

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Authority and the County, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds and 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. See "TAX MATTERS" herein and Appendix C, "FORM OF APPROVING OPINION OF BOND COUNSEL" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders

\$36,870,000

OAKLAND COUNTY BUILDING AUTHORITY

County of Oakland, State of Michigan

Building Authority and Building Authority Refunding Bonds

\$34,135,000

Building Authority and Building Authority Refunding Bonds

Series 2020A

(Limited Tax General Obligation)

\$2,735,000

Building Authority Refunding Bonds

Series 2020B

(Limited Tax General Obligation)

Dated: Date of Delivery

AUTHORIZATION, PURPOSE AND SECURITY: The Building Authority and Building Authority Refunding Bonds, Series 2020A (Limited Tax General Obligation) (the "Series A Bonds") and Building Authority Refunding Bonds, Series 2020B (Limited Tax General Obligation) (the "Series B Bonds") (collectively, the "Bonds") are being issued pursuant to the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), and certain resolutions adopted by the Commission of the Oakland County Building Authority, County of Oakland, State of Michigan (the "Authority") on February 12, 2020 and the Board of Commissioners of the County of Oakland, State of Michigan (the "County") on January 22, 2020 for the purpose of (a) paying part of the cost to acquire, construct, furnish and equip a new County Radio Communications System, including site improvements and all related appurtenances and attachments thereto to service the County which the County leased in return for the payment to the Authority of certain rentals pursuant to a Limited Tax Full Faith and Credit General Obligation Contract of Lease between the County and the Authority and (b) refunding certain Prior Bonds (described herein) of the Authority in return for the payment to the Authority of certain rentals pursuant to Refunding Contract between the County and the Authority. See "THE BONDS – Description and Form of Bonds" herein. The Bonds are issued in anticipation of and are payable from a portion of said cash rentals denominated as "cash rentals," which cash rentals are in an amount fully sufficient to pay the principal of and interest on the Bonds when due, and the Authority has irrevocably pledged all of the cash rentals for such payment and has established a statutory first lien thereon for such purpose. Said cash rentals constitute limited tax full faith and credit general obligations of the County, and under the provisions of Act 31 the County is required to provide annually sufficient moneys from its general funds as a first budget obligation for the payment thereof, including any collections of ad valorem taxes which the County is authorized to levy on all taxable property within its boundaries. Any such tax levies, however, must be subject to existing statutory and constitutional tax rate limitations. The cash rentals are not subject to setoff or abatement for any cause, including but not limited to casualty that results in the leased property being untenable or unusable.

BOOK-ENTRY ONLY SYSTEM: The Bonds are issued only 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 interests in the Bonds will be made in book-entry only form in the denominations or maturity value, as applicable of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive certificates representing their beneficial interest in the 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 "THE BONDS-Book-Entry Only System" herein.

PAYMENT OF BONDS: Interest on the Series A Bonds will be payable on May 1 and November 1 of each year commencing on November 1, 2020 and shall be computed on the basis of a 360-day year with twelve 30-day months. Interest on the Series B Bonds will be payable at maturity on September 1, 2020 and shall be computed on the basis of a 360-day year with twelve 30-day months. The principal of and interest on the Bonds will be paid by The Huntington National Bank, Grand Rapids, Michigan (the "Paying Agent"). See "THE BONDS – Description and Form of the Bonds" herein. Disbursement of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Direct and Indirect Participants (each as defined herein). See "THE BONDS – Book-Entry Only System" herein.

Series A Bonds

Series B Bonds

Principal Due: November 1, As Shown Below
Interest Payable: November 1, 2020 and Semi-Annually Thereafter
Optional Redemption: May 1, 2030 at Par Plus Accrued Interest

Principal Due: Due September 1, 2020, As Shown Below
Interest Payable: At Maturity
Optional Redemption: No Optional Redemption

\$34,135,000 Building Authority and Building Authority Refunding Bonds, Series 2020A (Limited Tax General Obligation)

Year	Amount	Interest Rate	Price	CUSIP\$	Year	Amount	Interest Rate	Price	CUSIP\$
2020	\$4,320,000	5.000%	101.885%	672423WJ5	2029	\$2,350,000	5.000%	133.987%	672423WT3
2021	4,370,000	5.000	106.216	672423WK2	2030	2,045,000	5.000	134.908	672423WU0
2022	3,110,000	5.000	110.383	672423WL0	2031	1,785,000	4.000	124.019	672423WV8
2023	3,280,000	5.000	114.391	672423WM8	2032	165,000	2.000	101.354	672423WW6
2024	2,135,000	5.000	118.043	672423WN6	2033	170,000	2.000	100.000	672423WX4
2025	2,260,000	5.000	121.493	672423WP1	2034	170,000	2.000	98.760	672423WY2
2026	2,340,000	5.000	124.841	672423WQ9	2035	170,000	2.000	97.394	672423WZ9
2027	2,505,000	5.000	128.070	672423WR7	2036	185,000	2.000	96.581	672423XA3
2028	2,620,000	5.000	131.026	672423WS5					

\$155,000 2.250% Series A Term Bonds due November 1, 2039 – Price 97.680%; CUSIP\$ 672423XB1

\$2,735,000 Building Authority Refunding Bonds, Series 2020B (Limited Tax General Obligation)

Year	Amount	Interest Rate	Price	CUSIP\$
2020	\$2,735,000	2.000%	100.382%	672423XC9

J.P.Morgan

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Municipal Advisor:

BAIRD

The Bonds will be offered when, as and if issued by the Authority, subject to the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan. It is expected that the Bonds will be available for delivery through The Depository Trust Company on or about May 27, 2020.

The date of this Official Statement is May 12, 2020.

REGARDING USE OF THIS OFFICIAL STATEMENT

Certain information contained in this Official Statement has been obtained by the Authority, the County, from DTC and other sources that are deemed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Authority, the County, or the Municipal Advisor. Nothing contained in this Official Statement is or shall be relied on as a promise or representation by the Authority, the County, or the Municipal Advisor. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information in it is correct as of any time subsequent to its date. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any other sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County.

No dealer, broker, salesperson, or other person has been authorized by the Authority, the County, or by the Municipal Advisor, to give any information or to make any representations other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any 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.

Robert W. Baird & Co. Incorporated, in its role as Municipal Advisor, assisted the Authority in preparing the Official Statement. The Municipal Advisor obtained information from the Authority, the County and other sources that it believed was reliable but cannot guarantee the accuracy or completeness of the information in this Official Statement.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such Act. The registration or qualification of the Bonds in accordance with the applicable provisions of securities laws of the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other state cannot be regarded as a recommendation thereof.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY, THE COUNTY, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITY HAS NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FORWARD-LOOKING STATEMENTS

This Official Statement contains disclosures which contain “forward-looking statements.” Forward-looking statements include all statements that do not relate solely to historical or current fact, and can be identified by use of words like “may,” “believe,” “will,” “expect,” “project,” “estimate,” “anticipate,” “plan,” or “continue.” These forward-looking statements are based on the current plans and expectations of the Authority and are subject to a number of known and unknown uncertainties and risks, many of which are beyond the Authority’s control that could significantly affect current plans and expectations and the Authority’s future financial position and results of operations. These factors include, but are not limited to, (i) changes in economic and fiscal conditions, (ii) the outcome of pending and any future litigation and (iii) federal funding levels. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward-looking statements made by or on behalf of the Authority. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Official Statement, including information incorporated by reference herein.

Information provided by the Authority and the County for interim reporting periods should not be taken as being indicative of full year results for the reasons set forth above.

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OAKLAND COUNTY BUILDING AUTHORITY
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Waterford, MI 48328
(248) 858-0144

AUTHORITY MEMBERS

Eric McPherson
Chairperson

Jamele Hage
Secretary

Andrew E. Meisner
County Treasurer
& Vice Chairperson

David Coulter
County Executive

Emerson Jackson
Member

COUNTY OF OAKLAND
1200 North Telegraph Road
Pontiac, MI 48341
(888) 350-0900

BOARD OF COMMISSIONERS

David T. Woodward
Chairperson

Marcia Gershenson
Vice-Chairperson

Michael J. Gingell
Robert Hoffman
Janet Jackson
Eileen T. Kowall
Adam L. Kochenderfer
Tom Kuhn

Christine Long
Penny Luebs
Gwen Markham
Garry R. McGillivray
Thomas F. Middleton
William Miller
Kristen Nelson

Angela Powell
Nancy L. Quarles
Shelley Goodman Taub
Michael Spisz
Philip J. Weipert
Helaine Zack

COUNTY OFFICIALS

David Coulter
County Executive

Andrew E. Meisner
Treasurer

Jessica Cooper
Prosecuting Attorney

Lisa Brown
Clerk and Register of Deeds

Michael J. Bouchard
Sheriff

Joellen Shortley
Corporation Counsel

Jim Nash
Water Resources Commissioner

PROFESSIONAL SERVICES

Bond Counsel:	Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan
Auditor:	Plante & Moran, PLLC, East Lansing, Michigan
Municipal Advisor:	Robert W. Baird & Co. Incorporated, Lansing, Michigan
Paying Agent/Escrow Agent:	The Huntington National Bank, Grand Rapids, Michigan

OFFICIAL STATEMENT

\$36,870,000

OAKLAND COUNTY BUILDING AUTHORITY

County of Oakland, State of Michigan

Building Authority and Building Authority Refunding Bonds

\$34,135,000

**Building Authority and Building Authority Refunding Bonds
Series 2020A**

(Limited Tax General Obligation)

\$2,735,000

**Building Authority Refunding Bonds
Series 2020B**

(Limited Tax General Obligation)

INTRODUCTION

This Official Statement, including the cover page hereof and the appendices hereto, is provided by the Oakland County Building Authority, County of Oakland, State of Michigan (the “Authority”) and the County of Oakland, State of Michigan (the “County”) for the purpose of setting forth information in connection with the issuance and sale by the Authority of its \$34,135,000 initial principal Building Authority and Building Authority Refunding Bonds, Series 2020A (Limited Tax General Obligation) (the “Series A Bonds”) and its \$2,735,000 initial principal Building Authority Refunding Bonds, Series 2020B (Limited Tax General Obligation) (the “Series B Bonds”) (collectively, the “Bonds”).

THE FINANCING

Purpose of the Bonds

Proceeds from the sale of the Bonds will be used to (a) pay part of the cost to acquire, construct, furnish and equip a new County Radio Communications System, including site improvements and all related appurtenances and attachments thereto to service the County which the County will lease in return for the payment to the Authority of certain rentals pursuant to a Limited Tax Full Faith and Credit General Obligation Contract of Lease between the County and the Authority (the “Project”), (b) refund all or a portion of the Authority’s (i) Building Authority Bonds, Series 2010 (Federally Taxable Recovery Zone Economic Development Bonds) dated as of March 1, 2010 (the “2010 RZEDBs”); (ii) Building Authority Bonds, Series 2010 dated as of September 1, 2010 (the “2010 Bonds”); (iii) Building Authority Refunding Bonds, Series 2011A dated as of September 1, 2011 (the “2011A Bonds”); (iv) Building Authority Refunding Bonds, Series 2011B dated as of September 1, 2011 (the “2011B Bonds”); (v) Building Authority Bonds, Series 2011 dated as of January 1, 2012 (the “2011 Bonds”); (vi) Building Authority Bonds, Series 2012 dated as of October 1, 2012 (the “2012 Bonds” and together with the 2010 RZEDBs, 2010 Bonds, the 2011A Bonds, the 2011B Bonds, the 2011 Bonds, collectively, the “Prior Bonds”); and, (c) pay certain expenses relating to the issuance of the Bonds.

Authorization and Security for the Bonds

The Bonds are to be issued pursuant to the authorization contained in Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended (“Act 31”), Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and certain resolutions adopted by the Commission of the Oakland County Building Authority, County of Oakland, State of Michigan (the “Authority”) on February 12, 2020 and the Board of Commissioners of the County of Oakland, State of Michigan (the “County”) on January 22, 2020.

The Bonds shall be issued in anticipation of and payable from the Cash Rentals received by the Authority from the County pursuant to the Contract and Refunding Contract, which Cash Rentals are limited tax general obligations of the County, for the payment of which the County in the Contract and Refunding Contract has pledged its limited tax full faith and credit pursuant to the provisions of Act 31.

The County has further covenanted and agreed that each year it will provide sufficient moneys from its general funds as a first budget obligation to pay such Cash Rentals, and further has acknowledged that it is obligated, if necessary, to levy ad valorem taxes upon all taxable property within its boundaries in amounts which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay the Cash Rentals under the Contract and Refunding Contract becoming due before the time of the following year's tax collections. Such taxes, however, must be levied by the County within applicable statutory and constitutional tax rate limitations. If at the time of making any annual tax levy there shall be funds on hand earmarked and set aside for the payment of the Cash Rentals becoming due prior to the next tax collection period, then such annual tax levy may be reduced by such amount. To secure the payment of the principal of and interest on the Bonds, all such Cash Rentals are pledged solely and only for the payment of the Bonds and a statutory first lien is established upon and against such Cash Rentals for such purpose.

The rights and remedies of the 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.

The Refunding

Certain proceeds of the Bonds will be used, together with other monies transferred by the Authority, if any, at the time of delivery of the Bonds, to establish an escrow fund for the Bonds to be Refunded (defined herein), consisting of cash and direct obligations of the United States of America (the "Government Obligations"). The escrow fund will be held by The Huntington National Bank, Grand Rapids, Michigan (the "Escrow Agent"), pursuant to an escrow deposit agreement which irrevocably directs the Escrow Agent to make all payments of principal of and interest on the Bonds to be Refunded as the same shall become due until maturity or the date of their optional redemption. The escrow fund will be in such amounts so that the cash and the principal and interest payments received on the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the Bonds to be Refunded as the same shall become due or the date of their optional redemption. Proceeds of the Bonds not being used to pay the principal of and interest on the Bonds to be Refunded will be used to pay for the Project and certain expenses related to the issuance of the Bonds.

The Authority has retained the services of Precision Analytics Inc. to review the escrow fund to verify that it meets the required payment of principal of and interest on the Bonds to be Refunded. See "VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS" herein.

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The Bonds to Be Refunded

The following schedules sets forth the principal and interest rate of certain Prior Bonds to be refunded with proceeds of the Bonds (the “Bonds to be Refunded”) which are to be paid from the escrow fund for redemption of these bonds prior to maturity on July 1, 2020.

**Oakland County Building Authority
Building Authority Bonds, Series 2010
(Federally Taxable Recovery Zone Economic Development Bonds)**

Bonds to be Refunded

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
10/01/2020	4.500%	\$275,000
10/01/2021	5.250	275,000
10/01/2022	5.250	300,000
10/01/2023	5.250	300,000
10/01/2024	5.250	325,000
10/01/2025	5.250	325,000
10/01/2026	5.900	325,000
10/01/2027	5.900	350,000
10/01/2028	5.900	350,000
10/01/2029	5.900	350,000
10/01/2030	5.900	<u>375,000</u>
		\$3,550,000

**Oakland County Building Authority
Building Authority Refunding Bonds, Series 2011A**

Bonds to be Refunded

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
09/01/2020	4.000%	\$1,375,000
09/01/2021	4.000	1,450,000
09/01/2022	4.000	<u>1,450,000</u>
		\$4,275,000

**Oakland County Building Authority
Building Authority Bonds, Series 2011B**

Bonds to be Refunded

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
09/01/2020	3.000%	\$1,200,000
09/01/2021	3.000	1,205,000
09/01/2022	3.125	1,235,000
09/01/2023	3.250	1,265,000
09/01/2025	3.500	<u>1,310,000</u>
		\$6,215,000

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**Oakland County Building Authority
Building Authority Bonds, Series 2011**

Bonds to be Refunded

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
11/01/2020	2.500%	\$80,000
11/01/2021	2.500	85,000
11/01/2022	3.000	85,000
11/01/2023	3.000	90,000
11/01/2024	3.100	95,000
11/01/2025	3.250	95,000
11/01/2026	3.350	100,000
11/01/2027	3.450	105,000
11/01/2028	3.600	110,000
11/01/2029	4.000	115,000
11/01/2030	4.000	120,000
11/01/2031	4.000	125,000
11/01/2032	4.500	130,000
11/01/2033	4.500	135,000
11/01/2034	4.500	140,000
11/01/2035	4.500	145,000
11/01/2036	4.500	155,000
		<u>\$1,910,000</u>

**Oakland County Building Authority
Building Authority Bonds, Series 2012**

Bonds to be Refunded

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
11/01/2020	3.000%	\$650,000
11/01/2021	3.000	675,000
11/01/2022	3.000	700,000
11/01/2023	3.000	725,000
11/01/2024	3.000	725,000
11/01/2025	3.000	775,000
11/01/2026	3.000	775,000
11/01/2027	3.000	825,000
11/01/2028	3.000	850,000
11/01/2029	3.000	490,000
		<u>\$7,190,000</u>

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The following schedule sets forth the principal and interest rate of certain Prior Bonds to be refunded with proceeds of the Bonds (the “Bonds to be Refunded”) which are to be paid from the escrow fund for the payment at maturity of the August 1, 2020 maturity or the redemption of these bonds maturing after August 1, 2020 on August 1, 2020.

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

Bonds to be Refunded

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
08/01/2020	3.000%	\$30,000
08/01/2021	4.000	30,000
08/01/2022	4.000	30,000
08/01/2023	4.000	30,000
08/01/2024	4.000	35,000
08/01/2025	4.000	35,000
08/01/2026	4.000	35,000
08/01/2027	4.000	35,000
08/01/2028	4.000	40,000
08/01/2029	4.000	40,000
08/01/2030	4.000	40,000
08/01/2031	4.250	40,000
08/01/2032	4.250	45,000
08/01/2033	4.250	45,000
08/01/2034	4.250	50,000
08/01/2035	4.250	50,000
08/01/2036	4.250	50,000
08/01/2037	4.250	55,000
08/01/2038	4.250	55,000
08/01/2039	4.250	60,000
08/01/2040	4.250	65,000
		<u>\$895,000</u>

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Bonds are estimated as follows:

Sources:

Principal Amount of the Bonds	\$36,870,000.00
Net Original Issue Premium	<u>6,053,805.95</u>
Total Sources	\$42,923,805.95

Uses:

Deposit to Project Fund	\$18,397,849.35
Deposit to Escrow Fund	24,270,778.13
Costs of Issuance*	<u>255,178.47</u>
Total Uses	\$42,923,805.95

* Includes underwriter’s compensation, legal fees and expenses, Municipal Advisor fees, rating agency fees, printing of the official statement, and other miscellaneous costs of issuance.

THE BONDS

Description and Form of Bonds

The Bonds will be issued in book-entry only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity as shown on the front cover of this Official Statement and may be purchased in denominations of \$5,000 or any integral multiple of \$5,000. The Bonds will be dated as of and bear interest from their date of delivery. Interest on the Series A Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing November 1, 2020. Interest on the Series B Bonds shall be payable at maturity on September 1, 2020. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the front cover of this Official Statement.

The Huntington National Bank, Grand Rapids, Michigan or its successor will serve as the bond registrar and paying agent (the "Paying Agent") for the Bonds. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Bonds, which are held in the book-entry only system, see "Book-Entry Only System" herein. In the event the Bonds cease to be held in the book-entry only system, then interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the 15th day of the month preceding each interest payment date (the "Record Date"), the registered owner of record, at the owner's registered address. See "Transfer Outside Book-Entry Only System" below.

Optional Redemption of the Bonds Prior to Maturity

Bonds maturing or subject to mandatory redemption in the years 2020 to 2029, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of Bonds in multiples of \$5,000 of this issue maturing or subject to mandatory redemption in the year 2030 and thereafter shall be subject to redemption prior to maturity, at the option of the Authority, in such order of maturity as the Authority shall determine and within any maturity by lot, on any date on or after May 1, 2030, at par and accrued interest to the date fixed for redemption.

Mandatory Redemption of Series A Term Bonds

The Series A Bonds maturing on November 1, 2039 (the "Series A Term Bonds"), are subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at redemption prices equal to the principal amounts thereof, without premium, together with interest thereon to the redemption dates. When Series A Term Bonds are purchased by the Authority and delivered to the Transfer Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the Series A Term Bonds affected shall be reduced by the principal amount of the Bonds so redeemed or purchased in the order determined by the Authority.

<u>Redemption Date</u>	<u>Principal Amount</u>
November 1, 2037	\$50,000
November 1, 2038	50,000
November 1, 2039 (maturity)	55,000

Notice and Manner of Redemption

Notice of redemption of any bond or portion thereof shall be given by the transfer agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the transfer agent. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the transfer agent to redeem the bond or portion thereof. In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Registration, Payment and Transfer

The Bonds are issuable only as fully registered Bonds without coupons, and when issued, will be registered in the name Cede & Co., as nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interests in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee for DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as hereinafter defined) of the Bonds. See “THE BONDS – Book-Entry Only System,” herein.

The Bonds will be issued in the original aggregate principal amount as shown on the cover of this Official Statement. The Bonds will be dated as of the original date of delivery and will bear interest from that date. Interest on the Series A Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing November 1, 2020. Interest on the Series B Bonds shall be payable at maturity on September 1, 2020. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the front cover of this Official Statement. The Bonds will be registered Bonds in the denomination of \$5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the designated corporate trust office of the Paying Agent or such other Paying Agent as the Authority may hereafter designate by notice mailed to the Bondholders. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants (both as hereinafter defined), as more fully described below. Interest shall be paid when due by check or draft mailed to the registered owners of Bonds as shown on the registration books as of the fifteenth day of the calendar month preceding the payment date for each interest payment.

Book-Entry Only System

The information in this section has been furnished by DTC. No representation is made by the Authority, County, Bond Counsel, the Municipal Advisor, the Paying Agent, or the Underwriter as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information (defined below) subsequent to the date hereof. No attempt has been made by the Authority, County, its Bond Counsel, the Municipal Advisor, the Paying Agent, or the Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Authority nor the Paying Agent will have any responsibility or obligation to DTC participants, indirect participants or the persons for which they act as nominees with respect to the Bonds, or for any principal or interest payment thereof.

The DTC, New York, NY 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 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 17A 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"). Standard & Poor's has rated DTC 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 and www.dtc.org.

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 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

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 the notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 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 Authority or Paying Agent on 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 Authority, 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 Authority or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Authority 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 Authority, County, Bond Counsel, the Municipal Advisor, the Paying Agent, and the Underwriter 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 on the Bonds, (ii) any document representing or confirming beneficial ownership interests in the Bonds, or (iii) notices sent to DTC or Cede & Co. its nominee, as the registered owner of the Bonds, or that it 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Neither the Authority, County, Bond Counsel, the Municipal Advisor, the Paying Agent nor the Underwriter will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (a) the Bonds; (b) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (c) 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 or interest on the Bonds; (d) the delivery by DTC to any participant, or by and Direct Participant or Indirect Participant to any Beneficial Owner of any notice which is required or permitted under the terms of the authorizing resolution for each issue to be given to Bondholders; (e) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (f) any consent given or other action taken by DTC as Bondholder.

Transfer Outside Book-Entry Only System

In the event the book-entry only system is discontinued, the Paying Agent will act as transfer agent and bond registrar and 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. During the 15 days immediately preceding the date of mailing ("Record Date") of any notice of redemption or any time following the mailing of any notice of redemption, the Paying Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the Authority 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. No transfer or exchange made other than as described above and, in the Resolution, shall be valid or effective for any purposes under the Resolution.

OAKLAND COUNTY BUILDING AUTHORITY

The Authority was incorporated by the County pursuant to the provisions of Act 31 for the purposes of building, acquiring, furnishing, equipping, owning, improving, enlarging, leasing, operating and maintaining buildings, automobile parking lots and structures, recreational facilities, stadiums and the necessary sites therefore for use by the County, as more fully set out in the Authority's Articles of Incorporation. The Authority is governed by a five-member Board of Commissioners comprised of three members appointed by the Board of Commissioners of the County, the County Executive or his or her designee, and the County Treasurer or his or her designee.

COUNTY OF OAKLAND

General financial and economic information regarding the County is contained in Appendix A to this Official Statement and the County's audited financial statements for the year ended September 30, 2019 are contained in Appendix B to this Official Statement.

ABSENCE OF CERTAIN LITIGATION

In the opinion of the County Attorney, there are no actions, proceedings or investigations at law or in equity before or by any court, public board or body, either actual or threatened, which would adversely affect the issuance of the Bonds or materially affect the ability of the Authority or the County to pay the principal of and interest thereon.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

The arithmetical computations of the adequacy of the principal of and interest on the Government Obligations to be purchased with the proceeds of the Bonds to pay the principal and interest due on the Bonds to be Refunded when due will be verified by Precision Analytics Inc. and Samuel Klein and Company, Certified Public Accountants, based upon information supplied by the Authority.

BOND RATINGS

Moody's Investors Service, Inc., will assign, as of the date of delivery of the Bonds, its rating of "Aaa" to this issue of Bonds and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), will assign, as of the date of delivery of the Bonds, its rating of "AAA" to this issue of Bonds.

No application was made to any other rating agency for a rating on the Bonds. Any explanation of the significance of a rating may be obtained only from the rating agency furnishing the same. The County furnished to such rating agencies certain materials and information. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies. There is no assurance, if given, that such ratings will prevail for any given period of time or that such will not be revised downward or withdrawn entirely by either or both of such ratings agencies if, in the judgment of either or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Bonds.

MUNICIPAL FINANCE QUALIFYING STATEMENTS

The Authority and the County have filed Qualifying Statements for the fiscal year ended September 30, 2018. The Michigan Department of Treasury has determined that the Authority and the County are in material compliance with the criteria identified in Act 34.

NOT BANK QUALIFIED BONDS

The Bonds have not been designated as "qualified tax-exempt obligations" for purpose of deduction of interest expense by commercial banks, thrift institutions and other financial institutions pursuant to Section 265(b) of the Code.

TAX MATTERS

General

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., 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 excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth above is subject to the condition that the Authority comply

with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds and the interest thereon.

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., 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 Bonds and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

Prospective purchasers of the Bonds should be aware that (i) interest on the Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Bonds may be subject to a tax on excess net passive income of certain S Corporations imposed by Section 1375 of the Code, (iii) interest on the Bonds is included in the calculation of modified adjusted gross income for purposes of determining taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Bonds by life insurance companies may affect the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Bonds, (vi) registered owners acquiring the Bonds subsequent to initial issuance will generally be required to treat market discount recognized under Section 1276 of the Code as ordinary taxable income, (vii) the receipt or accrual of interest on the Bonds may cause disallowance of the earned income credit under Section 32 of the Code, (viii) interest on the Bonds is subject to backup withholding under Section 3406 of the Code in the case of registered owners that have not reported a taxpayer identification number and are not otherwise exempt from backup withholding, and (ix) registered owners of the Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Bonds, and financial institutions may not deduct that portion of their interest expense allocated to interest on the Bonds; however, financial institutions are not required to allocate a portion of their interest expense to interest on the Bonds under Section 265(b)(2) of the Code.

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

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

Amortizable Bond Premium

For federal income tax purposes, the difference between an original registered owner's cost basis of the Bonds initially sold at a premium as shown on the cover page hereof (the "Original Premium Bonds") and the amounts payable on the Original Premium Bonds other than stated interest constitutes an amortizable bond premium. The same applies with respect to any Bond, if a registered owner's cost basis exceeds the amounts payable thereon other than stated interest (collectively with the Original Premium Bonds held by the original registered owners, "Premium Bonds"). Such amortizable bond premium is not deductible from gross income, but is taken into account by certain corporations in determining adjusted current earnings for the purpose of computing the alternative minimum tax, which may also affect liability for the branch profits tax imposed by Section 884 of the Code. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the registered owner's yield to maturity determined by using the registered owner's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the registered owner's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

Future Developments

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS THAT COULD CAUSE THE INTEREST ON THE 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 REGISTERED OWNERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY SUCH FUTURE LEGISLATION, OR ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE AUDIT PROCESS OR RESULT OF ANY EXAMINATION OF THE BONDS OR OTHER BONDS THAT PRESENT SIMILAR TAX ISSUES, WILL NOT ADVERSELY 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 AND THE TAX CONSEQUENCES OF THE ORIGINAL ISSUE DISCOUNT OR PREMIUM THEREON, IF ANY.

BOND COUNSEL'S RESPONSIBILITY

The fees of Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel") for services rendered in connection with their approving opinions are expected to be paid from the proceeds of the Bonds. Except to the extent necessary to issue their approving opinions as to validity of the Bonds and except as stated below, Bond Counsel has not been retained to examine or review and 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 will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

Bond Counsel has reviewed the statements made under the captions entitled "THE FINANCING," "THE BONDS" (other than under the subcaption therein entitled "Book-Entry Only System"), "OAKLAND COUNTY BUILDING AUTHORITY," "MUNICIPAL FINANCE QUALIFYING

STATEMENTS,” “TAX MATTERS,” “NOT BANK QUALIFIED BONDS,” “BOND COUNSEL’S RESPONSIBILITY,” “LEGAL MATTERS” and “CONTINUING DISCLOSURE (first two paragraphs only).” Bond Counsel has not been retained for review and has not reviewed any other portions of the Official Statement for accuracy or completeness and has not made inquiry of any official or employee of the Authority, the County or any other person and has made no independent verification of such portions hereof, and further has not expressed and will not express an opinion as to any portions hereof.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel, which opinions will be substantially in the form as set forth in Appendix C.

UNDERWRITING

After competitive bidding the Bonds were awarded by the Authority to J.P. Morgan Securities, LLC at a price of \$42,923,805.95 less an underwriting discount of \$60,747.64.

MUNICIPAL ADVISOR TO THE AUTHORITY

Robert W. Baird & Co. Incorporated, Lansing, Michigan (the “Municipal Advisor”) has been retained by the Authority as municipal financial advisor in connection with the issuance of the Bonds. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, which have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken to independently verify the accuracy of such information.

To the best of the Municipal Advisor’s knowledge, the information contained in the Official Statements, which it assisted in preparing, while it may be summarized is complete and accurate. However, the Municipal Advisor has not or will not independently verify the completeness and accuracy of the information contained in the Official Statement.

The Municipal Advisor’s duties, responsibilities and fees arise solely as municipal advisor to the Authority and they have no secondary obligation or other responsibility. The Municipal Advisor’s fees are expected to be paid from Bond proceeds. The Municipal Advisor is precluded from participating in any group or syndicate which may purchase the Bonds. Robert W. Baird & Co. Incorporated is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board (“MSRB”) as a municipal advisor.

CONTINUING DISCLOSURE

The County, on behalf of the Authority and as an obligated person pursuant to Rule 15c2-12 of the Securities and Exchange Commission, has covenanted for the benefit of the Bondholders and the Beneficial Owners (as hereinafter defined under this caption only), pursuant to the Continuing Disclosure Undertaking to be delivered on the date of issuance of the Bonds to the purchasers thereof (the “Disclosure Undertaking”), to provide or cause to be provided: (1) each year, certain financial information and operating data relating to the County for its preceding fiscal year (the “Annual Report”) by not later than the date seven (7) months after the first day of its fiscal year, commencing with the Annual Report for the fiscal year ending September 30, 2019; provided, however, that if the audited financial statements of the County are not available by such date, they will be provided when and if available, and unaudited financial

statements in a format similar to the audited financial statements then most recently prepared for the County will be included in the Annual report; and (ii) timely notices of the occurrence of certain enumerated events, if material. Currently, the fiscal year of the County commences October 1. “Beneficial Owner” means, under this caption only, any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or any 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 is unable to provide the MSRB its Annual Report by the date required, the County shall send, in a timely manner, to the MSRB through EMMA, a notice of the failure to file the Annual Report by such dates. Notices of material events will be filed by the County with the MSRB through EMMA. These covenants have been made by the County in order to assist the purchase of the Bonds and registered brokers, dealers and municipal securities dealers in complying with the requirements of subsection (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 D”, “FORM OF CONTINUING DISCLOSURE CERTIFICATE”.

A failure by the County to comply with the Disclosure Undertaking will not constitute an event of default and holders of 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.

For the fiscal years ended September 30, 2014, 2017, and 2018 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, 2014 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. In addition, for the fiscal year ended September 30, 2014, information relating to the county labor contracts was filed timely for some bond issues for which the County is obligated to provide Annual Reports but 27 days late for other bond issues. 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 County Treasurer has been designated as the responsible official for SEC 15c2-12 compliance for the County. The County Treasurer has been made aware of amendments to Rule 15c2-12, which became effective February 27, 2019, and is prepared to comply with all requirements of the Disclosure Certificate.

POTENTIAL IMPACT OF THE COVID-19 PANDEMIC

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of the coronavirus. On March 10, 2020, 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. On March 13, 2020, President Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic. The current spread of COVID-19, and actions taken by the federal, state and local governments in response thereto, are altering the behavior of businesses and people in a manner that may have a long

term negative effect on economic activity, and therefore could adversely affect the future financial condition of the County, directly or indirectly.

State of Emergency - Legislative Authority and Executive Orders

In response to the effect of COVID-19 in Michigan, the Governor has exercised broad authority under the Emergency Powers of the Governor Act, Act 302, Public Acts of Michigan, 1945, as amended (“Act 302”) and the Emergency Management Act, Act 390, Public Acts of Michigan, 1976, as amended (“Act 390”). Beginning on March 10, 2020, the Governor has 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.*

Act 390 requires approval of the legislature to extend an executive order issued pursuant to that statute to continue beyond 28 days. Act 302 is silent on legislative approval. On April 7, 2020, the Michigan Legislature approved the Governor’s extension of the state of emergency and state of disaster through April 30, 2020. On April 30, the Legislature did not extend the state of emergency and state of disaster under Act 390.

On April 30, 2020, the Governor issued Executive Order 2020-66, terminating the state of emergency and state of disaster declared in prior executive orders. On the same day, the Governor rescinded and replaced the Executive Order expiring April 30, 2020, with Executive Order 2020-67, declaring a state of emergency under Act 302 and Executive Order 2020-68, declaring a new state of emergency and state of disaster under Act 390. Executive Orders 2020-67 and 2020-68 each expire on May 28, 2020.

On May 5, 2020, the Legislature filed suit against the Governor challenging the validity and constitutionality of her executive orders related to COVID-19. A number of other lawsuits have also been filed challenging the scope of the Governor’s authority to exercise emergency powers, some of which have been dismissed, while others remain pending.

Stay-Home Practices and Restricted Activity - Executive Orders

Beginning on March 23, 2020, the Governor has issued a series of Executive Orders directing all Michigan businesses and operations to temporarily suspend in-person 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. The current order, Executive Order 2020-92, issued on May 18, 2020, and effective through May 28, 2020, addresses stay-home practices and extends certain prior restrictions while continuing the process of gradually lifting other restrictions. Executive Order 2020-92 also establishes eight regions within the State, consisting of clusters of counties, and lifts additional restrictions in certain regions.

Impact on the County and the Bonds

The cash rentals to be received by the Authority from the County pursuant to the Contract and Refunding Contract are full faith and credit limited tax general obligations of the County, and under the provisions of Act 31 the County is required to provide annually sufficient moneys from its general funds as a first budget obligation for the payment thereof, including any collections of ad valorem taxes which the County is authorized to levy on all taxable property within its boundaries, subject to existing statutory and constitutional tax rate limitations. The County does not anticipate that the 2020 levy of property taxes will

* All COVID-19-related Executive Orders and Executive Directives issued by the Governor, as well as other releases and information regarding COVID-19 in the State, can be accessed at www.michigan.gov/coronavirus.

be materially affected and, as it has done historically, the County will monitor the collection and receipt of property taxes.

The State's finances have also been adversely affected by the continued spread of COVID-19, with the State's May Consensus Revenue Estimating Conference projecting an overall 12% revenue decrease in the General Fund and School Aid Fund from the prior year. Constitutional revenue sharing projections for the State's 2020 fiscal year were reduced approximately 6.1% from January estimates, while projections for the State's 2021 fiscal year were reduced approximately 12.1%. These reductions will affect payments to local units of government; however they do not affect payments to the County, which receives statutory revenue sharing payments only. Statutory revenue sharing, which is set by legislative appropriation, has not been affected; however the amount and timing of statutory revenue sharing payments to local units of government, including the County, may still be altered by the Legislature and/or Governor. See "Revenue Sharing from the State of Michigan" in Appendix A to this Official Statement.

On April 23, 2020 the County received \$219,438,710.20 in direct funding from the federal Coronavirus Relief Fund established under section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The CARES Act does not currently authorize such funds to be applied to offset revenue losses, and requires that such funds be applied only to necessary expenditures incurred due to the public health emergency with respect to COVID-19, which expenditures were not accounted for in the County budget most recently approved as of March 27, 2020, and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Prior to receiving funding under the CARES Act, the County had been pro-actively communicating information, services, and resources that are available to its residents and employers. Recently, the County has awarded more than \$12 million in grants to Oakland County businesses impacted by the pandemic. See the County's website and its "COVID-19" landing page containing frequently asked questions, business relief, worker relief, links to online services at www.oakgov.com/covid.

OTHER MATTERS

The Authority and the County each certify that to its best knowledge and belief, this Official Statement, insofar as it pertains to the respective Authority and the County and their economic and financial condition, is true and correct as of its date, and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading.

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original source thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of such information. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

This Official Statement has been duly executed and delivered by the Authority.

OAKLAND COUNTY BUILDING AUTHORITY

/s/ Andrew E. Meisner

By: Andrew E. Meisner

Its: Treasurer

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APPENDIX A

COUNTY OF OAKLAND: GENERAL FINANCIAL AND ECONOMIC INFORMATION

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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 special place to live where families enjoy a quality of life that is second to none and where business grows and prospers. The County's taxable value for real and personal property continues to rebound along with the overall economy and has grown 16.21% since 2015. With only 3.34% 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. The median housing value of a single-family home was approximately \$258,000 in 2019. 76% of the county's residential development from 2010 to 2017 has been single-family units, compared to 63% for the entire Southeast Michigan region. More than 31% of new residential construction in the region has been in Oakland County since 2010.

The unemployment rate for Oakland County averaged 3.4% in 2019. 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. Based on their April 2019 report, the University of Michigan's economic forecast for Oakland County projects continued job growth through 2021 due to our skilled and educated workers and a best in class economic diversification strategy, including Automation Alley, Emerging Sectors, and Medical Main Street featuring the new William Beaumont/Oakland University Medical School.

Oakland County has been recognized as one of the most prosperous counties in the nation. In comparing Oakland County with 37 other prosperous counties of similar population throughout the nation, economists rank Oakland County sixth overall based on selected indicators of prosperity. Our goal is to ensure Oakland County and its work force continues to thrive today and tomorrow as a premier technology hub and that Oakland County maintains the coveted Aaa/AAA bond ratings thanks to sound fiscal stewardship with a 3-year adopted budget balanced through 2022.

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 2018 was \$80,319.

Source: Oakland County Department of Planning and Economic Development

The County

The County is a public corporation created under the Constitution and Statutes of the State of Michigan and has general governmental powers and authority. Under Act 206, 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 any ordinance or resolution adopted by the Board of Commissioners including appropriating ordinances, which may be over ridden by a 2/3 vote of all members elected and serving on the County Board of Commissioners.

County Location, Transportation and Character

The County of Oakland is located in the southeast portion of Michigan's Lower Peninsula. The County covers an area of 910 square miles, which includes 30 cities, 10 villages and 21 townships. Within the county there are more than 5 rivers, 1,400 lakes, 900 miles of interior shoreline, 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 is capable of accommodating jets as large as a 727 and is home base for over 800 corporate and general aviation aircraft. It is the nation's 13th busiest general aviation airport 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, tripling the amount of international flights to over 1,200 flights per year. The airport contributes over \$580 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 31 million passengers each year, Detroit Metropolitan Airport is one of the busiest airports in the United States. As the second-largest hub and primary Asian gateway for Delta, the world's largest airline, DTW serves as the SkyTeam Alliance's major Midwestern hub. With two new passenger terminals, 145 gates, six jet runways and two modern Federal Inspection Services facilities for international arrivals it is one of the newest, most operationally capable and efficient airports in North America.

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. Detroit is ranked third in exports (based on dollar value) after Los Angeles and New York.

Roads and Highways - Major investments in widening and in upgrades to many Interchanges along the 87 miles of interstate freeways serving Oakland County continue to be made. Interstate 75 and I-275 link the area with the states of Ohio, Kentucky, Tennessee, Georgia and Florida; and I-94, I-96 and I-696, Major east/west freeways in the state, link east to Canada and west through Chicago. Oakland County and the surrounding area 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 – With more than 22,000 new construction permits since the start of 2009, the highest total in the seven-county Southeast Michigan region, Oakland County continues to post strong numbers in residential development. The estimated median housing value of a single-family home in Oakland County was approximately \$258,000 in 2019, a 4% increase since 2018 and a 62% increase since 2009.

Commercial. Oakland County reported 8.4 million square feet of development completed and under construction for 2018 (the most recent year for which complete data is available). Industrial floorspace had the largest share of development space with 31 percent. The largest project in the county was a 650,000 square-foot building under construction at the Tri-County Commerce Center in Hazel Park. This is the second warehouse/distribution building on the property and was slated to open in the fall of 2019. The City of Auburn Hills registered the most development in the county at 1.9 million square feet.

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. More than 60 percent of Fortune 500 companies do business in Oakland County. Nearly 19,000 Oakland County workers are employed by the Management and Companies and Enterprises Industry.

Hotels-Motels. As of 2019, Oakland County had 100 hotels and motels with 20 or more rooms, including the Townsend of Birmingham and the Royal Park Hotel in Rochester. 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 CoStar, office lease and vacancy rates in Oakland County submarkets remain competitive with the rest of metro Detroit. The Auburn Hills (3.1%), Birmingham (7.2%), and Bloomfield (4.8%) submarkets have some of the lowest vacancy rates in the region.

Industrial & Research Parks. Oakland Technology Park, located in Auburn Hills, is one of the top five research parks in the nation in size. Fiat Chrysler (FCA) US, LLC'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, CoStar

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:

Electric Suppliers:

Detroit Edison	Consumers Power
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Natural Gas Suppliers:

Consumers Energy	MichCon	Semco Energy
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Water Sources:

Great Lakes Water Authority	Lake Huron	Ground Water from Wells
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Sewer and System Types:

Great Lakes Water Authority	Community Water Treatment Facilities and Septic Fields	Clinton River Water Resource Recovery System	Separate Storm and Sanitary Community Treatment Facilities
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Education

There are 28 school districts in Oakland County, all offering preschool programs and all but one providing childcare or latchkey services. In 2020, U.S. News & World Report rated the International Academy in Bloomfield Hills number 3 in Michigan and number 40 in the nation's top U.S. high schools. Four 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 3 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. 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 over 25,000 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 1,000 students yearly.

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 approximately 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 2019 population was estimated to be over 1,260,000. 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, 1960 – 2019

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1960	650,259	2010	1,202,362	2015	1,242,304
1970	907,871	2011	1,211,103	2016	1,243,970
1980	1,011,793	2012	1,221,138	2017	1,250,836
1990	1,083,592	2013	1,232,947	2018	1,259,201
2000	1,194,156	2014	1,238,718	2019 (est.)	1,260,000

Source: U.S. Department of Commerce, Bureau of the Census Bureau

Income

Oakland County's estimated median household income (MHI) was \$80,319 in 2018, the highest among Michigan's 83 counties. Oakland's median household income also compares favorably to the national MHI of \$61,937 and Michigan's MHI of \$54,909.

Table 2 – Median Household Income in Oakland County, 2010 – 2018

Year	Median Household Income
2018	\$80,319
2017	69,850
2016	65,759
2015	63,454
2014	60,771
2013	57,605
2012	57,360
2011	54,110
2010	49,821

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Saint Louis Federal Reserve

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 is now in its tenth year of economic recovery since the recession's low point at the end of 2009. 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 has recovered 136,100 jobs through the end of 2018. In their April 2019 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes forecasted that 31,570 new jobs will be added over the next three-year period from 2019 through 2021. The higher-wage and middle-wage industries make up almost 76.0% of the net new jobs anticipated in the County over the three-year forecast period.

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 547 Emerging Sector companies have generated more than \$5.4 billion in investment while creating or retaining more than 93,000 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

Industrial and High Technology

Companies believe that if you are a part of the automotive industry, you must have a presence in southeast Michigan, and preferably Oakland County. Certainly, research and development organizations continue to select Oakland County 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.

Source: Oakland County Department of Planning and Economic Development

Foreign Investment

Over 1,100 businesses representing 39 foreign parent companies doing business in Michigan are located in Oakland County. In 2018, sixty-seven percent of all foreign-owned firms in southeastern Michigan were in Oakland County.

Labor Force

The unemployment rate for Oakland County and the State of Michigan averaged 3.4% and 4.0%, respectively, in 2019. The March 2020 (seasonally adjusted) unemployment rate for Oakland County was 3.9% and the State of Michigan was 4.1%.

Table 3 – Unemployment History in the County, Calendar Year 2019

Month	Total Labor Force	Unemployment	Percent Unemployed
January	673,441	22,897	3.4%
February	678,226	21,025	3.1
March	668,750	24,075	3.6
April	678,710	21,040	3.1
May	666,029	23,311	3.5
June	677,108	25,053	3.7
July	699,561	28,682	4.1
August	679,324	25,135	3.7
September	686,488	23,241	3.4
October	686,008	20,502	3.0
November	677,675	18,267	2.7
December	680,115	19,582	2.9

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

Table 4 – Unemployment History in the County, 2010-2019 (Annual Averages)

Calendar Year	Total Labor Force	Unemployment	Percent Unemployed
2019	679,286	22,734	3.4%
2018	670,739	22,134	3.3
2017	662,752	22,784	3.4
2016	651,937	27,097	4.2
2015	632,577	29,971	4.7
2014	630,196	40,988	6.5
2013	628,635	49,021	7.8
2012	616,205	50,751	8.2
2011	610,881	58,221	9.5
2010	621,876	73,177	11.8

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

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Table 5 – Unemployment History in the State of Michigan, 2010-2019 (Annual Averages)

Calendar Year	Total Work Force	Unemployment	Percent Unemployed
2019	4,953,000	200,000	4.0%
2018	4,902,000	203,000	4.1
2017	4,884,000	227,000	4.6
2016	4,840,000	241,000	5.0
2015	4,751,000	258,000	5.4
2014	4,754,000	344,000	7.2
2013	4,724,000	416,000	8.8
2012	4,673,000	426,000	9.1
2011	4,685,000	487,000	10.4
2010	4,799,000	605,000	12.6

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 2019.

Table 6 – Twenty-Five Largest Employers in the County

Employer Name	Approximate Number of Employees
Beaumont Hospitals	18,261
FCA US LLC	12,848
General Motors Co.	8,476
Henry Ford Health System	6,368
Ascension Michigan	5,630
U.S. Postal Service	4,880
Oakland County	3,557
Magna International of America	2,646
Trinity Health	2,578
Continental Automotive Systems	2,000
Comerica Bank	1,974
Flagstar Bancorp Inc.	1,960
Lear Corp.	1,749
Oakland University	1,724
Blue Cross Blue Shield of Michigan	1,709
McLaren Health Care Corp.	1,623
The Suburban Collection	1,553
Walled Lake Consolidated Schools	1,535
U.S. Farathane	1,338
Huron Valley Schools	1,334
Kelly Services Inc.	1,259
Troy School District	1,250
Rochester Community Schools	1,204
Comau LLC	1,150
Nissan North America Inc.	1,145

Source: Oakland County Department of Planning and Economic Development

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>Sales (billions)</u>
FCA US LLC	\$26.9
Penske Automotive Group	22.8
Lear Corporation	21.1
BorgWarner Inc.	10.5
IAC Group North America	8.5
Kelly Services, Inc.	5.5
PKC Group USA	4.5
Meritor, Inc.	4.4
Aptiv Services (formerly Delphi Automotive)	3.7
Cooper-Standard Holdings	3.6

Source: Oakland County Department of Planning and Economic Development

Banking

The banking needs within the County are adequately handled by:

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

County Budget Process

Budget Practices. The County's budgetary practices have had favorable variances against actual operations. The County budgets for all authorized positions at full funding, regardless of whether they are filled or not. In doing so, vacancies arising from turnover, transfers or separation from County employment provide departments latitude in operating flexibility.

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 25, 2019, the Oakland County Board of Commissioners adopted the FY2020 to FY2022 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.

Operating and Other Reserves. The County has a fund balance policy of maintaining a minimum fund balance of 20% of annual General Fund expenditures (Miscellaneous Resolution #15175 adopted in July 2015). 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 above the minimum operating reserve through FY 2022 based on the County's budget that was adopted on September 25, 2019. 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
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
2012	47,131,932,645	3,707,092,321	50,839,024,966	-3.08	49,235,953,993
2011	48,766,831,153	3,686,629,190	52,453,460,343	-9.16	50,798,540,257
2010	53,979,517,024	3,765,559,483	57,745,076,507	-14.90	55,081,707,586

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Residential	76.4%	76.3%	76.5%	76.9%	76.7%	75.3%	73.7%	71.3%	69.9%	68.5%	67.6%
Commercial	16.1	15.9	15.7	15.2	15.2	15.5	16.7	18.0	19.3	20.6	19.6
Industrial	3.0	3.0	3.0	2.8	2.8	2.7	2.9	3.1	3.4	3.7	6.0
Personal Property	4.4	4.6	4.7	5.0	5.2	6.4	6.6	7.4	7.3	7.0	6.5
Agricultural	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Developmental	0.0	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%	100.0%

Source: Oakland County Equalization Department

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

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Ten Largest Taxpayers

The 10 largest taxpayers in the County and their 2019 taxable valuations are:

Table 10 – Ten Largest Taxpayers

Taxpayer	Taxable Valuation
DTE Electric and Gas	\$671,208,150
Consumers Energy	420,570,370
FCA Auburn Hills Owner LLC	167,277,880
Taubman/ Great Lakes Crossing/12 Oaks Mall	137,312,350
ITC Transmission	132,109,795
Enbridge	118,431,510
Singh	104,398,150
General Motors	100,440,270
Edward Rose/Occidental Dev	86,312,190
SL Town et al.	77,854,760
Total	\$2,015,915,425

Note: The taxable values have been compiled from a number of sources/reports and may include estimated figures.

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. The state Legislature or the electorate may at some future time reduce the percentage below the present 50% of true cash value.

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

Industrial Facilities Tax

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended) ("Act 198"), provides significant tax incentives to industry to renovate and expand aging plants and to build new plants in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to

encourage restoration or replacement of obsolete industrial facilities and to attract new plants to the area. The issuance of any exemption certificate must be approved by the State Treasurer. Firms situated in such districts pay an Industrial Facilities Tax in lieu of property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the assessed value is frozen at previous levels. New plant and equipment is taxed at one-half the current millage rate. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one half the current millage rate, except for mills levied for local and intermediate school operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for school operating purposes in 1993. For abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act. For abatements granted after 1993, the State Treasurer may also permit abatement of one-half of the mills levied 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 2019 taxable valuation of \$271,771,486 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 2019, the total number of lessees or users of property under Act 189 within the County was 27.

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, 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. 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 may claim an exemption from Personal Property tax. 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 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 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 statutory formula is anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions. The County has received full reimbursement of PPT losses for FY 2016 through FY 2019 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 2020 – FY 2022 assumes reimbursement of \$2.25 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 2019, after the Headlee reduction, is 4.0787 mills. See "Tax Rate Limitation" herein.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating	4.0400	4.0400	4.0400	4.0400	4.0900	4.1900	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.2329	0.2349	0.2392	0.2410	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415
Huron Clinton Authority	0.2117	0.2129	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Zoo Authority	0.0973	0.0982	0.0990	0.0998	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Arts Authority	0.1929	0.1945	0.1981	0.1996	0.2000	0.2000	0.2000	0.2000	0.0000	0.0000
Total	4.7748	4.7805	4.7909	4.7950	4.8461	4.9461	4.9461	4.9461	4.7461	4.7461

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, 2010 - 2019

<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>
2019	2019	\$237,623,107	\$215,492,770	90.69%	-----	\$215,492,770	90.69%
2018	2018	226,289,005	201,249,308	88.93	\$22,760,442	224,009,750	98.99
2017	2017	216,149,261	196,045,294	90.70	19,267,896	215,313,190	99.61
2016	2016	208,735,308	186,750,930	89.47	21,798,703	208,549,633	99.91
2015	2015	207,429,739	186,742,691	90.03	20,568,905	207,311,596	99.94
2014	2014	204,966,211	181,910,042	88.75	22,966,224	204,876,266	99.96
2013	2013	201,089,193	179,700,449	89.36	21,380,777	201,081,226	100.00
2012	2012	200,442,426	179,242,176	89.42	21,195,645	200,437,821	100.00
2011	2011	206,524,166	187,107,837	90.60	19,413,799	206,521,636	100.00
2010	2010	223,423,779	198,172,603	88.70	25,249,838	223,422,441	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

Prior to 1997, the County's fiscal year began on January 1st and ended on December 31st. Starting in 1997, the County's Fiscal Year started on October 1st and ended on September 30th. Operating and extra voted taxes are due December 1 and become delinquent the following March 1. In some prior years, the County has issued General Obligation Limited Tax Notes and established a 100% Tax Payment Fund at the County level, and after March 1st, the County pays, from the 100% Tax Payment Fund, all delinquent real property taxes from all municipalities in the County. The fund does not cover personal property, buildings on leased land, DNR-PILT, or tax abated property taxes. Delinquent personal property taxes are negligible, and therefore, 100% Tax Collections are reported in Table 12 and Table 13.

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Table 13 – Collection Record of County Wide Tax Levy, 2010 - 2019

Year of Tax Levy	Tax Levy*	Collections to March 1 of Each Levy Year Amount**	Percent	Collections Plus Delinquent Tax Funding Percent
2019*	\$2,662,986,467	\$2,591,886,877	97.33%	N/A
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
2011	2,196,145,824	2,081,982,974	94.80	100.00
2010	2,317,084,920	2,179,375,143	94.06	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
2019	\$66,201,221.12	\$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
2011	107,675,895.41	6,032,598.54
2010	130,215,501.20	7,271,064.88

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”), on a per capita basis. 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 2020 budget, signed into law on September 30, 2019 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 2020, the county revenue sharing program has an appropriation of \$226 million, an increase over the fiscal year 2019 amount of \$221 million, with \$183.2 million being distributed pursuant to the Revenue Sharing Act and \$43.3 million being distributed through the CIP. The CIP provides eligible counties distributions for complying with “best practices” to increase transparency. Eligible counties are those that would be eligible to resume receiving state revenue sharing payments under Act 357.

Under the fiscal year 2020 CIP, an eligible county can receive CIP payments if it meets 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. However, there can be no assurance of what amount, if any, the County would receive under CIP. The County anticipates meeting the requirements to receive fiscal year 2020 CIP payments.

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, 2015 through September 30, 2019 and the estimated revenue sharing payments for the County’s fiscal year ending September 30, 2020.

Table 15 – Revenue Sharing from the State of Michigan

County of Oakland Fiscal Year End September 30 th	Revenue Sharing Payments
2020	\$27,357,245*
2019	26,808,155
2018	26,683,378
2017	26,419,185
2016	26,163,877
2015	24,831,356

*Projected

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County Labor Contracts

As of January 2020, Oakland County has 3,620 full time eligible positions of which 1,622 are represented by 8 certified bargaining units.

There are no current labor problems which 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.

Table 16 – Oakland County Employees Represented by Bargaining Unit

County Employee Group	Number of Positions	Contract Expiration Date
Sheriff's Law Enforcement	445	9/30/2021
Corrections and Services	365	9/30/2021
Sheriff's Command Officers	120	9/30/2021
Children's Village Employees	147	9/30/2021
Family Court Employees	88	9/30/2021
Prosecutor's Investigators	8	9/30/2021
Oakland County Employees Union	363	9/30/2022
Public Health Nurses	<u>86</u>	9/30/2021
	1,622	

Source: Oakland County Human Resources Department.

Pensions

As of September 30, 2019, the actuarial value of assets was used to determine both the funded status and the required employer contribution. The resulting System funded percent is 101.1%.

The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2019. Additional information can be found on the County's website at:

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

Table 17 – Oakland County Employees Retirement System

	General Union	Command Officers	Road Deputies	Corrections Deputies	Total
A. Accrued Liability					
1. For retirees and beneficiaries	\$490,645,890	\$45,840,609	\$60,638,386	\$61,005,560	\$658,130,445
2. For vested /terminated members	5,285,374	375,209	511,897	277,289	6,449,769
3. For present active members					
a. Value of expected future benefit payments	63,367,290	9,338,359	11,363,555	3,605,825	87,675,029
b. Value of future normal costs	3,838,595	292,992	428,466	184,304	4,744,357
c. Active member liability: (a) – (b)	59,528,695	9,045,367	10,935,089	3,421,521	82,930,672
4. Total	555,459,959	55,261,185	72,085,372	64,704,370	747,510,886
B. Valuation Assets	562,080,215	55,689,524	73,106,148	64,972,506	755,848,393
C. Unfunded Accrued Liability: (A.4) – (B)	(6,620,256)	(428,339)	(1,020,776)	(268,136)	(8,337,507)
D. Funding Ratio: (B) / (A.4)	101.2%	100.8%	101.4%	100.4%	101.1%

Other Post-Employment Benefits (“OPEB”)

The plan’s funding percent based on the actuarial value of plan assets is 144% as of September 30, 2019, while prior year the funded percent was 143%.

The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2019. 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	\$390,616,823	\$32,845,809	\$54,918,261	\$47,542,326	\$525,923,219
2. For vested and terminated members	50,363,209	1,700,107	5,461,455	1,626,428	59,151,199
3. For present active members					
a. Value of expected future benefit payments	251,380,418	32,347,476	69,491,173	41,523,261	394,742,328
b. Value of future normal costs	33,827,717	4,381,134	13,728,574	7,890,139	59,827,564
c. Active member liability: (a) – (b)	217,552,701	27,966,342	55,762,599	33,633,122	334,914,764
4. Total	658,532,733	62,512,258	116,142,315	82,801,876	919,989,182
B. Valuation Assets	953,819,821	77,453,000	166,821,491	124,171,622	1,322,265,934
C. Unfunded Accrued Liability: (A.4) – (B)	(295,287,088)	(14,940,742)	(50,679,176)	(41,369,746)	(402,276,752)

* 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.

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Table 19 –Oakland County Net Direct Debt as of May 2, 2020 – Unaudited**Includes the Bonds described herein and excludes the Prior Bonds**

	<u>Gross</u>	Self-Supporting or Portion Paid Directly by Benefited <u>Municipalities</u>	<u>Net</u>
<u>Limited Tax</u>			
Building Authority	\$ 34,445,000	\$ 15,125,000	\$ 19,320,000
Building Authority Refunding	30,745,000	7,580,000	23,165,000
Retirees Health Care	209,090,000	-	209,090,000
Sewer Disposal	21,295,000	13,415,000	7,880,000
Sewage Refunding	2,670,000	-	2,670,000
Water Supply	12,885,000	12,885,000	-
Water & Sewage Refunding	375,000	375,000	-
MFA Sewage Disposal	49,163,192	800,727	48,392,465
Total Limited Tax	<u>\$360,668,192</u>	<u>\$50,180,727</u>	<u>\$ 310,487,465</u>
<u>Drain Districts</u>			
Drain	\$ 58,808,000	\$ 53,118,338	\$ 5,689,662
Drain Refunding	7,195,000	4,263,964	2,931,036
MFA Drain	164,862,348	102,853,718	62,008,630
Total Drain Districts	<u>\$230,865,348</u>	<u>\$160,236,020</u>	<u>\$ 70,629,328</u>
Total Limited Tax and Drain Districts	<u>\$591,533,540</u>	<u>\$210,416,747</u>	<u>\$381,116,793</u>

Table 20 – Oakland County Overlapping Debt as of May 2, 2020**Includes the Bonds described herein and excludes the Prior Bonds**

Cities, Villages and Townships	\$1,234,836,282
School Districts	2,247,810,020
Community College, Intermediate School Districts and Library	49,009,364
Net County Overlapping Debt	<u>\$3,531,655,666</u>
Net County Direct Debt	<u>\$381,116,793</u>
Net County Direct and Overlapping Debt	<u>\$3,912,772,459</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 2, 2020
Includes the Bonds described herein and excludes the Prior Bonds

<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>
2020	\$ -	\$4,905,000	\$ 760,000	\$ 545,000	\$ -	\$ -	\$ -
2021	3,690,000	5,680,000	795,000	1,505,000	420,000	2,879,900	26,605,000
2022	3,780,000	5,810,000	805,000	1,550,000	370,000	2,937,600	27,585,000
2023	3,895,000	3,270,000	820,000	1,590,000	220,000	3,015,700	28,605,000
2024	1,795,000	2,940,000	855,000	1,625,000	220,000	3,091,100	29,660,000
2025	1,865,000	1,085,000	865,000	1,665,000	230,000	3,166,500	30,750,000
2026	1,950,000	1,050,000	910,000	1,705,000	240,000	3,236,900	31,885,000
2027	2,030,000	1,070,000	955,000	1,750,000	245,000	3,312,300	34,000,000
2028+	15,440,000	4,935,000	6,120,000	9,360,000	1,100,000	27,523,192	-
Total	\$34,445,000	\$30,745,000	\$12,885,000	\$21,295,000	\$3,045,000	\$49,163,192	\$209,090,000

** All of the outstanding \$209,090,000 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 2, 2020

<u>Fiscal Year</u>	<u>Drain*</u>	<u>Drain Refunding</u>	<u>MFA Drain</u>
2020	\$2,250,000	\$-	\$ -
2021	4,126,800	1,590,000	14,505,100
2022	4,201,800	1,620,000	14,862,400
2023	3,881,800	1,120,000	14,069,300
2024	4,006,800	1,100,000	14,396,576
2025	4,146,800	605,000	9,338,500
2026	4,006,800	180,000	9,552,246
2027	4,031,800	180,000	9,687,700
Beyond 2027	28,155,400	800,000	78,450,526
Total	\$58,808,000	\$7,195,000	\$164,862,348

* Includes \$47,420,000 of bonds which are federally taxable.

Source: Oakland County Treasurer

**Table 23 – Oakland County Schedule of Principal and Interest Requirements
as of May 2, 2020**

Includes the Bonds described herein and excludes the Prior Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 7,840,000	\$ 2,636,032	\$ 10,476,032
2021-2025	298,996,676	71,973,315	370,969,991
2026-2031	204,466,482	30,502,636	234,969,118
2032-2040	80,230,382	5,258,883	85,489,265
Total	<u>\$591,533,540</u>	<u>\$110,370,866</u>	<u>\$701,904,406</u>

Source: Oakland County Treasurer

Table 24 – Legal Debt Margin as of May 2, 2020

Includes the Bonds described herein and excludes the Prior Bonds

2020 State Equalized Value (SEV)	\$81,195,394,914
Statutory Limit - 10% of 2020 SEV	8,119,539,491
 Total Bonded Debt Outstanding	 <u>\$ 591,533,540</u>
Available Statutory Debt Limit	<u>\$ 7,528,005,951</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 100% Delinquent Tax Payment Fund. Notes issued in each of the years below have been in a face amount less than the actual real property tax delinquency. The County has pledged its full faith and credit and limited taxing power to the payment of principal and interest on notes issued since 1979. The County does not issue short-term obligations for cash flow purposes.

**Table 25 – History of Oakland County Delinquent Tax Anticipation Notes
as of March 2, 2020**

<u>Year Issued</u>	<u>Notes Issued</u>	<u>Amount Outstanding</u>
2019	\$0	\$0
2018	25,000,000	0
2017	25,000,000	0
2016	25,000,000	0
2015	25,000,000	0
2014	25,000,000	0
2013	25,000,000	0
2012	25,000,000	0
2011	50,000,000	0
2010	50,000,000	0
2009	50,000,000	0

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 Authority does not anticipate issuing additional bonds or notes within the next six months.

The Oakland Macomb Interceptor Drain Drainage District may issue up to \$100,000,000 of drain bonds, in multiple series, within the next three 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.

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APPENDIX B

COUNTY OF OAKLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019

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, 2018 and September 30, 2017 comprehensive annual financial reports are available at the following link:

[Link to Comprehensive Annual Financial Reports](#)

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VETERANS TRIBUTE • OAKLAND TOWNSHIP, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2019

PREPARED BY: Department of Management & Budget • Sean Carlson, Deputy County Executive



OAKLAND COUNTY, MICHIGAN COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ended September 30, 2019 (With Independent Auditor's Report Thereon)

Prepared by:

Department of Management and Budget
Fiscal Services Division

Project Manager
Carol Morin

Illustrated cover by
Pamela Tremble, Graphic Artist for Oakland County

County of Oakland
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I. INTRODUCTORY SECTION

The Introductory Section contains:

- A. Letter of Transmittal
- B. Organizational Chart
- C. List of Principal Officials
- D. Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting



OAKLAND COUNTY EXECUTIVE DAVID COULTER

Sean Carlson, Deputy County Executive
(248) 858-1650 | carlsons@oakgov.com

March 25, 2020

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

State law requires 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 Comprehensive Annual Financial Report (CAFR) of Oakland County, Michigan for the fiscal year ended September 30, 2019.

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, 2019 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, 2019 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.

County of Oakland Letter of Transmittal

The Fiscal Year 2019 CAFR 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 2019 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 1,259,201 (2018 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. Measuring per capita income, the County ranks as the sixth (6th) wealthiest county in the nation among counties with populations between 900,000 and 1,600,000 as cited in an April 2019 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 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, work force 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, 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.

County of Oakland Letter of Transmittal

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 \$155.3 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 CAFR, 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 thirteen (13) parks that provide camping, golf, swimming and a variety of other recreational activities as well as operates a local Farmers Market. Parks and Recreation is supported, in part, by a separately voted ¼-mill tax levy, subject to annual tax limitation adjustments pursuant to the Michigan constitution (FY 2019 rate was .2349 mills). Parks and Recreation's activity is blended into the County's CAFR 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 of Oakland Letter of Transmittal

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.

It is important to note that, 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. Oakland County's economy is continuing to improve since the days of the "Great Recession." Oakland County is now in its tenth year of economic recovery since the recession's low point at the end of 2009. 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 has recovered 136,100 jobs through the end of 2018.

County of Oakland Letter of Transmittal

In their April 2019 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes forecasted that 31,570 new jobs will be added over the next three-year period from 2019 through 2021. The higher-wage and middle-wage industries make up almost 76.0% of the net new jobs anticipated in the County over the three-year forecast period.

Due to its educated work force, Oakland County is well positioned to continue its transformation to the evolving knowledge-based economy. Approximately 59% of all County residents hold a degree from an institute of higher education. Oakland County has been investing for years in many of the industries that are prominent in the New Economy. Innovative programs such as Automation Alley, Emerging Sectors, Medical Main Street, and Tech248 continue to identify industries and businesses that are projected to have increasing employment opportunities, particularly those associated with professional and business services, health services, technology services, robotics, and advanced manufacturing.

Oakland County's unemployment rate has fallen (improved) steadily from the 2009 high rate of 13.0%. As of December 2019, Oakland County's unemployment rate was 2.9%. This rate is lower than the State of Michigan rate of 3.9% and the national rate of 3.5%.

Enhanced by the County's investment in economic development programs, Oakland County remains an ideal location for business. In 2004, an initiative was launched to diversify the County's economy away from reliance on traditional manufacturing jobs. The Emerging Sectors initiative to determine the 10 fastest-growing jobs within the knowledge-based economy has proven to be successful. Since its creation in 2004 through December 2019, the Emerging Sectors program has had 547 business successes and has attracted nearly \$5.4 billion in investment, creating approximately 53,936 jobs and retaining 39,381 jobs. Traditional businesses continue to grow as well. Oakland County attracted \$575.0 million in domestic and foreign business investment in 2019, with 41 percent coming from companies headquartered outside the United States.

Oakland County's 2018 per capita personal income (PCPI) of \$72,741 is the highest among Michigan's 83 counties according to the U.S. Bureau of Economic Analysis (BEA) most recent published data on November 14, 2019. The 2018 PCPI reflects an increase of 5.1 percent from 2017. The Oakland County's per capita income also compares favorably to the national average (\$54,446) and the state average (\$48,423).

The 2019 market value of property in Oakland County is approximately \$153.4 billion, an increase of approximately \$9.7 billion from 2018 to 2019 (6.74%). The Taxable Value (TV), which is the calculation on which property tax revenue is based, increased 5.24%. This is the seventh year of increase in property value following five (5) consecutive years of decline and is further evidence that Oakland County's economy is strong. Current budget assumptions include a 4.25% increase in taxable value as of December 31, 2019 (FY 2020 revenue); a 4.25% increase in taxable value as of December 31, 2020 (FY 2021 revenue); and an additional 4.25% increase in taxable value as of December 31, 2021 (FY 2022 revenue).

Oakland County's collective property values remain the highest of all 83 counties in Michigan, and represents 16.6% of the state's total value (even though Oakland County's population represents approximately 12.6% of Michigan's total).

County of Oakland Letter of Transmittal

The majority of Oakland County's taxable value is within the residential class of property, which is approximately 74.7% of the total property tax base. The average residential sale price of a home in Oakland County increased substantially from \$260,583 in 2018 to \$279,441 in 2019, a 7.2% increase.

The average 2019 property tax rate is \$43.04 per thousand dollars of taxable value, a slight decrease from the 2018 average of \$43.01 per thousand dollars of taxable value. The average property tax rate is distributed to the following taxing authorities:

Local School Districts	33.62%
Cities, Villages, Townships	30.24%
State Education Tax	13.94%
County Operating	9.39%
Intermediate School District	7.56%
Community College	3.55%
Parks & Recreation/Zoo/Art/Huron Clinton	<u>1.70%</u>
	<u>100.00%</u>

The County continues to exercise a prudent and conservative approach to tax revenues by controlling the millage rate levied on the tax base. In fact, the County millage rate for the July 1, 2015 property tax levy was reduced from 4.19 mills to 4.09 mills (out of an authorized levy of 4.2168 mills) for operations. Further, the millage rate effective with the July 1, 2016 tax levy was reduced from 4.09 mills to 4.04 mills. The millage rate for the July 1, 2019 tax levy remained at 4.04 mills (out of a maximum authorized levy of 4.0787 mills) and the FY 2020 budget authorized a tax rate of 4.02 mills for the July 1, 2020 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 impact 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 are not as fully explained in other parts of the ensuing document, yet they equally impact the County's financial position in FY 2019 and beyond and, therefore, some discussion of these policies is appropriate. Among these policies and practices meriting fuller discussion are the Budgeting and Forecasting activities; the capital improvement activities particularly associated with the Delinquent Tax Revolving Fund and the innovative Pension and Other Post-Employment Benefit practices.

Budgeting and Forecasting

A primary reason for Oakland County's solid financial position is the fact that County elected officials and administration continuously engage in long-term financial planning. Financial

County of Oakland Letter of Transmittal

policies have been implemented to support practices that focus on how decisions made today will affect the County's financial position in years to come. The County Executive, based on recommendations from his Budget Task Force and finance team, keep constant focus on the County's financial position in making all budgeting and fiscal decisions.

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 impact on the entire next two fiscal years.

The development and use of the triennial budget allows the County to maintain financial stability. Oakland County understands, however, that sound financial management actually begins with maintaining a solid financial position. The long-term plan (also known as the Fiscal Plan) that the County has used for many years sets a long-term goal of a solid financial position and "work backwards" to develop a budget which will achieve that goal.

Oakland County's sustainable long-term goal is to maintain a General Fund balance equating to approximately 20% of annual General Fund / General Purpose expenditures. This figure is calculated based upon two criteria. The first criterion is the Government Finance Officers' Association (GFOA) recommendation to retain at least two months of annual expenditures (approximately 17%) in fund balance. In fact, the County adopted Miscellaneous Resolution #15175 on July 16, 2015 to formally codify the fund balance policy for the General Fund. This has been a highly recognized and proven best practice that has been instrumental to Oakland County's long-term financial sustainability. Such practice provides a cushion against unexpected crises, allowing the County to meet emergency demands without severely disrupting ongoing operations and services.

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.

County of Oakland Letter of Transmittal

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 County further maintains a strong position control and position budgeting system and adheres to the practice of budgeting for full employment. Salary and fringe benefit appropriations are tied to specific authorized positions. Should vacancies occur or if positions are filled at a level lower than authorized, the resulting favorable variance falls to fund balance.

The result of these historic practices is a balanced line item County budget (adopted by the Board of Commissioners in September 2019) for fiscal years 2020, 2021, and 2022. The County also has a historic practice of preparing a high level five year forecast and fiscal plan document that has been key to maintaining its financial stability.

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.

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.

County of Oakland Letter of Transmittal

The net position of the DTRF as of September 30, 2019, totaled approximately \$201.5 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 \$4.7 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 \$2.8 million to support new debt beginning in FY 2023 and another \$1.9 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. The former shelter property has the potential to be sold with the proceeds from the sale to be placed in the animal shelter debt service fund to even further extend the debt service coverage. It is not expected that the DTRF will need to cover the animal control facility debt service until late 2025, and could extend beyond that if the former animal shelter site is sold and proceeds are placed in the animal shelter debt service fund.

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 2020 through FY 2024.

Pension and Other Postemployment Benefits

Realizing that employees are both its most valuable resource and that employee compensation and benefits are one of the largest expenses, Oakland County established two pension plans. 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 were 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 \$168.4 million since inception of the program without jeopardizing the retirement security of valued employees.

County of Oakland Letter of Transmittal

B-9
Oakland County has also been a true innovator and leader in exploring methods to providing and financing Other Post-Employment Benefits (OPEB). Specifically, the County has implemented benefit changes that will limit the growth of the cost of these benefits 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 – it has 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

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cumulative savings of \$171.1 million. This refinancing not only saved the 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 #12, 13, and 14 to the financial statements.

County governments have faced a number of financial challenges over the past several years. 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 most fiscally challenging years spanning the recent Great Recession, Oakland County government continued to provide the services expected by its citizens, supported its local cities, villages and townships, and worked with the private sector to revitalize 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 who realize that their job is to keep providing necessary services in perpetuity, not just for a short period of time. Oakland County’s historic focus has always been on long-term sustainability.

Oakland County’s historic operational model is based upon “thoughtful management” not “crisis management.” By recognizing problems in advance and making necessary adjustments BEFORE the problems fully manifest themselves, the County Government was able to survive the “Great Recession” without layoffs or massive reductions in services. Even though the financial condition has improved, County elected officials and administrators continue to be mindful of potential problem areas and stand ready to implement any necessary changes so that services can be maintained at optimum levels.

In order to maintain quality citizen services, Oakland County officials realize that they must maintain an effective, professional workforce. However, Oakland County’s employee general salary increases have been conservative and have lagged in comparison to the private sector. As the economy continues to improve, the County faces challenges of not only recruiting new talent, but retaining existing employees.

To recruit and retain quality staff requires a number of items including a safe work environment, effective and efficient tools to perform duties, advancement opportunities, and an appropriate compensation package, both in terms of salaries and benefits. That said, the funding for compensation comes from the taxpayers and a balance must be established between finding the resources to attract quality staff and meeting the expectation of the taxpayers. The County continues to engage in this balancing act, to the benefit of all parties.

County of Oakland Letter of Transmittal

To partially address recruitment and retention concerns, there was a 3% salary increase for FY 2018 and a 2% salary increase in FY 2019. In addition to salary increases, over the past couple of years the County has made improvements to the tuition reimbursement program, RHS Plan contribution program, the 457(b) Deferred Compensation plan program, as well as implemented a six week paid parental leave program and a voluntary once a year annual leave buy-back program (limited to between 20 and 40 hours).

With over a third of the County workforce eligible to retire, the County continues to look for ways to further build and sustain the County workforce. County Departments are actively engaging in succession planning efforts in order to identify future leaders and retain institutional knowledge. Primarily, efforts have been initiated within individual departments to identify the future leaders, as well as identify training needs and other actions which can assist these individuals' development. Additionally, in late 2017, the County Human Resources Department retained a consulting firm to conduct a job compensation study and update to the Salary Administration Plan for all non-union classifications. This comprehensive study to measure market competitiveness is expected to be completed in 2020.

Health care benefits are another important factor in this balancing act. The County has been able to constrain its overall health care costs, including the cost of retiree health care. Much of the success in managing costs is due to the County's employee wellness program, OakFit. The mission of the OakFit program is to assist employees, retirees and dependents in taking ownership of their health and wellness in order to improve quality of life, enhance productivity, and stabilize long-term employee/employer health care costs. OakFit offers a multitude of programs such as health screenings and other innovative programs to assist in embracing healthy lifestyle behaviors. OakFit continues to be an effective program to manage health care costs and enhance employee quality of life. Since its inception back in 2007, the OakFit program has also garnered numerous awards and recognition for its focus to improve overall health of the employees while saving taxpayers millions in health care costs.

With the improving economic conditions and restoration of revenue sharing payments from the State of Michigan in FY 2015, the County has moved from a maintenance mode toward a reinvesting and rebuilding mode for continued long-term sustainability. The County budget includes an annual appropriation and transfer of \$5.5 million to its Building Improvement Fund for facility needs. 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 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. Other technology initiatives underway include the replacement of the County's imaging and document management system, the replacement of the analog telephone system to a universal communication system that will transform the way employees communicate and collaborate with each other as well as with the public, and the Identity and Access Management project.

County of Oakland Letter of Transmittal

Another noteworthy project underway is the replacement of County's human capital management and financial management system. The County's current 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. The functionality and technology 'freeze' was 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. The Workday product is considered a market leader in financial and HR management suites by Gartner, a leading IT research institute. While some preliminary activities of this significant technology project have been underway, the implementation schedule includes a phased implementation approach from March 2019 through December 2020.

Additionally, other technology projects expected to start within the next year include the replacement of the Jail Management System, the Virtual Desktop Infrastructure project, and the Network Operations Center Monitoring project.

Regional collaboration is no stranger to Oakland County. 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.

Another regional initiative is the MiCareerQuest Southeast event. The annual event is attended by more than 9,000 high school students from school districts in Oakland, Livingston, Macomb, Monroe, Washtenaw and Wayne counties in which the students are exposed to four growing career quadrants: advanced manufacturing, construction, health sciences, and information technology. This regional event introduces the participating students to career opportunities that they may have not been aware of or considered and provides participating employers direct contact to spark interest to fill these in-demand occupations.

As noted in the accompanying financial statements, Oakland County's General Fund balance totaled \$259.7 million as of September 30, 2019. This level of fund balance equates to 54.6% of budgeted fiscal year 2020 General Fund/General Purpose expenditures. However, of that amount \$30.6 million is assigned to balance the fiscal year 2020 budget, \$30.4 million is assigned to balance the fiscal year 2021 budget; and \$28.3 million is assigned to balance the fiscal year 2022 budget. When the above assignments are removed, the General Fund balance still stands at \$170.4 million or 35.8% of General Fund/General Purpose expenditures.

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The County leadership takes great pride in being good stewards of the financial resources available to the County. As a result of the County's ability to maintain financial stability while providing key services to its constituents, the County was able to reduce the County's tax rate by .10 mills from 4.19 mills to 4.09 mills for the July 2015 tax levy and was able to further reduce the millage rate by .05 mills for the July 2016 tax levy to bring the millage rate to 4.04 mills. The County has a longstanding tradition of maintaining a millage rate that is *below* the maximum authorized rate. The fiscal year 2019 4.04 millage rate is below the current maximum authorized rate of 4.0787 as allowed by the State Constitution. Until 2015, the maximum authorized millage rate had not changed for 10 years, primarily as a result of suppressed property values. With the recent improvement in property values, a roll-back to the maximum authorized millage rate has been required for the past five years. The County continues to monitor the impacts of the Headlee Constitutional Tax Limitation Amendment of 1978 and the Proposal A Property Tax Limitation Amendment of 1994 in order to foresee potential constraints on future millage rates and factor the roll-back impact into the County's budget. The County's diligent long-term financial planning efforts are crucial to the continued success of providing quality services to the citizens.

Awards and Acknowledgements

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

In a rating report dated March 6, 2020 Standard and Poor's reaffirmed Oakland County's AAA status and stated:

"We view the county's management as very strong, with strong financial policies and practices under our FMA (Financial Management Assessment) methodology, indicating financial practices are strong, well embedded, and likely sustainable."

In a credit opinion dated March 6, 2020 Moody's Investors Service reaffirmed Oakland County's Aaa status and stated:

"The stable outlook reflects our expectation that the county's credit profile will remain consistent given its current 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."

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 CAFR for the fiscal year ended September 30, 2018; this was the 28th 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

County of Oakland Letter of Transmittal

CAFR. 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 CAFR 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 2018 PAFR award was the County's 22nd consecutive citation.

Additionally, we would like to recognize the long-term public service of County Executive L. Brooks Patterson. Mr. Patterson served as Oakland County Prosecutor from 1973 through 1988 and then served as County Executive from 1992 until his passing in August 2019. Mr. Patterson's 43 years of public service to Oakland County and its citizens embodies the leadership principle of service before self.

In closing, the preparation of the CAFR 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. Credit must also be given to 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.

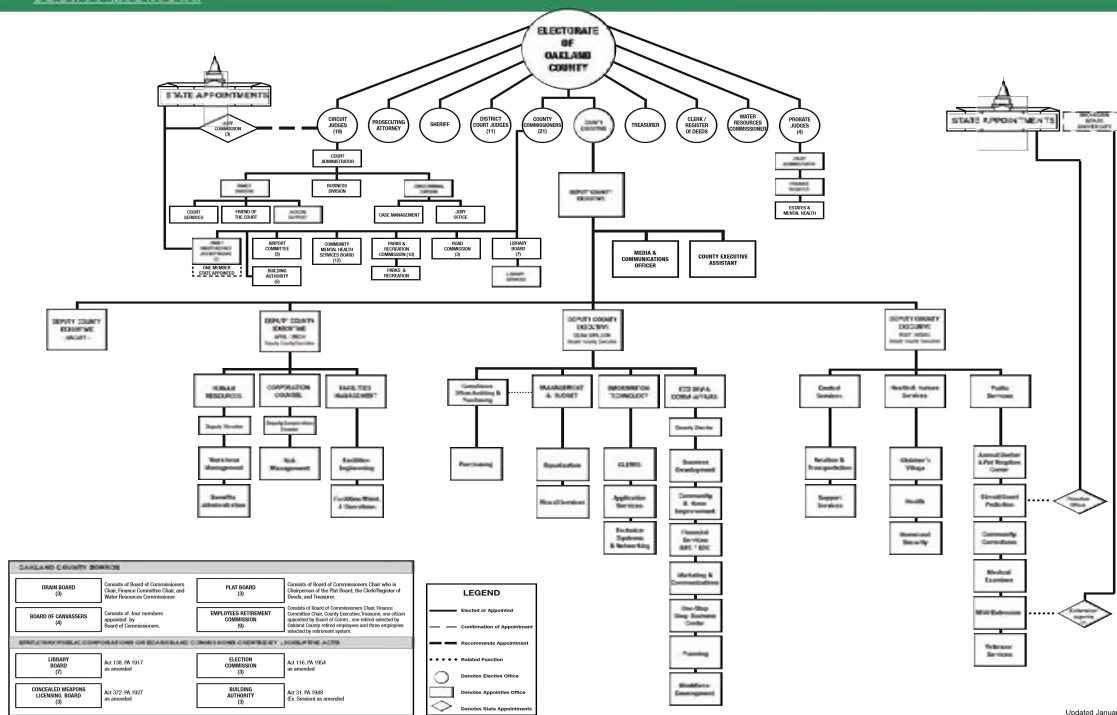
Respectfully submitted,


David Coulter
Oakland County Executive


Sean Carlson
Deputy County Executive


Lynn Sonkiss
Fiscal Services Officer, Fiscal Services Division

OAKLAND COUNTY GOVERNMENT ORGANIZATIONAL CHART



Updated January 2020

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COUNTY EXECUTIVE

David Coulter

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As of September 2019



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Oakland County
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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

II. Financial Section

The Financial Section contains:

- A. Independent Auditors' Report
- B. Management's Discussion and Analysis
- C. Basic Financial Statements
- D. Notes to Basic Financial Statements
- E. Required Supplementary Information
- F. Combining and Individual Fund Financial Statements and Schedules – Non-Major Funds

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, 2019 and the related notes to the financial statements, which collectively comprise the County'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.

To the Board of Commissioners
Oakland County, Michigan

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2019 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.

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 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 the County's basic financial statements. The combining and individual fund statements and schedules and 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.

To the Board of Commissioners
Oakland County, Michigan

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also issued a report dated March 25, 2020 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 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 County'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.

Frank J. Perna, III

March 25, 2020

County of Oakland 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, 2019. 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 \$124.2 million or 8.8 percent during fiscal year 2019, increasing from \$1,413.3 million to \$1,537.5 million (excluding component units).
- Governmental activities net position increased by approximately \$101.0 million, increasing from \$657.4 million to \$758.4 million.
- Business-type activity net position increased \$23.2 million from \$755.9 million to \$779.1 million.

Fund Level:

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of \$323.6 million, an increase of \$13.1 million from the fiscal year 2018 governmental funds combined ending fund balance, primarily reflecting a reduction of one-time transfers out for projects compared to fiscal year 2018 activity.
- The General Fund balance increased by \$14.7 million from \$245.0 million at the end of fiscal year 2018 to \$259.7 million at the end of fiscal year 2019. The overall increase is primarily attributed to the property tax revenue and a reduction of one-time transfers for projects in comparison fiscal year 2018.
- At the close of the fiscal year, the County's proprietary funds reported a combined ending net position of \$1,043.7 million, consisting of \$779.1 million for the Enterprise Funds (a \$23.2 million increase from fiscal year 2018) and \$264.6 million for the Internal Service Funds (a \$86.9 million increase from fiscal year 2018). The majority of the overall increase reflects capital contributions for projects, investment income due to market value adjustments, as well as GASB No. 68 and GASB No. 75 adjustments.

Capital and Long-term Debt Activities:

- The County's capital assets experienced a net increase of \$5.2 million during fiscal year 2019, which is attributed to a \$9.7 million net increase in business type activities and a net decrease of \$4.5 million in governmental activities.
- The County reported approximately \$1.7 million in new general government debt and business type debt during fiscal year 2019. This supported debt for general government of \$100,000 for Michigan Bond Authority – Sewage Disposal bonds. In addition, \$1.6 million of business type debt supported Michigan Bond Authority debt for multiple water and sewer projects.
- The County's primary government bond and note obligations decreased by \$38.1 million during fiscal year 2019, which reflects \$8.5 million in payments related to Building Authority debt, \$24.8 million in payments related to Retirees Health Care bonds, and \$4.8 million in payments related to Water and Sewer debt.
- The County is \$7.1 billion below its authorized debt limit.

County of Oakland Management's Discussion and Analysis

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 *Non-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 2019. 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.

County of Oakland Management's Discussion and Analysis

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

County of Oakland Management's Discussion and Analysis

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).

- **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 agency funds, are reported using the accrual basis of accounting. The government-wide statements *exclude* the fiduciary 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 schedule for the General Fund and pension 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.

County of Oakland Management's Discussion and Analysis

Special Note:

For the fiscal year 2019 Comprehensive Annual Financial Report, Governmental Accounting Standards Board Statement 83, *Certain Asset Retirement Obligations* was effective but had no impact on the financial statements.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As previously stated, Oakland County's overall financial position improved during fiscal year 2019. As reflected on the table below, the County's combined net position increased by \$124.2 million over the course of fiscal year 2019 operations. In particular, the net position of the governmental activities increased by approximately \$101.0 million (15.4 percent) primarily reflecting increased property tax revenue, favorable investment earnings, GASB No. 68 and GASB No. 75 adjustments. The business-type activities increased \$23.2 million in net position (3.1 percent) which reflects operational fluctuations for wholesale sewage disposal systems and retail water and sewer systems, capital contributions for various projects, as well as favorable investment revenue.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 615.4	\$ 564.3	\$ 499.2	\$ 518.0	\$ 1,114.6	\$ 1,082.3
Capital Assets	221.6	226.1	338.9	329.2	560.5	555.3
Other Long-term Assets	439.5	485.0	3.2	-	442.7	485.0
Total Assets	1,276.5	1,275.4	841.3	847.2	2,117.8	2,122.6
Deferred Outflows of Resources						
Related to Pension	9.7	-	-	-	9.7	-
Related to OPEB	52.1	-	-	-	52.1	-
Total Deferred Inflows of Resources	61.8	-	-	-	61.8	-
Current Liabilities	166.4	124.9	29.9	58.1	196.3	183.0
Other Liabilities	330.9	363.6	32.3	33.2	363.2	396.8
Total Liabilities	497.3	488.5	62.2	91.3	559.5	579.8
Deferred Inflows of Resources						
Related to Pension	-	9.3	-	-	-	9.3
Related to OPEB	82.6	120.2	-	-	82.6	120.2
Total Deferred Inflows of Resources	82.6	129.5	-	-	82.6	129.5
Net Position:						
Net Investment in Capital Assets	183.7	181.6	304.1	293.5	487.8	475.1
Restricted	51.9	57.4	111.1	97.2	163.0	154.6
Unrestricted	522.8	418.4	363.9	365.2	886.7	783.6
Total Net Position	\$ 758.4	\$ 657.4	\$ 779.1	\$ 755.9	\$ 1,537.5	\$ 1,413.3

County of Oakland 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:

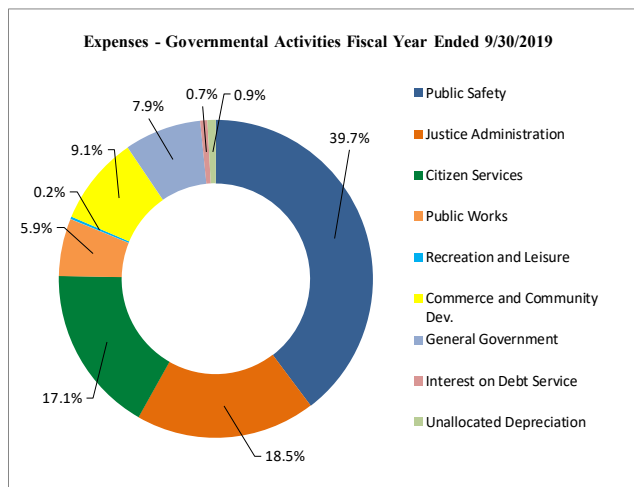
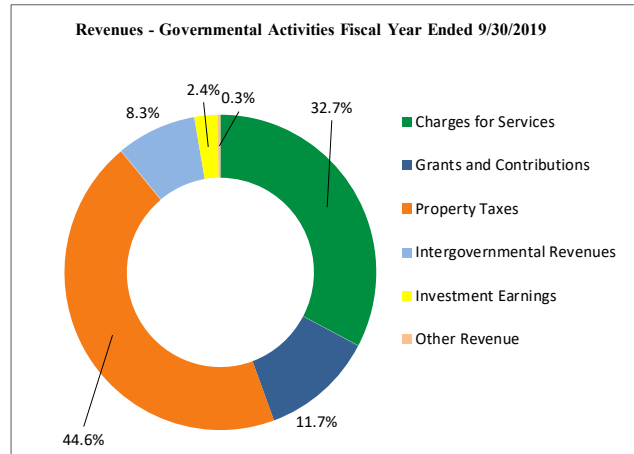
Changes in Oakland County's Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 174.8	\$ 175.7	\$ 283.4	\$ 282.8	\$ 458.2	\$ 458.5
Grants and Contributions						
Operating	62.6	60.6	1.6	2.0	64.2	62.6
Capital	0.2	2.3	8.6	9.7	8.8	12.0
General Revenues						
Property Taxes	238.8	227.4	13.2	12.7	252.0	240.1
Intergovernmental Revenue	44.7	45.3	0.3	0.3	45.0	45.6
Investment Earnings	12.7	5.7	10.9	5.3	23.6	11.0
Other Revenue	1.5	1.5	-	-	1.5	1.5
Gain on Sale of Assets	0.4	0.4	-	-	0.4	0.4
Total Revenues	535.7	518.9	318.0	312.8	853.7	831.7
Expenses						
Public Safety	175.9	169.2	18.4	18.1	194.3	187.3
Justice Administration	82.2	78.0	-	-	82.2	78.0
Citizen Services	75.9	73.5	6.5	6.3	82.4	79.8
Public Works	26.1	27.3	228.3	238.8	254.4	266.1
Recreation and Leisure	1.1	1.3	26.3	26.9	27.4	28.2
Commerce and Community Dev.	40.4	40.5	-	-	40.4	40.5
General Government	35.1	35.6	1.1	1.4	36.2	37.0
Interest on Debt Service	3.3	3.6	-	-	3.3	3.6
Unallocated Depreciation	3.8	3.6	-	-	3.8	3.6
Total Expenses	443.8	432.6	280.6	291.5	724.4	724.1
Revenues (Under) Over						
Expenditures	91.9	86.3	37.4	21.3	129.3	107.6
Special item - Transfer of water system	-	-	(5.1)	-	(5.1)	-
Transfers - On-going	9.1	12.2	(9.1)	(12.2)	-	-
Increase (Decrease) in Net Position	101.0	98.5	23.2	9.1	124.2	107.6
Net Position - Beginning	657.4	558.9	755.9	746.8	1,413.3	1,305.7
Net Position - Ending	\$ 758.4	\$ 657.4	\$ 779.1	\$ 755.9	\$ 1,537.5	\$ 1,413.3

County of Oakland Management's Discussion and Analysis

Governmental Activities:

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



County of Oakland Management's Discussion and Analysis

In total, fiscal year 2019 governmental activity revenue collections increased by \$16.8 million (3.2 percent) from fiscal year 2018. Of this amount, property tax revenue increased by \$11.4 million and investment earnings increased by \$7.0 million. These increases were partially offset by a decrease of \$900,000 in charge of services, a decline of \$600,000 in intergovernmental revenue and a reduction of \$100,000 in the grants and contributions category from the fiscal year 2018 amounts.

Property taxes generated \$238.8 million in revenue, remaining the largest source of support for governmental activities, comprising 44.6 percent of all governmental activity revenue. Governmental activities have decreased their dependency on property taxes; the fiscal year 2019 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 \$11.4 million from the amount realized during fiscal year 2018. This overall increase is primarily due to increasing property taxable values over the past year as well as the timing of tax collections. The County's operating millage rate of 4.04 mills is one of the lowest county general operating millage rates in the State. For more details regarding actual property tax collections, please see the statistical section appearing in the last section of this document.

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 second largest source of governmental activity revenue, generating \$174.8 million or 32.7 percent of the total. 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 \$174.8 million collected in fiscal year 2019 represents a \$900,000 decrease (0.1 percent) from the previous fiscal year. The primary reason for the decrease is a reduction in land sale activity revenue as the number of properties being held continues to decline compared to previous years. The overall decrease was partially offset by law enforcement contract revenue, Michigan Indigent Defenses Commission grant revenue, and Home Investment Partnership grant revenue.

The third largest source of support for governmental activities is the \$62.8 million received in operating and capital grants and contributions during fiscal year 2019, which is 11.7 percent of the total revenue for governmental activities. This amount represents a \$100,000 decrease (0.2 percent) from fiscal year 2018 and reflects fluctuations in grant awards and capital contributions from the prior year. Included in this total change is a \$2.0 million increase in operating grants and a \$2.1 million decrease in capital contributions and grants in comparison to fiscal year 2018.

Oakland County governmental activities also recorded \$44.7 million in intergovernmental revenue during fiscal year 2019, a \$600,000 decrease from the \$45.3 million received in fiscal year 2018. The decrease is primarily related to revenue from the State for personal property tax loss reimbursements from State. 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

County of Oakland Management's Discussion and Analysis

Facility Development Act, P.A. 106 of 1985, must be earmarked for substance abuse prevention and treatment programs.

Governmental activities generated \$12.7 million in investment earnings during fiscal year 2019; this amount reflects a \$7.0 million increase (122.8 percent) from the amount earned in fiscal year 2018. The increase is substantially due to favorable investment earnings and market value adjustments. The County's investment pool rates continue to outperform U.S. Treasury rates.

Governmental activity fiscal year expenses increased \$11.2 million from the fiscal year 2018 expense level, a 2.6 percent increase from the previous fiscal year.

Public Safety continued to be the largest governmental activity, expensing \$175.9 million of the \$443.8 million total governmental activities amount (39.6 percent). Public Safety which encompasses law enforcement, crime prevention, incarceration, emergency management, and technical support experienced a \$6.7 million increase (3.9 percent) in comparison to the previous fiscal year. The primary reason for the increase is related to personnel costs, the GASB No. 68 pension expense allocation, as well as entity wide statement adjustments for capital outlay and internal service fund lookback allocations.

Closely linked to Public Safety, Justice Administration is the second largest expense category accounting for \$82.2 million, or 18.5 percent, of the total governmental activity expenses. The Justice Administration activity, which centers on the operations of the 6th Judicial Circuit Court, 52nd District Court, as well as the Prosecuting Attorney, County Clerk functions which support the courts, and the Reimbursement Unit of the Fiscal Services Division, experienced a \$4.2 million increase (5.4 percent) from the previous fiscal year. This increase primarily relates to personnel costs, the GASB No. 68 pension expense allocation, and the internal service fund lookback allocation.

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, is the third largest governmental activity with \$75.9 million in expenses, or 17.1 percent, of the total governmental activities. Expenses increased by \$2.4 million from the fiscal year 2018 level (3.3 percent). The overall increase is mostly related to personnel costs, an increase in activity for the Home Investment Partnership grant, the GASB No. 68 pension expense allocation, and the internal service fund lookback allocation.

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expensed \$26.1 million in fiscal year 2019, or 5.9 percent of the total governmental activities expenses. This level of expense is a net decrease of \$1.2 million or 4.4 percent from fiscal year 2018. Most of this reduction is fluctuating activity for Act 342 water and sewer projects, personnel costs, and the GASB No. 68 pension expense allocation.

Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced \$40.4 million in expenses, or 9.1 percent, of the total governmental activities. This reflects a decrease of \$100,000 or 0.2 percent from fiscal year 2018.

The General Government activity, which is comprised of the administration and financial management of County business, expensed \$35.1 million in fiscal year 2019, or 7.9 percent of the total governmental

County of Oakland Management's Discussion and Analysis

activities expenses. The level of expenses in fiscal year 2019 decreased by approximately \$500,000, or 1.4 percent, from the fiscal year 2018 level.

As stated previously, the result of fiscal year 2019 governmental activity was an overall increase of \$101.0 million in net position, to \$758.4 million. Of the total \$758.4 million in governmental activities' net position, \$183.7 million is invested in capital assets; \$51.9 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 \$522.8 million is reported as unrestricted.

Business-type Activities:

Net position in business-type activities is reported at \$779.1 million for fiscal year 2019, an increase of \$23.2 million (3.1 percent) over the amount reported at the end of fiscal year 2018. Of the total net position, \$304.1 million is for the net investment in capital assets, \$111.1 million is restricted, and \$363.9 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 2019, business-type activities generated \$318.0 million in revenue; this is an increase of \$5.2 million (1.7 percent) from the previous fiscal year. The overall change primarily reflects an increase in investment earnings due to market rate adjustments as of September 30, 2019.

Business-type activity recorded expenses of \$280.6 million, a decrease of \$10.9 million from fiscal year 2018 (3.7 percent). This overall decrease is primarily for Public Works activity due to a decrease in transfers to municipalities for capital improvement projects in comparison to fiscal year 2018 as well as general operating expense fluctuations in the various sewage disposal systems and water and sewer retail systems.

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*, the *Building Authority Debt Act 31 Fund*, and the *Water and Sewer Debt Act 342 Fund*. As the County completed fiscal year 2019, the governmental funds reported *combined* fund balances of \$323.6 million with the fund balances of the General Fund, the Building Authority Debt Act 31 and the Water & Sewer Debt Act 342, representing 82.3 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of \$323.6 million represents an increase of \$13.1 million from the combined fund balances reported at the end of fiscal year 2018. The overall decrease in the combined governmental fund balances includes a \$14.7 million increase to the General Fund balance, reflecting an increase in property tax revenue and a decrease of one-time transfers out for capital related

County of Oakland Management's Discussion and Analysis

projects during fiscal year 2019 in comparison to fiscal year 2018. The Building Authority Debt Act 31 decreased by \$907,544 which reflects the partial utilization of transfers made in previous years for the Animal Control and Pet Adoption Center debt service fund. The Water and Sewer Debt Act 342 remained relatively unchanged. The non-major governmental funds decreased by \$712,467 overall.

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, 2019, the General Fund reported a fund balance of \$259.7 million. This amount reflects an increase of \$14.7 million (6.0 percent) from the fund balance of \$245.0 million reported as of September 30, 2018.

The overall \$14.7 million increase in the General Fund balance is a result of General Fund revenues exceeding General Fund expenditures by \$54.6 million. In addition, the General Fund received \$6.8 million transfers from other funds, while transferring \$46.7 million to other funds; rendering a net "transfer-out" of \$39.9 million.

General Fund revenues were recorded at \$429.2 million for fiscal year 2019. This amount is an increase of \$17.1 million (4.1 percent) from the \$412.1 million received in fiscal year 2018. The majority of the increase is due to improved taxable values and tax collections, favorable investment income, and federal and state grant revenue.

General Fund expenditures were \$374.6 million, an increase of \$1.1 million from the fiscal year 2018 level (0.3 percent). The overall change primarily reflects increased operational activity for law enforcement and is partially offset by a reduction in justice administration activity as certain expenditures are now reflected in the Michigan Indigent Defense Commission grant fund (special revenue fund).

The General Fund received \$6.8 million in transfers from other funds; this is a decrease of \$2.8 million (29.2 percent) from the amounts transferred during fiscal year 2018. This decrease primarily reflects an overall reduction of \$3.2 million related to transfers from the Delinquent Tax Revolving Fund in comparison to the previous year.

The General Fund transferred \$46.7 million to other funds during fiscal year 2019. This amount is \$21.2 million less (31.2 percent) than the fiscal year 2018 transfers. The decrease largely reflects one-time transfers made in fiscal year 2018 that did not continue to the same level in fiscal year 2019. Specifically, the reduction is related to the \$18.7 million to the Major Departmental Support Projects Fund which included \$13.4 million for the Financial and Human Capital Management System Replacement project, \$4.2 million for phase I of the Universal Communications and Collaboration Program, and \$1.1 million for the Health Insurance Portability and Accountability Act (HIPAA) Compliance Project that occurred in fiscal year 2018 and were not required in fiscal year 2019. In addition, transfers to the Project Work Order Fund and the Building Authority Debt Act 31 Fund decreased by \$7.7 million and \$1.7 million respectively based on operational needs. This is partially offset by an increase in transfers to the Information Technology Fund of \$2.3 million for planned maintenance and upgrade projects and the \$1.8 million transfer to the Michigan Indigent Defense Commission grant fund for the local share match requirement. In addition, there were modest operational requirements related to the Child Care Fund, internal services funds and various operating grants.

County of Oakland Management's Discussion and Analysis

Of the total \$259.7 million General Fund balance, all but \$1.2 million is Non-Spendable, Restricted, or Assigned for specific purposes. The total fiscal year 2019 General Fund balance represents 61.6 percent of the fiscal year 2019 General Fund operations. However, it should be noted that \$119.5 million from the General Fund balance has been assigned for "Budget Transition" to support future operations. This assignment was developed through the acceleration of past budget reductions planned for use in future fiscal years. When this assignment is removed, the remaining fund balance represents 33.3 percent of the fiscal year 2019 General Fund operations. The General Fund balance of \$259.7 million represents 80.2 percent of the combined fund balances of the governmental funds.

General Fund Budgetary Highlights

Oakland County's budget is a dynamic document. Although adopted on September 27, 2018 (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 \$3.3 million (.82 percent) during the fiscal year 2019 from \$406.5 million to \$409.8 million. The revenue budget was amended in a number of areas. Most significant was the additional revenue from the Local Community Stabilization Share personal property tax loss reimbursements of \$1.0 million. Other amendments included \$643,000 for Sheriff Dispatch and Law Enforcement Services contracts; \$542,000 State Appropriation Victim Witness revenue for Prosecuting Attorney; Commission Public Telephone monies of \$450,000; and \$304,000 in grant funding for various Sheriff's and Health Division programs. Also, there were revenue amendments for various departments including Public Services, Health, Circuit Court, Probate Court and County Executive to reflect operational activity.

Actual General Fund revenue totaled \$429.2 million, \$19.4 million more than the amended budget. Although variances naturally occur in every revenue line item, the most significant reason for this variance is reflected in the Charges for Services category which was favorable by \$7.7 million primarily related to favorable Mortgage and Land Transfer Tax revenue, Court Fine, and Children's Village Out-County Board and Care revenue. Also, favorable property tax revenue of \$2.5 million primarily due to a 0.35% improvement for taxable value over the adopted budget amount as well as the timing of tax collections. There was also Investment Income favorability of \$5.8 million in comparison to the budgeted amount, primarily due to market rate adjustments including a large increase related to the \$34 million in Retiree Healthcare Series B debt that is held in the County's investment portfolio (\$34.0 million par value with market value at September 30, 2019 of \$39.5 million).

The General Fund expenditure budget increased \$6.1 million (1.5 percent) from \$401.4 million to \$407.5 million during fiscal year 2019. Changes included \$5.9 million in operating appropriations from fiscal year 2018 that were carried forward for specific projects which were not yet completed. Most notably, the funds carried forward included \$1,356,740 for Tri-Party Road Improvement Program projects, which is a collaborative effort between Oakland County, the Road Commission of Oakland County (RCOC), and the individual cities, townships, and villages (CVT's) located within the county, in which each one contributes a one-third share of the program to the RCOC once projects have been identified; \$1,136,000 for Juvenile Resentencing pending a Supreme Court appeal on Juvenile Resentencing cases; \$651,548 grant match requirement for the HOME Investment Partnership Act Grant; \$565,076 for Health and Human Services for Contracted Services for continuing to establish contracts with Area Agency on Aging 1B, Jewish Senior Life, and MiCorp for support of health initiatives that benefit Oakland County

County of Oakland Management's Discussion and Analysis

residents; \$466,652 for Local Road Improvement Program projects in cities and villages; \$386,729 for Miscellaneous Capital Outlay for furniture replacement; \$334,566 for various Economic Development activities; \$290,000 for Human Resources Legal and Professional Services; \$266,538 for Circuit Court's courtroom technology improvements and the use of mediation funds for equipment and furniture; \$260,707 for Circuit Court Defense Attorney Fees; \$114,864 in the Sheriff's Office for various equipment replacements and upgrades; and \$69,584 Board of Commissioner's Special Projects for the County's Bicentennial events, purchase of networking equipment for Library Board, and public awareness and prevention of Human Trafficking.

There were additional appropriations made during fiscal year 2019 including \$2.0 million in new Local Road Improvement program projects; new Tri-Party Road Improvement Program projects in the amount of \$1.9 million; \$1.5 million for overtime costs in the Sheriff's Office primarily related to jail operational staffing requirements; \$791,800 for Board of Commissioner's Special Projects including a School Breakfast program, Bicentennial initiatives, renewed partnerships with Oakland Schools to Prevent Bullying, and Oakland Hope to provide Human Services Assistance for Low Income Individuals; and \$200,000 for Economic Development and Community Affairs additional funding for the Oakland County Microloan Program.

Finally, the General Appropriations Act requires that appropriations accumulate at the following three summary levels of expenditures: Personnel Expenditures, Operating Expenditures, and Internal Support Expenditures. Due to unfavorable personnel variances related to overtime, and operating costs including medical services – probate exam and internal service fund charges, the end of fiscal year 2019 resulted in several departments reflecting actual expenses in excess of total budgeted appropriations at the summary category level. Therefore, amendments totaling \$1.6 million were made to cover the shortages in Personnel Expenditures, Operating Expenditures and Internal Support Expenditures and were fully offset by revenue amendments and expenditure reductions within other departmental categories.

The General Fund expenditures for fiscal year 2019 were \$32.9 million below budget. This favorable variance from the budget reflects continued conscious efforts on behalf of the County's elected officials to limit expenditures wherever and whenever possible.

Of the total variance, \$12.5 million is attributed to salary and fringe benefits savings as all authorized employee positions are budgeted. The favorability is the result of vacancies, employee turnover, and filling some authorized positions with part-time non-benefit employees or filling those positions at a lower classification than budgeted.

In addition, \$9.3 million savings in the Non-Departmental budget mainly reflects fewer adjustments were necessary to transfer funds to operating departments due to the conscious efforts of the departments to work within the constraints of their original budgets. Total savings also include unspent funds for Salary Adjustment Reserve, Tri-Party Road Improvement Projects, Grant Match, Juvenile Resentencing and Capital Outlay, which were carried forward into the fiscal year 2020 budget to complete the projects.

Furthermore, the Sheriff's Office reflects a favorable variance of \$2.4 million which includes \$569,722 in favorable Contracted Services expense primarily due to less than anticipated costs for Health Management and Food Service for the Corrections area; \$211,897 Equipment Maintenance and Equipment Rental due to recent equipment replacements; and \$558,555 in Internal Service charges for Motor Pool charges based on actual usage. The remaining Sheriff's Office favorability is in Prisoner

County of Oakland Management's Discussion and Analysis

Housing Outside of County, Deputy Supplies, Uniforms, Printing, Laundry and Cleaning, Office Supplies, Other Expendable Equipment and several smaller line item variances. Treasurer's Office reflects a favorable variance of \$1.4 million which is primarily Title Search, Fees Civil Service, and Contracted Services due to less than anticipated usage. Further favorable variances are within the Department of Health and Human Services of \$1.1 million reflecting Professional Services, Contracted Services and Vaccines; \$902,985 in savings were recognized in the Circuit Court related to favorable Juror Fees and Mileage, Defense Attorney Fees - Appellate, and Expendable Equipment due to less activity; \$819,694 Board of Commissioners in favorable Special Projects due to timing of implementation of several initiatives; \$811,946 Clerk / Register of Deeds office due to lower use of Election Supplies, Professional Services, and Metered Postage; and \$633,988 Economic Development and Community Affairs for Professional Services, Workshops and Meetings, and Software Maintenance Support due to less usage than anticipated.

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 \$38.9 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 2019 by \$9.6 million from \$44.5 million to \$54.1 million. Major amendments included \$3.8 million for one-time appropriations to the Major Departmental Support Projects Fund which encompassed \$1.8 million for replacement of an Identity and Access Management Software program, \$1.6 million for Voice over IP Phone System Project – Phase II of the Universal Communications and Collaboration Program, and \$413,00 for additional funding for the Health Insurance Portability and Accountability Act (HIPAA) Compliance Project. In addition, \$2.8 million was transferred to the Information Technology Fund for planned maintenance and upgrades on existing systems for General Fund/General Purpose Departments; \$1.8 million to the Mandated Indigent Defense Fund for the required local share contribution by Oakland County for the FY 2019 Michigan Indigent Defense Commission Grant Program related to the Michigan Indigent Defense Commission Act (MIDC Act), MCL 780.981, et. al., delivery of indigent defense systems, as specified in MIDC Standards 1 through 4.

Actual financing uses from the General Fund were \$7.4 million less than budgeted. This variance largely reflects actual operational requirements for the Child Care Fund (\$6.6 million), the Friend of the Court Grant Fund (\$519,850), Prosecuting Attorney Cooperative Reimbursement Grant Fund (\$101,553) and the Project Work Orders Fund (\$98,000) as transfers are based on actual operational activity.

The Building Authority Debt Act 31 Fund

The *Building Authority Debt Act 31 Fund* pays the debt service for projects authorized under Michigan Public Act 31 of 1948. That act authorized the issuance of bonds to build and equip various public buildings, which are then leased back to the County. Proceeds from those leases are used to repay the bonds.

During fiscal year 2019 the *Building Authority Debt Act 31 Fund* balance decreased by \$907,544 to report a total fund balance of approximately \$6.6 million. This decrease reflects on-going activity to support annual debt service payments.

County of Oakland Management's Discussion and Analysis

The remaining governmental fund classified as major: the *Water and Sewer Debt Act 342 Fund*, experienced an increase in fund balance of \$5,895, to report a total fund balance of \$19,689.

Enterprise Funds

There are seven (7) *enterprise funds* that are classified as major: the *Parks and Recreation Fund*, the *Delinquent Tax Revolving Fund*, the *County Airport Fund*, the *Water and Sewer Trust Fund*, the *Evergreen-Farmington Sewage Disposal System (EFSDS) Fund*, the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund*, and the *Clinton Oakland Sewage Disposal System (COSDS) Fund*. As of September 30, 2019 the Enterprise Funds had a combined net position of \$779.1 million, an increase of \$23.2 million from the combined net position reported at the end of fiscal year 2018. The seven major enterprise funds reported net positions of \$716.4 million (91.9 percent of the total combined Enterprise net position). The net position of these seven major Enterprise funds increased overall by \$23.2 million and the non-major enterprise funds increased by \$16,564 for fiscal year 2019.

Six of the seven major Enterprise Funds experienced an increase in net position. The *Delinquent Tax Revolving Fund (DTRF)* ended fiscal year 2019 with a net position of \$201.5 million, \$4.7 million (2.4 percent) less than the net position recorded at the end of fiscal year 2018. This increase is primarily the result of favorable investment income due to market value adjustments as of September 30, 2019.

The *County Airport Fund* recorded a net position of \$82.2 million as of September 30, 2019. This reflects an increase of approximately \$6.6 million (8.7 percent) in net position from fiscal year 2018. The primary reason is due to capital contributions recognized from the completion of federal and state sponsored projects.

The *Water and Sewer Trust Fund* realized a \$3.8 million (2.5 percent) in fiscal year 2019 to report a net position of \$158.2 million. This overall increase is mainly attributed to a reduction of intergovernmental expenses paid to municipalities where the County operates and maintains the systems on behalf of the local municipality as well as fluctuations in operating activity for the various water and sewer systems. The overall increase was partially offset by the partial transfer of water system assets to Highland Township.

The *Evergreen-Farmington Sewage Disposal System Fund (EFSDS)* increased in net position by \$4.7 million (5.1 percent) to \$96.0 million. The increase in net position is attributed to fluctuating operating activity over the prior year and to capital asset contributions from Act 342 projects.

The *Southeast Oakland County Sewage Disposal System Fund (SOCSDS)* experienced a \$3.5 million increase (8.1 percent) in net position to \$46.5 million. The increase is primarily due to minor fluctuating operating activity over the prior year.

The *Clinton Oakland Sewage Disposal System Fund (COSDS)* ended fiscal year 2019 with a net position of \$44.8 million, almost \$1.6 million (3.7 percent) more than the net position recorded at the end of fiscal year 2018. The increase in net position is primarily for fluctuating operating activity over the prior year.

The *Parks and Recreation Fund* net position decreased \$1.8 million (2.0 percent) during fiscal year 2019 to a total of \$87.1 million in net position. This decrease resulted from operating expenses outpacing charges for services and property tax revenue.

County of Oakland Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal year 2019, the County had invested \$560.5 million, net of accumulated depreciation, in a broad range of capital assets (see table below). This amount of net capital assets reflects an increase of \$5.2 million from fiscal year 2018. This can be attributed to a \$4.5 million decrease in governmental activities and a \$9.7 million increase to business-type activities.

Oakland County's Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 7.4	\$ 7.4	\$ 68.5	\$ 68.2	\$ 75.9	\$ 75.6
Land Improvements	0.2	0.2	13.9	6.7	14.1	6.9
Buildings and Improvements	147.6	141.9	52.9	55.5	200.5	197.4
Equipment and Vehicles	27.4	30.3	15.8	11.0	43.2	41.3
Infrastructure	14.5	14.7	67.8	77.6	82.3	92.3
Subtotal	197.1	194.5	218.9	219.0	416.0	413.5
Construction in Progress	24.5	31.6	120.0	110.2	144.5	141.8
Total Capital Assets	\$ 221.6	\$ 226.1	\$ 338.9	\$ 329.2	\$ 560.5	\$ 555.3

Net capital assets for the governmental activities decreased by \$4.5 million in fiscal year 2019. This change includes decreases of \$7.1 million in construction in progress, \$2.9 million in Equipment and Vehicles, and \$200,000 in Infrastructure. The decrease was offset by an increase of \$5.7 million in the buildings and improvements category. In terms of gross numbers, the County's governmental activities had additions to capital assets of \$12.9 million, \$5.5 million in disposals of capital assets, and a \$11.9 million increase in net accumulated depreciation.

Of the \$12.9 million in additions to capital assets during fiscal year 2019, \$7.0 million reflects additions to construction in progress. Major governmental activity incurred for construction in progress includes the following:

- \$2.1 million for various building security system enhancements
- \$1.6 million for construction of a new courtroom at the Circuit Court
- \$793,000 on parking lot replacements and improvements
- \$671,000 related to Supervisory Control and Data Acquisition (SCADA) projects
- \$571,000 toward a new building management system
- \$512,000 for the replacement of various building equipment including chillers, fire suppression systems, emergency generators, proxy readers, and x-ray/metal detectors
- \$207,000 for renovations and improvements to the county jail
- \$202,000 for various office remodeling projects
- \$123,000 for technology software and hardware projects consisting of:
 - Watchguard in-car video cameras and mobile data computers of \$49,000 which are used in the Sheriff's Office patrol vehicles
 - Enhancements to in-building radio coverage of \$46,000
 - Case management system for Children's Village of \$28,000
- \$ 95,000 for construction projects related to the Michigan Indigent Defense Commission Grant

County of Oakland Management's Discussion and Analysis

The remaining \$5.9 million reflects additions to equipment and vehicles. The County had vehicle additions of \$3.9 million which included replacement of several fleet and specialty vehicles and an increase to the County fleet of 13 vehicles including a patrol vehicle used by the Sheriff's Office and 12 other vehicles used by various other departments, and a vector truck and a closed circuit television van used by the Water Resources Commissioners office. There were \$954,000 in purchases for technology replacements and upgrades to network and storage equipment, and \$556,000 for various grounds and building maintenance equipment. Additionally, there were purchases of \$300,000 in equipment used in jail and law enforcement operations including \$108,000 for the purchase of 5 self-learning GNSS smart antennas, \$61,000 for equipment related to the 911 call-taking project, \$50,000 for the purchase of 2 Bayliner Boats with Trailers, and various other equipment used for patrol, training, and detention services.

The County disposed of \$5.5 million in equipment and vehicles during fiscal year 2019. Disposals primarily included computer and maintenance equipment that were sold at auction, as well as vehicles which were replaced by the new purchases discussed above.

Net capital assets for the business-type activities increased \$9.7 million during fiscal year 2019. This change is comprised of a \$9.8 million net increase for construction in progress, \$7.2 million in Land Improvements, \$4.8 million in Equipment and Vehicles, and \$300,000 in Land. The increase was offset by net decreases of \$9.8 million in infrastructure and \$2.6 million in buildings and improvements. In terms of gross numbers, the County's business-type activities had additions to capital assets of \$28.0 million, \$8.6 million in disposals of capital assets, and a \$9.7 million net increase in accumulated depreciation.

Major business-type capital asset additions during fiscal year 2019 included the following:

- \$8.0 million for the Oakland County Airport Fund for the rehabilitation of taxiways as well as the purchase of a parcel of land adjacent to the Oakland International Airport, maintenance equipment and a vehicle
- \$4.9 million in projects for the Parks and Recreation Fund consisting of an array of park improvements including utility improvements, parking lot improvements, building repairs and improvements, path and trail improvements, and grounds maintenance equipment replacement
- \$4.8 million in the Evergreen Farmington Sewage Disposal System Fund for various projects directed to system improvement and sanitary sewer overflow reduction primarily including
 - \$993,000 for the Plum Hollow Phase 2 sewer project
 - \$857,000 for the 10 Mile and Berg Road manhole and sewer project
 - \$692,000 for the 8 Mile Pump Station automatic transfer switch and storage tank replacement project
 - \$506,000 for the Middlebelt Tunnel sewer project
 - \$349,000 for the Quarton Road Relief project
 - \$299,000 for the City of Troy Evergreen Extension No. 2 sewer project
- \$4.2 million for Pontiac Water system infrastructure projects including water line replacement to increase water pressure and decrease the frequency of water main breaks, cone valve replacement, sewer line replacement expanding the Clinton River from bank-to-bank including new chambers for bypass, as well as residential water meter replacements
- \$3.8 million in the Radio Communications Fund related to upgrading existing infrastructure and 911 call-taking system
- \$1.3 million for the design for the Huron Rouge Sewage Disposal System storage facility

County of Oakland Management's Discussion and Analysis

- \$871,000 million in the George W. Kuhn Fund for various projects comprising drain rehabilitation and Supervisory Control and Data Acquisition (SCADA) system updates including radio tower installation improving system and remote location communication
- \$158,000 in the Fire Records Management System (FRMS) Fund to develop an in-house solution based to improve the system for fire response community customers
- \$71,000 in the Courts and Law Enforcement Management Information System (CLEMIS) Fund primarily for optimization of the Computer Aided Dispatch (CAD) system

Capital asset disposals for business-type activities totaled \$8.6 million for fiscal year 2019. Approximately \$7.6 million of the disposals were due to the transfer of certain assets of the Highland Township water supply system to the township. Other disposals included outdated and fully depreciated computer equipment which was sold at the County auction, and fully depreciated vehicles and other equipment which were replaced. The above additions were further offset by \$13.1 million in depreciation expense.

Please review Note 7 of the financial statements, for additional information regarding capital assets.

Long-term Debt - As of September 30, 2019, the Primary Government had \$374.6 million in limited taxing authority bonds outstanding. This represents a \$36.4 million decrease from September 30, 2018 in the limited tax authority bonds and \$25.0 million decrease in the limited taxing authority notes. In addition, the County uses its full faith and credit (as a secondary obligor), to back \$237.3 million of Drainage District component unit debt. The Drainage District component unit debt experienced an overall decrease of \$1.0 million in fiscal year 2019.

County of Oakland Management's Discussion and Analysis

Outstanding Debt as of September 30, 2019 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Bonds - Limited Tax Authority	\$339.8	\$375.3	\$ 34.8	\$ 35.7	\$ 374.6	\$ 411.0
Total Bonds	\$339.8	\$375.3	\$ 34.8	\$ 35.7	\$ 374.6	\$ 411.0
Notes - Limited Tax Authority	\$ -	\$ -	\$ -	\$ 25.0	\$ -	\$ 25.0
Total Outstanding Debt	\$339.8	\$375.3	\$ 34.8	\$ 60.7	\$ 374.6	\$ 436.0

	Drainage Districts Component Unit		Total County Commitment	
	2019	2018	2019	2018
Bonds - Limited Tax Authority	\$237.3	\$238.3	\$ 611.9	\$ 649.3
Total Bonds	\$237.3	\$238.3	\$ 611.9	\$ 649.3
Notes - Limited Tax Authority	\$ -	\$ -	\$ -	\$ 25.0
Total Outstanding Debt	\$237.3	\$238.3	\$ 611.9	\$ 674.3
Debt Limit (10% of SEV)			\$7,671.6	\$7,187.1
Available Statutory Debt Limit			\$7,059.7	\$6,512.8

Oakland County issued approximately \$1.7 million in general government and business-type activity debt in fiscal year 2019. Of this total, general government debt of \$130,870 is Michigan Bond Authority – Sewage Disposal debt draws for the Evergreen Farmington Sewage Disposal System Middlebelt Transport and Tunnel project. Business-type debt of \$1.6 million reflects the County's use of State Revolving Fund loans for business-type activity related to Pontiac Water Supply System capital improvements.

The Drainage Districts component unit issued \$18.3 million in new debt during fiscal year 2019. This comprised of State Revolving Fund loan draws for the Clinton River Resource Recovery Facility Drainage District Biosolids Handling and Septage Receiving Facility Project. The project involves converting solid waste into methane gas as well as producing a biosolid that can be used as an environmentally safe fertilizer.

Finally, \$25.0 million in limited taxing authority notes related to the Delinquent Tax Revolving Fund were paid in full and not required in fiscal year 2019.

During fiscal year 2019, \$38.1 million in outstanding general government and business-type debt was paid, primarily reflecting the retirement of Retirees Health Care bonds of \$24.8 million, the retirement of various water and sewer bonds/refunding bonds of \$4.8 million, and retirement of Building Authority bonds/refunding bonds of \$8.5 million.

County of Oakland Management's Discussion and Analysis

A more detailed discussion of the County's long-term debt obligations is presented in Note 8 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 Incorporated.

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, 2019 was \$77.0 billion.

ECONOMIC OUTLOOK

Oakland County's economy is continuing to improve. As is detailed in the *Transmittal Letter* preceding this *Management's Discussion and Analysis*, the County's unemployment rate is 3.4 percent (2019 average) and employment is projected to grow by approximately 31,570 new jobs over the next three years.

The improvement in the economic outlook should positively impact the County's fiscal stability; this is already being evidenced through revised estimates of the value of property located within the County's borders. The current budgeted projections assume an increase in state taxable value of property within Oakland County borders of 4.25 percent for December 2019; an additional 4.25 percent increase for December 2020; and an additional 4.25 percent increase by December 2021. Market value of property is projected to be even higher. Every 1.0 percent increase in taxable value adds approximately \$2.4 million to the County's revenue.

The initiatives taken by the County's Elected Officials and Administration have resulted in structural reductions of county expenses as well as generating additional fund balance in excess of the 20 percent of annual operating expenditures targeted fund balance level. The *planned* draw down of excess equity provides additional time to achieve structural balance while maintaining target fund balance levels. On September 25, 2019, the Oakland County Board of Commissioners adopted a balanced budget for fiscal years 2020, 2021, and 2022 (through September 30, 2022). That document also includes official estimates for fiscal years 2023 and 2024.

It is important to note that subsequent to year-end, the United States and the State of Michigan declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The County's investment portfolio, particularly the investments of the pension and retiree healthcare benefit trust fund, has been impacted by the pandemic. The financial impact of COVID-19 will affect subsequent periods of the County. However, the impact of operating costs, operating revenues, and any recovery from emergency funding cannot be estimated at this time.

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.

**Basic
Financial Statements**

**County of Oakland
Statement of Net Position
September 30, 2019**

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Totals	
Assets				
Current assets				
Pooled cash and investments	\$ 470,383,567	\$ 386,550,431	\$ 856,933,998	\$ 36,027,247
Cash and cash equivalents	-	-	-	84,673,718
Investments, at fair value	14,866,642	-	14,866,642	-
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	22,130,338	-	22,130,338	-
Delinquent property taxes	480,040	46,897,085	47,377,125	-
Special assessments receivable	-	-	-	5,683,513
Due from other governmental units	23,972,280	17,304,631	41,276,911	5,544,605
Due from primary government	-	-	-	3,761
Due from component units	613,962	90,274	704,236	-
Accrued interest receivable	3,006,977	4,666,632	7,673,609	334,143
Accounts receivable	1,873,714	38,978,607	40,852,321	25,872,868
Contracts receivable	67,590,105	1,584,784	69,174,889	-
Internal balances	416,153	(416,153)	-	-
Inventories and supplies	1,503,742	330,858	1,834,600	4,395,141
Prepayments and other assets	8,510,191	3,222,967	11,733,158	4,093,252
Total current assets	<u>615,347,711</u>	<u>499,210,116</u>	<u>1,114,557,827</u>	<u>166,628,248</u>
Noncurrent assets				
Special assessments receivable	57,393,710	-	57,393,710	181,737,362
Due from other governmental units	-	3,182,373	3,182,373	-
OPEB asset	382,116,263	-	382,116,263	-
Capital assets, net				
Land and other nondepreciable assets	31,895,840	188,485,764	220,381,604	376,062,980
Land improvements, net	277,766	13,913,349	14,191,115	631,332
Buildings and improvements, net	147,601,218	52,854,564	200,455,782	66,176,751
Equipment and vehicles, net	27,358,003	15,804,905	43,162,908	14,044,854
Infrastructure, net	14,495,063	67,821,763	82,316,826	1,121,854,025
Total capital assets, net	<u>221,627,890</u>	<u>338,880,345</u>	<u>560,508,235</u>	<u>1,578,769,942</u>
Total noncurrent assets	<u>661,137,863</u>	<u>342,062,718</u>	<u>1,003,200,581</u>	<u>1,760,507,304</u>
Total assets	<u>1,276,485,574</u>	<u>841,272,834</u>	<u>2,117,758,408</u>	<u>1,927,135,552</u>
Deferred Outflows of Resources				
Deferred outflows related to pension	9,727,796	-	9,727,796	20,870,120
Deferred outflows related to OPEB	52,140,599	-	52,140,599	6,745,943
Total deferred outflows of resources	<u>61,868,395</u>	<u>-</u>	<u>61,868,395</u>	<u>27,616,063</u>

(continued)

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

County of Oakland
Statement of Net Position (Continued)
September 30, 2019

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Liabilities				
Current liabilities				
Vouchers payable	\$ 26,370,795	\$ 13,427,912	\$ 39,798,707	\$ 24,674,957
Accrued payroll	7,821,341	-	7,821,341	-
Due to other governmental units	1,037,493	2,197,184	3,234,677	1,334,087
Due to primary government	-	-	-	704,236
Due to component units	95	3,666	3,761	-
Accrued interest payable	320,536	-	320,536	-
Other accrued liabilities	23,933,053	9,164,623	33,097,676	6,272,653
Accrued compensated absences	1,303,278	-	1,303,278	-
Unearned revenue	61,585,606	2,562,977	64,148,583	20,260,437
Claims and judgments	7,126,679	-	7,126,679	679,773
Bonds and notes payable	36,935,000	2,531,800	39,466,800	19,818,200
Total current liabilities	166,433,876	29,888,162	196,322,038	73,744,343
Noncurrent liabilities				
Accrued compensated absences	11,729,502	-	11,729,502	2,645,605
Claims and judgments	14,095,937	-	14,095,937	794,446
Net pension liability	2,253,194	-	2,253,194	54,277,231
Net OPEB obligation	-	-	-	124,658,295
Bonds and notes payable	302,841,076	32,306,115	335,147,191	217,476,073
Total noncurrent liabilities	330,919,709	32,306,115	363,225,824	399,851,650
Total liabilities	497,353,585	62,194,277	559,547,862	473,595,993
Deferred Inflows of Resources				
Deferred Inflows related to pension	-	-	-	3,147,790
Deferred Inflows related to OPEB	82,559,404	-	82,559,404	1,154,574
Total deferred inflows of resources	82,559,404	-	82,559,404	4,302,364
Net Position				
Net investment in capital assets	183,757,890	304,042,430	487,800,320	1,341,475,669
Restricted for				
Property tax forfeiture	9,795,577	-	9,795,577	-
Superseding Trust - OPEB	14,985,595	-	14,985,595	-
Public safety	8,345,170	-	8,345,170	-
Citizens services	2,619,493	-	2,619,493	-
Public works	1,215,511	-	1,215,511	23,117,641
Justice Administration	172,758	-	172,758	-
Commerce and community development	8,083,714	-	8,083,714	-
Debt service	6,654,695	-	6,654,695	177,388,311
Airports	-	21,866	21,866	-
Community water and sewer	-	111,108,575	111,108,575	-
Unrestricted	522,810,577	363,905,686	886,716,263	(65,128,363)
Total net position	\$ 758,440,980	\$ 779,078,557	\$ 1,537,519,537	\$ 1,476,853,258

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

County of Oakland
Statement of Activities
Year Ended September 30, 2019

	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense)
Functions/Programs					
Primary government					
Governmental activities					
General government, administrative	\$ 35,091,684	\$ 23,675,763	\$ 675,071	\$ -	\$ (10,740,850)
Public safety	175,918,304	71,255,942	20,709,746	71,241	(83,881,375)
Justice administration	82,205,431	31,330,523	2,559,438	119,100	(48,196,370)
Citizen services	75,939,004	11,072,215	18,311,577	13,054	(46,542,158)
Public works	26,120,398	16,102,696	-	-	(10,017,702)
Recreation and leisure	1,097,813	11,085	-	-	(1,086,728)
Commerce and community development	40,338,245	21,319,207	20,338,952	-	1,319,914
Unallocated depreciation	3,791,283	-	-	-	(3,791,283)
Interest on debt	3,295,856	-	-	-	(3,295,856)
Total governmental activities	443,798,018	174,767,431	62,594,784	203,395	(206,232,408)
Business-type activities					
Airports	6,557,528	4,972,876	87,823	7,713,316	6,216,487
Community safety support	18,374,698	15,168,426	-	-	(3,206,272)
Community tax financing	1,126,127	11,712,916	-	-	10,586,789
Community water and sewer	89,291,813	95,637,473	575,779	-	6,921,439
Recreation and leisure	26,267,157	10,375,407	159,458	53,810	(15,678,482)
Sewage disposal systems	138,973,982	145,549,376	772,439	834,483	8,182,316
Total business-type activities	280,591,305	283,416,474	1,595,499	8,601,609	13,022,277
Total primary government	\$ 724,389,323	\$ 458,183,905	\$ 64,190,283	\$ 8,805,004	\$ (193,210,131)
Component units					
Drainage districts	\$ 101,476,981	\$ 95,040,951	\$ 752,780	\$ 28,333,286	\$ 22,650,036
Road commission	140,081,307	16,131,369	105,847,009	60,319,479	42,216,550
Total component units	\$ 241,558,288	\$ 111,172,320	\$ 106,599,789	\$ 88,652,765	\$ 64,866,586

(continued)

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

County of Oakland
Statement of Activities (Continued)
Year Ended September 30, 2019

	Primary Government			
	Governmental Activities	Business- Type Activities	Totals	Component Units
Changes in net position				
Net (expense) revenue	<u>\$ (206,232,408)</u>	<u>\$ 13,022,277</u>	<u>\$ (193,210,131)</u>	<u>\$ 64,866,586</u>
General revenues				
Taxes				
Property taxes	238,804,207	13,197,395	252,001,602	-
State-shared revenue (unrestricted)	44,691,290	296,449	44,987,739	-
Unrestricted investment earnings	12,661,175	10,939,806	23,600,981	2,900,646
Gain (loss) on sale of capital assets	472,207	-	472,207	965,000
Other revenues	1,503,877	-	1,503,877	-
Special item - Transfer of water system to Highland Township	-	(5,170,285)	(5,170,285)	-
Transfers in (out)	<u>9,101,211</u>	<u>(9,101,211)</u>	<u>-</u>	<u>-</u>
Total general revenues, transfers and special item	<u>307,233,967</u>	<u>10,162,154</u>	<u>317,396,121</u>	<u>3,865,646</u>
Change in net position	<u>101,001,559</u>	<u>23,184,431</u>	<u>124,185,990</u>	<u>68,732,232</u>
Net position				
Beginning	<u>657,439,421</u>	<u>755,894,126</u>	<u>1,413,333,547</u>	<u>1,408,121,026</u>
Ending	<u>\$ 758,440,980</u>	<u>\$ 779,078,557</u>	<u>\$ 1,537,519,537</u>	<u>\$ 1,476,853,258</u>

Governmental Fund Financial Statements

Major Funds

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

Building Authority Debt Act 31 Fund - 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 includes debt issued as assistance in obtaining favorable lending rates for other units of government within the County.

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

Non-Major Funds

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

Special revenue funds
Debt service funds
Capital projects funds

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

**County of Oakland
Balance Sheet
Governmental Funds
September 30, 2019**

	Major Funds		
	General	Building Authority Debt Act 31	Water and Sewer Debt Act 342
Assets			
Pooled cash and investments	\$ 250,988,417	\$ 5,858,597	\$ 1,084,984
Receivables (net of allowance for uncollectibles where applicable)			
Current property taxes	22,130,338	-	-
Delinquent property taxes	480,040	-	-
Due from other governmental units	10,416,456	-	-
Due from component units	19,748	-	-
Accrued interest receivable	1,282,996	31,636	525
Accounts receivable	397,761	742,225	-
Contracts receivable	54,991,505	10,700,000	-
Special assessments receivable	-	-	56,035,727
Due from other funds	12,417,065	-	-
Advances receivable	-	-	-
Inventories	125,960	-	-
Prepayments and other assets	120,826	-	1,000
Total assets	<u>\$ 353,371,112</u>	<u>\$ 17,332,458</u>	<u>\$ 57,122,236</u>
Liabilities			
Vouchers payable	\$ 13,615,442	\$ -	\$ 1,066,320
Accrued payroll	7,821,341	-	-
Due to other governmental units	832,595	-	-
Due to other funds	4,625,671	-	-
Advances payable	-	-	-
Unearned revenue	50,291,992	-	1,969,651
Other accrued liabilities	5,947,213	-	500
Total liabilities	<u>83,134,254</u>	<u>-</u>	<u>3,036,471</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	9,984,965	-	-
Unavailable revenue-special assessments	-	-	54,066,076
Unavailable revenue-grants	517,115	-	-
Unavailable revenue-contracts receivable	-	10,700,000	-
Unavailable revenue-other	-	-	-
Total deferred inflows of resources	<u>10,502,080</u>	<u>10,700,000</u>	<u>54,066,076</u>
Fund Balances			
Nonspendable	246,786	-	-
Restricted	9,795,577	6,632,458	19,689
Committed	-	-	-
Assigned	248,479,921	-	-
Unassigned	1,212,494	-	-
Total fund balances	<u>259,734,778</u>	<u>6,632,458</u>	<u>19,689</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 353,371,112</u>	<u>\$ 17,332,458</u>	<u>\$ 57,122,236</u>

(continued)

**County of Oakland
Balance Sheet (Continued)
Governmental Funds
September 30, 2019**

	Non-Major Funds	Totals September 30, 2019
Assets		
Pooled cash and investments	\$ 78,777,370	\$ 336,709,368
Receivables (net of allowance for uncollectibles where applicable)		
Current property taxes	-	22,130,338
Delinquent property taxes	-	480,040
Due from other governmental units	13,520,623	23,937,079
Due from component units	564,307	584,055
Accrued interest receivable	222,265	1,537,422
Accounts receivable	359,900	1,499,886
Contracts receivable	1,898,600	67,590,105
Special assessments receivable	1,357,983	57,393,710
Due from other funds	4,277,328	16,694,393
Advances receivable	986,453	986,453
Inventories	-	125,960
Prepayments and other assets	1,480,711	1,602,537
Total assets	<u>\$ 103,445,540</u>	<u>\$ 531,271,346</u>
Liabilities		
Vouchers payable	\$ 3,381,203	\$ 18,062,965
Accrued payroll	-	7,821,341
Due to other governmental units	3,754	836,349
Due to other funds	14,401,251	19,026,922
Advances payable	986,453	986,453
Unearned revenue	8,839,111	61,100,754
Other accrued liabilities	12,073,116	18,020,829
Total liabilities	<u>39,684,888</u>	<u>125,855,613</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	-	9,984,965
Unavailable revenue-special assessments	1,357,983	55,424,059
Unavailable revenue-grants	1,129,301	1,646,416
Unavailable revenue-contracts receivable	1,795,000	12,495,000
Unavailable revenue-other	2,226,513	2,226,513
Total deferred inflows of resources	<u>6,508,797</u>	<u>81,776,953</u>
Fund balances		
Nonspendable	-	246,786
Restricted	16,566,265	33,013,989
Committed	41,684,723	41,684,723
Assigned	-	248,479,921
Unassigned	(999,133)	213,361
Total fund balances	<u>57,251,855</u>	<u>323,638,780</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 103,445,540</u>	<u>\$ 531,271,346</u>

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

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

County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
September 30, 2019

Total fund balances for governmental funds	\$ 323,638,780
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 therefore are not reported in the funds.	
Land, not being depreciated	\$ 7,235,551
Construction in progress, not being depreciated	15,574,083
Land improvements, net of \$1,198,175 depreciation	277,766
Buildings and improvements, net of \$130,552,284 depreciation	145,910,292
Equipment and vehicles, net of \$29,406,062 depreciation	10,848,414
Infrastructure, net of \$17,527,036 depreciation	<u>14,436,616</u>
	194,282,722
Internal service funds are used by management to charge the cost of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	264,569,177
Property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenue in the funds.	9,504,925
Long-term receivables such as special assessments and contracts receivable are expected to be collected over several years and are deferred in the governmental funds and are not available to pay for current year expenditures.	71,791,988
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the net effect of these balances on the statement:	
Bonds and notes payable	(105,026,076)
Accrued interest payable	<u>(320,536)</u>
	<u>(105,346,612)</u>
Net position of governmental activities	<u>\$ 758,440,980</u>

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

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2019

	Major Funds		
	General	Building Authority Debt Act 31	Water and Sewer Debt Act 342
Revenues			
Taxes	\$ 239,485,107	\$ -	\$ -
Special assessments	-	1,079,885	4,268,497
Federal grants	1,408,582	-	-
State grants	5,284,522	-	-
Other intergovernmental revenues	46,944,437	-	-
Charges for services	118,391,228	850	1,800
Contributions	45,110	-	-
Investment income	7,739,627	137,087	7,144
Indirect cost recovery	9,027,123	-	-
Other	909,903	-	-
Total revenues	<u>429,235,639</u>	<u>1,217,822</u>	<u>4,277,441</u>
Expenditures			
Current operations			
County Executive	94,395,311	1,000	-
Clerk/Register of Deeds	8,357,778	-	-
Treasurer	7,566,638	-	-
Justice administration	53,584,495	-	-
Law enforcement	175,860,888	-	-
Legislative	4,531,874	-	-
Water Resource Commissioner	7,068,499	-	1,000
Non-departmental	23,101,615	-	-
Total current operations	374,467,098	1,000	1,000
Capital outlay	158,645	-	-
Intergovernmental	-	-	-
Debt service			
Principal payments	-	3,310,000	2,800,000
Interest and fiscal charges	-	1,044,866	1,470,546
Total expenditures	<u>374,625,743</u>	<u>4,355,866</u>	<u>4,271,546</u>
Excess (deficiency) of revenues over (under) expenditures	54,609,896	(3,138,044)	5,895
Other financing sources (uses)			
Transfers in	6,789,443	2,230,500	-
Transfers out	(46,709,498)	-	-
Insurance recoveries	-	-	-
Issuance of bonds	-	-	-
Total other financing sources (uses)	<u>(39,920,055)</u>	<u>2,230,500</u>	<u>-</u>
Net change in fund balances	14,689,841	(907,544)	5,895
Fund balances			
October 1, 2018	245,044,937	7,540,002	13,794
September 30, 2019	<u>\$ 259,734,778</u>	<u>\$ 6,632,458</u>	<u>\$ 19,689</u>

(continued)

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

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
(Continued)
Governmental Funds
Year Ended September 30, 2019

	Non-Major Funds	Totals September 30, 2019
Revenues		
Taxes	\$ -	\$ 239,485,107
Special assessments	3,583,368	8,931,750
Federal grants	29,382,645	30,791,227
State grants	27,153,722	32,438,244
Other intergovernmental revenues	14,592,375	61,536,812
Charges for services	13,986,991	132,380,869
Contributions	71,276	116,386
Investment income	516,899	8,400,757
Indirect cost recovery	-	9,027,123
Other	277,103	1,187,006
Total revenues	<u>89,564,379</u>	<u>524,295,281</u>
Expenditures		
Current operations		
County Executive	66,279,562	160,675,873
Clerk/Register of Deeds	1,929,255	10,287,033
Treasurer	-	7,566,638
Justice administration	30,353,688	83,938,183
Law enforcement	7,470,213	183,331,101
Legislative	-	4,531,874
Water Resource Commissioner	3,936,157	11,005,656
Non-departmental	86,241	23,187,856
Total current operations	110,055,116	484,524,214
Capital outlay	16,373,703	16,532,348
Intergovernmental	220,675	220,675
Debt service		
Principal payments	4,770,000	10,880,000
Interest and fiscal charges	821,850	3,337,262
Total expenditures	<u>132,241,344</u>	<u>515,494,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,676,965)</u>	<u>8,800,782</u>
Other financing sources (uses)		
Transfers in	48,238,812	57,258,755
Transfers out	(6,535,184)	(53,244,682)
Insurance recoveries	130,000	130,000
Issuance of bonds	130,870	130,870
Total other financing sources (uses)	<u>41,964,498</u>	<u>4,274,943</u>
Net change in fund balances	<u>(712,467)</u>	<u>13,075,725</u>
Fund balances		
October 1, 2018	<u>57,964,322</u>	<u>310,563,055</u>
September 30, 2019	<u>\$ 57,251,855</u>	<u>\$ 323,638,780</u>

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

County of Oakland
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities
Year Ended September 30, 2019

Net change in fund balance - total governmental funds	\$ 13,075,725
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Construction in progress	\$ (7,556,066)
Buildings and improvements	12,005,522
Equipment and vehicles	1,795,210
Infrastructure	529,059
Depreciation expense	<u>(9,634,809)</u>
	(2,861,084)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	86,823,519
Property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenue in the funds.	
Prior year's deferral	(10,185,825)
Current year deferral	<u>9,504,925</u>
	(680,900)
Revenues from special assessments and contracts receivable reported in the Statement of Activities in previous years did not provide current financial resources in the governmental funds until the current year.	(6,146,952)
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Position. This is the amount proceeds exceed repayments.	
Bond proceeds	(130,870)
Repayment of bond principal	10,880,000
Accrued interest	<u>42,121</u>
	10,791,251
Change in net position of governmental activities	<u>\$101,001,559</u>

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

Proprietary Fund Financial Statements

Major Funds

Parks and Recreation Fund - This fund is used to account for revenues earmarked for the operation of the County's 13 parks, including campgrounds, day-use and dog parks, five golf courses, 65 miles of trails, two waterparks, nature centers and banquet facilities, and management of the Oakland County Market. Principal revenue is from a voter-approved millage and user charges.

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

The County Airports Fund - This fund was established to account for operations of the County's Oakland County International, Oakland/Troy, and Oakland/Southwest airports. Revenue is primarily derived from leases, hangar rentals, landing fees, and other rental or service charges. Capital costs are financed primarily from issuance of debt or state and federal capital grants.

Water and Sewer Trust Fund - This fund is used to account for monies received from those County residents whose water and sewer systems are maintained for their respective city, villages, or townships by Oakland County.

Evergreen-Farmington 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 or issuance of debt.

Southeastern Oakland County S.D.S. (S.O.C.S.D.S.) Fund - This 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 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.

Non-Major Funds

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

Internal service funds
Enterprise funds

County of Oakland Statement of Net Position Proprietary Funds September 30, 2019

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Assets					
Current assets					
Pooled cash and investments	\$ 20,771,417	\$ 145,249,483	\$ 16,600,322	\$ 86,494,917	\$ 18,209,268
Investments, at fair value	-	-	-	-	-
Delinquent property taxes receivable	-	46,897,085	-	-	-
Current portion of due from other governmental units	116,971	501,255	600	2,254,853	3,903,169
Due from component units	-	-	-	-	90,274
Accrued interest receivable	64,623	2,589,474	167,123	567,250	215,150
Accounts receivable (net of allowance for uncollectibles where applicable)	276,448	8,285,694	417,230	28,977,803	-
Due from other funds	14,552	-	-	164,087	-
Current portion of contracts receivable	-	-	1,584,784	-	-
Current portion of advances receivable	-	12,883	-	-	-
Inventories and supplies	142,225	-	-	-	-
Prepayments and other assets	3,290	-	-	786,549	31,768
Total current assets	21,389,526	203,535,874	18,770,059	119,245,459	22,449,629
Noncurrent assets					
Advances receivable	-	12,883	-	-	-
Due from other governmental units	-	-	-	-	3,182,373
Net OPEB assets	-	-	-	-	-
Capital assets, net					
Land and other nondepreciable assets	34,646,549	-	36,414,142	22,265,832	67,757,109
Land improvements, net	-	-	13,463,682	-	449,667
Building and improvements, net	18,459,795	-	19,813,139	2,376,102	10,905,942
Equipment and vehicles, net	1,253,853	-	516,496	7,543,790	1,389,622
Infrastructure, net	12,955,964	-	1,882,653	31,848,484	7,553,249
Total capital assets	67,316,161	-	72,090,112	64,034,208	88,055,589
Total noncurrent assets	67,316,161	12,883	72,090,112	64,034,208	91,237,962
Total assets	88,705,687	203,548,757	90,860,171	183,279,667	113,687,591
Deferred Outflows of Resources					
Deferred outflows related to pension	-	-	-	-	-
Deferred outflows related to OPEB	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-

(continued)

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

County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major				
	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Non-Major Funds	Totals September 30, 2019	
Assets					
Current assets					
Pooled cash and investments	\$ 38,763,588	\$ 14,034,884	\$ 46,426,552	\$ 386,550,431	\$ 133,674,199
Investments, at fair value					14,866,642
Delinquent property taxes	-	-	-	46,897,085	-
Current portion of due from other governmental units	4,944,575	3,684,755	1,898,453	17,304,631	35,201
Due from component units	-	-	-	90,274	29,907
Accrued interest receivable	385,212	211,693	466,107	4,666,632	1,469,555
Accounts receivable (net of allowance for uncollectibles where applicable)	33,467	-	987,965	38,978,607	373,828
Due from other funds	-	-	9,617	188,256	2,986,087
Current portion of contracts receivable	-	-	-	1,584,784	-
Current portion of advances receivable	-	-	-	12,883	-
Inventories and supplies	-	-	188,633	330,858	1,377,782
Prepayments and other assets	409,422	31,267	1,960,671	3,222,967	6,907,654
Total current assets	44,536,264	17,962,599	51,937,998	499,827,408	161,720,855
Noncurrent assets					
Advances receivable	-	-	-	12,883	-
Due from other governmental units	-	-	-	3,182,373	-
Net OPEB asset	-	-	-	-	382,116,263
Capital assets, net					
Land and other nondepreciable assets	5,258,269	15,165,229	6,978,634	188,485,764	9,086,206
Land improvements, net	-	-	-	13,913,349	-
Building and improvements, net	38,974	165,311	1,095,301	52,854,564	1,690,926
Equipment and vehicles, net	170,737	356,360	4,574,047	15,804,905	16,509,589
Infrastructure, net	1,047,734	11,420,258	1,113,421	67,821,763	58,447
Total capital assets	6,515,714	27,107,158	13,761,403	338,880,345	27,345,168
Total noncurrent assets	6,515,714	27,107,158	13,761,403	342,075,601	409,461,431
Total assets	51,051,978	45,069,757	65,699,401	841,903,009	571,182,286
Deferred Outflows of Resources					
Deferred outflows related to pension	-	-	-	-	9,727,796
Deferred outflows related to OPEB	-	-	-	-	52,140,599
Total deferred outflows of resources	-	-	-	-	61,868,395
					(continued)

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

County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2019

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen- Farmington SDS
Liabilities					
Current liabilities					
Vouchers payable	\$ 630,110	\$ 351,291	\$ 452,173	\$ 2,871,491	\$ 3,233,708
Due to other governmental units	6,134	1,622,733	-	154,267	32,098
Due to component units	-	-	-	-	-
Due to other funds	-	-	-	436,591	1,580
Unearned revenue	180,426	-	2,032,094	-	-
Current portion of bonds payable	-	-	670,000	1,091,800	770,000
Current portion of accrued compensated absences	-	-	-	-	-
Current portion of claims and judgments	-	-	-	-	-
Current portion of advances payable	-	-	-	-	-
Other accrued liabilities	804,424	37,137	515,425	4,845,073	2,009,831
Total current liabilities	1,621,094	2,011,161	3,669,692	9,399,222	6,047,217
Noncurrent liabilities					
Bonds payable	-	-	4,955,000	15,666,115	11,685,000
Net pension liability	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Claims and judgments	-	-	-	-	-
Advances payable	-	-	-	-	-
Total noncurrent liabilities	-	-	4,955,000	15,666,115	11,685,000
Total liabilities	1,621,094	2,011,161	8,624,692	25,065,337	17,732,217
Deferred Inflows of Resources					
Deferred inflows related to OPEB	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Net position					
Net investment in capital assets	67,316,161	-	66,465,112	47,276,293	75,600,589
Restricted for programs	-	-	21,866	62,219,164	11,096,591
Unrestricted	19,768,432	201,537,596	15,748,501	48,718,873	9,258,194
Total net position	\$ 87,084,593	\$ 201,537,596	\$ 82,235,479	\$ 158,214,330	\$ 95,955,374
					(continued)

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

County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major				
	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Non-Major Funds	Totals September 30, 2019	
Liabilities					
Current liabilities					
Vouchers payable	\$ 4,013,086	\$ 118,420	\$ 1,757,633	\$ 13,427,912	\$ 8,307,830
Due to other governmental units	8,850	23,683	349,419	2,197,184	201,144
Due to component units	-	3,666	-	3,666	95
Due to other funds	1,899	282	189,823	630,175	211,639
Unearned revenue	-	-	350,457	2,562,977	4,812
Current portion of bonds payable	-	-	-	2,531,800	25,660,000
Current portion of accrued compensated absence	-	-	-	-	1,303,278
Current portion of claims and judgments	-	-	-	-	7,126,679
Current portion of advances payable	-	-	-	-	12,883
Other accrued liabilities	496,878	134,842	321,013	9,164,623	5,912,224
Total current liabilities	4,520,713	280,893	2,968,345	30,518,337	48,740,584
Noncurrent liabilities					
Bonds payable	-	-	-	32,306,115	209,090,000
Net pension liability	-	-	-	-	2,253,194
Accrued compensated absences	-	-	-	-	11,729,502
Claims and judgments	-	-	-	-	14,095,937
Advances payable	-	-	-	-	12,883
Total noncurrent liabilities	-	-	-	32,306,115	237,181,516
Total liabilities	4,520,713	280,893	2,968,345	62,824,452	285,922,100
Deferred Inflows of Resources					
Deferred inflows related to OPEB	-	-	-	-	82,559,404
Total deferred inflows of resources	-	-	-	-	82,559,404
Net position					
Net investment in capital assets	6,515,714	27,107,158	13,761,403	304,042,430	27,345,168
Restricted for programs	17,656,401	14,536,396	5,600,023	111,130,441	14,985,595
Unrestricted	22,359,150	3,145,310	43,369,630	363,905,686	222,238,414
Total net position	\$ 46,531,265	\$ 44,788,864	\$ 62,731,056	\$ 779,078,557	\$ 264,569,177

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

County of Oakland
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2019

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Operating revenues					
Charges for services	\$ 10,320,159	\$ 11,128,540	\$ 4,818,564	\$ 95,379,157	\$ 45,489,728
Other	19,564	-	6,047	220,816	84,017
Total operating revenues	10,339,723	11,128,540	4,824,611	95,599,973	45,573,745
Operating expenses					
Salaries	9,786,711	115,045	1,347,851	88,137	-
Fringe benefits	3,494,834	78,243	746,429	59,674	-
Fringe benefits - pension	-	-	-	-	-
Fringe benefits - OPEB	-	-	-	-	-
Contractual services	6,946,733	185,896	1,480,550	44,357,285	39,508,982
Commodities	1,250,360	-	233,722	2,204,390	76,757
Depreciation	3,176,778	-	2,208,637	1,959,826	807,903
Internal services	1,611,741	2,163	281,458	24,715,015	1,535,588
Intergovernmental	-	-	-	15,481,759	-
Total operating expenses	26,267,157	381,347	6,298,647	88,866,086	41,929,230
Operating income (loss)	(15,927,434)	10,747,193	(1,474,036)	6,733,887	3,644,515
Nonoperating revenues (expenses)					
Property taxes	13,197,395	-	-	-	-
Local community stabilization share	296,449	-	-	-	-
Contributions	159,458	-	-	575,779	84,272
Interest recovery - federal grants	-	-	87,823	-	-
Investment income	504,968	4,866,206	380,763	2,143,645	488,464
Interest expense	-	(384,375)	(258,881)	(425,727)	(353,681)
Gain on sale of property and equipment	35,684	-	148,265	37,500	-
Total nonoperating revenues (expenses)	14,193,954	4,481,831	357,970	2,331,197	219,055
Income (loss) before transfers and contributions	(1,733,480)	15,229,024	(1,116,066)	9,065,084	3,863,570
Transfers and contributions					
Capital contributions	53,810	-	7,713,316	-	834,483
Transfers in	-	-	-	-	-
Transfers out	(122,515)	(10,469,939)	-	(56,692)	-
Insurance recoveries	-	-	-	-	-
Total transfers and contributions	(68,705)	(10,469,939)	7,713,316	(56,692)	834,483
Special items					
Transfer of water system to Highland Township	-	-	-	(5,170,285)	-
Change in net position	(1,802,185)	4,759,085	6,597,250	3,838,107	4,698,053
Net position					
October 1, 2018	88,886,778	196,778,511	75,638,229	154,376,223	91,257,321
September 30, 2019	\$ 87,084,593	\$ 201,537,596	\$ 82,235,479	\$ 158,214,330	\$ 95,955,374

(continued)

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

County of Oakland
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
Year Ended September 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major				
	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Non-Major Funds	Totals September 30, 2019	
Operating revenues					
Charges for services	\$ 53,305,683	\$ 39,594,884	\$ 22,792,706	\$ 282,829,421	\$ 265,146,371
Other	165	33,022	1,830	365,461	316,871
Total operating revenues	53,305,848	39,627,906	22,794,536	283,194,882	265,463,242
Operating expenses					
Salaries	-	-	3,190,473	14,528,217	43,166,164
Fringe benefits	-	-	1,594,455	5,973,635	24,212,460
Fringe benefits - pension	-	-	-	-	5,874,833
Fringe benefits - OPEB	-	-	-	-	(69,972,004)
Contractual services	48,873,753	30,168,799	14,160,162	185,682,160	152,502,154
Commodities	148,379	52,665	662,965	4,629,238	8,097,593
Depreciation	39,445	860,090	4,092,898	13,145,577	7,326,949
Internal services	1,878,547	1,017,909	1,957,907	33,000,328	8,120,688
Intergovernmental	-	6,727,727	-	22,209,486	-
Total operating expenses	50,940,124	38,827,190	25,658,860	279,168,641	179,328,837
Operating income (loss)	2,365,724	800,716	(2,864,324)	4,026,241	86,134,405
Nonoperating revenues (expenses)					
Property taxes	-	-	-	13,197,395	-
Local community stabilization share	-	-	-	296,449	-
Contributions	40,925	417,607	229,635	1,507,676	-
Interest recovery - federal grants	-	-	-	87,823	-
Investment income	1,131,309	321,276	1,103,175	10,939,806	4,260,418
Interest expense	-	-	-	(1,422,664)	(9,252,640)
Gain on sale of property and equipment	-	-	143	221,592	472,207
Total nonoperating revenues (expenses)	1,172,234	738,883	1,332,953	24,828,077	(4,520,015)
Income (loss) before transfers and contributions	3,537,958	1,539,599	(1,531,371)	28,854,318	81,614,390
Transfers and contributions					
Capital contributions	-	-	-	8,601,609	-
Transfers in	-	-	2,212,491	2,212,491	7,185,696
Transfers out	-	-	(664,556)	(11,313,702)	(2,098,558)
Insurance recoveries	-	-	-	-	121,991
Total transfers and contributions	-	-	1,547,935	(499,602)	5,209,129
Special items					
Transfer of water system to Highland Township	-	-	-	(5,170,285)	-
Change in net position	3,537,958	1,539,599	16,564	23,184,431	86,823,519
Net position					
October 1, 2018	42,993,307	43,249,265	62,714,492	755,894,126	177,745,658
September 30, 2019	\$ 46,531,265	\$ 44,788,864	\$ 62,731,056	\$ 779,078,557	\$ 264,569,177

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

County of Oakland
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2019

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen- Farmington SDS
Cash flows from operating activities					
Cash received from users	\$ 10,192,816	\$ 13,507,582	\$ 4,837,700	\$ 94,978,303	\$ 46,845,257
Cash paid to suppliers	(12,678,229)	(265,927)	(2,691,148)	(86,254,700)	(43,541,858)
Cash paid to employees	(9,786,711)	(115,045)	(1,347,851)	(88,137)	-
Net cash provided by (used in) operating activities	(12,272,124)	13,126,610	798,701	8,635,466	3,303,399
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(122,515)	(10,469,939)	-	(56,692)	-
Local community stabilization share	296,449	-	-	-	-
Contributions	159,458	-	-	575,779	84,272
Interest recovery - federal grants	-	-	87,823	-	-
Insurance recoveries	-	-	-	-	-
Principal paid on debt	-	-	-	-	-
Interest paid on debt	-	-	-	-	-
Purchase of delinquent property taxes	-	(66,149,009)	-	-	-
Delinquent property taxes collected	-	65,876,559	-	-	-
Repayments received on advances	-	12,883	-	-	-
Property taxes	13,197,395	-	-	-	-
Interest paid on short-term borrowings	-	(501,111)	-	-	-
Payments on short-term borrowings	-	(25,000,000)	-	-	-
Net cash provided by (used in) noncapital financing activities	13,530,787	(36,230,617)	87,823	519,087	84,272
Cash flows from capital and related financing activities					
Proceeds from sale of bonds	-	-	-	1,595,054	-
Transfers from other funds	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Proceeds from sale of capital assets	53,703	-	148,265	37,500	-
Acquisition of capital assets	(4,765,383)	-	(226,259)	(4,210,821)	(3,959,744)
Principal paid on debt	-	-	(660,000)	(1,071,400)	(725,000)
Interest paid on debt	-	-	(258,881)	(425,727)	(353,681)
Amount paid on advances	-	-	-	-	-
Interest paid on advances	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(4,711,680)	-	(996,875)	(4,075,394)	(5,038,425)
Cash flows from investing activities					
Purchase of investments	-	-	-	-	-
Proceeds on sale of investments	-	-	-	-	-
Interest on investments	480,770	4,361,400	331,413	1,885,124	427,992
Net cash provided by investing activities	480,770	4,361,400	331,413	1,885,124	427,992
Net increase (decrease) in cash and cash equivalents	(2,972,247)	(18,742,607)	221,062	6,964,283	(1,222,762)
Pooled cash and investments					
October 1, 2018	23,743,664	163,992,090	16,379,260	79,530,634	19,432,030
September 30, 2019	\$ 20,771,417	\$ 145,249,483	\$ 16,600,322	\$ 86,494,917	\$ 18,209,268

(continued)

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

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major				
	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Non-Major Funds	Totals September 30, 2019	
Cash flows from operating activities					
Cash received from users	\$ 55,360,521	\$ 40,379,872	\$ 22,892,890	\$ 288,994,941	\$ 263,981,839
Cash paid to suppliers	(54,592,837)	(38,078,898)	(17,397,722)	(255,501,319)	(191,737,713)
Cash paid to employees	-	-	(3,190,473)	(14,528,217)	(43,166,164)
Net cash provided by (used in) operating activities	767,684	2,300,974	2,304,695	18,965,405	29,077,962
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	2,212,491	2,212,491	6,751,707
Transfers to other funds	-	-	(664,556)	(11,313,702)	(2,098,558)
Local community stabilization share	-	-	-	296,449	-
Contributions	40,925	773,733	259,421	1,893,588	-
Interest recovery - federal grants	-	-	-	87,823	-
Insurance recoveries	-	-	-	-	69,253
Principal paid on debt	-	-	-	-	(24,750,000)
Interest paid on debt	-	-	-	-	(9,251,925)
Purchase of delinquent property taxes	-	-	-	(66,149,009)	-
Delinquent property taxes collected	-	-	-	65,876,559	-
Repayments received on advances	-	-	-	12,883	-
Property taxes	-	-	-	13,197,395	-
Interest paid on short-term borrowings	-	-	-	(501,111)	-
Payments on short-term borrowings	-	-	-	(25,000,000)	-
Net cash provided by (used in) noncapital financing activities	40,925	773,733	1,807,356	(19,386,634)	(29,279,523)
Cash flows from capital and related financing activities					
Proceeds from sale of bonds	-	-	-	1,595,054	-
Transfers from other funds	-	-	-	-	433,989
Insurance recoveries	-	-	-	-	52,738
Proceeds from sale of capital assets	-	-	143	239,611	534,733
Acquisition of capital assets	(870,745)	(144,112)	(5,471,302)	(19,648,366)	(5,822,472)
Principal paid on debt	-	-	-	(2,456,400)	-
Interest paid on debt	-	-	-	(1,038,289)	-
Amount paid on advances	-	-	-	-	(12,883)
Interest paid on advances	-	-	-	-	(715)
Net cash provided by (used in) capital and related financing activities	(870,745)	(144,112)	(5,471,159)	(21,308,390)	(4,814,610)
Cash flows from investing activities					
Purchase of investments	-	-	-	-	(3,251,749)
Proceeds on sale of investments	-	-	-	-	2,265,367
Interest on investments	1,012,449	278,713	959,320	9,737,181	3,884,271
Net cash provided by investing activities	1,012,449	278,713	959,320	9,737,181	2,897,889
Net increase (decrease) in cash and cash equivalents	950,313	3,209,308	(399,788)	(11,992,438)	(2,118,282)
Pooled cash and investments					
October 1, 2018	37,813,275	10,825,576	46,826,340	398,542,869	135,792,481
September 30, 2019	\$ 38,763,588	\$ 14,034,884	\$ 46,426,552	\$ 386,550,431	\$ 133,674,199
					Continued

Continued

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

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2019

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen- Farmington SDS
Operating (loss) income	\$ (15,927,434)	\$ 10,747,193	\$ (1,474,036)	\$ 6,733,887	\$ 3,644,515
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities					
Depreciation expense	3,176,778	-	2,208,637	1,959,826	807,903
(Increase) decrease in current portion of due from other governmental units	(85,051)	283,907	-	417,351	1,076,921
(Increase) decrease in due from component units	-	-	-	-	(5,883)
(Increase) decrease in accounts receivable	(116,959)	632,149	(146,666)	(889,117)	5,460
(Increase) decrease in due from other funds	(14,552)	-	-	(149,904)	-
(Increase) decrease in inventories and supplies	(4,785)	-	-	-	-
(Increase) decrease in prepayments and other assets	(1,965)	375	-	15,345	(31,768)
(Increase) decrease in due from other governmental units	-	-	-	-	195,014
(Increase) decrease in net pension asset	-	-	-	-	-
(Increase) decrease in net OPEB asset	-	-	-	-	-
(Increase) decrease in deferred outflows related to pension	-	-	-	-	-
(Increase) decrease in deferred outflows related to OPEB	-	-	-	-	-
Increase (decrease) in vouchers payable	334,409	83,022	37,173	868,354	2,794,238
Increase (decrease) in due to other governmental units	(34)	1,381,901	-	(1,558,512)	(6,013,320)
Increase (decrease) in due to component units	-	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	436,591	1,580
Increase (decrease) in unearned revenue	69,655	-	159,755	-	-
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	-
Increase (decrease) in other accrued liabilities	297,814	(1,937)	13,838	801,645	828,739
Increase (decrease) in net pension liability	-	-	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-	-	-
Increase (decrease) in deferred inflows related to pensions	-	-	-	-	-
Increase (decrease) in deferred inflows related to OPEB	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ (12,272,124)	\$ 13,126,610	\$ 798,701	\$ 8,635,466	\$ 3,303,399

(continued)

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

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major		Non-Major Funds	Totals September 30, 2019	
	S.O.C.S.D.S.	Clinton- Oakland S.D.S.			
Operating income (loss)	\$ 2,365,724	\$ 800,716	\$ (2,864,324)	\$ 4,026,241	\$ 86,134,405
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	39,445	860,090	4,092,898	13,145,577	7,326,949
(Increase) decrease in current portion of due from other governmental units	2,054,884	751,966	(341,607)	4,158,371	19,869
(Increase) decrease in due from component units				(5,883)	(15,664)
(Increase) decrease in accounts receivable	(211)	-	395,450	(119,894)	175,196
(Increase) decrease in due from other funds	-	-	(9,617)	(174,073)	(1,663,553)
(Increase) decrease in inventories and supplies	-	-	68,999	64,214	(18,869)
(Increase) decrease in prepayments and other assets	45,928	(31,267)	162,929	159,577	(308,641)
(Increase) decrease in due from other governmental units	-	-	-	195,014	-
(Increase) decrease in net pension asset	-	-	-	-	22,623,016
(Increase) decrease in net OPEB asset	-	-	-	-	19,797,471
(Increase) decrease in deferred outflows related to pension	-	-	-	-	(9,727,796)
(Increase) decrease in deferred outflows related to OPEB	-	-	-	-	(52,140,599)
Increase (decrease) in vouchers payable	3,918,190	(130,086)	1,508,883	9,414,183	(349,288)
Increase (decrease) in due to other governmental units	(7,500,366)	(29,539)	(580,721)	(14,300,591)	(36,009)
Increase (decrease) in due to component units	-	3,666	-	3,666	95
Increase (decrease) in due to other funds	(51)	282	125,993	564,395	197,456
Increase (decrease) in unearned revenue	-	-	54,128	283,538	2,749
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	(12,052)
Increase (decrease) in other accrued liabilities	(155,859)	75,146	(308,316)	1,551,070	(146,373)
Increase (decrease) in net pension liability	-	-	-	-	2,253,194
Increase (decrease) in other long-term liabilities	-	-	-	-	1,868,863
Increase (decrease) in deferred inflows related to pensions	-	-	-	-	(9,273,581)
Increase (decrease) in deferred inflows related to OPEB	-	-	-	-	(37,628,876)
Net cash provided by (used in) operating activities	\$ 767,684	\$ 2,300,974	\$ 2,304,695	\$ 18,965,405	\$ 29,077,962

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

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2019

Noncash transactions
Enterprise Funds

Major funds:

Noncash and capital related financing activities included contribution of capital assets in the amount of \$53,810, \$7,713,316 and \$834,483 in the Parks and Recreation, County Airports, and Evergreen-Farmington S.D.S. funds, respectively; the transfer of \$5,170,285 of capital assets (\$7,598,553 less accumulated depreciation of \$2,428,268) to Highland Township (Special item) in the Water & Sewer Trust fund.

Noncash and non-capital related financing activities included the recording of Contracts Receivable and Unearned Revenue of \$1,584,784 in the County Airports fund.

Internal Service Funds

Noncash and non-capital related financing activities included the recording of pension expense of \$5,874,833 and a reduction of OPEB expense of (\$69,972,004) in the Fringe Benefits fund.

Fiduciary Fund Financial Statements

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

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

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

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

Pension (and other postemployment benefits) trust funds
Investment trust funds
Agency funds

County of Oakland Statement of Net Position Fiduciary Funds September 30, 2019

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds	Agency Funds
Assets			
Pooled cash and investments	\$ 5,507,316	\$440,725,284	\$253,209,309
Cash and cash equivalents	28,745,107	-	808,772
Investments, at fair value	-		
Common stock	418,836,439	-	-
Government agencies	47,482,138	-	-
Corporate bonds	177,021,044	-	-
Municipal bonds	1,452,782	-	-
Hedge funds	100,076,102	-	-
Partnerships	144,657,030	-	-
Asset-backed fixed income	23,842,697	-	-
Government bonds	92,737,448	-	-
Government mortgage-backed securities	127,895,112	-	-
Government issued commercial mortgage-backed securities	6,192,799	-	-
Non-government backed CMOs	1,836,071	-	-
Commercial mortgage-backed securities	20,257,455	-	-
Bank loans	5,632,168	-	-
Exchange traded funds	509,523	-	-
International common stock	599,799,115	-	-
Index linked government bonds	38,052,730	-	-
Real estate	190,849,373	-	-
Other fixed income	20,547,201	-	-
Other	400,085	-	-
Total investments	<u>2,018,077,312</u>	<u>-</u>	<u>-</u>
Receivables - interest and dividends	4,488,704	2,273,933	237,016
Receivables -other	258	-	-
Prepaid expenses	206,261	-	-
Total assets	<u>2,057,024,958</u>	<u>442,999,217</u>	<u>254,255,097</u>
Liabilities			
Vouchers payable	1,768,055	-	-
Due to other governmental units	-	-	240,689,509
Other accrued liabilities	2,483,959	-	13,565,588
Total liabilities	<u>4,252,014</u>	<u>-</u>	<u>254,255,097</u>
Net position			
Restricted for Pension and other Postemployment healthcare benefits, and pool participants	<u>\$ 2,052,772,944</u>	<u>\$442,999,217</u>	<u>\$ -</u>

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

County of Oakland
Statement of Changes in Net Position
Fiduciary Funds
Year Ended September 30, 2019

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds
Additions		
Contributions		
Pool participants	\$ -	\$ 417,114,217
Plan members	523,075	-
Total contributions	<u>523,075</u>	<u>417,114,217</u>
Investment income		
Interest and dividends	29,747,831	9,040,489
Net increase in fair value of investments	49,799,162	-
Total investment income	<u>79,546,993</u>	<u>9,040,489</u>
Less investment expense	4,922,289	-
Net investment income	<u>74,624,704</u>	<u>9,040,489</u>
Other revenue	2,960,321	-
Total additions	<u>78,108,100</u>	<u>426,154,706</u>
Deductions		
Benefits	97,090,848	-
Administrative expenses	819,839	-
Distribution to pool participants	-	401,942,876
Total deductions	<u>97,910,687</u>	<u>401,942,876</u>
Net increase (decrease)	(19,802,587)	24,211,830
Net position restricted for pension and other postemployment healthcare benefits, and pool participants		
October 1, 2018	<u>2,072,575,531</u>	<u>418,787,387</u>
September 30, 2019	<u>\$ 2,052,772,944</u>	<u>\$ 442,999,217</u>

Component Unit Financial Statements

Component Units

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

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

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

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

**County of Oakland
Statement of Net Position
Component Units
September 30, 2019**

	Drainage Districts	Road Commission	Total Component Units
Assets			
Current assets			
Pooled cash and investments	\$ 36,027,247	\$ -	\$ 36,027,247
Cash and cash equivalents		84,673,718	84,673,718
Receivables, net			
Special assessments	-	5,683,513	5,683,513
Due from other governmental units	5,544,605	-	5,544,605
Due from primary government	3,761	-	3,761
Accrued interest receivable	334,143	-	334,143
Accounts receivable	522,405	25,350,463	25,872,868
Inventories and supplies	-	4,395,141	4,395,141
Prepayments and other assets	147,717	3,945,535	4,093,252
Total current assets	<u>42,579,878</u>	<u>124,048,370</u>	<u>166,628,248</u>
Noncurrent assets			
Special assessments receivable	181,737,362	-	181,737,362
Capital assets, net			
Land and other nondepreciable assets	146,292,927	229,770,053	376,062,980
Land improvements, net	-	631,332	631,332
Buildings and improvements, net	57,498,853	8,677,898	66,176,751
Equipment and vehicles, net	660,772	13,384,082	14,044,854
Infrastructure, net	458,583,100	663,270,925	1,121,854,025
Total capital assets, net	<u>663,035,652</u>	<u>915,734,290</u>	<u>1,578,769,942</u>
Total noncurrent assets	<u>844,773,014</u>	<u>915,734,290</u>	<u>1,760,507,304</u>
Total assets	<u>887,352,892</u>	<u>1,039,782,660</u>	<u>1,927,135,552</u>
Deferred Outflows of Resources			
Deferred outflows related to pension	-	20,870,120	20,870,120
Deferred outflows related to OPEB	-	6,745,943	6,745,943
Total deferred outflows of resources	<u>-</u>	<u>27,616,063</u>	<u>27,616,063</u>
Liabilities			
Current liabilities			
Vouchers payable	7,283,515	17,391,442	24,674,957
Due to other governmental units	1,334,087	-	1,334,087
Due to primary government	673,668	30,568	704,236
Unearned revenue and advances	5,299,575	14,960,862	20,260,437
Current portion of long-term debt	19,818,200	-	19,818,200
Current portion of long-term liabilities	-	679,773	679,773
Other accrued liabilities	3,261,023	3,011,630	6,272,653
Total current liabilities	<u>37,670,068</u>	<u>36,074,275</u>	<u>73,744,343</u>
Bonds and notes payable	217,476,073	-	217,476,073
Accrued compensated absences	-	2,645,605	2,645,605
Claims and judgments	-	794,446	794,446
Net pension liability	-	54,277,231	54,277,231
Net OPEB obligation	-	124,658,295	124,658,295
Total liabilities	<u>255,146,141</u>	<u>218,449,852</u>	<u>473,595,993</u>
Deferred Inflows of Resources			
Deferred inflows related to pension	-	3,147,790	3,147,790
Deferred inflows related to OPEB	-	1,154,574	1,154,574
Total deferred inflows of resources	<u>-</u>	<u>4,302,364</u>	<u>4,302,364</u>
Net position			
Net investment in capital assets	425,741,379	915,734,290	1,341,475,669
Restricted for			
Public works	23,117,641	-	23,117,641
Debt service	177,588,311	-	177,588,311
Unrestricted	5,959,420	(71,087,783)	(65,128,363)
Total net position	<u>\$ 632,206,751</u>	<u>\$ 844,646,507</u>	<u>\$ 1,476,853,258</u>

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The accompanying notes are an integral part of the financial statements

County of Oakland
Statement of Activities
Component Units
Year Ended September 30, 2019

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position		
					Drainage Districts	Road Commission	Total Component Units
Functions/Programs							
Drainage Districts	\$ 101,476,981	\$ 95,040,951	\$ 752,780	\$ 28,333,286	\$ 22,650,036	\$ -	\$ 22,650,036
Road Commission	140,081,307	16,131,369	105,847,009	60,319,479	-	42,216,550	42,216,550
Total component units	<u>\$ 241,558,288</u>	<u>\$ 111,172,320</u>	<u>\$ 106,599,789</u>	<u>\$ 88,652,765</u>	<u>22,650,036</u>	<u>42,216,550</u>	<u>64,866,586</u>
General Revenue							
Gain (loss) on sale of capital assets					-	965,000	965,000
Unrestricted investment earnings					940,156	1,960,490	2,900,646
Change in net position					23,590,192	45,142,040	68,732,232
Net position							
Beginning					608,616,559	799,504,467	1,408,121,026
Ending					<u>\$ 632,206,751</u>	<u>\$ 844,646,507</u>	<u>\$ 1,476,853,258</u>

The accompanying notes are an integral part of the financial statements

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County of Oakland
Notes to Basic Financial Statements
September 30, 2019

1. Summary of Significant Accounting Policies

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

The Financial Reporting Entity

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

Blended Component Unit

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

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

Separate financial statements for the Authority are not published.

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

Discretely Presented Component Unit

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

- **Road Commission for Oakland County (Road Commission)** – The Road Commission is governed by three appointees of the County Board of Commissioners who are not County Board members. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges, and is principally funded by State-collected vehicle fuel and registration taxes under Michigan Public Act 51 of 1951. The County has budgetary control and appropriation authority over its activities; however, such has not been exercised. The Road Commission's primary activities, which are as of and for the year ended September 30, 2019, 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, 2018, is not reported in the financial statements of Oakland County.

- 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 as follows:

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

- **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, is 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.

- The financial activities of the Drainage Districts as of and for the year ended September 30, 2019 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, Michigan 48328

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

Basic (Government-wide) and Fund Financial Statements – GASB Statement No. 34

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

- **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 which are imposed by management, but can be removed or modified.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 government-wide Statement of Activities reflects the degree to which direct expenses that are clearly identifiable with a given functional category (General Government, Public Safety, Justice Administration, Citizen Services, Public Works, Recreation and Leisure, and Commerce and Community Development) are offset by program revenues. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or category, restricted investment earnings, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

functional category. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Property taxes and certain intergovernmental revenues are reported instead as general revenues, which are used to cover the net cost of the various functional categories of the County.

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

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

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

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

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

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

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

Basis of Presentation – Fund Accounting

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

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

The County reports the following major governmental funds:

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

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

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

The County reports the following major enterprise funds:

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

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

The County Airports Fund was created to account for operations of the County's airports.

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.

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.

The Clinton-Oakland 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 being serviced.

Additionally, the County reports the following fund types:

Governmental Fund Types

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

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

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

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

Proprietary Fund Types

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

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

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

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

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

Fiduciary Fund Types

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Oakland County's fiduciary funds include Pension (and other post-employment benefits) Trust funds to account for retirees' retirement and medical benefits; Investment Trust funds, which report funds deposited by and invested for local units of government; and Agency 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.

Basis of Accounting

- **Primary government** – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, except for certain miscellaneous receivables and special assessments, and current liabilities are included on the balance sheet. Governmental funds are used to account for all or most of the

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

County's general activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt.

- Proprietary, Pension Trust, and Investment Trust Funds are accounted for on a flow-of-economic-resources measurement focus. All assets and liabilities are included on the Statement of Net Position with the balance classified as net position. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.
- The financial statements have been prepared in conformity with generally accepted accounting principles. Governmental funds use the modified accrual basis of accounting, which recognizes revenue in the accounting period in which they become susceptible to accrual, generally when they become both measurable and available. Property taxes are levied on December 1 and July 1 of each year (see Note 4) and are recognized as revenue in the fiscal year during which they are levied, and interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenues of the current period. Other revenue is considered to be available when anticipated to be collected within 60 days of the end of the fiscal period. Expenditures are recorded when the related fund liability is incurred, except debt service expenditures, which are recorded when paid.
- Proprietary, Pension Trust, and Investment Trust Funds use the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred. Agency funds, which report only a Statement of Net Position, use the accrual basis of accounting.

Discretely Presented Component Units

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

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

Budgets

Budgets and budgetary accounting are on the modified accrual basis, which is consistent with generally accepted accounting principles (GAAP basis) in that property tax revenue is recognized when made available by Board resolution. The budget was legally adopted by the Board of Commissioners prior to September 30, 2018 and presented in a separate document. Appropriation budgets were adopted for the General Fund and the following Special Revenue funds: Child Care and Social Welfare-Foster Care. Appropriations lapse at the end of the year. Project-length

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

financial plans are budgeted for the remainder of the Special Revenue funds and for all Debt Service and Capital Projects funds. Budget and actual comparisons for such funds are not reported in the financial statements because annual budgets are not prepared.

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

Pooled Cash and Investments

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

Cash overdrafts occurring in funds participating in pooled cash accounts at September 30, 2019 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 inter-fund liability.

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.

Inter-fund 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.

Non-current portions of long-term inter-fund 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, 2019 are recorded as prepayments using the consumption method.

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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

In some instances, capital asset historical costs were not available; therefore, the costs of these assets at the dates of acquisitions have been estimated. Expenditures materially extending the life of capital assets are capitalized. Interest incurred during construction is only capitalized in proprietary funds. Capital assets are depreciated over their useful lives, using the straight-line depreciation method. Infrastructure ("public domain") assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters, are capitalized.

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

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

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

Compensated Absences

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

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

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 purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, provides 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 now 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

Other Postemployment Benefit Liability/(Asset)

The County offers a defined healthcare 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.

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

Fund Equity

In the fund financial statements for the governmental fund reports, the following are the components of fund balance.

- **Nonspendable**, includes 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.
- **Unassigned**, is the residual classification of the General Fund, and the reporting of any negative fund balance of a governmental fund.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the County's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County's policy to spend funds in this order: committed, assigned, and unassigned.

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 a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County recognizes deferred outflows related to/from the net difference between projected and actual earnings on Retirement and OPEB Plan investments, and changes in assumptions related to the OPEB Plans.

County of Oakland
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The Road Commission component unit reports deferred outflows from contributions to the plan subsequent to the measurement date and the net difference between projected and actual earnings on investments for both the pension and OPEB plans, and changes in assumptions in relation to the pension 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, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The County has three types of deferred inflows, first one arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues 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 the next four years and included in net Pension and OPEB expense. 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.

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2018 through September 30, 2019) and are reported as revenues in the financial statements. Amounts not collected within 60 days of the end of the fiscal year are considered unavailable for the current period, and are reported as deferred inflows.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, September 30, 2019. These estimates and assumptions also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. 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, 2020.

In June 2017, the GASB 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 County is currently evaluating the impact this standard will have on the financial statements when adopted.

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The provisions of this statement are effective for the County's financial statements for the year ending September 30, 2021.

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 are effective for the County's financial statements for the September 30, 2021 fiscal year.

Subsequent Events

Subsequent to year-end, the County's investment portfolio, particularly the investments of the pension and other employee benefit trust funds has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

The United States and Michigan declared a state of emergency in early March due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 will impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

2. Legal Compliance - Budgets

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

The Board of Commissioners is authorized to make amendments to the various budgets as deemed necessary. Current year supplemental budgetary appropriations were not material. Funds that receive an appropriation and can therefore be defined as those with an appropriated, annual, legally adopted budget are the General Fund and two Special Revenue funds: Child Care and Social Welfare-Foster Care. The budgetary comparison for the General Fund is presented in the Required Supplementary Information. The Child Care and Social Welfare Foster Care funds are presented in the Special Revenue Funds section.

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

- (a) Transfers may be made from the non-departmental overtime reserve account and fringe benefit adjustment account to the appropriate departmental budget as specific overtime requests are reviewed and approved by the Fiscal Officer. Additionally, overtime appropriations may be transferred between divisions within a department at the request of the department head, if authorized by the Fiscal Officer or designee.

County of Oakland
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- (b) Transfers may be made from the non-departmental appropriation reserve accounts for maintenance department charges and miscellaneous capital outlay to the appropriate departmental budgets as specific requests for these items are reviewed and approved by the Fiscal Officer.
- (c) Transfers may be made from the non-departmental appropriation reserve accounts, emergency salaries, and summer help as specific requests for these items are reviewed and approved by the Director of the Human Resources Department.

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

During the fiscal year, the County incurred no expenditures in excess of appropriations which are presented at the legal level of control.

3. Deposits and Investments

The County has deposits and investments which 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 which 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 on their average daily cash balance.

For its pool, the County only uses federal and state-chartered financial institutions, which 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 for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned.

As of September 30, 2019, the bank balance of the County's deposits was \$757,608,111. Insured deposits were \$13,352,328, and the remaining \$744,255,783 was uninsured, uncollateralized, and held in the County's name.

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The Drainage District's 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 District's deposits based on their prorated share of the investment portfolio.

The County's Investment Policy allows for the use of bank deposits including certificates of deposit. The only limitation placed on bank deposits is that they cannot exceed 60% of the total investment portfolio. In addition, the County's investment policy limits the investment with any single financial institution to 15%.

At September 30, 2019, the Road Commission component unit had \$19,677,345 of bank deposits (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 Retirees' Medical Benefits Trust and Deferred Compensation Plan, are administered by the Treasurer under guidelines established by Act 20 of the Michigan Public Acts of 1943, as amended and the Investment Policy as adopted by the County's Board of Commissioners. The County's Investment Policy is more restrictive than state law and allows for the following instruments:

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

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Notes to Basic Financial Statements
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As of September 30, 2019, the County had the following deposit and investment types in its internal investment pool.

Deposit and Investment Type	Market Value	Weighted Average Maturity (days)
Certificates of Deposit (1)	\$ 574,960,355	181
Deposit Accounts (1)	174,045,428	1
CDARS (1)	8,602,328	135
Money Market Investment Pools	212,604,566	1
Negotiable CD's	30,077,150	864
Municipal Bonds	39,560,020	2,739
Government Agencies	535,554,016	642
Total Market Value of Internal Investment Pool	\$ 1,575,403,863	
Weighted Average Maturity of Internal Investment Pool (in days)		362

(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 – At September 30, 2019, the County had \$535,554,017 invested in U.S. government securities which are rated AA by Standard & Poor's and Aaa by Moody's, and \$39,560,020 invested in AAA (S&P) and Aaa (Moody's) Municipal Bonds. The money market investment pool had \$212,604,566 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.

Custodial Credit Risk – Investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of another side party. The County's investment policy requires that all investment transactions (including collateral for repurchase agreements) be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian, as designated by the County Treasurer, and shall be evidenced by a safekeeping receipt. As of September 30, 2019, \$605,191,187 in investments, at fair value, was held in third-party safekeeping in the County's name.

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

Concentration of Credit Risk – Investments. On September 30, 2019, the County had investments of 5% or more, of the total portfolio, with the following U.S. agency issuers: Fannie Mae 5.09%, Freddie Mac 14.69%, Federal Farm Credit Bank 5.92% and Federal Home Loan Bank 6.53%. No other issuer exceeded 5% 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.

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As of September 30, 2019, the internal investment pool had a weighted average maturity of 362 days and the longest investment maturity in the portfolio was 2,739 days (7.5 years).

Fair Value Measurement – The County categorizes investments measured at fair value 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; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the 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 or liability.

The County has the following recurring fair value measurements as of September 30, 2019:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Investment Type	Total Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Government Agencies	\$ 535,554,016	\$ -	\$ 535,554,017	\$ -
Municipal Bonds	39,560,020		39,560,020	
Negotiable CD's	30,077,150	-	30,077,150	
Total Investments by Fair Value	\$ 605,191,186	\$ -	\$ 605,191,187	\$ -

Investments measured at the Net Asset Value (NAV)

Money Market Investment Pools	212,604,566
Total Investments measured fair value	<u>\$ 817,795,752</u>

The fair value of Negotiable CD's, Government Agencies and Municipal Bonds at September 30, 2019 was determined primarily based on level 2 inputs, and are valued using quoted prices for identical securities in markets that are not active. The Money Market Investment Pools is valued at published fair value per share (unit) for the fund.

Investments – Pension Trust Funds and Superseding Trust

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

Pension investments are made through the use of Investment Advisors which are selected and retained by the Retirement (PERS, VEBA and ST) and Deferred Compensation Boards. The advisors serve at the leisure of the Board as provided by investment agreements.

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At September 30, 2019, 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 Systems' name.

As of September 30, 2019, the County had the following investment types in its Retirement System and Other Postemployment Benefits Trust funds and the Superseding Trust fund:

Investment Type	Fair Value	Percentage	Average Duration (In Years)
Common Stock	\$ 509,534,604	24.65%	N/A
International Common Stock	90,264,512	4.37%	N/A
Common Stock - Funds	427,986,728	20.70%	N/A
Exchange Traded Funds	509,523	0.02%	N/A
Government Bonds	86,920,879	4.20%	9.85
International Government Bonds	6,513,202	0.32%	N/A
Government Agencies	47,650,552	2.30%	2.22
Municipal Bonds	1,452,782	0.07%	14.09
Corporate Bonds	178,941,754	8.66%	7.07
Bank Loans	5,632,168	0.27%	1.02
Government Mortgage-Backed Securities	128,980,243	6.24%	2.66
Gov't Issued Commercial Mortgage-Backed	6,192,799	0.30%	6.68
Commercial Mortgage-Backed Securities	20,525,400	0.99%	3.91
Asset-Backed Securities	24,114,785	1.17%	1.36
Non-government Backed CMOs	1,836,071	0.09%	0.59
Index Linked Government Bonds	38,373,381	1.86%	13.98
Other Fixed Income	21,531,982	1.04%	3.21
Real Estate	190,849,373	9.23%	N/A
Partnerships	144,657,030	7.00%	N/A
Other Assets	400,085	0.02%	N/A
Hedge Funds	100,076,101	4.84%	N/A
Cash and Cash Equivalents	34,339,791	1.66%	0.04
Total	\$2,067,283,745	100.00%	

Credit Risk. The Board's adopted Statement of Investment Goals and Objectives (SIGO) states that no non-convertible bonds and convertible securities are authorized for purchase. In addition, no more than 10% of the total value of the portfolio, at the time of purchase, may be held in non-investment grade bonds as rated by Moody's and/or Standard & Poor's. Ninety percent of the total value of the portfolio must have a quality rating of A or better by Moody's and Standard & Poor's. 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.

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As of September 30, 2019, debt obligation investments held in the retirement system had the following ratings:

Fair Value	Percentage	Ratings	
		S&P	Moody's
\$201,179,002	28.08 %	AAA	Aaa
23,991,016	3.35	AA	Aa
94,188,360	13.15	A	A
48,054,783	6.71	BBB	Baa
13,280,680	1.85	BB	Ba
2,658,540	0.37	B	B
749,955	0.11	CCC	Caa
177,200,581	24.74	NR	NR
155,044,240	21.64	US Gov't Guaranteed	
\$716,347,157	100.00 %		

Custodial Credit Risk is the risk associated that in the event of the failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of another side party. The Retirement System's Statement of Investment Goals and Objectives (SIGO) 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, 2019, \$2,067,243,764 in investments was held in third-party safekeeping in the County's name.

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

For equities, holdings of all securities of an industry group should not exceed 25% of the portfolio at cost. ADRs should not exceed a maximum of 10% of the portfolio at cost and shall be further limited to Canadian securities and non-U.S. domiciled corporations issuing U.S. securities. As of September 30, 2019, as reported by the system's investment managers, no holdings exceed any of the Board's adopted limits.

Interest Rate Risk - The Board's adopted Statement of Investment Goals and Objectives (SIGO) places no limitation on the system's fixed-income managers on the length to maturity for fixed-income investments. As the schedule on page 85 indicates, the system's fixed-income investments had average durations of between .04 years and 14.09 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.

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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 10.8 years to 49.9 years and are backed by investments in various assets, including mortgages. As of September 30, 2019, the market value was \$22,361,471.

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, 2019, the County's CMO portfolio had an effective duration of 3.91 years.

Fair Value Measurement – The County categorizes investments measured at fair value 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; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the 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 or liability.

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The County has the following recurring fair value measurements as of September 30, 2019:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Fair Value Measurement Using			
	Balance at September 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Common Stock	\$ 599,799,116	\$ 599,799,116	\$ -	\$ -
Exchange Traded Funds	509,523	509,523	-	-
Equity Mutual Funds	24,971,140	24,971,140	-	-
Total equity securities	625,279,779	625,279,779	-	-
Debt securities:				
Government Bonds	93,434,081	-	93,411,807	22,274
Government Agencies	47,650,552	-	47,650,552	-
State or Local Governments	1,452,782	-	1,452,782	-
Corporate Bonds	178,941,754	-	178,941,754	-
Residential Mortgage-Backed Securities	128,980,243	-	128,980,243	-
Commercial Mortgage-Backed Securities	26,718,199	-	26,718,199	-
Collateralized Mortgage Obligations	1,836,071	-	1,836,071	-
Other Asset-Backed Securities	24,114,785	-	24,114,785	-
Index Linked Government Bonds	38,373,381	-	38,373,381	-
Bank Loans	5,632,168	-	5,632,168	-
Other Debt Securities	21,531,982	-	21,531,982	-
Total debt securities	568,665,998	-	568,643,724	22,274
Total investments by fair value level	\$ 1,193,945,777	\$ 625,279,779	\$ 568,643,724	\$ 22,274
Investments measured at the Net Asset Value (NAV)				
International Equity	177,732,259			
Global Fixed Income	111,836,033			
Private Fixed Income	32,820,997			
Index Funds	225,283,329			
Hedged Equity Long/Short Funds	100,076,101			
Private Real Estate	5,477,031			
Real Estate	181,404,675			
Real Estate International	3,967,667			
Total investments measured at the NAV	838,598,092			
Total investments measured at fair value	\$ 2,032,543,869			

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; 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.

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Investments in Entities that Calculate Net Asset Value per Share

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

At the year ended September 30, 2019, 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
International Equity	\$177,732,259	\$ -	Monthly	10 Days
Global Fixed Income	111,836,033	-	Daily	3 Days
Private Fixed Income	32,820,997	5,795,767	Daily	3 Days
Index Funds	225,283,329	-	Daily	3 Days
Hedged Equity Long/Short Funds	100,076,101	-	Quarterly	90 Days
Private Real Estate	5,477,031	-	-	-
Real Estate	181,404,675	30,167,261	-	-
Real Estate International	3,967,667	-	-	-
Total investments measured at the NAV	\$838,598,092	\$ 35,963,028		

The International Equity Fund seeks long-term growth of capital by investing at least 80% 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% 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% 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 comprised 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 the net asset value per share of the investments.

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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.

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 one to ten years.

4. Property Taxes – Receivables and Short-term Debt

Receivables – In accordance with Michigan Public Act 357 of 2004, the County Operating Tax is levied on July 1 on the taxable value of real and personal property as established the preceding December 31. Taxes become a lien on the property on July 1 and are due and payable on that date through February 28 of the following year, after which unpaid taxes became delinquent and subject to penalty. Taxable value is determined by using such factors as State equalized, assessed, and capped values, along with a value change multiplier. Equalized values for the 2019 summer levy amounted to \$76,716,002,295 with taxable values of \$60,306,168,847. The operating tax rate for the 2019 levy was 4.04 mills, with an additional 0.2349 mills voted for Parks and Recreation (winter levy only). The amount unpaid at fiscal year-end is reported as current property taxes receivable in the County's General Fund. These receivables (current and delinquent) for the County operating tax levy amounted to \$22,610,378 at September 30, 2019.

Short-term Debt - By agreement with various taxing authorities, the County purchases (at face value) real property taxes for all municipalities and school districts within Oakland County which are returned delinquent on March 1. To accomplish this, tax notes may be sold and the proceeds of these notes are used to liquidate the amounts due the County's General Fund and other governmental agencies for purchase of their delinquent real property tax receivables. The assets of the Delinquent Tax Revolving fund (an Enterprise fund), in the amount of \$203,548,757 at September 30, 2019, are pledged as collateral for payment of the tax notes; subsequent collections on delinquent taxes receivable, plus interest, penalties and collection fees thereon, and investment earnings are used to service the debt.

The following is a summary of the short-term debt activity for the year ended September 30, 2019:

Beginning balance	Additions	Reductions	Ending balance	Due within one year
\$25,000,000	\$ -	\$(25,000,000)	\$ -	\$ -

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

5. Allowances for Uncollectible Receivables

At September 30, 2019, the allowances for uncollectible receivables were as follows:

General Fund	\$ 25,000
Enterprise Funds	
Parks and Recreation	<u>74,608</u>
Total	<u>\$ 99,608</u>

The allowance in the General Fund is for accounts receivable, for the Parks and Recreation fund the allowance for uncollectible receivables consists of allowance for taxes receivable in the amount of \$28,606 and for accounts receivable of \$46,002.

6. Investment Income – Pension and Other Postemployment Trust Funds

The following is a breakdown of the investment income for Pension and Other Postemployment Trust funds of the primary government for the year ended September 30, 2019:

	Employees'	VEBA
	Retirement	Trust
Interest and dividends	\$ 11,015,959	\$ 18,731,872
Unrealized/Realized gain (loss) on investments	<u>18,493,208</u>	<u>31,305,954</u>
Total	<u>\$ 29,509,167</u>	<u>\$ 50,037,826</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

7. Capital Assets

An analysis of property and equipment as reported in the Statement of Net Position, and related accumulated depreciation, at September 30, 2019, for governmental activities follows:

	Balance October 1, 2018	Additions	Disposals and Adjustments	Balance September 30, 2019
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 7,365,551	\$ -	\$ -	\$ 7,365,551
Construction in progress	<u>31,601,671</u>	<u>6,983,987</u>	<u>(14,055,369)</u>	<u>24,530,289</u>
Total capital assets not being depreciated	<u>38,967,222</u>	<u>6,983,987</u>	<u>(14,055,369)</u>	<u>31,895,840</u>
Capital assets being depreciated				
Land improvements	1,400,141	75,800	-	1,475,941
Buildings and improvements	267,907,142	11,929,722	-	279,836,864
Equipment and vehicles	142,026,377	7,459,541	(5,490,361)	143,995,557
Infrastructure	<u>34,604,276</u>	<u>529,059</u>	<u>-</u>	<u>35,133,335</u>
Total capital assets being depreciated	<u>445,937,936</u>	<u>19,994,122</u>	<u>(5,490,361)</u>	<u>460,441,697</u>
Less: Accumulated depreciation				
Land improvements	1,164,783	33,392	-	1,198,175
Buildings and improvements	125,974,958	6,260,688	-	132,235,646
Equipment and vehicles	111,780,141	9,958,705	(5,101,292)	116,637,554
Infrastructure	<u>19,929,299</u>	<u>708,973</u>	<u>-</u>	<u>20,638,272</u>
Total accumulated depreciation	<u>258,849,181</u>	<u>16,961,758</u>	<u>(5,101,292)</u>	<u>270,709,647</u>
Total capital assets being depreciated, net	<u>187,088,755</u>	<u>3,032,364</u>	<u>(389,069)</u>	<u>189,732,050</u>
Governmental activities capital assets, net	<u>\$ 226,055,977</u>	<u>\$ 10,016,351</u>	<u>\$ (14,444,438)</u>	<u>\$ 221,627,890</u>

Depreciation expense was charged to functions as follows:

Public safety	\$ 3,817,712
Justice administration	1,052,703
Citizens services	691,439
Public infrastructure	252,045
Commerce and Community Development	29,627
Unallocated depreciation	3,791,283
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>7,326,949</u>
Total depreciation expense - governmental activities	<u>\$ 16,961,758</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

A summary of business-type property and equipment at September 30, 2019 follows:

	Balance October 1, 2018	Additions	Disposals and Adjustments	Balance September 30, 2019
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 68,238,598	\$ 238,469	\$ (39,000)	\$ 68,438,067
Construction in progress	110,165,599	27,305,147	(17,435,049)	120,035,697
Other	12,000	-	-	12,000
Total capital assets not being depreciated	178,416,197	27,543,616	(17,474,049)	188,485,764
Capital assets being depreciated				
Land improvements	36,967,632	8,171,472	-	45,139,104
Buildings and improvements	104,113,927	801,628	(20,964)	104,894,591
Equipment and vehicles	74,967,038	7,984,710	(1,249,747)	81,702,001
Infrastructure	336,541,721	982,649	(7,349,764)	330,174,606
Total capital assets being depreciated	552,590,318	17,940,459	(8,620,475)	561,910,302
Less: Accumulated depreciation				
Land improvements	30,282,965	942,790	-	31,225,755
Buildings and improvements	48,575,249	3,467,188	(2,410)	52,040,027
Equipment and vehicles	64,005,739	2,901,072	(1,009,715)	65,897,096
Infrastructure	258,938,362	5,834,527	(2,420,046)	262,352,843
Total accumulated depreciation	401,802,315	13,145,577	(3,432,171)	411,515,721
Total capital assets being depreciated, net	150,788,003	4,794,882	(5,188,304)	150,394,581
Business-type activities capital assets, net	\$ 329,204,200	\$ 32,338,498	\$ (22,662,353)	\$ 338,880,345
Depreciation expense was charged to functions as follows:				
Airports		\$ 2,208,637		
Community safety support		4,020,434		
Community water and sewer		1,959,826		
Recreation and leisure		3,176,778		
Sewage disposal systems		1,779,902		
Total depreciation expense - business-type activities		\$ 13,145,577		

On February 7, 2019, the County approved of transfer of assets comprising the Highland Township Water System to Highland Township to grant Highland Township control over the system. As a result of the transfer, the County recognized a loss of \$5.2 million on the disposal of the asset as a special item in the Water & Sewer Trust enterprise fund. After the transfer, the Township entered into an agreement with the County to operate and maintain the water system on their behalf. In addition, there remains one water main located in the township subject to outstanding bond debt that will remain with Oakland County until the debt is paid off.

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2019, for component units follows:

	Balance October 1, 2018	Additions	Disposals and Adjustments	Balance September 30, 2019
Component Units				
Drainage Districts				
Capital assets not being depreciated				
Construction in progress	\$ 119,299,837	\$ 29,509,824	\$ (2,842,698)	\$ 145,966,963
Land	325,964	-	-	325,964
Total capital assets not being depreciated	119,625,801	29,509,824	(2,842,698)	146,292,927
Capital assets being depreciated				
Buildings	69,870,049	-	-	69,870,049
Equipment	802,827	104,420	-	907,247
Infrastructure	583,203,110	2,842,698	-	586,045,808
Total capital assets being depreciated	653,875,986	2,947,118	-	656,823,104
Less: Accumulated depreciation				
Buildings	10,221,037	2,150,159	-	12,371,196
Equipment	185,935	60,540	-	246,475
Infrastructure	119,853,039	7,609,669	-	127,462,708
Total accumulated depreciation	130,260,011	9,820,368	-	140,080,379
Total capital assets being depreciated, net	523,615,975	(6,873,250)	-	516,742,725
Governmental activity capital assets, net	\$ 643,241,776	\$ 22,636,574	\$ (2,842,698)	\$ 663,035,652
Road Commission				
Capital assets not being depreciated				
Land and other	\$ 218,855,724	\$ 8,952,689	\$ -	\$ 227,808,413
Construction in progress	851,129	1,474,584	(364,073)	1,961,640
Total capital assets not being depreciated	219,706,853	10,427,273	(364,073)	229,770,053
Capital assets being depreciated				
Buildings and storage bins	22,459,384	205,558	-	22,664,942
Road equipment	63,383,598	6,840,461	(380,923)	69,843,136
Other equipment	6,401,585	73,838	-	6,475,423
Infrastructure	1,115,083,615	81,684,403	(32,662,798)	1,164,105,220
Brine wells and gravel pits	2,489,608	-	-	2,489,608
Total capital assets being depreciated	1,209,817,790	88,804,260	(33,043,721)	1,265,578,329
Less: Accumulated depreciation				
Buildings and storage bins	13,628,556	358,488	-	13,987,044
Road equipment	51,898,801	5,904,017	(380,923)	57,421,895
Other equipment	5,305,260	207,322	-	5,512,582
Infrastructure	484,284,384	49,212,709	(32,662,798)	500,834,295
Brine wells and gravel pits	1,748,218	110,058	-	1,858,276
Total accumulated depreciation	556,865,219	55,792,594	(33,043,721)	579,614,092
Total capital assets being depreciated, net	652,952,571	33,011,666	-	685,964,237
Governmental activity capital assets, net	\$ 872,659,424	\$ 43,438,939	\$ (364,073)	\$ 915,734,290

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

8. Long-term Debt

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

Primary Government

	Interest rate	October 1, 2018	Additions	Reductions	September 30, 2019	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Governmental activities									
Debt with limited taxing authority									
Direct borrowings									
Retirees Health Care Bonds	3.62%	\$ 225,500,000	\$ -	\$ (24,750,000)	\$ 200,750,000	\$ 25,660,000	\$ 175,090,000	\$ 200,750,000	\$ -
Water supply - Act 342	3.34%	185,000	-	(20,000)	165,000	20,000	145,000	-	165,000
Michigan Bond Authority - Sewage Disposal Bonds	1.62%-2.50%	32,730,206	130,870	(1,615,000)	31,246,076	1,655,000	29,591,076	-	31,246,076
Total direct borrowings		258,415,206	130,870	(26,385,000)	232,161,076	27,335,000	204,826,076	200,750,000	31,411,076
Other borrowings									
Building authority - Act 31	2.00%-4.50%	35,970,000	-	(3,310,000)	32,660,000	3,375,000	29,285,000	21,960,000	10,700,000
Building authority refunding	2.00%-5.00%	22,275,000	-	(4,570,000)	17,705,000	4,640,000	13,065,000	15,910,000	1,795,000
Retirees Health Care Bonds	4.52%	34,000,000	-	-	34,000,000	-	34,000,000	34,000,000	-
Water supply - Act 342	2.00%-4.75%	13,505,000	-	(730,000)	12,775,000	740,000	12,035,000	-	12,775,000
Sewage disposal - Act 342	1.70%-3.25%	10,315,000	-	(435,000)	9,880,000	625,000	9,255,000	-	9,880,000
Water and sewer refunding bonds	1.50%-2.75%	795,000	-	(200,000)	595,000	220,000	375,000	-	595,000
Total other borrowings		116,860,000	-	(9,245,000)	107,615,000	9,600,000	98,015,000	71,870,000	35,745,000
Total bonds - governmental activities		\$ 375,275,206	\$ 130,870	\$ (35,630,000)	\$ 339,776,076	\$ 36,935,000	\$ 302,841,076	\$ 272,620,000	\$ 67,156,076
Business-type activities									
Direct borrowings									
Michigan Bond Authority - Water & Sewage Disposal Bonds	2.5%-6.00%	\$ 18,049,261	\$ 1,595,054	\$ (1,181,400)	\$ 18,462,915	\$ 1,206,800	\$ 17,256,115	\$ 18,462,915	\$ -
Other borrowings									
BA - Act 31 - County Airport	1.00%-5.90%	3,825,000	-	(275,000)	3,550,000	275,000	3,275,000	3,550,000	-
BA refunding - County Airport	2.00%-2.25%	2,460,000	-	(385,000)	2,075,000	395,000	1,680,000	2,075,000	-
Sewage disposal - Act 34	2.50%-3.125%	8,300,000	-	(420,000)	7,880,000	455,000	7,425,000	7,880,000	-
Sewage disposal refunding	2.00%-3.00%	3,065,000	-	(195,000)	2,870,000	200,000	2,670,000	2,870,000	-
Total other borrowings		17,650,000	-	(1,275,000)	16,375,000	1,325,000	15,050,000	16,375,000	-
Total bonds - business type		35,699,261	1,595,054	(2,456,400)	34,837,915	2,531,800	32,306,115	34,837,915	-
Total bonds - primary government		\$ 410,974,467	\$ 1,725,924	\$ (38,086,400)	\$ 374,613,991	\$ 39,466,800	\$ 335,147,191	\$ 307,457,915	\$ 67,156,076

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County of Oakland
Notes to Basic Financial Statements
September 30, 2019

Component Units

	Interest rate	October 1, 2018	Additions	Reductions	September 30, 2019	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Drainage Districts									
Debt with limited taxing authority									
Direct borrowings									
Drain bonds - Act 40	1.00%-2.45%	\$ 680,000	\$ -	\$ (80,000)	\$ 600,000	\$ 80,000	\$ 520,000	\$ 216,420	\$ 383,580
Michigan Bond Authority-Drain Bonds	1.625%-6.00%	164,587,219	18,275,654	(13,968,600)	168,894,273	14,308,200	154,586,073	17,003,834	151,890,439
Total direct borrowings		165,267,219	18,275,654	(14,048,600)	169,494,273	14,388,200	155,106,073	17,220,254	152,274,019
Other borrowings									
Drain bonds - Act 40	1.00%-7.00%	62,815,000	-	(3,750,000)	59,065,000	3,890,000	55,175,000	44,948,001	14,116,999
Drain refunding bonds	2.00%-3.00%	10,250,000	-	(1,515,000)	8,735,000	1,540,000	7,195,000	1,619,994	7,115,006
Total other borrowings		73,065,000	-	(5,265,000)	67,800,000	5,430,000	62,370,000	46,567,995	21,232,005
Total Drainage Districts		238,332,219	18,275,654	(19,313,600)	237,294,273	19,818,200	217,476,073	63,788,249	173,506,024
Total County Debt		\$ 649,306,686	\$ 20,001,578	\$ (37,400,000)	\$ 611,908,264	\$ 59,285,000	\$ 552,623,264	\$ 371,246,164	\$ 240,662,100
Road Commission									
Compensated absences	--	\$ 2,585,798	\$ 59,807	\$ -	\$ 2,645,605	\$ -	\$ 2,645,605	\$ -	\$ 2,645,605
Self-insured losses	--	975,135	1,420,146	(921,062)	1,474,219	679,773	794,446	-	1,474,219
Net OPEB liability	--	125,643,741	12,493,137	(13,478,583)	124,658,295	-	124,658,295	-	124,658,295
Net pension liability	--	33,601,609	29,401,478	(8,725,856)	54,277,231	-	54,277,231	-	54,277,231
Total Road Commission		\$ 162,806,283	\$ 43,374,568	\$ (23,125,501)	\$ 183,055,350	\$ 679,773	\$ 182,375,577	\$ -	\$ 183,055,350
Total reporting entity		\$ 812,112,969	\$ 63,376,146	\$ (80,525,501)	\$ 794,963,614	\$ 59,964,773	\$ 734,998,841	\$ 371,246,164	\$ 423,717,450

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County of Oakland
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September 30, 2019

The annual requirements to pay principal and interest on debt outstanding at September 30, 2019 (excluding the liabilities for compensated absences, other postemployment benefits, pension liability and uninsured losses for the Road Commission component unit) were as follows:

	Governmental Activities limited taxing authority				Business-type Bonds limited taxing authority				Total primary government	
	Direct		Other		Direct		Other		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2020	\$ 27,335,000	\$ 7,582,360	\$ 9,600,000	\$ 3,759,896	\$ 1,206,800	\$ 454,300	\$ 1,325,000	\$ 525,388	\$ 39,466,800	\$ 12,321,944
2021	28,315,000	6,595,196	9,690,000	3,460,426	1,239,900	423,904	1,355,000	489,500	40,599,900	10,969,026
2022	29,335,000	5,572,314	9,875,000	3,153,230	1,267,600	392,811	1,410,000	450,350	41,887,600	9,568,705
2023	30,400,000	4,512,232	7,175,000	2,834,895	1,300,700	360,894	1,445,000	408,063	40,320,700	8,116,084
2024	31,495,000	3,413,468	4,700,000	2,658,059	1,336,100	328,184	1,495,000	363,993	39,026,100	6,763,704
2025-2029	72,240,727	4,636,644	50,165,000	7,800,872	6,883,864	1,123,486	5,760,000	1,185,444	135,049,591	14,746,446
2030-2034	10,455,000	1,120,044	12,475,000	1,707,826	4,797,951	325,196	3,585,000	204,265	31,312,951	3,357,331
2035-2039	2,585,349	73,017	3,870,000	198,494	430,000	10,750	-	-	6,885,349	282,261
2040-2044	-	-	65,000	2,763	-	-	-	-	65,000	2,763
Totals	\$ 232,161,076	\$ 33,505,275	\$ 107,615,000	\$ 25,576,461	\$ 18,462,915	\$ 3,419,525	\$ 16,375,000	\$ 3,627,003	\$ 374,613,991	\$ 66,128,264

	Drainage Districts				Total reporting entity	
	Direct		Other		Principal	Interest
	Principal	Interest	Principal	Interest		
2020	\$ 14,388,200	\$ 3,864,558	\$ 5,430,000	\$ 2,287,567	\$ 59,285,000	\$ 18,474,069
2021	14,725,100	3,519,338	5,595,000	2,153,267	60,920,000	16,641,631
2022	15,082,400	3,165,646	5,705,000	2,005,115	62,675,000	14,739,466
2023	14,299,300	2,817,629	4,880,000	1,856,357	59,500,000	12,790,070
2024	14,641,576	2,475,483	4,980,000	1,711,482	58,647,676	10,950,669
2025-2029	49,482,246	8,701,824	21,020,000	6,289,244	205,551,837	29,737,514
2030-2034	43,313,310	3,113,147	20,190,000	2,322,289	94,816,261	8,792,767
2035-2039	3,562,141	95,170	-	-	10,447,490	377,431
2040-2044	-	-	-	-	65,000	2,763
Totals	\$ 169,494,273	\$ 27,752,795	\$ 67,800,000	\$ 18,625,321	\$ 611,908,264	\$ 112,506,380

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

The County has pledged its full faith and credit on debt totaling \$611,908,264. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2019, the debt limit was \$7,671,600,230. 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, 2019, there were five issues outstanding, totaling \$32,660,000, maturing in the years 2020-2040, which represents debt originally issued in the years 2010-2015 totaling \$52,895,000.

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 which was created by the County, under which contract the County is now obligated to maintain the funding in the VEBA Trust in future years pursuant to the terms of that contract under a Superseding Plan which has superseded and supplanted the obligation of the County to maintain retiree health services by keeping the VEBA Trust at full funding. As of September 30, 2019, there were two issues outstanding totaling \$234,750,000 maturing in the years 2020-2027. 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 which defines a schedule of annual payments to be made by the municipality to meet principal and interest obligations. Such contractual payments may be funded by 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, 2019, there were eight issues outstanding, totaling \$22,820,000, maturing in the years 2020-2037. This represents debt originally issued in the amount of \$28,050,000 issued in the years 2010-2018.

Refunding Bonds

Michigan Public Act 202 of 1943 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 Building Authority debt. At September 30, 2019, there were six issues outstanding, totaling \$18,300,000, maturing in the years 2020-2025. This represents debt originally issued in the years 2010-2014 totaling \$51,385,000.

County of Oakland
Notes to Basic Financial Statements
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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, 2019 for this issue is \$800,727, which matures in the years 2020-2027.

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, 2019, \$1,969,651 remains undrawn from the State Revolving Loan fund. The amount outstanding at September 30, 2019 for this issue is \$30,445,349, which matures in the years 2020-2036.

Business Type

Two Building Authority bond issues for the County Airport fund consist of the Airport T-Hangar Refunding in the amount outstanding as of September 30, 2019 of \$2,075,000 maturing in the years 2020-2024 and the Airport Terminal Building in the amount outstanding as of September 30, 2019 of \$3,550,000 maturing in the years 2020-2030. These represent original debt issued in the amount of \$4,585,000 in 2012 for the Airport T-Hangar and \$5,800,000 in 2010 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, 2019 was \$1,705,000 which matures in the years 2020-2032.

In August 2012, in conjunction with the transfer of operations of the City of Pontiac 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 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, 2019, \$924,257 remains undrawn and one for up to \$720,000, as of September 30, 2019, \$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, 2019, \$2,428,036 is undrawn. The debt obligation recorded as of September 30, 2019 amounted to \$16,757,915 maturing in the years 2020 through 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, 2019 was \$2,870,000, which matures in the years 2020-2031.

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In September 2018, the County issued \$8,300,000 of general obligation limited tax sewage disposal bonds for the Evergreen-Farmington Sewage Disposal System Capital Improvement Bonds, Series 2018A pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. The amount outstanding as of September 30, 2019 was \$7,880,000, which matures in the years 2020-2033.

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 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, 2019, there were 12 issues outstanding, totaling \$59,665,000, maturing in the years 2020-2034. This represents original debt issued for \$83,170,000 in the years 2003-2017.

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, 2019, there were four issues outstanding, totaling \$8,735,000, maturing in the years 2020-2031. This represents debt originally issued in the years 2013-2018 in the amount of \$13,870,000.

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, Macomb County, 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 & 2015, respectively, amounting to \$99,160,000. In August 2012, in conjunction with the transfer of operations of the City of Pontiac waste-water treatment system to the County, the County's Drainage District assumed the debt obligations initiated by the City of Pontiac 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 and as of September 30, 2019, \$5,177,859 remains undrawn. At September 30, 2019, there were 14 issues outstanding, totaling \$168,894,273, maturing in the years 2020-2036.

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 \$10,677,815.

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Changes in Other Long-term Liabilities

Long-term liabilities for compensated absences, pension liability (when applicable), workers compensation, and unreported health costs are reported in and liquidated through the Fringe Benefits internal service fund. Claims and judgements related to insurance activity are reported in the Building Liability Insurance internal service fund. Amounts reported for the fiscal year ended September 30, 2019 are as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities					
Accrued compensated absences	\$ 12,646,554	\$ 1,650,882	\$ (1,264,656)	\$ 13,032,780	\$ 1,303,278
Claims and judgments			-		
Accrued unreported health costs	4,925,512	1,841,225	(1,641,837)	5,124,900	1,708,300
Accrued workers' compensation	7,506,132	2,095,247	(1,975,435)	7,625,944	1,906,581
Building and liability insurance	5,292,834	2,975,168	(1,532,528)	6,735,474	1,775,500
Net pension liability	-	2,253,194	-	2,253,194	-
Governmental activity long-term liabilities	\$ 30,371,032	\$ 10,815,716	\$ (6,414,456)	\$ 34,772,292	\$ 6,693,659

9. Interfund Balances

Interfund receivables and payables at September 30, 2019 were as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Nonmajor governmental	\$ 12,417,065
Nonmajor governmental	General	2,073,563
	Nonmajor governmental	1,974,329
	S.O.C.S.D.S.	1,899
	Nonmajor enterprise	189,602
	Internal Service	37,935
	Total	4,277,328
Parks and Recreation	General	14,552
Water & Sewer Trust	Internal Service	164,087
Nonmajor enterprise	Internal Service	9,617
Internal service	General Fund	2,537,556
	Nonmajor governmental	9,857
	Water & Sewer Trust	436,591
	Evergreen-Farmington S.D.S.	1,580
	Clinton-Oakland S.D.S.	282
	Nonmajor enterprise	221
	Total	2,986,087
	Total	\$ 19,868,736

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 \$4,912,079 to cover

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various funds with deficit cash balances at year end and \$6,574,907 due from the Child Care Fund for revenues in excess of expenditures as budgeted. Other inter-fund receivables/payables include charges from the Drain Commissioner Revolving Fund for amounts due from various drains and lake level funds, the Drain Equipment and Information Technology funds for charges for services and/or supplies.

Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2019 were as follows:

Primary Government	Component Unit
Due from Component Unit	Due to Primary Government
General	Drainage Districts \$ 18,822
	Road Commission <u>926</u>
	Total <u>19,748</u>
Nonmajor governmental	Drainage Districts 564,267
	Road Commission <u>40</u>
	Total <u>564,307</u>
Evergreen Farmington SDS	Drainage Districts <u>90,274</u>
Internal Service	Drainage Districts 305
	Road Commission <u>29,602</u>
	Total <u>29,907</u>
	Total <u>\$ 704,236</u>
Component Unit	Primary Government
Due from Primary Government	Due to Component Unit
Drainage Districts	Clinton-Oakland S.D.S. \$ 3,666
	Internal service <u>95</u>
	Total <u>\$ 3,761</u>

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 various Drainage Districts component unit, and administrative charges to the Road Commission component unit.

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Advances to/from other funds (including current and long-term portions) at September 30, 2019 were as follows:

Receivable Fund	Payable Fund	
Nonmajor governmental	Nonmajor governmental	<u>\$ 986,453</u>
Delinquent Tax Revolving	Internal Service	<u>25,766</u>
	Total	<u>\$ 1,012,219</u>

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 balance of a 15-year advance to the Drain Equipment Fund for purchase of a storage building, and advances from the Long-Term Revolving Fund to two Chapter 4 Drains and two Lake Level projects.

Interfund transfers between the funds within the Primary Government recorded in the accompanying financial statements as operating transfers in/out for the year ended September 30, 2019 were as follows:

Transfers In	Transfers Out	Amount
General	Nonmajor governmental	\$ 1,054,754
	Delinquent Tax Revolving	<u>5,734,689</u>
	Total	<u>6,789,443</u>
Building Authority Act 31	General	<u>2,230,500</u>
Nonmajor governmental	General	35,686,821
	Nonmajor governmental	5,434,040
	Delinquent Tax Revolving	4,735,250
	Nonmajor enterprise	378,556
	Internal Service	<u>2,004,145</u>
	Total	<u>48,238,812</u>
Nonmajor enterprise	General	2,187,598
	Nonmajor governmental	<u>24,893</u>
		<u>2,212,491</u>
Internal Service	General	6,604,579
	Nonmajor governmental	21,497
	Parks and Recreation	122,515
	Water & Sewer Trust	56,692
	Nonmajor enterprise	286,000
	Internal service	<u>94,413</u>
	Total	<u>7,185,696</u>
	Total transfers	\$ 66,656,942

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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 Delinquent Tax Revolving Fund annually makes a transfer to the General Fund for operations and to Building Authority Debt Service funds for debt service obligations amounting to \$5,734,689 and \$4,735,250, respectively in 2019. The General Fund records transfers to various Special Revenue funds for cash deficits at year-end in the amount of \$4,912,079; to fund operations of the Child Care Fund in the amount of \$15,243,712; Building Improvement and other capital projects in the amount of \$11,045,413; various grant fund operations in the amount of \$4,485,617; debt service payments of \$2,230,500 for the Building Authority Debt Fund; \$6,444,210 to the Information Technology Fund for operations and a total of \$2,187,598 to CLEMIS Fund operations. The Internal Service funds recorded transfers in the amount of \$2,004,145 to provide funding for various work projects in the Capital Projects funds.

10. Fund Equities

At September 30, 2019, a deficit existed in the following funds:

Capital Projects Funds

Lake Levels Act 146	\$ 95,716
Drain Chapter 4 Construction	665,609

In the Capital Projects funds, the negative unassigned fund balance in the Lake Levels Act 146 fund primarily reflects costs that are related to the Bush Lake Level project in the amount of \$31,691 and the Upper Straits Lake Level Dam Reconstruction project in the amount of \$67,309.

The Bush Lake Level - construction of a new lake level control structure has been completed and a long-term special assessment for the project commenced in FY 2011. 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 ten annual installments. The long-term receivable is now on the balance sheet to track the collection of the Long-Term Special Assessment. Collection of the annual special assessment has reduced the deficit by \$19,856 from the FY 2018 deficit of \$51,547 to the FY 2019 deficit of \$31,691. The Upper Straits Lake Dam Replacement project consists of replacing an existing lake level control structure in West Bloomfield Township. Design of the project has been completed. Bids for the project were received on October 21, 2019 and the construction contract has been tentatively awarded to the contractor. The project will be financed by the sale of bonds or a loan. The debt will be repaid by an assessment to the Upper Straits Lake Level Special Assessment District over a likely ten - year period. The Special Assessment District has been updated and was approved by the Circuit Court for Oakland County on February 20, 2019. It is anticipated that construction on the project will commence in February 2020. A maintenance assessment in the amount of \$42,500 will be levied in the fall of 2019. Of this assessment, \$40,019, will be transferred to the construction fund to help reduce the fund's current deficit of \$67,309. The total estimated cost of the project is \$903,485 and after applying maintenance assessments collected over a two-year period will leave an estimated amount of \$700,000 to be financed by the sale of bonds or a loan.

The negative unassigned fund balance in the Drain Chapter 4 Construction Fund reflects costs that are related to the Lower Pettibone Lake Sanitary Chapter 4 Drain Construction project in the amount of \$594,918 and the Bald Eagle Lake Chapter 4 Drain Construction project in the amount of \$70,691.

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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 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 the first payment due 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 \$90,568 from the FY 2018 deficit of \$685,486 to the FY 2019 deficit of \$594,918. The Bald Eagle Lake Chapter 4 Drain Construction 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 be established to perform necessary updates to the system. There is a plan for a public hearing to redistrict the drain, and once the district is updated and the project design is complete, the replacement project will commence. Estimated project costs of \$650,000 will be financed by the sale of bonds or a loan. The debt will be repaid by an assessment roll over a ten-year period. The financing for the project is planned for around March 2020.

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Nonspendable, restricted, committed, assigned, and unassigned fund balances of the primary government at September 30, 2019 were as follows:

	Nonspendable	Spendable			
		Restricted	Committed	Assigned	Unassigned
Primary Government					
General Fund					
Prepays	\$ 120,826	\$ -	\$ -	\$ -	\$ -
Inventories	125,960	-	-	-	-
Property Tax Forfeiture	-	9,795,577	-	-	-
Future operating requirements 2020 and beyond	-	-	-	119,517,491	-
Property Tax Forfeiture Activities	-	-	-	34,181,514	-
Capital Reserve	-	-	-	13,500,000	-
Future Technology Replacement	-	-	-	13,025,005	-
Headlee Rollback-State Tax Exempt	-	-	-	10,000,000	-
Unfunded Mandates	-	-	-	9,300,047	-
Carryforwards	-	-	-	9,224,118	-
Catastrophic Claims	-	-	-	8,454,500	-
HR Comp/Workforce Planning	-	-	-	5,000,000	-
Tri-Party Supplemental	-	-	-	4,602,324	-
Health - Preventative Care	-	-	-	4,000,000	-
Local Road Improvement Match Program	-	-	-	2,027,439	-
Emergency Salaries	-	-	-	2,000,000	-
Revolving Fund-Local Sustainability Efforts	-	-	-	2,000,000	-
Youth Talent Development	-	-	-	2,000,000	-
Pandemic Response	-	-	-	1,500,000	-
Data Privacy and Security	-	-	-	1,175,000	-
Business Continuity Recovery	-	-	-	1,000,000	-
WRC Long-Term Revolving Fund	-	-	-	1,000,000	-
Economic Strategy Implementation	-	-	-	1,000,000	-
MI SCAO Interpreter Costs	-	-	-	750,000	-
Board of Commissioners Projects	-	-	-	637,204	-
Department Operations	-	-	-	557,317	-
High School Apprenticeship Program	-	-	-	500,000	-
Human Resources Legal	-	-	-	500,000	-
BOC-High School Hydration Stations	-	-	-	300,000	-
Community Partnerships	-	-	-	238,654	-
Quality of Life Initiatives	-	-	-	200,000	-
Buy Local	-	-	-	150,000	-
BOC-Targeted Health Services	-	-	-	100,000	-
Rx Discount Card Program	-	-	-	39,308	-
Unassigned	-	-	-	-	1,212,494
Total	\$ 246,786	\$ 9,795,577	\$ -	\$ 248,479,921	\$ 1,212,494

County of Oakland
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	Nonspendable	Spendable			
		Restricted	Committed	Assigned	Unassigned
Primary Government					
Special Revenue Funds					
Grants (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ (237,808)
Specific programs	-	16,563,717	-	-	-
Total	\$ -	\$ 16,563,717	\$ -	\$ -	\$ (237,808)
Debt Service Funds					
Debt service-general obligations	\$ -	\$ 6,654,695	\$ -	\$ -	\$ -
Capital Projects Funds					
Loan programs	\$ -	\$ -	\$ 4,316,000	\$ -	\$ -
Work projects	-	-	37,368,723	-	(761,325)
Total	\$ -	\$ -	\$ 41,684,723	\$ -	\$ (761,325)

11. Employee Benefits

Primary Government

The County provides various benefits to its employees. Expenditures in 2019 for these benefits totaled the following: medical insurance, \$43,095,881; prescription coverage, \$11,582,305; dental insurance, \$3,191,251; optical insurance, \$234,196; group life insurance, \$946,721; disability, \$3,535,361; tuition reimbursement, \$314,491; Social Security, \$18,388,427; workers' compensation, \$2,007,934; and unemployment claims, \$272,314.

12. Defined Benefit Pension Plan

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.

Management of PERS is vested with the Retirement and Deferred Compensation Board, which consists of nine voting members comprised 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 (3) elected employee members.
- One (1) elected retiree member.
- One (1) citizen member appointed by the Board and confirmed by the Oakland County Board of Commissioners.

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Plan Membership

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, 2018, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	2,023
Terminated plan members entitled to, but not yet receiving benefits	66
Active plan members	<u>194</u>
Total	<u>2,283</u>

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

Benefits

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

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

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

Funding Policy/Contributions

The County policy is to fund normal costs of the plan by contributions which are based on actuarially determined rates, expressed as percentages of annual covered payroll, and which are sufficient to accumulate assets to pay benefits when due. For fiscal year 2019, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2017.

Sheriff's deputies contribute at a rate of 3 percent of their annual pay for the first 14 years of service and 5 percent thereafter. Command officers contribute 5 percent. General County Option A members who have elected improved benefits, contribute 1 percent of their pay after 14 years of service. Contributions received from these employees for the years ended September 30, 2019 and September 30, 2018 amounted to \$232,357 and \$301,807, respectively.

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

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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 following was the Boards adopted asset allocation policy as of October 30, 2017.

<u>Asset Class</u>	<u>Target Allocation</u>
Cash Equivalents	0.0%
Domestic Equity	32.5%
International Equity	12.5%
Fixed Income	30.0%
Real Estate	10.0%
Other	<u>15.0%</u>
Total	<u>100.0%</u>

Rate of Return

For the year ended September 30, 2019, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.79 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Position Restricted for Employees' Pension Benefits

Net position restricted for employees' pension benefits include legally required reserves. Net position as of September 30, 2019 consists of the following reserves:

Annuity reserve	\$ 1,428,597
Pension reserve	153,533,753
Pension accumulated reserve	<u>590,232,060</u>
Total fund balance	<u>\$ 745,194,410</u>

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

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Since the County does not issue a stand-alone report for its County PERS, following are condensed financial statements for the period as of and including September 30, 2019:

Statement of Net Position

Cash and investments	\$ 743,769,350
Other assets	<u>1,896,821</u>
Total assets	<u>745,666,171</u>
Liabilities	<u>471,761</u>
Net position	<u>\$ 745,194,410</u>

Statement of Changes in Net Position

Additions:	
Contributions	\$ 232,357
Investment income	27,785,823
Other revenue	<u>844</u>
Total additions	<u>28,019,024</u>
Deductions:	
Benefit payments	59,356,307
Other expenses	<u>520,486</u>
Total deductions	<u>59,876,793</u>
Change in net position	<u>(31,857,769)</u>
Net position held in trust, beginning of year	<u>777,052,179</u>
Net position held in trust, end of year	<u>\$ 745,194,410</u>

Basis of Accounting

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

Method Used to Value Investments

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

Actuarial Methods and Assumptions

The annual required contribution was determined as part of the actuarial valuation as of September 30, 2017, using the individual entry age cost method. Significant actuarial assumptions used include (a) 7.25 investment rate of return, (b) projected salary increases of 3.25 to 9.25 percent per year and (c) 1.5 percent per year cost of living adjustments. Both (a) and (b) include a wage inflation component of 3.25 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period.

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The individual entry age actuarial cost method is the basis for determining the total pension liability for GASB No. 67 purposes and also the basis used to determine employer contributions for funding purposes.

Net Pension Liability

The County has chosen to use September 30, 2019 as its measurement date for the net pension liability. The September 30, 2019 reported net pension liability was determined using a measure of the total pension liability, less the amount of the pension plan's fiduciary net position. The September 30, 2019 total pension liability was determined by an actuarial valuation performed as of September 30, 2018, which used updated procedures to roll forward the estimated liability to September 30, 2019.

The components of the net pension liability of the County at September 30, 2019 were as follows:

Total pension liability	\$ 747,447,604
Plan fiduciary net position	<u>(745,194,410)</u>
Net Pension Liability (Asset)	<u>\$ 2,253,194</u>

Plan fiduciary net position as a percentage of the total pension liability	99.70%
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The net pension liability of \$2,253,194 has been recorded in the Fringe Benefit Fund, an internal service fund that is used to account for the County's employee fringe benefits.

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

	Increase/(Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at 9/30/2018	\$ 754,429,163	\$ 777,052,179	\$ (22,623,016)
Changes for the year:			
Service Cost	1,665,384	-	1,665,384
Interest	52,604,818	-	52,604,818
Difference between expected and actual experience	(1,895,454)	-	(1,895,454)
Assumption changes	-	-	-
Contributions - employer	-	-	-
Contributions - member	-	232,357	(232,357)
Net investment income	-	27,485,137	(27,485,137)
Benefit payments, including refunds of member contributions	(59,356,307)	(59,356,307)	-
Administrative expenses	-	(218,956)	218,956
Net changes	<u>(6,981,559)</u>	<u>(31,857,769)</u>	<u>24,876,210</u>
Balances at 9/30/2019	<u>\$ 747,447,604</u>	<u>\$ 745,194,410</u>	<u>\$ 2,253,194</u>

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

For the year ended September 30, 2019, the County reported a pension expense of \$5,874,833. At September 30, 2019 the County reported deferred outflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 9,727,796
Total	<u>\$ 9,727,796</u>

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

Fiscal Year Ending September 30	Net Deferred Outflows of Resources
2020	\$ (2,362,829)
2021	356,785
2022	6,393,847
2023	<u>5,339,993</u>
Total	<u>\$ 9,727,796</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2018, which used updated procedures to roll forward the estimated liability to September 30, 2019. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25 – 9.25% average, including inflation and step increases
Investment rate of return	7.25% net of pension investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the 2-dimensional MP-2014 improvement scales.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 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.

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Projected Cash Flows

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.

The long-term expected rate of return on 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 plans target asset allocation as of September 30, 2018, these best estimates are summarized in the following table.

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	5.59%

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

The following table presents the plan's net pension liability, calculated using a discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percent lower and one percent higher.

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability/(Asset)	\$ 73,235,079	\$ 2,253,194	\$ (58,554,142)

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, 2017, the date of the most recent actuarial valuation, membership consisted of 594 inactive plan members or beneficiaries currently receiving benefits, 53 inactive plan members entitled to but not yet receiving benefits, and 412 active plan members. The Road Commission's net pension liability as of December 31, 2018 was \$54,277,231. The Road Commission has chosen to use December 31, 2018 as its measurement date for the net pension liability. The September 30, 2019 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2018.

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The December 31, 2018 total pension liability was determined by an actuarial valuation performed as of that date. For the year ended September 30, 2019, the Road Commission recognized pension expense of \$11,158,616. At September 30, 2019, the Road Commission reported total deferred outflows of resources of \$20,870,120 and deferred inflows of resources of \$3,147,790.

13. Defined Contribution Plans

The County maintains a defined contribution plan, Oakland Performance Retirement System (OPRS), which qualifies under Internal Revenue Code Section 401(a). Employees in the County PERS were first afforded the opportunity to transfer to the OPRS through December 31, 1995, retroactive to January 1, 1995. Employees who elected to transfer to the OPRS had their individually actuarially determined earned retirement benefits in the County PERS, determined as of January 1, 1995, plus accrued interest at the rate of 7.5% from January 1, 1995 until the date of election to transfer, transferred into the OPRS. Subsequent to 1995, the County reopened the opportunity for transfer several times, resulting in an additional 1,477 employees transferred from the County PERS to the OPRS.

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

Total membership in the OPRS as of September 30, 2019 was 3,395, which includes 273 employees who elected to transfer from the PERS in 1995 through 2000 and 3,122 current employees hired since July 1, 1994.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2019 was \$227,399,264, and the County's total payroll was \$261,894,879.81. The required contributions, which matched those actually made, were \$8,847,376 by employees and \$20,030,992 by the County, representing 3.9% and 8.8% of covered payroll, respectively.

In 2008, the County offered a voluntary defined contribution plan for part-time non-eligible employees. The plan qualifies under the Omnibus Budget Reconciliation Act of 1990 (OBRA) and IRS Section 3121 (b) (&) (F) which allows for a defined contribution plan in lieu of Social Security. With the implementation of this plan, the County contributes 1.3% and the employee contributes 6.2% of their earnings into a defined contribution plan. The employee would be immediately 100% vested in both the employer and employee contributions, but cannot access the money invested in the plan until they are separated from County employment. During fiscal year 2019, the County contributed \$229,550 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.

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14. Postemployment Benefits

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 comprised 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 (3) elected employee members.
- One (1) elected retiree member.
- One (1) citizen member appointed by the Board and confirmed by the Oakland County Board of Commissioners.

Plan Membership

The Oakland County VEBA covers the majority of full-time employees of the County hired prior to September 21, 1985 having eight or more years of service, or hired between September 20, 1985 and January 1, 1995 and had 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, 2018, the date of the latest actuarial valuation:

Retirees and Beneficiaries	2,512
Inactive, Nonretired Members	198
Active Members	<u>1,775</u>
Total	<u>4,485</u>

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).

Benefits

In 2019, the County provided 2,833 retirees medical insurance and reimbursed 1,771 of them for Medicare premiums under the Trust. In 2019, the County disbursed \$37,734,541 for this purpose.

Postemployment benefits are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions. The plan covers the 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 January 1, 2007. For General members hired on and after 1/1/95 (5/27/95 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.

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If a member has 15 years of service at retirement, 60 percent of the health care premium will be paid by the Health Care Trust. The percent 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 retiree health saving plan effective 1/1/06 for General Non-Union employees, 3/5/09 for Sheriff Command Officers, 1/1/10 for Sheriff Corrections Deputies, and 2/9/12 for Sheriff Road Patrol Deputies. Employees will receive a cash payment upon retirement from which they can purchase their own health insurance.

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 over funded divisions. For fiscal year 2019, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2017, given the VEBA was fully funded.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about investment return, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the September 30, 2017 actuarial valuation, the individual entry age actuarial cost method was used to calculate the required annual contribution. The actuarial assumptions included a 7.25 percent investment rate of return (net of administrative expenses), which consists of a real rate of return of 4.0 percent per year plus a long-term rate of inflation of 3.25 percent per year and an annual healthcare cost trend rate of 8.25 percent initially, reduced by decrements to an ultimate rate of 3.25 percent after 10 years. Both rates included a 3.25 percent inflation assumption. The actuarial value of assets is equal to the reported market value of assets at the valuation date. The UAAL for the groups was amortized over a 10-year open level dollar method for the over-funded divisions. Active member payroll was assumed to increase 3.25 percent per year for the purpose of determining the level percent contributions.

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Investment Policy

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 following was the Board's adopted asset allocation policy as of January 11, 2018.

<u>Asset Class</u>	<u>Target Allocation</u>
Cash Equivalents	0.0%
Domestic Equity	32.5%
International Equity	12.5%
Fixed Income	30.0%
Real Estate	10.0%
Other Assets	15.0%
Total	100.0%

Rate of Return

For the year ended September 30, 2019, the annual money weighted rate of return on VEBA plan investments, net of VEBA plan investment expense, was 3.72 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The County has chosen to use September 30, 2019 as its measurement date for the net OPEB liability. The September 30, 2019 reported net OPEB liability was determined using a measure of the total OPEB liability, less the amount of the VEBA plan's fiduciary net position. The September 30, 2019 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2018, which used updated procedures to roll forward the estimated liability to September 30, 2019.

The components of the net pension liability of the County at September 30, 2019 were as follows:

Total OPEB liability	\$ 925,462,271
Plan fiduciary net position	<u>(1,307,578,534)</u>
Net OPEB Liability (Asset)	<u>\$ (382,116,263)</u>

Plan fiduciary net position as a percentage of the total OPEB liability	141.29%
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The net OPEB Liability (asset) has been recorded in the Fringe Benefit Fund, an internal service fund that is used to account for the County's employee fringe benefits.

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

	Increase/(Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at 9/30/2018	\$ 893,609,618	\$ 1,295,523,352	(401,913,734)
Changes for the year:			
Service Cost	8,876,381	-	8,876,381
Interest	63,749,998	-	63,749,998
Difference between expected and actual experience	(53,355,110)	-	(53,355,110)
Assumption changes	50,056,376	-	50,056,376
Contributions - employer	-	-	-
Contributions - member	-	290,718	(290,718)
Net investment income	-	46,821,806	(46,821,806)
Benefit payments, including refunds of member contributions	(37,474,992)	(37,765,710)	290,718
Administrative expenses	-	(251,109)	251,109
Other	-	2,959,477	(2,959,477)
Net changes	<u>31,852,653</u>	<u>12,055,182</u>	<u>19,797,471</u>
Balances at 9/30/2019	<u>\$ 925,462,271</u>	<u>\$ 1,307,578,534</u>	<u>\$(382,116,263)</u>

The difference between actual and expected experience is the actuarial gain loss, due to VEBA claims cost growing at a slower rate than anticipated by actuarial assumptions. The change in the assumptions is the change in the medical/Rx trend rates.

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

For the year ended September 30, 2019, the County recognized a reduction of OPEB expense of (\$69,972,004). At September 30, 2019 the County reported deferred outflows 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	\$ -	\$ (65,059,525)
Net difference between projected and actual earnings on OPEB plan investments	18,502,609	-
Changes in assumptions related to economic and demographic factors	33,637,990	(17,499,879)
Total	<u>\$ 52,140,599</u>	<u>\$ (82,559,404)</u>

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

Fiscal Year Ending September 30	Net Deferred Outflows and Inflows of Resources
2020	\$ (46,510,029)
2021	(3,173,568)
2022	10,096,123
2023	9,168,669
Total	<u>\$ (30,418,805)</u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2018, which used updated procedures to roll forward the estimated liability to September 30, 2019. The valuations used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%	
Healthcare cost trend rate	8.25%	decreasing to 3.25% in year 10
Salary increases	3.25 – 9.25%	average, including inflation and step increases
Investment rate of return	7.25%	net of pension investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the 2-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.

Projected Cash Flows

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.

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).

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For each major asset class that is included in the OPEB plans' target asset allocation as of September 30, 2019, these best estimates are summarized in the following table.

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	5.59%

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

The following table presents the plan's net OPEB liability, calculated using a discount rate of 7.25%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is one percent lower and one percent higher.

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Net OPEB Liability/(Asset)	\$ (266,405,294)	\$ (382,116,263)	\$ (478,608,589)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the net OPEB liability, calculated using the healthcare cost trend rate of 8.25 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.0 percentage point lower (7.25 percent, decreasing to 2.25%) or 1.0 percentage point higher (9.25 percent, decreasing to 4.25%) than the current rate.

	1 Percent Decrease (7.25% decreasing to 2.25%)	Current Healthcare Cost Trend Rate (8.25% decreasing to 3.25%)	1 Percent Increase (9.25% decreasing to 4.25%)
Net OPEB Liability/(Asset)	\$ (491,251,644)	\$ (382,116,263)	\$ (250,170,696)

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The following are condensed financial statements for the VEBA Trust as of September 30, 2019:

Statement of Net Position

Cash and investments	\$ 1,308,560,385
Other assets	2,798,402
Total assets	1,311,358,787
Liabilities	3,780,253
Net position	\$ 1,307,578,534

Statement of Changes in Net Position

Additions:	
Contributions	\$ 290,718
Investment income	46,838,881
Other revenue	2,959,477
Total additions	50,089,076
Deductions:	
Benefits	37,734,541
Other expenses	299,353
Total deductions	38,033,894
Change in net position	12,055,182
Net position held in trust, beginning of year	1,295,523,352
Net position held in trust, end of year	\$ 1,307,578,534

The Road Commission contributes to the Road Commission for Oakland County Retiree Health Care Trust (the "Trust"). The Trust provides for future payment of medical benefits for eligible retirees, their spouses and their dependents. The obligation to provide benefits to employees was established by negotiation with various collective bargaining units or other actions of the Oakland County Board of Road Commissioners. At December 31, 2016, the date of the most recent actuarial valuation, membership consisted of 417 inactive plan members or beneficiaries currently receiving benefits and 308 active plan members. For the year ended September 30, 2019, the Road Commission recognized OPEB expense of \$8,612,325, deferred outflows of resources of \$6,745,943, deferred inflows of resources of 1,154,574, and payments for postemployment health benefit premiums of \$9,447,201, leaving a net OPEB liability of \$124,658,295 at September 30, 2019.

15. Deferred Compensation Plan

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

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16. Risk Management

The County is exposed to various risks of loss related to property, employee injuries, general liability claims, and torts, as well as medical benefits provided to employees. The County has purchased 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, 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/faithful 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 for each occurrence, and self-insured retention and employers' liability in the amount of \$1,000,000. In FY 2016, the County added Excess Liability with limits of \$10,000,000 over a \$3,000,000 SIR/deductible and Cyber Liability with limits of \$5,000,000. In FY 2018 the Cyber Liability limits were increased to \$15,000,000; Liquor Liability insurance in the total amount of \$5,000,000 were added for Parks & Recreation facilities at White Lake Oaks, Springfield Oaks and Lyon Oaks; and Water Resource Commission CVT Maintenance Agreement liability was added in the amount of \$10,000,000. In FY2019 \$25,000,000 in additional Excess Liability coverage layers were added bringing the total Excess Liability limit up to \$35,000,000. The County is self-insured for all other risks except as noted. The Road Commission has similar risks and is uninsured for these claims within certain limits.

The County and the Road Commission estimate the liability for all of the above-mentioned claims that have been incurred through September 30, 2019, including both those claims that have been reported, as well as those that have not yet been reported, and estimates of both future payments of losses and related claim adjustment expenses. Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses.

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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:

	September 30	
	2019	2018
Primary Government		
Beginning-of-period liability	\$ 19,752,031	\$ 16,737,239
Estimated claims incurred, claim adjustment expenses and changes in estimates		
Provisions for current-year events	56,203,572	55,808,794
Increase (decrease) in provisions for prior-year events	1,183,685	1,350,912
Total incurred claims, claim adjustment expenses and changes in estimates	57,387,257	57,159,706
Claim payments and claim adjustment expenses		
Related to current-year events	(53,048,598)	(50,914,662)
Related to prior-year events	(2,868,074)	(3,230,252)
Total claim payments and claim adjustment expenses	(55,916,672)	(54,144,914)
End-of-period liability	\$ 21,222,616	\$ 19,752,031
Road Commission - Component Unit		
Beginning-of-year liability	\$ 1,875,135	\$ 1,727,480
Estimated claims incurred and changes in estimates	13,660,825	13,800,067
Claim payments	(13,161,741)	(13,652,412)
End-of-year liability	\$ 2,374,219	\$ 1,875,135

17. Leases and Contracts Receivable

The County (primary government) leases certain office facilities and other equipment under non-cancelable operating leases. Total costs for such leases for the County for the year ended September 30, 2019 were \$1,146,658. The future minimum lease payments as of September 30, 2019 are as follows:

Fiscal year	Primary government
2020	\$ 1,113,699
2021	829,669
2022	603,671
2023	610,650
2024	618,798
2025-2029	1,618,306
2030-2034	734,018
Total	\$ 6,128,811

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, 2019 totaled \$91,507, recorded in the Facilities Maintenance & Operations fund, an internal service fund type.

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The County has also “loaned” its AAA bond rating to assist local communities in the ability to finance local projects by pledging full faith and credit on the debt issued through the Oakland County Building Authority. Debt is to be paid from payments from the benefiting community over the life of the debt issues, with the structures being collateral. A contract, or lease, receivable with a corresponding deferred revenue is shown in the Debt Service Fund financial statements of the County. Debt and receivables are reported for a Sheriff’s Sub-station in the City of Rochester Hills for \$5.2 million in 2002 (refunded for \$2,260,000 in 2012), 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, City of Oak Park in the amount of \$2,500,000 in 2012, and Community Mental Health Authority Project in the amount of \$14,500,000 in 2012. The future minimum lease payments to be received as of September 30, 2019 are as follows:

Fiscal year	Primary government
2020	\$ 1,613,310
2021	1,393,735
2022	1,416,823
2023	1,402,085
2024	1,419,485
2025 - 2029	5,529,419
2030 - 2034	1,608,857
2035 - 2039	789,675
2040 - 2044	67,762
	<u>\$ 15,241,151</u>

As of September 30, 2019, the County has a contract receivable of approximately \$51,646,000 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 services that were performed during 2019 and for future services to be provided over the length of the contract. On the General Fund statements and full accrual governmental activities statements, \$46,942,000 of the contract receivable was recorded as unearned revenue, as the services were not performed prior to year-end.

18. Commitments and Contingencies

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

The County, the Drainage Districts, and the Road Commission received funds from various federal and state units to finance specific activities. The final determination of revenues 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

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September 30, 2019

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, 2019 as follows: Evergreen-Farmington S.D.S – Middlebelt Road Tunnel Project with a cost of \$34,467,978 with a remaining balance of \$2,148,974; Evergreen-Farmington S.D.S – North Evergreen Interceptor Quarton Rd Storage Improvement Project with a cost of \$2,942,161 and a remaining balance of \$165,854. There are three outstanding contracts under the direction of the Facilities Management Department, one with a cost of \$3,764,086 for Security Enhancements for Jail CCTV, Control Consoles & Intercom Upgrades with a remaining balance of \$9,561; one with a cost of \$1,246,718 for Children’s Village Multi Building Video Security Upgrade with a remaining balance of \$74,497; and the Jail MIDC Rooms Renovation with a cost of \$1,065,609 with a remaining balance of \$1,062,879 as of September 30, 2019.

There are six contracts for Information Technology projects at September 30, 2019 as follows: Imaging System Replacement with a cost of \$2,419,403 with a remaining balance of \$68,537; Network Equipment Replacement with a cost of \$8,326,498 with a remaining balance of \$2,326,498; Oblique Imagery Project with a cost of \$1,310,000 with a remaining balance of \$508,500; and the New Financial Human Capital Management Program with a cost of \$14,734,212 with a remaining balance of \$9,328,211; Identity and Access Management with a cost of \$2,000,001 with a remaining balance of \$988,768, and the P25 Radio Replacement Project with a cost of \$49,849,046 with a remaining balance of \$45,542,766.

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 \$33,331,207 with a remaining balance of \$1,869,641; Clinton River Water Resource Recovery Facility Drainage District Administrative Building Renovation with a cost of \$2,564,206 with a balance of \$1,565,708; a contract for construction, assessment and inspection for the Oakland Macomb Interceptor Drainage District Project with a total cost of \$39,073,032, with a remaining balance of \$5,405,729 as of September 30, 2019.

The Road Commission for Oakland County component unit reports construction projects in progress at September 30, 2019 in the amount of \$121 million with remaining commitments of \$36 million.

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

19. Statement of Net Position – Reconciliation of Internal Balances

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

Governmental Activities

Governmental Funds	
Due from other funds	\$ 16,694,393
Advances receivable	986,453
Due to other funds	(19,026,922)
Advances payable	(986,453)
Internal Service Funds	
Due from other funds	2,986,087
Due to other funds	(211,639)
Current and long-term advances payable	(25,766)
Governmental activities, internal balances	<u>\$ 416,153</u>

Business-Type Activities

Proprietary Funds	
Due from other funds	\$ 188,256
Current and long-term advances receivable	25,766
Due to other funds	(630,175)
Business-type activities, internal balances	<u>\$ (416,153)</u>

20. Tax Abatements

The County received reduced property tax revenues during the year as a result of Industrial Facility (IFT's), Brownfield Redevelopment Agreements, Personal Property tax (PA 328) and other agreements entered into by cities, villages, townships, and authorities within the County.

The IFT's 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. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in building of new facilities and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at both 100% and 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to \$504,387 for the County General Fund and \$29,564 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 \$564,484 for the County General Fund and \$33,087 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 \$680,507 for the County General Fund and \$39,887 for the County Parks and Recreation Fund for the year.

County of Oakland
Notes to Basic Financial Statements
September 30, 2019

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 multi-family housing units. Under this program the local governments establish ordinances and enter into agreements that allow the low to moderate multi-family 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 \$335,968 for the year.

REQUIRED SUPPLEMENTARY INFORMATION

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County of Oakland
Primary Government – Retirement System
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Years – Unaudited

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 1,665,384	\$ 2,128,819	\$ 2,483,176	\$ 2,864,098	\$ 3,705,776	\$ 4,196,269
Interest	52,604,818	53,272,144	53,389,706	53,131,461	50,740,081	50,492,624
Difference between expected and actual experience	(1,895,454)	(5,905,800)	(607,861)	2,639,268	2,621,256	-
Assumption changes	-	-	-	-	29,334,529	-
Benefit payments, including refunds of member contributions	(59,356,307)	(57,579,562)	(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)
Net change in total pension liability (asset)	(6,981,559)	(8,084,399)	(574,196)	4,709,302	34,334,676	4,694,970
Total pension liability - beginning of year	754,429,163	762,513,562	763,087,758	758,378,456	724,043,780	719,348,810
Total pension liability - end of year (a)	747,447,604	754,429,163	762,513,562	763,087,758	758,378,456	724,043,780
Plan fiduciary net position						
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ 4,554,832	\$ 5,770,835
Contributions - member	232,357	301,807	372,273	443,238	473,247	560,091
Net investment income	27,485,137	49,559,010	83,094,349	65,710,783	5,099,460	70,247,939
Benefit payments, including refunds of member contributions	(59,356,307)	(57,579,562)	(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)
Administrative expenses	(218,956)	(240,203)	(259,250)	(245,352)	(296,825)	(2,959,649)
Net change in plan fiduciary net position	(31,857,769)	(7,958,948)	27,368,155	11,983,144	(42,236,252)	23,625,293
Plan fiduciary net position - beginning of year	777,052,179	785,011,127	757,642,972	745,659,828	787,896,080	764,270,787
Plan fiduciary net position - end of year (b)	745,194,410	777,052,179	785,011,127	757,642,972	745,659,828	787,896,080
Net pension liability (asset) - end of year (a) - (b)	\$ 2,253,194	\$ (22,623,016)	\$ (22,497,565)	\$ 5,444,786	\$ 12,718,628	\$ (63,852,300)
Plan fiduciary net position as a percentage of the total pension liability	99.70%	103.00%	102.95%	99.29%	98.32%	108.82%
Covered payroll	\$ 13,385,938	\$ 16,019,655	\$ 18,631,927	\$ 21,834,812	\$ 24,707,298	\$ 29,901,825
Net pension liability (asset) as a percentage of covered payroll	16.83%	(141.22%)	(120.75%)	24.94%	51.48%	(213.54%)

Covered payroll is 2017 valuation payroll (projected to the 2018-2019 year) used to determine employer contributions for the 2018-2019 fiscal year.
 GASB Statement No. 67 was implemented for FYE September 30, 2014 and does not require retroactive Data implementation. Data will be added as information is available until 10 years of such information is available.

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County of Oakland
Primary Government – Retirement System
Required Supplementary Information
Schedule of Contributions
Last Ten Fiscal Years – Unaudited

	Fiscal Year									
	2019 *	2018 *	2017 *	2016 *	2015	2014	2013	2012 *	2011 *	2010 *
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 4,554,832	\$ 5,770,835	\$ 5,400,095	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	4,554,832	5,770,835	5,400,095	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,385,938	\$ 16,019,655	\$ 18,631,927	\$ 21,834,812	\$ 24,707,298	\$ 29,901,825	\$ 33,706,963	\$ 38,275,780	\$ 42,686,155	\$ 44,884,070
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	18.44%	19.30%	16.02%	0.00%	0.00%	0.00%

Notes to Schedule

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.
 * No actuarial determined contribution

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% funded
Asset valuation method	5-year smoothed market
Price Inflation	2.50%
Projected salary increases*	3.25% wage inflation
Investment rate of return*	7.25% net of investment and administrative expenses
Cost-of-living adjustments	1.5% non-compounding annually
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 2-dimensional MP-2014 improvement scales.

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County of Oakland
Primary Government – Retirement System
Required Supplementary Information
Schedule of Investment Returns
Last Six Fiscal Years – Unaudited

Annual Money-weighted rate of return, net of investment expense

Fiscal Year	Rate of Return
2014	8.74%
2015	0.35%
2016	9.20%
2017	11.58%
2018	6.43%
2019	3.79%

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

County of Oakland
Primary Government – OPEB Plan
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Three Fiscal Years - Unaudited

	Fiscal Year		
	2019	2018	2017
Total OPEB liability			
Service cost	\$ 8,876,381	\$ 9,742,233	\$ 11,009,857
Interest on the total OPEB liability	63,749,998	70,351,546	67,692,444
Change in benefit terms	-	-	-
Difference between expected and actual experience	(53,355,110)	(82,048,924)	(6,799,845)
Change in assumptions	50,056,376	(51,205,346)	-
Employer-financed benefit payments	(37,474,992)	(37,449,853)	(31,732,905)
Net change in total OPEB liability	31,852,653	(90,610,344)	40,169,551
Total OPEB liability - beginning of year	893,609,618	984,219,962	944,050,411
Total OPEB liability - end of year (a)	925,462,271	893,609,618	984,219,962
Plan fiduciary net position			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - member	290,718	234,284	218,517
OPEB Plan net investment income	46,821,806	84,162,823	134,380,948
Employer-financed benefit payments	(37,474,992)	(37,449,853)	(31,732,905)
Member-financed benefit payments	(290,718)	(234,284)	(218,517)
OPEB Plan administrative expenses	(251,109)	(234,935)	(204,215)
Other	2,959,477	3,465,258	3,332,028
Net change in plan fiduciary net position	12,055,182	49,943,293	105,775,856
Plan fiduciary net position - beginning of year	1,295,523,352	1,245,580,059	1,139,804,203
Plan fiduciary net position - end of year (b)	1,307,578,534	1,295,523,352	1,245,580,059
Net OPEB liability (asset) - end of year (a) - (b)	\$ (382,116,263)	\$ (401,913,734)	\$ (261,360,097)
 Plan fiduciary net position as a percentage of the total OPEB liability	 141.29%	 144.98%	 126.56%
 Covered employee payroll	 N/A	 N/A	 N/A
 Net OPEB liability (asset) as a percentage of covered employee payroll	 N/A	 N/A	 N/A

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

County of Oakland
Primary Government – OPEB Plan
Required Supplementary Information
Schedule of Contributions
Last Ten Fiscal Years - Unaudited

	Fiscal Year									
	2019 *	2018 *	2017 *	2016 *	2015 *	2014 *	2013 *	2012 *	2011 *	2010
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 800,184	\$ 818,930	\$ 35,236,330	\$ 36,969,985	\$ 37,268,761	\$ 47,592,273	\$ 57,631,411
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	57,631,411
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 800,184	\$ 818,930	\$ 35,236,330	\$ 36,969,985	\$ 37,268,761	\$ 47,592,273	\$ -
Covered-employee payroll	N/A	N/A	N/A	\$ 141,464,508	\$ 144,715,626	\$ 146,473,723	\$ 154,128,944	\$ 162,819,440	\$ 173,903,452	\$ 175,316,170
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	32.87%

Notes to Schedule

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

* The County fully funded the VEBA plan through the issuance of debt. (See notes 8 and 14)

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level Dollar, open if over 100% funded
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Price Inflation	2.50%
Projected salary increases *	3.25% wage inflation
Investment rate of return *	7.25% 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 2 dimensional MP-2014 improvement scales.
Health Care Trend Rates	Medical, Prescription Drug, Medicare Part B: 8.25% trend, gradually decreasing to 3.25% in year 10. Dental and vision: 3.25% trend for all years
Aging factors	Based on 2013 SOA Study "Health Care Costs - From Birth to Death"

County of Oakland
Primary Government – OPEB Plan
Required Supplementary Information
Schedule of Investment Returns
Last Three Fiscal Years – Unaudited

Annual Money-weighted rate of return, net of investment expense

Fiscal Year	Rate of Return
2017	12.10%
2018	6.50%
2019	3.72%

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

County of Oakland
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2019

	General Fund			Variance with Final Amended Budget
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	
Revenues				
Taxes				
Current property taxes	\$ 236,721,529	\$ 236,783,587	\$ 239,204,733	\$ 2,421,146
Delinquent taxes - prior years	98,500	98,500	186,681	88,181
Trailer tax	80,000	80,000	93,693	13,693
Total	236,900,029	236,962,087	239,485,107	2,523,020
Other intergovernmental revenues				
Circuit judges' salaries	903,049	903,049	892,086	(10,963)
Probate judges' salaries	622,464	622,464	588,456	(34,008)
District judges' salaries	457,240	457,240	502,514	45,274
State court fund - P.A. 189	4,500,000	4,500,000	4,647,766	147,766
Local comm stabilization share	2,000,000	3,000,000	3,590,612	590,612
Revenue sharing	26,419,178	26,523,216	26,808,155	284,939
Convention facility/Liquor tax	9,600,000	9,644,757	9,644,757	-
Other	282,006	300,100	270,091	(30,009)
Total	44,783,937	45,950,826	46,944,437	993,611
Charges for services				
County Executive	265,690	268,390	293,259	24,869
Management and Budget	3,765,600	3,765,600	3,892,011	126,411
Central Services	320,000	320,000	304,887	(15,113)
Human Resources	-	-	9	9
Human Services	4,664,457	4,671,760	4,515,152	(156,608)
Public Services	1,667,764	1,683,329	1,893,906	210,577
Community and Economic Development	393,375	393,375	563,191	169,816
Clerk/Register of Deeds	13,742,300	13,742,300	17,908,333	4,166,033
Treasurer	4,761,100	4,761,100	7,346,131	2,585,031
Circuit Court	3,038,500	3,038,500	2,954,819	(83,681)
District Court	11,541,237	11,573,662	12,047,983	474,321
Probate Court	556,600	563,600	612,988	49,388
Prosecuting Attorney	278,000	820,349	384,648	(435,701)
Sheriff	60,091,345	60,734,115	60,874,024	139,909
Legislative	22,500	22,500	13,421	(9,079)
Water Resources Commissioner	3,175,631	3,175,631	3,284,756	109,125
Non-Departmental	718,024	1,168,024	1,501,710	333,686
Total	109,002,123	110,702,235	118,391,228	7,688,993
Investment income	1,954,700	1,954,700	7,739,627	5,784,927
Indirect cost recovery	8,134,737	8,134,737	9,027,123	892,386
Federal grants	501,683	805,668	1,408,582	602,914
State grants	4,813,432	4,858,848	5,284,522	425,674
Contributions	29,240	73,469	45,110	(28,359)
Other revenues	429,100	429,630	909,903	480,273
Total revenues	406,548,981	409,872,200	429,235,639	19,363,439

(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2019

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Expenditures				
County Executive				
Administration				
Personnel	\$ 6,611,632	\$ 6,687,532	\$ 6,288,476	\$ 399,056
Operating	714,576	630,323	337,494	292,829
Internal Support	802,779	1,221,499	1,221,278	221
Total Administration	8,128,987	8,539,354	7,847,248	692,106
Management and Budget				
Personnel	17,272,048	17,272,048	15,583,712	1,688,336
Operating	819,021	819,021	560,770	258,251
Internal Support	2,153,552	2,580,334	2,522,578	57,756
Total Management and Budget	20,244,621	20,671,403	18,667,060	2,004,343
Central Services				
Personnel	1,480,797	1,480,797	1,430,939	49,858
Operating	400,193	403,718	313,793	89,925
Internal Support	753,650	767,747	760,904	6,843
Total Central Services	2,634,640	2,652,262	2,505,636	146,626
Facilities Management				
Personnel	1,091,261	1,093,461	1,023,388	70,073
Operating	232,446	245,233	239,954	5,279
Internal Support	134,576	107,493	107,483	10
Total Facilities Management	1,458,283	1,446,187	1,370,825	75,362
Human Resources				
Personnel	2,909,490	2,913,740	2,811,516	102,224
Operating	717,407	1,003,157	369,307	633,850
Internal Support	539,964	673,041	667,454	5,587
Total Human Resources	4,166,861	4,589,938	3,848,277	741,661
Human Services				
Personnel	28,554,956	28,559,406	26,099,585	2,459,821
Operating	4,873,659	5,532,712	4,392,746	1,139,966
Internal Support	3,249,465	4,335,724	4,243,668	92,056
Total Human Services	36,678,080	38,427,842	34,735,999	3,691,843
Public Services				
Personnel	12,555,954	12,593,116	11,761,046	832,070
Operating	2,157,276	2,297,524	2,049,219	248,305
Internal Support	3,613,193	3,922,519	3,871,118	51,401
Total Public Services	18,326,423	18,813,159	17,681,383	1,131,776
				(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2019

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Expenditures (continued)				
County Executive (continued)				
Community and Economic Development				
Personnel	\$ 5,672,744	\$ 5,672,744	\$ 5,174,316	\$ 498,428
Operating	1,837,731	2,223,778	1,589,790	633,988
Internal Support	891,027	1,049,754	1,043,537	6,217
Total Community and Economic Development	8,401,502	8,946,276	7,807,643	1,138,633
Total County Executive	100,039,397	104,086,421	94,464,071	9,622,350
Clerk/Register of Deeds				
Personnel	7,983,928	8,007,191	6,212,308	1,794,883
Operating	1,433,408	1,410,395	598,450	811,945
Internal Support	1,239,576	1,567,130	1,547,020	20,110
Total Clerk/Register of Deeds	10,656,912	10,984,716	8,357,778	2,626,938
Treasurer				
Personnel	3,490,301	3,490,301	3,213,782	276,519
Operating	4,512,105	4,512,105	3,153,088	1,359,017
Internal Support	726,704	1,220,362	1,199,768	20,594
Total Treasurer	8,729,110	9,222,768	7,566,638	1,656,130
Justice Administration				
Circuit Court				
Personnel	23,680,224	23,718,915	21,672,046	2,046,869
Operating	7,096,303	4,453,186	3,550,201	902,985
Internal Support	5,145,809	5,385,111	5,364,645	20,466
Total Circuit Court	35,922,336	33,557,212	30,586,892	2,970,320
District Court				
Personnel	13,418,111	13,440,761	12,794,945	645,816
Operating	2,679,682	2,246,530	2,071,910	174,620
Internal Support	1,630,246	1,815,214	1,800,231	14,983
Total District Court	17,728,039	17,502,505	16,667,086	835,419
Probate Court				
Personnel	4,665,671	4,665,671	4,397,651	268,020
Operating	1,030,424	1,037,424	1,034,922	2,502
Internal Support	824,951	917,810	897,944	19,866
Total Probate Court	6,521,046	6,620,905	6,330,517	290,388
Total Justice Administration	60,171,421	57,680,622	53,584,495	4,096,127
				(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2019

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Expenditures (continued)				
Law Enforcement				
Prosecuting Attorney				
Personnel	\$ 17,092,820	\$ 17,450,609	\$ 16,278,789	\$ 1,171,820
Operating	560,166	616,453	579,900	36,553
Internal Support	2,003,261	2,086,535	2,085,809	726
Total Prosecuting Attorney	19,656,247	20,153,597	18,944,498	1,209,099
Sheriff				
Personnel	124,868,551	127,079,922	127,078,383	1,539
Operating	12,252,227	13,543,578	11,191,641	2,351,937
Internal Support	18,706,851	19,294,806	18,736,251	558,555
Total Sheriff	155,827,629	159,918,306	157,006,275	2,912,031
Total Law Enforcement	175,483,876	180,071,903	175,950,773	4,121,130
Legislative				
Board of Commissioners				
Personnel	3,000,690	3,024,855	2,804,084	220,771
Operating	940,723	1,770,840	951,146	819,694
Internal Support	725,597	778,753	776,644	2,109
Total Legislative	4,667,010	5,574,448	4,531,874	1,042,574
Water Resources Commissioner				
Personnel	224,418	224,418	221,876	2,542
Operating	487,975	487,975	284,283	203,692
Internal Support	6,628,049	6,780,582	6,562,340	218,242
Total Water Resources Commissioner	7,340,442	7,492,975	7,068,499	424,476
Non-departmental				
Operating	24,450,638	28,624,242	20,420,759	8,203,483
Internal Support	9,907,833	3,758,698	2,680,856	1,077,842
Total non-departmental	34,358,471	32,382,940	23,101,615	9,281,325
Total expenditures	401,446,639	407,496,793	374,625,743	32,871,050
Excess of revenues (under) over expenditures	5,102,342	2,375,407	54,609,896	52,234,489 (continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2019

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Other Financing Sources (Uses)				
Transfers in				
Special Revenue Funds				
Restricted Funds	\$ 2,500	\$ 875,317	\$ 875,317	\$ -
Total special revenue funds	2,500	875,317	875,317	-
Capital Project Funds				
Project Work Orders	-	91,479	179,437	87,958
Total capital project funds	-	91,479	179,437	87,958
Enterprise Funds				
Delinquent Tax Revolving	5,600,000	5,600,000	5,734,689	134,689
Total enterprise funds	5,600,000	5,600,000	5,734,689	134,689
Total Transfers In	5,602,500	6,566,796	6,789,443	222,647
Transfers out				
Special Revenue Funds				
Mandated Indigent Defense	-	(1,828,758)	(1,828,758)	-
Child Care	(21,686,483)	(21,811,718)	(15,243,712)	6,568,006
Social Welfare Foster Care	(1,000)	(1,000)	-	1,000
Oakland Enhancement	-	(200,000)	(200,000)	-
Drains-Act 40 Chapters 4 & 18				
Maintenance	(56,165)	(56,165)	(52,706)	3,459
Friend of the Court Grant	(5,784,436)	(5,784,436)	(5,265,585)	518,851
Law Enforcement Grants	(1,309,113)	(1,551,382)	(1,399,099)	152,283
Housing & Community Development	(495,018)	(651,548)	(651,548)	-
Total special revenue funds	(29,332,215)	(31,885,007)	(24,641,408)	7,243,599 (continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2019

	General Fund			Variance with Final Amended Budget
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	
Other Financing Sources (Uses) (continued)				
Transfers Out (continued)				
Debt Service Funds				
Building Authority Debt Act 31	\$ (2,229,750)	\$ (2,229,750)	\$ (2,230,500)	\$ (750)
Total debt service funds	<u>(2,229,750)</u>	<u>(2,229,750)</u>	<u>(2,230,500)</u>	<u>(750)</u>
Capital Projects Funds				
Building Improvement	(5,500,000)	(5,500,000)	(5,500,000)	-
Project Work Orders	(1,330,000)	(1,456,396)	(1,358,043)	98,353
Major Dept Support Projects	(329,472)	(4,187,370)	(4,187,370)	-
Total capital projects funds	<u>(7,159,472)</u>	<u>(11,143,766)</u>	<u>(11,045,413)</u>	<u>98,353</u>
Internal Service Funds				
Information Technology	(3,620,676)	(6,444,210)	(6,444,210)	-
Motor Pool	-	(160,369)	(160,369)	-
Total internal service funds	<u>(3,620,676)</u>	<u>(6,604,579)</u>	<u>(6,604,579)</u>	<u>-</u>
Enterprise Funds				
Fire Records Management	(507,699)	(507,699)	(489,412)	18,287
CLEMIS	(1,644,186)	(1,644,186)	(1,644,186)	-
Radio Communications	(25,288)	(79,288)	(54,000)	25,288
Total enterprise funds	<u>(2,177,173)</u>	<u>(2,231,173)</u>	<u>(2,187,598)</u>	<u>43,575</u>
Total transfers out	<u>(44,519,286)</u>	<u>(54,094,275)</u>	<u>(46,709,498)</u>	<u>7,384,777</u>
Total other financing sources (uses)	<u>(38,916,786)</u>	<u>(47,527,479)</u>	<u>(39,920,055)</u>	<u>7,607,424</u>
Net change in fund balance	<u>(33,814,444)</u>	<u>(45,152,072)</u>	<u>14,689,841</u>	<u>59,841,913</u>
Fund balance				
October 1, 2018	<u>245,044,937</u>	<u>245,044,937</u>	<u>245,044,937</u>	-
September 30, 2019	<u>\$211,230,493</u>	<u>\$199,892,865</u>	<u>\$259,734,778</u>	<u>\$ 59,841,913</u>

County of Oakland
Notes to Required Supplementary Information
September 30, 2019

Budgetary Comparisons

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 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 re-appropriated 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 which receive an appropriation and can therefore be defined as those with an appropriated, annual, legally adopted budget are the General Fund and the following Special Revenue Funds: Child Care and Social Welfare Foster Care. Budgetary comparisons for funds in the "Major" funds category are reported in the Required Supplementary Information section.

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES – NON-MAJOR FUNDS
AND INTERNAL SERVICES FUNDS**

**County of Oakland
Balance Sheet
Non-Major Governmental Funds – By Fund Type
September 30, 2019**

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2019
Assets				
Pooled cash and investments	\$ 37,599,708	\$ 8,925	\$ 41,168,737	\$ 78,777,370
Due from other governmental units	13,520,623	-	-	13,520,623
Due from component units	40	-	564,267	564,307
Accrued interest receivable	178,280	736	43,249	222,265
Accounts receivable (net of allowance for uncollectibles where applicable)	359,900	-	-	359,900
Special assessments receivable	134,990	595,000	627,993	1,357,983
Contracts receivable	-	1,795,000	103,600	1,898,600
Due from other funds	2,931,329	-	1,345,999	4,277,328
Advances	-	-	986,453	986,453
Other assets	1,480,461	250	-	1,480,711
Total assets	<u>\$ 56,205,331</u>	<u>\$ 2,399,911</u>	<u>\$ 44,840,298</u>	<u>\$ 103,445,540</u>
Liabilities				
Vouchers payable	\$ 3,201,139	\$ 7,363	\$ 172,701	\$ 3,381,203
Due to other governmental units	3,754	-	-	3,754
Due to other funds	13,057,332	-	1,343,919	14,401,251
Advances	134,990	-	851,463	986,453
Unearned revenue	8,839,111	-	-	8,839,111
Other accrued liabilities	11,152,292	-	920,824	12,073,116
Total liabilities	<u>36,388,618</u>	<u>7,363</u>	<u>3,288,907</u>	<u>39,684,888</u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	134,990	595,000	627,993	1,357,983
Unavailable revenue - grants	1,129,301	-	-	1,129,301
Unavailable revenue - contracts receivable	-	1,795,000	-	1,795,000
Unavailable revenue - other	2,226,513	-	-	2,226,513
Total deferred inflows of resources	<u>3,490,804</u>	<u>2,390,000</u>	<u>627,993</u>	<u>6,508,797</u>
Fund Balances				
Spendable:				
Restricted	16,563,717	2,548	-	16,566,265
Committed	-	-	41,684,723	41,684,723
Unassigned	(237,808)	-	(761,325)	(999,133)
Total fund balances	<u>16,325,909</u>	<u>2,548</u>	<u>40,923,398</u>	<u>57,251,855</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,205,331</u>	<u>\$ 2,399,911</u>	<u>\$ 44,840,298</u>	<u>\$ 103,445,540</u>

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds – By Fund Type
Year Ended September 30, 2019

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2019
Revenues				
Special assessments	\$ 2,620,094	\$ 855,850	\$ 107,424	\$ 3,583,368
Federal grants	29,382,645	-	-	29,382,645
State grants	27,153,722	-	-	27,153,722
Other intergovernmental revenue	14,592,375	-	-	14,592,375
Charges for services	13,961,974	750	24,267	13,986,991
Contributions	71,276	-	-	71,276
Investment income	483,409	1,315	32,175	516,899
Other	277,103	-	-	277,103
Total revenues	88,542,598	857,915	163,866	89,564,379
Expenditures				
Current operations				
County Executive	66,279,562	-	-	66,279,562
Clerk/Register of Deeds	1,929,255	-	-	1,929,255
Justice administration	30,353,688	-	-	30,353,688
Law enforcement	7,470,213	-	-	7,470,213
Legislative	-	-	-	-
Water Resource Commissioner	3,936,157	-	-	3,936,157
Non-departmental	86,241	-	-	86,241
Total current operations	110,055,116	-	-	110,055,116
Capital outlay	263,646	-	16,110,057	16,373,703
Intergovernmental	220,675	-	-	220,675
Debt service				
Principal payments	-	4,770,000	-	4,770,000
Interest and fiscal charges	-	821,850	-	821,850
Total expenditures	110,539,437	5,591,850	16,110,057	132,241,344
Deficiency of revenues under expenditures	(21,996,839)	(4,733,935)	(15,946,191)	(42,676,965)
Other financing sources (uses)				
Transfers in	24,823,293	4,735,250	18,680,269	48,238,812
Transfers out	(1,352,628)	-	(5,182,556)	(6,535,184)
Insurance recoveries	130,000	-	-	130,000
Issuance of bonds	130,870	-	-	130,870
Total other financing sources (uses)	23,731,535	4,735,250	13,497,713	41,964,498
Net change in fund balances	1,734,696	1,315	(2,448,478)	(712,467)
Fund balances				
October 1, 2018	14,591,213	1,233	43,371,876	57,964,322
September 30, 2019	\$ 16,325,909	\$ 2,548	\$ 40,923,398	\$ 57,251,855

County of Oakland
Non-Major Special Revenue Funds

Special Revenue Funds

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, non-capital grants, and other earmarked revenues not included within other fund categories.

The Mandated Indigent Defense 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 to provide indigent criminal defense services specified in Standards 1-4. This includes continuing legal education, counsel at first appearance, obtaining experts and investigators for indigent defense.

The Child Care Fund - (formerly the Juvenile Maintenance Fund) is used to account for revenues 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.

The Social Welfare Foster Care Fund - is used to reimburse agencies and individuals for board and care expenditures of foster care children. Partial reimbursement of these expenditures is received from the State of Michigan (column not shown on statements where there is no balance or activity).

The Register of Deeds Automation Fund - is used to account for revenues from additional fees as authorized by the State of Michigan to allow for technology improvements in Clerk/Register of Deeds offices.

The Oakland Enhancement Fund - is used to account for revenues received from various sources for the purpose of coordinating economic development within the County.

The Restricted Funds Fund - is used to account for donations made for various specific purposes or other amounts held for disbursement at a future date. This includes:

- Donations made to, and their disbursements from, Oakland County Children's Village to benefit youths.
- Blind/Handicapped Library Gift accounts for donations made to the Blind/Handicapped Library.
- Oakland County Sheriff's Department Seized Funds is used to account for monies relinquished to the Sheriff's Department as a result of investigation by the department and their disbursement pending trial.
- Prosecutor Citizens Reward program is used to account for monies received from public donations and awarded to citizens for their special assistance on major cases initiated by the Prosecutor's Office.
- Probate Court Trust is used to account for individual donations made to the court and their subsequent disbursement to assist youths.
- Donations for programs such as: the Medical Examiner Library and FSC, Animal Population Control and Education, Arts, Culture, and Film.

The Waste Resource Management Fund - is used to account for administrative costs associated with Brownfield plans.

The Water and Sewer Act 342 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.

The Lake Levels Act 146 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.

County of Oakland Non-Major Special Revenue Funds

The Drains Act 40 Chapters 4 & 18 Maintenance 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.

The Lake Improvements Act 345 Fund - is used to account for funds held for lake improvement boards remaining from a phase out begun in 2004, awaiting action by the improvement boards to transfer responsibility to the respective local municipality.

The Friend of the Court 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.

The Multi-Organizational Grants Fund - accounts for costs in the following grants:

- Community Corrections, which utilizes State funds to increase utilization of community-based sanctions and services for nonviolent offenders.
- Juvenile Accountability Block Grant, which utilizes federal and County funds to develop programs to promote greater accountability in the juvenile justice system.
- 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.

The Workforce Development Grants 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.

The Law Enforcement Grants Fund - consists of grants used to record costs of various law enforcement programs utilizing federal, state, and local funds.

The Housing and Community Development 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.

The Human Service Grants Fund - accounts for the cost of various health-related/grant-funded programs.

The Other Grants Fund - consists of grants where the function does not relate specifically to one of the other areas:

- 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 1990.
- Tornado Siren, which utilizes County and municipal funds in the procurement and installation of tornado siren units used in the tornado warning system.
- 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.
- 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.

County of Oakland Non-Major Special Revenue Funds

The Judicial Grants Fund - accounts for drug court programs through Oakland County Circuit and 52nd Division District Courts.

The Oakland Brownfield Initiative Fund - is used to account for grant revenues 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 plus cities to perform environmental investigations on parcels throughout the County with special focus on the cities comprised in this Consortium.

The Concealed Pistol Licensing Fund – 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.

**County of Oakland
Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2019**

	Mandated Indigent Defense	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management
Assets						
Pooled cash and investments	\$ 2,435,764	\$ 5,631,525	\$ 6,289,426	\$ 244,942	\$ 3,187,045	\$ 1,422,543
Due from other governmental units	-	4,371,571	-	-	-	-
Due from component units	-	-	40	-	-	-
Accrued interest receivable	-	-	42,757	892	13,728	4,279
Accounts receivable (net of allowance for uncollectibles where applicable)	-	11,887	290	18,278	29,835	-
Special assessments receivable	-	-	-	-	-	-
Due from other funds	1,241,587	-	137,556	-	-	-
Prepayments and other assets	-	-	-	-	-	-
Total assets	<u>\$ 3,677,351</u>	<u>\$ 10,014,983</u>	<u>\$ 6,470,069</u>	<u>\$ 264,112</u>	<u>\$ 3,230,608</u>	<u>\$ 1,426,822</u>
Liabilities						
Vouchers payable	\$ 230,584	\$ 665,162	\$ 171,575	\$ -	\$ -	\$ -
Due to other governmental units	-	-	40	-	-	-
Due to other funds	424,294	6,574,907	-	-	306,700	-
Advances payable	-	-	-	-	-	-
Unearned revenue	3,007,103	-	-	-	-	-
Other accrued liabilities	15,370	463,337	-	200,000	-	481,352
Total liabilities	<u>3,677,351</u>	<u>7,703,406</u>	<u>171,615</u>	<u>200,000</u>	<u>306,700</u>	<u>481,352</u>
Deferred Inflows of Resources						
Unavailable revenue - special assessments	-	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-	-
Unavailable revenue - other	-	2,226,513	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>2,226,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (deficits)						
Restricted	-	85,064	6,298,454	64,112	2,923,908	945,470
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>85,064</u>	<u>6,298,454</u>	<u>64,112</u>	<u>2,923,908</u>	<u>945,470</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,677,351</u>	<u>\$ 10,014,983</u>	<u>\$ 6,470,069</u>	<u>\$ 264,112</u>	<u>\$ 3,230,608</u>	<u>\$ 1,426,822</u>

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2019**

	Water & Sewer Act 342	Lake Levels Act 146	Drains-Act 40 Maintenance Chapters 4 & 18	Lake Improvements Act 345	Friend of the Court
Assets					
Pooled cash and investments	\$ 5,220,738	\$ 158,496	\$ 2,760,073	\$ 52	\$ -
Due from other governmental units	-	39,990	167,186	-	1,635,361
Due from component units	-	-	-	-	-
Accrued interest receivable	36,766	906	41,395	-	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	9,256	-	29,240
Special assessments receivable	-	-	134,990	-	-
Due from other funds	-	1	166	-	1,322,537
Prepayments and other assets	-	-	-	-	1,588
Total assets	<u>\$ 5,257,504</u>	<u>\$ 199,393</u>	<u>\$ 3,113,066</u>	<u>\$ 52</u>	<u>\$ 2,988,726</u>
Liabilities					
Vouchers payable	\$ 105,182	\$ 48,915	\$ 77,057	\$ -	\$ 14,944
Due to other governmental units	-	-	270	-	1,170
Due to other funds	-	57,969	235,619	-	2,962,456
Advances payable	-	-	134,990	-	-
Unearned revenue	-	-	-	-	-
Other accrued liabilities	4,761,356	23,695	1,705,595	-	10,156
Total liabilities	<u>4,866,538</u>	<u>130,579</u>	<u>2,153,531</u>	<u>-</u>	<u>2,988,726</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	134,990	-	-
Unavailable revenue - grants	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>134,990</u>	<u>-</u>	<u>-</u>
Fund Balances (deficits)					
Restricted	390,966	68,814	824,545	52	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>390,966</u>	<u>68,814</u>	<u>824,545</u>	<u>52</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,257,504</u>	<u>\$ 199,393</u>	<u>\$ 3,113,066</u>	<u>\$ 52</u>	<u>\$ 2,988,726</u>

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2019**

	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants
Assets					
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 5,165,743	\$ 2,954,184
Due from other governmental units	339,125	1,674,465	1,074,733	3,417,859	207,193
Due from component units	-	-	-	-	-
Accrued interest receivable	-	-	-	31,360	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	-	261,114
Special assessments receivable	-	-	-	-	-
Due from other funds	-	-	177,116	13,864	37,914
Prepayments and other assets	-	1,468,778	7,195	-	2,900
Total assets	\$ 339,125	\$ 3,143,243	\$ 1,259,044	\$ 8,628,826	\$ 3,463,305
Liabilities					
Vouchers payable	50,514	1,605,447	57,866	6,608	86,180
Due to other governmental units	-	-	-	2,265	-
Due to other funds	286,057	143,376	1,049,140	13,864	531,901
Advances payable	-	-	-	-	-
Unearned revenue	-	-	-	5,832,008	-
Other accrued liabilities	2,554	1,394,420	104,346	1,957,429	781
Total liabilities	339,125	3,143,243	1,211,352	7,812,174	618,862
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - grants	-	-	15,452	674,827	162,824
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	-	-	15,452	674,827	162,824
Fund Balances (deficits)					
Restricted	-	-	32,240	141,825	2,681,619
Unassigned	-	-	-	-	-
Total fund balances (deficits)	-	-	32,240	141,825	2,681,619
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 339,125	\$ 3,143,243	\$ 1,259,044	\$ 8,628,826	\$ 3,463,305

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**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2019**

	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Totals September 30, 2019
Assets					
Pooled cash and investments	\$ -	\$ -	\$ 678,967	\$ 1,450,210	\$ 37,599,708
Due from other governmental units	368,358	196,937	27,845	-	13,520,623
Due from component units	-	-	-	-	40
Accrued interest receivable	-	-	-	6,197	178,280
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	-	359,900
Special assessments receivable	-	-	-	-	134,990
Due from other funds	588	-	-	-	2,931,329
Prepayments and other assets	-	-	-	-	1,480,461
Total assets	\$ 368,946	\$ 196,937	\$ 706,812	\$ 1,456,407	\$ 56,205,331
Liabilities					
Vouchers payable	\$ 4,380	\$ 20,163	\$ -	\$ 56,562	3,201,139
Due to other governmental units	-	-	-	9	3,754
Due to other funds	307,212	163,837	-	-	13,057,332
Advances payable	-	-	-	-	134,990
Unearned revenue	-	-	-	-	8,839,111
Other accrued liabilities	26,447	5,454	-	-	11,152,292
Total liabilities	338,039	189,454	-	56,571	36,388,618
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	134,990
Unavailable revenue - grants	122,861	153,337	-	-	1,129,301
Unavailable revenue - other	-	-	-	-	2,226,513
Total deferred inflows of resources	122,861	153,337	-	-	3,490,804
Fund Balances (deficits)					
Restricted	-	-	706,812	1,399,836	16,563,717
Unassigned	(91,954)	(145,854)	-	-	(237,808)
Total fund balances (deficits)	(91,954)	(145,854)	706,812	1,399,836	16,325,909
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 368,946	\$ 196,937	\$ 706,812	\$ 1,456,407	\$ 56,205,331

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County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2019

	Mandated Indigent Defense	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management
Revenues						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	299,803	-	-	-	-
State grants	1,905,153	16,029,953	-	-	-	-
Other intergovernmental revenue	-	-	-	-	-	-
Charges for services	-	5,725,596	1,100,035	426,441	1,101,365	74,111
Contributions	-	-	-	-	62,627	-
Investment income	15,758	-	147,783	1,914	61,159	28,970
Other	-	151,198	-	-	3,373	-
Total revenues	1,920,911	22,206,550	1,247,818	428,355	1,228,524	103,081
Expenditures						
Salaries	86,313	12,706,540	223,045	266,184	-	-
Fringe benefits	53,879	7,137,380	127,303	157,805	-	-
Contractual services	3,405,179	14,019,364	826,301	223,162	-	10,213
Commodities	6,012	636,581	278	-	-	-
Capital outlay	-	-	-	-	-	-
Internal services	83,345	2,876,832	194,634	965	-	-
Intergovernmental	-	-	-	-	219,718	-
Total expenditures	3,634,728	37,376,697	1,371,561	648,116	219,718	10,213
Excess (deficiency) of revenues over (under) expenditures	(1,713,817)	(15,170,147)	(123,743)	(219,761)	1,008,806	92,868
Other financing sources (uses)						
Transfers in	1,828,758	15,243,907	-	200,000	-	-
Transfers out	(114,941)	-	-	-	(1,057,201)	-
Insurance recoveries	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	-
Total other financing sources (uses)	1,713,817	15,243,907	-	200,000	(1,057,201)	-
Net change in fund balances	-	73,760	(123,743)	(19,761)	(48,395)	92,868
Fund balances (deficit)						
October 1, 2018	-	11,304	6,422,197	83,873	2,972,303	852,602
September 30, 2019	\$ -	\$ 85,064	\$ 6,298,454	\$ 64,112	\$ 2,923,908	\$ 945,470

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2019

	Water & Sewer Act 342	Lake Levels Act 146	Drains-Act 40 Maintenance Chapters 4 & 18	Lake Improvements Act 345	Friend of the Court
Revenues					
Special assessments	\$ -	\$ 851,141	\$ 1,768,953	\$ -	\$ -
Federal grants	-	-	-	-	-
State grants	-	-	-	-	-
Other intergovernmental revenue	-	-	-	-	12,610,950
Charges for services	500,000	250	206,397	-	1,362,076
Contributions	-	-	-	-	-
Investment income	130,666	6,201	61,277	-	-
Other	-	847	24,988	-	-
Total revenues	630,666	858,439	2,061,615	-	13,973,026
Expenditures					
Salaries	-	-	-	-	9,321,684
Fringe benefits	-	-	-	-	5,322,799
Contractual services	1,599,982	265,067	810,854	-	1,179,859
Commodities	5,949	10,442	16,188	-	75,864
Capital outlay	-	-	-	-	-
Internal services	229,775	272,983	724,917	-	1,729,135
Intergovernmental	-	-	-	957	-
Total expenditures	1,835,706	548,492	1,551,959	957	17,629,341
Excess (deficiency) of revenues over (under) expenditures	(1,205,040)	309,947	509,656	(957)	(3,656,315)
Other financing sources (uses)					
Transfers in	-	-	52,706	-	5,265,585
Transfers out	-	(163,466)	-	-	(17,020)
Insurance recoveries	130,000	-	-	-	-
Issuance of bonds	130,870	-	-	-	-
Total other financing sources (uses)	260,870	(163,466)	52,706	-	5,248,565
Net change in fund balances	(944,170)	146,481	562,362	(957)	1,592,250
Fund balances (deficit)					
October 1, 2018	1,335,136	(77,667)	262,183	1,009	(1,592,250)
September 30, 2019	\$ 390,966	\$ 68,814	\$ 824,545	\$ 52	\$ -

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2019

	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	123,264	12,704,344	372,586	9,666,347	5,521,763
State grants	1,668,395	2,360,878	2,174,211	24,311	1,952,280
Other intergovernmental revenue	-	-	1,981,425	-	-
Charges for services	-	-	1,202	2,659,895	800
Contributions	-	-	-	-	-
Investment income	-	-	-	-	-
Other	-	-	3,580	54,375	8,590
Total revenues	1,791,659	15,065,222	4,533,004	12,404,928	7,483,433
Expenditures					
Salaries	929,189	595,370	2,680,236	1,444,397	3,022,766
Fringe benefits	511,047	288,938	1,508,663	808,191	1,707,199
Contractual services	303,737	14,076,964	920,496	11,065,811	2,027,371
Commodities	18,700	4,897	78,614	57,231	335,138
Capital outlay	7,455	10,605	129,663	30,760	49,583
Internal services	21,531	88,448	293,927	159,214	523,570
Intergovernmental	-	-	-	-	-
Total expenditures	1,791,659	15,065,222	5,611,599	13,565,604	7,665,627
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,078,595)	(1,160,676)	(182,194)
Other financing sources (uses)					
Transfers in	-	-	1,580,789	651,548	-
Transfers out	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Total other financing sources (uses)	-	-	1,580,789	651,548	-
Net change in fund balances	-	-	502,194	(509,128)	(182,194)
Fund balances (deficit)					
October 1, 2018	-	-	(469,954)	650,953	2,863,813
September 30, 2019	\$ -	\$ -	\$ 32,240	\$ 141,825	\$ 2,681,619

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County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2019

	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Totals September 30, 2019
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 2,620,094
Federal grants	631,378	-	63,160	-	29,382,645
State grants	387,115	651,426	-	-	27,153,722
Other intergovernmental revenue	-	-	-	-	14,592,375
Charges for services	208,538	-	67,680	527,588	13,961,974
Contributions	8,649	-	-	-	71,276
Investment income	-	-	-	29,681	483,409
Other	30,126	26	-	-	277,103
Total revenues	1,265,806	651,452	130,840	557,269	88,542,598
Expenditures					
Salaries	136,902	290,767	-	91,147	31,794,540
Fringe benefits	78,429	164,455	-	68,448	17,934,536
Contractual services	647,165	172,366	63,159	13,217	51,630,267
Commodities	160,799	15,023	-	28,465	1,450,181
Capital outlay	35,580	-	-	-	263,646
Internal services	2,538	-	-	43,778	7,245,592
Intergovernmental	-	-	-	-	220,675
Total expenditures	1,061,413	642,611	63,159	245,055	110,539,437
Excess (deficiency) of revenues over (under) expenditures	204,393	8,841	67,681	312,214	(21,996,839)
Other financing sources (uses)					
Transfers in	-	-	-	-	24,823,293
Transfers out	-	-	-	-	(1,352,628)
Insurance recoveries	-	-	-	-	130,000
Issuance of bonds	-	-	-	-	130,870
Total other financing sources (uses)	-	-	-	-	23,731,535
Net change in fund balances	204,393	8,841	67,681	312,214	1,734,696
Fund balances (deficit)					
October 1, 2018	(296,347)	(154,695)	639,131	1,087,622	14,591,213
September 30, 2019	\$ (91,954)	\$ (145,854)	\$ 706,812	\$ 1,399,836	\$ 16,325,909

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County of Oakland
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and
Actual – Non-Major Special Revenue Funds
Year Ended September 30, 2019

	Child Care		
	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Revenues			
Federal grants	\$ 300,000	\$ 299,803	\$ (197)
State grants	15,589,442	16,029,953	440,511
Charges for services	5,148,303	5,725,596	577,293
Other	-	151,198	151,198
Total revenues	<u>21,037,745</u>	<u>22,206,550</u>	<u>1,168,805</u>
Expenditures			
Current operations			
County Executive			
Human Services			
Personnel	18,384,094	17,887,339	496,755
Operating	9,587,054	6,672,722	2,914,332
Internal Support	2,906,841	2,869,770	37,071
Total Human Services	<u>30,877,989</u>	<u>27,429,831</u>	<u>3,448,158</u>
Total County Executive	<u>30,877,989</u>	<u>27,429,831</u>	<u>3,448,158</u>
Justice administration			
Circuit Court			
Personnel	1,958,478	1,956,581	1,897
Operating	7,984,573	7,983,223	1,350
Internal Support	7,564	7,062	502
Total Circuit Court	<u>9,950,615</u>	<u>9,946,866</u>	<u>3,749</u>
Total Justice administration	<u>9,950,615</u>	<u>9,946,866</u>	<u>3,749</u>
Non-departmental			
Operating	2,026,152	-	2,026,152
Total Non-departmental	<u>2,026,152</u>	<u>-</u>	<u>2,026,152</u>
Total expenditures	<u>42,854,756</u>	<u>37,376,697</u>	<u>5,478,059</u>
Deficiency of revenues under expenditures	(21,817,011)	(15,170,147)	6,646,864
Other financing sources (uses)			
Transfers in	21,811,913	15,243,907	(6,568,006)
Transfers out	(6,206)	-	6,206
Total other financing sources (uses)	<u>21,805,707</u>	<u>15,243,907</u>	<u>(6,561,800)</u>
Net change in fund balance	(11,304)	73,760	85,064
Fund balance			
October 1, 2018	<u>11,304</u>	<u>11,304</u>	<u>-</u>
September 30, 2019	<u>\$ -</u>	<u>\$ 85,064</u>	<u>\$ 85,064</u>

County of Oakland
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and
Actual – Non-Major Special Revenue Funds (Continued)
Year Ended September 30, 2019

	Social Welfare Foster Care		
	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Revenues			
State grants	\$ 1,000	\$ -	\$ (1,000)
Total revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Expenditures			
Current operations			
County Executive			
Human Services			
Operating	2,000	-	2,000
Deficiency of revenues under expenditures	(1,000)	-	1,000
Other financing sources			
Transfers in	1,000	-	(1,000)
Net change in fund balance	-	-	-
Fund balance			
October 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Oakland
Non-Major Debt Service Funds

Debt Service Funds

These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The Building Authority Debt Refunding 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. Also includes refunding debt issued as assistance in obtaining favorable lending rates for other units of government within Oakland County.

The Water and Sewer Debt Refunding 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.

County of Oakland
Combining Balance Sheet
Non-Major Debt Service Funds
September 30, 2019

	Building Authority Debt Refunding	Water and Sewer Debt Refunding	Totals September 30, 2019
Assets			
Pooled cash and investments	\$ 1,008	\$ 7,917	\$ 8,925
Accrued interest receivable	427	309	736
Special assessments receivable	-	595,000	595,000
Contracts receivable	1,795,000	-	1,795,000
Prepayments and other assets	-	250	250
Total assets	<u>\$ 1,796,435</u>	<u>\$ 603,476</u>	<u>\$ 2,399,911</u>
Liabilities			
Vouchers payable	\$ -	\$ 7,363	\$ 7,363
Total liabilities	<u>-</u>	<u>7,363</u>	<u>7,363</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	-	595,000	595,000
Unavailable revenue - contracts	1,795,000	-	1,795,000
Total deferred inflows of resources	<u>1,795,000</u>	<u>595,000</u>	<u>2,390,000</u>
Fund Balances - restricted for debt service	<u>1,435</u>	<u>1,113</u>	<u>2,548</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,796,435</u>	<u>\$ 603,476</u>	<u>\$ 2,399,911</u>

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County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Debt Service Funds
Year Ended September 30, 2019

	Building Authority Debt Refunding	Water and Sewer Debt Refunding	Totals September 30, 2019
Revenues			
Special assessments	\$ 639,125	\$ 216,725	\$ 855,850
Charges for services	750	-	750
Investment income	705	610	1,315
Total revenues	<u>640,580</u>	<u>217,335</u>	<u>857,915</u>
Expenditures			
Principal payments	4,570,000	200,000	4,770,000
Interest	803,475	16,725	820,200
Paying agent fees	1,650	-	1,650
Total expenditures	<u>5,375,125</u>	<u>216,725</u>	<u>5,591,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,734,545)</u>	<u>610</u>	<u>(4,733,935)</u>
Other financing sources (uses)			
Transfers in	4,735,250	-	4,735,250
Transfers out	-	-	-
Total other financing sources (uses)	<u>4,735,250</u>	<u>-</u>	<u>4,735,250</u>
Net change in fund balances	<u>705</u>	<u>610</u>	<u>1,315</u>
Fund balances			
October 1, 2018	<u>730</u>	<u>503</u>	<u>1,233</u>
September 30, 2019	<u>\$ 1,435</u>	<u>\$ 1,113</u>	<u>\$ 2,548</u>

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County of Oakland

Non-Major Capital Projects Funds

Capital Projects Funds

These funds account for the purchase or construction of major capital facilities which are not financed by Proprietary funds.

The Building Improvement Fund - was established as a holding account for monies transferred from the County's General Fund for future funding of major County building programs.

The Project Work Orders Fund - was established to account for the costs of various improvement projects for County facilities.

The Facilities Management Infrastructure and IT Projects 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.

The Animal Control and Pet Adoption Center Construction 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.

The Major Departmental Support Projects 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.

The Lake Levels Act 146 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.

The Lake Improvements Act 345 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.

The Chapter 4 Drain Construction Fund - is used to account for the costs of construction of drains under Chapter 4 of Public Act 40 of 1956 (Drain Code). Revenue is provided from special assessments against the benefiting properties within the district.

The Drain Commissioner Revolving Fund - was established to provide funds for preliminary costs of various drains (including component unit drainage districts), lake level projects, and lake improvements.

The Long-term Revolving 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.

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**County of Oakland
Combining Balance Sheet
Non-Major Capital Projects Funds
September 30, 2019**

	Building Improvement	Project Work Orders	Facilities Infrastructure & IT Projects	Animal Control and Pet Adoption Center	Major Dept. Support Projects
Assets					
Pooled cash and investments	\$ 8,261,462	\$ 13,554,853	\$ 41,637	\$ 627,569	\$ 16,172,218
Accrued interest receivable	-	-	14,087	27,470	-
Special assessments receivable	-	-	-	-	-
Contracts receivable	-	-	-	-	-
Due from component units	-	-	-	-	-
Due from other funds	55,849	562,033	-	-	329,472
Advances	-	-	-	-	-
Total assets	<u>\$ 8,317,311</u>	<u>\$ 14,116,886</u>	<u>\$ 55,724</u>	<u>\$ 655,039</u>	<u>\$ 16,501,690</u>
Liabilities					
Vouchers payable	\$ -	\$ 113,644	\$ -	\$ 6,055	\$ 28,816
Due to other funds	55,849	1,184,671	-	-	-
Advances	-	-	-	-	-
Other accrued liabilities	-	544,652	-	7,274	346,588
Total liabilities	<u>55,849</u>	<u>1,842,967</u>	<u>-</u>	<u>13,329</u>	<u>375,404</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (deficits)					
Committed	8,261,462	12,273,919	55,724	641,710	16,126,286
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>8,261,462</u>	<u>12,273,919</u>	<u>55,724</u>	<u>641,710</u>	<u>16,126,286</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 8,317,311</u>	<u>\$ 14,116,886</u>	<u>\$ 55,724</u>	<u>\$ 655,039</u>	<u>\$ 16,501,690</u>

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Capital Project Funds
September 30, 2019**

	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2019
Assets						
Pooled cash and investments	\$ 34,765	\$ 9,622	\$ 203,576	\$ 862,088	\$ 1,400,947	\$ 41,168,737
Accrued interest receivable	194	-	1,498	-	-	43,249
Special assessments receivable	15,197	-	612,796	-	-	627,993
Contracts receivable	-	-	-	-	103,600	103,600
Due from component units	-	-	-	564,267	-	564,267
Due from other funds	-	-	-	398,645	-	1,345,999
Advances	-	-	-	-	986,453	986,453
Total assets	<u>\$ 50,156</u>	<u>\$ 9,622</u>	<u>\$ 817,870</u>	<u>\$ 1,825,000</u>	<u>\$ 2,491,000</u>	<u>\$ 44,840,298</u>
Liabilities						
Vouchers payable	\$ 24,186	\$ -	\$ -	\$ -	\$ -	\$ 172,701
Due to other funds	51,276	-	52,123	-	-	1,343,919
Advances	45,213	-	806,250	-	-	851,463
Other accrued liabilities	10,000	-	12,310	-	-	920,824
Total liabilities	<u>130,675</u>	<u>-</u>	<u>870,683</u>	<u>-</u>	<u>-</u>	<u>3,288,907</u>
Deferred Inflows of Resources						
Unavailable revenue - special assessments	15,197	-	612,796	-	-	627,993
Total deferred inflows of resources	<u>15,197</u>	<u>-</u>	<u>612,796</u>	<u>-</u>	<u>-</u>	<u>627,993</u>
Fund Balances (deficits)						
Committed	-	9,622	-	1,825,000	2,491,000	41,684,723
Unassigned	(95,716)	-	(665,609)	-	-	(761,325)
Total fund balances (deficits)	<u>(95,716)</u>	<u>9,622</u>	<u>(665,609)</u>	<u>1,825,000</u>	<u>2,491,000</u>	<u>40,923,398</u>
Total liabilities, deferred inflows from resources, and fund balances (deficits)	<u>\$ 50,156</u>	<u>\$ 9,622</u>	<u>\$ 817,870</u>	<u>\$ 1,825,000</u>	<u>\$ 2,491,000</u>	<u>\$ 44,840,298</u>

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended September 30, 2019

	Building Improvement	Project Work Orders	Facilities Infrastructure & IT Projects	Animal Control and Pet Adoption Center	Major Dept. Support Projects
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Investment income	-	-	11,400	15,039	-
Total revenues	-	-	11,400	15,039	-
Expenditures					
Capital outlay	-	7,457,257	344,893	81,958	8,065,599
Total expenditures	-	7,457,257	344,893	81,958	8,065,599
Excess (deficiency) of revenues over (under) expenditures	-	(7,457,257)	(333,493)	(66,919)	(8,065,599)
Other financing sources (uses)					
Transfers in	5,679,141	6,650,293	-	-	6,187,370
Transfers out	(4,819,501)	(363,055)	-	-	-
Total other financing sources (uses)	859,640	6,287,238	-	-	6,187,370
Net change in fund balances	859,640	(1,170,019)	(333,493)	(66,919)	(1,878,229)
Fund balances (deficit)					
October 1, 2018	7,401,822	13,443,938	389,217	708,629	18,004,515
September 30, 2019	\$ 8,261,462	\$ 12,273,919	\$ 55,724	\$ 641,710	\$ 16,126,286

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Capital Project Funds
Year Ended September 30, 2019

	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2019
Revenues						
Special assessments	\$ 19,379	\$ -	\$ 88,045	\$ -	\$ -	\$ 107,424
Charges for services	894	-	23,373	-	-	24,267
Investment income	228	-	5,508	-	-	32,175
Total revenues	20,501	-	116,926	-	-	163,866
Expenditures						
Capital outlay	63,301	-	97,049	-	-	16,110,057
Total expenditures	63,301	-	97,049	-	-	16,110,057
Excess (deficiency) of revenues over (under) expenditures	(42,800)	-	19,877	-	-	(15,946,191)
Other financing sources (uses)						
Transfers in	163,465	-	-	-	-	18,680,269
Transfers out	-	-	-	-	-	(5,182,556)
Total other financing sources (uses)	163,465	-	-	-	-	13,497,713
Net change in fund balances	120,665	-	19,877	-	-	(2,448,478)
Fund balances (deficit)						
October 1, 2018	(216,381)	9,622	(685,486)	1,825,000	2,491,000	43,371,876
September 30, 2019	\$ (95,716)	\$ 9,622	\$ (665,609)	\$ 1,825,000	\$ 2,491,000	\$ 40,923,398

County of Oakland Internal Service Funds

Internal Service Funds

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.

The Facilities Maintenance and Operations 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.

The Information Technology 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.

The Drain Equipment 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.

The Motor Pool Fund - accumulates the costs of purchasing, servicing, and operating County-owned vehicles. The fund recovers these costs by developing rates and billing user departments.

The Telephone Communications 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.

The Building and Liability Insurance Fund - was established to accumulate monies, which 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 monies accumulated for self-insurance.

The Fringe Benefits Fund - is used to account for the County's employee fringe benefits. Monies 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 monies 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 Benefit fund.

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County of Oakland
Combining Statement of Net Position
Internal Service Funds
September 30, 2019

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Assets				
Current assets				
Pooled cash and investments	\$ 9,943,659	\$ 2,423,511	\$ 14,690,906	\$ 4,872,219
Investments, at fair value	-	-	-	-
Due from other governmental units	641	14,480	582	17,396
Due from component units	-	15,297	14,610	-
Accrued interest receivable	81,250	63,437	63,650	26,630
Accounts receivable (net of allowance for uncollectibles where applicable)	121,546	52,108	199,552	-
Due from other funds	14,554	2,534,273	424,360	11,880
Inventories and supplies	217,605	20,413	874,835	264,929
Prepayments and other assets	9,256	3,840,662	9,167	3,932
Total current assets	10,388,511	8,964,181	16,277,662	5,196,986
Noncurrent assets				
Net OPEB asset	-	-	-	-
Capital assets, at cost				
Land	-	-	130,000	-
Buildings and improvements	525,283	-	2,424,145	424,860
Equipment and vehicles	2,438,062	66,181,991	8,996,887	21,221,960
Infrastructure	3,169,683	-	-	-
Construction in progress	-	3,501,389	5,454,817	-
	6,133,028	69,683,380	17,005,849	21,646,820
Less: Accumulated depreciation	5,150,543	59,504,950	6,821,289	15,677,684
Capital assets, net	982,485	10,178,430	10,184,560	5,969,136
Total noncurrent assets	982,485	10,178,430	10,184,560	5,969,136
Total assets	11,370,996	19,142,611	26,462,222	11,166,122
Deferred Outflows of Resources				
Deferred outflows related to pension	-	-	-	-
Deferred outflows related to OPEB	-	-	-	-
Total deferred outflows of resources	-	-	-	-

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County of Oakland
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2019

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2019
Assets				
Current assets				
Pooled cash and investments	\$ 2,447,224	\$ 6,891,128	\$ 92,405,552	\$ 133,674,199
Investments, at fair value	-	-	14,866,642	14,866,642
Due from other governmental units	342	-	1,760	35,201
Due from component units	-	-	-	29,907
Accrued interest receivable	28,505	181,903	1,024,180	1,469,555
Accounts receivable (net of allowance for uncollectibles where applicable)	427	-	195	373,828
Due from other funds	-	-	1,020	2,986,087
Inventories and supplies	-	-	-	1,377,782
Prepayments and other assets	119,616	1,608,951	1,316,070	6,907,654
Total current assets	2,596,114	8,681,982	109,615,419	161,720,855
Noncurrent assets				
Net OPEB asset	-	-	382,116,263	382,116,263
Capital assets, at cost				
Land	-	-	-	130,000
Buildings and improvements	-	-	-	3,374,288
Equipment and vehicles	4,902,181	-	-	103,741,081
Infrastructure	-	-	-	3,169,683
Construction in progress	-	-	-	8,956,206
	4,902,181	-	-	119,371,258
Less: Accumulated depreciation	4,871,624	-	-	92,026,090
Capital assets, net	30,557	-	-	27,345,168
Total noncurrent assets	30,557	-	382,116,263	409,461,431
Total assets	\$ 2,626,671	\$ 8,681,982	\$ 491,731,682	\$ 571,182,286
Deferred Outflows of Resources				
Deferred outflows related to pension	-	-	9,727,796	9,727,796
Deferred outflows related to OPEB	-	-	52,140,599	52,140,599
Total deferred inflows of resources	-	-	61,868,395	61,868,395

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County of Oakland
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2019

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Liabilities				
Current liabilities				
Vouchers payable	\$ 653,564	\$ 1,256,327	\$ 338,342	\$ 38,767
Due to other governmental units	-	162	-	-
Due to component units	-	-	95	-
Due to other funds	-	47,384	164,255	-
Unearned revenue	-	4,812	-	-
Current portion of bonds payable	-	-	-	-
Current portion of compensated absences	-	-	-	-
Current portion of claims and judgments	-	-	-	-
Current portion of advances payable	-	-	12,883	-
Other accrued liabilities	410,111	880,697	455,116	5,325
Total current liabilities	1,063,675	2,189,382	970,691	44,092
Noncurrent liabilities				
Bonds payable	-	-	-	-
Net pension liability	-	-	-	-
Accrued compensated absences	-	-	-	-
Claims and judgments	-	-	-	-
Advances payable	-	-	12,883	-
Total noncurrent liabilities	-	-	12,883	-
Total liabilities	1,063,675	2,189,382	983,574	44,092
Deferred Inflows of Resources				
Deferred inflows related to OPEB	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Net Position				
Net investment in capital assets	982,485	10,178,430	10,184,560	5,969,136
Unrestricted	9,324,836	6,774,799	15,294,088	5,152,894
Total net position	\$ 10,307,321	\$ 16,953,229	\$ 25,478,648	\$ 11,122,030

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County of Oakland
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2019

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2019
Liabilities				
Current liabilities				
Vouchers payable	\$ 102,627	\$ 51,070	\$ 5,867,133	\$ 8,307,830
Due to other governmental units	-	-	200,982	201,144
Due to component units	-	-	-	95
Due to other funds	-	-	-	211,639
Unearned revenue	-	-	-	4,812
Current portion of bonds payable	-	-	25,660,000	25,660,000
Current portion of compensated absences	-	-	1,303,278	1,303,278
Current portion of claims and judgments	-	1,775,500	5,351,179	7,126,679
Current portion of advances payable	-	-	-	12,883
Other accrued liabilities	54,366	84,375	4,022,234	5,912,224
Total current liabilities	156,993	1,910,945	42,404,806	48,740,584
Noncurrent liabilities				
Bonds payable	-	-	209,090,000	209,090,000
Net pension liability	-	-	2,253,194	2,253,194
Accrued compensated absences	-	-	11,729,502	11,729,502
Claims and judgments	-	4,959,974	9,135,963	14,095,937
Advances payable	-	-	-	12,883
Total noncurrent liabilities	-	4,959,974	232,208,659	237,181,516
Total liabilities	156,993	6,870,919	274,613,465	285,922,100
Deferred Inflows of Resources				
Deferred inflows related to OPEB	-	-	82,559,404	82,559,404
Total deferred inflows of resources	-	-	82,559,404	82,559,404
Net Position				
Net investment in capital assets	30,557	-	-	27,345,168
Restricted for Superseding Trust - OPEB	-	-	14,985,595	14,985,595
Unrestricted	2,439,121	1,811,063	181,441,613	222,238,414
Total net position	\$ 2,469,678	\$ 1,811,063	\$ 196,427,208	\$ 264,569,177

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County of Oakland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended September 30, 2019

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Operating revenues				
Charges for services	\$ 25,813,444	\$ 30,928,262	\$ 43,381,474	\$ 8,507,317
Other	30,213	93,657	182,759	3,906
Total operating revenues	25,843,657	31,021,919	43,564,233	8,511,223
Operating expenses				
Salaries	8,825,193	10,779,136	20,382,098	861,957
Fringe benefits	5,355,463	5,411,090	11,783,052	478,337
Fringe benefits - pension	-	-	-	-
Fringe benefits - OPEB	-	-	-	-
Contractual services	9,384,275	18,705,569	1,216,635	1,588,667
Commodities	1,823,182	1,538,805	1,617,193	2,860,700
Depreciation	185,670	3,957,409	423,160	2,748,065
Internal services	1,230,448	1,002,705	4,511,453	253,840
Total operating expenses	26,804,231	41,394,714	39,933,591	8,791,566
Operating income (loss)	(960,574)	(10,372,795)	3,630,642	(280,343)
Nonoperating revenues (expenses)				
Investment income	256,388	10,848	287,454	91,531
Interest expense	-	-	(715)	-
Gain on sale of property and equipment	20,250	377	1,685	449,895
Net nonoperating revenues (expenses)	276,638	11,225	288,424	541,426
Income (loss) before transfers and contributions	(683,936)	(10,361,570)	3,919,066	261,083
Transfers in	4,477	6,747,230	-	433,989
Transfers out	(24,764)	(2,005)	(71,789)	-
Insurance recoveries	-	52,738	-	-
Change in net position	(704,223)	(3,563,607)	3,847,277	695,072
Net position				
October 1, 2018	11,011,544	20,516,836	21,631,371	10,426,958
September 30, 2019	\$ 10,307,321	\$ 16,953,229	\$ 25,478,648	\$ 11,122,030

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County of Oakland
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
Internal Service Funds
Year Ended September 30, 2019

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2019
Operating revenues				
Charges for services	\$ 3,018,213	\$ 3,581,868	\$149,915,793	\$265,146,371
Other	311	487	5,538	316,871
Total operating revenues	3,018,524	3,582,355	149,921,331	265,463,242
Operating expenses				
Salaries	243,194	462,712	1,611,874	43,166,164
Fringe benefits	136,783	194,188	853,547	24,212,460
Fringe benefits - pension	-	-	5,874,833	5,874,833
Fringe benefits - OPEB	-	-	(69,972,004)	(69,972,004)
Contractual services	1,957,265	6,032,569	113,617,174	152,502,154
Commodities	144,494	66,477	46,742	8,097,593
Depreciation	12,645	-	-	7,326,949
Internal services	519,156	98,585	504,501	8,120,688
Total operating expenses	3,013,537	6,854,531	52,536,667	179,328,837
Operating income (loss)	4,987	(3,272,176)	97,384,664	86,134,405
Nonoperating revenues (expenses)				
Investment income	79,325	185,062	3,349,810	4,260,418
Interest expense	-	-	(9,251,925)	(9,252,640)
Gain on sale of property and equipment	-	-	-	472,207
Net nonoperating revenues (expenses)	79,325	185,062	(5,902,115)	(4,520,015)
Income (loss) before transfers and contributions	84,312	(3,087,114)	91,482,549	81,614,390
Transfers in	-	-	-	7,185,696
Transfers out	(2,000,000)	-	-	(2,098,558)
Insurance recoveries	-	69,253	-	121,991
Change in net position	(1,915,688)	(3,017,861)	91,482,549	86,823,519
Net position				
October 1, 2018	4,385,366	4,828,924	104,944,659	177,745,658
September 30, 2019	\$ 2,469,678	\$ 1,811,063	\$196,427,208	\$264,569,177

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County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2019

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Cash flows from operating activities				
Cash received from users	\$ 25,987,616	\$ 29,107,048	\$ 43,149,636	\$ 8,549,067
Cash paid to suppliers	(17,591,697)	(26,355,297)	(18,748,043)	(5,159,656)
Cash paid to employees	(8,825,193)	(10,779,136)	(20,382,098)	(861,957)
Net cash provided by (used in) operating activities	(429,274)	(8,027,385)	4,019,495	2,527,454
Cash flows from noncapital financing activities				
Transfers from other funds	4,477	6,747,230	-	-
Transfers to other funds	(24,764)	(2,005)	(71,789)	-
Insurance recoveries	-	-	-	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(20,287)	6,745,225	(71,789)	-
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	433,989
Insurance recoveries	-	52,738	-	-
Proceeds from sale of capital assets	20,250	812	1,685	511,986
Acquisition of capital assets	(555,508)	(709,869)	(1,331,003)	(3,226,092)
Amount paid on advances	-	-	(12,883)	-
Interest paid on advances	-	-	(715)	-
Net cash provided by (used in) capital and related financing activities	(535,258)	(656,319)	(1,342,916)	(2,280,117)
Cash flows from investing activities				
Purchase of investments	-	-	-	-
Proceeds on sale of investments	-	-	-	-
Interest on investments	221,665	11,520	249,570	79,249
Net cash provided by investing activities	221,665	11,520	249,570	79,249
Net increase (decrease) in cash and cash equivalents	(763,154)	(1,926,959)	2,854,360	326,586
Pooled cash and investments				
October 1, 2018	10,706,813	4,350,470	11,836,546	4,545,633
September 30, 2019	\$ 9,943,659	\$ 2,423,511	\$ 14,690,906	\$ 4,872,219

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County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2019

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2019
Cash flows from operating activities				
Cash received from users	\$ 3,018,604	\$ 4,247,477	\$149,922,391	\$ 263,981,839
Cash paid to suppliers	(2,834,799)	(5,238,617)	(115,809,604)	(191,737,713)
Cash paid to employees	(243,194)	(462,712)	(1,611,874)	(43,166,164)
Net cash provided by (used in) operating activities	(59,389)	(1,453,852)	32,500,913	29,077,962
Cash flows from noncapital financing activities				
Transfers from other funds	-	-	-	6,751,707
Transfers to other funds	(2,000,000)	-	-	(2,098,558)
Insurance recoveries	-	69,253	-	69,253
Principal paid on debt	-	-	(24,750,000)	(24,750,000)
Interest paid on debt	-	-	(9,251,925)	(9,251,925)
Net cash provided by (used in) noncapital financing activities	(2,000,000)	69,253	(34,001,925)	(29,279,523)
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	433,989
Insurance recoveries	-	-	-	52,738
Proceeds from sale of capital assets	-	-	-	534,733
Acquisition of capital assets	-	-	-	(5,822,472)
Amount paid on advances	-	-	-	(12,883)
Interest paid on advances	-	-	-	(715)
Net cash provided by (used in) capital and related financing activities	-	-	-	(4,814,610)
Cash flows from investing activities				
Purchase of investments	-	-	(3,251,749)	(3,251,749)
Proceeds on sale of investments	-	-	2,265,367	2,265,367
Interest on investments	68,655	161,389	3,092,223	3,884,271
Net cash provided by investing activities	68,655	161,389	2,105,841	2,897,889
Net increase (decrease) in cash and cash equivalents	(1,990,734)	(1,223,210)	604,829	(2,118,282)
Pooled cash and investments				
October 1, 2018	4,437,958	8,114,338	91,800,723	135,792,481
September 30, 2019	\$ 2,447,224	\$ 6,891,128	\$ 92,405,552	\$ 133,674,199

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County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2019

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Operating income (loss)	\$ (960,574)	\$ (10,372,795)	\$ 3,630,642	\$ (280,343)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	185,670	3,957,409	423,160	2,748,065
(Increase) decrease in due from other governmental units	(641)	132	(437)	21,249
(Increase) decrease in due from component units	-	(2,855)	(12,809)	-
(Increase) decrease in accounts receivable	143,154	(22,036)	23,009	28,475
(Increase) decrease in due from other funds	1,446	(1,892,861)	(424,360)	(11,880)
(Increase) decrease in inventories and supplies	6,673	(1,001)	(24,958)	417
(Increase) decrease in prepayments and other assets	(9,256)	(353,574)	70,832	(487)
(Increase) decrease in net pension asset	-	-	-	-
(Increase) decrease in net OPEB asset	-	-	-	-
(Increase) decrease in deferred outflows related to pension	-	-	-	-
(Increase) decrease in deferred outflows related to OPEB	-	-	-	-
Increase (decrease) in vouchers payable	88,566	343,479	4,530	35,469
Increase (decrease) in due to other governmental units	-	162	-	-
Increase (decrease) in due to component units	-	-	95	-
Increase (decrease) in due to other funds	-	47,384	150,072	-
Increase (decrease) in unearned revenue	-	2,749	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) increase in other accrued liabilities	115,688	266,422	179,719	(13,511)
Increase (decrease) increase in net pension liability	-	-	-	-
Increase (decrease) in accrued compensated absences	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in deferred inflows related to pension	-	-	-	-
Increase (decrease) in deferred inflows related to OPEB	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (429,274)</u>	<u>\$ (8,027,385)</u>	<u>\$ 4,019,495</u>	<u>\$ 2,527,454</u>

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County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2019

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2019
Operating (loss) income	\$ 4,987	\$ (3,272,176)	\$ 97,384,664	\$ 86,134,405
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	12,645	-	-	7,326,949
(Increase) decrease in due from other governmental units	1	-	(435)	19,869
(Increase) decrease in due from component units	-	-	-	(15,664)
(Increase) decrease in accounts receivable	79	-	2,515	175,196
(Increase) decrease in due from other funds	-	665,122	(1,020)	(1,663,553)
(Increase) decrease in inventories and supplies	-	-	-	(18,869)
(Increase) decrease in prepayments and other assets	(98,357)	(287,669)	369,870	(308,641)
(Increase) decrease in net pension asset	-	-	22,623,016	22,623,016
(Increase) decrease in net OPEB asset	-	-	19,797,471	19,797,471
(Increase) decrease in deferred outflows related to pension	-	-	(9,727,796)	(9,727,796)
(Increase) decrease in deferred outflows related to OPEB	-	-	(52,140,599)	(52,140,599)
Increase (decrease) in vouchers payable	64,785	(37,178)	(848,939)	(349,288)
Increase (decrease) in due to other governmental units	-	-	(36,171)	(36,009)
Increase (decrease) in due to component units	-	-	-	95
Increase (decrease) in due to other funds	-	-	-	197,456
Increase (decrease) in unearned revenue	-	-	-	2,749
Increase (decrease) in current portion of compensated absences	-	-	38,622	38,622
Increase (decrease) in current portion of claims and judgments	-	242,972	(293,646)	(50,674)
Increase (decrease) in other accrued liabilities	(43,529)	35,409	(686,571)	(146,373)
Increase (decrease) in net pension liability	-	-	2,253,194	2,253,194
Increase (decrease) in accrued compensated absences	-	-	347,604	347,604
Increase (decrease) in claims and judgments	-	1,199,668	321,591	1,521,259
Increase (decrease) in deferred inflows related to pension	-	-	(9,273,581)	(9,273,581)
Increase (decrease) in deferred inflows related to OPEB	-	-	(37,628,876)	(37,628,876)
Net cash provided by (used in) operating activities	<u>\$ (59,389)</u>	<u>\$ (1,453,852)</u>	<u>\$ 32,500,913</u>	<u>\$ 29,077,962</u>

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County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2019

Noncash transactions:

Non-cash and non-capital related financing activities included recording a pension expense of \$5,874,833 and a reduction of OPEB expense of (\$69,972,004) in the Fringe Benefits fund.

County of Oakland
Combining Schedule of Net Position
Fringe Benefits Internal Service Fund
September 30, 2019

	Fringe Benefits	Superseding Trust	Totals September 30, 2019
Assets			
Current assets:			
Pooled cash and investments	\$ 92,318,184	87,368	92,405,552
Investments, at fair value	-	14,866,642	14,866,642
Due from other governmental units	1,760	-	1,760
Accrued interest receivable	987,933	36,247	1,024,180
Accounts receivable (net of allowance for uncollectibles where applicable)	195	-	195
Due from other funds	1,020	-	1,020
Prepayments and other assets	1,316,070	-	1,316,070
Total current assets	<u>94,625,162</u>	<u>14,990,257</u>	<u>109,615,419</u>
Noncurrent assets:			
Net OPEB asset	<u>382,116,263</u>	<u>-</u>	<u>382,116,263</u>
Total noncurrent assets	<u>382,116,263</u>	<u>-</u>	<u>382,116,263</u>
Total assets	<u>476,741,425</u>	<u>14,990,257</u>	<u>491,731,682</u>
Deferred Outflows of Resources			
Deferred outflows related to pension	9,727,796	-	9,727,796
Deferred outflows related to OPEB	52,140,599	-	52,140,599
Total deferred inflows of resources	<u>\$ 61,868,395</u>	<u>-</u>	<u>61,868,395</u>
Liabilities			
Current liabilities:			
Vouchers payable	\$ 5,867,133	-	5,867,133
Due to other governmental units	200,982	-	200,982
Current portion of bonds payable	25,660,000	-	25,660,000
Current portion of compensated absences	1,303,278	-	1,303,278
Current portion of claims and judgments	5,351,179	-	5,351,179
Other accrued liabilities	4,017,572	4,662	4,022,234
Total current liabilities	<u>42,400,144</u>	<u>4,662</u>	<u>42,404,806</u>
Noncurrent liabilities:			
Bonds payable	209,090,000	-	209,090,000
Net pension liability	2,253,194	-	2,253,194
Accrued compensated absences	11,729,502	-	11,729,502
Claims and judgments	9,135,963	-	9,135,963
Total noncurrent liabilities	<u>232,208,659</u>	<u>-</u>	<u>232,208,659</u>
Total liabilities	<u>274,608,803</u>	<u>4,662</u>	<u>274,613,465</u>
Deferred Inflows of Resources			
Deferred inflows related to OPEB	82,559,404	-	82,559,404
Total deferred inflows of resources	<u>82,559,404</u>	<u>-</u>	<u>82,559,404</u>
Net Position			
Restricted for programs	-	14,985,595	14,985,595
Unrestricted	<u>181,441,613</u>	<u>-</u>	<u>181,441,613</u>
Total net position	<u>\$ 181,441,613</u>	<u>14,985,595</u>	<u>196,427,208</u>

County of Oakland
Combining Schedule of Changes of Net Position
Fringe Benefits Internal Service Fund
Year Ended September 30, 2019

	Fringe Benefits	Superseding Trust	Totals September 30, 2019
Operating revenues			
Charges for services	\$ 149,915,793	-	149,915,793
Other	5,538	-	5,538
Total operating revenues	<u>149,921,331</u>	<u>-</u>	<u>149,921,331</u>
Operating expenses			
Salaries	1,611,874	-	1,611,874
Fringe benefits	853,547	-	853,547
Fringe benefits-pension	5,874,833	-	5,874,833
Fringe benefits-OPEB	(69,972,004)	-	(69,972,004)
Contractual services	113,598,530	18,644	113,617,174
Commodities	46,742	-	46,742
Internal services	504,501	-	504,501
Total operating expenses	<u>52,518,023</u>	<u>18,644</u>	<u>52,536,667</u>
Operating income (loss)	<u>97,403,308</u>	<u>(18,644)</u>	<u>97,384,664</u>
Nonoperating revenues (expenses)			
Investment income	2,404,448	945,362	3,349,810
Interest expense	(9,251,925)	-	(9,251,925)
Net nonoperating revenues (expenses)	<u>(6,847,477)</u>	<u>945,362</u>	<u>(5,902,115)</u>
Change in net assets	90,555,831	926,718	91,482,549
Net position			
October 1, 2018	<u>90,885,782</u>	<u>14,058,877</u>	<u>104,944,659</u>
September 30, 2019	<u>\$ 181,441,613</u>	<u>14,985,595</u>	<u>196,427,208</u>

County of Oakland
Non-Major Enterprise Funds

Enterprise Funds

These funds account for operations and services provided for County residents and are financed primarily through user charges.

The Delinquent Personal Property Tax Administration 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 General Fund.

The Fire Records Management Fund - was established to accumulate revenues 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.

The CLEMIS (Courts and Law Enforcement Management Information System) Fund - was established to accumulate revenues 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.

The Radio Communications 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.

The Huron-Rouge 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 Wayne County for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

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County of Oakland
Combining Statement of Net Position
Non-Major Enterprise Funds
September 30, 2019

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2019
Assets						
Current assets						
Pooled cash and investments	\$ 821,668	\$ 414,952	\$ 10,783,241	\$ 26,539,287	\$ 7,867,404	\$ 46,426,552
Due from other governmental units	-	84,523	922,168	27,839	863,923	1,898,453
Accrued interest receivable	61,068	5,096	82,845	257,527	59,571	466,107
Accounts receivable (net of allowances for uncollectibles where applicable)	-	4,360	157,441	825,764	400	987,965
Due from other funds	-	-	9,617	-	-	9,617
Inventories and supplies	-	-	-	188,633	-	188,633
Prepayments and other assets	-	131	765,287	1,195,253	-	1,960,671
Total current assets	882,736	509,062	12,720,599	29,034,303	8,791,298	51,937,998
Noncurrent assets						
Capital assets, at cost						
Land	-	-	-	-	19,749	19,749
Buildings and improvements	-	-	-	12,944,791	348,504	13,293,295
Equipment and vehicles	-	534,338	21,982,481	28,909,186	-	51,426,005
Infrastructure	-	-	-	8,585,770	3,274,693	11,860,463
Construction in progress	-	1,138,319	531,252	4,038,737	1,250,577	6,958,885
	-	1,672,657	22,513,733	54,478,484	4,893,523	83,558,397
Less: Accumulated depreciation	-	534,338	20,205,309	45,947,203	3,110,144	69,796,994
Capital assets, net	-	1,138,319	2,308,424	8,531,281	1,783,379	13,761,403
Total assets	882,736	1,647,381	15,029,023	37,565,584	10,574,677	65,699,401
Liabilities						
Current liabilities						
Vouchers payable	6,457	3,036	322,222	94,339	1,331,579	1,757,633
Due to other governmental units	-	-	344,080	5,339	-	349,419
Due to other funds	-	-	184,421	5,181	221	189,823
Unearned revenue	-	-	350,457	-	-	350,457
Other accrued liabilities	3,964	13,268	171,359	36,504	95,918	321,013
Total liabilities	10,421	16,304	1,372,539	141,363	1,427,718	2,968,345
Net Position						
Net investment in capital assets	-	1,138,319	2,308,424	8,531,281	1,783,379	13,761,403
Restricted for programs	-	-	-	-	5,600,023	5,600,023
Unrestricted	872,315	492,758	11,348,060	28,892,940	1,763,557	43,369,630
Total net position	\$ 872,315	\$ 1,631,077	\$ 13,656,484	\$ 37,424,221	\$ 9,146,959	\$ 62,731,056

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County of Oakland
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
Year Ended September 30, 2019

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2019
Operating revenues						
Charges for services	\$ 584,376	\$ 293,938	\$ 6,196,853	\$ 8,675,662	\$ 7,041,877	\$ 22,792,706
Other	-	-	1,337	493	-	1,830
Total operating revenues	584,376	293,938	6,198,190	8,676,155	7,041,877	22,794,536
Operating expenses						
Salaries	153,089	285,823	1,995,597	755,964	-	3,190,473
Fringe benefits	74,449	158,410	1,008,711	352,885	-	1,594,455
Contractual services	107,439	157,839	4,769,079	2,325,760	6,800,045	14,160,162
Commodities	2,425	-	77,795	581,587	1,158	662,965
Depreciation	-	-	709,552	3,310,882	72,464	4,092,898
Internal services	23,003	438,153	702,695	743,966	50,090	1,957,907
Total operating expenses	360,405	1,040,225	9,263,429	8,071,044	6,923,757	25,658,860
Operating income (loss)	223,971	(746,287)	(3,065,239)	605,111	118,120	(2,864,324)
Nonoperating revenues (expenses)						
Contributions	-	-	-	-	229,635	229,635
Investment income	16,629	13,145	251,387	643,781	178,233	1,103,175
Gain (loss) on sale of property and equipment	-	-	143	-	-	143
Total nonoperating revenues (expenses)	16,629	13,145	251,530	643,781	407,868	1,332,953
Income (loss) before contributions and transfers	240,600	(733,142)	(2,813,709)	1,248,892	525,988	(1,531,371)
Transfers in	-	489,412	1,669,079	54,000	-	2,212,491
Transfers out	-	-	(378,556)	(286,000)	-	(664,556)
Change in net position	240,600	(243,730)	(1,523,186)	1,016,892	525,988	16,564
Net position						
October 1, 2018	631,715	1,874,807	15,179,670	36,407,329	8,620,971	62,714,492
September 30, 2019	\$ 872,315	\$ 1,631,077	\$ 13,656,484	\$ 37,424,221	\$ 9,146,959	\$ 62,731,056

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County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2019

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2019
Cash flows from operating activities						
Cash received from users	\$ 584,376	\$ 285,244	\$ 6,222,794	\$ 9,066,737	\$ 6,733,739	\$ 22,892,890
Cash paid to suppliers	(199,588)	(743,291)	(6,436,232)	(4,039,234)	(5,979,377)	(17,397,722)
Cash paid to employees	(153,089)	(285,823)	(1,995,597)	(755,964)	-	(3,190,473)
Net cash provided by (used in) operating activities	231,699	(743,870)	(2,209,035)	4,271,539	754,362	2,304,695
Cash flows from noncapital financing activities						
Transfers from other funds	-	489,412	1,669,079	54,000	-	2,212,491
Transfers to other funds	-	-	(378,556)	(286,000)	-	(664,556)
Contributions	-	-	-	-	259,421	259,421
Net cash provided by (used in) noncapital financing activities	-	489,412	1,290,523	(232,000)	259,421	1,807,356
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	-	143	-	-	143
Acquisition of capital assets	-	(158,384)	(70,738)	(3,991,603)	(1,250,577)	(5,471,302)
Net cash provided by (used in) capital and related financing activities	-	(158,384)	(70,595)	(3,991,603)	(1,250,577)	(5,471,159)
Cash flows from investing activities						
Interest on investments	15,243	11,530	219,324	558,246	154,977	959,320
Net cash provided by investing activities	15,243	11,530	219,324	558,246	154,977	959,320
Net increase (decrease) in cash and cash equivalents	246,942	(401,312)	(769,783)	606,182	(81,817)	(399,788)
Pooled cash and investments						
October 1, 2018	574,726	816,264	11,553,024	25,933,105	7,949,221	46,826,340
September 30, 2019	\$ 821,668	\$ 414,952	\$ 10,783,241	\$ 26,539,287	\$ 7,867,404	\$ 46,426,552

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
Year Ended September 30, 2019

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2019
Operating income (loss)	\$ 223,971	\$ (746,287)	\$ (3,065,239)	\$ 605,111	\$ 118,120	\$ (2,864,324)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	-	-	709,552	3,310,882	72,464	4,092,898
(Increase) decrease in due from other governmental units	-	(7,228)	(19,932)	(6,709)	(307,738)	(341,607)
(Increase) decrease in accounts receivable	-	(1,466)	25	397,291	(400)	395,450
(Increase) decrease in due from other funds	-	-	(9,617)	-	-	(9,617)
(Increase) decrease in inventories and supplies	-	-	-	68,999	-	68,999
(Increase) decrease in prepayments and other assets	-	19,685	(86,617)	229,861	-	162,929
Increase (decrease) in vouchers payable	3,764	3,036	111,024	66,776	1,324,283	1,508,883
Increase (decrease) in due to other governmental units	-	-	(62,731)	-	(517,990)	(580,721)
Increase (decrease) in due to other funds	-	-	184,421	(58,649)	221	125,993
Increase (decrease) in unearned revenue	-	-	54,128	-	-	54,128
Increase (decrease) in other accrued liabilities	3,964	(11,610)	(24,049)	(342,023)	65,402	(308,316)
Net cash provided by (used in) operating activities	\$ 231,699	\$ (743,870)	\$ (2,209,035)	\$ 4,271,539	\$ 754,362	\$ 2,304,695

County of Oakland
Pension (and Other Postemployment Benefits) Trust Funds
September 30, 2019

Pension Trust Funds

Employee Pension Trust funds accept payments made by the County, invests fund resources, and calculates and pays pensions and retirees healthcare to beneficiaries.

The Oakland County Employees' Retirement 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.

The OPEB (Other Postemployment Benefits) Trust Plan is funded through:

The VEBA (Voluntary Employees' Beneficiary Association) Trust 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, and subsequent disbursement for postemployment medical benefits.

County of Oakland
Combining Statement of Net Position
Pension (and Other Postemployment Benefits) Trust Funds
September 30, 2019

	Oakland County Employees' Retirement	VEBA Trust	Totals September 30, 2019
Assets			
Pooled cash and investments	\$ 1,915,606	\$ 3,591,710	\$ 5,507,316
Cash and cash equivalents	8,151,609	20,593,498	28,745,107
	<u>10,067,215</u>	<u>24,185,208</u>	<u>34,252,423</u>
Investments, at fair value:			
Common stock	149,850,667	268,985,772	418,836,439
Government agencies	11,841,690	35,640,448	47,482,138
Corporate bonds	66,192,374	110,828,670	177,021,044
Municipal bonds	788,364	664,418	1,452,782
Hedge funds	44,562,966	55,513,136	100,076,102
Partnerships	48,210,846	96,446,184	144,657,030
Asset-backed fixed income	8,167,202	15,675,495	23,842,697
Government bonds	31,974,015	60,763,433	92,737,448
Government mortgage-backed securities	48,293,525	79,601,587	127,895,112
Government issued commercial mortgage backed	2,529,393	3,663,406	6,192,799
Non-Government backed CMOs	811,633	1,024,438	1,836,071
Commercial mortgage-backed securities	8,583,690	11,673,765	20,257,455
Bank loans	2,433,193	3,198,975	5,632,168
Exchange traded funds	176,369	333,154	509,523
International common stock	202,513,708	397,285,407	599,799,115
Index linked government bonds	13,593,738	24,458,992	38,052,730
Real estate	75,285,298	115,564,075	190,849,373
Other fixed income	17,493,379	3,053,822	20,547,201
Other	400,085	-	400,085
Total investments	<u>733,702,135</u>	<u>1,284,375,177</u>	<u>2,018,077,312</u>
Receivables - interest and dividends	1,891,552	2,597,152	4,488,704
Receivables - other	86	172	258
Prepaid expenses	5,183	201,078	206,261
Total assets	<u>745,666,171</u>	<u>1,311,358,787</u>	<u>2,057,024,958</u>
Liabilities			
Vouchers payable	219,942	1,548,113	1,768,055
Other accrued liabilities	251,819	2,232,140	2,483,959
Total liabilities	<u>471,761</u>	<u>3,780,253</u>	<u>4,252,014</u>
Net position			
Restricted for employees' pension and other postemployment healthcare benefits	<u>\$ 745,194,410</u>	<u>\$ 1,307,578,534</u>	<u>\$ 2,052,772,944</u>

County of Oakland
Combining Statement of Changes in Net Position
Pension (and Other Postemployment Benefits) Trust Funds
Year Ended September 30, 2019

	Oakland County Employees' Retirement	VEBA Trust	Totals September 30, 2019
Additions			
Contributions			
Plan members	<u>\$ 232,357</u>	<u>\$ 290,718</u>	<u>\$ 523,075</u>
Investment income			
Interest and dividends	11,015,959	18,731,872	29,747,831
Net increase in fair value of investments	<u>18,493,208</u>	<u>31,305,954</u>	<u>49,799,162</u>
Total investment income	29,509,167	50,037,826	79,546,993
Less investment expense	<u>1,723,344</u>	<u>3,198,945</u>	<u>4,922,289</u>
Net investment income	<u>27,785,823</u>	<u>46,838,881</u>	<u>74,624,704</u>
Other revenue	<u>844</u>	<u>2,959,477</u>	<u>2,960,321</u>
Total additions	<u>28,019,024</u>	<u>50,089,076</u>	<u>78,108,100</u>
Deductions			
Benefits	59,356,307	37,734,541	97,090,848
Administrative expenses	<u>520,486</u>	<u>299,353</u>	<u>819,839</u>
Total deductions	<u>59,876,793</u>	<u>38,033,894</u>	<u>97,910,687</u>
Net increase (decrease)	<u>(31,857,769)</u>	<u>12,055,182</u>	<u>(19,802,587)</u>
Net position restricted for employees' pension and other postemployment healthcare benefits			
October 1, 2018	<u>777,052,179</u>	<u>1,295,523,352</u>	<u>2,072,575,531</u>
September 30, 2019	<u>\$ 745,194,410</u>	<u>\$ 1,307,578,534</u>	<u>\$ 2,052,772,944</u>

County of Oakland
Investment Trust Funds

Investment Trust Funds

Investment Trust funds account for resources of external units of government which are pooled in an investment portfolio for the benefit of the participants.

The Local Governmental Investment Pool Fund - was established as a trust with cities, townships and villages of 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.

**County of Oakland
Statement of Net Position
Investment Trust Funds
September 30, 2019**

	Local Government Investment Pool
Assets	
Pooled cash and investments	\$ 440,725,284
Receivables - interest and dividends	<u>2,273,933</u>
Total assets	<u>\$ 442,999,217</u>
Net position	
Held in trust for investment pool participants	<u>\$ 442,999,217</u>

**County of Oakland
Statement of Changes in Net Position
Investment Trust Funds
Year Ended September 30, 2019**

	Local Government Investment Pool
Additions	
Contributions from pool participants	\$ 417,114,217
Investment income	<u>9,040,489</u>
Total additions	<u>426,154,706</u>
Deductions	
Distribution to pool participants	<u>401,942,876</u>
Net increase (decrease)	24,211,830
Net position held in trust for pool participants	
October 1, 2018	<u>418,787,387</u>
September 30, 2019	<u>\$ 442,999,217</u>

County of Oakland

Agency Funds

Agency Funds

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. Agency funds are generally clearance devices for monies collected for others, held briefly, and then disbursed to authorized recipients.

The District Court Investments Fund - is used to account for excess monies in the four District Court Trust Accounts, turned over to the Oakland County Treasurer for investing. Interest earned is recorded in the County's General Fund to help offset bank service fee costs.

The Undistributed Taxes Fund - is a conglomerate of various current year tax funds that receive tax monies and disburse them to municipalities, school districts, and other governmental units.

The Register of Deeds Trust Fund - is used to account for redemption monies received from the sale of real estate by the Sheriff's Department and their subsequent disbursement.

The Sheriff's NET (Narcotics Enforcement Team) Forfeiture 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 monies are distributed to local, state or federal police agencies that participate in the NET program.

The Circuit Court Trust Fund - is used to account for monies received and disbursed by the Clerk's Office per Circuit Court order.

The Escheats Trust Fund - is used to account for monies that have not been claimed. This includes payroll, retirement and other checks issued by the County, and monies from the Legatee Trust and Special Trust funds. All monies go to the State of Michigan after a prescribed length of time.

The Legatee Trust Fund - is used to account for estate assets that remain unclaimed. After five years, these monies are transferred to the Oakland County Escheats Trust Fund.

The Special Trust Fund - is used to account for monies 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.

The Contractor's Retainage Fund - is used to account for a portion of those monies due to a particular contractor who is involved with an Oakland County project. Disbursement, including interest earnings, is made to the contractor upon completion of the project.

The Public Library Trust Fund - is used to account for monies received by District and Circuit Courts for court fines and disbursed to public libraries, based on a percentage of the current census.

The District Court Trust Account - is used to account for appearance bonds and other trust monies in the four divisions of the County's District Court system.

The Jail Inmate Trust Account - is used to hold monies 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).

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County of Oakland
Combining Statement of Net Position
Agency Funds
September 30, 2019

	District Court Investments	Undistributed Taxes	Register of Deeds Trust	Sheriff NET Forfeiture	Circuit Court Trust	Escheats Trust	Legatee Trust
Assets							
Pooled cash and investments	\$ 150,000	\$ 240,560,544	\$ 129,174	\$ 1,033,014	\$ 2,832,490	\$ 128,965	\$ 1,160,503
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	1,564	-	-	25,627	112,869	-	-
Total assets	<u>\$ 151,564</u>	<u>\$ 240,560,544</u>	<u>\$ 129,174</u>	<u>\$ 1,058,641</u>	<u>\$ 2,945,359</u>	<u>\$ 128,965</u>	<u>\$ 1,160,503</u>
Liabilities							
Due to other governmental units	\$ -	\$ 240,560,544	\$ -	\$ -	\$ -	\$ 128,965	\$ -
Other accrued liabilities	151,564	-	129,174	1,058,641	2,945,359	-	1,160,503
Total liabilities	<u>\$ 151,564</u>	<u>\$ 240,560,544</u>	<u>\$ 129,174</u>	<u>\$ 1,058,641</u>	<u>\$ 2,945,359</u>	<u>\$ 128,965</u>	<u>\$ 1,160,503</u>

(continued)

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County of Oakland
Combining Statement of Net Position (Continued)
Agency Funds
September 30, 2019

	Special Trust	Contractor's Retainage	Public Library Trust	District Court Trust Accounts	Jail Inmate Trust Account	Totals September 30, 2019
Assets						
Pooled cash and investments	\$ 3,019,623	\$ 3,445,900	\$ 749,096	\$ -	\$ -	\$ 253,209,309
Cash and cash equivalents	-	-	-	437,927	370,845	808,772
Accrued interest receivable	39,404	45,636	11,916	-	-	237,016
Total assets	<u>\$ 3,059,027</u>	<u>\$ 3,491,536</u>	<u>\$ 761,012</u>	<u>\$ 437,927</u>	<u>\$ 370,845</u>	<u>\$ 254,255,097</u>
Liabilities						
Due to other governmental units	\$ -	\$ -	\$ -	\$ -	\$ -	240,689,509
Other accrued liabilities	3,059,027	3,491,536	761,012	437,927	370,845	13,565,588
Total liabilities	<u>\$ 3,059,027</u>	<u>\$ 3,491,536</u>	<u>\$ 761,012</u>	<u>\$ 437,927</u>	<u>\$ 370,845</u>	<u>\$ 254,255,097</u>

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County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
District Court Investments				
Assets				
Pooled cash and investments	\$ 150,000	\$ 3,498	\$ 3,498	\$ 150,000
Accrued interest receivable	1,257	650	343	1,564
Total	<u>\$ 151,257</u>	<u>\$ 4,148</u>	<u>\$ 3,841</u>	<u>\$ 151,564</u>
Liabilities				
Other accrued liabilities	\$ 151,257	\$ 4,015	\$ 3,708	\$ 151,564
Undistributed Taxes				
Assets				
Pooled cash and investments	\$ 261,152,012	\$ 957,187,606	\$ 977,779,074	\$ 240,560,544
Liabilities				
Vouchers payable	\$ 72,057,454	\$ 605,052,595	\$ 677,110,049	\$ -
Due to other governmental units	189,094,558	957,931,415	906,465,429	240,560,544
Total	<u>\$ 261,152,012</u>	<u>\$ 1,562,984,010</u>	<u>\$ 1,583,575,478</u>	<u>\$ 240,560,544</u>
Register of Deeds Trust				
Assets				
Pooled cash and investments	\$ 181,790	\$ 4,710,306	\$ 4,762,922	\$ 129,174
Liabilities				
Vouchers payable	\$ -	\$ 4,732,922	\$ 4,732,922	\$ -
Other accrued liabilities	181,790	4,755,036	4,807,652	129,174
Total	<u>\$ 181,790</u>	<u>\$ 9,487,958</u>	<u>\$ 9,540,574</u>	<u>\$ 129,174</u>
SheriffNET Forfeiture				
Assets				
Pooled cash and investments	\$ 958,084	\$ 1,362,204	\$ 1,287,274	\$ 1,033,014
Accrued interest receivable	24,666	3,134	2,173	25,627
Total	<u>\$ 982,750</u>	<u>\$ 1,365,338</u>	<u>\$ 1,289,447</u>	<u>\$ 1,058,641</u>
Liabilities				
Vouchers payable	\$ -	\$ 987,669	\$ 987,669	\$ -
Other accrued liabilities	982,750	1,401,987	1,326,096	1,058,641
Total	<u>\$ 982,750</u>	<u>\$ 2,389,656</u>	<u>\$ 2,313,765</u>	<u>\$ 1,058,641</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
Circuit Court Trust				
Assets				
Pooled cash and investments	\$ 3,379,242	\$ 10,326,253	\$ 10,873,005	\$ 2,832,490
Accrued interest receivable	119,767	32,419	39,317	112,869
Total	<u>\$ 3,499,009</u>	<u>\$ 10,358,672</u>	<u>\$ 10,912,322</u>	<u>\$ 2,945,359</u>
Liabilities				
Vouchers payable	\$ 132,223	\$ 12,151,223	\$ 12,283,446	\$ -
Other accrued liabilities	3,366,786	10,326,942	10,748,369	2,945,359
Total	<u>\$ 3,499,009</u>	<u>\$ 22,478,165</u>	<u>\$ 23,031,815</u>	<u>\$ 2,945,359</u>
Escheats Trust				
Assets				
Pooled cash and investments	\$ 101,153	\$ 1,182,041	\$ 1,154,229	\$ 128,965
Liabilities				
Vouchers payable	\$ -	\$ 1,142,000	\$ 1,142,000	\$ -
Due to other governmental units	101,153	1,181,050	1,153,238	128,965
Total	<u>\$ 101,153</u>	<u>\$ 2,323,050</u>	<u>\$ 2,295,238</u>	<u>\$ 128,965</u>
Legatee Trust				
Assets				
Pooled cash and investments	\$ 1,300,211	\$ 331,001	\$ 470,709	\$ 1,160,503
Accrued interest receivable	4,809	5,535	10,344	-
Total	<u>\$ 1,305,020</u>	<u>\$ 336,536</u>	<u>\$ 481,053</u>	<u>\$ 1,160,503</u>
Liabilities				
Vouchers payable	\$ -	\$ 419,377	\$ 419,377	\$ -
Other accrued liabilities	1,305,020	327,715	472,232	1,160,503
Total	<u>\$ 1,305,020</u>	<u>\$ 747,092</u>	<u>\$ 891,609</u>	<u>\$ 1,160,503</u>
Special Trust				
Assets				
Pooled cash and investments	\$ 4,054,219	\$ 4,233,509	\$ 5,268,105	\$ 3,019,623
Accrued interest receivable	26,833	18,386	5,815	39,404
Total	<u>\$ 4,081,052</u>	<u>\$ 4,251,895</u>	<u>\$ 5,273,920</u>	<u>\$ 3,059,027</u>
Liabilities				
Vouchers payable	\$ -	\$ 2,257,584	\$ 2,257,584	\$ -
Other accrued liabilities	4,081,052	4,251,895	5,273,920	3,059,027
Total	<u>\$ 4,081,052</u>	<u>\$ 6,509,479</u>	<u>\$ 7,531,504</u>	<u>\$ 3,059,027</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
Contractor's Retainage				
Assets				
Pooled cash and investments	\$ 3,535,594	\$ 1,208,813	\$ 1,298,507	\$ 3,445,900
Accrued interest receivable	34,539	16,071	4,974	45,636
Total	<u>\$ 3,570,133</u>	<u>\$ 1,224,884</u>	<u>\$ 1,303,481</u>	<u>\$ 3,491,536</u>
Liabilities				
Vouchers payable	\$ 22,929	\$ 1,240,300	\$ 1,263,229	\$ -
Other accrued liabilities	3,547,204	1,219,113	1,274,781	3,491,536
Total	<u>\$ 3,570,133</u>	<u>\$ 2,459,413</u>	<u>\$ 2,538,010</u>	<u>\$ 3,491,536</u>
Public Library Trust				
Assets				
Pooled cash and investments	\$ 768,799	\$ 2,673,863	\$ 2,693,566	\$ 749,096
Accrued interest receivable	7,090	7,056	2,230	11,916
Total	<u>\$ 775,889</u>	<u>\$ 2,680,919</u>	<u>\$ 2,695,796</u>	<u>\$ 761,012</u>
Liabilities				
Vouchers payable	\$ -	\$ 2,568,118	\$ 2,568,118	\$ -
Other accrued liabilities	775,889	2,680,431	2,695,308	761,012
Total	<u>\$ 775,889</u>	<u>\$ 5,248,549</u>	<u>\$ 5,263,426</u>	<u>\$ 761,012</u>
District Court Trust Accounts				
Assets				
Cash and cash equivalents	\$ 303,893	\$ 2,851,828	\$ 2,717,794	\$ 437,927
Liabilities				
Other accrued liabilities	\$ 303,893	\$ 2,851,828	\$ 2,717,794	\$ 437,927
Jail Inmate Trust Account				
Assets				
Cash and cash equivalents	\$ 248,055	\$ 2,648,205	\$ 2,525,415	\$ 370,845
Liabilities				
Other accrued liabilities	\$ 248,055	\$ 2,648,205	\$ 2,525,415	\$ 370,845

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
Total All Agency Funds				
Assets				
Pooled cash and investments	\$ 275,581,104	\$ 983,219,094	\$ 1,005,590,889	\$ 253,209,309
Cash and cash equivalents	551,948	5,500,033	5,243,209	808,772
Accrued interest receivable	218,961	83,251	65,196	237,016
Total	<u>\$ 276,352,013</u>	<u>\$ 988,802,378</u>	<u>\$ 1,010,899,294</u>	<u>\$ 254,255,097</u>
Liabilities				
Vouchers payable	\$ 72,212,606	\$ 630,551,788	\$ 702,764,394	\$ -
Due to other governmental units	189,195,711	959,112,465	907,618,667	240,689,509
Other accrued liabilities	14,943,696	30,467,167	31,845,275	13,565,588
Total	<u>\$ 276,352,013</u>	<u>\$ 1,620,131,420</u>	<u>\$ 1,642,228,336</u>	<u>\$ 254,255,097</u>

County of Oakland
Governmental Funds – Component Unit – Drainage Districts

Drainage Districts

This component unit consists of many individual districts created pursuant to Michigan Public Act 40 of 1956, Chapters 20 and 21 for the purpose of alleviating drainage problems. Separate funds and fund types are established to account for the resources and cost associated with the construction, maintenance, and financing of the individual drainage districts.

County of Oakland
Combining Balance Sheet
Governmental Funds – Component Unit – Drainage Districts
September 30, 2019

	Drainage Districts			Totals
	Special Revenue	Debt Service	Capital Projects	September 30, 2019
Assets				
Current assets				
Pooled cash and investments	\$27,189,474	\$ 1,553,891	\$ 7,283,882	\$ 36,027,247
Receivables (net of allowance for uncollectibles where applicable)				
Accounts receivable	521,675	-	730	522,405
Special assessments receivable	10,540	181,726,822	-	181,737,362
Due from other governmental units	5,544,533	72	-	5,544,605
Due from primary government	95	3,666		3,761
Accrued interest receivable	226,306	43,773	64,064	334,143
Other assets	-	1,050	146,667	147,717
Total assets	<u>33,492,623</u>	<u>183,329,274</u>	<u>7,495,343</u>	<u>224,317,240</u>
Liabilities				
Vouchers payable	\$ 6,595,478	\$ 688,007	\$ 30	\$ 7,283,515
Due to other governmental units	1,266,436	67,651	-	1,334,087
Due to primary government	620,162	-	53,506	673,668
Unearned revenue	121,716	5,177,859	-	5,299,575
Other accrued liabilities	1,771,190	7,445	1,482,388	3,261,023
Total liabilities	<u>10,374,982</u>	<u>5,940,962</u>	<u>1,535,924</u>	<u>17,851,868</u>
Deferred Inflow of Resources				
Unavailable revenue - special assessments	10,540	176,548,963	-	176,559,503
Unavailable revenue - grants	-	-	-	-
Total deferred inflows of resources	<u>10,540</u>	<u>176,548,963</u>	<u>-</u>	<u>176,559,503</u>
Fund Balances				
Restricted	23,107,101	839,348	-	23,946,449
Committed	-	-	5,959,420	5,959,420
Total fund balances	<u>23,107,101</u>	<u>839,348</u>	<u>5,959,420</u>	<u>29,905,869</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$33,492,623</u>	<u>\$183,329,273</u>	<u>\$ 7,495,344</u>	<u>\$ 224,317,240</u>

County of Oakland**Reconciliation of the Balance Sheet – Governmental Funds to the
Statement of Net Position
Component Unit – Drainage Districts
September 30, 2019**

Total fund balances of governmental funds	\$ 29,905,869
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 therefore are not reported in the funds.	
Land and other nondepreciable assets	\$ 146,292,927
Buildings, net of \$12,371,196 depreciation	57,498,853
Equipment, net of \$246,475 depreciation	660,772
Infrastructure, net of \$127,462,708 depreciation	<u>458,583,100</u>
	663,035,652
Long-term receivables such as special assessments are expected to be collected over several years and are deferred in the governmental funds and are not available to pay for current year expenditures	176,559,503
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the net effect of these balances on the statement.	
Bonds and notes payable	<u>(237,294,273)</u>
Net position of governmental activities	<u>\$ 632,206,751</u>

County of Oakland**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds – Component Unit – Drainage Districts
Year Ended September 30, 2019**

	Drainage Districts			Totals
	Special Revenue	Debt Service	Capital Projects	September 30, 2019
Revenues				
Special assessments	\$12,989,822	\$25,759,501	\$ -	\$ 38,749,323
State grants	728,149	-	24,631	752,780
Charges for services	81,967,945	4,450	-	81,972,395
Investment income	676,876	62,193	201,087	940,156
Other	78,734	-	-	78,734
Total revenues	<u>96,441,526</u>	<u>25,826,144</u>	<u>225,718</u>	<u>122,493,388</u>
Expenditures				
Salaries	457	-	43	500
Contractual services	90,423,694	-	17,081,375	107,505,069
Commodities	997,665	-	55,296	1,052,961
Principal payments	-	19,313,600	-	19,313,600
Interest	-	6,445,901	-	6,445,901
Paying agent fees	-	5,625	-	5,625
Intergovernmental	518,027	284,830	-	802,857
Internal services	<u>5,070,137</u>	<u>-</u>	<u>387,807</u>	<u>5,457,944</u>
Total expenditures	<u>97,009,980</u>	<u>26,049,956</u>	<u>17,524,521</u>	<u>140,584,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(568,454)</u>	<u>(223,812)</u>	<u>(17,298,803)</u>	<u>(18,091,069)</u>
Other financing sources (uses)				
Transfers in	289,324	116,105	277	405,706
Transfers out	(277)	-	(405,429)	(405,706)
Insurance recovery	-	-	-	-
Issuance of bonds	-	-	18,275,654	18,275,654
Issuance of refunding bonds	-	-	-	-
Federal grant interest recovery	-	108,561	-	108,561
Premiums on bonds sold	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>289,047</u>	<u>224,666</u>	<u>17,870,502</u>	<u>18,384,215</u>
Net change in fund balances	<u>(279,407)</u>	<u>854</u>	<u>571,699</u>	<u>293,146</u>
Fund balances				
October 1, 2018	<u>23,386,508</u>	<u>838,494</u>	<u>5,387,721</u>	<u>29,612,723</u>
September 30, 2019	<u>\$23,107,101</u>	<u>\$ 839,348</u>	<u>\$ 5,959,420</u>	<u>\$ 29,905,869</u>

County of Oakland
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances – Governmental Funds to the Statement of Activities
Component Unit – Drainage Districts
Year Ended September 30, 2019

Net change in fund balance - total governmental funds	\$	293,146
Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Construction in progress	\$	26,667,126
Equipment		104,420
Infrastructure		2,842,698
Depreciation expense		<u>(9,820,368)</u>
		19,793,876
Revenue from special assessments reported in the Statement of Activities in previous years that provided current financial resources in the governmental funds		(19,313,600)
Current year special assessments will be reported in the Statement of Activities because they did not provide current year financial resources in the governmental funds		21,778,824
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Position. This is the amount that proceeds exceed repayments		
Bond proceeds	(18,275,654)	
Repayment of debt	<u>19,313,600</u>	
		<u>1,037,946</u>
Change in net position of governmental activities	\$	<u>23,590,192</u>

III. STATISTICAL SECTION – UNAUDITED

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County of Oakland
Statistical Section

Statistical Section

This part of the County's Comprehensive Annual Financial Report presents detailed information to assist in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial condition of Oakland County.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial position and performance have changed over time. The schedules are:
Net Position by Component - Last Ten Fiscal Years
Changes in Net Position - Last Ten Fiscal Years
Fund Balances, Governmental Funds - Last Ten Fiscal Years
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years

Revenue Capacity - These schedules contain information to help the reader assess the factors affecting the County's ability to generate its main income source - property taxes. The schedules are:
Assessed, Equalized and Taxable Value of Property - Last Ten Fiscal Years
Direct and Overlapping Property Tax Rates - Last Ten Years
Principal Taxpayers - Current Year and Nine Years Ago
County Operating Property Tax Levies and Collections - Last Ten Fiscal Years

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the ability to issue additional debt in the future. The schedules are:
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years
Net County Direct and Overlapping Debt - Current Year
Legal Debt Margin - Last Ten Years

Demographic and Economic Information - These schedules present various demographic and economic indicators to help the reader understand the environment within the County that affects the County's financial activities. The schedules are:
Demographic and Economic Statistics (Population and Personal Income) - Last Ten Years
Principal Employers - Current Year and Nine Years Ago

Operating Information - These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. The schedules are:
County Employees by Function/Program - Last Ten Fiscal Years
Operating Indicators by Function/Program - Last Ten Fiscal Years
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
Building Authority Data - Detail on Debt Issues

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County of Oakland
Net Position by Component – Unaudited Table 1
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016 (2)	2015	2014	2013	2012	2011 (1)	2010
Governmental activities:										
Net invested in capital assets	\$ 183,757,890	\$ 181,610,977	\$ 168,617,536	\$ 147,744,764	\$ 156,456,894	\$ 145,910,667	\$ 137,512,571	\$ 148,709,168	\$ 150,330,717	\$ 151,764,265
Restricted	51,872,513	43,329,877	40,952,520	35,931,987	39,591,712	53,896,914	72,467,130	92,918,321	98,366,070	6,480,807
Unrestricted	522,810,577	432,498,567	336,663,951	304,822,163	228,425,269	180,545,856	191,318,485	157,152,392	149,221,428	230,165,706
Total governmental activities net position	\$ 758,440,980	\$ 657,439,421	\$ 546,234,007	\$ 488,498,914	\$ 424,473,875	\$ 380,353,437	\$ 401,298,186	\$ 398,779,881	\$ 397,918,215	\$ 388,410,778
Business-type activities:										
Net invested in capital assets	\$ 304,042,430	\$ 293,504,939	\$ 298,608,145	\$ 299,224,229	\$ 284,732,715	\$ 268,982,184	\$ 264,682,840	\$ 289,004,302	\$ 247,997,956	\$ 246,550,290
Restricted	111,130,441	97,172,136	96,499,021	98,337,169	89,643,864	78,286,471	73,813,076	77,418,640	77,825,011	15,802,201
Unrestricted	363,905,686	365,217,051	351,717,949	345,130,207	333,831,563	354,280,212	367,673,527	337,479,877	324,574,011	380,611,469
Total business-type activities net position	\$ 779,078,557	\$ 755,894,126	\$ 746,825,115	\$ 742,691,605	\$ 708,208,142	\$ 701,548,867	\$ 706,169,443	\$ 703,902,819	\$ 650,396,958	\$ 642,963,960
Primary government:										
Net invested in capital assets	\$ 487,800,320	\$ 475,115,916	\$ 467,225,681	\$ 446,968,993	\$ 441,189,609	\$ 414,892,851	\$ 402,195,411	\$ 437,713,470	\$ 398,328,653	\$ 398,314,555
Restricted	163,002,954	140,502,013	137,451,541	134,269,156	129,235,576	132,183,385	146,280,206	170,336,961	176,161,081	22,283,008
Unrestricted	886,716,263	797,715,618	688,381,900	649,952,370	562,256,832	534,826,068	558,992,012	494,632,269	473,795,439	610,777,175
Total primary government net position	\$ 1,537,519,537	\$ 1,413,333,547	\$ 1,293,059,122	\$ 1,231,190,519	\$ 1,132,682,017	\$ 1,081,902,304	\$ 1,107,467,629	\$ 1,102,682,700	\$ 1,048,285,173	\$ 1,031,374,738

- (1) Implementation of GASB Statement No. 54 resulted in reclassification of several funds. The Delinquent Personal Property Tax Administration fund was reclassified from Special Revenue (Governmental) fund type to Enterprise (Business) fund type, and the Interim Retirees Medical Benefits Trust fund was reclassified from Special Revenue (Governmental) to Pension Trust fund type, no longer reported on entity-wide statements.
- (2) Implementation of GASB Statement No. 75 resulted in restatement of Net Position as of September 30, 2016.

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County of Oakland
Changes in Net Position – Unaudited Table 2
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010
Expenses										
Governmental activities:										
General government, administrative	\$ 35,091,684	\$ 35,548,340	\$ 7,210,199	\$ 36,922,795	\$ 69,539,633	\$ 23,850,091	\$ 24,802,464	\$ 24,883,201	\$ 36,769,153	\$ 64,661,974
Public safety	175,918,304	169,208,509	198,159,722	186,368,098	186,050,353	201,580,810	195,275,037	203,647,570	169,055,162	173,410,126
Justice administration	82,205,431	78,025,038	91,193,006	88,190,032	86,238,778	93,496,165	90,873,460	91,355,151	82,995,986	85,663,267
Citizen services	75,939,004	73,510,309	80,436,567	77,513,361	83,388,255	87,214,484	82,502,384	83,141,703	78,697,492	84,616,509
Public works	26,120,398	27,336,927	44,539,179	53,585,849	38,300,439	42,267,177	29,008,606	29,173,892	23,972,731	21,638,989
Recreation and leisure	1,097,813	1,294,311	1,368,297	1,346,384	1,322,395	1,448,875	1,551,035	1,747,878	1,393,680	1,717,720
Commerce and community development	40,338,245	40,532,530	42,558,106	42,667,769	44,364,348	48,411,360	48,895,303	53,775,460	61,663,939	67,785,938
Unallocated depreciation	3,791,283	3,557,676	3,825,781	3,527,266	3,164,143	2,083,460	1,911,473	1,912,755	1,976,521	1,990,978
Interest on debt	3,295,856	3,609,194	3,568,860	3,222,007	3,273,505	3,244,225	2,626,856	4,041,393	13,447,625	35,876,728
Total governmental activities expenses	443,798,018	432,622,834	472,859,717	493,343,561	515,991,849	503,596,647	477,446,618	493,679,003	469,972,289	537,362,229
Business-type activities:										
Airports	6,557,528	6,316,381	6,587,495	6,630,136	7,023,922	6,910,625	6,653,186	9,016,461	5,957,174	5,819,585
Community safety support	18,374,698	18,114,764	19,648,350	20,772,663	21,312,944	21,277,821	17,084,677	17,370,233	16,303,359	14,469,036
Community tax financing	1,126,127	1,423,477	970,801	988,159	1,230,707	1,278,589	1,399,607	1,615,467	1,746,776	1,446,745
Community water and sewer	89,291,813	100,192,304	85,734,595	82,330,145	81,572,797	77,684,287	77,371,824	53,137,399	48,504,467	41,891,865
Recreation and leisure	26,267,157	26,891,978	25,050,628	23,460,676	23,741,356	22,860,691	21,181,725	20,108,609	20,061,315	21,635,614
Sewage disposal systems	138,973,982	138,558,969	138,073,377	132,107,791	129,927,356	128,252,681	126,797,005	121,129,202	111,655,907	93,373,475
Total business-type activities expenses	280,591,305	291,497,873	276,065,246	266,289,570	264,809,082	258,264,694	250,488,024	222,377,371	204,228,998	178,636,320
Total primary government expenses	\$ 724,389,323	\$ 724,120,707	\$ 748,924,963	\$ 759,633,131	\$ 780,800,931	\$ 761,861,341	\$ 727,934,642	\$ 716,056,374	\$ 674,201,287	\$ 715,998,549
Program Revenues										
Governmental activities:										
Charges for services:										
General government, administrative	\$ 23,675,763	\$ 27,513,139	\$ 28,420,204	\$ 23,078,190	\$ 24,225,570	\$ 25,879,090	\$ 28,230,087	\$ 24,431,514	\$ 27,107,546	\$ 26,766,446
Public safety	71,255,942	69,089,611	65,792,333	64,274,890	64,625,234	63,007,666	60,741,916	60,028,240	50,912,265	64,847,767
Justice administration	31,330,523	31,538,861	31,447,605	32,064,235	31,830,801	31,711,482	31,730,104	31,950,808	31,017,405	38,414,451
Citizen services	11,072,215	9,710,756	9,315,993	9,488,715	8,414,435	7,310,429	6,448,453	5,829,293	6,682,817	12,948,266
Public works	16,102,696	16,873,895	30,265,391	34,566,771	12,855,569	19,090,066	22,030,824	16,293,669	3,988,963	13,972,441
Recreation and leisure	11,085	14,527	16,046	15,468	14,686	39,934	38,154	79,342	91,273	178,753
Commerce and community development	21,319,207	20,968,785	21,023,719	18,361,879	17,646,879	17,158,997	18,967,967	14,240,342	12,231,135	15,254,871
Operating grants and contributions:										
General government, administrative	675,071	722,999	614,012	600,500	4,448,510	786,094	812,900	1,972,545	1,019,348	1,785,795
Public safety	20,709,746	21,820,828	18,934,764	18,302,689	17,630,677	17,770,136	23,147,123	28,147,900	21,723,458	22,185,332
Justice administration	2,559,438	571,023	854,996	680,004	741,357	508,391	456,013	662,382	675,133	629,776
Citizen services	18,311,577	16,820,290	15,028,275	15,731,575	14,728,273	23,545,171	21,776,402	20,364,604	21,940,379	22,734,748
Public works	-	1,000	400,203	1,069,022	362,098	261,174	930,304	2,635,398	836,666	1,483,907
Recreation and leisure	-	-	7,004	8,000	-	14,965	72,414	254,812	7,700	11,500
Commerce and community development	20,338,952	20,652,246	19,855,509	20,163,033	22,065,499	23,443,405	24,638,978	30,484,781	41,374,879	46,056,662
Capital grants and contributions:										
General government, administrative	-	23,273	161,669	-	-	-	-	-	-	-
Public safety	71,241	45,046	-	282,049	163,231	193,234	965,065	618,415	1,869,849	259,795
Justice administration	119,100	-	-	39,190	-	-	-	-	-	-
Citizen services	13,054	-	-	-	-	-	-	-	-	-
Public works	-	2,187,532	2,158,419	1,207,474	5,761,319	3,557,413	-	1,961,591	1,992,056	493,320
Total governmental activities program revenues	237,565,610	238,553,811	244,296,142	239,933,684	225,514,138	234,277,647	240,986,704	239,955,636	223,470,872	268,023,830

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County of Oakland
Changes in Net Position – Unaudited Table 2 (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010
Program Revenues (Continued)										
Business-type activities:										
Charges for services:										
Airports	\$ 4,972,876	\$ 4,711,066	\$ 4,671,073	\$ 4,624,215	\$ 4,421,496	\$ 4,294,902	\$ 4,381,999	\$ 4,502,884	\$ 4,510,925	\$ 3,747,657
Community safety support	15,168,426	14,601,037	13,775,015	14,293,818	12,833,963	13,085,553	11,417,222	13,242,926	12,266,838	11,486,639
Community tax financing	11,712,916	12,723,395	13,613,000	15,872,925	16,657,070	18,306,142	21,845,093	21,965,251	27,731,753	26,195,224
Community water and sewer	95,637,473	98,234,422	95,595,194	92,591,784	80,058,849	80,597,277	80,223,019	59,090,782	50,721,103	48,741,135
Recreation and leisure	10,375,407	10,424,470	10,022,384	9,981,419	9,978,385	8,525,094	8,430,978	8,751,064	8,029,370	7,931,012
Sewage disposal systems	145,549,376	142,048,906	138,190,001	133,611,778	137,441,935	126,670,775	121,781,246	118,951,504	110,808,669	107,752,414
Operating grants and contributions:										
Airports	87,823	92,761	96,254	-	287,991	-	-	-	-	59,892
Community water and sewer	575,779	50,227	339,060	1,398,631	807,591	48,319	-	13,301,375	-	-
Recreation and leisure	159,458	660,093	80,928	77,079	69,032	92,689	96,241	25,385	31,579	42,723
Sewage disposal systems	772,439	1,212,675	1,197,809	727,072	518,864	-	21,783	-	300,000	22,389
Capital grants and contributions:										
Airports	7,713,316	-	995,851	915,522	485,207	1,252,591	778,548	17,054,233	3,510,611	1,988,314
Community safety support	-	-	-	77,563	761,013	2,255,765	2,189,506	786,768	6,710,663	1,076,608
Community water and sewer	-	772,916	227,084	1,057,973	1,294,332	1,206,737	-	-	-	-
Recreation and leisure	53,810	68,469	82,700	-	308,000	-	288,141	38,796	1,506,000	-
Sewage disposal systems	834,483	8,809,512	14,654,105	27,520,966	8,219,302	93,399	1,476,762	103,635	136,314	78,531
Total business-type activities program revenues	293,613,582	294,409,949	293,540,458	302,750,745	274,143,030	256,429,243	252,930,538	257,814,603	226,263,825	209,122,538
Total primary government program revenues	\$ 531,179,192	\$ 532,963,760	\$ 537,836,600	\$ 542,684,429	\$ 499,657,168	\$ 490,706,890	\$ 493,917,242	\$ 497,770,239	\$ 449,734,697	\$ 477,146,368
Net (Expenses)/Revenues										
Governmental activities	\$ (206,232,408)	\$ (194,069,023)	\$ (228,563,575)	\$ (253,409,877)	\$ (290,477,711)	\$ (269,319,000)	\$ (236,459,914)	\$ (253,723,367)	\$ (246,501,417)	\$ (269,338,399)
Business-type activities	13,022,277	2,912,076	17,475,212	36,461,175	9,333,948	(1,835,451)	2,442,514	35,437,232	22,034,827	30,486,218
Total primary government net expenses	\$ (193,210,131)	\$ (191,156,947)	\$ (211,088,363)	\$ (216,948,702)	\$ (281,143,763)	\$ (271,154,451)	\$ (234,017,400)	\$ (218,286,135)	\$ (224,466,590)	\$ (238,852,181)
General Revenue and Other										
Changes in Net Position										
Governmental activities:										
Property taxes	\$ 238,804,207	\$ 227,384,489	\$ 221,228,539	\$ 210,219,877	\$ 204,218,641	\$ 206,256,326	\$ 199,808,014	\$ 200,634,390	\$ 208,006,331	\$ 217,789,968
State-shared revenue (unrestricted)	44,691,290	45,299,918	44,185,407	42,849,430	39,238,141	14,066,100	12,789,988	11,128,237	8,976,908	9,104,897
Unrestricted investment earnings	12,661,175	5,743,583	3,417,064	3,894,824	3,589,453	4,917,507	2,553,617	2,955,907	4,865,609	7,243,074
Gain on sale of capital assets	472,207	478,887	407,829	435,178	135,786	205,284	270,885	213,451	331,629	-
Other revenues	1,503,877	1,543,368	1,808,840	3,765,977	5,623,075	3,397,021	3,752,043	6,513,306	3,514,883	4,045,007
Transfers in (out)	9,101,211	12,156,434	15,250,989	17,841,687	17,940,753	19,532,013	19,803,672	33,139,742	34,901,063	34,473,232
Total governmental activities	307,233,967	292,606,679	286,298,668	279,006,973	270,745,849	248,374,251	238,978,219	254,585,033	260,596,233	272,656,178

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County of Oakland
Changes in Net Position – Unaudited Table 2 (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010
General Revenues and Other Changes in Net Position (Continued)										
Business-type activities:										
Property taxes	\$ 13,197,395	\$ 12,707,412	\$ 12,393,806	\$ 12,246,824	\$ 11,832,814	\$ 11,567,251	\$ 11,398,103	\$ 11,664,549	\$ 12,696,436	\$ 14,506,403
State-shared revenue (unrestricted)	296,449	323,212	271,123	-	-	-	-	-	-	-
Unrestricted investment earnings	10,939,806	5,282,745	4,440,196	3,617,151	2,914,365	5,179,637	1,758,041	2,050,923	3,015,229	6,854,390
Special items	(5,170,285)	-	(15,195,838)	-	-	-	6,471,638	37,492,899	-	-
Transfers in (out)	(9,101,211)	(12,156,434)	(15,250,989)	(17,841,687)	(17,940,753)	(19,532,013)	(19,803,672)	(33,139,742)	(34,901,063)	(34,473,232)
Total business-type activities	10,162,154	6,156,935	(13,341,702)	(1,977,712)	(3,193,574)	(2,785,125)	(175,890)	18,068,629	(19,189,398)	(13,112,439)
Total primary government	\$ 317,396,121	\$ 298,763,614	\$ 272,956,966	\$ 277,029,261	\$ 267,552,275	\$ 245,589,126	\$ 238,802,329	\$ 272,653,662	\$ 241,407,025	\$ 259,543,739
Change in Net Position										
Governmental activities	\$ 101,001,559	\$ 98,537,656	\$ 57,735,093	\$ 25,597,096	\$ (19,731,862)	\$ (20,944,749)	\$ 2,518,305	\$ 861,666	\$ 14,095,006	\$ 3,317,779
Business-type activities	23,184,431	9,069,011	4,133,510	34,483,463	6,140,374	(4,620,576)	2,266,624	53,505,861	2,845,429	17,373,779
Total primary government	\$ 124,185,990	\$ 107,606,667	\$ 61,868,603	\$ 60,080,559	\$ (13,591,488)	\$ (25,565,325)	\$ 4,784,929	\$ 54,367,527	\$ 16,940,435	\$ 20,691,558

(1) Implementation of GASB Statement No. 54 resulted in reclassification of several funds. The Delinquent Personal Property Tax Administration fund was reclassified from Special Revenue (Governmental) fund type to Enterprise (Business) fund type, and the Interim Retirees Medical Benefits Trust fund was reclassified from Special Revenue (Governmental) to Pension Trust fund type, no longer reported on entity-wide statements.

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County of Oakland
Fund Balances, Governmental Funds – Unaudited Table 3
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010
General Fund (1):										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,793
Unreserved:										
Designated	-	-	-	-	-	-	-	-	-	148,109,832
Unassigned	-	-	-	-	-	-	-	-	-	516,356
Nonspendable	246,786	306,104	353,124	534,766	490,499	221,975	258,647	1,100,141	292,698	
Restricted	9,795,577	12,860,936	10,401,084	5,884,980	15,190,786	28,453,511	20,201,133	11,555,148	5,287,071	
Assigned	248,479,921	230,412,909	251,021,647	245,859,255	242,777,177	222,979,095	221,222,041	209,683,648	194,082,115	
Unassigned	1,212,494	1,464,988	3,004,232	2,962,467	1,745,931	2,329,993	1,091,218	1,090,503	1,500,000	
Total General Fund	\$ 259,734,778	\$ 245,044,937	\$ 264,780,087	\$ 255,241,468	\$ 260,204,393	\$ 253,984,574	\$ 242,773,039	\$ 223,429,440	\$ 201,161,884	\$ 149,005,981
All Other Governmental Funds (1):										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,622,280
Unreserved:										
Designated:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	147,349,425
Capital Projects Funds	-	-	-	-	-	-	-	-	-	6,175,010
Undesignated:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	(91,342)
Capital Projects Funds	-	-	-	-	-	-	-	-	-	11,756,867
Nonspendable	-	-	1,150,421	1,102,916	1,176,207	991,206	441,135	547,459	445,125	
Restricted	23,218,412	24,737,155	26,218,607	25,721,135	19,294,296	25,443,403	51,418,485	81,363,173	97,920,945	
Committed	41,684,723	44,273,743	33,562,352	51,423,615	27,813,859	39,973,683	46,332,071	18,432,389	16,530,640	
Assigned	-	-	-	-	-	-	-	7,732	17,254	
Unassigned	(999,133)	(3,492,780)	(3,294,277)	(3,010,629)	(4,080,095)	(2,708,371)	(606,542)	(462,247)	(366,963)	
Total all other governmental funds	\$ 63,904,002	\$ 65,518,118	\$ 57,637,103	\$ 75,237,037	\$ 44,204,267	\$ 63,699,921	\$ 97,585,149	\$ 99,888,506	\$ 114,547,001	\$ 512,812,240

(1) Prior year amounts have not been restated for the implementation of GASB Statement No. 54. In addition, the implementation of Statement No. 54 resulted in reclassification of two funds as follows: Interim Retirees Medical Benefits Trust fund from Special Revenue to Pension Trust fund type; Delinquent Personal Tax Administration fund from Special Revenue to Enterprise Fund type. Also, three Special Revenue funds were absorbed into the County's General Fund: Public Health, Property Tax Forfeiture, and CCIRF funds.

County of Oakland
Changes in Fund Balances, Governmental Funds – Unaudited Table 4
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 (2)	2010
Revenues										
Property taxes	\$ 239,485,107	\$ 228,013,169	\$ 216,562,738	\$ 214,229,960	\$ 206,368,131	\$ 207,034,582	\$ 200,842,221	\$ 200,943,790	\$ 209,290,437	\$ 221,271,719
Special assessments	8,931,750	8,128,190	10,020,057	5,384,564	19,429,154	5,712,490	24,639,181	8,873,964	7,915,855	10,420,745
Federal grants	30,791,227	31,027,408	28,532,404	29,637,348	32,135,507	37,110,198	43,875,848	58,364,646	61,433,127	64,410,483
State grants	32,438,244	28,546,713	26,808,928	26,846,548	27,853,475	28,778,014	28,716,151	27,523,160	28,874,320	30,803,568
Other intergovernmental revenue	61,536,812	59,860,852	58,545,962	56,868,569	53,124,504	26,659,052	26,724,815	25,341,493	22,790,048	12,857,979
Charges for services	132,380,869	131,851,162	131,191,772	123,644,292	120,992,621	117,882,404	121,147,370	112,904,076	99,927,910	108,984,759
Contributions	116,386	127,213	149,441	221,578	276,151	373,184	207,200	718,965	443,866	400,252
Investment income	8,400,757	2,803,018	2,230,403	2,772,483	2,580,784	3,604,765	1,862,818	2,223,477	3,824,350	42,828,295
Indirect cost recovery	9,027,123	9,145,652	8,216,061	7,846,289	7,946,958	8,415,107	7,610,932	8,275,669	8,770,800	9,141,312
Other	1,187,006	872,212	1,395,893	930,308	1,019,667	2,498,909	3,637,920	6,364,199	1,067,822	4,045,007
Total revenues	524,295,281	500,375,589	483,643,659	468,381,939	471,726,952	438,068,705	459,264,456	451,533,439	444,338,535	505,164,119
Expenditures										
County Executive	160,675,873	162,066,148	154,409,494	150,905,047	152,940,829	177,990,015	177,867,738	174,957,912	181,369,381	188,031,969
Clerk/Register of Deeds	10,287,033	10,661,568	10,884,241	10,844,437	10,688,410	11,478,209	11,504,787	12,078,679	10,643,080	11,423,907
Treasurer	7,566,638	7,643,131	8,103,102	8,286,497	8,897,706	8,715,059	8,371,074	8,322,889	8,003,249	8,480,363
Justice administration	83,938,183	80,614,403	77,509,465	75,811,521	75,627,179	76,112,761	74,360,297	78,443,609	78,704,797	81,915,294
Law enforcement	183,331,101	180,920,178	172,460,663	164,741,810	159,354,251	159,070,684	154,364,056	160,228,557	146,921,316	148,473,341
Legislative	4,531,874	4,944,629	4,172,103	3,960,835	3,864,960	3,955,467	4,073,210	4,478,413	4,223,183	4,549,812
Water resource commissioner	11,005,656	14,866,155	24,420,433	35,142,209	14,748,645	15,737,892	12,362,273	10,755,550	9,088,423	11,131,024
Non-departmental	23,187,856	21,825,031	21,568,122	21,079,507	29,905,627	18,528,670	18,778,041	17,164,051	16,674,594	74,017,143
Capital outlay	16,532,348	24,264,758	28,082,057	13,469,248	16,394,718	1,668,488	3,154,872	8,124,757	13,125,733	9,440,401
Intergovernmental	220,675	1,834	12,500	4,508	13,592	24,718	107,184	14,363	3,035	1,598,530
Debt service:										
Principal payments	10,880,000	11,225,000	10,685,000	8,610,000	19,730,000	11,215,000	24,095,000	22,275,000	8,535,000	11,655,000
Interest and fiscal charges	3,337,262	3,649,126	3,626,631	3,070,416	3,301,677	3,406,901	4,096,185	4,176,896	4,917,688	5,194,504
Total expenditures	515,494,499	522,681,961	515,933,811	495,926,035	495,467,594	487,903,864	493,134,717	501,021,276	482,209,479	555,911,288
Excess of revenues over (under) expenditures	8,800,782	(22,306,372)	(32,290,152)	(27,544,096)	(23,740,642)	(49,835,159)	(33,870,261)	(49,487,837)	(37,870,944)	(50,747,169)

(Continued)

County of Oakland
Changes in Fund Balances, Governmental Funds – Unaudited Table 4 (Continued)
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011 (2)	2010
Other Financing Sources (Uses)										
Transfers in	\$ 57,258,755	\$ 82,037,565	\$ 60,850,931	\$ 75,470,868	\$ 67,778,233	\$ 88,060,822	\$ 79,499,398	\$ 93,460,173	\$ 91,581,408	\$ 128,102,839
Transfers out	(53,244,682)	(75,031,735)	(52,137,819)	(62,329,852)	(59,866,546)	(75,126,053)	(64,468,826)	(59,410,852)	(58,902,434)	(93,179,568)
Insurance recoveries	130,000	857,096	765,010	-	222,022	183,718	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	(348,800,000)	-	(29,840,000)	(12,488,453)
Issuance of bonds	130,870	2,589,311	14,732,205	40,475,488	2,331,098	10,126,377	33,825,000	9,300,000	1,200,000	6,942,148
Issuance of refunding bonds	-	-	-	-	-	2,875,000	350,000,000	13,620,000	28,485,000	10,990,000
Premiums on bonds sold	-	-	18,510	20,870	-	206,732	1,702,443	203,846	1,488,907	1,592,775
Discount on bonds sold	-	-	-	(23,433)	-	(12,642)	-	(76,269)	(17,993)	(54,700)
Total other financing sources (uses)	4,274,943	10,452,237	24,228,837	53,613,941	10,464,807	26,313,954	51,758,015	57,096,898	33,994,888	41,905,041
Net change in fund balances	\$ 13,075,725	\$ (11,854,135)	\$ (8,061,315)	\$ 26,069,845	\$ (13,275,835)	\$ (23,521,205)	\$ 17,887,754	\$ 7,609,061	\$ (3,876,056)	\$ (8,842,128)
Debt service as a percentage of noncapital expenditures (1)	2.79%	2.93%	2.89%	2.40%	4.72%	3.05%	5.73%	5.30%	2.82%	3.06%

(1) Noncapital expenditures are total governmental expenditures less capital expenditures (Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances).

(2) Implementation of GASB Statement No. 54 resulted in reclassification of several funds. The Delinquent Personal Property Tax Administration fund was reclassified from Special Revenue (Governmental) fund type to Enterprise (Business) fund type, and the Interim Retirees Medical Benefits Trust fund was reclassified from Special Revenue (Governmental) to Pension Trust fund type, no longer reported on entity-wide statements.

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County of Oakland
Assessed, Equalized, and Taxable Value of Property – Unaudited Table 5
Last Ten Years

Fiscal Year	Real Property (1)									
	Residential Property		Commercial Property		Industrial Property		Other Property (2)			
	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value		
2010	\$ 39,060,923,207	\$ 37,857,819,565	\$ 11,340,401,927	\$ 10,147,353,481	\$ 3,478,234,330	\$ 3,262,351,447	\$ 99,957,560	\$ 50,773,520		
2011	35,954,354,243	35,166,132,285	10,795,035,520	10,054,370,362	1,928,636,700	1,842,489,880	88,804,690	50,723,170		
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	9,957,063,497	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		
Fiscal Year	Personal Property		Total Property		Total Direct Tax Rate (3)					
	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value						
2010	\$ 3,765,559,483	\$ 3,763,409,573	\$ 57,745,076,507	\$ 55,081,707,586	4.4315					
2011	3,686,629,190	3,684,824,560	52,453,460,343	50,798,540,257	4.4315					
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					

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

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County of Oakland
Direct and Overlapping Property Tax Rates – Unaudited Table 6
Last Ten Years
(Rates per \$1,000 of taxable value)

	Year Taxes Are Payable									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
County direct rates										
County operating	4.0400	4.0400	4.0400	4.0400	4.0900	4.1900	4.1900	4.1900	4.1900	4.1900
Parks and Recreation	0.2349	0.2368	0.2392	0.2410	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415
Total rate	4.2749	4.2768	4.2792	4.2810	4.3315	4.4315	4.4315	4.4315	4.4315	4.4315
Overlapping rates										
Huron-Clinton Metro Authority (a)	0.2129	0.2140	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Intermediate school districts (5)										
Median rate	3.2539	3.2813	3.3079	3.3398	3.3633	3.3690	3.3690	3.3690	3.3690	3.3690
Low range	2.8744	2.8798	2.8915	2.9115	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295
High range	5.4643	5.4643	5.4643	5.4643	5.5341	5.5341	5.5341	5.5341	5.5341	5.5341
Community colleges (3)										
Median rate	2.2700	1.7662	1.7766	1.7880	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967
Low range	1.5303	1.5431	1.5555	1.5707	1.5819	1.5844	1.5844	1.5844	1.5844	1.5844
High range	2.8019	2.8047	2.8096	2.8096	2.8596	2.8596	2.8596	2.8596	2.8596	2.6796
Cities (31)										
Median rate	18.4133	17.1311	17.2076	16.8995	17.5854	17.5856	16.7929	16.0541	16.1905	15.5898
Low range	8.3212	8.3229	7.8270	7.8332	7.8600	7.8600	7.3600	8.8200	9.7060	9.0500
High range	38.3265	39.0343	39.2861	39.1859	39.2669	38.1191	37.4634	30.4298	29.1461	25.3589
Villages (11)										
Median rate	15.0275	15.1381	15.3816	15.4412	15.6106	15.9168	15.2286	14.4597	14.6508	14.1182
Low range	9.9927	10.0000	9.9863	7.8250	8.8020	9.5000	8.8900	8.8900	8.5900	7.9900
High range	18.7295	19.3535	18.4043	18.4744	18.4701	18.5025	17.9756	20.0210	18.3610	18.1386
Townships (21)										
Median rate	7.9721	8.0064	8.0907	8.1787	7.6106	7.9168	7.2786	7.2685	6.7444	6.7444
Low range	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
High range	14.0745	14.6784	14.6799	14.6987	14.6712	15.1064	13.8002	13.8002	13.8002	13.1777
School districts (35) (b)										
Homestead:										
Median rate	14.1984	14.9991	15.0000	15.3000	15.4086	14.3880	13.9513	13.9513	13.7550	13.6410
Low range	9.2700	9.2700	8.8700	8.8700	6.0000	9.8700	9.8700	9.0500	8.2500	8.1800
High range	24.5077	26.6868	26.1868	26.2618	26.2068	26.8868	26.8868	26.4868	26.4868	25.8868
Non-Homestead:										
Median rate	30.2779	30.9693	30.2450	31.0000	31.0000	31.0000	31.0000	30.7000	30.5400	30.4000
Low range	25.6103	25.6165	25.6665	25.6739	24.0000	25.6974	26.4420	26.4420	26.1800	14.4500
High range	41.9463	40.9516	40.5603	40.8512	41.0000	37.4500	35.3610	34.8500	34.8500	34.5000
DDAs (10)										
Median rate	1.8411	1.8525	1.7142	1.8046	1.8787	1.8978	1.8978	1.8978	1.8008	1.7470
Low range	1.2958	1.3072	1.3326	1.3549	1.3794	1.3794	1.3794	1.3794	1.3794	1.3000
High range	1.9510	1.9685	1.9514	1.9516	1.9732	1.9734	1.9734	1.9734	1.9734	1.9734
Public Transportation Authority (c)	1.0000	0.9863	0.9941	0.9998	1.0000	1.0000	0.5900	0.5900	0.5900	0.5900
Zoological Authority	0.0982	0.0980	0.0990	0.0998	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Art Institute Authority (d)	0.1945	0.1961	0.1981	0.1996	0.2000	0.2000	0.2000	0.2000	-	-

Notes

The County's maximum allowable operating millage levy for 2019 was 4.0787.

(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.

County of Oakland
Principal Taxpayers – Unaudited Table 7
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Valuation*	Rank	Percentage County Taxable Valuation	Taxable Valuation*	Rank	Percentage County Taxable Valuation
Detroit Edison Company/DTE	\$ 671,208,150	1	1.11%	\$ 342,542,379	3	0.62%
Consumers Energy	420,570,370	2	0.70%	167,137,760	4	0.30%
FCA Auburn Hills Owner LLC (formerly Chrysler)	167,277,880	3	0.28%	359,978,230	2	0.65%
Taubman/Great Lakes/12 Oaks Mall	137,312,350	4	0.23%	142,758,420	5	0.26%
International Transmission (ITC)	132,109,795	5	0.22%	91,518,170	10	0.17%
Enbridge Energy	118,431,510	6	0.20%	-	-	-
SighCidermill Village	104,398,150	7	0.17%	-	-	-
General Motors	100,440,270	8	0.17%	605,213,620	1	1.10%
Edward Rose/Occidental Dev	86,312,190	9	0.14%	-	-	-
SL Town Etal (Bre Southfield, Town Centre)	77,854,760	10	0.14%	99,513,160	9	0.18%
Oakland Management	67,477,830	11	0.13%	-	-	-
Redwood-ERC Novi LLC	66,797,500	12	0.11%	-	-	-
Comcast	65,293,190	13	0.11%	79,201,000	11	0.14%
Ramco Lion Venture	64,557,550	14	0.11%	108,118,420	8	0.20%
Kroger	58,158,160	15	0.10%	49,611,070	17	0.09%
Somerset Collection LTD PTN (Frankel/Forbes/Cohn)	56,656,730	16	0.09%	128,519,190	6	0.23%
Redco	50,478,370	17	0.08%	-	-	-
VHS Huron Valley-Sinai Hospital	38,166,150	18	0.06%	-	-	-
Southfield Galleria	34,296,780	19	0.06%	-	-	-
Troy Apts IV	30,222,270	20	0.05%	-	-	-
Total	<u>\$ 2,548,019,955</u>		<u>4.26%</u>	<u>\$ 2,174,111,419</u>		<u>3.94%</u>

* 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 of Oakland
County Operating Property Tax Levies and Collections – Unaudited Table 8
Last Ten Fiscal Years

Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
	Tax Levy (1)	Amount			Amount	Percentage of Levy
2010	\$ 223,423,779	\$ 198,172,603	88.70 %	\$ 25,249,838	\$ 223,422,441	100.00 %
2011	206,524,166	187,107,837	90.60 %	19,413,799	206,521,636	100.00 %
2012	200,442,426	179,242,176	89.42 %	21,195,645	200,437,821	100.00 %
2013	201,089,193	179,700,449	89.36 %	21,380,777	201,081,226	100.00 %
2014	204,966,211	181,910,042	88.75 %	22,966,224	204,876,266	99.96 %
2015	207,429,739	186,742,691	90.03 %	20,568,905	207,311,596	99.94 %
2016	208,735,308	186,750,930	89.47 %	21,798,703	208,549,633	99.91 %
2017	216,149,261	196,045,294	90.70 %	19,267,896	215,313,190	99.61 %
2018	226,289,005	201,249,308	88.93 %	22,760,442	224,009,750	98.99 %
2019	237,623,107	215,492,770	90.69 %	-	215,492,770	90.69 %

Source: Oakland County Treasurer

(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.

County of Oakland
Ratio of General Bonded Debt Outstanding – Unaudited Table 9
Last Ten Fiscal Years

Year	Governmental Activities Debt (1)				Business-Type Activities		Total Primary Government	Percentage of Personal Income (b)	Per Capita (b)
	General Obligation Bonds	Percentage of Taxable Property Values (a)	Per Capita (b)	Special Assessment Bonds (c)	Bonds				
2010	\$ 562,030,000	1.02 %	\$ 467.20	\$ 52,350,727	\$ -	\$ 614,380,727	10.25 %	\$ 510.66	
2011	538,995,000	1.06 %	444.96	48,375,727	4,060,000	591,430,727	902.00 %	487.75	
2012	515,605,000	1.05 %	422.14	52,865,727	19,589,279	588,060,006	8.32 %	480.59	
2013	428,985,000	0.87 %	348.07	46,625,727	34,705,962	510,316,689	7.16 %	413.03	
2014	402,340,000	0.80 %	324.66	53,557,104	33,818,351	489,715,455	6.46 %	393.98	
2015	375,630,000	0.72 %	302.68	41,458,202	21,260,612	438,348,814	5.43 %	352.17	
2016	363,425,000	0.69 %	291.73	63,328,690	26,807,354	453,561,044	5.44 %	362.52	
2017	334,205,000	0.61 %	267.19	73,575,895	28,257,164	436,038,059	5.00 %	347.11	
2018	303,945,000	0.53 %	242.99	71,330,206	35,699,261	410,974,467	4.49 %	326.38	
2019	272,620,000	0.45 %	217.95	67,156,076	34,837,915	374,613,991	4.09 %	297.50	

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 8 - Debt. Special Assessment debt is shown with governmental commitment.

Source: Oakland County Department of Management & Budget, Fiscal Services Division

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County of Oakland
Net County Direct and Overlapping Debt – Unaudited Table 10
September 30, 2019

	Net Amount Outstanding
Direct debt	
Building Authority bonds	\$ 50,365,000
Water & sewer special assessment debt	54,661,076
Retirees Health Care bonds	<u>234,750,000</u>
Total direct debt	<u>339,776,076</u>
Overlapping debt	
Cities	848,469,017
Townships	395,892,869
Villages	33,831,472
School districts	2,191,530,354
Intermediate school districts	43,168,455
Community colleges	2,507,146
Libraries	<u>3,098,230</u>
Net overlapping debt	<u>3,518,497,543</u>
Net direct and overlapping debt	<u>\$3,858,273,619</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. 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

County of Oakland
Legal Debt Margin – Unaudited Table 11
Last Ten Years

Year	State Equalized Valuation	Debt Limit 10% of SEV	Amount of Debt Applicable to Limit	Legal Debt Margin	Debt Applicable to Limit as a Percentage of Debt Limit
2010	\$ 57,745,076,507	\$ 5,774,507,651	\$ 809,993,682	\$ 4,964,513,969	14.03%
2011	52,453,460,343	5,245,346,034	798,634,635	4,446,711,399	15.23%
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	7,059,691,966	7.98%

Sources:
Equalized Valuations = Oakland County Department of Management & Budget, Equalization Division
Debt = See Notes to Financial Statements, Notes No. 4 & 8

County of Oakland
Demographic and Economic Statistics – Unaudited Table 12
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	
2010	1,203,120	\$ 59,914,181	\$ 49,799	11.80	%
2011	1,212,560	65,557,083	54,065	9.50	%
2012	1,223,616	70,716,825	57,793	8.20	%
2013	1,235,554	71,319,874	57,723	7.80	%
2014	1,242,993	75,827,608	61,004	6.50	%
2015	1,244,711	80,721,206	64,851	4.70	%
2016	1,251,126	83,409,021	66,667	4.20	%
2017	1,256,182	87,191,829	69,410	3.50	%
2018	1,259,201	91,595,253	72,741	3.30	%
2019	1,259,201 (a)	91,595,253 (a)	72,741 (a)	3.40	%

(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

County of Oakland
Principal Employers – Unaudited Table 13
Current Year and Nine Years Ago

Employer	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaumont Health System	18,261	1	2.78%	13,083	1	2.48%
FCA US LLC (formerly Chrysler)	12,848	2	1.96%	n/a	n/a	n/a
General Motors Corporation	8,476	3	1.29%	8,843	2	1.68%
Henry Ford Health System	6,368	4	0.97%	2,822	10	0.54%
Ascension Michigan (formerly St John Providence Hospital)	5,630	5	0.86%	4,345	5	0.82%
U.S. Postal Service	4,880	6	0.74%	3,499	7	0.66%
Oakland County Government	3,557	7	0.54%	3,416	9	0.65%
Magna International of America Inc.	2,646	8	0.40%	n/a	n/a	n/a
Trinity Health (formerly St. Joseph Mercy)	2,578	9	0.39%	4,998	4	0.95%
Continental Automotive Systems U.S. Inc.	2,000	10	0.30%	n/a	n/a	n/a
Chrysler Group	n/a	n/a	n/a	6,170	3	1.17%
Blue Cross Blue Shield of Michigan	n/a	n/a	n/a	3,588	6	0.68%
Botsford Health Care	n/a	n/a	n/a	3,477	8	0.66%
	<u>67,244</u>		<u>10.23%</u>	<u>54,241</u>		<u>10.29%</u>

Source

Oakland County Department of Planning & Economic Development

County of Oakland
County Employees by Function/Program – Unaudited Table 14
Last Ten Fiscal Years

Functions/Programs	Employees as of September 30 (1)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
County Executive Administration	63	62	62	60	60	60	47	47	47	50
Management & Budget	188	188	188	188	188	189	204	203	205	205
Central Services	62	61	61	61	60	59	59	58	66	68
Human Resources	56	50	49	48	48	46	46	47	49	50
Board of Commissioners	33	31	30	30	30	30	34	34	34	34
Clerk/Register of Deeds	112	112	112	112	112	112	112	116	118	118
County Treasurer	46	46	46	46	47	47	46	46	44	44
Public Safety										
Sheriff	1,239	1,205	1,200	1,169	1,117	1,107	1,088	1,119	1,024	1,054
Community Corrections	61	60	60	59	59	59	60	58	59	60
Animal Control	34	37	37	38	37	36	36	33	26	26
Justice Administration										
Circuit Court	420	420	417	415	412	410	410	409	431	442
District Court	191	189	189	190	188	186	188	185	184	186
Probate Court	53	53	53	52	51	49	49	49	54	57
Prosecuting Attorney	169	169	169	169	170	171	170	172	175	177
Medical Examiner	26	26	26	26	26	26	26	26	26	26
Citizens Services										
Administration	2	2	2	2	2	2	2	2	2	5
Health	351	347	357	365	366	369	370	373	378	378
Homeland Security	11	11	11	11	11	12	12	16	13	13
Children's Village	214	211	206	203	201	192	192	189	185	185
Veterans' Services	16	16	16	16	16	16	16	16	16	16
MSU Extension-Oakland County	13	13	13	13	13	15	15	15	15	15
Public Works										
Water Resources Commissioner	382	378	376	370	314	266	263	263	264	264
Facilities Management	189	199	197	194	190	189	187	188	189	193
Information Technology	173	173	173	166	160	159	161	161	164	164
Recreation and Leisure										
Library Board	6	6	6	6	7	7	7	10	10	12
Parks and Recreation	497	484	440	441	425	421	378	379	376	376
Commerce and Community Development										
Administration	15	14	14	14	12	12	12	12	12	12
Planning and Economic Development Services	48	49	48	48	49	48	46	46	47	48
Community and Home Improvement	22	22	22	22	22	22	23	23	23	22
Workforce Development	9	9	9	9	9	9	9	9	9	9
Totals	4,701	4,643	4,589	4,543	4,402	4,326	4,268	4,304	4,245	4,309

(1) Employee count reflects authorized, budgeted positions

Source
Oakland County Human Resources Department

County of Oakland
Operating Indicators by Function/Program – Unaudited Table 15
Last Ten Fiscal Years

Functions/Programs	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Law Enforcement										
Dispatched Calls	405,609	389,998	375,492	333,680	292,131	286,235	272,066	197,767	168,685	145,090
Arrests	12,452	13,404	13,200	13,727	11,355	11,943	11,525	12,126	10,999	8,906
Inmate bookings	16,554	17,351	18,124	18,236	18,789	19,317	19,913	19,796	19,889	19,608
Judicial										
Circuit Court civil/criminal cases disposed	12,495	11,319	10,889	11,132	10,981	11,742	12,442	13,147	14,212	15,752
District Court cases filed	120,682	124,569	118,358	119,077	122,934	119,347	118,307	119,643	123,860	134,077
Citizen Services										
Veteran benefits claims filed	4,435	4,645	5,114	5,544	5,697	5,461	6,202	6,805	6,848	7,220
Deeds/Mortgages	98,804	92,210	101,409	107,252	101,807	90,969	119,116	109,403	86,034	84,048
Jobs retained and created	6,235	10,108	33,804	19,053	10,057	11,332	8,866	9,269	8,365	14,522
Immunizations	43,350	55,105	45,951	51,086	59,156	54,600	61,141	62,309	80,741	143,839
Community Development										
BFC/FDC Loans	5	20	20	13	26	34	40	28	26	21
Applications for home improvement	512	440	560	519	393	533	500	387	384	276
Single family homes rehabilitated	272	244	207	183	206	198	183	163	165	186
Parks and Recreation										
Participants-Parks/County Market	1,119,711	1,317,042	1,285,490	999,654	913,524	1,147,845	1,358,617	1,221,658	942,019	843,600
Participants-Golf Courses	147,047	140,452	147,388	160,895	164,067	104,492	95,531	130,281	116,804	126,727
Participants-Recreation Facilities	606,342	577,786	500,395	456,053	492,530	485,981	437,407	411,068	390,106	370,355
Participants-Banquet Facilities	60,671	67,515	71,488	75,449	89,888	87,436	90,915	125,008	109,420	125,592
Airports										
Takeoffs and landings	140,028	130,762	131,294	125,132	126,070	111,672	117,981	128,766	119,347	119,581
Public Works										
Water and sewer customers	122,747	118,415	120,989	119,630	78,432	79,312	78,096	77,280	76,784	76,435
Water main breaks	148	165	114	133	156	123	128	79	85	90
Water permits issued	278	596	849	734	884	921	902	626	337	220

Source
Oakland County Department of Management & Budget, Fiscal Services Division
and other individual departments

County of Oakland
Capital Asset Statistics by Function/Program – Unaudited Table 16
Last Ten Fiscal Years

Functions/Programs	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Justice and Law Enforcement										
Correction facilities capacities	1,664	1,664	1,508	1,653	1,653	1,653	1,653	1,653	1,666	1,594
Substations	13	13	13	13	13	13	13	14	14	12
Parks and Recreation										
Number of county parks	13	13	13	13	13	13	13	14	13	13
Park acreage	6,747	6,743	6,743	6,743	6,756	6,756	6,756	6,643	6,643	6,456
Airport										
Number of runways	5	5	5	5	5	5	5	5	5	5
Number of T-Hangars	646	646	646	646	646	646	650	738	738	738
Facilities										
Buildings	41	41	40	40	40	40	40	40	40	40
County facilities square footage	1,922,091	1,922,091	1,885,019	1,891,804	1,888,888	1,890,262	1,936,042	1,913,681	1,881,125	1,881,130
Public Works										
Combined Sewer Overflow Retention										
Treatment Facilities	4	4	4	4	4	4	4	4	4	4
Water mains (miles)	312.83	364.52	362.93	441.61	439.71	515.79	160.63	136.41	133.03	132.99
Water storage capacity (millions of gallons)	15.00	16.50	17.50	15.07	15.07	15.07	3.07	3.07	3.07	3.07
Sewers (miles)	144.54	144.48	144.35	144.93	138.34	138.41	138.42	138.29	137.32	137.22
Permitted Sewer treatment capacity (millions of gallons)	15,566.91	15,566.91	15,566.91	15,566.91	15,579.69	15,579.69	15,567.62	15,594.90	15,594.90	15,594.90
Sources										
Various County departments										

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County of Oakland
Building Authority Data – Unaudited Table 17
September 30, 2019

	City of Oak Park Project	Facilities Infrastructure & IT Projects	CMHA Building Renovation	Animal Control & Pet Adoption Center Debt	City of Keego Harbor Debt	CMHA Housing Proj Refunding
Cash	\$ 116,867	\$ 5	\$ 1,925	\$ 5,739,939	\$ -	\$ 227
Lease receivable	1,990,000	-	7,815,000	-	895,000	1,595,000
Other assets	-	-	742,225	33,790	-	370
Deferred inflows - contracts	1,990,000	-	7,815,000	-	895,000	1,595,000
Other liabilities	571	-	1,574	-	148	-
Current year activity:						
Transfers in	-	2,230,500	-	-	-	-
Leases and other income	153,432	-	860,518	135,728	68,144	324,765
Debt service:						
Principal	80,000	1,950,000	625,000	625,000	30,000	265,000
Interest	73,747	279,750	243,825	408,256	37,688	59,025
Fiscal charges	300	250	250	500	300	500
Contractual services	-	500	-	500	-	-
Principal and interest requirements:						
2020	151,748	2,220,500	850,075	1,035,606	66,788	340,700
2021	149,747	2,209,750	855,950	1,037,656	65,887	322,150
2022	152,685	2,222,125	861,075	1,034,457	64,688	338,375
2023	150,347	2,207,625	865,450	1,032,606	63,487	322,800
2024	152,723	-	869,075	1,031,906	67,288	330,400
Thereafter	2,035,114	-	4,826,100	12,369,279	1,032,500	102,000
	<u>\$ 2,792,364</u>	<u>\$ 8,860,000</u>	<u>\$ 9,127,725</u>	<u>\$ 17,541,510</u>	<u>\$ 1,360,638</u>	<u>\$ 1,756,425</u>

(continued)

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County of Oakland
Building Authority Data – Unaudited Table 17 (Continued)
September 30, 2019

	52/3 District Court Bldg. Refunding	Work Release JailMgt/Video Refunding	Office Bldg. Renovation Refunding	Sheriff Substation Refunding	Totals
Cash	\$ 5	\$ 5	\$ 5	\$ 765	\$ 5,859,743
Lease receivable	-	-	-	200,000	12,495,000
Other assets	-	-	-	57	776,442
Deferred inflows - contracts	-	-	-	200,000	12,495,000
Other liabilities	-	-	-	-	2,293
Current year activity:					
Transfers in	1,300,800	1,570,100	1,864,350	-	6,965,750
Leases and other income	-	-	-	315,814	1,858,401
Debt service:					
Principal	1,070,000	1,345,000	1,585,000	305,000	7,880,000
Interest	230,500	224,800	279,050	10,100	1,846,741
Fiscal charges	300	300	300	250	3,250
Contractual services	-	-	-	-	1,000
Principal and interest requirements:					
2020	1,297,000	1,546,000	1,890,900	204,000	9,603,317
2021	1,311,000	1,566,000	1,865,800	-	9,383,940
2022	1,291,500	1,508,000	1,860,250	-	9,333,155
2023	-	-	1,837,056	-	6,479,371
2024	-	-	1,355,850	-	3,807,242
Thereafter	-	-	-	-	20,364,993
	<u>\$ 3,899,500</u>	<u>\$ 4,620,000</u>	<u>\$ 8,809,856</u>	<u>\$ 204,000</u>	<u>\$ 58,972,018</u>

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APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL

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Founded in 1852
by Sidney Davy Miller



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FORM OF APPROVING OPINION

Oakland County Building Authority
County of Oakland
State of Michigan

We have acted as bond counsel to the Oakland County Building Authority, County of Oakland, State of Michigan (the "Issuer") in connection with the issuance by the Issuer of bonds in the aggregate principal sum of \$34,135,000, designated Building Authority and Building Authority Refunding Bonds, Series 2020A (Limited Tax General Obligation) and bonds in the aggregate principal sum of \$2,735,000, designated Building Authority Refunding Bonds, Series 2020B (Limited Tax General Obligation) (collectively, the "Bonds"). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of \$5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of May 27, 2020, payable as to principal and interest as provided in the Bonds, subject to redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

The Bonds are issued pursuant to Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended, and Act 34, Public Acts of Michigan, 2001, as amended, in anticipation of and are payable as to both principal and interest solely from the proceeds of certain specified cash rentals to be paid to the Issuer by the County of Oakland, State of Michigan (the "County"), pursuant to a certain Limited Tax Full Faith and Credit General Obligation Contract of Lease and by the Refunding Contract referred to in the Bonds (together, the "Contracts"). The Issuer has pledged all of such cash rentals under the Contracts for the payment of the principal of and interest on the Bonds.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding obligations of the Issuer, payable as to both principal and interest solely from the cash rentals to be paid under the Contracts.

2. The Contracts are valid and binding obligations of the Issuer and the County. The County has pledged its limited tax full faith and credit for the payment of such cash rentals to the Issuer as set out in the Contracts, and in order to make such payment, the County is obligated to provide, as a first budget obligation, sufficient general fund moneys therefor in its annual budget and, to the extent necessary, to levy sufficient ad valorem taxes upon all taxable property within its boundaries, subject to applicable constitutional and statutory tax rate limitations.

3. The interest on the Bonds (a) is excludable 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. The opinions set forth in this paragraph are subject to the condition that the Issuer 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) excludable from gross income for federal income tax purposes. The Issuer and the County have covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds.

4. 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.

Except as stated in paragraphs 3 and 4 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or 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.

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.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the County, State of Michigan (the “County”) on behalf of itself and the Oakland County Building Authority, County of Oakland, State of Michigan (the “Authority”) in connection with the issuance of the Authority’s Building Authority and Building Authority Refunding Bonds, Series 2020A (Limited Tax General Obligation) and Building Authority Refunding Bonds, Series 2020B (Limited Tax General Obligation) (collectively, the “Bonds”). The County covenants and agrees on behalf of itself and the Authority for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the County prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System, or such other system, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the date of this Undertaking which are applicable to this Undertaking.

“SEC” means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The County hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA, not later than the date seven months after the end of the fiscal year of the County, the following annual financial information and operating data, commencing with the fiscal year ended September 30, 2020, in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the County relating to the Bonds (the “Official Statement”) appearing in the Tables in the Official Statement as described below:

- a. History of State Equalized Valuation (SEV) and Taxable Value (TV);
- b. Ten Largest Taxpayers;
- c. County Tax Rates (in mills) \$1.00/\$1,000 of Taxable Valuation;
- d. Collection Record of County’s Tax Levy, 2010-2019;
- e. Collection Record of County Wide Tax Levy, 2010-2019;
- f. History of County Wide Tax Delinquencies;
- g. Revenue Sharing from the State of Michigan;
- h. Oakland County Employees Represented by Bargaining Unit;
- i. Pensions;
- j. Other Post-Employment Benefits (OPEB);
- k. Oakland County Net Direct Debt - Unaudited;
- l. Oakland County Schedule of Bond Maturities - County Limited Tax General Obligation – Principal Only;
- m. Oakland County Schedule of Drain Bond Maturities - County Limited Tax General Obligation – Drain Districts – Principal Only;
- n. Oakland County Schedule of Principal and Interest Requirements; and
- o. Legal Debt Margin.

(2) The Audited Financial Statements. Provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as available.

Such annual financial information and operating data described above are expected to be provided directly by the County or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the County is changed, the County shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The County agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the County to provide the annual financial information with respect to the County described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The County agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the

event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

- (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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights,

- or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; or
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

(e) *Materiality Determined Under Federal Securities Laws.* The County agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation.* The obligation of the County to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the County no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders.* The County agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the County’s obligations hereunder and any failure by the County to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the County, provided that the County agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the County (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the County in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and

otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

IN WITNESS WHEREOF, the County has caused this Undertaking to be executed by its authorized officer.

COUNTY OF OAKLAND, on behalf of itself and the
OAKLAND COUNTY BUILDING AUTHORITY
County of Oakland, State of Michigan

By _____
Andrew E. Meisner
Its: County Treasurer

Dated: May 27, 2020

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\$36,870,000

**OAKLAND COUNTY BUILDING AUTHORITY
County of Oakland, State of Michigan
Building Authority and Building Authority Refunding Bonds**

\$34,135,000

**Building Authority and Building Authority Refunding Bonds
Series 2020A
(Limited Tax General Obligation)**

\$2,735,000

**Building Authority Refunding Bonds
Series 2020B
(Limited Tax General Obligation)**



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