making a citizen’s guide to its finances, a performance dashboard, a debt service report and a two-year budget projection available for public viewing. The CVTRS program is funded at \$266.2 million for fiscal year 2022, and each city, village and township that received a CVTRS distribution in fiscal year 2021 is eligible to receive a payment equal to 102.0% of its 2021 distribution. Each city, village or township that is determined to have a retirement pension benefit system in underfunded status under section 5 of Act 202, Public Acts of Michigan, 2017, must allocate the excess of the amount it receives in 2022 CVTRS payments over the amount it received in CVTRS payments in fiscal year 2019 to its unfunded pension liability. The fiscal year 2022 budget continues funding for the revenue sharing grant program for financially distressed communities at the 2021 level of \$2.5 million.

Any portion of the CVTRS payment that the Township would be eligible to receive would be subject to certain benchmarks that the Township would need to meet, and there can be no assurance what amount, if any, the City would receive under the CVTRS program. The City received CVTRS payments of \$59,326 in fiscal year 2021 and anticipates meeting the requirements to receive \$60,513 in CVTRS payments for fiscal year 2021.

Purchasers of the Bonds should be alerted to further modifications to revenue sharing payments to Michigan local governmental units, to potential consequent impact on the Township’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 Township from the State.

The following table sets forth the annual revenue sharing payments and other moneys received by the Township for the State’s fiscal years ended September 30, 2018 through September 30, 2022.

State's Fiscal Year Ended Sept. 30,	Constitutional Payments	EVIP/CVTRS Payments	Revenue Sharing Payments¹
2022	\$ 1,553,206 ²	\$ 60,513	\$ 1,613,719
2021	1,642,252	59,326	1,701,578
2020	1,448,332	49,435	1,497,767
2019	1,449,742	57,992	1,507,734
2018	1,386,509	58,031	1,444,540

Sources: Charter Township of Oakland and State of Michigan Treasury Website - <https://treas-secure.state.mi.us/apps/findrevshareinfo.asp>

LABOR AGREEMENTS

The Township has nine (9) employee bargaining units which have negotiated comprehensive salary, wage, fringe benefit and working conditions contracts with the Township. The duration of these agreements are as follows:

<u>Employee Group</u>	<u>Number of Positions</u>	<u>Expiration Date of Contract</u>
Firefighters	9	3/31/2022
Total	9	

Source: Charter Township of Oakland

RETIREMENT PLAN

The Township provides pension benefits to its elected officials and other qualified employees through the Oakland Charter Township Governmental Non-ERISA Retirement Plan administered by MERS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one and one-half months from the date of employment. As established by board resolution, the Township contributes 12 percent of employees' gross earnings. The Township's contributions for each employee are fully vested after one and one-half months of continuous service. Employees may contribute to the plan on a voluntary basis. In accordance with these requirements, the Township contributed \$264,199 during the current year.

OTHER POSTEMPLOYMENT BENEFITS

The Township does not offer any other postemployment benefits.

DEBT STATEMENT

as of May 11, 2022, including the Bonds described herein.

DIRECT DEBT

Water Supply System Improvement Bonds, Series 2022	\$ 5,215,000
Oakland Macomb Interceptor Drain Drainage District, Various Years	2,424,812
TOTAL DIRECT DEBT	<u>\$ 7,639,812</u>

OVERLAPPING DEBT

School District	40,394,648
County	5,216,380
ISD	970,180
Community College	-
TOTAL OVERLAPPING DEBT	<u>\$ 46,581,208</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 54,221,020</u>

STATEMENT OF LEGAL DEBT MARGIN

2022 State Equalized Valuation		\$	1,969,653,510
Debt Limited 10% of SEV			196,965,351
Amount of Outstanding Debt	\$	7,639,812	
Less:			
Special Assessment Bonds		-	
Net Debt			7,639,812
Legal Debt Margin		\$	<u>189,325,539</u>

Act 359, Public Acts of Michigan, 1947, as amended (the "Charter Township Act"), provides that the net indebtedness of the Township shall not exceed 10% of all assessed real and personal property in the Township.

APPENDIX D
Charter Township of Oakland
Financial Statements

The auditor was not requested to examine or review and therefore has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly has not conducted any post-audit review procedures and will not express any opinion with respect to the accuracy or completeness of such financial documents, statements or materials. The Township's March 31, 2021, 2020, and 2019, Financial Statements are available at the following links:

[March 31, 2021 Financial Statements](#)

[March 31, 2020 Financial Statements](#)

[March 31, 2019 Financial Statements](#)

Charter Township of Oakland

Financial Report with Supplemental Information March 31, 2021

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To the Township Board of Trustees
Charter Township of Oakland

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Oakland's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

July 23, 2021

Auditee: Monroe, PLLC

Independent Auditor's Report

To the Township Board of Trustees
Charter Township of Oakland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Oakland (the "Township") as of and for the year ended March 31, 2021 and the related notes to the financial statements, which collectively comprise the Charter Township of Oakland's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Oakland as of March 31, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Charter Township of Oakland

Management's Discussion and Analysis

Overview of the Financial Statements

The Charter Township of Oakland's (the "Township") 2021 annual report is presented in conformity with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. This annual report consists of four parts - management's discussion and analysis, the basic financial statements, required supplemental information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Township. The first two statements are government-wide financial statements that provide both long- and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

Government-wide Statements

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities, regardless of when cash is received or paid (full accrual).

The two government-wide statements report the Township's net position and how it has changed. Net position, the difference between the Township's assets and liabilities, is one way to measure the Township's financial health.

The government-wide financial statements of the Township are divided into two categories:

- **Governmental Activities** - Most of the Township's basic services are included here, such as public safety, public works, and general administration. Property taxes, state-shared revenue, and charges for services provide most of the funding.
- **Business-type Activities** - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's water and sewer system and building inspection services are treated as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law and bond covenants. The Township board establishes other funds to control and manage money for particular purposes. The Township has three types of funds as follows:

- **Governmental Funds** - Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.
- **Proprietary Funds** - Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long- and short-term financial information.
- **Fiduciary Funds** - The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township's fiduciary activities are reported in a separate statements. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The Township has total net position of \$86.5 million, composed of \$50.5 million from governmental activities and \$36.0 million from business-type activities. The table below shows a condensed format comparison of net position as of the current date to the prior year.

The Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 23,435,501	\$ 21,464,639	\$ 16,247,112	\$ 15,199,358	\$ 39,682,613	\$ 36,663,997
Capital assets	28,615,466	28,156,436	23,424,772	23,476,822	52,040,238	51,633,258
Total assets	52,050,967	49,621,075	39,671,884	38,676,180	91,722,851	88,297,255
Liabilities						
Current liabilities	963,753	676,799	951,981	1,026,203	1,915,734	1,703,002
Noncurrent liabilities	606,139	919,686	2,715,332	1,961,323	3,321,471	2,881,009
Total liabilities	1,569,892	1,596,485	3,667,313	2,987,526	5,237,205	4,584,011
Net Position						
Net investment in capital assets	28,295,466	27,516,436	21,524,774	21,636,895	49,820,240	49,153,331
Restricted	13,143,167	11,528,120	-	-	13,143,167	11,528,120
Unrestricted	9,042,442	8,980,034	14,479,797	14,051,759	23,522,239	23,031,793
Total net position	<u>\$ 50,481,075</u>	<u>\$ 48,024,590</u>	<u>\$ 36,004,571</u>	<u>\$ 35,688,654</u>	<u>\$ 86,485,646</u>	<u>\$ 83,713,244</u>

The Township experienced an increase in net position of both the governmental activities and the business-type activities, as revenue exceeded expenditures.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

The Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	\$ 681,285	\$ 472,416	\$ 4,337,403	\$ 3,865,517	\$ 5,018,688	\$ 4,337,933
Operating grants	836,062	119,594	280,480	328,085	1,096,542	447,679
Capital grants	-	2,191,005	95,774	522,131	95,774	2,713,136
General revenue:						
Property taxes	8,730,690	8,218,259	-	-	8,730,690	8,218,259
Intergovernmental	1,587,695	1,585,094	-	-	1,587,695	1,585,094
Investment earnings	109,036	400,387	170,795	316,493	279,831	716,880
Other revenue	484,161	456,934	902,152	744,488	1,386,313	1,201,422
Total revenue	12,428,929	13,443,689	5,766,604	5,776,714	18,195,533	19,220,403
Expenses						
General government	1,424,971	1,305,454	-	-	1,424,971	1,305,454
Public safety	4,722,772	4,355,354	-	-	4,722,772	4,355,354
Public works	285,806	819,500	-	-	285,806	819,500
Community and economic development	145,157	162,542	-	-	145,157	162,542
Recreation and culture	3,374,538	3,193,522	-	-	3,374,538	3,193,522
Debt service charges	19,200	27,733	-	-	19,200	27,733
Operating expenses other than depreciation	-	-	3,591,748	4,028,900	3,591,748	4,028,900
Depreciation	-	-	876,728	848,592	876,728	848,592
Other nonoperating expenses	-	-	982,211	837,554	982,211	837,554
Total expenses	9,972,444	9,864,105	5,450,687	5,715,046	15,423,131	15,579,151
Change in Net Position	\$ 2,456,485	\$ 3,579,584	\$ 315,917	\$ 61,668	\$ 2,772,402	\$ 3,641,252

Revenue for governmental activities totaled \$12.4 million in 2021. A total of \$8.7 million, or approximately 70 percent, of all revenue received by the Township was in the form of property tax collections. Property taxes as a whole increased by 6 percent in 2021 due to an increase in taxable values. The General Fund operating millage decreased by 0.0033 mills from the prior year.

Governmental activities revenue decreased by approximately \$1,015,000, primarily due to two factors: investment earnings decreased by approximately \$291,000 due to falling interest rates. Also, there was a decrease in the amount of grant moneys received during the current year. The Township received a large grant from the State of Michigan during the 2019-2020 fiscal year related to the Stony Creek Ravine Nature Park expansion, and the Township received approximately \$748,000 in grant money related to the COVID-19 public health emergency during the 2020-2021 fiscal year. These funds were used to offset increased expenditures for personal protective equipment, cleaning/sanitizing supplies, payroll for first responders, and increased operating costs in response to the pandemic.

Governmental expenditures increased in total by approximately \$108,000 due to the following factors: public safety expenditures increased in the current year partly due to the hiring of two additional full-time shift firefighters and increased equipment purchases. Public works expenditures decreased in the current year due to the completion of the Adams Road and Gunn Road roundabout project in the 2019-2020 fiscal year.

Net position for the business-type activities increased by approximately \$316,000 from the prior year, mainly due to increased charges for services revenue and decreased operating expenses.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Financial Analysis of Township Funds and Budgets

The General Fund ended 2021 with a total fund balance of \$9.3 million, with \$7.2 million in unassigned fund balance. Total General Fund revenue exceeded the amended budget by approximately \$139,000, or 4.8 percent. This surplus is mainly due to greater than expected state-shared revenue. Total expenditures before transfers were under the amended budget by approximately \$500,000, or 20.1 percent. A number of public works and other capital expenditures were not started or completed at fiscal year end, contributing to favorable budget variances of approximately \$100,000 and \$146,000, respectively. Many of these items were subsequently reappropriated in the fiscal year 2022 budget. There were also reductions in a number of cost centers due to COVID-19-related issues, such as cancellation of employee trainings/resident programs and the delay of maintenance projects.

Besides the General Fund, the Township reports budgetary comparison schedules for each of its other major special revenue funds, those being the Fire Fund, Police Fund, Parks Fund, and Land Preservation Fund. The Fire, Police, Parks, and Land Preservation funds all reported favorable budget variances of approximately \$317,000, \$500,000, \$320,000, and \$424,000, respectively, primarily due to pandemic-related grant funding received and capital projects not being started or completed by the conclusion of the fiscal year.

During the 2020-2021 fiscal year, the Township entered into a lease agreement with Six Rivers Conservancy which purchased three parcels of property (approximately \$5.1 million) with money that was fronted by the Township from its lease. (This payment consisted of a \$4,089,545 loan from the General Fund to the Land Preservation Fund, and then the Land Preservation Fund contributed the balance of the funds.) The Township will keep the largest parcel of the property. The two smaller parcels were sold in June 2021 for approximately \$1.3 million; this money will be used by the Land Preservation Fund to begin paying back the General Fund. The Township applied for a State of Michigan NMRTF grant for \$3 million and is expected to receive it in the fall of 2021, which is when the Township will take ownership of the last parcel from Six Rivers Conservancy. The majority of that money will also go toward paying off the General Fund; any remaining balance can be paid back in 10 annual payments with interest beginning on March 1, 2022.

In addition to the information on pages 11 and 12, the table below is included to show an expected use of cash for various funds over the coming months. This analysis is for supplemental purposes to assist the reader in understanding the cash flows of these funds but in no way changes the information in the financial statements that follow. Property tax revenue is collected during the months of December through March of the current fiscal year. Prudent cash management requires that, at the end of any fiscal year, the equivalent of eight months of property tax revenue be available for subsequent year expenditures until tax collections resume again in December. Below is a presentation of available unassigned (in the General Fund) or restricted (all other funds) fund balance after the tax revenue expected to be spent through the next eight months and any amounts budgeted to be spent in fiscal year 2021. Once next year's tax collections are completed in March 2021, the cash in each fund will be replenished, and it is expected that each fund will end the year with the ending fund balance budgeted for the year.

	General Fund	Fire Fund	Police Fund	Parks Fund	Trails Improvement Fund	Historic District Commission Fund
Unassigned/restricted fund balance	\$ 7,190,359	\$ 1,267,075	\$ 3,807,084	\$ 2,062,100	\$ 2,017,557	\$ 578,389
Tax revenue for next eight months	(513,304)	(936,251)	(1,087,677)	(717,157)	(186,029)	(111,485)
Budgeted fund balance in subsequent year	(1,717,550)	-	(54,000)	(723,600)	(882,550)	-
Fund balance in excess of tax revenue for the next eight months and budgeted use	\$ 4,957,305	\$ 310,824	\$ 2,065,387	\$ 621,343	\$ 968,378	\$ 466,884

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

At the end of 2021, the Township's governmental activities had approximately \$28.6 million of capital assets, net of depreciation, invested in buildings, land improvements, information technology, equipment, and vehicles. The governmental activities reported approximately \$1.5 million of additions for the year. Major acquisitions were for the EMS bay and fire equipment. The business-type activities reported approximately \$23.4 million of capital assets, net of depreciation, primarily invested in infrastructure assets. The business-type activities reported approximately \$825,000 of additions for the year.

General obligation debt of \$320,000 is recorded as a liability on the governmental activities statement of net position. Debt relating to the Oakland-Macomb Interceptor Drainage sewer system totaling approximately \$2.6 million is recorded as a liability on the business-type activities statement of net position.

The Township is currently planning for two water storage facilities to be constructed in the coming years. The Water Fund will issue approximately \$10 million of debt to finance these projects.

For more information on capital assets and debt, please see Notes 3 and 5, respectively.

Current Economic Events

The Township realized a \$72 million, or 5.0 percent, increase in taxable values in fiscal year 2021 compared to the previous year. For fiscal year 2022, taxable values have increased by another \$66 million, or 4.4 percent. Accelerating property values, along with new housing starts, continue to provide the Township with a steady stream of revenue. With a healthy General Fund balance, minimal debt, and no legacy costs, the Township is in an excellent economic position to (1) maintain and improve services to its residents, (2) assess and meet its capital needs going forward, and (3) provide appropriate staffing levels within its departments. In recent years, these conditions have allowed the Township to lower its operating millage within the General Fund budget.

Aside from services provided through the General Fund millage, the Township, through additional voter-approved millages, provides fire, police, senior citizen, safety path, trail system, parks, land preservation, library, and historic district preservation services and activities. The Township is the premier location in southeast Michigan to live and enjoy the open spaces provided by our user-friendly park system. Building on the long tradition of conservative money management, the Township retains significant fund balances in all of our operating accounts. These fund balances allow us to maintain quality services, even during economic downturns. The fund balances also allow us to meet major capital needs without the need to incur debt. The current fiscal year (2021-2022) will see continued attention to our unpaved road system. High on the agenda for resolution this fiscal year is plan development for our water and sewer systems.

Requests for Further Information

This financial report is intended to provide a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

Charter Township of Oakland

Statement of Net Position

	March 31, 2021		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 2)	\$ 17,215,891	\$ 14,332,308	\$ 31,548,199
Receivables:			
Property taxes receivable	214,112	-	214,112
Receivables from sales to customers on account	-	978,228	978,228
Accrued interest receivable	18,389	108,114	126,503
Other receivables	189,186	-	189,186
Due from other governmental units	-	21,400	416,144
Prepaid expenses and other assets	394,744	27,647	5,430,826
Restricted assets (Note 1)	5,403,179	779,415	779,415
Capital assets: (Note 3)			
Assets not subject to depreciation	21,403,102	640,276	22,043,378
Assets subject to depreciation - Net	7,212,364	22,784,496	29,996,860
Total assets	52,050,967	39,671,884	91,722,851
Liabilities			
Accounts payable	632,766	305,601	938,367
Due to other governmental units	24,442	44,545	68,987
Refundable deposits, bonds, etc.	375	556,149	556,524
Accrued liabilities and other	306,170	45,686	351,856
Noncurrent liabilities: (Note 5)			
Due within one year	511,152	163,664	674,816
Due in more than one year	94,987	2,551,668	2,646,655
Total liabilities	1,569,892	3,667,313	5,237,205
Net Position			
Net investment in capital assets			
Restricted:	28,295,466	21,524,774	49,820,240
Police	3,807,105	-	3,807,105
Fire	1,343,164	-	1,343,164
Cable	117,013	-	117,013
Parks	2,076,805	-	2,076,805
Trails	2,017,557	-	2,017,557
Historic District Commission	579,911	-	579,911
Library	1,095,671	-	1,095,671
Land preservation	2,105,941	-	2,105,941
Unrestricted	9,042,442	14,479,797	23,522,239
Total net position	\$ 50,481,075	\$ 36,004,571	\$ 86,485,646

Charter Township of Oakland

	Statement of Activities
	Year Ended March 31, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ (1,295,179) \$ - \$ (1,295,179)	(3,542,556)	-	(3,542,556)
(285,806)	-	-	(285,806)
(145,157)	-	-	(145,157)
(3,167,199)	-	-	(3,167,199)
(19,200)	-	-	(19,200)
(8,455,097)	-	-	(8,455,097)
-	136,380	-	136,380
-	(676,856)	-	(676,856)
-	(216,554)	-	(216,554)
-	(757,030)	-	(757,030)
(8,455,097)	(757,030)	-	(9,212,127)
8,730,690	-	-	8,730,690
1,587,695	-	-	1,587,695
109,036	170,795	-	279,831
369,985	-	-	369,985
49,120	-	-	49,120
65,056	902,152	-	967,208
10,911,582	1,072,947	-	11,984,529
2,456,485	315,917	-	2,772,402
48,024,590	35,688,654	-	83,713,244
\$ 50,481,075 \$ 36,004,571 \$ 86,485,646			

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
\$ 1,424,971 \$ 99,416 \$ 30,376 \$ -	4,722,772	468,301	711,915	-
285,806	-	-	-	-
145,157	-	-	-	-
3,374,538	113,568	93,771	-	-
19,200	-	-	-	-
9,972,444	681,285	836,062	-	-
Total governmental activities				
Business-type activities:				
Sewer Fund	2,177,215	1,957,495	260,326	95,774
Water Fund	2,475,233	1,798,377	-	-
Building	796,239	581,531	154	-
Total business-type activities	5,450,687	4,337,403	260,480	95,774
Total primary government	\$ 15,423,131 \$ 5,018,688 \$ 1,096,542 \$ 95,774			
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Charter Township of Oakland

Governmental Funds Balance Sheet March 31, 2021

	General Fund	Fire Fund	Police Fund	Parks Fund
Assets				
Cash and investments (Note 2)	\$ 5,254,254	\$ 1,073,202	\$ 4,150,348	\$ 2,083,848
Receivables:				
Property taxes receivable	17,154	31,816	77,108	23,861
Accrued interest receivable	8,299	-	7,196	1,447
Other receivables	112,595	76,173	-	373
Due from other governmental units	394,744	-	-	-
Due from other funds	4,089,545	202,125	-	320
Prepaid expenses and other assets	42,707	76,089	41	14,705
Total assets	\$ 9,919,298	\$ 1,459,405	\$ 4,234,693	\$ 2,124,554
Liabilities				
Accounts payable	\$ 94,590	\$ 20,366	\$ 427,225	\$ 18,753
Due to other governmental units	8,324	-	-	-
Due to other funds	202,125	-	-	-
Refundable deposits, bonds, etc.	-	-	-	375
Accrued liabilities and other	160,132	95,875	363	28,621
Total liabilities	465,171	116,241	427,588	47,749
Deferred Inflows of Resources - Unavailable revenue	122,580	-	-	-
Fund Balances				
Nonspendable - Prepaid expenses	42,707	76,089	41	14,705
Restricted:				
Police	-	-	3,807,064	-
Fire	-	1,267,075	-	-
Cable	117,013	-	-	-
Parks	-	-	-	2,062,100
Trails	-	-	-	-
Historic District Commission	-	-	-	-
Library	-	-	-	-
Assigned:				
Subsequent year's budget	1,717,550	-	-	-
Roads	169,000	-	-	-
Beautification	27,992	-	-	-
Bike path	66,926	-	-	-
Unassigned	7,190,359	-	-	-
Total fund balances	9,331,547	1,343,164	3,807,105	2,076,805
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,919,298	\$ 1,459,405	\$ 4,234,693	\$ 2,124,554

See notes to financial statements.

	Land Preservation Fund	Nonmajor Funds	Governmental Funds	Total
\$	983,923	\$ 3,670,316	\$	17,215,891
	21,283	42,890		214,112
-	-	1,447		18,389
-	-	45		189,186
-	-	-		394,744
-	-	-		4,291,990
5,268,095		1,542		5,403,179
\$ 6,273,301	\$ 3,716,240	\$	\$ 27,727,491	
\$	70,977	\$ 855	\$	632,766
-	-	16,118		24,442
4,089,545		320		4,291,990
-	-	-		375
6,838		5,808		297,637
4,167,360		23,101		5,247,210
-	-	-		122,580
5,268,095		1,542		5,403,179
-	-	-		3,807,064
-	-	-		1,267,075
-	-	-		117,013
-	-	-		2,062,100
-	2,017,557			2,017,557
-	578,369			578,369
-	1,095,671			1,095,671
-	-	-		1,717,550
-	-	-		169,000
-	-	-		27,992
-	-	-		66,926
(3,162,154)		-		4,028,205
2,105,941		3,693,139		22,357,701
\$ 6,273,301	\$ 3,716,240	\$	\$ 27,727,491	

Charter Township of Oakland

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

March 31, 2021

Fund Balances Reported in Governmental Funds

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds	28,615,466
Certain receivables were earned during the current fiscal year but are not available to pay for current year expenditures	122,580
Bonds payable are not due and payable in the current period and are not reported in the funds	(320,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(8,533)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities - Employee compensated absences	(286,139)
	<u>\$ 50,481,075</u>

Net Position of Governmental Activities

See notes to financial statements.

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Charter Township of Oakland

	General Fund	Fire Fund	Police Fund	Parks Fund
Revenue				
Property taxes	\$ 773,256	\$ 1,434,377	\$ 2,531,516	\$ 1,075,735
Intergovernmental:				
Federal grants	30,376	437,477	266,995	11,033
State sources	1,575,419	2,692	4,751	68,498
Charges for services	266,661	476,601	-	78,623
Fines and forfeitures	24,235	-	-	-
Licenses and permits:				
Cable franchise fees	369,985	-	-	-
Other licenses and permits	1,020	-	-	-
Interest and rentals:				
Investment earnings	67,343	2,374	13,489	8,237
Rental income	30,300	-	-	-
Other revenue	55,624	-	-	773
Total revenue	3,194,419	2,353,521	2,816,751	1,242,899
Expenditures				
Current services:				
General government	1,518,030	-	-	-
Public safety	-	2,121,225	2,340,677	-
Public works	285,806	-	-	-
Community and economic development	145,157	-	-	-
Recreation and culture	-	-	-	806,565
Capital outlay	60,360	1,123,375	5,229	85,348
Debt service	-	-	-	-
Total expenditures	2,009,353	3,244,600	2,345,906	891,913
Excess of Revenue Over (Under) Expenditures	1,185,066	(891,079)	470,845	350,986
Other Financing Sources (Uses)				
Transfers in (Note 4)	-	1,123,375	-	-
Transfers out (Note 4)	(1,123,375)	-	-	-
Sale of capital assets	120	-	-	24,000
Total other financing (uses) sources	(1,123,255)	1,123,375	-	24,000
Net Change in Fund Balances	61,811	232,296	470,845	374,986
Fund Balances - Beginning of year	9,269,736	1,110,868	3,336,260	1,701,819
Fund Balances - End of year	<u>\$ 9,331,547</u>	<u>\$ 1,343,164</u>	<u>\$ 3,807,105</u>	<u>\$ 2,076,805</u>

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See notes to financial statements.

Charter Township of Oakland

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

	Year Ended March 31, 2021
Net Change in Fund Balances Reported in Governmental Funds	\$ 1,671,632
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	(1,006,320)
Depreciation expense	1,466,350
Capital outlay	
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	12,276
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	320,000
Some employee costs (compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(6,453)
Change in Net Position of Governmental Activities	\$ 2,456,485

See notes to financial statements.

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2021

Land Preservation Fund	Nonmajor Funds	Total Governmental Funds
\$ 991,233	\$ 1,924,573	\$ 8,730,690
1,862	299	748,042
4,427	7,652	1,663,439
-	-	821,885
-	-	24,235
-	-	369,985
-	-	1,020
4,149	13,444	109,036
4,445	200	34,945
6,995	1,464	65,056
1,013,111	1,947,632	12,568,333
-	-	1,518,030
-	-	4,461,902
-	-	285,806
-	-	145,157
320,203	1,649,724	2,776,492
50,885	94,037	1,419,234
-	339,200	339,200
371,088	2,082,961	10,945,821
642,023	(135,329)	1,622,512
-	339,200	1,462,575
(339,200)	-	(1,462,575)
25,000	-	49,120
(314,200)	339,200	49,120
327,823	203,871	1,671,632
1,778,118	3,489,268	20,686,069
\$ 2,105,941	\$ 3,693,139	\$ 22,357,701

Charter Township of Oakland

Proprietary Funds Statement of Net Position

March 31, 2021

	Sewer Fund	Water Fund	Enterprise Funds	Total
			Building Fund	
Assets				
Current assets:				
Cash and investments (Note 2)	\$ 8,731,855	\$ 2,833,533	\$ 2,766,920	\$ 14,332,308
Receivables:				
Receivables from sales to customers on account	322,300	655,928	-	978,228
Accrued interest receivable	90,522	-	17,592	108,114
Due from other governmental units	2,201	19,199	-	21,400
Prepaid expenses and other assets	2,778	7,200	17,669	27,647
Total current assets	9,149,656	3,515,860	2,802,181	15,467,697
Noncurrent assets:				
Restricted assets (Note 1)	779,415	-	-	779,415
Capital assets: (Note 3)				
Assets not subject to depreciation	297,917	342,359	-	640,276
Assets subject to depreciation - Net	8,692,597	14,003,443	88,456	22,784,496
Total noncurrent assets	9,769,929	14,345,802	88,456	24,204,187
Total assets	18,919,585	17,861,662	2,890,637	39,671,884
Liabilities				
Current liabilities:				
Accounts payable	5,933	261,131	38,537	305,601
Due to other governmental units	44,545	-	-	44,545
Refundable deposits, bonds, etc.	-	180,500	375,649	556,149
Accrued liabilities and other	28,033	-	17,653	45,686
Compensated absences	-	-	24,895	24,895
Current portion of long-term debt (Note 5)	138,769	-	-	138,769
Total current liabilities	217,280	441,631	456,734	1,115,645
Noncurrent liabilities:				
Compensated absences	-	-	11,024	11,024
Long-term debt (Note 5)	2,540,644	-	-	2,540,644
Total noncurrent liabilities	2,540,644	-	11,024	2,551,668
Total liabilities	2,757,924	441,631	467,758	3,667,313
Net Position				
Net investment in capital assets	7,090,516	14,345,802	88,456	21,524,774
Unrestricted	9,071,145	3,074,229	2,334,423	14,479,797
Total net position	\$ 16,161,661	\$ 17,420,031	\$ 2,422,879	\$ 36,004,571

See notes to financial statements.

Charter Township of Oakland

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

Year Ended March 31, 2021

	Sewer Fund	Water Fund	Enterprise Funds	Total
			Building Fund	
Operating Revenue				
Sale of water	\$ -	\$ 1,798,377	\$ -	\$ 1,798,377
Sewage disposal charges	1,239,563	-	-	1,239,563
Permit revenue	-	-	580,031	580,031
Other operating revenue	145,404	-	1,500	146,904
Total operating revenue	1,384,967	1,798,377	581,531	3,764,875
Operating Expenses				
Cost of water	-	1,382,246	-	1,382,246
Cost of sewage treatment	837,126	-	-	837,126
Other operation and maintenance	44,549	-	-	44,549
Billing and administrative costs	80,523	147,863	-	228,386
Other operating expense	137,828	199,056	-	336,884
Building inspections and related activity	-	-	762,557	762,557
Depreciation	298,063	542,983	35,682	876,728
Total operating expenses	1,398,089	2,272,148	798,239	4,468,476
Operating Loss	(13,122)	(473,771)	(216,708)	(703,601)
Nonoperating Revenue (Expense)				
Investment income	111,905	26,547	32,343	170,795
Interest expense	(45,313)	-	-	(45,313)
Other nonoperating expenses	(733,813)	(203,085)	-	(936,898)
Debt service charges and other	572,528	-	-	572,528
Operating grants	260,326	-	154	260,480
Other nonoperating revenue	-	902,152	-	902,152
Total nonoperating revenue	165,633	725,614	32,497	923,744
Income (Loss) - Before capital contributions	152,511	251,843	(184,211)	220,143
Capital Contributions	95,774	-	-	95,774
Change in Net Position	248,285	251,843	(184,211)	315,917
Net Position - Beginning of year	15,913,376	17,168,188	2,607,090	35,688,654
Net Position - End of year	\$ 16,161,661	\$ 17,420,031	\$ 2,422,879	\$ 36,004,571

See notes to financial statements.

Charter Township of Oakland

Proprietary Funds Statement of Cash Flows

Year Ended March 31, 2021

	Sewer Fund	Water Fund	Enterprise Funds	Building	Total
Cash Flows from Operating Activities					
Receipts from customers	\$ 1,397,364	\$ 1,681,348	\$ 581,531	\$ 3,660,243	
Payments to suppliers	(1,140,694)	(1,512,781)	(712,142)	(3,365,617)	
Payments to employees	-	-	(318,420)	(318,420)	
Net cash and cash equivalents provided by (used in) operating activities	256,670	168,567	(449,031)	(23,794)	
Cash Flows from Noncapital Financing Activities					
Operating grants and subsidies	260,326	-	154	260,480	
Repayments of loans made to other funds	-	-	448	448	
Nonoperating items paid (charged) by the County	265,199	(203,085)	-	62,114	
Nonoperating grant expenses	(270,846)	-	-	(270,846)	
Net cash and cash equivalents provided by (used in) noncapital financing activities	254,679	(203,085)	602	52,196	
Cash Flows from Capital and Related Financing Activities					
Receipt of capital charges	93,573	902,152	-	995,725	
Purchase of capital assets	(93,444)	(487,089)	(59,160)	(639,693)	
Principal and interest paid on capital debt	(162,972)	-	-	(162,972)	
Net cash and cash equivalents (used in) provided by capital and related financing activities	(162,843)	415,063	(59,160)	193,060	
Cash Flows from Investing Activities					
Interest received on investments	114,168	26,547	39,414	180,129	
Purchase of investment securities	(13,578)	(4,114)	(11,058)	(28,750)	
Net cash and cash equivalents provided by investing activities	100,590	22,433	28,356	151,379	
Net Increase (Decrease) in Cash and Cash Equivalents	449,096	402,978	(479,233)	372,841	
Cash and Cash Equivalents - Beginning of year	6,609,981	1,967,628	2,002,012	10,579,621	
Cash and Cash Equivalents - End of year	\$ 7,059,077	\$ 2,370,606	\$ 1,522,779	\$ 10,952,462	
Classification of Cash and Cash Equivalents					
Cash and investments	\$ 8,731,855	\$ 2,833,533	\$ 2,766,920	\$ 14,332,308	
Less amounts classified as investments	(1,672,778)	(462,927)	(1,244,141)	(3,379,846)	
Total cash and cash equivalents	\$ 7,059,077	\$ 2,370,606	\$ 1,522,779	\$ 10,952,462	

See notes to financial statements.

Charter Township of Oakland

Proprietary Funds Statement of Cash Flows (Continued)

Year Ended March 31, 2021

	Sewer Fund	Water Fund	Enterprise Funds	Building	Total
Reconciliation of Operating Loss to Net Cash from Operating Activities					
Operating loss	\$ (13,122)	\$ (473,771)	\$ (216,708)	\$ (703,601)	
Adjustments to reconcile operating loss to net cash from operating activities:					
Depreciation	298,063	542,983	35,682	876,728	
Changes in assets and liabilities:					
Receivables	12,397	(117,029)	-	(104,632)	
Prepaid and other assets	-	-	(644)	(644)	
Compensated absences	-	-	9,360	9,360	
Accounts payable and other accrued liabilities	(40,668)	216,384	(276,721)	(101,005)	
Net cash and cash equivalents provided by (used in) operating activities	\$ 256,670	\$ 168,567	\$ (449,031)	\$ (23,794)	

Noncash Capital and Related Financing Activities - During the year ended March 31, 2021, Oakland County, Michigan constructed approximately \$180,000 of sewer lines for the Oakland-Macomb Interceptor project, for which the Township reduced restricted assets held at the County or recorded a capital contribution. In addition the Township is responsible for \$874,000 of debt and related premium that was issued by the Oakland-Macomb Interceptor project in order to complete future capital asset additions.

See notes to financial statements.

Charter Township of Oakland

Fiduciary Funds
Statement of Fiduciary Net Position

	March 31, 2021
	Total Custodial Funds
Assets - Cash and cash equivalents	\$ 79,343
Liabilities - Accounts payable	5,177
Net Position - Restricted - Lake improvements	<u>\$ 74,166</u>

Charter Township of Oakland

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

	Year Ended March 31, 2021
	Total Custodial Funds
Additions	
Lake improvement assessments	\$ 46,838
Property tax collections	34,953,375
Deductions	
Lake improvements	44,039
Property tax disbursements	34,953,375
Net Increase in Fiduciary Net Position	2,799
Net Position - Beginning of year	71,367
Net Position - End of year	<u>\$ 74,166</u>

Note 1 - Significant Accounting Policies

The following is a summary of the significant accounting policies used by the Charter Township of Oakland (the "Township"):

Reporting Entity

The Charter Township of Oakland is governed by an elected seven-member township board of trustees. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. The accompanying financial statements present the financial operations of the Township.

Blended Component Unit

The Parks and Recreation Commission is governed by seven popularly elected members. Although it is legally separate from the Township, the Parks and Recreation Commission is reported as if it were part of the primary government because its responsibilities include acquisition, planning, and management of the Township's parks, as well as providing recreational opportunities to the Township's citizens.

Jointly Governed Organizations

The Paint Creek Trailways Commission (the "Commission"), a joint venture agreement effective December 23, 1981, was entered into by the Charter Township of Oakland; the Charter Township of Orion; the City of Rochester Hills, Michigan; and the City of Rochester, Michigan for the purpose of establishing and providing for the powers and duties of the Paint Creek Trailways Commission, pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Commission is a separate legal entity for the purpose of owning, exercising right of dominion over, developing, providing, maintaining, and operating certain nonmotorized public trails for recreational use within the jurisdictions of member governmental units. The Township appoints two commissioners to the governing board, which is responsible for approving the annual budget. Pursuant to the agreement, each member shall be responsible for an equal share of the Commission's budget. For the fiscal year ended March 31, 2021, the Charter Township of Oakland provided \$26,910 to the Commission. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. The Paint Creek Trailways Commission is not considered a part of the reporting entity of the Charter Township of Oakland. Separate financial statements of the joint venture may be obtained at Paint Creek Trailways Commission, 4393 Collins Road, Rochester, MI 48306.

The Older Persons' Commission, an interlocal agreement effective March 28, 1985 and amended on August 28, 1995, was entered into by the Charter Township of Oakland; the City of Rochester Hills, Michigan; and the City of Rochester, Michigan for the purpose of establishing an older persons' commission pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Older Persons' Commission is a separate legal entity for the purpose of providing activities and services for older persons, defined as those individuals 50 years of age or older residing in the governmental units that are parties to the agreement. The activities and services to be provided include, but are not limited to, the joint ownership and operation of an older persons' activity center and transportation. The Township appoints one member to the Older Persons' Commission. Pursuant to the agreement, each member shall be responsible for its pro rata share of the budget based upon its assessed valuation of the property. During the fiscal year ended March 31, 2021, the Charter Township of Oakland provided \$619,163 to the Older Persons' Commission. The Older Persons' Commission is not considered a part of the reporting entity of the Charter Township of Oakland. Separate financial statements of the Older Persons' Commission may be obtained at Older Persons' Commission, 650 Letica Drive, Rochester, MI 48307.

Accounting and Reporting Principles

The Township follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Township.

Note 1 - Significant Accounting Policies (Continued)

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the Township to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Fire Fund accounts for all revenue and expenditures for the Township's fire operations, including millage collection.
- The Police Fund accounts for the Township's police protection contracted with Oakland County, Michigan. The protection is funded through a special millage.
- The Parks Fund accounts for all revenue and expenditures for the Township's public parks. The activities are funded through a millage collection.
- The Land Preservation Fund accounts for all revenue and expenditures for the Township's activities related to the purchase and maintenance of property for future public use.

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Township). The Township reports the following funds as major enterprise funds:

- The Sewer Fund provides disposals of sanitary sewage in exchange for quarterly user charges.
- The Water Fund provides water to customers in exchange for quarterly user charges.
- The Building Fund accounts for all revenue and expenditures related to building permits and inspections. The activities are funded through fees collected for the inspections.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Custodial funds account for assets held by the Township in a trustee capacity.

Interfund Activity

During the course of operations, the Township has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Township has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, grant revenue, and interest associated with the current fiscal period. Conversely, a portion of state-shared revenue will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Note 1 - Significant Accounting Policies (Continued)

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value. Pooled investment income generally is allocated to each fund using a weighted average.

Restricted Assets

Unspent bond proceeds and deposits held at Oakland County, Michigan for future construction are classified as restricted assets in the Sewer Fund.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. In the current year, interest totaling \$15,038 was capitalized related ongoing projects.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Infrastructure	10-50
Sewer lines	40-50
Buildings and improvements	15-39
Machinery and equipment	5-15
Land improvements	7
Intangible assets	30

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The Land Preservation Fund is used to liquidate the current governmental long-term debt.

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Township has one item, which arises only under a modified-accrual basis of accounting, that qualifies for reporting in deferred inflows. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from state-shared revenue and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position of the Township is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position represents resources that are legally restricted to be spent for specific purposes; this includes any unused resources from the Township's special voted tax millages. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Township will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, except for transfers in for specific purposes, which are considered to be spent first if spent on the intended purpose. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Note 1 - Significant Accounting Policies (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Township's board is the highest level of decision-making authority for the Township that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as committed. The township board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2020 property tax revenue was levied and collectible on December 31, 2020 and is recognized as revenue in the year ended March 31, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

The Township annually sells its delinquent real property taxes to Oakland County, Michigan (the "County"), which then becomes responsible for collecting the taxes and taking any uncollected tax parcels through the tax reversion process. The County purchases these taxes at 100 percent of face value, and, in return, the County is allowed to retain all interest and penalties it collects. The estimated present value of future delinquent collections to the Township is less than the face value that has been received because of the time value of money; however, the net present value to the County is greater than this amount because of the statutory provision that allows the County to retain all penalties and interest. During the current year, the Township received \$192,959 from this sale. At the end of the tax reversion process (approximately three years), the County charges any uncollected taxes back to the Township. Historically, this amount has not been significant.

The 2020 taxable valuation of the Township totaled \$1.52 billion. Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	0.5067 \$	773,256
Library	0.5834	890,310
Parks	0.7049	1,075,735
Fire	0.9399	1,434,377
Police	1.6588	2,531,516
Land Preservation	0.6500	991,233
Older Persons' Commission	0.3200	488,435
OPC Transportation	0.0843	128,656
Trails Improvement	0.1638	249,944
Historic District Commission	0.1096	167,228

Note 1 - Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the Township will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligation.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water, Sewer, and Building funds is charges to customers for sales and services. The Water and Sewer funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. The other nonoperating revenue and expenses are incurred at the County and reported to the Township as the County administers the activity in the Water and Sewer funds on behalf of the Township.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending March 31, 2023.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the Township's financial statements for the year ending March 31, 2021 but were extended to March 31, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

Note 1 - Significant Accounting Policies (Continued)

In January 2020, the GASB issued Statement No. 92, *Onmibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Township does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Township's financial statements for the year ending March 31, 2024.

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Township's financial statements for the year ending March 31, 2023.

Subsequent Events

On June 10, 2021, the Township sold land that was included in the other assets of the Land Preservation Fund for \$943,563. An additional parcel was sold on June 28, 2021 for \$396,977. These funds will be used to repay a portion of the interfund loan from the General Fund. In addition, another piece of property was sold from the Water Fund for \$208,248.

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated eight banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of state statutory authority, as listed above. The Township's deposits and investments are in accordance with state statutory authority.

Note 2 - Deposits and Investments (Continued)

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had bank deposits totaling \$16,332,921 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy further restricts the Township's governmental fund investments to instruments with a maturity of two years or less at the time of purchase. Commercial paper can only be purchased with a 270-day maturity.

At year end, the Township had the following investments:

Investment	Fair Value	Weighted-average Maturity (Years)
Primary Government		
Michigan CLASS investment pool	\$ 2,625,703	0.20
Local government investment pool	5,260,617	0.79

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of March 31, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Michigan CLASS investment pool	\$ 2,625,703	AAAm	S&P
Local Government investment pool	5,260,617	Not rated	N/A

Concentration of Credit Risk

The Township places no limit on the amount it may invest in any one issuer. Approximately 10 and 19 percent of the Township's cash and investments are in the Michigan CLASS investment pool and the Oakland County Local Government Investment Pool (the "LGIP"), respectively. The LGIP is not registered with the Securities and Exchange Commission (SEC) and does not issue a separate report. The fair value position in the pool is not the same as the value of the pool shares, since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost.

Note 2 - Deposits and Investments (Continued)

Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Township has the following recurring fair value measurements as of March 31, 2021:

The Township's investments in the Oakland County LGIP (\$5,260,617) and the Michigan CLASS investment pool (\$2,625,703) are measured at net asset value.

The valuation method for investments measured at net asset value per share (or its equivalent) is presented in the table below.

Investments in Entities that Calculate Net Asset Value per Share

The Township holds shares or interests in investment companies for which the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At March 31, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Local Government Investment Pool	\$ 5,260,617	\$ -	No restrictions	None
Michigan CLASS investment pool	2,625,703	-	No restrictions	None
Total investments measured at NAV	\$ 7,886,320	\$ -		

The Oakland County LGIP invests assets in a manner that will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Charter Township of Oakland

Notes to Financial Statements

Note 3 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

Governmental Activities

	Balance April 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2021
Capital assets not being depreciated:					
Land	\$ 20,571,451	\$ -	\$ -	\$ -	\$ 20,571,451
Construction in progress	54,988	(30,478)	807,131	-	831,651
Subtotal	20,626,449	(30,478)	807,131	-	21,403,102
Capital assets being depreciated:					
Infrastructure	2,031,525	-	-	-	2,031,525
Buildings and improvements	11,057,160	-	213,138	(160,088)	11,270,318
Machinery and equipment	1,046,917	-	205,477	(58,918)	1,092,306
Vehicles	3,169,412	-	132,925	(1,693)	3,243,419
Office furnishings	485,923	-	-	(8,998)	484,230
Information technology	230,367	-	11,904	233,273	233,273
Land improvements	4,573,899	30,478	94,775	-	4,699,152
Subtotal	22,595,223	30,478	658,219	(229,697)	23,054,223
Accumulated depreciation:					
Infrastructure	2,031,525	-	-	-	2,031,525
Buildings and improvements	6,114,450	-	387,716	-	6,502,166
Machinery and equipment	770,599	-	116,409	(160,088)	726,920
Vehicles	2,635,788	-	96,165	(58,918)	2,673,035
Office furnishings	461,906	-	8,571	(1,693)	468,784
Information technology	180,545	-	16,680	(8,998)	188,227
Land improvements	2,870,423	-	380,779	-	3,251,202
Subtotal	15,065,236	-	1,006,320	(229,697)	15,841,859
Net capital assets being depreciated	7,529,987	30,478	(348,101)	-	7,212,364
Net governmental activities capital assets	\$ 28,156,436	\$ -	\$ 459,030	\$ -	\$ 28,615,466

Charter Township of Oakland

Notes to Financial Statements

Note 3 - Capital Assets (Continued)

Business-type Activities

	Balance April 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2021
Capital assets not being depreciated - Construction in progress	\$ 550,592	\$ (525,227)	\$ 614,911	\$ -	\$ 640,276
Capital assets being depreciated:					
Sewer system	14,103,596	525,227	5,877	-	14,634,700
Water system	16,291,962	-	144,730	-	16,436,692
Buildings and improvements	6,775	-	-	-	6,775
Machinery and equipment	43,009	-	1,112	-	44,121
Vehicles	45,252	-	58,048	-	103,300
Information technology	30,200	-	-	-	30,200
Subtotal	30,520,794	525,227	209,767	-	31,255,788
Accumulated depreciation:					
Sewer system	5,644,040	-	298,064	-	5,942,104
Water system	1,890,266	-	542,983	-	2,433,249
Buildings and improvements	2,712	-	451	-	3,163
Machinery and equipment	23,788	-	6,366	-	30,154
Vehicles	23,871	-	22,301	-	46,172
Information technology	9,887	-	6,563	-	16,450
Subtotal	7,594,564	-	876,728	-	8,471,292
Net capital assets being depreciated	22,926,230	525,227	(666,961)	-	22,784,496
Net business-type activities capital assets	\$ 23,476,822	\$ -	\$ (52,050)	\$ -	\$ 23,424,772

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:		
General government	\$	\$ 115,662
Public safety		264,475
Recreation and culture		626,183
Total governmental activities		\$ 1,006,320
Business-type activities:		
Water	\$	\$ 542,983
Sewer		298,063
Building		35,682
Total business-type activities		\$ 876,728

Charter Township of Oakland

Notes to Financial Statements

March 31, 2021

Note 3 - Capital Assets (Continued)

Construction Commitments

The Township had ongoing construction projects at the end of the year. For those projects the Township has spent \$1,471,926 to date. The remaining commitments related to the construction projects total \$969,980 as of March 31, 2021.

Note 4 - Interfund Receivables, Payables, and Transfers

Due to/from other funds reported in the fund financial statements are composed of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Land Preservation Fund	\$ 4,089,545
Fire Fund	General Fund	202,125
Parks Fund	Nonmajor governmental funds	320
	Total	\$ 4,291,990

The loan owed to the General Fund from the Land Preservation Fund related to money loaned to the Land Preservation Fund in order to purchase a piece of property for the Township. The remaining balances result from the time lag between the date that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Fire Fund	\$ 1,123,375
Land Preservation Fund	Nonmajor governmental funds	339,200
	Total	\$ 1,462,575

Charter Township of Oakland

Notes to Financial Statements

March 31, 2021

Note 4 - Interfund Receivables, Payables, and Transfers (Continued)

The transfer from the General Fund to the Fire Fund represents the use of unrestricted resources to finance capital acquisitions; the transfer from the Land Preservation Fund to nonmajor governmental funds represents the movement of resources to be used to service debt.

Note 5 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. County contractual agreements and installment purchase agreements are also general obligations of the government.

Long-term debt activity for the year ended March 31, 2021 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt -							
General Obligation Limited Tax Bonds, Series 2008 -							
Amount of issue -	4.00%	\$320,000	\$ 640,000	\$ -	\$ (320,000)	\$ 320,000	\$ 320,000
Maturing through 2022			279,686	233,871	(227,418)	286,139	191,152
Accumulated compensated absences							
Total governmental activities long-term debt			\$ 919,686	\$ 233,871	\$ (547,418)	\$ 606,139	\$ 511,152

Charter Township of Oakland

Notes to Financial Statements

Note 5 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2010A -							
Amount of issue -							
\$25,666		\$21,066-					
\$32,960	2.50%	\$32,960	\$ 346,331	\$ -	(25,098)	\$ 321,233	\$ 25,703
Maturings through 2032							
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2010B -							
Amount of issue -							
\$195,000	1.15%-	\$4,636 -					
\$10,483	5.90%	\$10,483	89,910	-	(6,249)	83,661	6,552
Maturings through 2031							
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2011 -							
Amount of issue -							
\$631,878	2.50%	\$24,750 -					
\$39,477		\$39,477	473,847	-	(28,710)	445,137	29,453
Maturings through 2034							
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2013A -							
Amount of issue -							
\$1,378,847	2.00%	\$56,729 -					
\$82,659		\$82,659	1,017,871	-	(62,656)	955,215	63,926
Maturings through 2035							
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2020 -							
Amount of issue -							
\$770,800	2.00%-	\$13,135 -					
\$54,090	5.00%	\$54,090	-	770,800	-	770,800	13,135
Maturings through 2041							
Total principal outstanding			1,927,959	770,800	(122,713)	2,576,046	138,769
Unamortized bond premium			-	103,367	-	103,367	-
Total bonds and contracts payable			1,927,959	874,167	(122,713)	2,679,413	138,769
Compensated absences			33,364	2,555	-	35,919	24,895
Total business-type activities long-term debt			\$ 1,961,323	\$ 876,722	\$ (122,713)	\$ 2,715,332	\$ 163,664

Charter Township of Oakland

Notes to Financial Statements

Note 5 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$65,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Principal	Interest	Total	Principal	Interest	Total
Governmental Activities - Other Debt						
2022	\$ 320,000	\$ 6,400	\$ 326,400	\$ 138,769	\$ 69,524	\$ 208,293
2023	-	-	-	147,222	65,715	212,937
2024	-	-	-	151,343	61,653	212,996
2025	-	-	-	155,582	57,452	213,034
2026	-	-	-	159,712	53,104	212,816
2027-2031	-	-	-	928,276	187,696	1,115,972
2032-2036	-	-	-	635,066	61,936	697,002
2037-2041	-	-	-	260,076	13,211	273,287
Total	\$ 320,000	\$ 6,400	\$ 326,400	\$ 2,576,046	\$ 570,291	\$ 3,146,337

Note 6 - Defined Contribution Pension Plan

The Township provides pension benefits to its elected officials and other qualified employees through the Oakland Charter Township Governmental Non-ERISA Retirement Plan administered by MERS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one and one-half months from the date of employment. As established by board resolution, the Township contributes 12 percent of employees' gross earnings.

The Township's contributions for each employee are fully vested after one and one-half months of continuous service. Employees may contribute to the plan on a voluntary basis. In accordance with these requirements, the Township contributed \$264,199 during the current year.

Note 7 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for medical and dental claims and participates in the Michigan Municipal Risk Management Authority (the "Authority") risk pool for claims relating to property loss, torts, errors and omissions, and workers' compensation and is uninsured for unemployment compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority's State Pool program operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

Note 8 - Library Agreement

The Charter Township of Oakland Public Library Board has an agreement with the Rochester Hills Public Library Board for library services. In consideration for library services, the Township remits the two voter-approved library millages, as reduced by the Headlee Amendment, calculated using the previous year's taxable valuation of the Township. For the fiscal year ended March 31, 2021, the library millages totaled 0.5834 mills (2020 tax roll), which will be remitted to the Rochester Hills Public Library during the Township's fiscal year in the amount of approximately \$890,000.

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended March 31, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	764,500	\$ 764,500	\$ 773,256	\$ 8,756
Special assessments	7,850	7,850	-	(7,850)
Intergovernmental:				
Federal grants	3,500	26,600	30,376	3,776
State sources	1,551,600	1,384,400	1,575,419	191,019
Charges for services	62,550	62,550	74,161	11,611
Fines and forfeitures	60,000	60,000	24,235	(35,765)
Licenses and permits:				
Cable franchise fees	379,000	379,000	369,985	(9,015)
Other licenses and permits	3,300	3,300	1,020	(2,280)
Interest and rentals:				
Investment earnings	122,300	80,000	67,343	(12,657)
Rental income	30,000	30,000	30,300	300
Other revenue	53,700	64,900	55,824	(9,076)
Total revenue	3,038,300	2,863,100	3,001,919	138,819
Expenditures				
Current services:				
General government:				
Township board	368,950	384,050	306,004	78,046
Township supervisor	19,700	19,700	16,023	3,677
Manager	229,200	229,200	220,738	8,462
Township treasurer	186,600	186,600	175,834	10,766
Assessor	143,000	143,000	131,642	11,358
Board of review	2,700	2,700	1,247	1,453
Township clerk	338,800	349,300	341,522	7,778
Buildings and grounds	317,300	316,300	286,205	60,095
Elections	52,250	67,150	66,315	835
Cemetery	4,000	4,000	2,500	1,500
Public works:				
Roads and projects	432,400	375,400	276,465	98,935
Street lighting	9,100	10,100	9,341	759
Community and economic development:				
Planning commission	109,300	109,300	83,802	25,498
Community programs and development	123,200	113,200	61,355	51,845
Capital outlay	334,000	205,900	60,360	145,540
Total expenditures	2,670,500	2,515,900	2,009,353	506,547
Excess of Revenue Over Expenditures	367,800	347,200	992,566	645,366
Other Financing Sources (Uses)				
Transfers in	192,500	192,500	192,500	-
Transfers out	(1,865,900)	(1,035,900)	(1,123,375)	(87,475)
Sale of capital assets	-	-	120	120
Total other financing uses	(1,673,400)	(843,400)	(930,755)	(87,355)
Net Change in Fund Balance	(1,305,600)	(496,200)	61,811	558,011
Fund Balance - Beginning of year	9,269,736	9,269,736	9,269,736	-
Fund Balance - End of year	7,964,136	8,773,536	9,331,547	568,011

Required Supplemental Information

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Fire Fund

	Year Ended March 31, 2021			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,418,300	\$ 1,418,300	\$ 1,434,377	\$ 16,077
State-shared revenue and grants	2,900	402,900	440,169	37,269
Charges for services	424,700	424,700	468,301	43,601
Interest income	8,700	8,700	2,374	(6,326)
Total revenue	1,854,600	2,254,600	2,345,221	90,621
Expenditures				
Current - Public safety	2,086,800	2,171,800	2,121,225	50,575
Capital outlay	1,642,000	1,212,000	1,123,375	88,625
Total expenditures	3,728,800	3,383,800	3,244,600	139,200
Excess of Expenditures Over Revenue	(1,874,200)	(1,129,200)	(899,379)	229,821
Other Financing Sources - Transfers in	1,874,200	1,044,200	1,131,675	87,475
Net Change in Fund Balance	-	(85,000)	232,296	317,296
Fund Balance - Beginning of year	1,110,868	1,110,868	1,110,868	-
Fund Balance - End of year	\$ 1,110,868	\$ 1,025,868	\$ 1,343,164	\$ 317,296

See note to required supplemental information.

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Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Police Fund

	Year Ended March 31, 2021			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 2,502,800	\$ 2,502,800	\$ 2,531,516	\$ 28,716
State-shared revenue and grants	5,000	251,100	271,746	20,646
Investment income	38,500	38,500	13,489	(25,011)
Total revenue	2,546,300	2,792,400	2,816,751	24,351
Expenditures				
Current - Public safety	2,528,400	2,528,400	2,340,677	187,723
Capital outlay	47,500	47,500	5,229	42,271
Total expenditures	2,575,900	2,575,900	2,345,906	229,994
Excess of Revenue (Under) Over Expenditures	(29,600)	216,500	470,845	254,345
Other Financing Uses - Transfers out	-	(246,100)	-	246,100
Net Change in Fund Balance	(29,600)	(29,600)	470,845	500,445
Fund Balance - Beginning of year	3,336,260	3,336,260	3,336,260	-
Fund Balance - End of year	\$ 3,306,660	\$ 3,306,660	\$ 3,807,105	\$ 500,445

See note to required supplemental information.

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Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Parks Fund

	Year Ended March 31, 2021			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,063,400	\$ 1,063,400	\$ 1,075,735	\$ 12,335
State-shared revenue and grants	328,500	89,500	79,531	(9,969)
Charges for services	98,200	83,200	78,623	(4,577)
Investment income	25,000	10,000	8,237	(1,763)
Other revenue	-	-	773	773
Total revenue	1,515,100	1,246,100	1,242,899	(3,201)
Expenditures				
Current - Recreation and culture	1,141,225	1,073,325	806,565	266,760
Capital outlay	804,400	142,700	85,348	57,352
Total expenditures	1,945,625	1,216,025	891,913	324,112
Excess of Revenue (Under) Over Expenditures	(430,525)	30,075	350,986	320,911
Other Financing Sources - Transfers in	25,000	25,000	24,000	(1,000)
Net Change in Fund Balance	(405,525)	55,075	374,986	319,911
Fund Balance - Beginning of year	1,701,819	1,701,819	1,701,819	-
Fund Balance - End of year	\$ 1,296,294	\$ 1,756,894	\$ 2,076,805	\$ 319,911

See note to required supplemental information.

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Land Preservation Fund

	Year Ended March 31, 2021			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 980,400	\$ 980,400	\$ 991,233	\$ 10,833
Intergovernmental	25,000	1,900	6,289	4,389
Interest and rentals	19,800	14,800	8,594	(6,206)
Other revenue	11,000	11,000	6,995	(4,005)
Total revenue	1,036,200	1,008,100	1,013,111	5,011
Expenditures				
Current services - Recreation and culture	535,575	460,075	320,203	139,872
Capital outlay	277,500	208,500	50,885	157,615
Total expenditures	813,075	668,575	371,088	297,487
Excess of Revenue Over Expenditures	223,125	339,525	642,023	302,498
Other Financing (Uses) Sources				
Transfers out	(339,200)	(455,600)	(339,200)	116,400
Sale of capital assets	20,000	20,000	25,000	5,000
Total other financing uses	(319,200)	(435,600)	(314,200)	121,400
Net Change in Fund Balance	(96,075)	(96,075)	327,823	423,898
Fund Balance - Beginning of year	1,778,118	1,778,118	1,778,118	-
Fund Balance - End of year	\$ 1,682,043	\$ 1,682,043	\$ 2,105,941	\$ 423,898

See note to required supplemental information.

Charter Township of Oakland

Note to Required Supplemental Information

March 31, 2021

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, with the exception of certain charges for services between funds that are budgeted as transfers. All annual appropriations lapse at fiscal year end. During the year, the budget was amended in a legally permissible manner.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level (i.e., the level at which expenditures may not legally exceed appropriations). A comparison of actual results of operations to the General Fund and major special revenue funds budget, as adopted by the township board, is included in the required supplemental information. A comparison of the actual results of operations to the nonmajor special revenue funds budget, as adopted by the township board, is available at the clerk's office.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balance is as follows:

	General Fund	Total Revenue	Total Expenditures
Amounts per operating statement		\$ 3,194,419	\$ 2,009,353
Charges for services budgeted as operating transfers		(192,500)	-
Amounts per budget statement		\$ 3,001,919	\$ 2,009,353
	Fire Fund	Total Revenue	Total Expenditures
Amounts per operating statement		\$ 2,353,521	\$ 3,244,600
Charges for services budgeted as operating transfers		(8,300)	-
Amounts per budget statement		\$ 2,345,221	\$ 3,244,600

Other Supplemental Information

Charter Township of Oakland

Other Supplemental Information	
Combining Balance Sheet	
Nonmajor Governmental Funds	
March 31, 2021	

	Special Revenue Funds			
	Trails Improvement	Older Persons' Commission	OPC Transportation	
Assets				
Cash and investments	\$ 2,012,049	\$ 1,604	\$ 616	
Receivables:				
Property taxes receivable	5,535	10,981	2,917	
Accrued interest receivable	1,447	-	-	
Other receivables	-	-	-	
Prepaid expenses and other assets	-	-	-	
Total assets	\$ 2,019,031	\$ 12,585	\$ 3,533	
Liabilities				
Accounts payable	\$ 650	\$ -	\$ -	
Due to other governmental units	-	12,585	3,533	
Due to other funds	-	-	-	
Accrued liabilities and other	824	-	-	
Total liabilities	1,474	12,585	3,533	
Fund Balances				
Nonspendable - Prepaid expenses	-	-	-	
Restricted:				
Trails	2,017,557	-	-	
Historic District Commission	-	-	-	
Library	-	-	-	
Total fund balances	2,017,557	-	-	
Total liabilities and fund balances	\$ 2,019,031	\$ 12,585	\$ 3,533	

	Special Revenue Funds		Debt Service Fund	
	Library	Historic District Commission	Debt Service Fund Preservation	Total
	\$ 1,075,923	\$ 580,124	\$ -	\$ 3,670,316
	19,748	3,709	-	42,890
	-	-	-	1,447
	-	45	-	45
	-	1,542	-	1,542
	\$ 1,095,671	\$ 585,420	\$ -	\$ 3,716,240
	\$ -	\$ 205	\$ -	\$ 855
	-	-	-	16,118
	-	320	-	320
	-	4,984	-	5,808
	-	5,509	-	23,101
	-	1,542	-	1,542
	-	-	-	2,017,557
	-	578,369	-	578,369
	1,095,671	-	-	1,095,671
	\$ 1,095,671	\$ 579,911	\$ -	\$ 3,693,139
	\$ 1,095,671	\$ 585,420	\$ -	\$ 3,716,240

Charter Township of Oakland

Other Supplemental Information	
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	
Nonmajor Governmental Funds	
Year Ended March 31, 2021	

	Special Revenue Funds		
	Trails Improvement	Older Persons' Commission	OPC Transportation
Revenue			
Property taxes	\$ 249,944	\$ 488,435	\$ 128,656
Intergovernmental:			
Federal grants	-	-	-
State sources	858	1,497	575
Interest and rentals:			
Investment earnings	9,715	-	-
Rental income	-	-	-
Other revenue	-	-	-
Total revenue	260,517	489,932	129,231
Expenditures			
Current services - Recreation and culture	55,301	489,932	129,231
Capital outlay	55,231	-	-
Debt service	-	-	-
Total expenditures	110,532	489,932	129,231
Excess of Revenue Over (Under) Expenditures	149,985	-	-
Other Financing Sources - Transfers in	-	-	-
Net Change in Fund Balances	149,985	-	-
Fund Balances - Beginning of year	1,867,572	-	-
Fund Balances - End of year	\$ 2,017,557	\$ -	\$ -

	Special Revenue Funds		Debt Service Fund	
	Library	Historic District Commission	Debt Service Fund	Debt Service Fund
			Preservation	Park/Land
			2008	
				Total
\$	890,310	\$ 167,228	\$ -	\$ 1,924,573
	-	299	-	299
	3,975	747	-	7,652
	2,047	1,682	-	13,444
	-	200	-	200
	400	1,064	-	1,464
	896,732	171,220	-	1,947,632
	858,027	117,233	-	1,649,724
	-	38,806	-	94,037
	-	-	339,200	339,200
	858,027	156,039	339,200	2,082,961
	38,705	15,181	(339,200)	(135,329)
	-	-	339,200	339,200
	38,705	15,181	-	203,871
	1,056,966	564,730	-	3,489,268
\$	1,095,671	\$ 579,911	\$ -	\$ 3,693,139

Charter Township of Oakland

Other Supplemental Information
Statement of Fiduciary Net Position
Custodial Funds

March 31, 2021

	Lake Improvement	Tax Collections	Total
Assets - Cash and cash equivalents	\$ 79,343	\$ -	\$ 79,343
Liabilities - Accounts payable	5,177	-	5,177
Net Position - Restricted - Lake improvements	<u>\$ 74,166</u>	<u>\$ -</u>	<u>\$ 74,166</u>

Charter Township of Oakland

Other Supplemental Information
Statement of Changes in Fiduciary Net Position
Custodial Funds

Year Ended March 31, 2021

	Lake Improvement	Tax Collections	Total
Additions			
Lake improvement assessments	\$ 46,838	\$ -	\$ 46,838
Property tax collections	-	34,953,375	34,953,375
Deductions			
Lake improvements	44,039	-	44,039
Property tax distributions	-	34,953,375	34,953,375
Net Increase in Fiduciary Net Position	2,799	-	2,799
Net Position - Beginning of year	71,367	-	71,367
Net Position - End of year	<u>\$ 74,166</u>	<u>\$ -</u>	<u>\$ 74,166</u>

July 23, 2021

To the Township Board of Trustees
and Management
Charter Township of Oakland

We have audited the financial statements of the Charter Township of Oakland (the "Township") as of and for the year ended March 31, 2021 and have issued our report thereon dated July 23, 2021. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Legislative and Informational Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the board of trustees of the Charter Township of Oakland.

Section II contains updated legislative and informational items that we believe will be of interest to you.

We would like to take this opportunity to thank the Township's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the township board and management of the Township and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC



Joe Kowalski, CPA



Keith Szymanski, CPA

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 7, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented in all material respects in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 9, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2021.

We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

Section 1 - Required Communications with Those Charged with Governance (Continued)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Township, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 23, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Section II - Legislative and Informational Items

COVID-19 Resource Center and ARPA

Throughout the COVID-19 pandemic, Plante & Moran PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our COVID-19 resource center at <https://www.plantemoran.com/explore-our-thinking/areas-of-focus/covid-19-government-resource-center>. This will continue as our nation emerges from this crisis.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included federal stimulus funding for state and local governments of all sizes. The largest of all funding streams, the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) represents a \$350 billion top-line allocation for state and local governments. Funding began to be distributed nationwide in May 2021, although smaller municipalities will need to wait for the funding to pass through their state governments. The U.S. Department of Treasury recently published the interim final rule (IFR), which establishes a framework for determining the types of programs and services that are eligible uses of the CSLFRF funding.

The COVID-19 resource center is being continuously updated for the latest guidance and strategy related to CSLFRF and will help keep the Township running smoothly through our nation's recovery.

Want to receive relevant content directly to your email? Subscribe at <https://www.plantemoran.com/subscribe> where you can customize your subscription preferences based on your specific interests and industry selection.

2021 Public Sector Webinar Series - Insight to Help You Prepare for What is Next

Plante & Moran, PLLC is proud to be hosting a six-session CPE-eligible webinar series, Public Sector Webinar Series, in which our experts will break down what you need to know about regulatory updates, the impact of COVID-19 funds, and more. The webinar series will cover the following topics:

- Charting GASB's course - Available on demand
- Preparing for your single audit: A roadmap for funding compliance - Available on demand
- Navigating the AICPA's revised State and Local Government Client Affiliates independence guidance - Available on demand
- GASB 87: Your advanced implementation questions answered - August 3, 2021
- 2021 Compliance Supplement and single audit update - August 24, 2021
- Financial sustainability: A framework to address budgetary and operational challenges - October 12, 2021

We welcome the Township's participation in what we hope are very informative programs.

Michigan's COVID-19 Updates and Related Grant Programs

The Michigan Department of Treasury has developed a webpage with numbered letters, memorandums, webinars, and resources regarding COVID-19 updates and related grant programs: https://www.michigan.gov/treasury/0,4679,7-121-1751_98769---,00.html.

Section II - Legislative and Informational Items (Continued)

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Updated Uniform Chart of Accounts

In April 2017, the State released an updated Uniform Chart of Accounts. Originally, local units of government were expected to comply with the changes beginning with June 30, 2018 year ends. However, the State has extended the deadline for compliance. On April 20, 2020, the State issued a memo that sets an implementation date for fiscal years ending on October 31, 2022 and thereafter. The State has committed to releasing various tools to help local units with implementation, including FAQs and clarification on which accounts should be used when implementing GASB 84. A final release of the chart of accounts was issued in November 2020 and is available at this link: https://www.michigan.gov/documents/uniformchart_24524_7.pdf. This final version follows various exposure drafts and revisions in order to comply with changing GASB standards and statutory changes and reformats the document to make it more user-friendly. The Treasury will provide alerts for any guidance and resources, and local units can sign up for alerts at this link: https://public.govdelivery.com/accounts/MITREAS/subscribe/new?osp=MITREAS_1.

Revenue Sharing

The fiscal year 2021 governor's budget recommendation includes \$1.4 billion for revenue sharing. Further details of the breakdown of this amount are available at https://www.michigan.gov/treasury/0,7-121-1751_2197---,00.html.

In order to receive the City, Village, and Township Revenue Sharing (CVTRS) payments in FY 2021, qualified local units will once again need to comply with the same best practices as they did last year as follows:

- A citizen's guide to local finances with disclosure of unfunded liabilities
- Performance dashboard
- Debt service report
- Two-year budget projection

APPENDIX E

Form of Approving Opinion

May 26, 2022

Board of Commissioners
County of Oakland, State of Michigan

We have acted as bond counsel to the County of Oakland, State of Michigan (the "County") in connection with the issuance by the County of \$5,215,000 Oakland County Oakland Township Water Supply System Improvements Bonds, Series 2022, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers, including executed copies of the contract dated as of October 1, 2021 (the "Contract"), between the County and the Charter Township of Oakland (the "Township") as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding obligations of the County payable in the first instance from moneys to be paid to the County by the Township pursuant to the Contract.
2. The Contract is valid and binding on the parties thereto, and the full faith and credit of the Township have been pledged for the prompt payment of its obligations to the County pursuant to the Contract. Taxes imposed by the Township for the payment of its obligations are subject to constitutional and statutory limitations.
3. As additional security, the full faith and credit of the County have been pledged for the payment of the principal of and interest on the Bonds when due. Taxes imposed by the County for the payment of such principal and interest are subject to constitutional and statutory limitations.
4. Under existing law, the Bonds and the interest thereon are exempt from all taxation whatsoever by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.
5. The interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the

Board of Commissioners
County of Oakland
May 26, 2022
Page 2

federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the official statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

LMB/EAM

4862-3958-0934 v2 [9007-441]

APPENDIX F

Forms of Continuing Disclosure Certificates

CONTINUING DISCLOSURE CERTIFICATE

COUNTY OF OAKLAND

\$5,215,000

OAKLAND COUNTY OAKLAND TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS BONDS, SERIES 2022

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the County of Oakland, Michigan (the “Issuer”) in connection with the issuance of its \$5,215,000 Oakland County Oakland Township Water Supply System Improvements Bonds, Series 2022. The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriter 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 Issuer 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 Issuer 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:

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

“Annual Report” shall mean any Annual Report of the Issuer provided by the Issuer 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 any person holding Bonds through nominees, depositories or other intermediaries).

“Bondholder” shall mean the registered owner of any Bonds.

“Dissemination Agent” shall mean the Issuer or any successor Dissemination Agent appointed in writing by the Issuer and which has filed with the Issuer a written acceptance of such appointment.

“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>.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt

obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental 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 established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act. As of the date of this Disclosure Certificate, the address and telephone and telecopy numbers of the MSRB are as follows:

Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005
Tel: (202) 838-1500
Fax: (202) 898-1500

“Official Statement” shall mean the final Official Statement for the Bonds dated May 11, 2022.

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

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) 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 United States Securities and Exchange Commission.

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

“State” shall mean the State of Michigan.

Section 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than the date seven (7) months after the end of the Issuer’s fiscal year, commencing with the Issuer’s Annual Report for its fiscal year ending September 30, 2022, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days (or such lesser number of days as is acceptable to the Dissemination Agent) prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). Currently, the Issuer’s fiscal year commences on October 1. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the Issuer 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 then most recently prepared for the Issuer shall be included in the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report of the Issuer by the date required in subsection (a), the Issuer shall file a notice, in a timely fashion, with the MSRB, in substantially the form attached as Exhibit A.

(c) If the Issuer's fiscal year changes, the Issuer shall file written notice of such change with the MSRB, in substantially the form attached as Exhibit B.

(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 Issuer, the Dissemination Agent shall file a report with the Issuer 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 Issuer) 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 Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer 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 portions of Appendix A to the Official Statement:

- (1) History of State Equalized Valuation (SEV) and Taxable Value (TV);
- (2) Ten Largest Taxpayers;
- (3) County Tax Rates (in mills) \$1.00/\$1,000 of Taxable Valuation;
- (4) Collection Record of County's Tax Levy, 2012-2021;
- (5) Collection Record of County Wide Tax Levy, 2012-2021;
- (6) History of County Wide Tax Delinquencies;
- (7) Revenue Sharing from the State of Michigan;
- (8) Oakland County Employees Represented by Bargaining Unit;
- (9) Pensions;
- (10) Other Post-Employment Benefits (OPEB);
- (11) Oakland County Net Direct Debt – Unaudited;
- (12) Oakland County Schedule of Bond Maturities - County Limited Tax General Obligation – Principal Only;

- (13) Oakland County Schedule of Drain Bond Maturities - County Limited Tax General Obligation – Drain Districts – Principal Only;
- (14) Oakland County Schedule of Principal and Interest Requirements; and
- (15) Legal Debt Margin.

The Issuer'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 Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Issuer covenants to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event and in accordance with the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Tender offers;
- (13) Bankruptcy, insolvency, receivership or similar event of the obligated person;

- (14) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (15) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (16) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a)(2), (7), (8), (10), (14), (15) or (16), the Issuer shall as soon as possible determine if such Listed Event would be material under applicable federal securities laws. The Issuer covenants that its determination of materiality will be made in conformance with federal securities laws.

(c) If the Issuer determines that (i) a Listed Event described in subsection (a)(1), (3), (4), (5), (6), (9), (11), (12), (13) or (17) has occurred or (ii) the occurrence of a Listed Event described in subsection (a)(2), (7), (8), (10), (14), (15) or (16) would be material under applicable federal securities laws, the Issuer shall cause a notice of such occurrence to be filed with the MSRB within ten (10) business days of the occurrence of the Listed Event, together with a cover sheet in substantially the form attached as Exhibit D. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the Issuer 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 Issuer), 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 Issuer acknowledges that the “rating changes” referred to in subsection (a)(11) above may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable.

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

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of Securities Counsel, addressed to the Issuer, 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) files notice to such effect with the MSRB.

Section 8. Dissemination Agent. The Issuer, 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Issuer) shall not be responsible in any manner for the content of any notice or report prepared by the Issuer 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:

(i) if the amendment or waiver 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, a change in law or a change in the identity, nature or status of the Issuer, or type of business conducted by the Issuer;

(ii) 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

(iii) 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 Issuer shall describe such amendment or waiver in the next Annual Report and shall

include an explanation of the reason for such 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 filed by the Issuer or the Dissemination Agent (if other than the Issuer) at the written direction of the Issuer with the MSRB.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer shall have no obligation under this Disclosure 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 Issuer or the Dissemination Agent (if other than the Issuer) 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 Issuer or the Dissemination Agent (if other than the Issuer) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder 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. Notwithstanding the foregoing, if the alleged failure of the Issuer to comply with this Disclosure Certificate is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than a majority of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Issuer shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Certificate.

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 Issuer, the Dissemination Agent, the Participating Underwriter, 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 Issuer or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Issuer 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 Issuer 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 Issuer, 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 Issuer 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, MICHIGAN

By: _____

Its: _____

Dated: May 26, 2022

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: County of Oakland, Michigan

Name of Bond Issue: Oakland County Oakland Township Water Supply System
Improvements Bonds, Series 2022

Date of Bonds: May 26, 2022

NOTICE IS HEREBY GIVEN that the County of Oakland 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 County of Oakland anticipates that the Annual Report will be filed by _____.

COUNTY OF OAKLAND, MICHIGAN

By: _____
Its _____

Dated: _____

EXHIBIT B

NOTICE OF CHANGE IN COUNTY'S FISCAL YEAR

Name of Obligated Person: County of Oakland, Michigan

Name of Bond Issue: Oakland County Oakland Township Water Supply System
Improvements Bonds, Series 2022

Date of Bonds: May 26, 2022

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

COUNTY OF OAKLAND, MICHIGAN

By: _____
Its _____

Dated: _____

EXHIBIT C
ANNUAL REPORT COVER SHEET

This cover sheet and the attached Annual Report or portion thereof should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(A) and (B).

Issuer's /Other Obligated Person's Name: County of Oakland, Michigan

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which the attached Annual Report relates: _____

Number of pages of the attached Annual Report or portion thereof: _____

Name of Bond Issue to which the attached Annual Report relates: Oakland County Oakland
Township Water Supply System Improvements Bonds, Series 2022

Date of such Bonds: May 26, 2022

I hereby represent that I am authorized by the Issuer/Other Obligated Person or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

EXHIBIT D

EVENT NOTICE COVER SHEET

This cover sheet and the attached Material Event Notice should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: County of Oakland, Michigan
Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which the attached Material Event Notice relates: _____

Number of pages of the attached Material Notice: _____

Description of the attached Event Notice (Check One):

- | | | |
|-----|-------|---|
| 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security |
| 7. | _____ | Modifications to rights of securities holders, if material |
| 8. | _____ | Bond calls, if material |
| 9. | _____ | Defeasances |
| 10. | _____ | Release, substitution, or sale of property securing repayment of the securities, if material |
| 11. | _____ | Rating changes |
| 12. | _____ | Tender offers |
| 13. | _____ | Bankruptcy, insolvency, receivership or similar event of an obligated person |
| 14. | _____ | The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material |
| 15. | _____ | Appointment of a successor or additional trustee, or the change of name of a trustee |
| 16. | _____ | Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material |
| 17. | _____ | Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties. |
| 18. | _____ | Failure to provide annual financial information as required |
| 19. | _____ | Other material event notice (specify) _____ |

I hereby represent that I am authorized by the Issuer/Other Obligated Person or its agent to distribute this information publicly:

Signature: _____
Name: _____ Title: _____
Employer: _____
Address: _____
City, State, Zip Code: _____
Voice Telephone Number: _____

Please format the Event Notice attached to this cover sheet in 10 point type or larger. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.

4856-0866-2278 v1 [9007-441]

CONTINUING DISCLOSURE CERTIFICATE

CHARTER TOWNSHIP OF OAKLAND

\$5,215,000

OAKLAND COUNTY OAKLAND TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS BONDS, SERIES 2022

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Charter Township of Oakland, Michigan (the “Township”) in connection with the issuance by the County of Oakland, Michigan (the “Issuer”) of its \$5,215,000 Oakland County Oakland Township Water Supply System Improvements Bonds, Series 2022. The Township covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the Township for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriter 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 Township 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 Township 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:

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

“Annual Report” shall mean any Annual Report of the Township provided by the Township 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 any person holding Bonds through nominees, depositories or other intermediaries).

“Bondholder” shall mean the registered owner of any Bonds.

“Dissemination Agent” shall mean the Township or any successor Dissemination Agent appointed in writing by the Township and which has filed with the Township a written acceptance of such appointment.

“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>.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental 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 established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act. As of the date of this Disclosure Certificate, the address and telephone and telecopy numbers of the MSRB are as follows:

Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005
Tel: (202) 838-1500
Fax: (202) 898-1500

“Official Statement” shall mean the final Official Statement for the Bonds dated May 11, 2022.

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

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) 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 United States Securities and Exchange Commission.

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

“State” shall mean the State of Michigan.

Section 3. Provision of Annual Reports.

(a) Each year, the Township shall provide, or shall cause the Dissemination Agent to provide, not later than the date seven (7) months after the end of the Township’s fiscal year, commencing with the Township’s Annual Report for its fiscal year ended June 30, 2022, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days (or such lesser number of days as is acceptable to the Dissemination Agent) prior to said date, the Township shall provide the Annual Report to the Dissemination Agent (if other than the Township). Currently, the Township’s fiscal year commences on July 1. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other

information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the Township 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 then most recently prepared for the Township shall be included in the Annual Report.

(b) If the Township is unable to provide to the MSRB an Annual Report of the Township by the date required in subsection (a), the Township shall file a notice, in a timely fashion, with the MSRB, in substantially the form attached as Exhibit A.

(c) If the Township's fiscal year changes, the Township shall file written notice of such change with the MSRB, in substantially the form attached as Exhibit B.

(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 Township, the Dissemination Agent shall file a report with the Township 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 Township) 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 Township's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Township 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 Township of the same nature as that contained in the following sections in Appendix C to the Official Statement:

- (1) Population;
- (2) History of Valuations;
- (3) Valuation Composition;
- (4) Major Taxpayers;
- (5) Tax Rates (Per \$1,000 of Valuation);
- (6) Tax Levies and Collections;
- (7) Revenues from State of Michigan;
- (8) Labor Agreements;
- (9) Pension Plan;
- (10) Other Post-Employment Benefits;
- (11) General Fund – Fund Balance;

- (12) Debt Statement – Direct Debt; and
- (13) Schedule of Bond Maturities.

The Township'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 Township shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Township covenants to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event and in accordance with the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Tender offers;
- (13) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (14) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into

a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (15) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (16) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the Township obtains knowledge of the occurrence of a Listed Event described in subsection (a)(2), (7), (8), (10), (14), (15) or (16), the Township shall as soon as possible determine if such Listed Event would be material under applicable federal securities laws. The Township covenants that its determination of materiality will be made in conformance with federal securities laws.

(c) If the Township determines that (i) a Listed Event described in subsection (a)(1), (3), (4), (5), (6), (9), (11), (12), (13) or (17) has occurred or (ii) the occurrence of a Listed Event described in subsection (a)(2), (7), (8), (10), (14), (15) or (16) would be material under applicable federal securities laws, the Township shall cause a notice of such occurrence to be filed with the MSRB within ten (10) business days of the occurrence of the Listed Event, together with a cover sheet in substantially the form attached as Exhibit D. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the Township 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 Township), 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 Township acknowledges that the “rating changes” referred to in subsection (a)(11) above may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Township is liable.

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

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Township (i) receives an opinion of Securities Counsel, addressed to the Township, 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) files notice to such effect with the MSRB.

Section 8. Dissemination Agent. The Township, 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Township) shall not be responsible in any manner for the content of any notice or report prepared by the Township 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:

(i) if the amendment or waiver 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, a change in law or a change in the identity, nature or status of the Township, or type of business conducted by the Township;

(ii) 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

(iii) 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 Township shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such 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 filed by the Township or the Dissemination Agent (if other than the Township) at the written direction of the Township with the MSRB.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Township 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 Township 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 Township shall have no obligation under this Disclosure 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 Township or the Dissemination Agent (if other than the Township) 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 Township or the Dissemination Agent (if other than the Township) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder 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. Notwithstanding the foregoing, if the alleged failure of the Township to comply with this Disclosure Certificate is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than a majority of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Township shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Certificate.

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 Township, the Dissemination Agent, the Participating Underwriter, 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 Township or the Dissemination

Agent, as applicable, subject to technical and economic feasibility, the Township 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 Township 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 Township, 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 Township 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.

**CHARTER TOWNSHIP OF OAKLAND,
MICHIGAN**

By: _____
Its: Supervisor

Dated: May 26, 2022

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: Charter Township of Oakland, Michigan

Name of Bond Issue: Oakland County Oakland Township Water Supply System
Improvements Bonds, Series 2022

Date of Bonds: May 26, 2022

NOTICE IS HEREBY GIVEN that the Charter Township of Oakland 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 Charter Township of Oakland anticipates that the Annual Report will be filed by _____.

**CHARTER TOWNSHIP OF OAKLAND,
MICHIGAN**

By: _____
Its _____

Dated: _____

EXHIBIT B

NOTICE OF CHANGE IN TOWNSHIP'S FISCAL YEAR

Name of Obligated Person: Charter Township of Oakland, Michigan

Name of Bond Issue: Oakland County Oakland Township Water Supply System
Improvements Bonds, Series 2022

Date of Bonds: May 26, 2022

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

**CHARTER TOWNSHIP OF OAKLAND,
MICHIGAN**

By: _____
Its _____

Dated: _____

EXHIBIT C
ANNUAL REPORT COVER SHEET

This cover sheet and the attached Annual Report or portion thereof should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(A) and (B).

Issuer's /Other Obligated Person's Name: Charter Township of Oakland, Michigan

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which the attached Annual Report relates: _____

Number of pages of the attached Annual Report or portion thereof: _____

Name of Bond Issue to which the attached Annual Report relates: Oakland County Oakland Township Water Supply System Improvements Bonds, Series 2022

Date of such Bonds: May 26, 2022

I hereby represent that I am authorized by the Issuer/Other Obligated Person or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: _____

Address: _____

Township, State, Zip Code: _____

Voice Telephone Number: _____

EXHIBIT D

MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and the attached Material Event Notice should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: Charter Township of Oakland, Michigan

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which the attached Material Event Notice relates: _____

Number of pages of the attached Material Notice: _____

Description of the attached Event Notice (Check One):

- | | | |
|-----|-------|---|
| 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security |
| 7. | _____ | Modifications to rights of securities holders, if material |
| 8. | _____ | Bond calls, if material |
| 9. | _____ | Defeasances |
| 10. | _____ | Release, substitution, or sale of property securing repayment of the securities, if material |
| 11. | _____ | Rating changes |
| 12. | _____ | Tender offers |
| 13. | _____ | Bankruptcy, insolvency, receivership or similar event of an obligated person |
| 14. | _____ | The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material |
| 15. | _____ | Appointment of a successor or additional trustee, or the change of name of a trustee |
| 16. | _____ | Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material |
| 17. | _____ | Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties. |
| 18. | _____ | Failure to provide annual financial information as required |
| 19. | _____ | Other material event notice (specify) _____ |

I hereby represent that I am authorized by the Issuer/Other Obligated Person or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

Township, State, Zip Code: _____

Voice Telephone Number: _____

Please format the Event Notice attached to this cover sheet in 10 point type or larger. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.

4871-7779-0982 v1 [9007-441]

Exhibit D

\$5,215,000

**COUNTY OF OAKLAND, STATE OF MICHIGAN
OAKLAND COUNTY OAKLAND TOWNSHIP WATER SUPPLY SYSTEM
IMPROVEMENTS BONDS, SERIES 2022**