

COUNTY OF OAKLAND, STATE OF MICHIGAN

\$3,910,000

Evergreen and Farmington Sewage Disposal
System Capital Improvement Bonds, Series 2020A

Dated and Closed: March 26, 2020

PROCEEDINGS AND CLOSING TRANSCRIPT

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MISCELLANEOUS RESOLUTION #17107

May 10, 2017

BY: Commissioner Philip J. Weipert, Chairperson, Planning and Building Committee

IN RE: WATER RESOURCES COMMISSIONER - RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE PROJECT EXPENDITURES FROM BOND PROCEEDS AND AUTHORIZING NOTICE OF INTENT TO ISSUE BONDS FOR EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEMS IMPROVEMENTS

To the Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen

WHEREAS the County of Oakland (the "County") is in urgent need of sewage disposal facilities constituting a part of the Evergreen and Farmington Sewage Disposal Systems (the "System") as described in the notice attached hereto (sometimes referred to herein as the "Project"), in order to promote the health and welfare of the residents served by the System, which sewage disposal facilities also would benefit the County and its residents, and such facilities can be financed most economically and efficiently by the County through the exercise of the powers conferred by Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"); and

WHEREAS the County is authorized pursuant to the terms of Act 34 to issue its tax exempt bonds to finance the cost of the acquisition and construction of the Project, which bonds will be secured by revenues of the System and the County's full faith and credit pledge; and

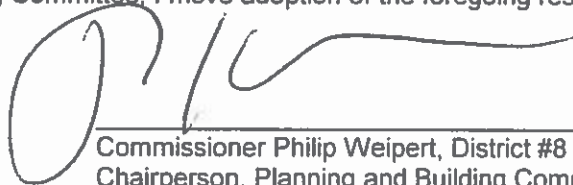
WHEREAS it is anticipated that the County will advance all or a portion of the costs of the Project prior to the issuance of the bonds, such advance to be repaid from proceeds of the bonds upon the issuance thereof; and

WHEREAS Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the County intends by this resolution to qualify amounts advanced by the County to the Project for reimbursement from proceeds of the bonds in accordance with the requirements of the Reimbursement Regulations.

NOW THEREFORE, BE IT RESOLVED:

1. DECLARATION OF INTENT TO REIMBURSE PROJECT EXPENDITURES. The County hereby declares its official intent to issue its limited tax general obligation bonds in one or more series in the aggregate principal amount of not to exceed \$15,000,000 to finance all or part of the cost of the Project. The County hereby declares that it reasonably expects to seek reimbursement for its advances to the Project as anticipated by this resolution. The bonds shall be authorized by proper proceedings subsequent to this resolution.
2. NOTICE OF INTENT TO ISSUE BONDS. The County Clerk is hereby instructed to publish the notice attached hereto once in a newspaper of general circulation in the County of Oakland, which notice shall not be less than ¼ page in size in such newspaper, to wit:
3. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are rescinded.

Chairperson, on behalf of the Planning & Building Committee, I move adoption of the foregoing resolution.



Commissioner Philip Weipert, District #8
Chairperson, Planning and Building Committee

PLANNING AND BUILDING COMMITTEE

Motion carried unanimously on a roll call vote with Berman absent.

FISCAL NOTE (MISC. #17107)

May 25, 2017

BY: Commissioner Thomas Middleton, Chairperson, Finance Committee

IN RE: WATER RESOURCES COMMISSIONER – RESOLUTION DECLARING OFFICIAL
INTENT TO REIMBURSE PROJECT EXPENDITURES FROM BOND PROCEEDS AND
AUTHORIZING NOTICE OF INTENT TO ISSUE BONDS FOR EVERGREEN AND
FARMINGTON SEWAGE DISPOSAL SYSTEMS IMPROVEMENTS

To The Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen:

Pursuant to Rule XII-C of this Board, the Finance Committee has reviewed the above referenced resolution and finds:

1. This resolution establishes the intent to reimburse project expenditures from bond proceeds for Bonds issued on behalf of the Evergreen and Farmington Sewage Disposal Systems Improvements Project.
2. The Project can be financed most economically and efficiently by the County through the exercise of the powers conferred by Act 34, Public Acts of Michigan, 2001, as amended ("Act 34").
3. The \$15,000,000 Project consists of repairing the collapsed sewer in the City of Southfield, improvements to the Amy Pump Station and Eight-Mile Pump Station, construction of the Eldon Pump Station and other pipe lining projects that will promote the public health and welfare of the residents.
4. The bonds will be repaid through sewer rates of communities that comprise the Evergreen and Farmington Sewage Disposal System and include the following communities: Auburn Hills, Beverly Hills, Bingham Farms, Birmingham, Bloomfield Hills, Bloomfield Township, Farmington, Farmington Hills, Franklin, Keego Harbor, Lathrup Village, Orchard Lake, Southfield, Troy and West Bloomfield.
5. A separate resolution will be forthcoming requesting approval of the issuance of the Bonds and Oakland County's full faith and credit on the Bonds.
6. No County general funds shall be appropriated to this project.



Commissioner Thomas Middleton, District #4
Chairperson, Finance Committee

FINANCE COMMITTEE VOTE:

Motion carried unanimously on a roll call vote with Woodward and Crawford absent.

NOTICE OF INTENT TO ISSUE BONDS
BY THE COUNTY OF OAKLAND, MICHIGAN

NOTICE IS HEREBY GIVEN, that the County of Oakland, Michigan, intends to issue bonds in one or more series in the aggregate principal amount of not to exceed \$15,000,000 for the purpose of defraying all or part of the cost of acquiring, constructing and installing sewage disposal facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the "System") to serve the users of the System and the residents of the County of Oakland.

The bonds will bear interest from their date at a rate or rates to be determined at competitive and/or negotiated sales but in no event to exceed such rates as may be permitted by law.

The bonds will be issued under and pursuant to the provisions of Act No. 34, Public Acts of Michigan, 2001, as amended, and the full faith and credit of the County of Oakland will be pledged to pay the principal of and interest on the bonds as the same shall become due. It is expected that the principal of and interest on the bonds will be paid from revenues of the System. In addition, the County of Oakland will be obligated, as a first budget obligation, to advance moneys from its general funds or to levy ad valorem taxes on all taxable property within its corporate boundaries to pay the principal of and interest on the bonds as the same shall become due. Taxes levied by the County of Oakland for the payment of such principal and interest will be subject to applicable constitutional and statutory limitations.

RIGHT TO PETITION FOR REFERENDUM

This notice is given, by order of the Board of Commissioners of the County of Oakland, to and for the benefit of the electors of the County of Oakland in order to inform them of their right to petition for a referendum upon the question of the issuance of the aforesaid bonds. The bonds will be issued, without submitting such a question to a vote of the electors, unless within 45 days after the date of publication of this notice a petition requesting a referendum upon such question, signed by not less than 10% or 15,000 of the registered electors residing within the County of Oakland, whichever is the lesser, shall have been filed with the undersigned County Clerk. In the event that such a petition is filed, the bonds will not be issued unless and until the issuance thereof shall have been approved by the vote of a majority of the electors of the County of Oakland qualified to vote and voting thereon at a general or special election.

FURTHER INFORMATION

Further information relative to the issuance of said bonds and the subject matter of this notice may be secured at the office of the Clerk of the County of Oakland, 1200 North Telegraph Road, Pontiac, Michigan 48341.

This notice is given pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended.

LISA BROWN, Clerk
County of Oakland

BLOOMFIELD 9007-425 1787480v1

Resolution #17107

May 10, 2017

The Chairperson referred the resolution to the Finance Committee. There were no objections.

Moved by Dwyer supported by Bowman the resolutions (with fiscal notes attached) on the amended Consent Agenda be adopted (with accompanying reports being accepted).

AYES: Crawford, Dwyer, Fleming, Gershenson, Gingell, Hoffman, Jackson, Kochenderfer, Kowall, Long, McGillivray, Middleton, Quarles, Spisz, Taub, Tietz, Weipert, Woodward, Zack, Berman, Bowman. (21)

NAYS: None. (0)

A sufficient majority having voted in favor, the resolutions (with fiscal notes attached) on the amended Consent Agenda were adopted (with accompanying reports being accepted).

 5/30/17

I HEREBY APPROVE THIS RESOLUTION
CHIEF DEPUTY COUNTY EXECUTIVE
ACTING PURSUANT TO MCL 45.559A (7)

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I, Lisa Brown, Clerk of the County of Oakland, do hereby certify that the foregoing resolution is a true and accurate copy of a resolution adopted by the Oakland County Board of Commissioners on May 25, 2017, with the original record thereof now remaining in my office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the County of Oakland at Pontiac, Michigan this 25th day of May, 2017.


Lisa Brown, Oakland County

digitalfirst
MEDIA

MICHIGAN GROUP

AFFIDAVIT OF PUBLICATION
48 West Huron Street • Pontiac, MI 48342

*No charge for
this
ad
per email*

Oakland County Clerk Elections Office
1200 N. Telegraph Rd., Dept. 417

Pontiac, MI 48341
Attention: ELLA GERBER

STATE OF MICHIGAN,
COUNTY OF OAKLAND

The undersigned *Jack Allport*, being duly sworn the
he/she is the principal clerk of Oakland Press, theoaklandpress.com, theoaklandpress.
com2, published in the English language for the dissemination of local or transmitted
news and intelligence of a general character, which are duly qualified newspapers, and
the annexed hereto is a copy of certain order, notice, publication or advertisement of:

Oakland County Clerk Elections Office

Published in the following edition(s):

Oakland Press	06/14/17
theoaklandpress.com	06/14/17
theoaklandpress.com2	06/14/17

*See
Attached*

Oakland

Sworn to the subscribed before me this *14th June 2017*

Jina M. Crow

Notary Public, State of Michigan
Acting in Oakland County

Advertisement Information

Client Id: 552771

Ad Id: 1357460

PO:

Sales Person: 200300

**NOTICE OF INTENT TO ISSUE BONDS
BY THE COUNTY OF OAKLAND, MICHIGAN**

NOTICE IS HEREBY GIVEN, that the County of Oakland, Michigan, intends to issue bonds in one or more series in the aggregate principal amount of not to exceed \$15,000,000 for the purpose of defraying all or part of the cost of acquiring, constructing and installing sewage disposal facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the "System") to serve the users of the System and the residents of the County of Oakland.

The bonds will bear interest from their date at a rate or rates to be determined at competitive and/or negotiated sales but in no event to exceed such rates as may be permitted by law.

The bonds will be issued under and pursuant to the provisions of Act No. 34, Public Acts of Michigan, 2001, as amended, and the full faith and credit of the County of Oakland will be pledged to pay the principal of and interest on the bonds as the same shall become due. It is expected that the principal of and interest on the bonds will be paid from revenues of the System. In addition, the County of Oakland will be obligated, as a first budget obligation, to advance moneys from its general funds or to levy ad valorem taxes on all taxable property within its corporate boundaries to pay the principal of and interest on the bonds as the same shall become due. Taxes levied by the County of Oakland for the payment of such principal and interest will be subject to applicable constitutional and statutory limitations.

RIGHT TO PETITION FOR REFERENDUM

This notice is given, by order of the Board of Commissioners of the County of Oakland, to and for the benefit of the electors of the County of Oakland in order to inform them of their right to petition for a referendum upon the question of the issuance of the aforesaid bonds. The bonds will be issued, without submitting such a question to a vote of the electors, unless within 45 days after the date of publication of this notice a petition requesting a referendum upon such question, signed by not less than 10% or 15,000 of the registered electors residing within the County of Oakland, whichever is the lesser, shall have been filed with the undersigned County Clerk. In the event that such a petition is filed, the bonds will not be issued unless and until the issuance thereof shall have been approved by the vote of a majority of the electors of the County of Oakland qualified to vote and voting thereon at a general or special election.

FURTHER INFORMATION

Further information relative to the issuance of said bonds and the subject matter of this notice may be secured at the office of the Clerk of the County of Oakland, 1200 North Telegraph Road, Pontiac, Michigan 48341.

This notice is given pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended.

**LISA BROWN, Clerk
County of Oakland**

Published June 14, 2017

MISCELLANEOUS RESOLUTION #18100

April 19, 2018

BY: Commissioner Philip Weipert, Chairperson, Planning and Building Committee

IN RE: WATER RESOURCES COMMISSIONER – RESOLUTION TO AUTHORIZE EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT BONDS

To the Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen:

WHEREAS the Board of Commissioners of the County of Oakland (the "County") has determined that it is necessary to acquire, construct, and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the "System") to serve users of the System, including but not limited to the (i) Telegraph & Franklin Repair – City of Southfield – Civic Center Drive and Telegraph Road, (ii) E.F.S.D.S. Extension No. 2 Rehabilitation – City of Troy – Coolidge Hwy. & South Blvd., (iii) Plum Hollow – City of Southfield – 9 Mile Rd. and Lahser Rd., (iv) Walnut Forcemain Ext. and Evergreen Interceptor Rehabilitation – Bloomfield Twp. & City of Birmingham – 14 Mile Rd. & Evergreen Road, (v) Eldon St. Pump Station – Eldon St. & Middlebelt Road, (vi) 8 Mile ATS Replacement, (vii) Nine Mile Bridge Sewer Rehab – City of Southfield – 9 Mile Rd. at Rouge River, and (viii) Berg & 10 Mile – City of Southfield projects (collectively, the "Projects") through the issuance of bonds pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"); and WHEREAS notice of the issuance of the bonds as required by section 517 of Act 34 was published in The Oakland Press on June 14, 2017; and

WHEREAS the cost of the Projects is estimated to be \$15,000,000; and

WHEREAS the Board of Commissioners has determined to issue bonds and to use the proceeds of the sale of such bonds to finance all or part of the cost of the Projects; and

WHEREAS the County has agreed in a Continuing Covenant Agreement dated as of September 27, 2013, between the County and Bank of America, N.A. (the "Bank of America Continuing Covenant Agreement") to provide to Bank of America, N.A. certain information pursuant to Article VI, Section 6.05 (f) of the Bank of America Continuing Covenant Agreement which relates to a final official statement or other offering or disclosure document prepared in connection with an offering of securities by the County.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the County of Oakland, Michigan, as follows:

1. **AUTHORIZATION OF BONDS – PURPOSE.** Bonds of the County aggregating the principal sum of not to exceed Fifteen Million Dollars (\$15,000,000) shall be issued and sold in one or more series for the purpose of defraying all or part of the cost of the Projects.
2. **BOND DETAILS.** Each series of bonds shall be designated "Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series ____" (with the year of delivery of the bonds and a letter designated by the County Water Resources Commissioner, acting as County Agency for the County (the "County Agency"), to be inserted in the blank for each series of bonds); shall be dated as of the date approved by the "County Agency"; shall be issued in such aggregate principal amount as determined by the County Agency; shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 7% per annum as shall be determined by the County Agency; shall be used to pay for such portion of the Projects as determined by the County Agency; shall be payable as to interest on such dates as shall be determined by the County Agency; and shall be serial bonds and/or term bonds and mature in such amounts and on such dates and in such years as shall be determined by the County Agency; provided, however, that the final maturity of any series of bonds shall not be later than 20 years after its date of issuance. If requested by the original purchaser of the bonds and determined by the County Agency, the bonds may be issued in the form of a single bond with an exhibit containing the principal maturity amounts and applicable interest rates and due dates.
3. **PAYMENT OF PRINCIPAL AND INTEREST.** The principal of and interest on the bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the bonds to the bond registrar and paying agent as they severally mature or otherwise as determined by the County Agency. Interest shall be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15th day of the

PLANNING AND BUILDING COMMITTEE

Motion carried unanimously on a roll call vote with Jackson absent.

calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address or otherwise as determined by the County Agency .

4. **BOOK-ENTRY SYSTEM.** Initially one fully-registered bond for each maturity, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") for the benefit of other parties (the "Participants") in the book-entry-only transfer system of DTC. In the event the County determines that it is in the best interest of the County not to continue the book-entry system of transfer or that the interests of the holders of the bonds might be adversely affected if the book-entry system of transfer is continued, the County may notify DTC and the bond registrar and paying agent, whereupon DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the bond registrar and paying agent shall deliver, transfer and exchange bond certificates as requested by DTC and any Participant or "beneficial owner" in appropriate amounts in accordance with this Resolution. DTC may determine to discontinue providing its services with respect to the bonds at any time by giving notice to the County and the bond registrar and paying agent and discharging its responsibilities with respect thereto under applicable law or the County may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the County shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the County and the bond registrar and paying agent shall be obligated to deliver bond certificates in accordance with the procedures established by this Resolution. In the event bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the bond registrar and paying agent to do so, the County and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the bonds to any Participant having bonds certified to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the bonds.
Notwithstanding any other provision of this Resolution to the contrary, so long as any bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on such bonds and all notices with respect to the bonds shall be made and given, respectively, to DTC as provided in the Blanket Issuer Letter of Representations relating to the bonds. The County Treasurer and the County Agency are each authorized to sign the Blanket Issuer Letter of Representations on behalf of the County, in such form as such officer deems necessary or appropriate in order to accomplish the issuance of the bonds in accordance with law and this Resolution.
Notwithstanding any other provision of this section to the contrary, if the County Agency deems it to be in the best interest of the County, the bonds shall not initially be issued through the book-entry-only transfer system of DTC.
5. **PRIOR REDEMPTION.** The bonds may be subject to optional and/or mandatory redemption prior to maturity upon such terms and conditions as shall be determined by the County Agency.
6. **BOND REGISTRAR AND PAYING AGENT.** The County Treasurer shall designate, and may enter into an agreement with, a bond registrar and paying agent for the bonds which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The County Treasurer from time to time as required may designate a similarly qualified successor bond registrar and paying agent. Notwithstanding any provision of this section to the contrary, if the County Agency deems it to be in the best interest of the County, the County Treasurer shall serve as bond registrar and paying agent for the bonds.
7. **EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS.** The bonds shall be executed in the name of the County by the facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and authenticated by the manual signature of an authorized representative of the bond registrar and paying agent, and the seal of the County (or a facsimile thereof) shall be impressed or imprinted on the bonds. After the bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the County Treasurer to the purchaser upon receipt of the purchase price. Additional bonds bearing the

facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and upon which the seal of the County (or a facsimile thereof) is impressed or imprinted may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of bonds. The bond registrar and paying agent shall indicate on each bond the date of its authentication.

8. EXCHANGE AND TRANSFER OF BONDS. Any bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond.

Each bond shall be transferable only upon the books of the County, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any bond, the bond registrar and paying agent on behalf of the County shall cancel the surrendered bond and shall authenticate and deliver to the transferee a new bond or bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond. If, at the time the bond registrar and paying agent authenticates and delivers a new bond pursuant to this section, payment of interest on the bonds is in default, the bond registrar and paying agent shall endorse upon the new bond the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is [appropriate date to be inserted]."

The County and the bond registrar and paying agent may deem and treat the person in whose name any bond shall be registered upon the books of the County as the absolute owner of such bond, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of section 3 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the County nor the bond registrar and paying agent shall be affected by any notice to the contrary. The County agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of bonds, the County or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

9. FORM OF BONDS. The bonds shall be in substantially the following form, with such additions, deletions and modifications as are approved by the County Agency and consistent with the terms of this Resolution:

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM
CAPITAL IMPROVEMENT BOND, SERIES _____

INTEREST RATE

MATURITY DATE

DATE OF ORIGINAL ISSUE

CUSIP

Registered Owner:

Principal Amount:

The County of Oakland, State of Michigan (the "County") acknowledges itself indebted to and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at _____ in the city of _____, Michigan, the bond registrar and paying agent, and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount from the Date of Original Issue or such later date through which interest shall have been paid until the County's obligation with respect to the payment of such Principal Amount is discharged at the rate per annum specified above. Interest is payable on the first day of _____ and _____ in each year, commencing _____ 1, 201_. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This bond is one of a series of bonds aggregating the principal sum of _____ Dollars (\$_____) issued by the County under and pursuant to and in full conformity the Constitution and Statutes of Michigan (especially Act No. 34, Public Acts of 2001, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County (the "Resolution") and an order of the Water Resources Commissioner of the County, as County Agency, for the purpose of defraying all or part of the cost of acquiring, constructing, and installing sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems to serve users of the Evergreen Farmington Sewage Disposal Systems in the County of Oakland, Michigan (the "System").

The County has authorized the revenues of the System to be used to pay the principal of and interest on the bonds when due. In addition, the County has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on the bonds as the same become due. The principal of and interest on the bonds are payable as a first budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable statutory and constitutional limitations on the taxing power of the County. The amount of taxes necessary to pay the principal of and interest on the bonds, together with the taxes levied for the same year, shall not exceed the limit authorized by law.

This bond is transferable, as provided in the Resolution, only upon the books of the County kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

MANDATORY PRIOR REDEMPTION

Bonds maturing in the year ____ are subject to mandatory prior redemption at par and accrued interest as follows:

Redemption Date

Principal Amount of
Bonds to be Redeemed

Bonds or portions of bonds to be redeemed by mandatory redemption shall be selected by lot.

(REPEAT IF MORE THAN ONE TERM BOND)

OPTIONAL PRIOR REDEMPTION

Bonds maturing prior to _____ 1, 20__, are not subject to redemption prior to maturity. Bonds maturing on and after _____ 1, 20__, are subject to redemption prior to maturity at the option of the County, in such order as shall be determined by the County, on any date on and after _____ 1, 20__. Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption.

Not less than thirty nor more than sixty days' notice of redemption shall be given by first-class mail to the registered owners of bonds called to be redeemed at their registered addresses. Failure to receive notice of redemption shall not affect the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the County, including the series of bonds of which this bond is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Oakland, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by facsimile signatures of the Chairperson of the Board of

Commissioners and the County Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

COUNTY OF OAKLAND

By: _____
Chairperson, Board of Commissioners

[SEAL]

And: _____
County Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

Bond Registrar and Paying Agent

By: _____
Authorized Representative

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____
(please print or type name, address and taxpayer identification number of transferee) the within bond and
all rights thereunder and hereby irrevocably constitutes and appoints _____
attorney to transfer the within bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities
Transfer Association recognized signature guarantee program.

[END OF BOND FORM]

10. SECURITY. It is expected that the principal of and interest on the bonds will be paid from revenues of the System, and such revenues are hereby authorized to be used for such purpose. In addition, the full faith and credit of the County are pledged hereby to the payment of the principal and interest on the bonds authorized by this Resolution. Each year the County shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County. The amount of taxes necessary to pay the principal of and interest on the bonds, together with the taxes levied for the same year, shall not exceed the limit authorized by law. To the extent that the revenues of the System are insufficient to pay the principal of and interest on the bonds, the proceeds of such taxes (both current and delinquent) shall be deposited as collected into the principal and interest fund established in section 12 hereof, and until the principal of and the interest on the bonds are paid in full, such proceeds shall be used only for payment of such principal and interest.
11. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the bonds, or any portion thereof, shall have been deposited in trust, this Resolution shall be defeased with respect to such bonds, and the owners of the bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest on such bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.
12. PRINCIPAL AND INTEREST FUND. There shall be established for the bonds a Principal and Interest Fund which shall be kept in a separate bank account, provided, however, that such Principal and Interest Fund may be pooled or combined for deposit or investment purposes with other debt retirement funds created for nonvoted debt of the County (other than any special assessment debt). From the proceeds of the sale of the bonds there shall be set aside in the Principal and Interest Fund any premium as determined by order of the County Agency and any accrued interest received from the purchaser of the bonds at the time of delivery of the same. Funds of the County to be used to pay the principal and interest on the bonds when due shall be placed in the principal and interest fund and so long as the principal or interest on the bonds shall remain unpaid, no moneys shall be withdrawn from such principal and interest fund except to pay principal and interest on the bonds.
13. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the bonds shall be set aside in a construction fund and used solely to defray the cost of acquisition, construction and installation of the Projects. Any unexpended balance of the proceeds of the sale of the bonds remaining in the construction fund after completion of the Projects shall be deposited in the principal and interest fund established in section 12 hereof.
14. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimated period of usefulness of the Projects is hereby determined to be not less than twenty (20) years and upwards, and the plans for and the estimated cost of the Projects in the amount of \$15,000,000 are hereby approved and adopted.
15. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY - EXCEPTION FROM PRIOR APPROVAL. The issuance and sale of the bonds shall be subject to the County obtaining qualified status or prior approval from the Department of Treasury of the State of Michigan pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), and, if necessary, the County Treasurer and County Agency are each hereby authorized and directed to make application to the Department of Treasury for approval to issue and sell the bonds as provided by the terms of this Resolution and by Act 34. The County Treasurer and County Agency are authorized to pay any filing fees required in connection with obtaining qualified status or prior approval from the Department of Treasury. The County Treasurer and County Agency are further authorized to request such waivers of the requirements of the Department of Treasury or Act 34 as necessary or desirable in connection with the sale of the bonds.
16. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The County Agency is hereby authorized to determine the principal amount of the bonds to be sold and to determine the other bond details as described in section 2 hereof and the terms and conditions for optional

and/or mandatory redemption as described in section 5 hereof. The bonds shall be sold at a competitive sale in accordance with the provisions of Act 34 and other applicable laws of this state. In connection therewith, the County Agency shall set the time and date for the sale of the bonds and prescribe the form of notice of sale for the bonds and do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the bonds in accordance with the provisions of this Resolution. The bonds shall be sold at a price that is not less than 99% nor more than 101% of their par value, as determined by the County Agency. The County Agency is hereby authorized to approve by written order the interest rates on the bonds and the winning bidder upon the sale of the bonds. The County Agency, the County Treasurer, the County Clerk and other officers and employees of the County are authorized to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the bonds in accordance with the provisions of this Resolution.

17. REPLACEMENT OF BONDS. Upon receipt by the County Treasurer of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the County Treasurer, the County Treasurer may authorize the bond registrar and paying agent to deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the County Treasurer may authorize the bond registrar and paying agent to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The bond registrar and paying agent, for each new bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the County in the premises. Any bond delivered pursuant the provisions of this section 17 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond in substitution for which such bond was delivered.
18. OFFICIAL STATEMENT. The County Agency and the County Treasurer are each authorized to cause the preparation of an official statement for the bonds for the purpose of enabling compliance with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (the "Rule") and to do all other things necessary to enable compliance with the Rule. After the award of the bonds, the County will provide copies of a "final official statement" (as defined in paragraph (e)(3) of the Rule) on a timely basis and in reasonable quantity as requested by the successful bidder or bidders to enable such bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.
19. CONTINUING DISCLOSURE. The County Treasurer is authorized to execute a certificate of the County, constituting an undertaking to provide ongoing disclosure about the County for the benefit of the holders of the bonds as required under paragraph (b)(5) of the Rule, and amendments to such certificate from time to time in accordance with the terms of the certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.
20. TAX COVENANT. The County covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes. The County Agency, the County Treasurer, the County Clerk and other appropriate County officials are authorized to do all things necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes.
21. NOTICE OF ISSUANCE OF BONDS. Within thirty (30) days after the issuance of the bonds, either (1) a copy of the final official statement or other offering or disclosure document prepared by the County in connection with the issuance of the bonds or (2) notice that such information has been filed with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and is publicly available shall be furnished to Bank of America, N.A. at the following locations:

Bank of America, N.A.
Mail Code: IL4-135-07-28

135 South LaSalle Street
Chicago, IL 60603
Attention: Thomas R. Denes

Bank of America, N.A.
Public Sector Banking Group
Mail Code: MI8-900-02-70
2600 W. Big Beaver Road
Troy, MI 48084
Attention: Susan Pendygraft,
Senior Credit Support Association

In accordance with the Bank of America Continuing Covenant Agreement, the notices provided for above shall be in writing and shall be transmitted by e-mail to the following addresses: ryan.denes@baml.com and susan.pendygraft@baml.com.

22. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

Chairperson, on behalf of the Planning and Building Committee, I move adoption of the foregoing resolution.

Commissioner Philip Weipert, District #8
Chairperson, Planning and Building Committee

**OAKLAND COUNTY
WATER RESOURCES COMMISSIONER****MEMORANDUM**

TO: Philip J. Weipert, Chairperson
Planning and Building Committee

FROM: Sid Lockhart, P.E., Deputy & Special Projects Manager

SUBJECT: Bond Issue for Evergreen-Farmington Sewage Disposal System Improvements

DATE: April 10, 2018

On May 25, 2017, the Board of Commissioners of the County of Oakland adopted Resolution Number 17107 that determined the necessity to acquire, construct, and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen-Farmington Sewage Disposal System through a series of projects to serve users of the System through the issuance of bonds.

The cost of the projects are estimated to be \$15 million and the Board has determined the County's intent issue bonds and to use the proceeds of the sale to finance all or part of the cost of the projects and to reimburse incurred expenses.

The bonds will be repaid through sewer rates of communities that comprise the Evergreen-Farmington Sewage Disposal System. There are 15 communities in the Evergreen-Farmington Sewage Disposal System. They include: Auburn Hills, Beverly Hills, Bingham Farms, Birmingham, Bloomfield Hills, Bloomfield Township, Farmington, Farmington Hills, Franklin, Keego Harbor, Lathrup Village, Orchard Lake, Southfield, Troy and West Bloomfield.

The bonds will be issued and sold in denominations of \$5,000 for each maturity date at the option, to be determined, by the designated County Agency, the Oakland County Water Resources Commissioner, in one or more series to defray the cost of the projects. The County Agency will determine the dates each serial bond will mature provided that the final maturity shall not be later than 20 years after its date of issuance.

Some of the projects that will be addressed include repairs and rehabilitation to the collapsed sewer in the City of Southfield, improvements to both the Amy Pump Station in Bloomfield Hills and the Eight-Mile Pump Station in Southfield. These and other improvements, including pipe rehabilitation and replacement projects, will increase the reliability of the system as well as extend the useful life of the assets.

For the adoption of this resolution, it is our intention to have this on the agenda for approval at the April 26, 2018 Finance Committee meeting and for the full Board approval at its May 2, 2018 meeting.

I offer the accompanying resolution and respectfully request its adoption.

Resolution #18100

April 19, 2018

The Chairperson referred the resolution to the Finance Committee. There were no objections.

FISCAL NOTE (MISC. #18100)

May 2, 2018

BY: Commissioner Thomas Middleton, Chairperson, Finance Committee

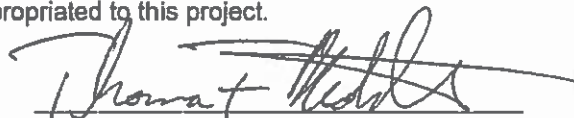
**IN RE: WATER RESOURCES COMMISSIONER - RESOLUTION TO AUTHORIZE
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT
BONDS**

To the Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen:

Pursuant to Rule XII-C of this Board, the Finance Committee has reviewed the above referenced resolution and finds:

1. The resolution authorizes the Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds in accordance with the provisions of Act 342, Public Acts of Michigan, 2001, as amended.
2. The project consists of several projects to acquire, construct and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal System for a cost of \$15,000,000, with a 20 year and upward useful life.
3. The bond issue is not to exceed \$15,000,000 to finance all or part of the projects that will promote the public health and welfare of the residents.
4. Oakland County will pledge the full faith and credit of the County for the prompt payment of principal and interest on the bonds.
5. The Bonds shall bear an interest rate not to exceed 7% per annum, will be in aggregate principal amounts, will mature in such years and principal amounts and will be callable prior to maturity as determined necessary by the County Agency at the time of issue.
6. The statutory limit for County debt is \$8,900,835,221 (10% of State Equalized Value). As of April 2, 2018, the total pledged debt is \$701,632,980 or approximately 1.0167% of the S.E.V.
7. The revenues from the Evergreen and Farmington Sewage Disposal System will pay for the principal and interest on the bonds.
8. No County general funds shall be appropriated to this project.



Commissioner Thomas Middleton, District #4
Chairperson, Finance Committee

FINANCE COMMITTEE VOTE:

Motion carried unanimously on a roll call vote.

Resolution #18100

May 2, 2018

Moved by Long supported by Quarles the resolutions (with fiscal notes attached) on the amended Consent Agenda be adopted.

AYES: Dwyer, Fleming, Gershenson, Gingell, Hoffman, Jackson, Kowall, Long, McGillivray, Middleton, Quarles, Spisz, Taub, Tietz, Weipert, Woodward, Zack, Berman, Crawford. (19)
NAYS: None. (0)

A sufficient majority having voted in favor, the resolutions (with fiscal notes attached) on the amended Consent Agenda were adopted.

 5/2/18

**I HEREBY APPROVE THIS RESOLUTION
CHIEF DEPUTY COUNTY EXECUTIVE
ACTING PURSUANT TO MCL 45.559A (7)**

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I, Lisa Brown, Clerk of the County of Oakland, do hereby certify that the foregoing resolution is a true and accurate copy of a resolution adopted by the Oakland County Board of Commissioners on May 2, 2018, with the original record thereof now remaining in my office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the County of Oakland at Pontiac, Michigan this 2nd day of May, 2018.


Lisa Brown, Oakland County



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

April 1, 2019

Approval

Municipality Code: 630000
Fiscal Year Ended: 9/2018
Report ID Number: 89532

Dear Chief Administrative Officer:

Thank you for submitting a Qualifying Statement for Oakland County to the Michigan Department of Treasury on March 30, 2019. Based upon the information provided in the Qualifying Statement, we have determined that the municipality is in material compliance with the criteria identified in Section 303(3) of Public Act 34 of 2001.

The municipality is now authorized to issue municipal securities under this Act without further approval from the Department. This authorization will remain in effect for six months plus 30 business days after the end of your next fiscal year, or when the Department has made a new determination, whichever occurs first.

Within 15 business days after the issuance of a municipal security, you will need to file with the Department a Security Report and the documents required in Michigan Legislature (Section 319) of Public Act 34 of 2001. Please email as a single PDF file to Treas_MunicipalFinance@Michigan.gov. The name of the file and the subject of the email should both be the six-digit municipal code, followed by 3892SecRpt (Example: 3320203892SecRpt).

If you have any questions, please contact the Municipal Finance Section at (517) 335-7469 or email questions to Treas_MunicipalFinance@Michigan.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Rod Taylor".

Rod Taylor, Administrator
Community Engagement and Finance Division

**Addendum to the Preliminary Official Statement of
\$3,945,000†
COUNTY OF OAKLAND
STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL
IMPROVEMENT BONDS, SERIES 2020A**

This Addendum (“Addendum”), dated March 10, 2020, to the Preliminary Official Statement dated March 4, 2020, relating to the above-captioned bonds (“Official Statement”), is intended to be read in conjunction with the Official Statement. This Addendum constitutes an integral part of the Official Statement, and recipients are requested to attach this Addendum to the Official Statement.

This Addendum amends and restates “Future Financing” on page A-21 of Appendix A of the Official Statement as follows:

Future Financing

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

The Oakland County Building Authority is planning to issue approximately \$39,090,000† of Building Authority and Building Authority Refunding Bonds, Series A and Building Authority Refunding Bonds, Series B on or about April 1, 2020.

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.

The Upper Straits Lake Level Special Assessment District, County of Oakland, State of Michigan is anticipating to close on their Upper Straits Lake Level Special Assessment Bonds, Series 2020 on or about March 12, 2020 in which the County has pledged its full faith and credit as additional security to the bonds. The par amount is currently expected to be \$468,000.

† Preliminary, subject to change

NEW ISSUE**Book-Entry-Only**

In the opinion of Dickinson Wright PLLC, Bond Counsel, subject to compliance with certain covenants, under existing law, (1) the interest on the Bonds is excluded from gross income for federal income tax purposes except as described under "TAX MATTERS" herein, and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, and (2) 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.

Rating♦: Moody's: *Applied for*; S&P Global: *Applied for*

\$3,945,000†

**COUNTY OF OAKLAND
STATE OF MICHIGAN**

**EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL
IMPROVEMENT BONDS, SERIES 2020A**

SALE DATE: March 11, 2020, 11:00 a.m. Eastern Daylight Time

AUTHORITY, PURPOSE, AND SECURITY: The Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the "Bonds") are being issued pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") and a resolution adopted by the Board of Commissioners of the County of Oakland, State of Michigan (the "County"), on May 2, 2018 (the "Resolution"). The County of Oakland (the "County") has determined that it is necessary to acquire, construct, and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the "System"). See "DESCRIPTION OF THE PROJECT" herein. It is expected that the principal of and interest on the bonds will be paid from revenues of the System, and such revenues have been authorized to be used for such purpose. In addition, the full faith and credit of the County are pledged to the payment of the principal and interest on the Bonds. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County.

BOOK-ENTRY-ONLY: At the option of the purchaser, the Bonds are issuable 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 interest in the Bonds will be made in book-entry-only form, in the denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" and Appendix E, "Draft Official Notice of Sale."

PAYMENT OF BONDS: Interest on the Bonds will be payable semi-annually on the first day of January and July of each year commencing January 1, 2021. The Bonds will be issued fully registered as to principal and interest in the denomination of \$5,000 or any integral multiple thereof not exceeding the principal amount of each maturity. The principal and interest shall be payable at the principal corporate trust office of The Huntington National Bank in Grand Rapids, Michigan, or other designated office, the Bond Registrar and Paying Agent, or such other Bond Registrar and Paying Agent as the County may hereafter designate. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants, as more fully described herein. Interest shall be paid when due by check or draft mailed to the registered owner as shown on the registration books as of the fifteenth day of the month preceding the payment date for each interest payment.

Dated: Date of Delivery

Principal Due: July 1 of each year as shown below

Delivery Date: On or About March 26, 2020

MATURITY SCHEDULE

Base CUSIP*: 672411

<u>CUSIP</u>			<u>Coupon</u>			<u>CUSIP</u>			<u>Coupon</u>		
<u>Year</u>	<u>Number</u>	<u>Amount†</u>	<u>Rate %</u>	<u>Yield %</u>	<u>Price</u>	<u>Year</u>	<u>Number</u>	<u>Amount†</u>	<u>Rate %</u>	<u>Yield %</u>	<u>Price</u>
2021		\$405,000				2026		\$445,000			
2022		415,000				2027		455,000			
2023		420,000				2028		465,000			
2024		430,000				2029		470,000			
2025		440,000									

The Bonds are NOT subject to optional redemption prior to maturity.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

MULTIPLES: 1/8 or 1/100 of 1% or both

PURCHASE PRICE: Not less than 99% or more than 101% of the par value.

MAXIMUM INTEREST RATE: 7%

LEGAL OPINION: Dickinson Wright PLLC

† **Preliminary, subject to change:** See "Adjustment in Principal Amount" herein and Appendix E, "Draft Official Notice of Sale."

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



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

COUNTY OFFICIALS

County Executive
David Coulter

Treasurer
Andrew E. Meisner

Prosecuting Attorney
Jessica Cooper

Clerk and Register of Deeds
Lisa Brown

Sheriff
Michael J. Bouchard

Corporation Counsel
Joellen Shortley

Water Resource Commissioner
Jim Nash

BOARD OF COMMISSIONERS

David T. Woodward
Chairperson

Marcia Gershenson
Vice-Chairperson

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

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

District 15 - Adam L. Kochenderfer
District 16 - Penny Luebs
District 17 - Nancy L. Quarles
District 18 - Helaine Zack
District 19 - David T. Woodward
District 20 - Gary R. McGillivray
District 21 - Janet Jackson

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

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

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

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

INFORMATION FOR BIDDERS ON DETAILS OF SALE
\$3,945,000[†]
COUNTY OF OAKLAND
STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL
IMPROVEMENT BONDS, SERIES 2020A

DATE BIDS DUE: March 11, 2020

TIME BIDS DUE: 11:00 a.m. Eastern Daylight Time

LOCATIONS OF SUBMISSION OF BIDS:

Municipal Advisory Council of Michigan
 26211 Central Park Blvd., Ste. 508
 Southfield, MI 48076
 Phone: 313-963-0420
 Fax: 313-963-0943

Bids also accepted electronically via PARITY and to the Municipal Advisory Council of Michigan by fax (313-963-0943) or email: mac@macmi.com

BOND DETAILS:

Principal Amount: \$3,945,000[†]

Dated: Date of Delivery

Interest Payment Dates: January 1 and July 1, commencing January 1, 2021

Rating: Moody's: Applied for; S&P Global: Applied for

Maximum Interest Rate: 7%

Maximum Interest Rate Spread: N/A

Good Faith Deposit: \$78,900

Maximum Discount: \$39,450

Maximum Premium: \$39,450

Denominations: \$5,000 or a multiple of \$5,000

MATURITIES[†]: The Bonds shall mature on **July 1** as follows:

<u>Year</u>	<u>CUSIP</u> <u>Number</u>	<u>Coupon</u> <u>Amount[†]</u>	<u>Rate %</u>	<u>Yield %</u>	<u>Price</u>	<u>Year</u>	<u>CUSIP</u> <u>Number</u>	<u>Coupon</u> <u>Amount[†]</u>	<u>Rate %</u>	<u>Yield %</u>	<u>Price</u>
2021		\$405,000				2026		\$445,000			
2022		415,000				2027		455,000			
2023		420,000				2028		465,000			
2024		430,000				2029		470,000			
2025		440,000									

THE BONDS WILL BE DELIVERED ON OR ABOUT
MARCH 26, 2020

RESTRICTIONS: The Bonds shall bear interest at a rate or rates not exceeding 7% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/100 of 1%, or both. The interest on any one Bond shall be at one rate only, and all Bonds maturing in any one year must carry the same interest rate. No bid for the purchase of less than all of the Bonds or at a price that is less than 99% or more than 101% of their par value will be considered.

The Bonds are NOT subject to optional redemption prior to maturity.

[†] **Preliminary, subject to change:** See "Adjustment in Principal Amount" herein and Appendix E, "Draft Official Notice of Sale."

**OFFICIAL STATEMENT OF THE
\$3,945,000[†]
COUNTY OF OAKLAND
STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL
IMPROVEMENT BONDS, SERIES 2020A**

INTRODUCTION

The purpose of this Official Statement is to set forth information concerning the County of Oakland (the “County”) Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the “Bonds”). The County of Oakland (the “County”) has determined that it is necessary to acquire, construct, and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the “System”) see “DESCRIPTION OF THE PROJECT” herein. The information contained herein is presented in connection with the sale of the Bonds and for the information of those who initially became holders of the Bonds. Information describing the Bonds, summarized on the cover page, is part of this Official Statement.

DESCRIPTION OF THE BONDS

The Bonds, aggregating the principal sum of \$3,945,000[†], shall be known as “Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A” and shall be dated the date of their delivery (anticipated on or about March 26, 2020). The Bonds shall be fully registered Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards regardless of rate and maturity date. The Bonds shall mature on July 1, 2021, and each July 1 thereafter, until maturity, as provided on the cover page of this Official Statement.

Authorization

The Bonds are being issued pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended (“Act 34”) and a resolution adopted by the County of Oakland on May 2, 2018.

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

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

Interest Payment and Interest Rate

The Bonds shall bear interest payable January 1, 2021, and semi-annually thereafter, until maturity, with an average interest rate not exceeding 7% per annum. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months. Interest shall be paid by check or draft mailed to the registered owner of each bond as of the applicable date of record.

Adjustment in Principal Amount

The aggregate principal amount of the Bonds has been determined as the amount necessary to fund the County’s project costs and cost of issuance, assuming certain conditions and events exist on the date of sale. Following receipt of bids and prior to final award, the County reserves the right to increase or decrease the aggregate principal amount of the Bonds. The increase or decrease, if necessary, will be made in increments of \$5,000 and may be made in any maturity or maturities. The purchase price will be adjusted proportionately to the increase or decrease in the principal amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw the bid as a result of any changes made as provided in this paragraph.

Term Bond Option

Bonds maturing in the years 2021-2029, inclusive, are eligible for designation by the original purchaser at the time of sale as serial bonds or term bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on July 1 of the year in which the Bonds are presently scheduled to mature. Each maturity of term bonds and serial bonds must carry the same interest rate. Any such designation must be made at the time the bids are submitted.

Paying Agent and Bond Registrar

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

No Optional Redemption Prior to Maturity

The Bonds are NOT subject to optional redemption prior to maturity.

CUSIP Numbers

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds

Par Value of Bonds	\$
Original Issue Premium/Discount	\$
Total Sources	\$ _____

Uses of Funds

Deposit to Construction Fund*	\$
Underwriter's Discount	\$
Total Uses	\$ _____

*Includes the cost of issuance.

DESCRIPTION OF THE PROJECT

The project consists of the installation of 3,700 linear feet of thermal cured-in-place pipe (CIPP) sewer lining of the 36" sanitary sewer and lining of approximately 16 manholes through the Plum Hollow Country Club. To complete this work, diversion of sanitary flows through bypass pumping will be required

as well as the construction of temporary access roads, tree removal, acquiring of easements to accommodate the work along with grading and clearing.

Project Cost Estimates

Total Project Costs including Construction Costs, Engineering Costs, Financing Costs, Contingency:	\$3,945,000
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SECURITY FOR THE BONDS

Security and Full Faith and Credit of County

It is expected that the principal of and interest on the Bonds will be paid from revenues of the System, and such revenues have been authorized to be used for such purpose. In addition, the full faith and credit of the County are pledged to the payment of the principal and interest on the Bonds. Each year the County shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County. The amount of taxes necessary to pay the principal of and interest on the Bonds, together with the taxes levied for the same year, shall not exceed the limit authorized by law. To the extent that the revenues of the System are insufficient to pay the principal of and interest on the Bonds, the proceeds of such taxes (both current and delinquent) shall be deposited as collected into the principal and interest fund established for the Bonds, and until the principal of and the interest on the Bonds are paid in full, such proceeds shall be used only for payment of such principal and interest.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Paying Agent, or County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the County or Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT NEITHER THE COUNTY, BOND COUNSEL, FINANCIAL ADVISOR NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

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

NEITHER THE COUNTY, THE UNDERWRITERS NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (4) THE DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Discontinuation of Book-Entry-Only System

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

Transfer Outside Book-Entry-Only System

In the event the book-entry-only system is discontinued, the Paying Agent shall keep the registration books for the Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Resolution, the Bonds may be transferred or exchanged for one or more Bonds

in different authorized denominations upon surrender thereof at the corporate trust office of the Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; the Paying Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; and the County and Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Resolution.

Transfer or Exchange of Bonds

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

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

Any service charge made by the Paying Agent for any such registration, transfer or exchange shall be paid for by the County, unless otherwise agreed by the County and the Paying Agent. The Paying Agent may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

CONTINUING DISCLOSURE

The County has covenanted and will covenant for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined) pursuant to the Resolution and the Continuing Disclosure Certificate to be delivered on the date of issuance of the Bonds to the purchaser thereof (the "Disclosure Certificate"), to provide or cause to be provided: (i) each year, certain financial information and operating data 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 on October 1. "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

Each Annual Report will be filed with the Municipal Securities Rulemaking Board ("MSRB") electronically through MSRB's Electronic Municipal Market Access system ("EMMA"). If the County 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 date. 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 purchaser of the Bonds and registered brokers, dealers and municipal securities dealers in complying with the requirements of subsection of (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Rule”). The information to be contained in each Annual Report, the enumerated events, the occurrence of which will require a notice, and the other terms of the Disclosure Certificate are set forth in “Appendix D”, “FORM OF CONTINUING DISCLOSURE CERTIFICATE”.

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

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 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.

BOND RATINGS

The County has applied for a municipal bond rating from Moody's Investors Service, Inc. and S&P Global Ratings. No application has been made to any other rating agencies for a rating on the Bonds.

Moody’s Investors Service, Inc.

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

The County furnished certain materials and information in addition to that provided herein. The rating is the sole view of Moody’s and is based on Moody’s own research, analysis, and methodologies. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Additional information is available upon request from Moody’s Investors Service, Inc., 7 Trade Center at 250 Greenwich St., New York, NY 10007, (212) 553-0377.

S&P Global Ratings

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

The County furnished certain materials and information in addition to that provided herein. The rating is the sole view of S&P and is based on S&P's own research, analysis, and methodologies. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Additional information is available upon request from S&P Global Ratings, 55 Water St., New York, NY 10014, (212) 438-1000.

TAX MATTERS

General

It is the opinion of Dickinson Wright PLLC., Bond Counsel, that under existing federal statutes, decisions, regulations and rulings, 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 Issuer 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 certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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.

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 HOLDERS' RISKS

The Federal Bankruptcy Code affects the rights and obligations of municipalities and their creditors. Although State legislative authority is a condition to the filing by municipalities of cases for relief

under the Bankruptcy Code, recently enacted legislation empowers local governments, such as the County, to become a debtor under the Bankruptcy Code. This authorization would be invoked if fiscal circumstances become such an emergency financial manager were appointed for the County. No assurance can be given that future circumstances or legislation will not result in the County filing for relief under the Bankruptcy Code. Should the County file a petition for relief under the Bankruptcy Code, the bankruptcy court could reduce the amount of or extend the time of the County's legal obligation to pay its outstanding debts.

LITIGATION

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

APPROVAL OF LEGALITY

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

MICHIGAN DEPARTMENT OF TREASURY STATUS

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

FINANCIAL ADVISOR

MFCI, LLC of Troy, Michigan, (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Municipal Advisor has been retained by the County to provide certain financial advisory services relating to the planning, structuring, and issuance of the Bonds, including the preparation of certain parts of the deemed "final" Preliminary Official Statement and the final Official Statement (the "Official Statements"). The information contained in the Official Statements was prepared in form by the Municipal Advisor and is based on information supplied by various officials from records, statements and reports required by various local, County or state agencies of the State of Michigan, in accordance with constitutional or statutory requirements.

To the best of the Municipal Advisor's knowledge, all of the information contained in part of the Official Statements, which it assisted in preparing, while it may be summarized is: (i) complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material fact, or make any statement which would be misleading in light of the circumstances under which these statements are being made. However, the Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

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

RESPONSIBILITIES OF BOND COUNSEL

Bond Counsel has reviewed the statements made in this Official Statement under the captions “DESCRIPTION OF THE BONDS”, “SECURITY FOR THE BONDS”, “CONTINUING DISCLOSURE” (first two paragraphs only), “TAX MATTERS”, “APPROVAL OF LEGALITY” and “RESPONSIBILITIES OF BOND COUNSEL”, but has not been retained to review and has not reviewed any other portion of this Official Statement. Bond Counsel has not made inquiry of any official or employee of the County or any other person with respect to, or otherwise made any independent verification of, the accuracy or completeness of any statement made in this Official Statement (including those that it has reviewed) and has not expressed and will not express an opinion as to the accuracy or completeness of any statement made herein.

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

The fees of Bond Counsel for services rendered in connection with its approving opinion are expected to be paid from Bond proceeds or other funds available to the County.

MISCELLANEOUS

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

County of Oakland, State of Michigan

By: _____
Andrew Meisner
Its: Treasurer

By: _____
Jim Nash
Its: Water Resources Commissioner

APPENDIX A

GENERAL AND ECONOMIC INFORMATION REGARDING THE COUNTY

Introduction

Oakland County continues to be a great place to live, work, shop and establish your 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 bond rating thanks to sound fiscal stewardship with a 3-year 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 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 has 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:

Electricity 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

Education

There are 28 school districts in Oakland County, all offering preschool programs and all but one providing childcare or latchkey services. In 2018, U.S. News & World Report rated the International Academy in Bloomfield Hills number 2 in Michigan and number 30 in the nation's top U.S. high schools. Three 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*	1,260,000

** Estimated | 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.

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. The current County Executive Recommended Triennial Budget is balanced through FY 2022. On September 25, 2019, the Oakland County Board of Commissioners adopted the current FY 2020 to FY 2022 budget. 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				% Change	
Year	Real Property	Personal Property	Total SEV	In Total SEV	Taxable Value
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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Residential	76.3%	76.5%	76.9%	76.7%	75.3%	73.7%	71.3%	69.9%	68.5%	67.6%	68.7%
Commercial	15.9	15.7	15.2	15.2	15.5	16.7	18.0	19.3	20.6	19.6	19.0
Industrial	3.0	3.0	2.8	2.8	2.7	2.9	3.1	3.4	3.7	6.0	6.3
Personal Property	4.6	4.7	5.0	5.2	6.4	6.6	7.4	7.3	7.0	6.5	5.8
Agricultural	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	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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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*	\$2,592,387,900	Not Available	N/A	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	Not Available	Not Available
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, 2018, the actuarial value of assets was used to determine both the funded status and the required employer contribution. The resulting System funded percent is 102.3%.

The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2018. 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	\$488,965,739	\$44,439,863	\$55,782,230	\$59,048,515	\$648,236,347
2. For vested /terminated members	5,391,030	347,765	475,703	345,993	6,560,491
3. For present active members					
a. Value of expected future benefit payments	71,516,496	10,583,119	15,995,110	5,804,078	103,898,803
b. Value of future normal costs	<u>4,665,493</u>	<u>396,683</u>	<u>676,282</u>	<u>295,343</u>	<u>6,033,801</u>
c. Active member liability: (a) – (b)	<u>66,851,003</u>	<u>10,186,436</u>	<u>15,318,828</u>	<u>5,508,735</u>	<u>97,865,801</u>
4. Total	<u>561,207,772</u>	<u>54,974,064</u>	<u>71,576,761</u>	<u>64,903,243</u>	<u>752,661,840</u>
B. Valuation Assets	<u>574,974,731</u>	<u>55,995,741</u>	<u>73,325,730</u>	<u>65,637,102</u>	<u>769,933,304</u>
C. Unfunded Accrued Liability: (A.4) – (B)	<u>(13,766,959)</u>	<u>(1,021,677)</u>	<u>(1,748,969)</u>	<u>(733,859)</u>	<u>(17,271,464)</u>
D. Funding Ratio: (B) / (A.4)	102.5%	101.9%	102.4%	101.1%	102.3%

Other Post-Employment Benefits (“OPEB”)

The plan’s funding percent based on the actuarial value of plan assets is 143% as of September 30, 2018, while prior year the funded percent was 142%.

The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2018. 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	\$382,025,236	\$30,411,083	\$49,397,046	\$44,575,121	\$506,408,486
2. For vested and terminated members	47,912,639	1,349,820	4,969,415	2,223,777	56,455,651
3. For present active members					
a. Value of expected future benefit payments	250,779,631	31,060,170	70,980,805	39,738,283	392,558,889
b. Value of future normal costs	36,104,111	4,341,099	15,129,828	8,047,957	63,622,995
c. Active member liability: (a) – (b)	214,675,520	26,719,071	55,850,977	31,690,326	328,935,894
4. Total	644,613,395	58,479,974	110,217,438	78,489,224	891,800,031
B. Valuation Assets	925,347,927	72,918,203	160,768,641	118,277,897	1,277,312,668
C. Unfunded Accrued Liability: (A.4) – (B)	(280,734,532)	(14,438,229)	(50,551,203)	(39,788,673)	(385,512,637)

* 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 March 2, 2020 – Unaudited**Excludes the Bonds described herein**

	<u>Gross</u>	Self-Supporting or Portion Paid Directly by Benefited <u>Municipalities</u>	<u>Net</u>
<u>Limited Tax</u>			
Building Authority	\$ 32,865,000	\$ 2,805,000	\$ 30,060,000
Building Authority Refunding	19,490,000	-	19,490,000
Retirees Health Care Bonds	234,750,000	-	234,750,000
Sewer Disposal Bonds	17,565,000	9,685,000	7,880,000
Sewage Refunding	2,870,000	-	2,870,000
Water Supply Bonds	12,885,000	12,885,000	-
Water & Sewage Refunding	595,000	595,000	-
MFA Sewage Disp. Bonds	49,744,992	800,727	48,944,265
Total Limited Tax	<u>\$370,764,992</u>	<u>\$26,605,727</u>	<u>\$343,994,265</u>
<u>Drain Districts</u>			
Drain Bonds	\$ 59,330,000	\$ 53,386,604	\$ 5,943,396
Drain Refunding	8,735,000	5,492,420	3,242,580
MFA Drain	173,060,548	109,347,815	63,712,733
Total Drain Districts	<u>\$241,125,548</u>	<u>\$168,226,839</u>	<u>\$ 72,898,709</u>
Total Limited Tax and Drain Districts	<u>\$611,890,540</u>	<u>\$194,832,566</u>	<u>\$416,892,974</u>

Table 20 – Oakland County Overlapping Debt as of March 2, 2020**Excludes the Bonds described herein**

Cities, Villages and Townships	\$1,272,710,105
School Districts	2,404,364,193
Community College, Intermediate School Districts and Library	50,358,391
Net County Overlapping Debt	<u>\$3,727,432,688</u>
Net County Direct Debt	<u>\$416,892,974</u>
Net County Direct and Overlapping Debt	<u>\$4,144,325,663</u>
County Issued Debt Paid by Local Municipalities	\$194,832,566

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 March 2, 2020
Excludes the Bonds described herein

<u>Fiscal Year</u>	<u>Building Authority*</u>	<u>Building Authority Refunding</u>	<u>Water Supply Bonds</u>	<u>Sewage Bonds</u>	<u>Water & Sewage Refunding Bonds</u>	<u>MFA Sewer Disposal Bonds</u>	<u>Retiree Healthcare Bonds**</u>
2020	\$ 30,000	\$4,745,000	\$ 760,000	\$ 725,000	\$420,000	\$ 581,800	\$ 25,660,000
2021	3,740,000	5,000,000	795,000	1,110,000	420,000	2,879,900	26,605,000
2022	3,855,000	5,115,000	805,000	1,135,000	370,000	2,937,600	27,585,000
2023	3,970,000	2,465,000	820,000	1,165,000	220,000	3,015,700	28,605,000
2024	1,850,000	2,065,000	855,000	1,195,000	220,000	3,091,100	29,660,000
2025	1,895,000	100,000	865,000	1,230,000	230,000	3,166,500	30,750,000
2026	1,970,000	-	910,000	1,265,000	240,000	3,236,900	31,885,000
2027	1,995,000	-	955,000	1,300,000	245,000	3,312,300	34,000,000
Beyond 2027	13,560,000	-	6,120,000	8,440,000	1,100,000	27,523,192	-
Total	\$32,865,000	\$19,490,000	\$12,885,000	\$17,565,000	\$3,465,000	\$49,744,992	\$234,750,000

*Includes \$3,550,000 of bonds which are federally taxable.

**All of the outstanding \$234,750,000 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 March 2, 2020
Excludes the Bonds described herein

<u>Fiscal Year</u>	<u>Drain Bonds***</u>	<u>Drain Refunding</u>	<u>MFA Drain Bonds</u>
2020	\$3,240,000	\$1,540,000	\$ 8,198,200
2021	4,080,000	1,590,000	14,505,100
2022	4,155,000	1,620,000	14,862,400
2023	3,835,000	1,120,000	14,069,300
2024	3,960,000	1,100,000	14,396,576
2025	4,100,000	605,000	9,338,500
2026	3,960,000	180,000	9,552,246
2027	3,985,000	180,000	9,687,700
Beyond 2027	28,015,000	800,000	78,450,526
Total	\$59,330,000	\$8,735,000	\$173,060,548

***Includes \$47,770,000 of bonds which are federally taxable.

Source: Oakland County Treasurer

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

Excludes the Bonds described herein

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-2020	\$ 45,140,000	\$ 9,569,903	\$ 54,709,903
2021-2025	293,017,676	68,723,723	361,741,399
2026-2031	194,967,482	28,997,744	223,965,226
2032-2040	78,765,382	5,376,101	84,141,483
Total	611,890,540	112,667,471	724,558,011

Source: Oakland County Treasurer

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

Excludes the Bonds described herein

2019 State Equalized Value (SEV)	\$76,716,002,295
Statutory Limit - 10% of 2019 SEV	7,671,600,229
 Total Bonded Debt Outstanding	 \$ 611,890,540
Available Statutory Debt Limit	<u>\$ 7,059,709,689</u>

Source: Oakland County Treasurer

Debt-History

The County of Oakland has no record of default.

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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**

Year Issued	Notes Issued	Amount Outstanding
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). All County Building Authority Debt is listed in the Debt Statement.

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

Future Financing

The County and Authority do 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.

The Upper Straits Lake Level Special Assessment District, County of Oakland, State of Michigan is anticipating to close on their Upper Straits Lake Level Special Assessment Bonds, Series 2020 on or about March 12, 2020 in which the County has pledged its full faith and credit as additional security to the bonds. The par amount is currently expected to be \$584,000.

APPENDIX B
COUNTY OF OAKLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018

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, 2017, and September 30, 2016, comprehensive financial reports are available at the following links:

[Link to FY 2017 Audited Financial Statements](#)

[Link to FY 2016 Audited Financial Statements](#)



BIG BRIGHT LIGHT SHOW • ROCHESTER, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ending September 30, 2018

PREPARED BY: Department of Management & Budget • Laurie Van Pelt, Director



OAKLAND COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2018
(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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September 30, 2018

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MANAGEMENT & BUDGET

OAKLAND COUNTY EXECUTIVE L. BROOKS PATTERSON

Laure Van Pelt, Director

(248) 858-2163 | vanpelt@oakgov.com

March 21, 2019

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, 2018.

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 Planie & 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, 2018 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, 2018 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.

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

County of Oakland Letter of Transmittal

The Fiscal Year 2018 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 2018 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 1,242,304 (2015 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 ninth (9th) wealthiest county in the nation among counties with populations between 900,000 and 1,600,000 as cited in a May 2016 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 interceptions.

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 nineteen (19) 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 more than \$129.1 million (excluding 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 and local governments. 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, *Blended 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. Parks and Recreation is supported, in part, by a separately voted $\frac{1}{4}$ -mill tax levy, subject to annual tax limitation adjustments pursuant to the Michigan constitution. 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 ninth 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. Oakland County has returned to job growth in the current decade with approximately 119,100 job additions from 2010 to 2017. The County's average growth pace of 2.6% per year

County of Oakland Letter of Transmittal

well outpaced both the nation's and the state's average rate of 1.8% over the same period. In their April 2018 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes forecasted 42,000 job additions for the forecast period of 2018 through 2020; a pace averaging 1.9% per year which is expected to be a substantially faster pace than anticipated for the nation or the state of Michigan. The higher-wage and middle-wage industries make up almost 80.0% 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 57.7% 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 2018, Oakland County's unemployment rate was 3.2%. This rate is lower than the State of Michigan rate of 4.0% and the national rate of 3.9%.

Enhanced by the County's investment in dynamic 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 the most recent report issued in January 2019, the Emerging Sectors program has had 512 business successes and has attracted nearly \$5.1 billion in investment, creating approximately 51,662 jobs and retaining 37,337 jobs. Traditional businesses continue to grow as well. Since 2004, the County has seen 345 traditional business successes with more than \$3.2 billion in investment while creating or retaining over 129,000 jobs.

Oakland County's 2017 per capita personal income (PCPI) of \$68,971 is the highest among Michigan's 83 counties according to the U.S. Bureau of Economic Analysis (BEA) most recent published data on November 15, 2018. The 2017 PCPI reflects an increase of 3.7 percent from 2016. The Oakland County's per capita income also compares favorably to the national average (\$51,640) and the state average (\$46,201).

The 2018 market value of property in Oakland County is approximately \$143.7 billion, an increase of approximately \$5.7 billion from 2017 to 2018 (4.15%). The Taxable Value (TV), which is the calculation on which property tax revenue is based, increased 4.71%. This is the sixth 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 5.0% increase in taxable value as of December 31, 2018 (FY 2019 revenue); a 4.5% increase in taxable value as of December 31, 2019 (FY 2020 revenue); and an additional 4.5% increase in taxable value as of December 31, 2020 (FY 2021 revenue).

County of Oakland Letter of Transmittal

Oakland County's collective property values remain the highest of all 83 counties in Michigan, and represents 16.4% of the state's total value (even though Oakland County's population represents approximately 12.6% of Michigan's total). The majority of Oakland County's taxable value is within the residential class of property, which is approximately 74.6% of the total property tax base. The average residential sale price of a home in Oakland County increased substantially from \$245,677 in 2017 to \$296,397 in 2018, a 20.6% increase.

The average 2018 property tax rate is \$43.01 per thousand dollars of taxable value, a slight decrease from the 2017 average of \$43.14 per thousand dollars of taxable value. The average property tax rate is distributed to the following taxing authorities:

Local School Districts	33.74%
Cities, Villages, Townships	29.99%
State Education Tax	13.95%
County Operating	9.39%
Intermediate School District	7.63%
Community College	3.58%
Parks & Recreation/Zoo/Art/Huron Clinton	1.72%
	<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, 2018 tax levy remained at 4.04 mills (out of a maximum authorized levy of 4.1125 mills) and is expected to remain at 4.04 mills for the July 1, 2019 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 2018 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.

County of Oakland Letter of Transmittal

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 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 mantra adopted by the County Administration is "thoughtful management" not "crisis management."

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 first financial question Oakland County officials ask is not "how do we balance the budget," but "where do we want to be financially in the next five years?" County officials first set 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.

County of Oakland Letter of Transmittal

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

The 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 practices is a balanced line item County budget (adopted by the Board of Commissioners in September 2018) for fiscal years 2019, 2020, and 2021. The County also prepares a high level five year forecast and fiscal plan document in its on-going effort of "thoughtful management" practices. Considering the status of the County's finances as of September 30, 2018, as well as its longer term focus, the County anticipates a balanced budget through FY 2023 without additional budget tasks or reductions.

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. 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.

County of Oakland Letter of Transmittal

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

The net position of the DTRF as of September 30, 2018, totaled approximately \$196.8 million. While slightly below the target equity of \$200.0 million, the DTRF is still 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 General Fund has already covered the debt service for the first seven years by transferring \$7.0 million in FY 2016 from the General Fund to a separate debt service fund. In FY 2018, the County transferred another \$1.7 million from the General Fund to the animal shelter debt service fund based on one-time surplus funds realized in November 2017 from State reimbursement of personal property tax losses. With the animal shelter facility operational as of October 2017, 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 2019 through FY 2023.

County of Oakland Letter of Transmittal

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 \$156.3 million since inception of the program without jeopardizing the retirement security of valued employees.

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.

County of Oakland Letter of Transmittal

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 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.

The most recent actuary reports issued as of this writing are for the period ending September 30, 2017 and note that the County's Public Employees' Retirement System (PERS) is 102% funded and the VEBA is 142% funded. A more detailed discussion of Oakland County's pension and VEBA performance may be found in Notes #12, 13, 14, and 21 to the financial statements.

County governments have faced a number of financial challenges over the past several years. However, because of its 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. It is in a position 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.

County of Oakland Letter of Transmittal

Oakland County's focus has always been on long-term sustainability.

Oakland County's 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 fiscal 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. After salary reductions of 2.5% in FY 2010 and 1.5% in FY 2011 coupled with no salary increase in FY 2012 and FY 2013, the County provided modest annual general salary increases beginning in FY 2014 ranging from 2% to 3%. 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.

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 2019.

County of Oakland Letter of Transmittal

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. 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.

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.

County of Oakland Letter of Transmittal

Additionally, other technology projects expected to start within the next year include the replacement of the Radio Communications system, 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 held in November 2018 at the Suburban Collection Showplace in Novi was the McCareerQuest Southeast event. The event was attended by approximately 8,000 high school students from school districts in Oakland, Livingston, Macomb, Monroe, Washtenaw and Wayne counties in which the students were exposed to four growing career quadrants: advanced manufacturing, construction, health sciences, and information technology. With approximately 800 exhibitors, this regional effort introduced the participating students to career opportunities that they may have not been aware of or considered and provided participating employers direct contact to spark interest to fill these in-demand occupations. The event was a huge success and is expected to be a regional annual event.

The County continues to be recognized for its achievements and leadership. Oakland County has been recognized for 14 years running as one of the most digitally advanced counties in the country by the Center for Digital Government. This includes national recognition for Oakland County's cybersecurity programs and its G2G ("government to government") Marketplace in which the County improves government services by sharing technology with other government agencies at little or no cost, thereby reducing the cost of government. Also of special note, Director of Management and Budget Laurie Van Pelt was one of ten Japanese-American leaders selected from across the nation to participate in the U.S. Japan Council's 2018 Japanese American Leadership Delegation (JALD) program. The delegates traveled to Japan where they met with Japanese leaders and top business executives to build and grow relationships. Japanese companies have a significant presence and economic impact in Oakland County, and the County's representation in the 2018 JALD program was a unique opportunity to strengthen existing relationships and foster new opportunities.

As noted in the accompanying financial statements, Oakland County's General Fund balance totaled \$245.0 million as of September 30, 2018. This level of fund balance equates to 52.5% of budgeted fiscal year 2019 General Fund/General Purpose expenditures. However, of that amount \$33.8 million is assigned to balance the fiscal year 2019 budget, \$26.9 million is assigned to balance the fiscal year 2020 budget; and \$25.5 million is assigned to balance the fiscal year 2021 budget. When the above assignments are removed, the General Fund balance still stands at \$158.8 million or 34.0% of General Fund/General Purpose expenditures.

County of Oakland Letter of Transmittal

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 4.04 millage rate is below the current maximum authorized rate of 4.125 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 four years. The County will continue 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. 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, AAA, from Standard and Poor's and Moody's Investor Services, Incorporated. In a rating report dated August 31, 2018 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 our view, the county's very strong managerial characteristics are significant contributors to its very strong budgetary flexibility and consistently strong budgetary performance, especially in light of operating under a limited revenue growth environment while also keeping the tax levy below maximum permitted levels. We anticipate the very strong budgeting, reporting, and planning practices, as well as compliance with policies, will continue."

Oakland County has retained a AAA bond rating since 1998. Oakland County's 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, 2017; this was the 27th 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 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.

County of Oakland Letter of Transmittal

In addition, Oakland County also received the GFOA's Distinguished Budget Presentation Award for its triennial budget document dated October 1, 2015 which covers FY 2016 through FY 2018. This latest award is the 15th 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. The County recently submitted its FY 2019 through FY 2021 triennial budget document to GFOA to determine its eligibility for the award program.

Lastly, Oakland County is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). The fiscal year 2017 PAFR award was the County's 21st consecutive citation.

Acknowledgements:

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.

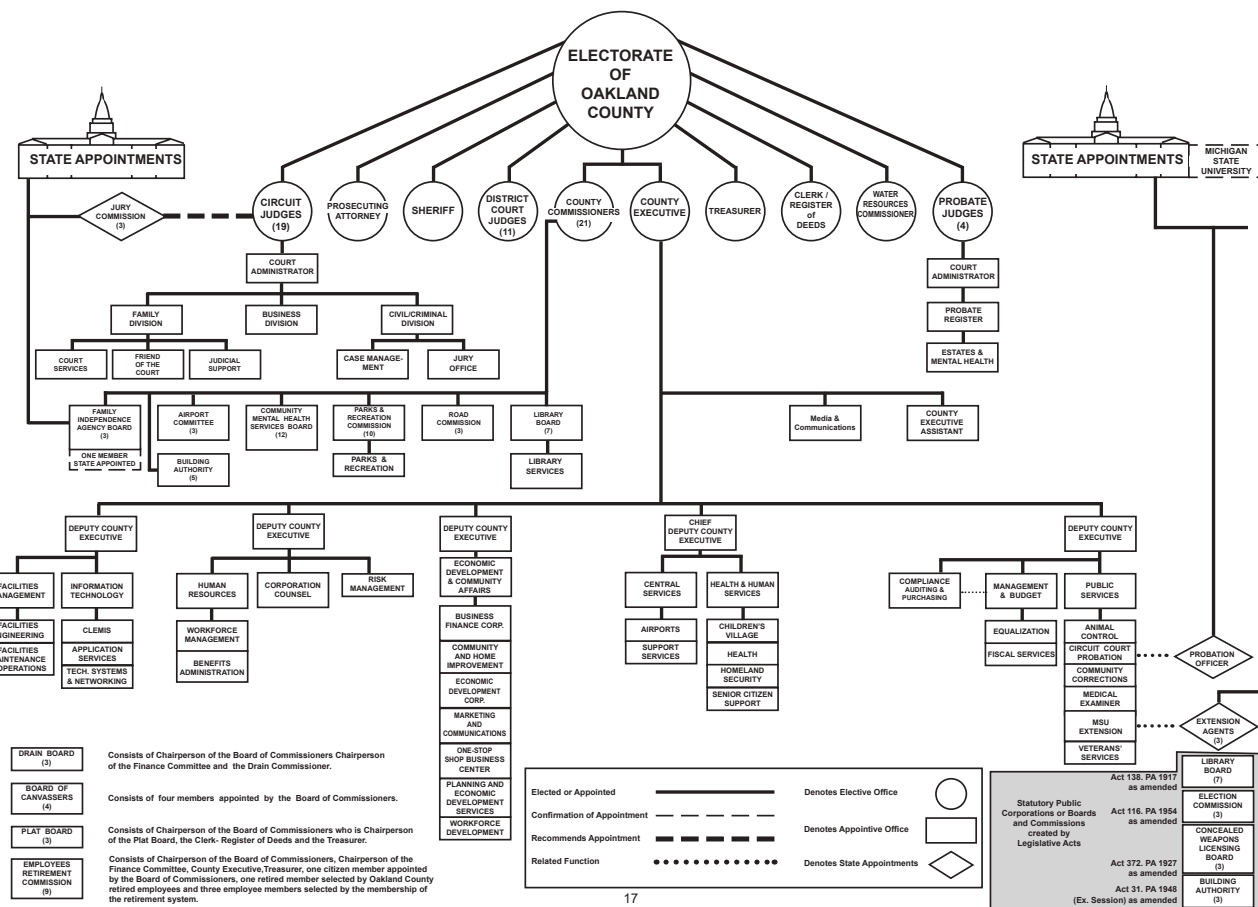
Respectfully submitted,

L. Brooks Patterson
L. Brooks Patterson
Oakland County Executive

Laurie Van Pelt
Laurie Van Pelt, CFP®
Chief Fiscal Officer and Director,
Department of Management and Budget

Lynn C. Sonkiss
Lynn C. Sonkiss
Fiscal Services Officer, Fiscal Services Division

OAKLAND COUNTY GOVERNMENT ORGANIZATIONAL CHART



COUNTY EXECUTIVE

L. Brooks Patterson

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Jessica R. Cooper

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Shalina Kumar

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Chief District Judge
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Jim Nash, Water Resources Commissioner
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for the Fiscal Year Ended

September 30, 2017

Christopher P. Maxwell
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, 2018 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, 2018 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 will also issue a report dated March 21, 2019 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.

Phyllis I. Thorne, PLLC

March 21, 2019

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, 2018. 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 \$107.6 million or 8.2 percent during fiscal year 2018, increasing from \$1,305.7 million to \$1,413.3 million which reflects a \$12.7 million adjustment and restatement related to Governmental Accounting Standards Board (GASB) Statement No. 74 to correct the balances and activity of the Superseding Trust Fund to be within the County's activity versus fiduciary fund activity. The restatement is further detailed later in this analysis and in Note 21.

- Governmental activities net position increased by approximately \$98.5 million, increasing from \$558.9 million to \$657.4 million and includes a \$12.7 million adjustment for the Superseding Trust Fund reporting correction noted above.

- Business-type activity net position increased \$9.1 million from \$746.8 million to \$755.9 million.

Fund Level:

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of \$310.6 million, a decrease of \$11.8 million from the fiscal year 2017 governmental funds combined ending fund balance, primarily reflecting a decrease of bond issuance proceeds compared to fiscal year 2017 activity.
- The General Fund balance decreased by \$19.7 million from \$264.7 million at the end of fiscal year 2017 to \$245.0 million at the end of fiscal year 2018. The overall reduction is primarily attributed to the increase of one-time transfers out for capital related projects during fiscal year 2018.
- At the close of the fiscal year, the County's proprietary funds reported a combined ending net position of \$933.6 million, consisting of \$755.9 million for the Enterprise Funds (a \$9.1 million increase from fiscal year 2017) and \$177.7 million for the Internal Service Funds (a \$97.7 million increase from fiscal year 2017). The majority of the overall increase is primarily due to GASB No. 74 and GASB No. 75 adjustments. See Note 21 for the restatement related to GASB No. 74.

Capital and Long-term Debt Activities:

- The County's capital assets experienced a net increase of \$9.0 million during fiscal year 2018, primarily for increases in construction in progress activities.
- The County reported approximately \$14.9 million in new general government debt and business type debt during fiscal year 2018. This supported debt for general government of \$2.6 million which included both Water Supply Act 342 and Michigan Bond Authority – Sewage Disposal bonds. In addition, \$12.3 million of business type debt supported Sewage Disposal Act 34, Sewage Disposal Refunding and Michigan Bond Authority debt for multiple water and sewer projects.
- The County's primary government bond and note obligations decreased by \$39.9 million during fiscal year 2018, which reflects \$8.3 million in payments related to Building Authority debt, \$23.9 million

County of Oakland Management's Discussion and Analysis

- in payments related to Retirees Health Care bonds, and \$7.7 million in payments related to Water and Sewer debt.
- The County is \$6.5 billion below its authorized debt limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the County consists of the following components: 1) Introductory Section which includes the *Transmittal Letter*; 2) Financial Section which includes the *Auditor's Report*, the *Management Discussion and Analysis*, the *Basic Financial Statements* (government-wide financial statements, fund financial statements), notes to the financial statements), *Required Supplementary Information* such as a budget to actual comparison for the General Fund, additional *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 2018. 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, VEBAs, 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 as well as pension and OPEB trend data.

Other Supplementary Information

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

County of Oakland Management's Discussion and Analysis

Special Note:

The fiscal year 2018 Comprehensive Annual Financial Report does not include any new implementations of Governmental Accounting Standards Board Statements. However, a restatement and adjustment is reflected in this report to correct the implementation of Governmental Accounting Standards Board Statement No. 74 as the Superseding Trust Fund is to be recorded as activity of the County versus within the OPEB Plan (fiduciary fund). See Note 21 for more information.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As previously stated, Oakland County's overall financial position improved during fiscal year 2018. As reflected on the table below, the County's combined net position increased by \$107.6 million over the course of fiscal year 2018 operations. In particular, the net position of the governmental activities increased by approximately \$98.5 million (17.6 percent) primarily reflecting GASB No. 68, GASB No. 74, and GASB No. 75 adjustments. The business-type activities increased \$9.1 million in net position (1.2 percent) which reflects operational fluctuations for wholesale sewage disposal systems and retail water and sewer systems.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current Assets	\$ 564.3	\$ 591.1	\$ 518.0	\$ 507.5	\$ 1,082.3	\$ 1,098.6
Capital Assets	226.1	219.4	329.2	326.9	555.3	546.3
Other Long-term Assets	485.0	347.7	-	-	485.0	347.7
Total Assets	1,275.4	1,158.2	847.2	834.4	2,122.6	1,992.6
Current Liabilities	124.9	156.7	58.1	61.1	183.0	217.8
Other Liabilities	363.6	396.0	33.2	26.5	396.8	422.5
Total Liabilities	488.5	552.7	91.3	87.6	579.8	640.3
Deferred Inflows of Resources						
Related to Pension	9.3	12.2	-	-	9.3	12.2
Related to OPEB	120.2	47.1	-	-	120.2	47.1
Total Deferred Inflows of Resources	129.5	59.3	-	-	129.5	59.3
Net Position:						
GASB 74 adjustment	-	12.7	-	-	-	12.7
Net Investment in Capital Assets	181.6	168.5	293.5	298.6	475.1	467.1
Restricted	57.4	41.0	97.2	96.5	154.6	137.5
Unrestricted	418.4	336.7	365.2	351.7	783.6	688.4
Total Net Position	\$ 657.4	\$ 558.9	\$ 755.9	\$ 746.8	\$ 1,413.3	\$ 1,305.7

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)

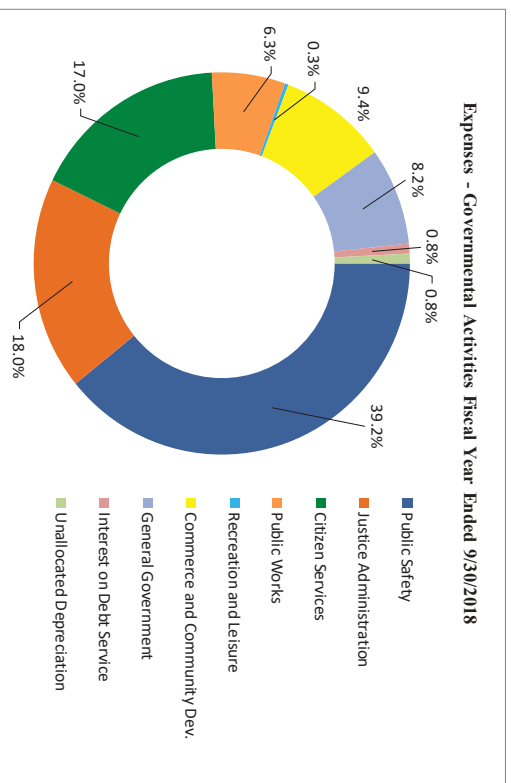
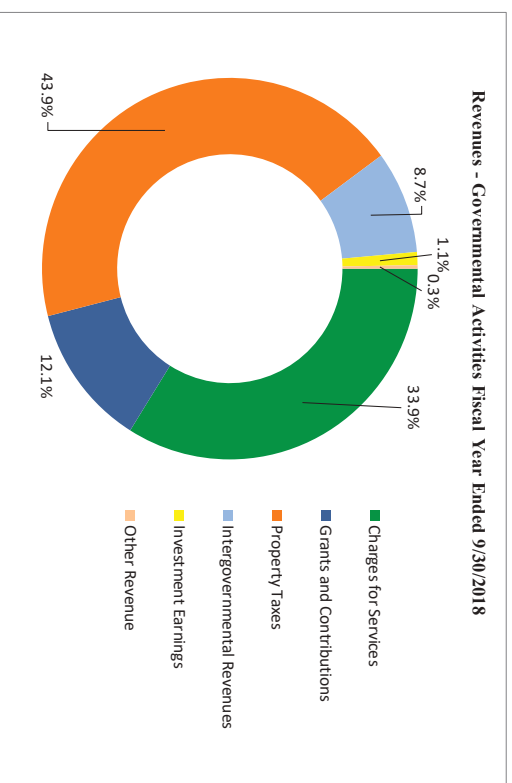
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 175.7	\$ 186.3	\$ 282.8	\$ 275.9	\$ 458.5	\$ 462.2
Grants and Contributions						
Operating	60.6	55.7	2.0	1.7	62.6	57.4
Capital	2.3	2.3	9.7	15.9	12.0	18.2
General Revenues						
Property Taxes	227.4	221.2	12.7	12.4	240.1	233.6
Intergovernmental Revenue	45.3	44.2	0.3	0.3	45.6	44.5
Investment Earnings	5.7	3.4	5.3	4.4	11.0	7.8
Other Revenue	1.5	1.8	-	-	1.5	1.8
Gain on Sale of Assets	0.4	0.4	-	-	0.4	0.4
Total Revenues	518.9	515.3	312.8	310.6	831.7	825.9
Expenses						
Public Safety	169.2	198.2	18.1	19.6	187.3	217.8
Justice Administration	78.0	91.2	-	-	78.0	91.2
Citizen Services	73.5	80.4	6.3	6.6	79.8	87.0
Public Works	27.3	44.5	238.8	223.8	266.1	268.3
Recreation and Leisure	1.3	1.4	26.9	25.1	28.2	26.5
Commerce and Community Dev.	40.5	42.6	-	-	40.5	42.6
General Government	35.6	7.2	1.4	0.9	37.0	8.1
Interest on Debt Service	3.6	3.6	-	-	3.6	3.6
Unallocated Depreciation	3.6	3.8	-	-	3.6	3.8
Total Expenses	432.6	472.9	291.5	276.0	724.1	748.9
Revenues (Under) Over						
Expenditures	86.3	42.4	21.3	34.6	107.6	77.0
Special item - Transfer of water system	-	-	-	(15.2)	-	(15.2)
Transfers - On-going	12.2	15.3	(12.2)	(15.3)	-	-
Position						
Net Position - Beginning	98.5	57.7	9.1	4.1	107.6	61.8
Net Position - Ending	558.9	488.5	746.8	742.7	1,305.7	1,231.2
GASB 74 adjustment	657.4	546.2	755.9	746.8	1,413.3	1,293.0
Adjusted Net Position - Ending	-	12.7	-	-	-	12.7
	\$ 657.4	\$ 558.9	\$ 755.9	\$ 746.8	\$ 1,413.3	\$ 1,305.7

#Beginning balance adjusted per restatement. See note #21.

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:



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County of Oakland Management's Discussion and Analysis

In total, fiscal year 2018 governmental activity revenue collections increased by \$3.6 million (0.7 percent) from fiscal year 2017. Of this amount, property tax revenue increased by \$6.2 million, grants and contributions increased by \$4.9 million, investment earnings increased by \$2.3 million, and intergovernmental revenue increased by \$1.1 million. These increases were partially offset by declines of \$10.6 million in the charges for services category and a reduction of \$300,000 in the other revenue category from the fiscal year 2017 amounts.

Property taxes generated \$227.4 million in revenue, remaining the largest source of support for governmental activities, comprising 43.8 percent of all governmental activity revenue. Governmental activities have decreased their dependency on property taxes; the fiscal year 2018 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 \$6.2 million from the amount realized during fiscal year 2017. 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 changing 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 \$175.7 million or 33.9 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, and the housing of state wards in the County's juvenile facility.

The \$175.7 million collected in fiscal year 2018 represents a \$10.6 million decrease (5.7 percent) from the previous fiscal year. The primary reason for the reduction is due to the adjustment of deferred revenue related to long-term receivables, special assessments and contracts receivables, in comparison to the prior year, which accounted for \$14.6 million. This was partially offset by approximately \$4.0 million in increases for law enforcement contracted patrol services revenue and board and care housing revenue at Oakland County Children's Village.

The third largest source of support for governmental activities is the \$62.9 million received in operating and capital grants and contributions during fiscal year 2018, which is 12.1 percent of the total revenue for governmental activities. This amount represents a \$4.9 million increase (8.4 percent) from fiscal year 2017 and reflects increases of Child Care Subsidy revenue and Community Development Block Grant Home Improvement grants revenue from the prior year. Included in this total change is a \$4.9 million increase in operating grants and no change in capital contributions and grants in comparison to fiscal year 2017.

Oakland County governmental activities also recorded \$45.3 million in intergovernmental revenue during fiscal year 2018, a \$1.1 million increase over the \$44.2 million received in fiscal year 2017. The increase is primarily related to revenue from the State for personal property tax loss reimbursements and revenue sharing payments from State. Intergovernmental revenue is "shared" revenue by the state and federal

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County of Oakland Management's Discussion and Analysis

government, and is not tied to contractual obligations such as grant agreements. However, in the case of the convention facility liquor tax revenue, one-half of the revenues distributed by the State under the authority of the State Convention Facility Development Act, P.A. 106 of 1985, must be earmarked for substance abuse prevention and treatment programs.

Governmental activities generated \$5.7 million in investment earnings during fiscal year 2018; this amount reflects a \$2.3 million increase (67.4 percent) from the amount earned in fiscal year 2017. The increase is substantially due to the Superseding Trust Fund investment earnings now being accounted for under the Governmental activities (see Note 21 for more information). The County's investment pool rates continue to outperform U.S. Treasury rates.

Governmental activity fiscal year expenses decreased \$40.3 million from the fiscal year 2017 expense level, an 8.5 percent decrease from the previous fiscal year.

Public Safety continued to be the largest governmental activity, expensing \$169.2 million of the \$432.6 million total governmental activities amount (39.1 percent). Public Safety which encompasses law enforcement, crime prevention, incarceration, emergency management, and technical support experienced a \$29.0 million decrease (14.6 percent) in comparison to the previous fiscal year. The primary reason for the overall decrease is related to an updated methodology to allocate the negative expenses recognized in the Fringe Benefit Fund for Pension and OPEB activity (both plans have a funding surplus and the activity was previously only reflected in the General Government activity) as well as entity wide statement adjustments for capital outlay and internal service fund lookback allocations. The overall decrease is partially offset by a 2.0 percent general salary increase and related fringe benefits and fluctuations in various operating expenses.

Closely linked to Public Safety, Justice Administration is the second largest expense category accounting for \$78.0 million, or 18.0 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 \$13.2 million decrease (14.5 percent) from the previous fiscal year which primarily relates to the re-allocation adjustment for the Pension and OPEB activity previously noted and partially offset for the 2.0 percent general salary increase and related fringe benefits.

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 \$73.5 million in expenses, or 17.0 percent, of the total governmental activities. Expenses decreased by \$6.9 million from the fiscal year 2017 level (8.6 percent). The overall decrease is mostly related to the re-allocation adjustment for the Pension and OPEB activity previously noted. The overall decrease is partially offset for the 2.0 percent general salary increase and related fringe benefits and an increase in activity for Community Development Block Grant and Health grant expenses.

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expensed \$27.3 million in fiscal year 2018, or 6.3 percent of the total governmental activities expenses. This level of expense is a net decrease of \$17.2 million or 38.6 percent from fiscal year 2017. Most of this reduction is related to the re-allocation adjustment for the Pension and OPEB activity previously noted and fluctuating activity for Act 342 water and sewer projects.

County of Oakland Management's Discussion and Analysis

Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced \$40.5 million in expenses, or 9.3 percent, of the total governmental activities. This reflects a decrease of \$2.1 million or 4.9 percent from fiscal year 2018 and is primarily associated with the re-allocation adjustment related to Pension and OPEB activity previously noted and fluctuating Workforce Development grant activity.

The General Government activity, which is comprised of the administration and financial management of County business, expensed \$35.6 million in fiscal year 2018, or 8.2 percent of the total governmental activities expenses. The level of expenses in fiscal year 2018 increased by approximately \$28.4 million from the fiscal year 2017 level. This increase is due to the re-allocation adjustment related to Pension and OPEB activity previously noted.

As stated previously, the result of fiscal year 2018 governmental activity was an overall increase of \$98.5 million in net position, to \$657.4 million. Of the total \$657.4 million in governmental activities' net position, \$181.6 million is invested in capital assets; \$57.4 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 \$418.4 million is reported as unrestricted.

Business-type Activities:

Net position in business-type activities is reported at \$755.9 million for fiscal year 2018, an increase of \$9.1 million (1.2 percent) over the amount reported at the end of fiscal year 2017. Of the total net position, \$293.5 million is for the net investment in capital assets; \$97.2 million is restricted, and \$365.2 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 2018, business-type activities generated \$312.8 million in revenue; this is an increase of \$2.2 million (0.7 percent) from the previous fiscal year. The overall change reflects an overall net increase of \$6.9 million for Charges for Services revenue which is mainly comprised of rate and usage fluctuations in the various water and sewer funds and slightly offset by a reduction of revenue in the Delinquent Tax Revolving Fund as there are fewer delinquent properties. Also, the investment earnings increased by \$900,000 over prior year levels. The noted increases are partially offset by a reduction in capital asset contributions of \$5.8 million primarily related to the Evergreen Farmington Sewage Disposal System (EFSDS).

Business-type activity recorded expenses of \$291.5 million, an increase of \$15.5 million from fiscal year 2017 (5.6 percent). This overall increase is primarily for Public Works activity due to an increase in transfers to municipalities for capital improvement projects as well as general operating expense fluctuations in the various sewage disposal systems and water and sewer retail systems. This is partially offset by the revenue increases for these systems that are noted above.

County of Oakland Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

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

Governmental Funds

Three (3) governmental funds are designated as major funds of the County: the *General Fund*, the *Building Authority Debt Act 31 Fund*, and the *Water and Sewer Debt Act 342 Fund*. As the County completed fiscal year 2018, the governmental funds reported *combined* fund balances of \$310.6 million with the fund balances of the General Fund, the Building Authority Debt Act 31 and the Water & Sewer Debt Act 342, representing 81.3 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of \$310.6 million represents a decrease of \$11.8 million from the combined fund balances reported at the end of fiscal year 2017. The overall decrease in the combined governmental fund balances includes a \$19.7 million decrease to the General Fund balance, reflecting an increase of one-time transfers out for capital related projects during fiscal year 2018. The Building Authority Debt Act 31 increased by \$781,314 which reflects an additional transfer of \$1.7 million in fiscal year 2018 from the General Fund to the Animal Control and Pet Adoption Center debt service fund to utilize the one-time favorable personal property tax loss reimbursement from the State. The Water and Sewer Debt Act 342 remained relatively unchanged. The non-major governmental funds increased by \$7.1 million overall. In comparison to the prior year, this primarily represents reduced Act 342 Water and Sewer project activity of \$10.0 million, a reduction of bond issuance proceeds of \$12.0 million, an increase in transfers in for the Project Work Order Fund for various security and renovation projects of \$23.0 million, and an increase of various grant activity of approximately \$4.0 million.

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, 2018 the General Fund reported a fund balance of \$245.0 million. This amount reflects a decrease of \$19.7 million (7.4 percent) from the fund balance of \$264.7 million reported as of September 30, 2017.

The overall \$19.7 million decrease in the General Fund balance is a result of General Fund revenues exceeding General Fund expenditures by \$38.6 million. In addition, the General Fund received \$9.6 million transfers from other funds, while transferring \$67.9 million to other funds, rendering a net "transfer-out" of \$58.3 million.

General Fund revenues were recorded at \$412.1 million for fiscal year 2018. This amount is an increase of \$14.5 million (3.6 percent) from the \$397.6 million received in fiscal year 2017. The majority of the increase is due to improved taxable values and tax collections, additional intergovernmental revenue for the Local Community Stabilization Share revenue from the State for reimbursement of personal property tax losses, and an increase of indirect cost recovery revenue.

County of Oakland Management's Discussion and Analysis

General Fund expenditures were \$373.5 million, an increase of \$14.4 million from the fiscal year 2017 level (4.0 percent). The overall change primarily reflects increased operational activity for law enforcement, county executive and justice administration expenditures as well as the 2.0 percent general salary increase previously noted.

The General Fund received \$9.6 million in transfers from other funds; this is a decrease of \$3.7 million (27.8 percent) from the amounts transferred during fiscal year 2017. This decrease primarily reflects a reduction of \$3.3 million related to transfers from the Delinquent Tax Revolving Fund.

The General Fund transferred \$67.9 million to other funds during fiscal year 2018. This amount is \$25.7 million more (60.9 percent) than the fiscal year 2017 transfers. The increase reflects one-time transfers of \$18.7 million to the Major Departmental Support Projects Fund which includes \$13.4 million for the Financial and Human Capital Management System Replacement project, \$4.2 million for phase 1 of the Universal Communications and Collaboration Program, and \$1.1 million for the Health Insurance Portability and Accountability Act (HIPAA) Compliance Project. In addition, transfers to the Project Work Order for security enhancement and renovation projects increased by \$6.4 million and transfers to Building Authority Debt Fund increased by \$1.7 million which reflects a transfer to the Building Authority Animal Control Debt Service Fund for future debt payments as previously noted. This is partially offset by a transfer out of \$1.5 million to the Building and Liability Fund for a sewer project settlement in fiscal year 2017 that did not recover in fiscal year 2018 as well as modest operational requirements related to the Child Care Fund, internal services funds and various grants.

Of the total \$245.0 million General Fund balance, all but \$1.5 million is Non-Spendable, Restricted, or Assigned for specific purposes. The total fiscal year 2018 General Fund balance represents 55.5 percent of the fiscal year 2018 General Fund operations. However, it should be noted that \$119.2 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 28.5 percent of the fiscal year 2018 General Fund operations. The General Fund balance of \$245.0 million represents 78.9 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 28, 2017 (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 \$6.5 million (1.6 percent) during the fiscal year 2018 from \$392.8 million to \$399.3 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 \$2.2 million, the State of Michigan for Convention Facility Liquor Tax of \$741,000 and Current Property Tax collections of \$611,000. Other material amendments included over \$1.1 million for Sheriff Dispatch and Law Enforcement Services contracts, Reimbursement General of \$243,000 in the Water Resources Commissioner Office for charges to special revenue and proprietary funds, and Commission Public Telephone monies of almost \$492,000. Also, there were revenue amendments for various departments including Public Services, Health, Economic Development, Circuit Court and Probate Court to reflect operational activity.

County of Oakland Management's Discussion and Analysis

Actual General Fund revenue totaled \$412.1 million, \$12.8 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 \$10.8 million primarily related to the sale of foreclosed property, favorable Mortgage and Land Transfer Tax revenue, Court Fines and Children's Village Out-County Board and Care revenue.

The General Fund expenditure budget increased \$11.2 million (2.9 percent) from \$389.8 million to \$401.0 million during fiscal year 2018. Changes included \$4.8 million in operating appropriations from fiscal year 2017 that were carried forward for specific projects which were not yet completed. Most notably, the funds carried forward included \$1,186,866 for Juvenile Resentencing pending a Supreme Court appeal on Juvenile Resentencing cases; \$965,903 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; \$780,406 for Circuit Court Defense Attorney Fees; \$495,018 grant match requirement for the HOME Investment Partnership Act Grant; \$366,055 for Local Road Improvement Program projects in cities and villages; \$280,060 for various Economic Development activities; \$242,250 for Human Resources Legal and Professional Services; \$192,085 for Circuit Court's courtroom technology improvements and the use of mediation funds for equipment and furniture; \$176,280 in the Sheriff's Office for various equipment replacements and upgrades; \$69,000 for Miscellaneous Capital Outlay for furniture replacement; and \$55,000 Board of Commissioner's Special Projects for Gun Safety and public awareness and prevention of Human Trafficking.

There were additional appropriations made during fiscal year 2018 including \$2.2 million for overtime costs in the Sheriff's Office primarily related to jail operational staffing requirements; new Tri-Party Road Improvement Program projects in the amount of \$2.1 million; \$1.4 million in new Local Road Improvement program projects; \$600,000 for Area Agency on Aging 1-B Community Living Program Services; \$509,316 for a one-time appropriation toward a school drinking water station program; and \$370,742 for distribution to the County's designated Substance Abuse Coordinating Agency, Oakland County Community Health Network (OCHN).

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, operating costs including defense attorney fees, guardian ad litem fees, medical services – guardianship, medical services – probate exam, professional services and internal service fund changes, the end of fiscal year 2018 resulted in several departments reflecting actual expenses in excess of total budgeted appropriations at the summary category level. Therefore, amendments totaling \$2.1 million were made to cover the shortage 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 2018 were \$27.5 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.

County of Oakland Management's Discussion and Analysis

Of the total variance, \$10.5 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, \$7.2 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 Tri-Party Road Improvement Projects, Local Road Improvement Projects, Grant Match, Juvenile Resentencing and Capital Outlay, which were carried forward into the fiscal year 2019 budget to complete the projects.

Further, there is \$2.5 million in savings for the Circuit Court related to favorable Defense Attorney Fees, Attorney Fees Mediators, and Juror Fees and Mileage due to less activity. The Sheriff's Office reflects favorable variance of \$1.2 million which includes \$196,115 in favorable Fees Civil Service expense due to the continuing decline in the number of home foreclosures; \$171,558 Equipment Maintenance and Equipment Rental due to recent equipment replacements; and \$163,834 in Internal Service charges for insurance based on actual usage. The remaining Sheriff favorability is in Prisoner Housing Outside of County, Deputy Supplies, Uniforms, Printing, Evidence Fund – NET, Laundry and Cleaning, Office Supplies, and several smaller line item variances. Additionally, the Treasurer's Office reflects favorable variance of \$1.1 million which is primarily from Title Search and Fees Civil Service due to less than anticipated usage. Further favorable variances are within the Department of Human Services of \$987,730 reflecting Professional Services, Contracted Services and Personal Mileage; \$545,808 in Economic Development and Community Affairs related to Professional Services, Workshops and Meetings, Printing, Business Recruitment and Special Event Supplies; \$603,850 Human Resources includes Professional Services, Recruitment Expense, Examination Materials and Info Tech Operations; \$467,165 Clerk / Register of Deeds office due to lower use of Professional Services and Court Transcripts, Election Supplies and Printing; \$452,981 Management and Budget for Professional Services, Personal Mileage, Printing, Office Supplies, Metered Postage and Info Tech Operations; \$246,939 Water Resources Commissioners related to Contracted Services, Legal Services, Professional Services and Education Programs; \$156,381 Board of Commissioners related to Special Projects, Workshops and Meetings, Professional Services – Annual Audit, Personal Mileage, Legal Services; and \$143,455 Public Services related to Contracted Services, Medical Examiner's Laboratory Supplies, and Veteran's Services Soldier Burial and Soldier Relief.

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 \$36.2 million more in resources to other funds (financing uses) than it would take in from these funds (financing sources). The financing uses budget was increased during fiscal year 2018 by \$29.0 million from \$44.8 million to \$73.8 million. Major amendments included \$13.4 million to the Major Departmental Support Projects Fund for the Financial and Human Capital Management System Replacement project; \$7.6 million to the Project Work Order Fund primarily for building security enhancement and renovation projects; \$4.2 million to the Major Departmental Support Projects Fund for phase I of the Universal Communications and Collaboration Program which reflects the Network Equipment Replacement Project; \$1.7 million to the Building Authority Animal Control Debt Service

County of Oakland Management's Discussion and Analysis

Fund for future debt payments; and \$1.1 million for the Health Insurance Portability and Accountability Act (HIPAA) Compliance Project.

Actual financing uses from the General Fund were \$5.8 million less than budgeted. This variance largely reflects actual operational requirements for the Child Care Fund (\$5.5 million), the Friend of the Court Grant Fund (\$294,700), and the Prosecuting Attorney Cooperative Reimbursement Grant Fund (\$102,900).

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 2018 the *Building Authority Debt Act 31 Fund* balance increased by \$781,314 to report a total fund balance of approximately \$7.5 million. This increase reflects an additional transfer of \$1.7 million in fiscal year 2018 from the General Fund to the Animal Control and Pet Adoption Center debt service fund to utilize the one-time favorable personal property tax loss reimbursement from the State previously noted. The remaining activity reflects on-going activity to support annual debt service payments.

The remaining governmental fund classified as major: the *Water and Sewer Debt Act 3-42 Fund*, experienced a decrease in fund balance of \$2,326, to report a total fund balance of \$13,794.

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, 2018 the Enterprise Funds had a combined net position of \$755.9 million, an increase of \$9.1 million from the combined net position reported at the end of fiscal year 2017. The seven major enterprise funds reported net positions of \$693.2 million (91.7 percent of the total combined Enterprise net position). The net position of these seven major Enterprise funds increased overall by \$9.7 million during fiscal year 2018.

Three of the seven major Enterprise Funds experienced an increase in net position. The *Evergreen-Farmington Sewage Disposal System Fund (EFSDS)* increased in net position by \$11.9 million (15.0 percent) to \$91.3 million. The increase in net position is attributed largely to capital asset contributions from Act 3-42 projects of \$8.8 million as well as fluctuating operating activity over the prior year.

The *Clinton Oakland Sewage Disposal System Fund (COSDS)* ended fiscal year 2018 with a net position of \$43.2 million, \$2.0 million (4.8 percent) more than the net position recorded at the end of fiscal year 2017. The increase in net position is primarily for fluctuating operating activity over the prior year.

County of Oakland Management's Discussion and Analysis

The *Southeast Oakland County Sewage Disposal System Fund (SOCSDS)* experienced a \$674,787 increase (1.4 percent) in net position to \$42.9 million. The increase is primarily due to minor fluctuating operating activity over the prior year.

The *Parks and Recreation Fund* net position decreased \$2.4 million (2.6 percent) during fiscal year 2018 to a total of \$88.9 million in net position. This decrease resulted from operating expenses outpacing charges for services and property tax revenue.

The *Delinquent Tax Revolving Fund (DTRF)* ended fiscal year 2018 with a net position of \$196.8 million, \$584,107 (0.3 percent) less than the net position recorded at the end of fiscal year 2017. This decrease is the result of reduced charges for services revenue as the amount of delinquencies declined, reduced interest revenue, and reflects an operational transfer to the General Fund of \$6.0 million in fiscal year 2018. As noted in the *Transmittal Letter*, future operational transfers to the General Fund have been reduced to \$3.0 million per year to ensure that the DTRF is able to meet all funding commitments. The fiscal year 2018 net position of \$196.8 million is still more than sufficient to meet fund obligations.

The *County Airport Fund* recorded a net position of \$75.6 million as of September 30, 2018. This reflects a reduction of approximately \$1.3 million (1.7 percent) in net position from fiscal year 2017. The primary reason is due to fluctuating operating activity over the prior year.

The *Water and Sewer Trust Fund* realized a \$547,410 loss (0.3 percent) in fiscal year 2018 to report a net position of \$154.4 million. This overall reduction is mainly attributed to an increase 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal year 2018, the County had invested \$555.3 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 \$9.0 million from fiscal year 2017. This can be attributed to a \$6.7 million increase in governmental activities and a \$2.3 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 7.4	\$ 7.4	\$ 68.2	\$ 68.2	\$ 75.6	\$ 75.6
Land Improvements	0.2	0.2	6.7	7.6	6.9	7.8
Buildings and Improvements	141.9	147.1	55.5	56.9	197.4	204.0
Equipment and Vehicles	30.3	32.6	11.0	11.5	41.3	44.1
Infrastructure	14.7	15.4	77.6	82.9	92.3	98.3
Subtotal	194.5	202.7	219.0	227.1	413.5	429.8
Construction in Progress	31.6	16.7	110.2	99.8	141.8	116.5
Total Capital Assets	\$ 226.1	\$ 219.4	\$ 329.2	\$ 326.9	\$ 555.3	\$ 546.3

County of Oakland Management's Discussion and Analysis

Net capital assets for the governmental activities increased by \$6.7 million in fiscal year 2018. This change includes an increase of \$14.9 million in construction in progress. The increase was offset by reductions of \$5.2 million in buildings and improvements, \$2.3 million in equipment and vehicles, and \$700,000 in Infrastructure. In terms of gross numbers, the County's governmental activities had additions to capital assets of \$24.0 million, \$4.8 million in disposals of capital assets, and a \$12.5 million increase in net accumulated depreciation.

Of the \$24.0 million in additions to capital assets during fiscal year 2018, \$16.1 million reflects additions to construction in progress. Major governmental activity incurred for construction in progress includes the following:

- \$6.4 million for various building security system enhancements
- \$2.7 million for renovations and improvement to the county complex steam tunnel system
- \$2.5 million for technology software and hardware projects consisting of:
 - Universal Communications and Collaboration Program of \$1.7 million that will replace the end of life technologies and provide increased network capacity, voice over IP (VOIP) phone service, voicemail service, and increased conferencing options
 - Tax assessment and management software of \$220,000
 - Imaging system project of \$200,000
 - Watchguard in car video cameras and mobile data computers of \$160,000 used in the Sheriff's Office patrol vehicles
 - Case management system for Children's Village of \$90,000
- \$880,000 for renovations and improvements to the county jail
- \$623,000 on service center parking lot replacements and improvements
- \$614,000 for the replacement of various building equipment including chillers, fire suppression systems, emergency generators, and elevator improvements
- \$563,000 on improvements and replacements for Children's Village including improvement to living quarters, new security fencing, and replacements of the intercom system and the kitchen dishwasher
- \$438,000 toward a new building management system
- \$413,000 for enhanced in-building radio coverage
- \$246,000 for an upgrade to an analog safety system
- \$166,000 on the expansion of the patrol services building

The remaining \$7.9 million reflects additions primarily to equipment and vehicles. The County had vehicle additions of \$3.7 million which included replacement of several fleet vehicles and specialty vehicles including a CCTV van, tractor truck, crane truck, dump truck, and an increase to the fleet of 15 vehicles including 7 additional patrol vehicles used by the Sheriff's Office and 8 other vehicles used by various other departments. There were purchases of \$1.3 million in equipment used in jail and law enforcement operations including \$637,000 for the replacement and upgrade of a helicopter imaging system, \$338,000 for equipment used in the Sheriff's Office communications center, and various other equipment used for patrol, training, and detention services. Additional equipment purchased included \$517,000 for technology replacements and upgrades to network and storage equipment, \$344,000 for various grounds and building maintenance equipment, \$255,000 for improvements to six (6) Circuit Court courtroom audio video systems, \$227,000 for a mail sorter used to support County mail services, and \$62,000 to replace cash registers used by various departments.

County of Oakland Management's Discussion and Analysis

The County disposed of \$3.6 million in equipment and vehicles during fiscal year 2018. Disposals primarily included vehicles which were replaced by the new purchases discussed above, as well as computer and maintenance equipment that were sold at auction.

Net capital assets for the business-type activities increased \$2.3 million during fiscal year 2018. This change is comprised of a \$10.4 million net increase for construction in progress. The increase was offset by net decreases of \$5.3 million in infrastructure, \$1.4 million in buildings and improvements, \$900,000 in land improvements, and \$500,000 in equipment and vehicles. In terms of gross numbers, the County's business-type activities had additions to capital assets of \$22.2 million, \$4.8 million in disposals of capital assets, and a \$10.9 million net decrease in accumulated depreciation.

Major business-type capital asset additions during fiscal year 2018 included the following:

- \$8.2 million in the Evergreen Farmington Sewage Disposal System Fund for various projects directed to system improvement and sanitary sewer overflow reduction including \$2.4 million for the Middlebelt Tunnel sewer project, \$2.2 million on the Quanton Road Relief project, and \$1.4 million relating to the Telegraph/Franklin sewer replacement
- \$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, sewer line replacement expanding the Clinton River from bank-to-bank including new chambers for bypass, as well as residential water meter replacements
- \$1.9 million in projects for the Parks and Recreation Fund consisted of an array of park improvements including ADA accessibility improvements, building repairs, waterpark structure restoration, dock replacement, concession freezers, rescue boats, and grounds maintenance equipment replacement
- \$1.2 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
- \$1.1 million for the Walled Lake Novi Wastewater Treatment Facility for safety and facility improvements
- \$350,000 in the Courts and Law Enforcement Management Information System (CLEMIS) Fund primarily for optimization of the Computer Aided Dispatch (CAD) system
- \$304,000 in the Fire Records Management System (FRMS) Fund to develop an in-house solution based on the CLEMIS platform to improve the system for fire response community customers
- \$204,000 in the Radio Communications Fund related to upgrading existing infrastructure and 911 call taking system
- \$158,000 for the Oakland County Airport Fund for ground equipment, vehicles and terminal roof replacement

Capital asset disposals for business-type activities totaled \$4.8 million for fiscal year 2018. This included outdated and fully depreciated computer equipment which was sold at the County auction, and fully depreciated vehicles and other equipment which were replaced as previously explained. The above additions were further offset by \$15.2 million in depreciation expense.

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

County of Oakland Management's Discussion and Analysis

Long-term Debt - As of September 30, 2018, the Primary Government had \$436.0 million in bonds and notes outstanding. Of this amount, \$411.0 million are bonds with limited taxing authority, and \$25.0 million are notes with limited taxing authority. This represents a \$25.0 million decrease from September 30, 2017 in the limited tax authority bonds and no change in the limited taxing authority notes. In addition, the County uses its full faith and credit (as a secondary obligor), to back \$238.3 million of Drainage District component unit debt. The Drainage District component unit debt experienced an overall decrease of \$11.9 million in fiscal year 2018. As detailed in Note 8 of the financial statements, this is the result of approximately \$20.1 million in debt reductions and \$8.3 million in new debt issues.

Outstanding Debt as of September 30, 2018 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
Bonds - Limited Tax Authority	\$ 375.3	\$ 407.8	\$ 35.7	\$ 28.2	\$ 411.0	\$ 436.0
Total Bonds	\$ 375.3	\$ 407.8	\$ 35.7	\$ 28.2	\$ 411.0	\$ 436.0
Notes - Limited Tax Authority	\$ -	\$ -	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0
Total Outstanding Debt	\$ 375.3	\$ 407.8	\$ 60.7	\$ 53.2	\$ 436.0	\$ 461.0
Drainage Districts						
Component Unit			Total County Commitment			
Bonds - Limited Tax Authority	2018	2017	2018	2017		
	\$ 238.3	\$ 250.2	\$ 649.3	\$ 686.2		
Total Bonds	\$ 238.3	\$ 250.2	\$ 649.3	\$ 686.2		
Notes - Limited Tax Authority	\$ -	\$ -	\$ 25.0	\$ 25.0		
Total Outstanding Debt	\$ 238.3	\$ 250.2	\$ 674.3	\$ 711.2		
Debt Limit (10% of SEV)			\$ 7,187.1	\$ 6,900.8		
Available Statutory Debt Limit			\$ 6,512.8	\$ 6,189.6		

Oakland County issued approximately \$14.9 million in general government and business-type activity debt in fiscal year 2018. Of this total, general government debt of \$2.6 million includes \$2.4 million of Michigan Bond Authority – Sewage Disposal bonds and \$.2 million of Water Supply Act 342. Business-type debt supports \$8.3 million of Sewage Disposal – Act 34 for the Evergreen-Farmington Sewage Disposal System improvements that incorporates the Telegraph-Franklin Sewer replacement of \$6.7 million, the Eight Mile Pump Station Automatic Transfer Switch of \$1.0 million and the Eldon Street sewer extension of \$0.6 million. Additionally, \$.1 million includes the Evergreen Farmington Sewage Disposal Refunding bonds. Finally, \$0.9 million reflects the County's use of State Revolving Fund loans for business-type activity related to Pontiac Water Supply System capital improvements.

County of Oakland Management's Discussion and Analysis

The Drainage Districts component unit issued \$8.3 million in new debt during fiscal year 2018. Of this amount, \$2.3 million reflects Drain Refunding bonds for the Bloomfield Township Combined Sewer Drainage District. The remaining \$6.0 million includes draws of State Revolving Fund loans for the Clinton River Resource Recovery Facility Drainage District for the Biosolids Handling and Septage Receiving Facility Project that involves converting solid waste into methane gas and also 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 issued, representing the same amount issued in the previous fiscal year. These notes are routinely paid off within a year of issuance.

During fiscal year 2018, \$39.9 million in outstanding general government and business-type debt was paid, primarily reflecting the retirement of Retirees Health Care bonds of \$23.9 million, the retirement of various water and sewer bonds/refunding bonds of \$7.7 million, and retirement of Building Authority bonds/refunding bonds of \$8.3 million.

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, 2018 was \$72.0 billion.

County of Oakland
Management's Discussion and Analysis

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 has fallen to 3.2 percent (2018 average) and employment is projected to grow by approximately 42,000 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 5.0 percent for December 2018; an additional 4.5 percent increase for December 2019; and an additional 4.5 percent increase by December 2020. Market value of property is projected to be even higher. Every 1.0 percent increase in taxable value adds approximately \$2.3 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 27, 2018, the Oakland County Board of Commissioners adopted a balanced budget for fiscal years 2019, 2020, and 2021 (through September 30, 2021). That document also includes official estimates for fiscal years 2022 and 2023.

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.

**County of Oakland
Statement of Net Position
September 30, 2018**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
Assets				
Current assets	\$ 451,382,576	\$ 398,542,869	\$ 849,925,445	\$ 46,398,677
Cash and cash equivalents	-	-	-	75,163,170
Investments, at fair value	13,880,260	-	13,880,260	-
Receivables (net of allowance for uncollectibles where applicable)	-	-	-	-
Current property taxes	25,102,368	-	25,102,368	-
Delinquent property taxes	530,431	46,624,635	47,155,066	-
Special assessments	-	-	-	-
Due from other governmental units	27,063,264	25,226,301	52,289,565	3,922,138
Due from component units	731,078	84,391	815,469	5,346,825
Accrued interest receivable	2,001,589	3,464,007	5,465,596	-
Accounts receivable	1,724,803	38,858,713	40,583,516	213,710
Contracts receivable	31,256,049	1,473,880	32,729,929	-
Internal balances - footnote 19	12,948	(12,948)	-	-
Inventories and supplies	1,533,483	395,072	1,928,555	3,417,472
Prepayments and other assets	9,059,998	3,382,544	12,442,542	3,262,677
Total current assets	564,278,847	518,039,464	1,082,318,311	161,447,711
Noncurrent assets				
Special assessments receivable	60,507,675	-	60,507,675	197,547,792
Pension asset	22,623,016	-	22,623,016	-
OPFB asset	401,913,734	-	401,913,734	-
Capital assets, net				
Land and other nondepreciable assets	38,967,222	1,784,161,197	2,173,834,419	339,332,654
Land improvements, net	235,358	6,684,667	6,920,025	741,390
Buildings and improvements, net	141,932,184	55,538,678	197,470,862	68,479,840
Equipment and vehicles, net	30,246,236	10,961,299	41,207,535	13,198,014
Infrastructure, net	14,674,977	77,603,399	92,278,376	1,094,149,302
Total capital assets, net	226,055,977	329,204,200	555,260,177	1,515,901,200
Total noncurrent assets	711,100,402	-	1,040,304,602	1,713,448,992
Total assets	1,275,379,249	847,243,664	2,122,622,913	1,874,896,703
Deferred Outflows of Resources				
Deferred outflows related to pension	-	-	-	6,622,191
Deferred outflows related to OPFB	-	-	-	8,005,781
Total deferred outflows of resources	-	-	-	14,627,972
				(continued)

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

**County of Oakland
Statement of Net Position (Continued)
September 30, 2018**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
Liabilities				
Current liabilities	\$ 24,355,838	\$ 4,013,729	\$ 28,369,567	\$ 15,630,745
Vouchers payable	6,951,321	-	6,951,321	-
Accrued payroll	1,438,420	16,497,775	17,936,195	13,957,324
Due to other governmental units	-	-	-	815,469
Due to primary government	-	-	-	-
Due to component units	362,657	116,736	479,393	-
Accrued interest payable	26,925,743	7,853,502	34,779,245	7,349,838
Other accrued liabilities	1,264,656	-	1,264,656	-
Accrued compensated absences	20,770,197	2,168,535	22,938,732	36,331,054
Unearned revenue	7,177,353	-	7,177,353	465,050
Claims and judgments	35,630,000	27,456,400	63,086,400	19,213,600
Bonds and notes payable	124,876,185	58,106,677	182,982,862	93,863,080
Total current liabilities	363,601,782	91,349,538	454,951,320	161,447,711
Noncurrent liabilities				
Accrued compensated absences	11,381,698	-	11,381,698	2,585,798
Claims and judgments	12,574,678	-	12,574,678	5,100,085
Net pension liability	-	-	-	33,601,609
Net OPFB obligation	-	-	-	125,643,741
Bonds and notes payable	339,645,206	33,242,861	372,888,067	219,018,619
Total noncurrent liabilities	363,601,782	33,242,861	396,844,643	381,359,852
Total liabilities	727,203,564	124,592,399	851,795,963	542,807,563
Deferred Inflows of Resources				
Deferred inflows related to pension	9,273,581	-	9,273,581	3,916,875
Deferred inflows related to OPFB	120,188,280	-	120,188,280	2,263,842
Total deferred inflows of resources	129,461,861	-	129,461,861	6,180,717
Net Position				
Net investment in capital assets	181,610,977	293,504,939	475,115,916	1,277,568,981
Restricted for				
Property tax forfeiture	12,860,936	-	12,860,936	-
Superseding Trust - OPFB	14,058,877	-	14,058,877	-
Public safety	9,440,983	-	9,440,983	-
Citizens services	2,119,381	-	2,119,381	-
Public works	1,597,319	-	1,597,319	23,387,478
Justice Administration	1,757,417	-	1,757,417	-
Commerce and community development	7,998,812	-	7,998,812	-
Debt service	7,555,029	-	7,555,029	-
Airports	-	69,930	69,930	174,931,803
Community water and sewer	97,102,206	-	97,102,206	-
Unrestricted	418,439,690	365,217,051	783,656,741	(67,767,250)
Total net position	\$ 657,439,421	\$ 755,894,126	\$ 1,413,333,547	\$ 1,408,121,026

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

**County of Oakland
Statement of Activities
Year Ended September 30, 2018**

Functions/Programs	Program Revenues					Net Revenue (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary government						
Governmental activities						
General government, administrative	\$ 35,548,340	\$ 27,513,139	\$ 722,999	\$ 23,273	\$ (7,288,929)	
Public safety	169,208,309	69,089,611	21,820,828	45,046	(78,253,024)	
Justice administration	78,025,038	31,538,861	571,023	-	(45,915,154)	
Citizen services	73,510,309	9,710,786	16,820,290	-	(46,979,263)	
Public works	27,336,927	16,873,895	1,000	2,187,532	(8,274,500)	
Recreation and leisure	1,294,311	14,527	-	-	(1,279,784)	
Commerce and community development	40,532,530	20,968,785	20,652,246	-	1,088,501	
Unallocated depreciation	3,557,676	-	-	-	(3,557,676)	
Interest on debt	3,609,194	-	-	-	(3,609,194)	
Total governmental activities	432,622,834	175,709,574	60,588,386	2,253,851	(194,069,023)	
Business-type activities						
Airports	6,316,381	4,711,066	92,761	-	(1,512,554)	
Community safety support	18,114,764	14,601,037	-	-	(3,513,727)	
Community tax financing	1,423,477	12,723,395	-	-	11,299,918	
Community water and sewer	100,192,304	98,234,422	50,227	772,916	(1,134,739)	
Recreation and leisure	26,891,978	10,424,470	660,093	68,469	(15,738,946)	
Sewage disposal systems	138,538,969	142,048,906	1,212,675	8,809,512	13,512,124	
Total business-type activities	291,497,873	282,743,286	2,015,756	9,650,897	2,912,076	
Total primary government	\$ 724,120,707	\$ 458,452,870	\$ 62,604,142	\$ 11,906,748	\$ (191,156,947)	
Component units						
Drainage districts	\$ 110,637,160	\$ 97,613,054	\$ 946,383	\$ 16,889,664	\$ 4,811,941	
Road commission	129,362,141	17,700,157	96,021,998	53,851,882	38,211,896	
Total component units	\$ 239,999,301	\$ 115,313,211	\$ 96,968,381	\$ 70,741,546	\$ 43,023,837	(continued)

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

**County of Oakland
Statement of Activities (Continued)
Year Ended September 30, 2018**

Changes in net position	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Totals	
Net (expense) revenue	\$ (194,069,023)	\$ 2,912,076	\$ (191,156,947)	\$ 43,023,837
General revenues				
Taxes				
Property taxes	227,384,489	12,707,412	240,091,901	-
State-shared revenue (unrestricted)	45,299,918	323,212	45,623,130	-
Unrestricted investment earnings	5,743,583	5,282,745	11,026,328	2,003,125
Gain (loss) on sale of capital assets	478,887	-	478,887	(1,053,475)
Other revenues	1,543,368	-	1,543,368	-
Transfers in (out)	12,156,434	(12,156,434)	-	-
Total general revenues and transfers	292,606,679	6,156,935	298,763,614	949,650
Change in net position	98,537,656	9,069,011	107,606,667	43,973,487
Net position				
Beginning (as restated, see Note 21)	558,901,765	746,825,115	1,305,726,880	1,364,147,539
Ending	\$ 657,439,421	\$ 755,894,126	\$ 1,413,333,547	\$ 1,408,121,026

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

Governmental Fund Financial Statements

Major Funds

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

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

County of Oakland Balance Sheet Governmental Funds September 30, 2018

	Major Funds		
	General	Building Authority Debt Act 31	Water and Sewer Debt Act 342
Assets			
Pooled cash and investment	\$ 232,404,550	\$ 6,771,564	\$ 1,058,494
Receivables (net of allowance for uncollectibles where applicable)	-	-	-
Current property taxes	25,102,368	-	-
Delinquent property taxes	530,431	-	-
Due from other governmental units	12,830,604	-	-
Due from component units	14,187	-	-
Accrued interest receivable	746,135	15,716	120
Accounts receivable	221,427	752,722	-
Contracts receivable	17,337,649	11,435,000	-
Special assessments receivable	-	-	58,835,727
Due from other funds	8,016,995	-	-
Advances receivable	-	-	-
Inventories	174,570	-	-
Prepayments and other assets	131,334	-	74,374
Total assets	\$ 297,210,450	\$ 18,975,002	\$ 59,968,715
Liabilities			
Vouchers payable	\$ 10,062,363	\$ -	\$ 1,118,694
Accrued payroll	6,951,321	-	-
Due to other governmental units	1,108,750	-	-
Due to other funds	3,812,219	-	-
Advances payable	-	-	-
Unearned revenue	12,914,653	-	2,100,521
Other accrued liabilities	6,729,083	-	500
Total liabilities	41,578,389	-	3,219,715
Deferred Inflows of Resources			
Unavailable revenue-property taxes	10,716,256	-	-
Unavailable revenue-special assessments	-	-	56,735,206
Unavailable revenue-grants	170,868	-	-
Unavailable revenue-contracts receivable	-	11,435,000	-
Unavailable revenue-other	-	-	-
Total deferred inflows of resources	10,887,124	11,435,000	56,735,206
Fund Balances			
Nonspendable	306,104	-	-
Restricted	12,860,936	7,540,002	13,794
Committed	-	-	-
Assigned	230,412,909	-	-
Unassigned	1,464,988	-	-
Total fund balances	245,044,937	7,540,002	13,794
Total liabilities, deferred inflows of resources, and fund balances	\$ 297,510,450	\$ 18,975,002	\$ 59,968,715

(continued)

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

**County of Oakland
Balance Sheet (Continued)
Governmental Funds
September 30, 2018**

Assets	Non-Major Funds	Totals September 30, 2018
Pooled cash and investments	\$ 75,355,487	\$ 315,590,095
Receivables (net of allowance for uncollectibles where applicable)	-	-
Current property taxes	-	25,102,368
Delinquent property taxes	-	530,431
Due from other governmental units	14,177,590	27,008,194
Due from component units	702,648	716,835
Accrued interest receivable	146,210	908,181
Accounts receivable	201,630	1,175,779
Contracts receivable	2,483,400	31,256,049
Special assessments receivable	1,671,948	60,507,675
Due from other funds	4,236,024	12,253,019
Advances receivable	1,043,199	1,043,199
Inventories	-	174,570
Prepayments and other assets	2,255,077	2,460,985
Total assets	\$ 102,273,213	\$ 478,727,380
Liabilities		
Vouchers payable	\$ 4,517,663	\$ 15,698,720
Accrued payroll	-	6,951,321
Due to other governmental units	90,182	1,198,932
Due to other funds	9,697,554	13,509,773
Advances payable	1,043,199	1,043,199
Unearned revenue	5,222,529	20,237,703
Other accrued liabilities	141,139,898	20,869,481
Total liabilities	34,711,025	79,509,129
Deferred Inflows of Resources		
Unavailable revenue-property taxes	-	10,716,256
Unavailable revenue-special assessments	1,671,948	58,407,154
Unavailable revenue-grants	3,023,006	3,193,874
Unavailable revenue-contracts receivable	2,365,000	13,800,000
Unavailable revenue-other	2,537,912	2,537,912
Total deferred inflows of resources	9,597,866	88,655,196
Fund balances		
Nonspendable	-	306,104
Restricted	17,183,359	37,598,091
Committed	44,273,743	44,273,743
Assigned	-	230,412,909
Unassigned	(3,492,780)	(2,027,792)
Total fund balances	57,964,322	310,563,055
Total liabilities, deferred inflows of resources, and fund balances	\$ 102,273,213	\$ 478,727,380

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, 2018**

Total fund balances for governmental funds	\$ 310,563,055
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	23,130,149
Land improvements, net of \$1,164,783 depreciation	235,358
Buildings and improvements, net of \$124,333,184 depreciation	140,179,670
Equipment and vehicles, net of \$26,873,843 depreciation	11,760,300
Infrastructure, net of \$16,831,815 depreciation	14,602,778
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.	
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.	177,745,658
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.	10,185,825
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:	77,938,940
Bonds and notes payable	(115,775,206)
Accrued interest payable	(362,657)
Net position of governmental activities	\$ 657,459,421

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, 2018**

	Major Funds		
	General	Building Authority Debt Act 31	Water and Sewer Debt Act 342
Revenues			
Taxes	\$ 228,013,169	\$ -	\$ -
Special assessments	-	1,095,897	4,867,171
Federal grants	973,505	-	-
State grants	4,829,285	-	-
Other intergovernmental revenues	47,507,960	-	-
Charges for services	118,785,984	1,332	2,050
Contributions	44,479	-	-
Investment income	2,284,957	91,418	4,033
Indirect cost recovery	9,145,652	-	-
Other	516,086	-	855
Total revenues	412,101,077	1,188,647	4,874,109
Expenditures			
Current operations			
County Executive	94,389,462	2,000	-
Clerk/Register of Deeds	8,715,370	-	-
Treasurer	7,643,131	-	-
Justice administration	55,471,428	-	-
Law enforcement	172,990,133	-	-
Legislative	4,937,625	-	-
Water Resource Commissioner	7,040,221	-	3,529
Non-departmental	21,825,031	-	-
Total current operations	373,012,401	2,000	3,529
Capital outlay	504,176	-	-
Intergovernmental	-	-	1,834
Debt service	-	-	-
Principal payments	-	3,215,000	3,345,000
Interest and fiscal charges	-	1,136,879	1,526,072
Total expenditures	373,516,577	4,353,879	4,876,435
Excess (deficiency) of revenues over (under) expenditures	38,584,500	(3,165,232)	(2,326)
Other financing sources (uses)			
Transfers in	9,638,489	3,946,546	-
Transfers out	(67,958,139)	-	-
Insurance recoveries	-	-	-
Issuance of bonds	-	-	-
Total other financing sources (uses)	(58,319,650)	3,946,546	-
Net change in fund balances	(19,735,150)	781,314	(2,326)
Fund balances			
October 1, 2017	264,780,087	6,758,688	16,120
September 30, 2018	\$ 245,044,937	\$ 7,540,002	\$ 13,794

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, 2018**

	Non-Major Funds	Totals September 30, 2018
Revenues		
Taxes	\$ -	\$ 228,013,169
Special assessments	2,165,122	8,128,190
Federal grants	30,053,903	31,027,408
State grants	23,717,428	28,546,713
Other intergovernmental revenues	12,352,892	59,860,852
Charges for services	13,061,796	131,851,62
Contributions	82,734	127,213
Investment income	422,610	2,803,018
Indirect cost recovery	-	9,145,652
Other	355,271	872,212
Total revenues	82,211,756	500,375,589
Expenditures		
Current operations		
County Executive	67,674,686	162,066,148
Clerk/Register of Deeds	1,946,198	10,661,568
Treasurer	-	7,643,131
Justice administration	25,142,975	80,614,403
Law enforcement	7,930,045	180,920,178
Legislative	7,004	4,944,629
Water Resource Commissioner	7,822,405	14,866,155
Non-departmental	-	21,825,031
Total current operations	110,523,313	483,541,243
Capital outlay	23,760,582	24,264,758
Intergovernmental	-	1,834
Debt service	-	-
Principal payments	4,665,000	11,225,000
Interest and fiscal charges	986,175	3,649,126
Total expenditures	139,935,070	522,681,961
Excess (deficiency) of revenues over (under) expenditures	(57,723,314)	(22,306,372)
Other financing sources (uses)		
Transfers in	68,452,530	82,037,565
Transfers out	(7,073,596)	(75,031,735)
Insurance recoveries	857,096	857,096
Issuance of bonds	2,589,311	2,589,311
Total other financing sources (uses)	64,825,341	10,452,237
Net change in fund balances	7,102,027	(11,854,135)
Fund balances		
October 1, 2017	50,862,295	322,417,190
September 30, 2018	\$ 57,964,322	\$ 310,565,055

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, 2018**

Net change in fund balance - total governmental funds		\$ (11,854,135)
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	\$ 12,760,766	
Buildings and improvements	812,481	
Equipment and vehicles	1,239,597	
Infrastructure	-	
Depreciation expense	(9,397,392)	5,415,452
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.		97,750,230
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.	(10,814,505)	
Prior year's deferral	101,851,825	(628,680)
Current year deferral		
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.		(821,896)
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	(2,589,311)	
Repayment of bond principal	11,225,000	8,676,685
Accrued interest	40,996	
Change in net position of governmental activities		\$ 98,537,656

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, 2018**

	Business-Type Activities - Enterprise Funds				
	Major				
Assets	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Current assets					
Pooled cash and investments	\$23,743,664	\$ 163,992,090	\$ 16,379,260	\$ 79,530,634	\$ 19,432,030
Investments, at fair value	-	-	-	-	-
Delinquent property taxes receivable	-	46,624,635	-	-	-
Due from other governmental units	31,920	785,162	600	2,672,204	8,337,477
Due from component units	-	-	-	-	84,391
Accrued interest receivable	40,425	2,084,668	117,773	308,729	154,678
Accounts receivable (net of allowance for uncollectibles where applicable)	159,489	8,917,843	270,564	28,088,686	5,460
Due from other funds	-	-	1,473,880	14,183	-
Current portion of contracts receivable	-	-	-	-	-
Current portion of advances receivable	137,440	12,883	-	-	-
Inventories and supplies	1,325	375	-	801,894	-
Prepayments and other assets	-	-	-	-	-
Total current assets	24,114,263	222,417,656	18,242,077	111,416,330	28,034,036
Noncurrent assets					
Advances receivable	-	25,766	-	-	-
Net pension assets	-	-	-	-	-
Net OPEB assets	-	-	-	-	-
Capital assets, net					
Land and other nondepreciable assets	32,032,908	-	36,715,610	23,257,957	64,048,535
Land improvements, net	-	-	6,217,593	-	467,074
Building and improvements, net	18,526,836	-	20,619,332	2,501,283	11,272,390
Equipment and vehicles, net	1,317,471	-	562,434	2,887,742	390,699
Infrastructure, net	13,814,550	-	2,244,205	38,306,516	7,890,567
Total capital assets	65,691,765	-	66,359,174	66,953,498	84,069,265
Total noncurrent assets	65,691,765	25,766	66,359,174	66,953,498	84,069,265
Total assets	89,806,028	222,443,422	84,601,251	178,369,828	112,103,301

(continued)

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

**County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2018**

	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	Tanks September 30, 2018	
Assets					
Current assets					
Pooled cash and investments	\$ 37,813,275	\$ 10,825,576	\$ 46,826,340	\$ 398,542,869	\$ 135,792,481
Investments, at fair value	-	-	-	-	13,880,260
Delinquent property taxes	-	-	-	46,624,635	-
Due from other governmental units	6,999,459	4,792,847	1,586,632	25,226,301	55,070
Due from component units	-	-	-	84,391	14,243
Accrued interest receivable	266,352	169,130	322,252	3,464,007	1,093,408
Accounts receivable (net of allowance for uncollectibles where applicable)	33,256	-	1,383,415	38,858,713	549,024
Due from other funds	-	-	-	14,183	1,322,534
Current portion of contracts receivable	-	-	-	-	-
Current portion of advances receivable	-	-	-	12,883	-
Inventories and supplies	-	-	257,632	395,072	1,358,913
Prepayments and other assets	455,350	-	2,123,600	3,382,544	6,589,013
Total current assets	45,567,692	15,787,533	52,499,871	518,079,478	160,664,046
Noncurrent assets					
Advances receivable	-	-	-	25,766	-
Net pension asset	-	-	-	-	22,623,016
Net OPEB asset	-	-	-	-	401,913,734
Capital assets, net					
Land and other nondepreciable assets	4,435,224	15,123,019	2,802,944	178,416,197	8,601,522
Land improvements, net	-	-	-	6,684,667	-
Building and improvements, net	42,208	180,005	2,396,624	55,538,678	1,752,514
Equipment and vehicles, net	137,152	279,914	5,385,887	10,961,299	18,485,936
Infrastructure, net	1,069,830	12,240,198	2,037,493	77,603,359	72,199
Total capital assets	5,684,414	27,823,136	12,622,948	329,204,200	28,912,171
Total noncurrent assets	5,684,414	27,823,136	12,622,948	329,204,200	453,448,921
Total assets	51,252,106	43,610,689	65,122,819	847,209,444	614,113,867
(continued)					

(continued)

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

**County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2018**

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farming SDS
Liabilities					
Current liabilities					
Vouchers payable	\$ 295,701	\$ 268,269	\$ 415,000	\$ 2,003,137	\$ 439,470
Due to other governmental units	6,168	2,408,552	-	1,712,779	6,045,418
Due to other funds	-	-	-	-	-
Unearned revenue	110,771	-	1,761,435	-	-
Notes payable	-	25,000,000	-	-	-
Accrued interest payable	-	116,736	-	-	-
Current portion of bonds payable	-	-	660,000	1,071,400	725,000
Current portion of accrued compensated absences	-	-	-	-	-
Current portion of claims and judgments	-	-	-	-	-
Current portion of advances payable	-	-	-	-	-
Other accrued liabilities	506,610	39,074	501,587	4,043,428	1,181,092
Total current liabilities	919,250	25,664,911	3,338,022	8,830,744	8,390,980
Noncurrent liabilities					
Bonds payable	-	-	5,625,000	15,162,861	12,455,000
Accrued compensated absences	-	-	-	-	-
Claims and judgments	-	-	-	-	-
Advances payable	-	-	-	-	-
Total noncurrent liabilities	-	-	5,625,000	15,162,861	12,455,000
Total liabilities	919,250	25,664,911	8,963,022	23,993,605	20,845,980
Deferred Inflows of Resources					
Deferred inflows related to pension	-	-	-	-	-
Deferred inflows related to OPEB	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Net position					
Net investment in capital assets	65,691,765	-	60,074,174	50,719,237	70,889,265
Restricted for programs	23,195,013	196,778,511	69,930	56,550,589	4,467,031
Unrestricted	\$ 88,886,778	\$ 196,778,511	\$ 15,494,125	\$ 46,726,997	\$ 15,901,025
Total net position			\$ 75,638,229	\$ 154,376,223	\$ 91,257,321
					(continued)

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

**County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major			Totals	
	S.O.C.S.D.S.	Clinton-Oakland S.D.S.	Non-Major Funds	September 30, 2018	
Liabilities					
Current liabilities					
Vouchers payable	\$ 94,896	\$ 248,506	\$ 248,750	\$ 4,013,729	\$ 8,657,118
Due to other governmental units	7,509,216	53,222	930,140	16,497,775	239,488
Due to other funds	1,950	-	63,830	65,780	14,183
Unearned revenue	-	-	296,329	2,168,535	2,063
Notes payable	-	-	-	25,000,000	-
Accrued interest payable	-	-	-	116,736	-
Current portion of bonds payable	-	-	-	2,456,400	24,750,000
Current portion of accrued compensated absence	-	-	-	-	1,264,656
Current portion of claims and judgments	-	-	-	-	7,177,353
Current portion of advances payable	-	-	-	-	12,883
Other accrued liabilities	652,737	59,696	869,278	7,853,502	6,056,262
Total current liabilities	8,258,799	361,424	2,408,327	58,172,457	48,174,006
Noncurrent liabilities					
Bonds payable	-	-	-	33,242,861	234,750,000
Accrued compensated absences	-	-	-	-	11,381,898
Claims and judgments	-	-	-	-	12,574,678
Advances payable	-	-	-	-	25,766
Total noncurrent liabilities	-	-	-	33,242,861	258,732,342
Total liabilities	8,258,799	361,424	2,408,327	91,415,318	306,506,348
Deferred Inflows of Resources					
Deferred inflows related to pension	-	-	-	-	9,273,581
Deferred inflows related to OPEB	-	-	-	-	120,188,280
Total deferred inflows of resources	-	-	-	-	129,461,861
Net position					
Net investment in capital assets	5,684,414	27,823,136	12,622,948	293,504,939	28,912,171
Restricted for programs	16,803,113	12,666,393	6,235,080	97,172,136	14,058,877
Unrestricted	20,505,780	2,759,736	43,856,664	365,217,051	134,774,610
Total net position	\$ 42,993,307	\$ 43,249,265	\$ 62,714,492	\$ 755,894,126	\$ 177,745,658

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, 2018**

	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	\$ 10,305,166	\$ 12,086,380	\$ 4,703,516	\$ 97,922,162	\$ 44,232,701
Other	98,279	20,344	-	267,060	57,462
Total operating revenues	10,403,445	12,106,724	4,703,516	98,189,222	44,290,163
Operating expenses					
Salaries	9,613,939	112,824	1,244,789	116,065	-
Fringe benefits	3,329,816	82,271	713,842	73,894	-
Fringe benefits - pension	-	-	-	-	-
Contractual services	7,100,237	244,624	1,504,376	45,766,605	39,608,779
Commodities	1,636,563	-	139,732	2,023,436	60,038
Depreciation	3,541,292	-	2,194,445	2,116,228	794,725
Internal services	1,670,131	1,806	241,128	23,497,681	1,384,963
Intergovernmental	-	-	-	26,178,674	-
Total operating expenses	26,891,978	441,525	6,038,512	99,772,583	41,848,505
Operating income (loss)	(16,488,533)	11,665,199	(1,334,996)	(1,583,361)	2,441,658
Nonoperating revenues (expenses)					
Property taxes	12,707,412	-	-	-	-
Local community stabilization share	323,212	-	-	-	-
Contributions	660,093	-	400	50,227	598,871
Interest recovery - federal grants	-	-	92,361	-	78,347
Investment income	337,394	1,999,113	251,263	1,159,254	135,779
Interest expense	-	(533,402)	(278,069)	(419,721)	(206,277)
Premiums on bonds sold	-	-	-	57,144	-
Discount on bonds sold	-	(52,500)	-	-	(69,223)
Gain on sale of property and equipment	21,025	-	7,550	45,200	-
Total nonoperating revenues (expenses)	14,049,676	1,413,211	73,505	834,960	594,641
Income (loss) before transfers and contributions	(2,438,857)	13,078,410	(1,261,291)	(748,401)	3,036,299
Transfers and contributions					
Capital contributions	68,469	-	-	772,916	8,809,512
Transfers in	(61,327)	(13,662,517)	-	1,800	12,574
Transfers out	7,142	(13,662,517)	-	(573,725)	-
Total transfers and contributions	(2,431,715)	(584,107)	(1,261,291)	200,991	8,832,086
Change in net position	(2,431,715)	(584,107)	(1,261,291)	(547,410)	11,858,385
Net position					
October 1, 2017 (as Restated, see Note 21)	91,318,493	197,362,618	76,899,520	154,923,633	79,398,936
September 30, 2018	\$ 88,886,778	\$ 196,778,511	\$ 75,638,229	\$ 154,376,223	\$ 91,257,321

(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, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major				
	S.O.C.S.D.S.	Clinton-S.D.S.	Non-Major Funds	Totals September 30, 2018	
Operating revenues					
Charges for services	\$ 52,534,181	\$ 38,589,916	\$ 21,844,599	\$ 282,218,621	\$ 264,652,604
Other	5,954	-	393	449,492	671,156
Total operating revenues	52,540,135	38,589,916	21,844,992	282,668,113	265,323,760
Operating expenses					
Salaries	-	-	2,771,371	13,858,988	41,318,548
Fringe benefits	-	-	1,439,554	5,639,377	24,797,606
Fringe benefits - pension	-	-	-	-	(3,036,127)
Fringe benefits - OPEB	-	-	-	-	(675,121,195)
Contractual services	50,701,878	28,662,817	13,002,222	186,591,538	149,757,980
Commodities	131,035	44,389	517,700	4,533,093	8,344,103
Depreciation	41,429	860,417	5,597,137	15,145,673	6,595,461
Internal services	1,581,621	888,555	2,018,459	31,284,344	7,956,004
Intergovernmental	-	6,686,994	-	32,865,668	-
Total operating expenses	52,455,963	37,143,372	23,346,443	289,938,681	168,221,380
Operating income (loss)	84,172	1,446,544	(3,501,451)	(7,270,568)	97,102,380
Nonoperating revenues (expenses)					
Property taxes	-	-	-	12,707,412	-
Local community stabilization share	-	-	-	352,512	-
Contributions	101,551	356,126	77,780	1,845,048	-
Interest recovery - federal grants	-	-	-	170,708	-
Investment income	489,064	190,704	662,490	5,225,601	2,940,565
Interest expense	-	-	-	(1,437,469)	(10,133,011)
Premiums on bonds sold	-	-	-	57,144	-
Discounts on bonds sold	-	-	-	-	-
Gain on sale of property and equipment	-	-	1,408	75,183	478,887
Total nonoperating revenues (expenses)	590,615	546,830	741,678	18,845,116	(6,713,559)
Income (loss) before transfers and contributions	674,787	1,993,374	(2,759,773)	11,574,548	90,388,821
Transfers and contributions					
Capital contributions	-	-	-	9,650,897	2,210,805
Transfers in	-	-	2,460,761	2,475,135	5,610,811
Transfers out	-	-	(334,000)	(14,651,567)	(460,207)
Total transfers and contributions	-	-	2,126,761	(2,505,537)	7,561,409
Change in net position	674,787	1,993,374	(633,012)	9,069,011	97,750,230
Net position					
October 1, 2017 (as Restated, see Note 21)	42,318,520	41,255,891	63,347,504	746,825,115	79,995,428
September 30, 2018	\$ 42,993,307	\$ 43,249,265	\$ 62,714,492	\$ 755,894,126	\$ 177,345,658

(continued)

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

**County of Oakland
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2018**

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Rebating	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Cash flows from operating activities					
Cash received from users	\$ 10,602,765	\$ 13,451,285	\$ 4,741,690	\$ 98,154,154	\$ 43,634,954
Cash paid to suppliers	(14,119,893)	(328,743)	(2,194,024)	(99,796,916)	(42,672,385)
Cash paid to employees	(9,613,939)	(112,824)	(1,244,789)	(116,065)	-
Net cash provided by (used in) operating activities	(13,131,067)	13,009,718	1,302,877	(1,758,827)	962,569
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	-	1,800	-
T transfers to other funds	(61,327)	(13,662,517)	-	(373,725)	-
Local community stabilization share	323,212	-	-	-	-
Contributions	660,093	-	400	50,227	598,871
Interest recovery - federal grants	-	-	92,361	-	78,347
Interest paid on debt	-	-	-	-	-
Principal paid on debt	-	-	-	-	-
Purchase of delinquent property taxes	-	(63,097,393)	-	-	-
Delinquent property taxes collected	-	67,020,591	-	-	-
Issuance of short-term borrowings	-	24,947,500	-	-	-
Repayments received on advances	-	12,883	-	-	-
Property taxes	12,707,412	-	-	-	-
Interest paid on short-term borrowings	-	(576,388)	-	-	-
Payments on short-term borrowings	-	(25,000,000)	-	-	-
Net cash provided by (used in) noncapital financing activities	13,629,390	(10,355,324)	92,761	(521,698)	677,218
Cash flows from capital and related financing activities					
Contributions for capital acquisitions	39,920	-	-	-	-
Proceeds from sale of bonds	-	-	-	1,686,013	11,352,921
T transfers from other funds	-	-	-	-	12,574
Proceeds from sale of capital assets	21,025	-	7,550	45,200	-
Acquisition of capital assets	(1,879,636)	-	(158,145)	(5,395,186)	(2,978,314)
Principal paid on debt	-	-	(650,000)	(886,000)	(3,300,000)
Interest paid on debt	-	-	(278,069)	(419,721)	(206,277)
Amount paid on advances	-	-	-	-	-
Interest paid on advances	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(1,818,691)	-	(1,078,664)	(4,969,694)	4,880,904
Cash flows from investing activities					
Purchase of investments	-	-	-	-	-
Proceeds on sale of investments	331,407	1,826,187	237,223	1,076,713	125,792
Interest on investments	-	-	-	-	-
Net cash provided by investing activities	331,407	1,826,187	237,223	1,076,713	125,792
Net increase (decrease) in cash and cash equivalents	(988,961)	4,480,581	554,197	(6,173,506)	6,646,483
Pooled cash and investments					
October 1, 2017	24,732,625	159,511,509	15,825,063	85,704,140	12,785,547
September 30, 2018	\$ 23,743,664	\$ 163,992,090	\$ 16,379,260	\$ 79,530,634	\$ 19,432,030

(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, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major				
	S.O.C.S.D.S., Oakland S.D.S.	Clinton-Non-Major Funds	Totals September 30, 2018		
Cash flows from operating activities					
Cash received from users	\$ 50,393,417	\$ 37,767,264	\$ 21,806,639	\$280,552,168	\$265,818,229
Cash paid to suppliers	(53,019,691)	(36,275,051)	(17,383,302)	(265,790,005)	(188,885,540)
Cash paid to employees	-	-	(2,771,371)	(13,858,988)	(41,318,548)
Net cash provided by (used in) operating activities	(2,626,274)	1,492,213	1,651,966	903,175	35,614,141
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	2,460,761	2,462,561	4,996,478
T transfers to other funds	-	-	(334,000)	(14,631,569)	(460,207)
Local community stabilization share	-	-	-	323,212	-
Contributions	101,551	-	82,393	1,493,535	-
Interest recovery - federal grants	-	-	-	170,708	-
Principal paid on debt	-	-	-	-	(23,870,000)
Interest paid on debt	-	-	-	-	(10,131,947)
Purchase of delinquent property taxes	-	-	-	(63,097,393)	-
Delinquent property taxes collected	-	-	-	67,020,591	-
Issuance of short-term borrowings	-	-	-	24,947,500	-
Repayments received on advances	-	-	-	12,883	-
Property taxes	-	-	-	12,707,412	-
Interest paid on short-term borrowings	-	-	-	(576,388)	-
Payments on short-term borrowings	-	-	-	(25,000,000)	-
Net cash provided by (used in) noncapital financing activities	101,551	-	2,209,154	5,833,052	(29,465,676)
Cash flows from capital and related financing activities					
Contributions for capital acquisitions	-	-	-	39,920	23,273
Proceeds from sale of bonds	-	-	-	13,038,934	614,333
T transfers from other funds	-	-	-	12,574	75,183
Proceeds from sale of capital assets	-	-	1,408	(12,665,947)	(6,079,525)
Acquisition of capital assets	(1,147,174)	(381,067)	(726,425)	(4,836,007)	-
Principal paid on debt	-	-	-	(904,067)	-
Interest paid on debt	-	-	-	-	(12,883)
Amount paid on advances	-	-	-	-	(1,064)
Interest paid on advances	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(1,147,174)	(381,067)	(725,017)	(5,239,403)	(4,803,159)
Cash flows from investing activities					
Purchase of investments	-	-	-	-	(3,707,413)
Proceeds on sale of investments	455,277	178,254	622,268	4,853,121	2,812,975
Interest on investments	-	-	-	-	-
Net cash provided by investing activities	455,277	178,254	622,268	4,853,121	1,371,699
Net increase (decrease) in cash and cash equivalents	(3,216,620)	1,289,400	3,758,371	6,349,945	2,717,005
Pooled cash and investments					
October 1, 2017	\$ 41,029,895	9,536,176	43,067,969	392,192,924	133,075,476
September 30, 2018	\$ 37,813,275	\$ 10,825,576	\$ 46,826,340	\$398,542,869	\$135,792,481

(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, 2018**

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Operating (loss) income	\$ (16,488,533)	\$ 11,665,199	\$ (1,334,796)	\$ (1,583,361)	\$ 2,441,658
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities					
Depreciation expense	3,341,292	-	2,194,445	2,116,228	794,725
(Increase) decrease in due from other governmental units	1,696	319,214	-	198,107	(841,958)
(Increase) decrease in due from component units	-	-	-	-	72,209
(Increase) decrease in accounts receivable	183,241	912,611	12,873	(219,157)	114,540
(Increase) decrease in due from other funds	-	-	-	(140,18)	-
(Increase) decrease in inventories and supplies	(13,370)	-	-	-	-
(Increase) decrease in prepayments and other assets	1,530	(42)	-	(140,826)	-
(Increase) decrease in net pension asset	-	-	-	-	-
(Increase) decrease in net OPEB asset	-	-	-	-	-
(Increase) decrease in deferred outflows related to pension	-	-	-	-	-
Increase (decrease) in vouchers payable	(720,204)	190,327	372,756	(1,130,443)	(1,020,697)
Increase (decrease) in due to other governmental units	5,926	(73,536)	-	1,681,581	287,383
Increase (decrease) in due to component units	-	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	(450,976)	(94,198)
Increase (decrease) in unearned revenue	14,383	-	25,301	-	-
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	-
Increase (decrease) in other accrued liabilities	342,972	(4,055)	32,298	(221,5962)	(791,093)
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	\$ (13,131,067)	\$ 13,009,718	\$ 1,302,877	\$ (1,758,827)	\$ 962,569

(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, 2018**

	Business-Type Activities - Enterprise Funds				
	Major				
	S.O.C.S.D.S. - Oakland S.D.S.	Clinton-Non-Major Funds	Totals September 30, 2018	Governmental Activities - Internal Service Funds	
Operating income (loss)	\$ 84,172	\$ 1,446,544	\$ (3,501,451)	\$ (7,270,568)	\$ 97,102,380
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	41,429	860,417	5,597,137	15,145,673	6,595,461
(Increase) decrease in due from other governmental units	(2,146,763)	(823,102)	(60,570)	(3,353,376)	155,213
(Increase) decrease in due from component units	-	-	-	-	23,132
(Increase) decrease in accounts receivable	45	450	(140,78)	990,525	602,724
(Increase) decrease in due from other funds	-	-	3,694	22,876	(286,163)
(Increase) decrease in inventories and supplies	-	-	27,078	13,708	330,914
(Increase) decrease in prepayments and other assets	20,936	-	(206,634)	(325,036)	(121,849)
(Increase) decrease in net pension asset	-	-	-	-	(125,451)
(Increase) decrease in net OPEB asset	-	-	-	-	(140,553,657)
Increase (decrease) in vouchers payable	(270,381)	195,039	18,164	(2,365,439)	(853,190)
Increase (decrease) in due to other governmental units	(141,116)	(55,520)	60,18	1,710,736	(126,895)
Increase (decrease) in due to component units	(127,087)	-	-	(127,087)	(567)
Increase (decrease) in due to other funds	-	(62,991)	56,317	(551,848)	(36,312)
Increase (decrease) in unearned revenue	-	-	(599)	39,085	(437)
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	2,459,322
Increase (decrease) in other accrued liabilities	(87,509)	(68,624)	(306,310)	(3,098,283)	(313,076)
Increase (decrease) in due to component units	-	-	-	-	631,806
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-	(2,910,676)
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	\$ (2,626,274)	\$ 1,492,213	\$ 1,651,966	\$ 903,175	\$ 35,614,141

73,041,442

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, 2018

Noncash transactions
Enterprise Funds

Major funds:

Noncash and capital related financing activities included contribution of capital assets in the amount of \$28,549 and \$8,809,512 in the Parks and Recreation and Evergreen-Farmington S.D.S. funds, respectively; the recording of a portion of debt issuance in the Due from Other Governmental Units asset account in the amount of \$3,557,000 which will be financed by the City of Southfield, and forgiveness of debt in the amount of \$72,916 in the Water and Sewer Trust fund.

Noncash and non-capital related financing activities included the recording of Contracts Receivable and Unearned Revenue of \$1,473,880 in the County Airports fund, and recording of grant proceeds of \$356,126 in the Due from Other Governmental Units asset account in the Clinton-Oakland S.D.S. fund.

Nonmajor funds:

Noncash and capital related financing activities included acquisition of capital assets in the amount of \$239,949 reported in the Other Accrued Liabilities liability account, and write-off of capital assets in the amount of \$401,698 in the Radio Communications fund.

Noncash and non-capital related financing activities included recording of grant proceeds of \$29,786 in the Due from Other Governmental Units asset account in the Huron-Rouge S.D.S. fund.

Internal Service Funds

Noncash and capital related financing activities included contribution of capital assets in the amount of \$2,187,532, and write-off capital assets in the amount of \$309,787 in the Information Technology fund.

Noncash and non-capital related financing activities included the recording of reduction of pension expense of (\$3,036,127) and OPEB expense of (\$67,512,195) 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, 2018**

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds	Agency Funds
Assets			
Pooled cash and investments	\$ 30,327,184	\$ 417,662,539	\$ 275,581,104
Cash and cash equivalents	51,694,309	-	55,198
Investments - at fair value			
Common stock	415,248,854	-	-
Government agencies	98,294,337	-	-
Corporate bonds	166,651,877	-	-
Municipal bonds	3,697,504	-	-
Hedge funds	101,048,689	-	-
Partnerships	147,157,238	-	-
Asset-backed fixed income	26,374,558	-	-
Government bonds	86,909,171	-	-
Government mortgage-backed securities	84,773,131	-	-
Government issued commercial mortgage-backed securities	3,170,589	-	-
Non-government backed CMOs	2,014,788	-	-
Commercial mortgage-backed securities	17,886,911	-	-
Bank loans	5,688,044	-	-
Exchange traded funds	1,766,596	-	-
International common stock	612,703,645	-	-
Index linked government bonds	16,135,630	-	-
Real estate	196,541,784	-	-
Other fixed income	1,947,304	-	-
Other	392,468	-	-
Total investments	1,988,403,118	-	-
Receivables - interest and dividends	6,002,410	1,124,848	218,961
Receivables - other	60,710	-	-
Prepaid expenses	238,962	-	-
Total assets	2,076,726,693	418,787,387	276,352,013
Liabilities			
Vouchers payable	1,458,464	-	72,212,606
Due to other governmental units	-	-	189,195,711
Other accrued liabilities	2,692,698	-	14,943,696
Total liabilities	4,151,162	-	276,352,013
Net position			
Restricted for Pension and other Postemployment healthcare benefits, and pool participants	\$ 2,072,575,531	\$ 418,787,387	\$ -

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, 2018**

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds
Additions		
Contributions		
Pool participants	\$ -	\$ 703,577,869
Plan members	536,091	-
Total contributions	536,091	703,577,869
Investment income		
Interest and dividends	31,679,021	7,100,300
Net increase in fair value of investments	107,577,550	-
Total investment income	139,256,571	7,100,300
Less investment expense	5,153,682	-
Net investment income	134,102,889	7,100,300
Other revenue	3,465,534	-
Total additions	138,104,514	710,678,169
Deductions		
Benefits	95,090,145	-
Administrative expenses	1,030,024	-
Distribution to pool participants	96,120,169	839,247,922
Total deductions	41,984,345	(128,569,753)
Net position restricted for pension and other postemployment healthcare benefits, and pool participants October 1, 2017 (as Restated, see note 21)	2,030,591,186	547,357,140
September 30, 2018	\$ 2,072,575,531	\$ 418,787,387

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

Component Unit Financial Statements

Component Units

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

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

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

County of Oakland Statement of Net Position Component Units September 30, 2018

	Drainage Districts	Road Commission	Total Component Units
Assets			
Current assets			
Pooled cash and investments	\$ 46,398,677	\$ -	\$ 46,398,677
Cash and cash equivalents	-	75,163,170	75,163,170
Receivables, net	-	3,922,138	3,922,138
Special assessments	5,346,825	-	5,346,825
Due from other governmental units	-	-	-
Due from primary government	213,710	-	213,710
Accrued interest receivable	870,565	22,852,987	23,723,552
Accounts receivable	-	3,417,472	3,417,472
Inventories and supplies	147,717	3,114,450	3,262,167
Prepayments and other assets	52,977,494	108,470,217	161,447,711
Total current assets			
Noncurrent assets			
Special assessments receivable	197,547,792	-	197,547,792
Capital assets, net			
Land and other nondepreciable assets	119,625,801	219,706,853	339,332,654
Land improvements, net	-	741,390	741,390
Buildings and improvements, net	59,649,012	8,830,828	68,479,840
Equipment and vehicles, net	616,892	12,581,122	13,198,014
Infrastructure, net	463,350,071	630,709,231	1,094,109,302
Total capital assets, net	643,341,776	872,659,424	1,515,901,200
Total noncurrent assets	643,341,776	872,659,424	1,515,901,200
Total assets	893,767,062	981,129,641	1,874,896,703
Deferred Outflows of Resources			
Deferred outflows related to pension	-	6,622,191	6,622,191
Deferred outflows related to OPEB	-	8,005,781	8,005,781
Total deferred outflows of resources	-	14,627,972	14,627,972
Liabilities			
Current liabilities			
Vouchers payable	3,998,587	11,632,158	15,630,745
Due to other governmental units	13,957,324	-	13,957,324
Due to primary government	771,833	43,636	815,469
Unearned revenue and advances	23,546,612	12,784,442	36,331,054
Current portion of long-term debt	19,513,600	-	19,513,600
Current portion of long-term liabilities	-	465,050	465,050
Other accrued liabilities	4,543,928	2,805,910	7,349,838
Total current liabilities	66,131,884	27,731,196	93,863,080
Bonds and notes payable	219,018,619	-	219,018,619
Accrued compensated absences	-	2,585,798	2,585,798
Claims and judgments	-	510,085	510,085
Net pension liability	-	33,601,609	33,601,609
Net OPEB obligation	-	125,643,741	125,643,741
Total liabilities	285,150,503	190,072,429	475,222,932
Deferred Inflows of Resources			
Deferred inflows related to pension	-	3,916,875	3,916,875
Deferred inflows related to OPEB	-	2,263,842	2,263,842
Total deferred inflows of resources	-	6,180,717	6,180,717
Net position			
Net investment in capital assets	404,909,557	872,659,424	1,277,568,981
Restricted for			
Public works	23,387,478	-	23,387,478
Debt service	174,931,803	-	174,931,803
Unrestricted	5,387,721	(73,154,957)	(67,767,236)
Total net position	\$ 608,616,559	\$ 799,504,467	\$ 1,408,121,026

The accompanying notes are an integral part of the financial statements

**County of Oakland
Statement of Activities
Component Units
Year Ended September 30, 2018**

	Expenses	Program Revenues			Drainage Districts	Road Commission	Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Functions/Programs							
Drainage Districts	\$ 110,637,160	\$ 97,613,054	\$ 946,383	\$ 16,889,664	\$ 4,811,941	\$ -	\$ 4,811,941
Road Commission	129,362,141	17,700,157	96,021,998	53,851,882	-	38,211,896	38,211,896
Total component units	<u>\$ 239,999,301</u>	<u>\$ 115,313,211</u>	<u>\$ 96,968,381</u>	<u>\$ 70,741,546</u>	<u>4,811,941</u>	<u>38,211,896</u>	<u>43,023,837</u>
General Revenue							
Gain (loss) on sale of capital assets					-	(1,053,475)	(1,053,475)
Unrestricted investment earnings					713,916	1,289,209	2,003,125
Change in net position					5,525,857	38,447,630	43,973,487
Net position							
Beginning (as Restated, see Note 21)					603,090,702	761,056,837	1,364,147,539
Ending					<u>\$ 608,616,559</u>	<u>\$ 799,504,467</u>	<u>\$ 1,408,121,026</u>

The accompanying notes are an integral part of the financial statements

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

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, 2018**

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, 2018, 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, 2017, 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, 2018 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, 2018**

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, 2018**

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, 2018**

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, 2018**

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, 2018**

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, 2017 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, 2018**

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, 2018 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, 2018 are recorded as prepayments using the consumption method.

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

Capital Assets

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

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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

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.

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.

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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 Road Commission component unit reports deferred outflows from contributions to the plan subsequent to the measurement date for both the pension and OPEB plans, and changes in assumptions in relation to the 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 government 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 Retirement and OPEB plans. These amounts will be amortized over the next four years and included in net Pension and OPEB expense. The third type is related to the difference between projected and actual investment earnings of the pension plan and OPEB plan. The Road Commission component unit reports deferred inflows of resources related to both the pension and OPEB plan for the difference between expected and actual experience, and the net difference between projected and actual earnings on investments.

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2017 through September 30, 2018) 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, 2018. 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.

**County of Oakland
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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 changes), 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.
- (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.

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For its pool, the County only uses federal and state-chartered banks and savings institutions, which are members of the FDIC, NCUA or DIFIS 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, 2018, the bank balance of the County's deposits was \$826,917,644. Insured deposits were \$12,500,000, and the remaining \$814,417,644 was uninsured, uncollateralized, and held in the County's name.

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, 2018, the Road Commission component unit had \$7,383,829 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. However, 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:

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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.

As of September 30, 2018, 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)	\$ 645,719,699	174
Deposit Accounts (1)	181,197,944	1
Money Market Investment Pools	232,548,946	476
Negotiable Certificates of Deposit	4,946,050	100
Commercial Paper	84,406,600	3,021
Municipal Bonds	372,860,030	400
Government Agencies	502,912,693	14
Government Bonds	14,993,325	
Total Market Value of Internal Investment Pool	\$ 1,704,011,287	253
Weighted Average Maturity of Internal Investment Pool (in days)		253

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

Credit Risk – The County had \$14,993,325 invested in U.S. Treasuries which are rated AAA by Standard & Poor's and Aaa by Moody's. The County had \$502,912,693 invested in U.S. government securities which are rated AA+ by Standard & Poor's and Aaa by Moody's. The County had \$36,290,580 invested in AAA (S&P) and Aaa (Moody's) Municipal Bonds and \$995,450 invested in AA (S&P). State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization (NRSRO). It is the County's policy to further limit its investments in commercial paper to only the top rating as issued by NRSROs. At September 30, 2018, the County had \$29,835,106 invested in A1+ (S&P) and P1

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(Moody's) commercial paper and \$54,571,494 invested in A1 (S&P) and P1 (Moody's). The money market investment pool had \$232,548,946 invested with a rating of AA-Am (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, 2018, \$644,544,698 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, 2018, the County had investments of 5% or more, of the total portfolio, with the following U.S. agency issuers: Fannie Mae 11.35%, and Freddie Mac 11.35%. 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. As of September 30, 2018, the internal investment pool had a weighted average maturity of 253 days and the longest investment maturity in the portfolio was 3,104 days (8.5 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.

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The County has the following recurring fair value measurements as of September 30, 2018:

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
Commercial Paper	\$ 84,406,600	-	\$ 84,406,600	-
Government Agencies	492,928,093	-	492,928,093	-
Government Bonds	14,993,325	-	14,993,325	-
Municipal Bonds	37,286,030	-	37,286,030	-
Other Fixed Income	4,946,050	-	4,946,050	-
Short Term Bills and Notes	9,984,600	-	9,984,600	-
Total Investments by Fair Value	\$ 644,544,698	\$ -	\$ 644,544,698	\$ -
Investments measured at the Net Asset Value (NAV)	232,548,946			
Money Market Investment Pools				
Total Investments measured fair value	<u>\$ 877,093,644</u>			

The fair value of Commercial Paper, Government Agencies and Municipal Bonds at September 30, 2018 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, VERA and ST) and Deferred Compensation Boards. The advisors serve at the leisure of the Board as provided by investment agreements. At September 30, 2018, the Primary Government's Pension Trust fund had 27 investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement Systems' name.

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As of September 30, 2018, 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	\$ 555,439,131	26.63%	N/A
International Common Stock	80,612,515	3.87%	N/A
Common Stock - Funds	424,028,456	20.33%	N/A
Exchange Traded Funds	1,766,596	0.08%	N/A
Government Bonds	81,866,342	3.93%	8.90
International Government Bonds	5,894,846	0.28%	N/A
Government Agencies	99,377,404	4.77%	3.53
Municipal Bonds	3,719,878	0.18%	10.45
Corporate Bonds	168,346,914	8.07%	6.25
Bank Loans	5,688,045	0.27%	N/A
Government Mortgage-Backed Securities	85,486,563	4.09%	5.06
Gov't Issued Commercial Mortgage-Backed	3,275,726	0.16%	6.80
Commercial Mortgage-Backed Securities	18,003,075	0.86%	4.54
Asset-Backed Securities	26,632,726	1.28%	1.16
Non-government Backed CMOs	2,014,788	0.10%	1.79
Index Linked Government Bonds	16,135,630	0.77%	18.87
Other Fixed Income	2,202,765	0.11%	3.36
Real Estate	196,541,784	9.42%	N/A
Partnerships	147,157,238	7.06%	N/A
Other Assets	392,468	0.02%	N/A
Hedge Funds	101,048,688	4.85%	N/A
Cash and Cash Equivalents	59,935,199	2.87%	0.29
Total	\$2,085,566,577	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, 2018, debt obligation investments held in the retirement system had the following ratings:

Fair Value	Percentage	Ratings	
		S&P	Moody's
\$204,289,116	31.73 %	AAA	Aaa
19,337,263	3.00	AA	Aa
89,644,810	13.92	A	A
54,593,542	8.48	BBB	Baa
14,802,164	2.30	BB	Ba
5,425,979	0.84	B	B
217,375	0.04	CCC	Caa
134,341,451	20.86	NR	NR
121,254,718	18.83	US Gov't Guaranteed	
\$643,906,418	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, 2018, \$2,085,566,577 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, 2018, 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 86 indicates, the system's fixed-income investments had average durations of between 29 years and 18.87 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 11.21 years to 44.6 years and are backed by investments in various assets, including mortgages. As of September 30, 2018, the market value was \$20,017,863.

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, 2018, the County's CMO portfolio had an effective duration of 4.54 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, 2018:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Balance at September 30, 2018	Fair Value Measurement Using		
		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	\$ 636,051,646	\$ 636,051,646	\$ -	\$ -
Exchange Traded Funds	1,766,596	1,766,596	-	-
Equity Mutual Funds	24,894,679	-	24,894,679	-
Total equity securities	662,712,921	637,818,242	24,894,679	-
Debt securities:				
Government Bonds	88,926,567	-	88,902,060	24,507
Government Agencies	53,219,736	-	53,219,736	-
State or Local Governments	2,554,499	-	2,554,499	-
Corporate Bonds	168,346,914	-	168,346,914	-
Residential Mortgage-Backed Securities	131,644,032	-	131,644,032	-
Commercial Mortgage-Backed Securities	21,278,800	-	21,278,800	-
Collateralized Mortgage Obligations	2,014,788	-	2,014,788	-
Other Asset-Backed Securities	26,632,726	-	26,632,726	-
Index Linked Government Bonds	16,135,630	-	16,135,630	-
Bank Loans	5,688,045	-	5,688,045	-
Other Debt Securities	2,202,765	-	2,202,765	-
Total debt securities	518,644,502	-	518,619,995	24,507
Total investments by fair value level	\$ 1,181,357,423	\$ 637,818,242	\$ 543,514,674	\$ 24,507
Investments measured at the Net Asset Value (NAV)				
International Equity	179,563,316			
Global Fixed Income	120,896,588			
Private Fixed Income	26,260,650			
Index Funds	219,570,462			
Hedged Equity Long/Short Funds	101,048,688			
Private Real Estate	5,088,215			
Real Estate	188,251,805			
Real Estate International	3,201,764			
Total investments measured at the NAV	843,881,488			
Total investments measured at fair value	\$ 2,025,238,911			

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

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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.

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, 2018, 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	\$ 179,563,316	\$ -	Monthly	10 Days
Global Fixed Income	120,896,588	-	Daily	3 Days
Private Fixed Income	26,260,650	13,326,082	Daily	3 Days
Index Funds	219,570,462	-	Daily	3 Days
Hedged Equity Long/Short Funds	101,048,688	-	Quarterly	90 Days
Private Real Estate	5,088,215	3,680,000	-	-
Real Estate	188,251,805	18,544,132	-	-
Real Estate International	3,201,764	-	-	-
	\$ 843,881,488	\$ 35,550,214		

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 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 four 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 become 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. Prior to 2004, taxes were levied on December 1 of each year; the state public act required a gradual shift over a three-year period of county property taxes from winter to summer as a substitute to county revenue sharing from the State. Equalized values for the 2018 summer levy amounted to \$71,871,358,847 with taxable values of \$57,302,006,431. The operating tax rate for the 2018 levy was 4.04 mills, with an additional 0.2368 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 \$25,632,799 at September 30, 2018.

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 are 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 \$222,443,422 at September 30, 2018, 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, 2018:

Beginning		Ending	
balance	Additions	Reductions	balance
\$ 25,000,000	\$ 25,000,000	\$ (25,000,000)	\$ 25,000,000

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

5. Allowances for Uncollectible Receivables

At September 30, 2018, the allowances for uncollectible receivables were as follows:

General Fund	\$ 25,000
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In addition, the Parks and Recreation fund (Enterprise) records an allowance for uncollectible taxes receivable in the amount of \$31,847 and an uncollectable accounts receivable of \$14,721 at September 30, 2018.

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, 2018:

	Employees' Retirement	VEBA Trust
Interest and dividends	\$ 12,496,848	\$ 19,182,173
Unrealized/Realized gain (loss) on investments	39,342,445	68,235,105
Total	\$ 51,839,293	\$ 87,417,278

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

7. Capital Assets

An analysis of property and equipment as reported in the Statement of Net Position, and related accumulated depreciation, at September 30, 2018, for governmental activities follows:

	Balance October 1, 2017	Additions	Disposals and Adjustments	Balance September 30, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 7,365,551	\$ -	\$ -	\$ 7,365,551
Construction in progress	16,716,664	16,160,453	(1,275,446)	31,601,671
Total capital assets not being depreciated	24,082,215	16,160,453	(1,275,446)	38,967,222
Capital assets being depreciated				
Land improvements	1,400,141	-	-	1,400,141
Buildings and improvements	267,094,661	812,481	-	267,907,142
Equipment and vehicles	138,549,448	7,072,626	(3,595,697)	142,026,377
Infrastructure	34,604,276	-	-	34,604,276
Total capital assets being depreciated	441,648,526	7,885,107	(3,595,697)	445,937,936
Less: Accumulated depreciation				
Land improvements	1,135,601	29,182	-	1,164,783
Buildings and improvements	120,008,874	5,966,084	-	125,974,958
Equipment and vehicles	105,941,065	9,260,955	(3,421,877)	111,780,141
Infrastructure	19,192,667	736,653	-	19,929,320
Total accumulated depreciation	246,278,207	15,992,853	(3,421,877)	258,849,181
Total capital assets being depreciated, net	195,370,321	(8,107,746)	(173,820)	187,088,755
Governmental activities capital assets, net	\$ 219,452,536	\$ 8,052,707	\$ (1,449,266)	\$ 226,055,977
Depreciation expense was charged to functions as follows:				
Public safety				\$ 3,813,186
Justice administration				1,053,410
Citizens services				690,981
Public infrastructure				252,602
Commerce and Community Development				29,537
Unallocated depreciation				3,557,676
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets				6,595,461
Total depreciation expense - governmental activities				\$ 15,992,853

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

A summary of business-type property and equipment at September 30, 2018 follows:

	Balance October 1, 2017	Additions	Disposals and Adjustments	Balance September 30, 2018
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 68,177,880	\$ 60,718	\$ -	\$ 68,238,598
Construction in progress	99,854,716	17,160,071	(6,849,188)	110,165,599
Other	12,000	-	-	12,000
Total capital assets not being depreciated	168,044,596	17,220,789	(6,849,188)	178,416,197
Capital assets being depreciated				
Land improvements	36,967,632	-	-	36,967,632
Buildings and improvements	101,994,269	2,119,658	-	104,113,927
Equipment and vehicles	75,211,132	3,978,835	(4,222,929)	74,967,038
Infrastructure	335,527,251	1,014,470	-	336,541,721
Total capital assets being depreciated	549,700,284	7,112,963	(4,222,929)	552,590,318
Less: Accumulated depreciation				
Land improvements	29,376,716	906,249	-	30,282,965
Buildings and improvements	45,129,041	3,446,208	-	48,575,249
Equipment and vehicles	63,759,188	4,469,480	(4,222,929)	64,005,739
Infrastructure	252,614,626	6,323,736	-	258,938,362
Total accumulated depreciation	390,879,571	15,145,673	(4,222,929)	401,802,315
Total capital assets being depreciated, net	158,820,713	(8,032,710)	-	150,788,003
Business-type activities capital assets, net	\$ 326,865,309	\$ 9,188,079	\$ (6,849,188)	\$ 329,204,200
Depreciation expense was charged to functions as follows:				
Airports				\$ 2,194,445
Community safety support				5,524,672
Community water and sewer				2,116,228
Recreation and leisure				3,541,292
Sewage disposal systems				1,769,036
Total depreciation expense - business-type activities				\$ 15,145,673

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2018, for component units follows:

Component Units	Balance October 1, 2017	Additions	Disposals and Adjustments	Balance September 30, 2018
Drainage Districts				
Capital assets not being depreciated	\$ 112,000,892	\$ 19,842,838	\$(12,633,893)	\$ 119,209,837
Construction in progress	325,964	-	-	325,964
Land	112,416,856	19,842,838	(12,633,893)	119,625,801
Total capital assets not being depreciated				
Capital assets being depreciated				
Buildings	57,248,656	12,621,393	-	69,870,049
Equipment	796,078	6,749	-	802,827
Infrastructure	583,190,610	12,500	-	583,203,110
Total capital assets being depreciated	641,235,344	12,640,642	-	653,875,986
Less: Accumulated depreciation				
Buildings	7,760,374	2,460,663	-	10,221,037
Equipment	120,811	65,124	-	185,935
Infrastructure	112,501,434	7,351,605	-	119,853,039
Total accumulated depreciation	120,382,619	9,877,392	-	130,260,011
Total capital assets being depreciated, net	520,852,725	2,763,250	-	523,615,975
Governmental activity capital assets, net	\$ 633,209,581	\$ 22,606,088	\$(12,633,893)	\$ 643,241,776
Road Commission				
Capital assets not being depreciated	\$ 211,252,140	\$ 9,373,347	\$ (1,769,763)	\$ 218,855,724
Land and other	1,084,873	839,323	(1,073,067)	851,129
Construction in progress	212,337,013	10,212,670	(2,842,830)	219,706,853
Total capital assets not being depreciated				
Capital assets being depreciated				
Buildings and storage bins	21,386,317	1,073,067	-	22,459,384
Road equipment	58,165,562	7,931,384	(2,713,348)	63,383,598
Other equipment	6,194,572	267,035	(60,022)	6,401,585
Infrastructure	1,066,160,398	71,709,347	(22,786,130)	1,115,083,615
Brine wells and gravel pits	2,489,608	-	-	2,489,608
Total capital assets being depreciated	1,154,306,457	80,980,833	(25,559,500)	1,209,817,790
Less: Accumulated depreciation				
Buildings and storage bins	13,240,864	387,692	-	13,628,556
Road equipment	48,870,061	5,742,088	(2,713,348)	51,898,801
Other equipment	5,158,707	206,575	(60,022)	5,305,260
Infrastructure	461,962,196	45,108,318	(22,786,130)	484,284,384
Brine wells and gravel pits	1,636,000	112,218	-	1,748,218
Total accumulated depreciation	530,867,828	51,556,891	(25,559,500)	556,865,219
Total capital assets being depreciated, net	623,528,629	29,423,942	-	652,952,571
Governmental activity capital assets, net	\$ 835,865,642	\$ 39,636,612	\$(2,842,830)	\$ 872,659,424

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

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, 2017	Additions	Reductions	September 30, 2018	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Governmental activities									
Debt with limited taxing authority									
Building authority - Act 31	2.00%-4.50%	\$ 39,185,000	\$ -	\$ (3,215,000)	\$ 35,970,000	\$ 3,310,000	\$ 32,660,000	\$ 24,535,000	\$ 11,435,000
Building authority refunding	2.00%-5.00%	26,735,000	-	(4,460,000)	22,275,000	4,570,000	17,705,000	19,910,000	2,365,000
Retirees Health Care Bonds	3.62%-4.52%	283,370,000	-	(23,870,000)	259,500,000	24,750,000	234,750,000	259,500,000	-
Water supply - Act 342	2.00%-4.75%	14,245,000	200,000	(755,000)	13,690,000	750,000	12,940,000	-	13,690,000
Sewage disposal - Act 342	1.70%-3.25%	10,750,000	-	(435,000)	10,315,000	435,000	9,880,000	-	10,315,000
Water and sewer refunding bonds	1.50%-2.75%	1,000,000	-	(205,000)	795,000	200,000	595,000	-	795,000
Michigan Bond Authority - Sewage Disposal Bonds	1.62%-2.50%	32,495,895	2,389,311	(2,155,000)	32,730,206	1,615,000	31,115,206	-	32,730,206
Total bonds - governmental activities		\$ 407,780,895	\$ 2,589,311	\$ (35,095,000)	\$ 375,275,206	\$ 35,630,000	\$ 339,645,206	\$ 303,945,000	\$ 71,330,206
Business-type activities									
Business type activities									
BA - Act 31 - County Airport	1.00%-5.90%	\$ 4,100,000	\$ -	\$ (275,000)	\$ 3,825,000	\$ 275,000	\$ 3,550,000	\$ 3,825,000	\$ -
BA refunding - County Airport	2.00%-2.25%	2,835,000	-	(375,000)	2,460,000	385,000	2,075,000	2,460,000	-
Sewage disposal - Act 34	2.50%-3.125%	3,195,000	8,300,000	(3,195,000)	8,300,000	420,000	7,880,000	8,300,000	-
Sewage disposal refunding	2.00%-3.00%	-	3,065,000	-	3,065,000	195,000	2,870,000	3,065,000	-
Michigan Bond Authority - Water & Sewage Disposal Bonds	2.5%-6.00%	18,127,164	913,097	(991,000)	18,049,261	1,181,400	16,867,861	18,049,261	-
Total bonds - business type		28,257,164	12,278,097	(4,836,000)	35,699,261	2,456,400	33,242,861	35,699,261	-
Total bonds - primary government		\$ 436,038,059	\$ 14,867,408	\$ (39,931,000)	\$ 410,974,467	\$ 38,086,400	\$ 372,888,067	\$ 339,644,261	\$ 71,330,206

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

Component Units

Drainage Districts	Interest rate	October 1, 2017	Additions	Reductions	September 30, 2018	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Debt with limited taxing authority									
Drain bonds - Act 40	1.00%-7.00%	\$ 69,725,000	\$ -	\$ (6,230,000)	\$ 63,495,000	\$ 3,830,000	\$ 59,665,000	\$ 47,527,600	\$ 15,967,400
Drain refunding bonds	2.00%-3.00%	9,375,000	2,260,000	(1,385,000)	10,250,000	1,515,000	8,735,000	1,820,062	8,429,938
Michigan Bond Authority-Drain Bonds	1.625%-6.00%	171,064,732	6,041,487	(12,519,000)	164,587,219	13,968,600	150,618,619	18,076,473	146,510,746
Total Drainage Districts		250,164,732	\$ 8,301,487	(20,134,000)	238,332,219	19,313,600	219,018,619	67,424,135	170,908,084
Total County Debt		\$686,202,791	\$ 23,168,895	\$ (60,065,000)	\$649,306,686	\$ 57,400,000	\$ 591,906,686	\$ 407,068,396	\$242,238,290
Road Commission									
Compensated absences	--	\$ 2,857,000	\$ -	\$ (271,202)	\$ 2,585,798	\$ -	\$ 2,585,798	\$ -	\$ 2,585,798
Self-insured losses	--	827,480	1,040,875	(893,220)	975,135	465,050	510,085	-	975,135
Net OPEB liability *	--	127,279,010	10,977,190	(12,612,459)	125,643,741	-	125,643,741	-	125,643,741
Net pension liability	--	45,492,165	19,145,679	(31,036,235)	33,601,609	-	33,601,609	-	33,601,609
Total Road Commission		\$176,455,655	\$ 31,163,744	\$ (44,813,116)	\$162,806,283	\$ 465,050	\$162,341,233	\$ -	\$162,806,283
Total reporting entity		\$862,658,446	\$ 54,332,639	\$ (104,878,116)	\$812,112,969	\$ 57,865,050	\$ 754,247,919	\$ 407,068,396	\$405,044,573

* Restated as of September 30, 2017

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

The annual requirements to pay principal and interest on debt outstanding at September 30, 2018 (excluding the liabilities for compensated absences, other postemployment benefits, pension liability and uninsured losses for the Road Commission component unit) were as follows:

	Bonds with limited taxing authority		Retirees Health Care Bonds limited taxing authority		Business-type Bonds limited taxing authority		Total primary government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 10,880,000	\$ 3,330,136	\$ 24,750,000	\$ 9,251,925	\$ 2,456,400	\$ 1,027,408	\$ 38,086,400	\$ 13,609,469
2020	11,275,000	2,999,481	25,660,000	8,339,504	2,534,437	939,749	39,469,437	12,278,734
2021	11,400,000	2,658,843	26,605,000	7,393,507	2,429,900	873,399	40,434,900	10,925,749
2022	11,625,000	2,309,603	27,585,000	6,412,669	2,507,600	807,281	41,717,600	9,529,553
2023	8,970,000	1,948,226	28,605,000	5,395,629	2,570,700	737,327	40,145,700	8,081,182
2024-2028	27,130,727	7,049,117	126,295,000	10,470,964	12,092,200	2,604,444	165,517,927	20,124,525
2029-2033	23,660,000	3,476,905	-	-	10,258,024	793,959	33,918,024	4,270,864
2034-2038	10,709,479	563,592	-	-	850,000	32,000	11,559,479	595,592
2039-2043	125,000	8,075	-	-	-	-	125,000	8,075
Totals	\$ 115,775,206	\$ 24,343,978	\$ 259,500,000	\$ 47,264,198	\$ 35,699,261	\$ 7,815,567	\$ 410,974,467	\$ 79,423,743

	Drainage Districts		Total reporting entity	
	Principal	Interest	Principal	Interest
2019	\$ 19,313,600	\$ 6,347,552	\$ 57,400,000	\$ 19,957,021
2020	19,818,200	5,695,235	59,287,637	17,973,969
2021	20,320,100	5,215,714	60,755,000	16,141,463
2022	20,787,400	4,713,869	62,505,000	14,243,422
2023	19,170,787	4,217,095	59,316,487	12,298,277
2024-2028	68,849,622	15,002,564	234,367,549	35,127,089
2029-2033	59,382,510	6,225,609	93,300,534	10,496,473
2034-2038	10,690,000	339,644	22,249,479	935,236
2039-2043	-	-	125,000	8,075
Totals	\$ 238,332,219	\$ 47,757,282	\$ 649,306,686	\$ 127,181,025

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

The County has pledged its full faith and credit on debt totaling \$674,306,686, which includes \$25,000,000 of short-term notes for the delinquent taxes as described in Note 4. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2018, the debt limit was \$7,187,135,885. 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, 2018, there were five issues outstanding, totaling \$35,970,000, maturing in the years 2019-2040, 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 VEEBA 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 VEEBA 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 VEEBA Trust at full funding. As of September 30, 2018, there were two issues outstanding totaling \$29,500,000 maturing in the years 2019-2027. 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, 2018, there were eight issues outstanding, totaling \$24,005,000, maturing in the years 2019-2037. This represents debt originally issued in the amount of \$28,450,000 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, 2018, there were six issues outstanding, totaling \$23,070,000, maturing in the years 2019-2025. This represents debt originally issued in the years 2010-2014 totaling \$51,385,000.

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

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, 2018 for this issue is \$900,727, which matures in the years 2019-2027.

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, 2018, \$34,454,479 was drawn from the State Revolving Loan fund. The amount outstanding at September 30, 2018 for this issue is \$31,829,479, which matures in the years 2019-2036.

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, 2018 of \$2,460,000 maturing in the years 2019-2024 and the Airport Terminal Building in the amount outstanding as of September 30, 2018 of \$3,825,000 maturing in the years 2019-2030. 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, 2018 was \$1,815,000 which matures in the years 2019-2032.

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, 2018, \$5,835,207 was drawn and one for up to \$720,000, as of September 30, 2018, \$451,797 was drawn. 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, 2018, \$1,322,637 was drawn. The debt obligation recorded as of September 30, 2018 amounted to \$16,234,261 maturing in the years 2019 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 pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding drain bonds were issued for the payment of future debt service obligations of the refunded debt. The debt refunded amounted to \$3,035,000 of Evergreen-Farmington Sewage Disposal System bonds, Series 2010, maturing in the years 2019-2031. The refunding was undertaken to reduce the debt service payment over the next

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

13 years by \$195,191 and obtain an economic (present value) gain to the benefiting municipalities of \$152,975.

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, 2018 was \$8,300,000, which matures in the years 2019-2033.

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, 2018, there were 12 issues outstanding, totaling \$63,495,000, maturing in the years 2019-2034. 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, 2018, there were four issues outstanding, totaling \$10,250,000, maturing in the years 2019-2031. 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 up to \$31,995,000, with \$2,500,000 principal forgiveness from the Michigan Municipal Bond Authority Revolving Loan fund for the Clinton River Water Resource Recovery Facility Drainage District. At September 30, 2018, there were 14 issues outstanding, totaling \$164,587,219, maturing in the years 2019-2036.

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

Advance and Current Refunding of General Obligation Limited Tax Bonds

In February 2018, the County issued \$2,260,000 of refunding bonds for a current refunding of general obligation limited tax refunding bond issue on behalf of the Drainage Districts' component unit, pursuant of authorization contained in Act 34, public Acts of Michigan of 2001. General obligation limited tax refunding drain bonds were issued for the payment of future debt service obligations of the refunded debt. Accordingly, the trust account assets and liability for the refunding bonds are not included in the Drainage Districts' component unit, or the County's financial statements. The debt refunded amounted to \$2,235,000 for the Bloomfield Township CSO Drainage District, Series 2010 maturing in the years 2019-2031. The refunding was undertaken to reduce the debt service payments over the next 13 years by \$107,817 and obtain an economic (present value) gain to the benefiting municipalities of \$79,010.

Changes in Other Long-term Liabilities

Long-term liabilities activity, as reported in and liquidated through the Fringe Benefit Fund and Building Liability Insurance Fund, Internal Service funds, for the fiscal year ended September 30, 2018 was as follows:

Governmental activities	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Accrued compensated absences	\$ 12,570,218	\$ 1,333,358	\$(1,257,022)	\$ 12,646,554	\$ 1,264,656
Claims and judgments					
Accrued unreported health costs	5,085,071	1,335,465	(1,695,024)	4,925,512	1,641,837
Accrued workers compensation	7,069,827	2,246,508	(1,810,203)	7,506,132	1,975,435
Building and liability insurance	4,582,341	1,930,931	(1,220,438)	5,292,834	1,532,528
Governmental activity long-term liabilities	\$ 29,307,457	\$ 7,046,262	\$(5,982,687)	\$ 30,371,032	\$ 6,414,456

9. Interfund Balances

Interfund receivables and payables at September 30, 2018 were as follows:

Due to/from other funds:	
<u>Receivable Fund</u>	<u>Payable Fund</u>
General	Nonmajor governmental
Nonmajor governmental	General
	Nonmajor governmental
	S.O.C.S.D.S.
	Nonmajor enterprise
	Total
Water & Sewer Trust	Internal Service
Internal service	General Fund
	Nonmajor governmental
	Total
	Total

\$	8,016,995
	3,170,807
	999,437
	1,950
	63,830
	4,236,024
	14,183
	641,412
	681,122
	1,322,534
\$	13,589,736

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

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.

Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2018 were as follows:

Primary Government	Component Unit
Due from Component Unit	Due to Primary Government
General	Drainage Districts
	Road Commission
	Total
	\$ 13,707
	480
	14,187
Nonmajor governmental	Drainage Districts
	Road Commission
	Total
	673,660
	28,988
	702,648
Evergreen Farmington SDS	Drainage Districts
	84,391
Internal Service	Drainage Districts
	Road Commission
	Total
	75
	14,168
	14,243
	Total
	\$ 815,469

Advances to/from other funds (including current and long-term portions) at September 30, 2018 were as follows:

Receivable Fund	Payable Fund
Nonmajor governmental	Nonmajor governmental
	\$ 1,043,199
Delinquent Tax Revolving	Internal Service
	<u>38,649</u>
	Total
	<u>\$ 1,081,848</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).

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

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, 2018 were as follows:

Transfers In	Transfers Out	Amount
General	Nonmajor governmental	\$ 731,672
	Delinquent Tax Revolving	8,906,817
	Total	<u>9,638,489</u>
Building Authority Act 31	General	3,946,546
Nonmajor governmental	General	57,110,866
	Nonmajor governmental	6,331,939
	Water & Sewer Trust	200,000
	Delinquent Tax Revolving	4,755,700
	Nonmajor enterprise	48,000
	Internal Service	6,025
	Total	<u>68,452,530</u>
Water & Sewer Trust	Nonmajor governmental	1,800
Evergreen Farmington SDS	Water & Sewer Trust	12,574
Nonmajor enterprise	General	<u>2,460,761</u>
Internal Service	General	4,439,966
	Nonmajor governmental	8,185
	Parks and Recreation	61,327
	Water & Sewer Trust	361,151
	Nonmajor enterprise	286,000
	Internal service	454,182
	Total	<u>5,610,811</u>
	Total transfers	<u>\$ 90,123,511</u>

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

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

10. Fund Equities

At September 30, 2018, a deficit existed in the following funds:

Special Revenue Funds	
Lake Levels Act 146	\$ 77,667
Capital Projects Funds	
Lake Levels Act 146	216,381
Drain Chapter 4 Construction	685,486

In the Special Revenue fund, the negative unassigned fund balance in the Lake Levels Act 146 fund primarily reflects a timing issue for one of the projects within the fund, the Duck Lake Level project. As a result, the Duck Lake Level fund ended FY 2018 with a deficit of \$147,851. The Duck Lake Level project was initiated in the summer of 2018 to install a new augmentation well to replace the existing well that was no longer functional. The project is nearly complete, with only minor restoration issues yet to be addressed. A maintenance assessment in the amount of \$170,000 to be levied against the Duck Lake Level Special Assessment District was approved by the Oakland County Board of Commissioners and will appear on the winter tax 2018 bills. When collected, this assessment will eliminate the current deficit, cover any remaining project costs, and provide funds for routine maintenance in the coming year.

The remaining deficit in the Special Revenue Grants funds amounts to \$2,513,246. In accordance with Michigan Department of Treasury, when deferred inflows of resources minus taxes and special assessments receivable is great enough to cover the unassigned fund balance, no formal deficit elimination plan is required.

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 \$51,547 and the Upper Straits Lake Level Dam Reconstruction project in the amount of \$168,198. The Bush Lake Level is construction of a new lake level control structure which 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 \$35,971 from the FY 2017 deficit of \$87,518 to the FY 2018 deficit of \$51,547. The Upper Straits Lake Dam Replacement project consists of replacing an existing lake level control structure in West Bloomfield Township, Oakland County, Michigan. Design of the project is approximately 90% completed. The project will be financed by the sale of bonds or a loan. The loan 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 must be updated prior to project assessment and financing of the project. Updating the district requires approval by Oakland County Circuit Court. Therefore, the project schedule is directly affected by the Circuit Court schedule. Oakland County Corporation Counsel is in the process of obtaining the court date. It is anticipated that the project will be issued for bids and financing secured in the fall of 2019 with construction to commence during the winter of 2020. A maintenance assessment in the amount of \$146,000 will be levied in the fall of 2018. The maintenance assessment, along with funds on deposit totaling \$30,269, will be used to eliminate the current deficit of \$168,198 in the construction fund. The total estimated cost of the project is \$875,750 which will be reduced by the

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

assessment being levied this fall, leaving an estimated amount of \$715,750 to be financed by the sale of bonds or a loan.

In addition, 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. 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

Nonspendable, restricted, committed, assigned, and unassigned fund balances of the primary government at September 30, 2018 were as follows:

Primary Government General Fund	Nonspendable	Restricted	Spendable		
			Committed	Assigned	Unassigned
Payables	\$ 131,534	\$ -	\$ -	\$ -	\$ -
Inventories	174,570	-	-	-	-
Property Tax Forfeiture	-	12,860,936	-	-	-
Future operating requirements 2019 and beyond	-	-	-	119,152,547	-
Property Tax Forfeiture Activities	-	-	-	27,192,531	-
Future Technology Replacement	-	-	-	13,429,263	-
Capital Reserve	-	-	-	14,000,000	-
Headlee Rollback/State Tax Exempt	-	-	-	10,000,000	-
Catastrophe Claims	-	-	-	8,454,500	-
Unfunded Mandates	-	-	-	9,712,687	-
HR Comp/Workforce Planning	-	-	-	5,000,000	-
Emergency Salaries	-	-	-	2,000,000	-
Tri-Party Supplemental	-	-	-	4,372,189	-
Carry forwards	-	-	-	5,920,199	-
Data Privacy and Security	-	-	-	3,000,000	-
Pandemic Response	-	-	-	1,500,000	-
Local Road Improvement Match Program	-	-	-	1,523,363	-
Business Continuity Recovery	-	-	-	1,000,000	-
WRC Long-Term Revolving Fund	-	-	-	1,000,000	-
M1 SCAO Interpreter Costs	-	-	-	750,000	-
High School Apprenticeship Program	-	-	-	500,000	-
Board of Commissioners Projects	-	-	-	694,204	-
Human Resources Legal	-	-	-	500,000	-
Quality of Life Initiatives	-	-	-	200,000	-
Community Partnerships	-	-	-	238,654	-
Buy Local	-	-	-	150,000	-
Department Operations	-	-	-	85,800	-
Rx Discount Card Program	-	-	-	36,972	-
Unassigned	-	-	-	-	1,464,988
Total	\$ 306,104	\$ 12,860,936	\$ -	\$ 230,412,909	\$ 1,464,988

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

Primary Government Special Revenue Funds Grants (Deficit) Specific programs	Nonspendable	Restricted	Committed	Spendable	
				Assigned	Unassigned
Total	-	\$ 17,182,126	\$ -	\$ -	\$ (2,513,246)
Debt Service Funds	-	\$17,182,126	-	-	(77,667)
Debt service-general obligations	-	\$ 7,555,029	-	-	\$ (2,590,913)
Capital Projects Funds	-	-	\$ 4,316,000	\$ -	-
Loan programs	-	-	39,957,743	-	(901,867)
Work projects	-	-	-	-	\$ (901,867)
Total	-	\$ -	\$ 44,273,743	\$ -	\$ (901,867)

11. Employee Benefits

Primary Government

The County provides various benefits to its employees. Expenditures in 2018 for these benefits totaled the following: medical insurance, \$41,748,668; prescription coverage, \$10,945,401; dental insurance, \$3,083,176; optical insurance, \$219,408; group life insurance, \$909,127; disability, \$3,390,259; tuition reimbursement, \$272,737; Social Security, \$17,713,332; workers compensation, \$3,022,272; and unemployment claims, \$323,379.

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.

County of Oakland Notes to Basic Financial Statements September 30, 2018

Plan Membership

The County PERS covers the majority of full-time employees of the County hired prior to July 1, 1994. The plan's membership consists of the following at September 30, 2017, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	2,014
Terminated plan members entitled to, but not yet receiving benefits	73
Active plan members	251
Total	2,338

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 2018, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2016.

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, 2018 and September 30, 2017 amounted to \$301,807 and \$372,273, 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.

County of Oakland Notes to Basic Financial Statements September 30, 2018

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.

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

Rate of Return

For the year ended September 30, 2018, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.43 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, 2018 consists of the following reserves:

Amnuty reserve	\$ 895,916
Pension reserve	258,502,305
Pension accumulated reserve	517,653,958
Total fund balance	\$ 777,052,179

Amnuty 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

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, 2018:

Statement of Net Position

Cash and investments	\$ 774,883,385
Other assets	2,696,008
Total assets	<u>777,579,393</u>
Liabilities	527,214
Net position	<u>\$ 777,052,179</u>

Statement of Changes in Net Position

Additions: Contributions Investment income Other revenue Total additions Deductions: Benefit payments Other expenses Total deductions Change in net position Net position held in trust, beginning of year Net position held in trust, end of year	 \$ 301,807 49,940,066 276 <u>50,242,149</u> 57,579,562 621,535 <u>58,201,097</u> (7,958,948) 785,011,127 <u>\$ 777,052,179</u>
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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, 2016, 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 an 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.

County of Oakland
Notes to Basic Financial Statements
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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, 2018 as its measurement date for the net pension liability. The September 30, 2018 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, 2018 total pension liability was determined by an actuarial valuation performed as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018.

The components of the net pension liability of the County at September 30, 2018 were as follows:

Total pension liability	\$ 754,429,163
Plan fiduciary net position	(777,052,179)
Net Pension Liability (Asset)	<u>\$ (22,623,016)</u>
Plan fiduciary net position as a percentage of the total pension liability	103.00%

The net pension liability (asset) of \$(22,623,016) 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 9/30/2017	\$ 762,513,562	\$ 785,011,127	\$ (22,497,565)
Changes for the year:			
Service Cost	2,128,819	-	2,128,819
Interest	53,272,144	-	53,272,144
Difference between expected and actual experience	(5,905,800)	-	(5,905,800)
Assumption changes	-	-	-
Contributions - employer	-	-	-
Contributions - member	-	301,807	(301,807)
Net investment income	-	49,539,010	(49,539,010)
Benefit payments, including refunds of member contributions	(57,579,562)	(57,579,562)	-
Administrative expenses	(8,084,399)	(240,203)	240,203
Net changes	<u>(8,084,399)</u>	<u>(7,958,948)</u>	<u>(125,451)</u>
Balances at 9/30/2018	<u>\$ 754,429,163</u>	<u>\$ 777,052,179</u>	<u>\$ (22,623,016)</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

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

For the year ended September 30, 2018, the County reported a recovery of pension expense of \$3,036,127. At September 30, 2018 the County reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 9,273,581
Total	<u>\$ 9,273,581</u>

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

Fiscal Year Ending September 30	Net Deferred Inflows of Resources
2019	\$ 2,358,995
2020	(7,702,822)
2021	(4,983,208)
2022	1,053,854
Total	<u>\$ (9,273,581)</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018. 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 MF-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.

County of Oakland
Notes to Basic Financial Statements
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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 of pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s). For each major asset class that is included in the pension plans target asset allocation as of September 30, 2017, 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	5.50%

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)	\$ 50,325,454	\$ (22,623,016)	\$ (85,016,995)

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. The Road Commission's net pension liability as of December 31, 2017 was \$33,601,609. The Road Commission has chosen to use December 31, 2017 as its measurement date for the net pension liability. The September 30, 2018 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2017. The December 31, 2017 total pension liability was determined by an actuarial valuation performed as of that date. For the year ended September 30, 2018, the Road Commission recognized pension

**County of Oakland
Notes to Basic Financial Statements
September 30, 2018**

expense of \$10,935,444. At September 30, 2018, the Road Commission reported total deferred outflows of resources of \$6,622,191 and deferred inflows of resources of \$3,916,875.

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, 2018 was 3,290, which includes 308 employees who elected to transfer from the PERs in 1995 through 2000 and 2,982 current employees hired since July 1, 1994.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2018 was \$215,884,592, and the County's total payroll was \$254,020,405. The required contributions, which matched those actually made, were \$8,209,902 by employees and \$19,096,406 by the County, representing 3.8% 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 2018, the County contributed \$234,462 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, 2017, the date of the latest actuarial valuation:

Retirees and Beneficiaries	2,492
Inactive, Nonretired Members	198
Active Members	1,899
Total	<u>4,589</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 2018, the County provided 2,789 retirees medical insurance and reimbursed 1,749 of them for Medicare premiums under the Trust. In 2018, the County disbursed \$3,751,053 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 (\$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. If a member has 15 years of service at retirement, 60 percent of the

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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 2018, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2016, 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, 2016 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 9.00 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 UAL 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 PEKS Board by a majority vote of its members. It is the policy of the PEKS 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 1, 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, 2018, the annual money weighted rate of return on VEBA plan investments, net of VEBA plan investment expense, was 6.5 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, 2018 as its measurement date for the net OPEB liability. The September 30, 2018 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, 2018 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018.

The components of the net pension liability of the County at September 30, 2018 were as follows:

Total OPEB liability	\$ 893,609,618
Plan fiduciary net position	(1,295,523,352)
Net OPEB Liability (Asset)	<u>\$ (401,913,734)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	144.98%

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	Net OPEB Liability
Balances at 9/30/2017	\$ 984,219,962	\$ (261,360,097)
Changes for the year:		
Service Cost	9,742,233	9,742,233
Interest	70,351,546	70,351,546
Difference between expected and actual experience	(82,048,924)	(82,048,924)
Assumption changes	(51,205,346)	(51,205,346)
Contributions - employer	-	-
Contributions - member	-	234,284
Net investment income	-	84,162,823
Benefit payments, including refunds of member contributions	(37,449,853)	234,284
Administrative expenses	-	(234,935)
Other	(90,610,344)	(3,465,258)
Net changes	\$ 893,609,618	\$ 1,295,523,352
Balances at 9/30/2018		\$ (401,913,734)

The difference between actual and expected experience is the actuarial gain loss, due to VIEBA 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, 2018, the County recognized a reduction of OPEB expense of (\$67,512,195). At September 30, 2018 the County reported deferred inflows of resources related to OPEB from the following sources:

Difference between expected and actual experience	\$ 58,087,439
Net difference between projected and actual earnings on OPEB plan investments	27,748,229
Changes in assumptions related to economic and demographic factors	34,352,612
Total	\$ 120,188,280

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

Fiscal Year Ending September 30	Net Deferred Inflows of Resources
2019	\$ (55,311,555)
2020	(54,596,721)
2021	(11,260,259)
2022	980,255
Total	\$ (120,188,280)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018. The valuations used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Healthcare cost trend rate	9.00% decreasing to 3.25% in year 12
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, 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	5.50%

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	Current Single Discount Rate	1% Increase
Net OPEB Liability/(Asset)	\$ (290,161,238)	\$ (401,913,734)	\$ (495,088,510)

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 9.0 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 (8.0 percent, decreasing to 2.25%) or 1.0 percentage point higher (10.0 percent, decreasing to 4.25%) than the current rate.

	1 Percent Decrease (8%) decreasing to 2.25%	Current Healthcare Cost Trend Rate (9.0%) decreasing to 3.25%	1 Percent Increase (10.0%) decreasing to 4.25%
Net OPEB Liability/(Asset)	\$ (500,134,668)	\$ (401,913,734)	\$ (287,109,997)

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The following are condensed financial statements for the VERA Trust as of September 30, 2018:

Statement of Net Position

Cash and investments	\$ 1,295,541,226
Other assets	3,606,074
Total assets	1,299,147,300
Liabilities	3,623,948
Net position	\$ 1,295,523,352

Statement of Changes in Net Position

A additions:	
Contributions	\$ 234,284
Investment income	84,162,821
Other revenue	3,465,259
Total additions	87,862,364
Deductions:	
Benefits	37,510,583
Other expenses	408,488
Total deductions	37,919,071
Change in net position	49,943,293
Net position held in trust, beginning of year	1,245,580,059
Net position held in trust, end of year	\$ 1,295,523,352

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, 2018, the Road Commission recognized OPEB expense of \$8,456,661, deferred outflows of resources of \$8,005,781, deferred inflows of resources of \$2,263,842, and payments for postemployment health benefit premiums of \$9,843,058, leaving a net OPEB liability of \$125,643,741 at September 30, 2018.

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.

County of Oakland
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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 \$698,115,700, electronic data processing equipment in the amount of \$43,894,889, 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/fraudful 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. 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, 2018, 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, and the Road Commission records these estimates in the governmental fund type. Changes in the estimated claims liabilities are as follows:

	September 30 2018	2017
Primary Government		
Beginning-of-period liability	\$ 16,737,239	\$ 15,972,627
Estimated claims incurred, claim adjustment expenses and changes in estimates	55,808,794	54,052,651
Provisions for current-year events	1,350,912	(1,057,953)
Increase (decrease) in provisions for prior-year events		
Total incurred claims, claim adjustment expenses and changes in estimates	57,159,706	52,994,698
Claim payments and claim adjustment expenses		
Related to current-year events	(50,914,662)	(50,174,917)
Related to prior-year events	(3,230,252)	(2,055,169)
Total claim payments and claim adjustment expenses	(54,144,914)	(52,230,086)
End-of-period liability	\$ 19,752,031	\$ 16,737,239
Road Commission - Component Unit		
Beginning-of-year liability	\$ 1,727,480	\$ 1,912,333
Estimated claims incurred and changes in estimates	13,800,067	12,341,151
Claim payments	(13,652,412)	(12,526,004)
End-of-year liability	\$ 1,875,135	\$ 1,727,480

17. Leases

The County (primary government) leases certain office facilities and other equipment under non-cancelable operating leases. Total costs for such leases for the County for the year ended September 30, 2018 were \$1,079,750. The future minimum lease payments as of September 30, 2018 are as follows:

Fiscal year	Primary government
2019	\$ 1,084,441
2020	968,495
2021	817,569
2022	602,663
2023	610,650
2024-2028	2,033,816
2029-2034	1,005,068
Total	\$ 7,122,702

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, 2018 totaled \$82,678, 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, 2018 are as follows:

Fiscal year	Primary government
2019	\$ 1,729,385
2020	1,613,310
2021	1,393,735
2022	1,416,823
2023	1,402,085
2024 - 2028	5,849,454
2029 - 2033	2,484,107
2034 - 2038	948,562
2039 - 2043	133,075
	<u>\$ 16,970,536</u>

18. Commitments and Contingencies

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

The County, the Drainage Districts, and the Road Commission received funds from various federal and state units to finance specific activities. The final determination of 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 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, 2018 as follows: Evergreen-Farmington S.D.S – Middlebelt Road Tunnel Project with a cost of \$5,308,985 with a remaining balance of \$10,344; Evergreen-Farmington S.D.S – North Evergreen Interceptor Querton Rd Storage Improvement Project with a cost of \$2,757,333 and a remaining balance of \$277,102; and the Pontiac Water System Water Meter Replacements with a cost of \$1,320,918

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with a remaining balance of \$506,041; Pontiac Sewer System – 66 Inch Steel Sewer River Crossing Rehab with a cost of \$1,374,250 with a remaining balance of \$364,650. Building Authority projects consists of a contract of \$3,056,266 for Facilities Infrastructure/Information Technology Project with a remaining balance of \$34,983. There are two 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 \$345,697 and one with a cost of \$1,350,342 for Children's Village Multi Building Video Security Upgrade with a remaining balance of \$365,935 as of September 30, 2018.

There are four contracts for Information Technology projects at September 30, 2018 as follows: Imaging System Replacement with a cost of \$2,419,403 with a remaining balance of \$406,126; Network Equipment Replacement with a cost of \$5,728,879 with a remaining balance of \$1,305,613; Oblique Imagery Project with a cost of \$1,310,000 with a remaining balance of \$761,180; and the New Financial Human Capital Management Program with a cost of \$9,257,402 with a remaining balance of \$7,199,972.

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 \$32,403,474 with a remaining balance of \$15,783,546; Pontiac Wastewater Treatment Facility – Aeration Tank Repair Project with a cost of \$5,782,903 with a remaining balance of \$1,372 and two contracts for construction, assessment and inspection for the Oakland Macomb Interceptor Drainage District Project with a total cost of \$86,066,678, with a remaining balance of \$3,528,269 as of September 30, 2018.

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	12,253,019
Advances receivable	1,043,199
Due to other funds	(13,509,773)
Advances payable	(1,043,199)
Internal Service Funds	
Due from other funds	1,322,534
Due to other funds	(14,183)
Current and long-term advances payable	(38,649)
Governmental activities, internal balances	<u>\$ 12,948</u>
Business-Type Activities	
Proprietary Funds	
Due from other funds	\$
Current and long-term advances receivable	14,183
Due to other funds	38,649
Business-type activities, internal balances	<u>(65,780)</u>
	<u>\$ (12,948)</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.

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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 \$480,914 for the County General Fund and \$28,188 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 \$442,130 for the County General Fund and \$25,915 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 within the County. Personal Property Tax exemptions are intended to promote purchase of new equipment. The abatements amounted to \$965,173 for the County General Fund and \$56,572 for the County Parks and Recreation Fund for the year.

Finally, various local governments within Oakland County use Payment in Lieu of Taxes (PILOT) Programs that are designed to provide tax abatements primarily for owners of low to moderate income 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 \$335,655 for the year.

21. Accounting and Reporting Change

In fiscal year 2017 the County adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, the primary objective of which is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local government OPEB plans for making decisions and assessing accountability. Subsequent to September 30, 2017 it was determined that the Superseding Trust fund, which had been included as part of the OPEB Plan, should be reported in the Governmental Activities of the financial statements rather than in Fiduciary Funds. The County elected to record these changes in the Fringe Benefits Fund, an Internal Services fund, and for reporting purposes the net position of this fund was restated as of September 30, 2017.

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Fund Financial Statements

		Totals September 30, 2018
Internal Service Funds		
Net Position at September 30, 2017		
Reclassification of the Superseding Trust fund type		
Net Position at September 30, 2017, as restated		
	Fringe Benefits Fund	
	\$ (7,670,877)	\$ 67,327,670
	12,667,758	12,667,758
	\$ 4,996,881	\$ 79,995,428

This restatement is also reported in the Proprietary Funds Statement of Changes in Net Position – Governmental Activities – Internal Service Funds.

Statement of Activities

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Net Position at September 30, 2017	\$ 546,234,007	\$ 746,825,115	\$ 1,293,059,122
Adjustments - increases	12,667,758	-	12,667,758
Net Position at September 30, 2017, as restated	\$ 558,901,765	\$ 746,825,115	\$ 1,305,726,880

The following change is also reported in the Fiduciary Funds statements:

Pension (and Other Postemployment Benefits) Trust Funds

		Totals September 30, 2018
Net Position at September 30, 2017		
Reclassification of the Superseding Trust fund type		
Net Position at September 30, 2017, as restated		
	OPEB Plan	
	\$ 1,258,247,817	\$ 2,043,258,944
	(12,667,758)	(12,667,758)
	\$ 1,245,580,059	\$ 2,030,591,186

County of Oakland
Notes to Basic Financial Statements
September 30, 2018

Since Internal Service funds report a Statement of Cash Flows, this reporting change necessitated a restatement of pooled cash and investments as follows:

Fund Financial Statements

		Totals September 30, 2018
Internal Service Funds		
Pooled cash and investments at September 30, 2017	Fringe Benefits Fund	
	\$ 84,402,753	\$ 132,870,163
Reclassification of the Superceding Trust fund type	205,313	205,313
Pooled cash and investments at September 30, 2017, as restated	<u>\$ 84,608,066</u>	<u>\$ 133,075,476</u>

In fiscal year 2018, The Road Commission component unit adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*. The effect of this new accounting standard was a decrease in net position to record the net OPEB liability and deferred inflows at September 30, 2017. This change in net position is reported in the Component Units – Statement of Net Position in the County’s CAFR for September 30, 2018 as follows:

Component Units

	Road Commission	Total Component Units
Net Position at September 30, 2017	\$ 848,731,889	\$ 1,451,822,591
Adjustment for implementation of GASB Statement No. 75	<u>(87,675,052)</u>	<u>(87,675,052)</u>
Net Position at September 30, 2017, as restated	<u>\$ 761,056,837</u>	<u>\$ 1,364,147,539</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 2,128,819	\$ 2,483,176	\$ 2,864,098	\$ 3,705,776	\$ 4,196,269
Interest	53,272,144	53,389,706	53,131,461	50,740,081	50,492,624
Difference between expected and actual experience	(5,905,800)	(607,861)	2,639,268	2,621,256	-
Assumption changes	-	-	-	29,334,529	-
Benefit payments, including refunds of member contributions	(57,579,562)	(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)
Net change in total pension liability (asset)	(8,084,399)	(574,196)	4,709,302	34,334,676	4,694,970
Total pension liability - beginning of year	762,513,562	763,087,758	758,378,456	724,043,780	719,348,810
Total pension liability - end of year (a)	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	301,807	372,273	443,238	473,247	560,091
Net investment income	49,559,010	83,094,349	65,710,783	5,099,460	70,247,939
Benefit payments, including refunds of member contributions	(57,579,562)	(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)
Administrative expenses	(240,203)	(259,250)	(245,352)	(296,825)	(2,959,649)
Net change in plan fiduciary net position	(7,958,948)	27,368,155	11,983,144	(42,236,252)	23,625,293
Plan fiduciary net position - beginning of year	785,011,127	757,642,972	745,659,828	787,896,080	764,270,787
Plan fiduciary net position - end of year (b)	777,052,179	785,011,127	757,642,972	745,659,828	787,896,080
Net pension liability (asset) - end of year (a) - (b)	\$ (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	103.00%	102.95%	99.29%	98.32%	108.82%
Covered payroll	\$ 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	(141.22%)	(120.75%)	24.94%	51.48%	(213.54%)

Covered payroll is 2016 valuation payroll (projected to the 2017-2018 year) used to determine employer contributions for the 2017-2018 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									
	2018 *	2017 *	2016 *	2015	2014	2013	2012 *	2011 *	2010 *	2009 *
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	\$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	\$46,690,015
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	18.44%	19.30%	16.02%	0.00%	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 Five 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%

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 Two Fiscal Years - Unaudited

	Fiscal Year	
	2018	2017
Total OPEB liability		
Service cost	\$ 9,742,233	\$ 11,009,857
Interest on the total OPEB liability	70,351,546	67,692,444
Change in benefit terms	-	-
Difference between expected and actual experience	(82,048,924)	(6,799,845)
Change in assumptions	(51,205,346)	-
Employer-financed benefit payments	(37,449,853)	(31,732,905)
Net change in total OPEB liability	(90,610,344)	40,169,551
Total OPEB liability - beginning of year	984,219,962	944,050,411
Total OPEB liability - end of year (a)	893,609,618	984,219,962
Plan fiduciary net position		
Contributions - employer	\$ -	\$ -
Contributions - member	234,284	218,517
OPEB Plan net investment income	84,162,823	134,380,948
Employer-financed benefit payments	(37,449,853)	(31,732,905)
Member-financed benefit payments	(234,284)	(218,517)
OPEB Plan administrative expenses	(234,935)	(204,215)
Other	3,465,258	3,332,028
Net change in plan fiduciary net position	49,943,293	105,775,856
Plan fiduciary net position - beginning of year	1,245,580,059	1,139,804,203
Plan fiduciary net position - end of year (b)	1,295,523,352	1,245,580,059
Net OPEB liability (asset) - end of year (a) - (b)	\$ (401,913,734)	\$ (261,360,097)
Plan fiduciary net position as a percentage of the total OPEB liability	144.98%	126.56%
Covered employee payroll	N/A	N/A
Net OPEB liability (asset) as a percentage of covered employee payroll	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									
	2018 *	2017 *	2016 *	2015 *	2014 *	2013 *	2012 *	2011 *	2010	2009
Actuarially determined contribution	\$ -	\$ -	\$ 800,184	\$ 818,930	\$ 35,236,330	\$ 36,969,985	\$ 37,268,761	\$ 47,592,273	\$ 57,631,411	\$ 61,863,580
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	57,631,411	61,863,580
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	\$141,464,508	\$144,715,626	\$146,473,723	\$154,128,944	\$162,819,440	\$173,903,452	\$175,316,170	\$ 180,539,069
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	32.87%	34.27%

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*	4.50% 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: 9% trend, gradually decreasing to 3.25% in year 12. 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 Two Fiscal Years – Unaudited**

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

Fiscal Year	Rate of Return
2017	12.10%
2018	6.50%

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, 2018**

	General Fund			Variance with Final Amended Budget
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	
Revenues				
Taxes				
Current property taxes	\$226,448,198	\$227,059,671	\$227,686,524	\$ 626,853
Delinquent taxes - prior years	98,500	98,500	242,665	144,165
Trailer tax	80,000	80,000	83,980	3,980
Total	226,626,698	227,238,171	228,013,169	774,998
Other intergovernmental revenues				
Circuit judges' salaries	868,756	868,756	868,869	113
Probate judges' salaries	622,464	622,464	620,040	(2,424)
District judges' salaries	457,240	457,240	457,240	-
State court fund - P. A. 189	5,000,000	5,000,000	4,617,656	(382,344)
Local comm subsidization share	2,000,000	4,157,046	4,157,398	352
Revenue sharing	26,419,178	26,683,178	26,683,379	201
Convention facility/Liquor tax	9,100,000	9,841,485	9,841,485	-
Other	293,006	291,006	261,893	(29,113)
Total	44,760,644	47,921,175	47,507,960	(413,215)
Charges for services				
County Executive	265,690	265,690	289,729	24,039
Management and Budget	3,765,600	3,765,600	3,897,045	131,445
Central Services	321,950	321,950	314,274	(7,676)
Human Resources	-	-	27	27
Human Services	4,267,834	4,161,715	4,110,102	(51,613)
Public Services	1,442,200	1,627,982	1,710,892	82,910
Community and Economic Development	465,225	567,965	619,086	51,121
Clerk/Register of Deeds	13,742,300	13,742,300	18,115,028	4,372,728
Treasurer	4,802,300	4,802,300	9,993,887	5,191,587
Circuit Court	3,105,500	3,326,000	3,036,912	(199,088)
District Court	11,342,650	11,342,650	12,358,809	1,016,159
Probate Court	516,600	585,600	586,356	756
Prosecuting Attorney	295,053	295,053	288,713	(6,340)
Sheriff	58,170,727	59,258,715	58,747,693	(511,022)
Legislative	26,500	26,500	20,171	(6,329)
Water Resources Commissioner	2,497,177	2,740,177	3,361,230	621,053
Non-Departmental	716,812	1,208,468	1,336,030	127,562
Total	105,744,118	107,948,665	118,783,984	10,837,319
Investment income	1,904,700	1,904,700	2,284,957	380,257
Indirect cost recovery	8,134,737	8,134,737	9,145,652	1,010,915
Federal grants	393,892	885,989	973,505	87,516
State grants	4,812,160	4,821,324	4,829,285	7,961
Contributions	29,240	52,372	44,479	(7,893)
Other revenues	429,100	433,380	516,086	82,706
Total revenues	392,835,289	399,340,513	412,101,077	12,760,564

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**County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2018**

	General Fund			Variance with Final Amended Budget
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	
Expenditures				
County Executive				
Administration	\$ 6,512,158	\$ 6,512,158	\$ 6,486,610	\$ 25,548
Personnel	414,576	414,576	361,636	52,940
Operating	970,118	1,088,715	1,086,156	2,559
Internal Support	7,896,852	8,015,449	7,934,402	81,047
Total Administration	15,393,652	15,630,898	15,568,322	62,576
Management and Budget				
Personnel	17,211,550	17,232,135	15,453,703	1,778,432
Operating	819,021	840,743	614,706	226,037
Internal Support	2,268,830	3,008,007	2,781,062	226,945
Total Management and Budget	20,299,401	21,080,885	18,849,471	2,231,414
Central Services				
Personnel	1,481,723	1,481,723	1,421,255	60,468
Operating	400,193	639,793	572,203	67,590
Internal Support	783,521	815,674	814,927	747
Total Central Services	2,665,437	2,937,190	2,808,385	128,805
Facilities Management				
Personnel	1,079,450	1,079,450	1,075,365	4,085
Operating	230,946	291,113	278,268	12,845
Internal Support	64,528	86,776	83,132	3,644
Total Facilities Management	1,374,924	1,457,339	1,436,765	20,574
Human Resources				
Personnel	2,715,782	2,736,368	2,725,470	10,898
Operating	715,407	946,097	448,529	497,568
Internal Support	659,534	861,049	754,767	106,282
Total Human Resources	4,090,723	4,543,514	3,928,766	614,748
Human Services				
Personnel	27,824,573	27,863,011	25,683,133	2,179,878
Operating	4,960,115	5,616,244	4,628,514	987,730
Internal Support	3,521,002	4,086,345	3,786,272	300,073
Total Human Services	36,305,690	37,565,600	34,097,919	3,467,681
Public Services				
Personnel	12,654,144	12,610,093	12,075,947	534,146
Operating	1,916,405	2,131,826	1,988,371	143,455
Internal Support	3,466,429	3,765,755	3,685,448	80,307
Total Public Services	18,036,978	18,507,674	17,749,766	757,908

(continued)

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**County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2018**

	General Fund			Variance with Final Amended Budget
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	
Expenditures (continued)				
County Executive (continued)				
Community and Economic Development	\$ 5,640,614	\$ 5,640,614	\$ 5,201,726	\$ 438,888
Personnel	1,837,731	2,178,663	1,632,856	545,807
Operating	908,363	1,038,126	1,016,465	21,661
Internal Support				
Total Community and Economic Development	8,386,708	8,857,403	7,851,047	1,006,356
County Executive	99,056,713	102,965,054	94,656,521	8,308,533
Clerk/Register of Deeds				
Personnel	8,003,803	8,003,803	6,149,061	1,854,742
Operating	1,433,408	1,433,408	966,244	467,164
Internal Support	1,313,495	1,671,789	1,600,065	71,724
Total Clerk/Register of Deeds	10,750,706	11,109,000	8,715,370	2,393,630
Treasurer				
Personnel	3,443,735	3,443,735	3,223,564	220,171
Operating	4,512,105	4,512,105	3,376,586	1,135,519
Internal Support	777,694	1,104,411	1,047,608	56,803
Total Treasurer	8,733,534	9,060,251	7,647,758	1,412,493
Justice Administration				
Circuit Court				
Personnel	23,192,964	22,780,005	21,407,225	1,372,780
Operating	7,045,769	8,233,158	5,744,332	2,488,826
Internal Support	4,712,935	5,477,336	5,337,560	139,776
Total Circuit Court	34,951,668	36,490,499	32,489,117	4,001,382
District Court				
Personnel	13,218,171	13,218,171	12,649,068	569,103
Operating	2,623,423	2,638,763	2,502,391	136,372
Internal Support	1,626,678	1,785,165	1,709,433	75,732
Total District Court	17,468,272	17,642,099	16,860,892	781,207
Probate Court				
Personnel	4,692,639	4,692,639	4,332,501	360,138
Operating	811,424	921,424	919,373	2,051
Internal Support	918,200	975,688	869,545	106,143
Total Probate Court	6,422,263	6,589,751	6,121,419	468,332
Total Justice Administration	58,842,203	60,722,349	55,471,428	5,250,921
				(continued)

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**County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2018**

	General Fund			Variance with Final Amended Budget
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	
Expenditures (continued)				
Law Enforcement				
Prosecuting Attorney				
Personnel	\$ 17,096,664	\$ 17,096,664	\$ 16,027,885	\$ 1,068,779
Operating	560,166	560,166	512,020	48,146
Internal Support	2,082,213	2,161,751	2,032,097	129,654
Total Prosecuting Attorney	19,739,043	19,818,581	18,572,002	1,246,579
Sheriff				
Personnel	120,559,056	124,621,090	124,618,030	3,060
Operating	12,164,322	12,238,661	11,167,597	1,071,064
Internal Support	18,132,485	18,988,019	18,850,640	137,379
Total Sheriff	150,855,863	155,847,770	154,636,267	1,211,503
Total Law Enforcement	170,594,906	175,666,351	173,208,269	2,458,082
Legislative				
Board of Commissioners				
Personnel	2,775,358	2,775,358	2,736,726	38,632
Operating	997,523	1,604,139	1,447,758	156,381
Internal Support	688,806	793,452	767,495	25,957
Total Legislative	4,461,687	5,172,949	4,951,979	220,970
Water Resource Commissioner				
Personnel	224,606	224,606	222,102	2,504
Operating	487,975	487,975	241,036	246,939
Internal Support	5,970,144	6,577,441	6,577,083	358
Total Water Resource Commissioner	6,682,725	7,290,022	7,040,221	249,801
Non-departmental				
Operating	21,947,953	25,382,603	19,529,687	5,852,916
Internal Support	8,712,772	3,640,731	2,295,344	1,345,387
Total non-departmental	30,660,725	29,023,334	21,825,031	7,198,303
Excess of revenues (under) over expenditures	389,783,199	401,009,310	373,516,577	27,492,733
	3,052,090	(1,668,797)	38,584,500	40,253,297
				(continued)

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**County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2018**

	General Fund			Variance with Final Amended Budget
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	
Other Financing Sources (Uses)				
Transfers in				
Special Revenue Funds	\$ 31,957	\$ 469,018	\$ 437,059	\$ (31,959)
Restricted Funds	-	9	9	-
Judicial Grants	31,957	469,027	437,068	(31,959)
Total special revenue funds				
Capital Project Funds	-	-	152,787	152,787
Project Work Orders	-	-	141,817	141,817
Major Dept. Support Projects	-	-	294,604	294,604
Total capital project funds				
Enterprise Funds	8,600,000	8,600,000	8,906,817	306,817
Delinquent Tax Revolving	8,600,000	8,600,000	8,906,817	306,817
Total enterprise funds	8,600,000	8,600,000	8,906,817	306,817
Transfers in	8,631,957	9,069,027	9,638,489	569,462
Transfers out				
Special Revenue Funds				
Child Care	(23,323,944)	(21,923,150)	(16,438,276)	5,484,874
Social Welfare Foster Care	(1,000)	(1,000)	-	1,000
Restricted Funds	-	(1,930)	(1,930)	-
Drains-Act 40 Chapters 4 & 18				
Maintenance	(56,165)	(56,165)	(50,061)	6,104
Friend of the Court Grant	(5,246,653)	(5,508,988)	(5,214,325)	294,663
Judicial Grants	-	(9)	(9)	-
Law Enforcement Grants	(1,309,113)	(1,709,856)	(1,561,589)	148,267
Multi Organizational Grants	-	(18,606)	(18,606)	-
Housing & Community Development	-	(495,018)	(495,018)	-
Total special revenue funds	(29,936,875)	(29,714,722)	(23,779,814)	5,934,908
				(continued)

**County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2018**

	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	\$ (2,238,000)	\$ (3,946,546)	\$ (3,946,546)	\$ (500)
Total debt service funds	(2,238,000)	(3,946,546)	(3,946,546)	(500)
Capital Projects Funds				
Building Improvement	(5,500,000)	(5,500,000)	(5,500,000)	-
Project Work Orders	(1,388,000)	(9,090,528)	(9,095,682)	(65,154)
Major Dept. Support Projects	-	(18,735,370)	(18,735,370)	-
Total capital projects funds	(6,888,000)	(35,265,898)	(35,331,052)	(65,154)
Internal Service Funds				
Information Technology	(3,620,676)	(4,153,743)	(4,153,743)	-
Motor Pool	-	(286,223)	(286,223)	-
Total internal service funds	(3,620,676)	(4,439,966)	(4,439,966)	-
Enterprise Funds				
Fire Records Management	(477,919)	(739,595)	(721,275)	18,320
CLEMIS	(1,644,186)	(1,644,186)	(1,644,186)	-
Radio Communications	(788)	(96,088)	(95,300)	788
Total enterprise funds	(2,122,893)	(2,479,869)	(2,460,761)	19,108
Total transfers out	(44,806,444)	(73,846,501)	(67,958,139)	5,888,362
Total other financing sources (uses)	(36,174,487)	(64,777,474)	(58,319,650)	6,457,824
Net change in fund balance	(33,122,397)	(66,446,271)	(19,735,150)	46,711,121
Fund balance				
October 1, 2017	264,780,087	264,780,087	264,780,087	-
September 30, 2018	\$ 231,657,690	\$ 198,333,816	\$ 245,044,937	\$ 46,711,121
				(continued)

County of Oakland
Notes to Required Supplementary Information
September 30, 2018

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, 2018

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2018
Assets				
Pooled cash and investments	\$ 302,578.31	\$ 10,104	\$ 45,087,552	\$ 75,355,487
Due from other governmental units	14,177,590	-	-	14,177,590
Due from component units	10	-	702,638	702,648
Accrued interest receivable	105,970	491	357,491	146,210
Accounts receivable (net of allowance for uncollectibles where applicable)	201,630	-	-	201,630
Special assessments receivable	140,624	795,000	736,324	1,671,948
Contracts receivable	-	2,365,000	118,400	2,483,400
Due from other funds	1,630,212	-	2,585,812	4,216,024
Advances	-	-	1,045,199	1,045,199
Other assets	2,255,077	-	-	2,255,077
Total assets	\$ 48,788,944	\$ 3,170,595	\$ 50,313,674	\$ 102,273,213
Liabilities				
Vouchers payable	\$ 2,628,247	\$ 9,362	\$ 1,880,054	\$ 4,517,663
Due to other governmental units	901,182	-	-	901,182
Due to other funds	9,330,874	-	366,680	9,697,554
Advances	119,390	-	923,809	1,043,199
Unearned revenue	5,222,529	-	-	5,222,529
Other accrued liabilities	11,104,967	-	3,034,931	14,139,898
Total liabilities	28,496,189	9,362	6,205,474	34,711,025
Deferred Inflows of Resources				
Unavailable revenue - special assessments	140,624	795,000	736,324	1,671,948
Unavailable revenue - grants	3,023,006	-	-	3,023,006
Unavailable revenue - contracts receivable	-	2,365,000	-	2,365,000
Unavailable revenue - other	2,537,912	-	-	2,537,912
Total deferred inflows of resources	5,701,542	3,160,000	736,324	9,597,866
Fund Balances				
Spendable:				
Restricted	171,182,126	1,233	-	171,183,359
Committed	(2,590,913)	-	44,273,743	44,273,743
Unassigned	14,591,213	1,233	(901,867)	(3,492,780)
Total fund balances	\$ 48,788,944	\$ 3,170,595	\$ 50,313,674	\$ 102,273,213
Total liabilities, deferred inflows of resources, and fund balances				

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds – By Fund Type
Year Ended September 30, 2018

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2018
Revenues				
Special assessments	\$ 1,147,925	\$ 893,713	\$ 123,484	\$ 2,165,122
Federal grants	300,539,903	-	-	300,539,903
State grants	23,717,428	-	-	23,717,428
Other intergovernmental revenue	12,352,892	-	-	12,352,892
Charges for services	13,032,817	750	28,229	13,061,796
Contributions	82,734	-	-	82,734
Investment income	335,700	986	85,924	422,610
Other	326,290	-	28,981	355,271
Total revenues	81,049,689	895,449	266,618	82,211,756
Expenditures				
Current operations				
County Executive	67,674,686	-	-	67,674,686
Clerk/Register of Deeds	1,946,198	-	-	1,946,198
Justice administration	25,142,975	-	-	25,142,975
Law enforcement	7,930,045	-	-	7,930,045
Legislative	7,004	-	-	7,004
Water Resource Commissioner	7,821,446	959	-	7,822,405
Total current operations	110,522,354	959	-	110,523,313
Capital outlay	41,901	-	23,718,681	23,760,582
Intergovernmental	-	-	-	-
Debt service	-	4,665,000	-	4,665,000
Principal payments	-	986,175	-	986,175
Interest and fiscal charges	110,564,255	5,652,134	23,718,681	139,935,070
Total expenditures	(29,514,566)	(4,756,685)	(23,452,063)	(57,723,314)
Deficiency of revenues under expenditures				
Other financing sources (uses)				
Transfers in	24,565,922	4,755,700	39,130,908	68,452,530
Transfers out	(997,216)	(34,989)	(6041,391)	(7,073,596)
Insurance recoveries	857,096	-	-	857,096
Issuance of bonds	2,589,311	-	-	2,589,311
Total other financing sources (uses)	27,015,113	4,720,711	33,089,517	64,825,341
Net change in fund balances	(2,499,453)	(35,974)	9,637,454	7,102,027
Fund balances				
October 1, 2017	17,090,666	37,207	33,734,422	50,862,295
September 30, 2018	\$ 14,591,213	\$ 1,233	\$ 43,371,876	\$ 57,964,322

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 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, 2018**

	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management
Assets					
Pooled cash and investments	\$ -	\$ 6,277,266	\$ 66,845	\$ 2,873,644	\$ 1,620,654
Due from other governmental units	6,476,687	-	-	-	-
Due from component units	-	10	-	-	-
Accrued interest receivable	-	24,316	726	5,870	924
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	16,302	28,959	-
Special assessments receivable	-	-	-	-	-
Due from other funds	-	184,831	-	63,830	-
Other assets	105	-	-	-	-
Total assets	\$ 6,476,792	\$ 6,486,423	\$ 83,873	\$ 2,972,303	\$ 1,621,578
Liabilities					
Vouchers payable	\$ 707,860	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	40	-	-	-
Due to other funds	2,685,067	-	-	-	-
Advances payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Other accrued liabilities	534,649	64,186	-	-	768,976
Total liabilities	3,927,576	64,226	-	-	768,976
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
Unavailable revenue - other	2,537,912	-	-	-	-
Total deferred inflows of resources	2,537,912	-	-	-	-
Fund Balances (deficits)					
Restricted	11,304	6,422,197	83,873	2,972,303	852,602
Unassigned	-	-	-	-	-
Total fund balances (deficits)	11,304	6,422,197	83,873	2,972,303	852,602
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 6,476,792	\$ 6,486,423	\$ 83,873	\$ 2,972,303	\$ 1,621,578

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2018**

	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	\$ 6,940,862	\$ 174,812	\$ 2,255,727	\$ 1,009	\$ -
Due from other governmental units	-	28,165	167,184	-	1,592,249
Due from component units	-	-	-	-	-
Accrued interest receivable	21,254	28	33,293	-	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	247	8,247	-	31,027
Special assessments receivable	-	-	140,624	-	-
Due from other funds	-	-	-	-	1,331,336
Other assets	-	-	-	-	3,440
Total assets	<u>\$ 6,962,116</u>	<u>\$ 203,252</u>	<u>\$ 2,605,075</u>	<u>\$ 1,009</u>	<u>\$ 2,958,052</u>
Liabilities					
Vouchers payable	\$ 347,601	\$ 108,762	\$ 294	\$ -	\$ 18,086
Due to other governmental units	-	-	270	-	1,050
Due to other funds	665,122	151,643	499,347	-	2,934,328
Advances payable	-	-	119,390	-	-
Unearned revenue	-	-	-	-	-
Other accrued liabilities	4,614,257	20,514	1,582,967	-	4,588
Total liabilities	<u>5,626,980</u>	<u>280,919</u>	<u>2,202,268</u>	<u>-</u>	<u>2,958,052</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	140,624	-	-
Unavailable revenue - grants	-	-	-	-	1,592,250
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>140,624</u>	<u>-</u>	<u>1,592,250</u>
Fund Balances (deficits)					
Restricted	1,335,136	-	262,183	1,009	-
Unassigned	-	(77,667)	-	-	(1,592,250)
Total fund balances (deficits)	<u>1,335,136</u>	<u>(77,667)</u>	<u>262,183</u>	<u>1,009</u>	<u>(1,592,250)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 6,962,116</u>	<u>\$ 203,252</u>	<u>\$ 2,605,075</u>	<u>\$ 1,009</u>	<u>\$ 2,958,052</u> (continued)

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**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2018**

	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants
Assets					
Pooled cash and investments	\$ -	\$ 22,637	\$ -	\$ 4,875,433	\$ 3,345,539
Due from other governmental units	309,677	1,175,615	1,040,558	2,409,517	166,824
Due from component units	-	-	-	-	-
Accrued interest receivable	-	-	-	17,181	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	-	107,898
Special assessments receivable	-	-	-	-	-
Due from other funds	-	500	69,085	630	-
Other assets	-	2,242,687	8,845	-	-
Total assets	<u>\$ 309,677</u>	<u>\$ 3,441,439</u>	<u>\$ 1,118,488</u>	<u>\$ 7,302,761</u>	<u>\$ 3,620,261</u>
Liabilities					
Vouchers payable	17,362	\$ 1,187,611	\$ 60,821	\$ 5,830	\$ 164,137
Due to other governmental units	-	-	-	7,248	-
Due to other funds	292,315	500	941,598	-	417,277
Advances payable	-	-	-	-	-
Unearned revenue	-	-	-	5,222,529	-
Other accrued liabilities	-	2,253,328	101,377	1,099,000	8,211
Total liabilities	<u>309,677</u>	<u>3,441,439</u>	<u>1,103,796</u>	<u>6,334,607</u>	<u>589,625</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - grants	-	-	484,646	317,201	166,823
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>484,646</u>	<u>317,201</u>	<u>166,823</u>
Fund Balances (deficits)					
Restricted	-	-	-	650,953	2,863,813
Unassigned	-	-	(469,954)	-	-
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>(469,954)</u>	<u>650,953</u>	<u>2,863,813</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 309,677</u>	<u>\$ 3,441,439</u>	<u>\$ 1,118,488</u>	<u>\$ 7,302,761</u>	<u>\$ 3,620,261</u> (continued)

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County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2018

	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Totals September 30, 2018
Assets					
Current assets					
Pooled cash and investments	\$ -	\$ -	\$ 635,881	\$ 1,167,522	\$ 30,257,831
Due from other governmental units	633,947	165,167	12,000	-	14,177,590
Due from component units	-	-	-	-	10
Accrued interest receivable	-	-	-	2,378	105,970
Accounts receivable (net of allowance for uncollectibles where applicable)	8,950	-	-	-	201,630
Special assessments receivable	-	-	-	-	140,624
Due from other funds	-	-	-	-	1,650,212
Other assets	-	-	-	-	2,255,077
Total assets	<u>\$ 642,897</u>	<u>\$ 165,167</u>	<u>\$ 647,881</u>	<u>\$ 1,169,900</u>	<u>\$ 48,788,944</u>
Liabilities					
Vouchers payable	\$ 2,030	\$ 3,399	\$ 3,750	\$ 704	2,628,247
Due to other governmental units	-	-	-	81,574	90,182
Due to other funds	595,328	148,349	-	-	9,330,874
Advances payable	-	-	-	-	119,390
Unearned revenue	-	-	-	-	5,222,529
Other accrued liabilities	44,967	2,947	5,000	-	11,104,967
Total liabilities	<u>642,325</u>	<u>154,695</u>	<u>8,750</u>	<u>82,278</u>	<u>28,496,189</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	140,624
Unavailable revenue - grants	296,919	165,167	-	-	3,023,006
Unavailable revenue - other	-	-	-	-	2,537,912
Total deferred inflows of resources	<u>296,919</u>	<u>165,167</u>	<u>-</u>	<u>-</u>	<u>5,701,542</u>
Fund Balances (deficits)					
Restricted	-	-	639,131	1,087,622	17,182,126
Unassigned	(296,347)	(154,695)	-	-	(2,590,913)
Total fund balances (deficits)	<u>(296,347)</u>	<u>(154,695)</u>	<u>639,131</u>	<u>1,087,622</u>	<u>14,591,213</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 642,897</u>	<u>\$ 165,167</u>	<u>\$ 647,881</u>	<u>\$ 1,169,900</u>	<u>\$ 48,788,944</u>

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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, 2018

	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	375,766	-	-	-	-
State grants	15,044,623	-	-	-	-
Other intergovernmental revenue	-	-	-	-	-
Charges for services	5,654,598	1,024,579	507,581	1,487,937	120,479
Contributions	-	-	-	73,594	-
Investment income	-	105,186	1,520	35,326	15,792
Other	25,108	-	-	-	-
Total revenues	<u>21,100,095</u>	<u>1,129,765</u>	<u>509,101</u>	<u>1,596,857</u>	<u>136,271</u>
Expenditures					
Salaries	12,750,248	235,003	298,361	-	-
Fringe benefits	7,446,344	149,481	178,674	-	-
Contractual services	13,659,468	882,463	28,886	2,500	970
Commodities	665,152	-	-	-	-
Capital outlay	-	-	-	-	-
Internal services	3,013,924	178,128	956	-	-
Total expenditures	<u>37,535,136</u>	<u>1,445,075</u>	<u>506,877</u>	<u>2,500</u>	<u>970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,435,041)</u>	<u>(315,310)</u>	<u>2,224</u>	<u>1,594,357</u>	<u>135,301</u>
Other financing sources (uses)					
Transfers in	16,439,345	6,020	-	18,516	-
Transfers out	-	-	-	(997,207)	-
Insurance recoveries	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Total other financing sources (uses)	<u>16,439,345</u>	<u>6,020</u>	<u>-</u>	<u>(978,691)</u>	<u>-</u>
Net change in fund balances	<u>4,304</u>	<u>(309,290)</u>	<u>2,224</u>	<u>615,666</u>	<u>135,301</u>
Fund balances (deficit)					
October 1, 2017	<u>7,000</u>	<u>6,731,487</u>	<u>81,649</u>	<u>2,356,637</u>	<u>717,301</u>
September 30, 2018	<u>\$ 11,304</u>	<u>\$ 6,422,197</u>	<u>\$ 83,873</u>	<u>\$ 2,972,303</u>	<u>\$ 852,602</u>

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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, 2018

	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	\$ -	\$ 403,210	\$ 744,715	\$ -	\$ -
Federal grants	-	-	-	-	-
State grants	-	-	-	-	-
Other intergovernmental revenue	-	-	-	-	10,814,650
Charges for services	-	500	66,078	-	1,392,473
Contributions	-	-	-	-	-
Investment income	119,123	3,243	39,750	-	-
Other	-	-	114,206	-	775
Total revenues	119,123	406,953	964,749	-	12,207,898
Expenditures					
Salaries	-	-	-	-	9,177,195
Fringe benefits	-	-	-	-	5,501,374
Contractual services	5,009,179	276,420	518,558	-	1,182,437
Commodities	225,840	5,247	18,431	-	79,811
Capital outlay	-	-	-	-	-
Internal services	635,063	340,589	792,120	-	1,564,428
Total expenditures	5,870,082	622,256	1,329,109	-	17,505,245
Excess (deficiency) of revenues over (under) expenditures	(5,750,959)	(215,303)	(364,360)	-	(5,297,347)
Other financing sources (uses)					
Transfers in	200,000	38,227	50,061	-	5,214,325
Transfers out	-	-	-	-	-
Insurance recoveries	857,096	-	-	-	-
Issuance of bonds	2,589,311	-	-	-	-
Total other financing sources (uses)	3,646,407	38,227	50,061	-	5,214,325
Net change in fund balances	(2,104,552)	(177,076)	(314,299)	-	(83,022)
Fund balances (deficit)					
October 1, 2017	3,439,688	99,409	576,482	1,009	(1,509,228)
September 30, 2018	\$ 1,335,136	\$ (77,667)	\$ 262,183	\$ 1,009	\$ (1,592,250)

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2018

	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	26,394	14,184,609	210,912	8,749,600	5,313,044
State grants	1,753,088	2,576,907	2,017,711	36,772	1,734,528
Other intergovernmental revenue	-	-	1,538,242	-	-
Charges for services	-	-	1,294	2,164,691	700
Contributions	-	-	-	-	9,140
Investment income	-	-	-	-	24
Other	-	-	1,350	35,140	147,220
Total revenues	1,779,482	16,761,516	3,769,509	10,986,203	7,204,656
Expenditures					
Salaries	897,960	457,635	2,597,411	1,390,305	2,925,267
Fringe benefits	525,746	217,264	1,544,093	812,130	1,703,178
Contractual services	187,299	16,002,519	902,778	9,455,867	1,968,074
Commodities	-	6,698	706,222	41,328	329,539
Capital outlay	-	-	-	-	11,279
Internal services	18,418	77,400	304,459	149,987	474,958
Total expenditures	1,629,423	16,761,516	6,054,963	11,849,617	7,412,295
Excess (deficiency) of revenues over (under) expenditures	150,059	-	(2,285,454)	(863,414)	(207,639)
Other financing sources (uses)					
Transfers in	18,606	-	2,085,795	495,018	-
Transfers out	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Total other financing sources (uses)	18,606	-	2,085,795	495,018	-
Net change in fund balances	168,665	-	(199,659)	(368,396)	(207,639)
Fund balances (deficit)					
October 1, 2017	(168,665)	-	(270,295)	1,019,349	3,071,452
September 30, 2018	\$ -	\$ -	\$ (469,954)	\$ 650,953	\$ 2,863,813

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2018

	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Totals September 30, 2018
Revenues					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 1,147,925
Federal grants	953,462	-	240,116	-	30,053,903
State grants	133,926	419,873	-	-	23,717,428
Other intergovernmental revenue	-	-	-	-	12,352,892
Charges for services	-	-	84,619	527,288	13,032,817
Contributions	-	-	-	-	82,734
Investment income	-	-	-	15,736	335,700
Other	2,491	-	-	-	326,290
Total revenues	1,089,879	419,873	324,735	543,024	81,049,689
Expenditures					
Salaries	173,316	244,367	-	80,405	31,227,473
Fringe benefits	108,683	132,925	-	63,881	18,383,773
Contractual services	551,237	131,330	240,116	5,054	51,005,155
Commodities	193,659	25,517	-	27,313	2,324,757
Capital outlay	30,622	-	-	-	41,901
Internal services	1,400	-	-	29,366	7,581,196
Total expenditures	1,058,917	534,139	240,116	206,019	110,564,255
Excess (deficiency) of revenues over (under) expenditures	30,962	(114,266)	84,619	337,005	(29,514,566)
Other financing sources (uses)					
Transfers in	-	9	-	-	24,565,922
Transfers out	-	(9)	-	-	(997,216)
Insurance recoveries	-	-	-	-	857,096
Issuance of bonds	-	-	-	-	2,589,311
Total other financing sources (uses)	-	-	-	-	27,015,113
Net change in fund balances	30,962	(114,266)	84,619	337,005	(2,499,453)
Fund balances (deficit)					
October 1, 2017	(327,309)	(40,429)	554,512	750,617	17,090,666
September 30, 2018	\$ (296,347)	\$ (154,695)	\$ 639,131	\$ 1,087,622	\$ 14,591,213

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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, 2018

	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Revenues			
Federal grants	\$ 300,000	\$ 375,766	\$ 75,766
State grants	15,925,182	15,044,623	(880,559)
Charges for services	4,492,397	5,654,598	1,162,201
Other	-	25,108	25,108
Total revenues	20,717,579	21,100,095	382,516
Expenditures			
Current operations			
County Executive	18,224,919	18,222,053	2,866
Human Services	10,000,297	7,850,114	2,150,183
Personnel	3,149,554	3,006,858	142,696
Operating			
Internal Support	31,374,770	29,079,025	2,295,745
Total Human Services	31,374,770	29,079,025	2,295,745
County Executive			
Justice administration	31,374,770	29,079,025	2,295,745
Circuit Court			
Personnel	1,975,940	1,974,539	1,401
Operating	9,290,098	6,474,506	2,815,592
Internal Support	8,171	7,066	1,105
Total Circuit Court	11,274,209	8,456,111	2,818,098
Total Justice administration	11,274,209	8,456,111	2,818,098
Total expenditures	42,648,979	37,535,136	5,113,843
Deficiency of revenues under expenditures	(21,931,400)	(16,435,041)	5,496,359
Other financing sources (uses)			
Transfers in	21,924,400	16,439,345	(5,485,055)
Total other financing sources (uses)	21,924,400	16,439,345	(5,485,055)
Net change in fund balance	(7,000)	4,304	11,304
Fund balance			
October 1, 2017	7,000	7,000	-
September 30, 2018	-	\$ 11,304	\$ 11,304

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, 2018

	Social Welfare Foster Care			
	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget	
Revenues				
State grants	\$ 1,000	\$ -	\$ (1,000)	
Total revenues	1,000	-	(1,000)	
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, 2017	-	-	-	
September 30, 2018	\$ -	\$ -	\$ -	

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 Lake Level Debt Act 146 Fund - was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the construction of dam structures for purposes of lake level control authorized under Public Act 451 of 1994.

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, 2018**

	Building Authority Debt Refunding	Lake Level Debt Act 146	Water and Sewer Debt Refunding	Totals September 30, 2018
Assets				
Pooled cash and investments	\$ 382	\$ -	\$ 9,722	\$ 10,104
Accrued interest receivable	348	-	143	491
Special assessments receivable	-	-	795,000	795,000
Contracts receivable	2,365,000	-	-	2,365,000
Total assets	<u>\$ 2,365,730</u>	<u>\$ -</u>	<u>\$ 804,865</u>	<u>\$ 3,170,595</u>
Liabilities				
Vouchers payable	\$ -	\$ -	\$ 9,362	\$ 9,362
Total liabilities	<u>-</u>	<u>-</u>	<u>9,362</u>	<u>9,362</u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	-	-	795,000	795,000
Unavailable revenue - contracts	2,365,000	-	-	2,365,000
Total deferred inflows of resources	<u>2,365,000</u>	<u>-</u>	<u>795,000</u>	<u>3,160,000</u>
Fund Balances - restricted for debt service	<u>730</u>	<u>-</u>	<u>503</u>	<u>1,233</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,365,730</u>	<u>\$ -</u>	<u>\$ 804,865</u>	<u>\$ 3,170,595</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, 2018**

	Building Authority Debt Refunding	Lake Level Debt Act 146	Water and Sewer Debt Refunding	Totals September 30, 2018
Revenues				
Special assessments	\$ 667,938	\$ -	\$ 225,775	\$ 893,713
Charges for services	750	-	-	750
Investment income	624	41	321	986
Total revenues	<u>669,312</u>	<u>41</u>	<u>226,096</u>	<u>895,449</u>
Expenditures				
Principal payments	4,460,000	-	205,000	4,665,000
Interest	963,250	-	20,775	984,025
Paying agent fees	1,650	-	500	2,150
Contractual services	-	959	-	959
Intergovernmental	-	-	-	-
Total expenditures	<u>5,424,900</u>	<u>959</u>	<u>226,275</u>	<u>5,652,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,755,588)</u>	<u>(918)</u>	<u>(179)</u>	<u>(4,756,685)</u>
Other financing sources (uses)				
Transfers in	4,755,700	-	-	4,755,700
Transfers out	-	(34,989)	-	(34,989)
Total other financing sources (uses)	<u>4,755,700</u>	<u>(34,989)</u>	<u>-</u>	<u>4,720,711</u>
Net change in fund balances	<u>112</u>	<u>(35,907)</u>	<u>(179)</u>	<u>(35,974)</u>
Fund balances				
October 1, 2017	618	35,907	682	37,207
September 30, 2018	<u>\$ 730</u>	<u>\$ -</u>	<u>\$ 503</u>	<u>\$ 1,233</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.

County of Oakland Combining Balance Sheet Non-Major Capital Projects Funds September 30, 2018

	Building Improvement	Project Work Orders	Facilities Infrastructure & IT Projects	Animal Control and Pet Adoption Center	Major Dept. Support Projects
Assets					
Pooled cash and investments	\$ 7,401,822	\$ 15,177,474	\$ 1,624,264	\$ 683,082	\$ 18,332,450
Accrued interest receivable	-	-	13,297	25,547	-
Special assessments receivable	-	-	-	-	-
Contracts receivable	-	-	-	-	-
Due from component units	-	-	28,978	-	-
Due from other funds	-	1,769,756	-	-	-
Advances	-	-	-	-	-
Total assets	<u>\$ 7,401,822</u>	<u>\$ 16,947,230</u>	<u>\$ 1,666,539</u>	<u>\$ 708,629</u>	<u>\$ 18,332,450</u>
Liabilities					
Vouchers payable	\$ -	\$ 502,997	\$ 1,277,322	\$ -	\$ 99,735
Due to other funds	-	61,748	-	-	141,816
Advances	-	-	-	-	-
Other accrued liabilities	-	2,938,547	-	-	86,384
Total liabilities	-	<u>3,503,292</u>	<u>1,277,322</u>	-	<u>327,935</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (deficits)					
Committed	7,401,822	13,443,938	389,217	708,629	18,004,515
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>7,401,822</u>	<u>13,443,938</u>	<u>389,217</u>	<u>708,629</u>	<u>18,004,515</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 7,401,822</u>	<u>\$ 16,947,230</u>	<u>\$ 1,666,539</u>	<u>\$ 708,629</u>	<u>\$ 18,332,450</u>

(continued)

County of Oakland
Combining Balance Sheet (Continued)
Non-Major Capital Project Funds
September 30, 2018

	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2018
Assets						
Pooled cash and investments	\$ 20,317	\$ 9,622	\$ 173,836	\$ 335,284	\$ 1,329,401	\$ 45,087,552
Accrued interest receivable	227	-	678	-	-	39,749
Special assessments receivable	34,098	-	702,226	-	-	736,324
Contracts receivable	-	-	-	-	118,400	118,400
Due from component units	-	-	-	673,660	-	702,638
Due from other funds	-	-	-	816,056	-	2,585,812
Advances	-	-	-	-	1,043,199	1,043,199
Total assets	\$ 54,642	\$ 9,622	\$ 876,740	\$ 1,825,000	\$ 2,491,000	\$ 50,313,674
Liabilities						
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,880,054
Due to other funds	163,116	-	-	-	-	366,680
Advances	63,809	-	860,000	-	-	923,809
Other accrued liabilities	10,000	-	-	-	-	3,034,931
Total liabilities	236,925	-	860,000	-	-	6,205,474
Deferred Inflows of Resources						
Unavailable revenue - special assessments	34,098	-	702,226	-	-	736,324
Total deferred inflows of resources	34,098	-	702,226	-	-	736,324
Fund Balances (deficits)						
Committed	-	9,622	-	1,825,000	2,491,000	44,273,743
Unassigned	(216,381)	-	(685,486)	-	-	(901,867)
Total fund balances (deficits)	(216,381)	9,622	(685,486)	1,825,000	2,491,000	43,371,876
Total liabilities, deferred inflows from resources, and fund balances (deficits)	\$ 54,642	\$ 9,622	\$ 876,740	\$ 1,825,000	\$ 2,491,000	\$ 50,313,674

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended September 30, 2018

	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	-	-	61,947	19,238	-
Other	-	-	28,978	-	-
Total revenues	-	-	90,925	19,238	-
Expenditures					
Capital outlay	-	14,320,543	5,375,223	79,281	3,866,836
Total expenditures	-	14,320,543	5,375,223	79,281	3,866,836
Excess (deficiency) of revenues over (under) expenditures	-	(14,320,543)	(5,284,298)	(60,043)	(3,866,836)
Other financing sources (uses)					
Transfers in	5,590,798	14,804,740	-	-	18,735,370
Transfers out	(5,636,746)	(259,590)	-	-	(141,817)
Total other financing sources (uses)	(45,948)	14,545,150	-	-	18,593,553
Net change in fund balances	(45,948)	224,607	(5,284,298)	(60,043)	14,726,717
Fund balances (deficit)					
October 1, 2017	7,447,770	13,219,331	5,673,515	768,672	3,277,798
September 30, 2018	\$ 7,401,822	\$ 13,443,938	\$ 389,217	\$ 708,629	\$ 18,004,515

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Capital Project Funds
Year Ended September 30, 2018

	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2018
Revenues						
Special assessments	\$ 33,166	\$ -	\$ 90,318	\$ -	\$ -	\$ 123,484
Charges for services	2,764	-	25,465	-	-	28,229
Investment income	1,185	11	3,543	-	-	85,924
Other	3	-	-	-	-	28,981
Total revenues	37,118	11	119,326	-	-	266,618
Expenditures						
Capital outlay	47,246	76	29,476	-	-	23,718,681
Total expenditures	47,246	76	29,476	-	-	23,718,681
Excess (deficiency) of revenues over (under) expenditures	(10,128)	(65)	89,850	-	-	(23,452,063)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	39,130,908
Transfers out	(3,238)	-	-	-	-	(6,041,391)
Total other financing sources (uses)	(3,238)	-	-	-	-	33,089,517
Net change in fund balances	(13,366)	(65)	89,850	-	-	9,637,454
Fund balances (deficit)						
October 1, 2017	(203,015)	9,687	(775,336)	1,825,000	2,491,000	33,734,422
September 30, 2018	\$ (216,381)	\$ 9,622	\$ (685,486)	\$ 1,825,000	\$ 2,491,000	\$ 43,371,876

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.

**County of Oakland
Combining Statement of Net Position
Internal Service Funds
September 30, 2018**

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Assets				
Current assets				
Pooled cash and investments	\$ 10,706,813	\$ 4,350,470	\$ 11,836,546	\$ 4,545,633
Investments, at fair value	-	-	-	-
Due from other governmental units	-	14,612	145	38,645
Due from component units	-	12,442	1,801	-
Accrued interest receivable	46,527	64,109	25,766	14,348
Accounts receivable (net of allowance for uncollectibles where applicable)	264,700	30,072	222,561	28,475
Due from other funds	16,000	641,412	-	-
Inventories and supplies	224,278	19,412	849,877	265,346
Prepayments and other assets	-	3,487,088	79,999	3,445
Total current assets	<u>11,258,318</u>	<u>8,619,617</u>	<u>13,016,695</u>	<u>4,895,892</u>
Noncurrent assets				
Net pension asset	-	-	-	-
Net OPEB asset	-	-	-	-
Capital assets, at cost				
Land	-	-	130,000	-
Buildings and improvements	525,283	-	2,424,145	424,860
Equipment and vehicles	1,971,100	68,885,304	8,262,411	19,371,239
Infrastructure	3,169,683	-	-	-
Construction in progress	-	3,543,313	4,928,208	-
	<u>5,666,066</u>	<u>72,428,617</u>	<u>15,744,764</u>	<u>19,796,099</u>
Less: Accumulated depreciation	<u>5,053,419</u>	<u>59,002,212</u>	<u>6,468,047</u>	<u>14,242,899</u>
Capital assets, net	<u>612,647</u>	<u>13,426,405</u>	<u>9,276,717</u>	<u>5,553,200</u>
Total noncurrent assets	<u>612,647</u>	<u>13,426,405</u>	<u>9,276,717</u>	<u>5,553,200</u>
Total assets	<u>11,870,965</u>	<u>22,046,022</u>	<u>22,293,412</u>	<u>10,449,092</u>

(continued)

**County of Oakland
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2018**

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2018
Assets				
Current assets				
Pooled cash and investments	\$ 4,437,958	\$ 8,114,338	\$ 91,800,723	\$ 135,792,481
Investments, at fair value	-	-	13,880,260	13,880,260
Due from other governmental units	343	-	1,325	55,070
Due from component units	-	-	-	14,243
Accrued interest receivable	17,835	158,230	766,593	1,093,408
Accounts receivable (net of allowance for uncollectibles where applicable)	506	-	2,710	549,024
Due from other funds	-	665,122	-	1,322,534
Inventories and supplies	-	-	-	1,358,913
Prepayments and other assets	21,259	1,321,282	1,685,940	6,599,013
Total current assets	<u>4,477,901</u>	<u>10,258,972</u>	<u>108,137,551</u>	<u>160,664,946</u>
Noncurrent assets				
Net pension asset	-	-	22,623,016	22,623,016
Net OPEB asset	-	-	401,913,734	401,913,734
Capital assets, at cost				
Land	-	-	-	130,000
Buildings and improvements	-	-	-	3,374,288
Equipment and vehicles	4,902,181	-	-	103,392,235
Infrastructure	-	-	-	3,169,683
Construction in progress	-	-	-	8,471,521
	<u>4,902,181</u>	<u>-</u>	<u>-</u>	<u>118,537,727</u>
Less: Accumulated depreciation	<u>4,858,979</u>	<u>-</u>	<u>-</u>	<u>89,625,556</u>
Capital assets, net	<u>43,202</u>	<u>-</u>	<u>-</u>	<u>28,912,171</u>
Total noncurrent assets	<u>43,202</u>	<u>-</u>	<u>424,536,750</u>	<u>453,448,921</u>
Total assets	<u>\$ 4,521,103</u>	<u>\$ 10,258,972</u>	<u>\$ 532,674,301</u>	<u>\$ 614,113,867</u>

(continued)

County of Oakland
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2018

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Liabilities				
Current liabilities				
Vouchers payable	\$ 564,998	\$ 912,848	\$ 333,812	\$ 3,298
Due to other governmental units	-	-	-	-
Due to component units	-	-	-	-
Due to other funds	-	-	14,183	-
Unearned revenue	-	2,063	-	-
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	294,423	614,275	275,397	18,836
Total current liabilities	859,421	1,529,186	636,275	22,134
Noncurrent liabilities				
Bonds payable	-	-	-	-
Accrued compensated absences	-	-	-	-
Claims and judgments	-	-	-	-
Advances payable	-	-	25,766	-
Total noncurrent liabilities	-	-	25,766	-
Total liabilities	859,421	1,529,186	662,041	22,134
Deferred Inflows of Resources				
Deferred inflows related to pension	-	-	-	-
Deferred inflows related to OPEB	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Net Position				
Net investment in capital assets	612,647	13,426,405	9,276,717	5,553,200
Restricted for Superseding Trust - OPEB	-	-	-	-
Unrestricted	10,398,897	7,090,431	12,354,654	4,873,758
Total net position	\$ 11,011,544	\$ 20,516,836	\$ 21,631,371	\$ 10,426,958

(continued)

County of Oakland
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2018

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2018
Liabilities				
Current liabilities				
Vouchers payable	\$ 37,842	\$ 88,248	\$ 6,716,072	\$ 8,657,118
Due to other governmental units	-	-	239,488	239,488
Due to component units	-	-	-	-
Due to other funds	-	-	-	14,183
Unearned revenue	-	-	-	2,063
Current portion of bonds payable	-	-	24,750,000	24,750,000
Current portion of compensated absences	-	-	1,264,656	1,264,656
Current portion of claims and judgments	-	1,532,528	5,644,825	7,177,353
Current portion of advances payable	-	-	-	12,883
Other accrued liabilities	97,895	48,966	4,706,470	6,056,262
Total current liabilities	135,737	1,669,742	43,321,511	48,174,006
Noncurrent liabilities				
Bonds payable	-	-	234,750,000	234,750,000
Accrued compensated absences	-	-	11,381,898	11,381,898
Claims and judgments	-	3,760,306	8,814,372	12,574,678
Advances payable	-	-	-	25,766
Total noncurrent liabilities	-	3,760,306	254,946,270	258,732,342
Total liabilities	135,737	5,430,048	298,267,781	306,906,348
Deferred Inflows of Resources				
Deferred inflows related to pension	-	-	9,273,581	9,273,581
Deferred inflows related to OPEB	-	-	120,188,280	120,188,280
Total deferred inflows of resources	-	-	129,461,861	129,461,861
Net Position				
Net investment in capital assets	43,202	-	-	28,912,171
Restricted for Superseding Trust - OPEB	-	-	14,058,877	14,058,877
Unrestricted	4,342,164	4,828,924	90,885,782	134,774,610
Total net position	\$ 4,385,366	\$ 4,828,924	\$ 104,944,659	\$ 177,745,658

County of Oakland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended September 30, 2018

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Operating revenues				
Charges for services	\$ 26,566,914	\$ 27,519,140	\$ 41,529,690	\$ 8,872,889
Other	16,965	22,685	5,989	3,321
Total operating revenues	26,583,879	27,541,825	41,535,679	8,876,210
Operating expenses				
Salaries	8,481,371	10,495,628	19,234,144	885,051
Fringe benefits	5,462,342	5,571,994	12,046,959	532,183
Fringe benefits - pension	-	-	-	-
Fringe benefits - OPEB	-	-	-	-
Contractual services	9,349,634	17,357,286	707,619	1,603,211
Commodities	1,934,468	1,302,777	1,635,366	3,091,286
Depreciation	132,707	2,969,181	466,405	3,014,524
Internal services	1,356,536	955,058	4,271,779	242,327
Total operating expenses	26,717,058	38,651,924	38,362,272	9,368,582
Operating income (loss)	(133,179)	(11,110,099)	3,173,407	(492,372)
Nonoperating revenues (expenses)				
Contributions	-	-	-	-
Investment income	167,072	65,366	153,279	39,479
Interest expense	-	-	(1,064)	-
Gain on sale of property and equipment	45,887	2,107	20,900	409,993
Net nonoperating revenues (expenses)	212,959	67,473	173,115	449,472
Income (loss) before transfers and contributions	79,780	(11,042,626)	3,346,522	(42,900)
Capital contributions	-	2,187,532	-	23,273
Transfers in	8,185	4,692,111	296,182	614,333
Transfers out	(73,224)	-	(386,983)	-
Change in net position	14,741	(4,162,983)	3,255,721	594,706
Net position				
October 1, 2017 (as restated, see Note 21)	10,996,803	24,679,819	18,375,650	9,832,252
September 30, 2018	\$ 11,011,544	\$ 20,516,836	\$ 21,631,371	\$ 10,426,958

(continued)

County of Oakland
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
Internal Service Funds
Year Ended September 30, 2018

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2018
Operating revenues				
Charges for services	\$ 2,829,109	\$ 3,263,493	\$ 154,071,369	\$ 264,652,604
Other	-	607,124	15,072	671,156
Total operating revenues	2,829,109	3,870,617	154,086,441	265,323,760
Operating expenses				
Salaries	243,499	475,025	1,503,830	41,318,548
Fringe benefits	144,082	212,954	827,092	24,797,606
Fringe benefits - pension	-	-	(3,036,127)	(3,036,127)
Fringe benefits - OPEB	-	-	(67,512,195)	(67,512,195)
Contractual services	1,920,828	4,836,749	113,982,653	149,757,980
Commodities	139,118	205,551	35,537	8,344,103
Depreciation	12,644	-	-	6,595,461
Internal services	518,880	95,172	516,252	7,956,004
Total operating expenses	2,979,051	5,825,451	46,317,042	168,221,380
Operating income (loss)	(149,942)	(1,954,834)	107,769,399	97,102,380
Nonoperating revenues (expenses)				
Contributions	-	-	-	-
Investment income	65,681	139,362	2,310,326	2,940,565
Interest expense	-	-	(10,131,947)	(10,133,011)
Gain on sale of property and equipment	-	-	-	478,887
Net nonoperating revenues (expenses)	65,681	139,362	(7,821,621)	(6,713,559)
Income (loss) before transfers and contributions	(84,261)	(1,815,472)	99,947,778	90,388,821
Capital contributions	-	-	-	2,210,805
Transfers in	-	-	-	5,610,811
Transfers out	-	-	-	(460,207)
Change in net position	(84,261)	(1,815,472)	99,947,778	97,750,230
Net position				
October 1, 2017 (as restated, see Note 21)	4,469,627	6,644,396	4,996,881	79,995,428
September 30, 2018	\$ 4,385,366	\$ 4,828,924	\$ 104,944,659	\$ 177,745,658

County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2018

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Cash flows from operating activities				
Cash received from users	\$ 26,631,736	\$ 26,913,250	\$ 42,295,288	\$ 9,035,450
Cash paid to suppliers	(17,883,295)	(26,222,546)	(18,842,864)	(5,723,664)
Cash paid to employees	(8,481,371)	(10,495,628)	(19,234,144)	(885,051)
Net cash provided by (used in) operating activities	267,070	(9,804,924)	4,218,280	2,426,735
Cash flows from noncapital financing activities				
Transfers from other funds	8,185	4,692,111	296,182	-
Transfers to other funds	(73,224)	-	(386,983)	-
Contributions	-	-	-	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(65,039)	4,692,111	(90,801)	-
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	614,333
Contributions for capital acquisitions	-	-	-	23,273
Proceeds from sale of capital assets	46,961	2,107	20,900	582,739
Acquisition of capital assets	(344,184)	(1,125,317)	(1,815,237)	(2,794,787)
Amount paid on advances	-	-	(12,883)	-
Interest paid on advances	-	-	(1,064)	-
Net cash provided by (used in) capital and related financing activities	(297,223)	(1,123,210)	(1,808,284)	(1,574,442)
Cash flows from investing activities				
Purchase of investments	-	-	-	-
Proceeds on sale of investments	-	-	-	-
Interest on investments	158,451	62,608	144,280	37,452
Net cash provided by investing activities	158,451	62,608	144,280	37,452
Net increase (decrease) in cash and cash equivalents	63,259	(6,173,415)	2,463,475	889,745
Pooled cash and investments				
October 1, 2017 (as restated, see Note 21)	10,643,554	10,523,885	9,373,071	3,655,888
September 30, 2018	\$ 10,706,813	\$ 4,350,470	\$ 11,836,546	\$ 4,545,633

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2018

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2018
Cash flows from operating activities				
Cash received from users	\$ 2,829,530	\$ 3,448,555	\$ 154,664,420	\$ 265,818,229
Cash paid to suppliers	(2,635,450)	(4,837,021)	(112,740,700)	(188,885,540)
Cash paid to employees	(243,499)	(475,025)	(1,503,830)	(41,318,548)
Net cash provided by (used in) operating activities	(49,419)	(1,863,491)	40,419,890	35,614,141
Cash flows from noncapital financing activities				
Transfers from other funds	-	-	-	4,996,478
Transfers to other funds	-	-	-	(460,207)
Contributions	-	-	-	-
Principal paid on debt	-	-	(23,870,000)	(23,870,000)
Interest paid on debt	-	-	(10,131,947)	(10,131,947)
Net cash provided by (used in) noncapital financing activities	-	-	(34,001,947)	(29,465,676)
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	614,333
Contributions for capital acquisitions	-	-	-	23,273
Proceeds from sale of capital assets	-	-	-	652,707
Acquisition of capital assets	-	-	-	(6,079,525)
Amount paid on advances	-	-	-	(12,883)
Interest paid on advances	-	-	-	(1,064)
Net cash provided by (used in) capital and related financing activities	-	-	-	(4,803,159)
Cash flows from investing activities				
Purchase of investments	-	-	(3,707,413)	(3,707,413)
Proceeds on sale of investments	-	-	2,266,137	2,266,137
Interest on investments	62,173	132,021	2,215,990	2,812,975
Net cash provided by investing activities	62,173	132,021	774,714	1,371,699
Net increase (decrease) in cash and cash equivalents	12,754	(1,731,470)	7,192,657	2,717,005
Pooled cash and investments				
October 1, 2017 (as restated, see Note 21)	4,425,204	9,845,808	84,608,066	133,075,476
September 30, 2018	\$ 4,437,958	\$ 8,114,338	\$ 91,800,723	\$ 135,792,481

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2018

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Operating income (loss)	\$ (133,179)	\$ (11,110,099)	\$ 3,173,407	\$ (492,372)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	132,707	2,969,181	466,405	3,014,524
(Increase) decrease in due from other governmental units	1,026	665	180,902	(27,189)
(Increase) decrease in due from component units	22,941	46	145	-
(Increase) decrease in accounts receivable	39,890	12,563	659	(28,475)
(Increase) decrease in due from other funds	(16,000)	(641,412)	577,903	214,904
(Increase) decrease in inventories and supplies	211,006	4,054	111,631	4,223
(Increase) decrease in prepayments and other assets	-	135,533	(79,999)	947
(Increase) decrease in net pension asset	-	-	-	-
(Increase) decrease in net OPEB asset	-	-	-	-
(Increase) decrease in deferred outflows related to pension	-	-	-	-
Increase (decrease) in vouchers payable	205,449	(990,845)	154,643	(236,295)
Increase (decrease) in due to other governmental units	-	(84,914)	-	-
Increase (decrease) in due to component units	-	(567)	-	-
Increase (decrease) in due to other funds	-	(504)	(35,808)	-
Increase (decrease) in unearned revenue	-	(437)	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) increase in other accrued liabilities	(196,770)	(98,188)	(331,608)	(23,532)
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 pensions	-	-	-	-
Increase (decrease) in deferred inflows related to OPEB	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 267,070</u>	<u>\$ (9,804,924)</u>	<u>\$ 4,218,280</u>	<u>\$ 2,426,735</u>
				(continued)

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County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2018

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2018
Operating (loss) income	\$ (149,942)	\$ (1,954,834)	\$ 107,769,399	\$ 97,102,380
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	12,644	-	-	6,595,461
(Increase) decrease in due from other governmental units	(1)	-	(190)	155,213
(Increase) decrease in due from component units	-	-	-	23,132
(Increase) decrease in accounts receivable	(82)	-	578,169	602,724
(Increase) decrease in due from other funds	504	(422,062)	-	(286,163)
(Increase) decrease in inventories and supplies	-	-	-	330,914
(Increase) decrease in prepayments and other assets	26,543	(168,187)	(36,686)	(121,849)
(Increase) decrease in net pension asset	-	-	(125,451)	(125,451)
(Increase) decrease in net OPEB asset	-	-	(140,553,637)	(140,553,637)
Increase (decrease) in vouchers payable	(31,096)	61,059	(16,105)	(853,190)
Increase (decrease) in due to other governmental units	-	-	(41,981)	(126,895)
Increase (decrease) in due to component units	-	-	-	(567)
Increase (decrease) in due to other funds	-	-	-	(36,312)
Increase (decrease) in unearned revenue	-	-	-	(437)
Increase (decrease) in current portion of compensated absences	-	-	7,634	7,634
Increase (decrease) in current portion of claims and judgments	-	312,090	2,139,598	2,451,688
Increase (decrease) in other accrued liabilities	92,011	(89,960)	334,971	(313,076)
Increase (decrease) in accrued compensated absences	-	-	68,702	68,702
Increase (decrease) in claims and judgments	-	398,403	164,701	563,104
Increase (decrease) in deferred inflows related to pensions	-	-	(2,910,676)	(2,910,676)
Increase (decrease) in deferred inflows related to OPEB	-	-	73,041,442	73,041,442
Net cash provided by (used in) operating activities	<u>\$ (49,419)</u>	<u>\$ (1,863,491)</u>	<u>\$ 40,419,890</u>	<u>\$ 35,614,141</u>
				(continued)

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County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2018

Noncash transactions:

Non-cash and capital related financing activities included contribution of capital assets in the amount of \$2,187,532 and write-off of capital assets in the amount of \$309,787 in the Information Technology fund.

Non-cash and non-capital related financing activities included recording a reduction of pension expense of (\$3,036,127) and a reduction of OPEB expense of (\$67,512,195) in the Fringe Benefits fund.

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County of Oakland
Combining Schedule of Net Position
Fringe Benefits Internal Service Fund
September 30, 2018

	Fringe Benefits	Superseding Trust	Totals September 30, 2018
Assets			
Current assets:			
Pooled cash and investments	\$ 91,655,421	145,302	91,800,723
Investments, at fair value	-	13,880,260	13,880,260
Due from other governmental units	1,325	-	1,325
Accrued interest receivable	728,575	38,018	766,593
Accounts receivable (net of allowance for uncollectibles where applicable)	2,710	-	2,710
Prepayments and other assets	1,685,940	-	1,685,940
Total current assets	94,073,971	14,063,580	108,137,551
Noncurrent assets:			
Net pension asset	22,623,016	-	22,623,016
Net OPEB asset	401,913,734	-	401,913,734
Total noncurrent assets	424,536,750	-	424,536,750
Total assets	\$ 518,610,721	14,063,580	\$32,674,301
Liabilities			
Current liabilities:			
Vouchers payable	\$ 6,713,696	2,376	6,716,072
Due to other governmental units	239,488	-	239,488
Current portion of bonds payable	24,750,000	-	24,750,000
Current portion of compensated absences	1,264,656	-	1,264,656
Current portion of claims and judgments	5,644,825	-	5,644,825
Other accrued liabilities	4,704,143	2,327	4,706,470
Total current liabilities	43,316,808	4,703	43,321,511
Noncurrent liabilities:			
Bonds payable	234,750,000	-	234,750,000
Accrued compensated absences	11,381,898	-	11,381,898
Claims and judgments	8,814,372	-	8,814,372
Total noncurrent liabilities	254,946,270	-	254,946,270
Total liabilities	298,263,078	4,703	298,267,781
Deferred Inflows of Resources			
Deferred inflows related to pension	9,273,581	-	9,273,581
Deferred inflows related to OPEB	120,188,280	-	120,188,280
Total deferred inflows of resources	129,461,861	-	129,461,861
Net Position			
Restricted for programs	-	14,058,877	14,058,877
Unrestricted	90,885,782	-	90,885,782
Total net position	\$ 90,885,782	14,058,877	\$104,944,659

County of Oakland
Combining Schedule of Changes in Net Position
Fringe Benefits Internal Service Fund
Year Ended September 30, 2018

	Fringe Benefits	Superseding Trust	Totals September 30, 2018
Operating revenues			
Charges for services	\$ 154,071,369	-	154,071,369
Other	15,072	-	15,072
Total operating revenues	154,086,441	-	154,086,441
Operating expenses			
Salaries	1,503,830	-	1,503,830
Fringe benefits	827,092	-	827,092
Fringe benefits-pension	(3,036,127)	-	(3,036,127)
Fringe benefits-OP EB	(67,512,195)	-	(67,512,195)
Contractual services	113,982,544	20,109	113,982,653
Commodities	35,537	-	35,537
Internal services	516,252	-	516,252
Total operating expenses	46,296,933	20,109	46,317,042
Operating income (loss)	107,789,508	(20,109)	107,769,399
Nonoperating revenues (expenses)			
Investment income	899,098	1,411,228	2,310,326
Interest expense	(101,31,947)	-	(10,131,947)
Net nonoperating revenues (expenses)	(9,232,849)	1,411,228	(7,821,621)
Change in net assets	98,556,659	1,391,119	99,947,778
Net position			
October 1, 2017 (as Restated)	(76,708,877)	12,667,758	4,996,881
September 30, 2018	\$ 90,885,782	14,058,877	104,944,659

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.

County of Oakland
Combining Statement of Net Position
Non-Major Enterprise Funds
September 30, 2018

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2018
Assets						
Current assets						
Pooled cash and investments	\$ 574,726	\$ 816,264	\$ 11,553,024	\$ 25,933,105	\$ 7,949,221	\$ 46,826,340
Due from other governmental units	-	77,295	902,236	21,130	585,971	1,586,632
Accrued interest receivable	59,682	3,481	50,782	171,992	36,315	322,252
Accounts receivable (net of allowances for uncollectibles where applicable)	-	2,894	157,466	1,223,055	-	1,383,415
Due from other funds	-	-	-	-	-	-
Inventories and supplies	-	-	-	257,632	-	257,632
Prepayments and other assets	-	19,816	678,670	1,425,114	-	2,123,600
Total current assets	634,408	919,750	13,342,178	29,032,028	8,571,507	52,499,871
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	21,953,461	27,942,479	-	50,430,278
Infrastructure	-	-	-	8,585,770	3,274,693	11,860,463
Construction in progress	-	979,935	544,920	1,258,340	-	2,783,195
	-	1,514,273	22,498,381	50,731,380	3,642,946	78,386,980
Less: Accumulated depreciation	-	534,338	19,551,143	42,640,871	3,037,680	65,764,032
Capital assets, net	-	979,935	2,947,238	8,090,509	605,266	12,622,948
Total assets	634,408	1,899,685	16,289,416	37,122,537	9,176,773	65,122,819
Liabilities						
Current liabilities						
Vouchers payable	2,693	-	211,198	27,563	7,296	248,750
Due to other governmental units	-	-	406,811	5,339	517,990	930,140
Due to other funds	-	-	-	63,830	-	63,830
Unearned revenue	-	-	296,329	-	-	296,329
Other accrued liabilities	-	24,878	195,408	618,476	30,516	869,278
Total liabilities	2,693	24,878	1,109,746	715,208	555,802	2,408,327
Net Position						
Net investment in capital assets	-	979,935	2,947,238	8,090,509	605,266	12,622,948
Restricted for programs	-	-	-	-	6,235,080	6,235,080
Unrestricted	631,715	894,872	12,232,432	28,316,820	1,780,625	43,856,464
Total net position	\$ 631,715	\$ 1,874,807	\$ 15,179,670	\$ 36,407,329	\$ 8,620,971	\$ 62,714,492

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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, 2018

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2018
Operating revenues						
Charges for services	\$ 616,671	\$ 266,043	\$ 6,161,068	\$ 8,172,125	\$ 6,628,692	\$ 21,844,599
Other	-	-	-	393	-	393
Total operating revenues	616,671	266,043	6,161,068	8,172,518	6,628,692	21,844,992
Operating expenses						
Salaries	155,290	111,223	1,805,249	699,609	-	2,771,371
Fringe benefits	61,518	63,750	951,042	363,244	-	1,439,554
Contractual services	149,316	197,620	4,505,250	1,525,540	6,624,496	13,002,222
Commodities	4,261	-	129,591	382,798	1,050	517,700
Depreciation	-	-	1,576,233	3,948,439	72,465	5,597,137
Internal services	25,665	186,546	782,701	885,929	137,618	2,018,459
Total operating expenses	396,050	559,139	9,750,066	7,805,559	6,835,629	25,346,443
Operating income (loss)	220,621	(293,096)	(3,588,998)	366,959	(206,937)	(3,501,451)
Nonoperating revenues (expenses)						
Contributions	-	-	-	-	77,780	77,780
Investment income	7,178	8,809	179,959	345,068	121,476	662,490
Gain (loss) on sale of property and equipment	-	-	1,408	-	-	1,408
Total nonoperating revenues (expenses)	7,178	8,809	181,367	345,068	199,256	741,678
Income (loss) before contributions and transfers	227,799	(284,287)	(3,407,631)	712,027	(7,681)	(2,759,773)
Transfers in	-	721,275	1,644,186	95,300	-	2,460,761
Transfers out	-	-	-	(334,000)	-	(334,000)
Change in net position	227,799	436,988	(1,763,445)	473,327	(7,681)	(633,012)
Net position						
October 1, 2017	403,916	1,437,819	16,943,115	35,934,002	8,628,652	63,347,504
September 30, 2018	\$ 631,715	\$ 1,874,807	\$ 15,179,670	\$ 36,407,329	\$ 8,620,971	\$ 62,714,492

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**County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2018**

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2018
Cash flows from operating activities						
Cash received from users	\$ 616,671	\$ 277,028	\$ 6,126,827	\$ 8,161,831	\$ 6,624,282	\$ 21,806,639
Cash paid to suppliers	(239,392)	(482,466)	(6,105,084)	(3,743,221)	(6,813,139)	(17,383,302)
Cash paid to employees	(155,290)	(111,223)	(1,805,249)	(699,609)	-	(2,771,371)
Net cash provided by (used in) operating activities	221,989	(316,661)	(1,783,506)	3,719,001	(188,857)	1,651,966
Cash flows from noncapital financing activities						
Transfers from other funds	-	721,275	1,644,186	95,300	-	2,460,761
Transfers to other funds	-	-	-	(334,000)	-	(334,000)
Contributions	-	-	-	-	82,393	82,393
Net cash provided by (used in) noncapital financing activities	-	721,275	1,644,186	(238,700)	82,393	2,209,154
Cash flows from capital and related financing activities						
Transfers from other funds	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	1,408	-	-	1,408
Acquisition of capital assets	-	(304,032)	(350,479)	(71,914)	-	(726,425)
Net cash provided by (used in) capital and related financing activities	-	(304,032)	(349,071)	(71,914)	-	(725,017)
Cash flows from investing activities						
Interest on investments	6,674	8,386	169,455	322,889	114,864	622,268
Net cash provided by investing activities	6,674	8,386	169,455	322,889	114,864	622,268
Net increase (decrease) in cash and cash equivalents	228,663	108,968	(318,936)	3,731,276	8,400	3,758,371
Pooled cash and investments						
October 1, 2017	346,063	707,296	11,871,960	22,201,829	7,940,821	43,067,969
September 30, 2018	\$ 574,726	\$ 816,264	\$ 11,553,024	\$ 25,933,105	\$ 7,949,221	\$ 46,826,340

(continued)

**County of Oakland
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
Year Ended September 30, 2018**

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron- Rouge S.D.S.	Totals September 30, 2018
Operating income (loss)	\$ 220,621	\$ (293,096)	\$ (3,588,998)	\$ 366,959	\$ (206,937)	\$ (3,501,451)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	-	-	1,576,233	3,948,439	72,465	5,597,137
(Increase) decrease in due from other governmental units	-	(22,109)	(27,804)	(6,247)	(4,410)	(60,570)
(Increase) decrease in accounts receivable	-	-	(6,039)	(8,039)	-	(14,078)
(Increase) decrease in due from other funds	-	33,094	201	3,599	-	36,894
(Increase) decrease in inventories and supplies	-	-	-	27,078	-	27,078
(Increase) decrease in prepayments and other assets	-	4,460	172,744	(383,838)	-	(206,634)
Increase (decrease) in vouchers payable	1,368	(21,225)	91,400	(50,246)	(3,133)	18,164
Increase (decrease) in due to other governmental units	-	-	15,780	(9,762)	-	6,018
Increase (decrease) in due to other funds	-	-	-	63,830	(7,513)	56,317
Increase (decrease) in unearned revenue	-	-	(599)	-	-	(599)
Increase (decrease) in other accrued liabilities	-	(17,785)	(16,424)	(232,772)	(39,329)	(306,310)
Net cash provided by (used in) operating activities	\$ 221,989	\$ (316,661)	\$ (1,783,506)	\$ 3,719,001	\$ (188,857)	\$ 1,651,966

Noncash transactions

Noncash and capital related financing activities included acquisition of capital assets in the amount of \$239,949 reported in the Other Accrued Liabilities liability account and write-off of capital assets in the amount of \$401,698 in the Radio Communications fund.

Noncash and non-capital related financing activities included recording of grant proceeds of \$29,786 in the Due from Other Governmental Units asset account in the Huron-Rouge S.D.S. fund.

**County of Oakland
Pension (and Other Postemployment Benefits) Trust Funds
September 30, 2018**

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 VEB4 (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, 2018**

	Oakland County Employees' Retirement	VEBA Trust	Totals September 30, 2018
Assets			
Pooled cash and investments	\$ 18,705,569	\$ 11,621,615	\$ 30,327,184
Cash and cash equivalents	20,376,111	31,318,198	51,694,309
	39,081,680	42,939,813	82,021,493
Investments, at fair value:			
Common stock	147,803,107	267,445,747	415,248,854
Government agencies	36,066,953	62,227,384	98,294,337
Corporate bonds	65,316,055	101,335,822	166,651,877
Municipal bonds	1,530,449	2,167,055	3,697,504
Hedge funds	44,996,050	56,052,659	101,048,689
Partnerships	51,316,082	95,841,156	147,157,238
Asset-backed fixed income	9,475,912	16,898,646	26,374,558
Government bonds	32,129,653	54,779,538	86,909,171
Government mortgage-backed securities	33,444,346	51,328,785	84,773,131
Government issued commercial mortgage backed	1,349,986	1,820,603	3,170,589
Non-Government backed CMOs	861,096	1,153,692	2,014,788
Commercial mortgage-backed securities	7,886,952	9,999,959	17,886,911
Bank loans	2,596,741	3,091,303	5,688,044
Exchange traded funds	602,135	1,164,461	1,766,596
International common stock	201,055,494	411,648,151	612,703,645
Indexlinked government bonds	6,963,289	9,172,341	16,135,630
Real estate	91,041,505	105,500,479	196,541,784
Other fixed income	973,652	973,652	1,947,304
Other	392,468	-	392,468
Total investments	735,801,705	1,252,601,413	1,988,403,118
Receivables - interest and dividends	2,666,112	3,336,298	6,002,410
Receivables - other	23,746	36,964	60,710
Prepaid expenses	61,890	232,812	238,962
Total assets	777,579,393	1,299,147,300	2,076,726,693
Liabilities			
Vouchers payable	187,771	1,270,693	1,458,464
Other accrued liabilities	339,443	2,353,255	2,692,698
Total liabilities	527,214	3,623,948	4,151,162
Net position			
Restricted for employees' pension and other postemployment healthcare benefits	\$ 777,052,179	\$ 1,295,523,352	\$ 2,072,575,531

County of Oakland
Combining Statement of Changes in Net Position
Pension (and Other Postemployment Benefits) Trust Funds
Year Ended September 30, 2018

	Oakland County Employees' Retirement	VBPA Trust	Totals September 30, 2018
Additions			
Contributions	\$ 301,807	\$ 234,284	\$ 536,091
Plan members			
Investment income	12,496,848	19,182,173	31,679,021
Interest and dividends	39,342,445	68,235,105	107,577,550
Net increase in fair value of investments			
Total investment income	51,839,293	87,417,278	139,256,571
Less investment expense	1,899,227	3,254,455	5,153,682
Net investment income	49,940,066	84,162,823	134,102,889
Other revenue	276	3,465,238	3,465,534
Total additions	50,242,149	87,862,365	138,104,514
Deductions			
Benefits	57,579,562	37,684,137	95,263,699
Administrative expenses	621,535	234,935	856,470
Total deductions	58,201,097	37,919,072	96,120,169
Net increase (decrease)	(7,958,948)	49,943,293	41,984,345
Net position restricted for employees' pension and other postemployment healthcare benefits			
October 1, 2017 (as Restated, see Note 21)	785,011,127	1,245,580,059	2,030,591,186
September 30, 2018	\$ 777,052,179	\$ 1,295,523,352	\$ 2,072,575,531

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, 2018

	Local Government Investment Pool
Assets	
Pooled cash and investments	\$ 417,662,539
Receivables - interest and dividends	1,124,848
Total assets	<u>\$ 418,787,387</u>
Net position	
Held in trust for investment pool participants	<u>\$ 418,787,387</u>

County of Oakland
Statement of Changes in Net Position
Investment Trust Funds
Year Ended September 30, 2018

	Local Government Investment Pool
Additions	
Contributions from pool participants	\$ 703,577,869
Investment income	7,100,300
Total additions	<u>710,678,169</u>
Deductions	
Distribution to pool participants	<u>839,247,922</u>
Net increase (decrease)	(128,569,753)
Net position held in trust for pool participants	
October 1, 2017	<u>547,357,140</u>
September 30, 2018	<u>\$ 418,787,387</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).

County of Oakland Combining Statement of Net Position Agency Funds September 30, 2018

	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	\$ 261,152,012	\$ 181,790	\$ 958,084	\$ 3,379,242	\$ 101,153	\$ 1,300,211
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	1,257	-	-	24,666	119,767	-	4,809
Total assets	<u>\$ 151,257</u>	<u>\$ 261,152,012</u>	<u>\$ 181,790</u>	<u>\$ 982,750</u>	<u>\$ 3,499,009</u>	<u>\$ 101,153</u>	<u>\$ 1,305,020</u>
Liabilities							
Vouchers payable	\$ -	\$ 72,057,454	\$ -	\$ -	\$ 132,223	\$ -	\$ -
Due to other governmental units	-	189,094,558	-	-	-	101,153	-
Other accrued liabilities	151,257	-	181,790	982,750	3,366,786	-	1,305,020
Total liabilities	<u>\$ 151,257</u>	<u>\$ 261,152,012</u>	<u>\$ 181,790</u>	<u>\$ 982,750</u>	<u>\$ 3,499,009</u>	<u>\$ 101,153</u>	<u>\$ 1,305,020</u>

(continued)

**County of Oakland
Combining Statement of Net Position (Continued)
Agency Funds
September 30, 2018**

	Special Trust	Contractor's Retainage	Public Library Trust	District Court Trust Accounts	Jail Inmate Trust Account	Totals September 30, 2018
Assets						
Pooled cash and investments	\$ 4,054,219	\$ 3,535,594	\$ 768,799	\$ -	\$ -	\$ 275,581,104
Cash and cash equivalents	-	-	-	303,893	248,055	551,948
Accrued interest receivable	26,833	34,539	7,090	-	-	218,961
Total assets	<u>\$ 4,081,052</u>	<u>\$ 3,570,133</u>	<u>\$ 775,889</u>	<u>\$ 303,893</u>	<u>\$ 248,055</u>	<u>\$ 276,352,013</u>
Liabilities						
Vouchers payable	\$ -	\$ 22,929	\$ -	\$ -	\$ -	72,212,606
Due to other governmental units	-	-	-	-	-	189,195,711
Other accrued liabilities	4,081,052	3,547,204	775,889	303,893	248,055	14,943,696
Total liabilities	<u>\$ 4,081,052</u>	<u>\$ 3,570,133</u>	<u>\$ 775,889</u>	<u>\$ 303,893</u>	<u>\$ 248,055</u>	<u>\$ 276,352,013</u>

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**County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2018**

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
District Court Investments				
Assets				
Pooled cash and investments	\$ 150,000	\$ 2,281	\$ 2,281	\$ 150,000
Accrued interest receivable	1,098	375	216	1,257
Total	<u>\$ 151,098</u>	<u>\$ 2,656</u>	<u>\$ 2,497</u>	<u>\$ 151,257</u>
Liabilities				
Other accrued liabilities	\$ 151,098	\$ 2,657	\$ 2,498	\$ 151,257
Undistributed Taxes				
Assets				
Pooled cash and investments	\$ 283,456,172	\$ 884,324,960	\$ 906,609,120	\$ 261,152,012
Liabilities				
Vouchers payable	\$ 65,517,414	\$ 632,061,063	\$ 625,521,023	\$ 72,057,454
Due to other governmental units	21,791,875	906,611,115	935,435,315	189,094,558
Total	<u>\$ 283,456,172</u>	<u>\$ 1,538,672,178</u>	<u>\$ 1,560,956,338</u>	<u>\$ 261,152,012</u>
Register of Deeds Trust				
Assets				
Pooled cash and investments	\$ 143,886	\$ 4,208,169	\$ 4,170,265	\$ 181,790
Liabilities				
Vouchers payable	\$ -	\$ 4,170,265	\$ 4,170,265	\$ -
Other accrued liabilities	143,886	4,310,351	4,272,447	181,790
Total	<u>\$ 143,886</u>	<u>\$ 8,480,616</u>	<u>\$ 8,442,712</u>	<u>\$ 181,790</u>
Sheriff NET Forfeiture				
Assets				
Pooled cash and investments	\$ 1,357,119	\$ 801,721	\$ 1,200,756	\$ 958,084
Accrued interest receivable	24,792	1,378	1,504	24,666
Accounts receivable	40,384	-	40,384	-
Total	<u>\$ 1,422,295</u>	<u>\$ 803,099</u>	<u>\$ 1,242,644</u>	<u>\$ 982,750</u>
Liabilities				
Vouchers payable	\$ -	\$ 697,596	\$ 697,596	\$ -
Other accrued liabilities	1,422,295	765,298	1,204,843	982,750
Total	<u>\$ 1,422,295</u>	<u>\$ 1,462,894</u>	<u>\$ 1,902,439</u>	<u>\$ 982,750</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Circuit Court Trust				
Assets				
Pooled cash and investments	\$ 4,336,776	\$ 10,793,756	\$ 11,751,290	\$ 3,379,242
Accrued interest receivable	112,851	15,784	8,868	119,767
Total	\$ 4,449,627	\$ 10,809,540	\$ 11,760,158	\$ 3,499,009
Liabilities				
Vouchers payable	\$ -	\$ 11,130,419	\$ 10,998,196	\$ 132,223
Other accrued liabilities	\$ 4,449,627	\$ 10,776,990	\$ 11,859,831	\$ 3,366,786
Total	\$ 4,449,627	\$ 21,907,409	\$ 22,858,027	\$ 3,499,009
Deacons Trust				
Assets				
Pooled cash and investments	\$ 39,298	\$ 157,675	\$ 95,820	\$ 101,153
Liabilities				
Vouchers payable	\$ -	\$ 94,671	\$ 94,671	\$ -
Due to other governmental units	\$ 39,298	\$ 157,675	\$ 95,820	\$ 101,153
Total	\$ 39,298	\$ 252,346	\$ 190,491	\$ 101,153
Legatee Trust				
Assets				
Pooled cash and investments	\$ 973,386	\$ 443,903	\$ 117,078	\$ 1,300,211
Accrued interest receivable	\$ 3,928	\$ 2,451	\$ 1,570	\$ 4,809
Total	\$ 977,314	\$ 446,354	\$ 118,648	\$ 1,305,020
Liabilities				
Vouchers payable	\$ -	\$ 62,663	\$ 62,663	\$ -
Other accrued liabilities	\$ 977,314	\$ 446,494	\$ 118,788	\$ 1,305,020
Total	\$ 977,314	\$ 509,157	\$ 181,451	\$ 1,305,020
Special Trust				
Assets				
Pooled cash and investments	\$ 3,395,754	\$ 4,661,700	\$ 4,003,235	\$ 4,054,219
Accrued interest receivable	\$ 22,945	\$ 9,819	\$ 5,931	\$ 26,833
Total	\$ 3,418,699	\$ 4,671,519	\$ 4,009,166	\$ 4,081,052
Liabilities				
Vouchers payable	\$ -	\$ 2,854,661	\$ 2,854,661	\$ -
Other accrued liabilities	\$ 3,418,699	\$ 4,671,409	\$ 4,011,666	\$ 4,081,052
Total	\$ 3,418,699	\$ 7,528,680	\$ 6,866,327	\$ 4,081,052

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Contractor's Retainage				
Assets				
Pooled cash and investments	\$ 3,624,802	\$ 2,862,004	\$ 2,951,212	\$ 3,535,594
Accrued interest receivable	\$ 32,369	\$ 8,030	\$ 5,860	\$ 34,539
Total	\$ 3,657,171	\$ 2,870,034	\$ 2,957,072	\$ 3,570,133
Liabilities				
Vouchers payable	\$ -	\$ 2,628,439	\$ 2,605,510	\$ 22,929
Other accrued liabilities	\$ 3,657,171	\$ 2,870,034	\$ 2,980,001	\$ 3,547,204
Total	\$ 3,657,171	\$ 5,498,473	\$ 5,585,511	\$ 3,570,133
Public Library Trust				
Assets				
Pooled cash and investments	\$ 668,616	\$ 2,658,463	\$ 2,558,280	\$ 768,799
Accrued interest receivable	\$ 5,307	\$ 3,821	\$ 2,038	\$ 7,090
Total	\$ 673,923	\$ 2,662,284	\$ 2,560,318	\$ 775,889
Liabilities				
Vouchers payable	\$ -	\$ 2,514,264	\$ 2,514,264	\$ -
Other accrued liabilities	\$ 673,923	\$ 2,679,470	\$ 2,577,504	\$ 775,889
Total	\$ 673,923	\$ 5,193,734	\$ 5,091,768	\$ 775,889
District Court Trust Accounts				
Assets				
Cash and cash equivalents	\$ 389,111	\$ 2,952,914	\$ 3,038,132	\$ 303,893
Liabilities				
Other accrued liabilities	\$ 389,111	\$ 2,952,914	\$ 3,038,132	\$ 303,893
Jail Inmate Trust Account				
Assets				
Cash and cash equivalents	\$ 300,910	\$ 2,509,641	\$ 2,562,496	\$ 248,055
Liabilities				
Other accrued liabilities	\$ 300,910	\$ 2,509,641	\$ 2,562,496	\$ 248,055

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Total All Agency Funds				
Assets				
Pooled cash and investments	\$ 298,125,809	\$ 910,914,632	\$ 933,459,337	\$ 275,581,104
Cash and cash equivalents	690,021	5,462,555	5,600,628	551,948
Accrued interest receivable	203,290	41,658	25,987	218,961
Accounts receivable	40,384	-	40,384	-
Total	\$ 299,059,504	\$ 916,418,845	\$ 939,126,336	\$ 276,352,013
Liabilities				
Vouchers payable	\$ 65,517,414	\$ 656,214,041	\$ 649,518,849	\$ 72,212,606
Due to other governmental units	217,958,056	906,768,790	935,531,135	189,195,711
Other accrued liabilities	15,584,034	31,987,868	32,628,206	14,943,696
Total	\$ 299,059,504	\$ 1,594,970,699	\$ 1,617,678,190	\$ 276,352,013

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, 2018**

	Drainage Districts				Totals September 30, 2018
	Special Revenue	Debt Service	Capital Projects		
Assets					
Current assets					
Pooled cash and investments	\$ 33,522,051	\$ 1,599,875	\$ 11,276,751	\$ 46,398,677	
Receivables (net of allowance for uncollectibles where applicable)					
Accounts receivable	870,565	-	-	870,565	
Special assessments receivable	970	197,546,822	-	197,547,792	
Due from other governmental units	5,220,233	67,368	59,224	5,346,825	
Accrued interest receivable	142,193	31,638	39,879	213,710	
Other assets	-	1,050	146,667	147,717	
Total assets	39,756,012	199,246,753	11,522,521	250,525,286	
Liabilities					
Vouchers payable	\$ 734,253	\$ 815,011	\$ 2,449,323	\$ 3,998,587	
Due to other governmental units	13,920,913	36,411	-	13,957,324	
Due to other funds	-	-	-	-	
Due to primary government	666,263	-	105,570	771,833	
Unearned revenue	93,099	23,453,513	-	23,546,612	
Other accrued liabilities	954,006	10,015	3,579,907	4,543,928	
Total liabilities	16,368,534	24,314,950	6,134,800	46,818,284	
Deferred Inflow of Resources					
Unavailable revenue - special assessments	970	174,093,309	-	174,094,279	
Unavailable revenue - grants	-	-	-	-	
Total deferred inflows of resources	970	174,093,309	-	174,094,279	
Fund Balances					
Restricted	23,386,508	838,494	-	24,225,002	
Committed	-	-	5,387,721	5,387,721	
Total fund balances	23,386,508	838,494	5,387,721	29,612,723	
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,756,012	\$ 199,246,753	\$ 11,522,521	\$ 250,525,286	

**County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds to the
Statement of Net Position
Component Unit – Drainage Districts
September 30, 2018**

Total fund balances of governmental funds	\$ 29,612,723
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	\$ 119,625,801
Buildings, net of \$10,221,037 depreciation	59,649,012
Equipment, net of \$185,935 depreciation	616,892
Infrastructure, net of \$119,853,039 depreciation	463,350,071
	643,241,776
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	174,094,279
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.	(238,332,219)
Bonds and notes payable	\$ 608,616,559
Net position of governmental activities	

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds – Component Unit – Drainage Districts
Year Ended September 30, 2018

	Drainage Districts			Totals
	Special Revenue	Debt Service	Capital Projects	September 30, 2018
Revenues				
Special assessments	\$ 13,162,262	\$ 24,408,874	\$ -	\$ 37,571,136
Federal grants	-	-	792,057	792,057
State grants	607,594	-	338,789	946,383
Charges for services	78,482,585	5,239	-	78,487,824
Investment income	433,237	43,799	236,880	713,916
Other	65,063	518	147,387	212,968
Total revenues	92,750,741	24,458,430	1,515,113	118,724,284
Expenditures				
Salaries	254	-	71	325
Contractual services	88,676,131	72,866	18,663,567	107,412,564
Commodities	707,319	-	87,388	794,707
Principal payments	-	20,134,000	-	20,134,000
Interest	-	6,509,874	-	6,509,874
Paying agent fees	-	5,425	-	5,425
Intergovernmental	256,262	145,908	-	402,170
Internal services	5,028,220	-	499,764	5,527,984
Total expenditures	94,668,186	26,868,073	19,250,790	140,787,049
Excess (deficiency) of revenues over (under) expenditures	(1,917,445)	(2,409,643)	(1,735,677)	(22,062,765)
Other financing sources (uses)				
Transfers in	12,484,663	-	266,792	12,751,455
Transfers out	(12,614,744)	-	(136,711)	(12,751,455)
Insurance recovery	5,750,000	-	-	5,750,000
Issuance of bonds	-	-	6,041,487	6,041,487
Issuance of refunding bonds	-	2,260,000	-	2,260,000
Federal grant interest recovery	-	168,587	-	168,587
Premiums on bonds sold	-	43,694	-	43,694
Total other financing sources (uses)	5,619,919	2,472,281	6,171,568	14,263,768
Net change in fund balances	3,702,474	62,638	(11,564,109)	(7,798,997)
Fund balances				
October 1, 2017	19,684,034	775,856	16,951,830	37,411,720
September 30, 2018	\$ 23,386,508	\$ 838,494	\$ 5,387,721	\$ 29,612,723

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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, 2018

Net change in fund balance - total governmental funds	\$ (7,798,997)
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	\$ 7,208,945
Building	12,621,393
Equipment	6,749
Infrastructure	12,500
Depreciation expense	(9,877,392)
	9,972,195
Revenue from special assessments reported in the Statement of Activities in previous years that provided current financial resources in the governmental funds	(20,134,000)
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	11,654,146
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	(8,301,487)
Repayment of debt	20,134,000
	11,832,513
Change in net position of governmental activities	\$ 5,525,857

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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

III. STATISTICAL SECTION – UNAUDITED

County of Oakland
Net Position by Component – Unaudited Table 1
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016 (2)	2015	2014	2013	2012	2011 (1)	2010	2009
Governmental activities:										
Net invested in capital assets	\$ 18,610,977	\$ 168,617,536	\$ 147,744,764	\$ 156,456,894	\$ 145,910,667	\$ 137,512,571	\$ 148,709,168	\$ 150,330,717	\$ 151,764,265	\$ 150,871,035
Restricted	43,329,877	40,952,520	35,931,987	39,591,112	53,896,914	72,467,150	92,918,321	98,366,070	6,480,807	7,414,537
Unrestricted	432,498,567	336,663,951	304,822,163	228,425,269	180,545,856	193,18,485	171,152,392	149,221,428	230,165,706	226,807,427
Total governmental activities net position	\$ 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	\$ 385,092,999
Business-type activities:										
Net invested in capital assets	\$ 293,504,939	\$ 298,608,145	\$ 299,224,229	\$ 284,732,715	\$ 268,982,184	\$ 264,682,840	\$ 289,004,302	\$ 247,997,936	\$ 246,550,290	\$ 231,574,926
Restricted	97,172,136	96,499,021	98,337,169	89,643,864	78,286,471	73,813,076	77,488,640	77,825,011	15,802,201	13,250,044
Unrestricted	365,217,051	351,177,949	345,130,207	333,831,563	354,280,212	367,673,527	337,479,877	324,574,011	380,611,469	380,765,211
Total business-type activities net position	\$ 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	\$ 625,590,181
Primary government:										
Net invested in capital assets	\$ 475,115,916	\$ 467,225,681	\$ 446,968,993	\$ 441,899,609	\$ 418,892,851	\$ 402,195,411	\$ 437,711,470	\$ 398,328,653	\$ 398,314,555	\$ 382,445,961
Restricted	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	20,664,581
Unrestricted	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	607,572,638
Total primary government net position	\$ 1,413,333,547	\$ 1,293,059,122	\$ 1,231,190,519	\$ 1,132,682,017	\$ 1,081,902,304	\$ 1,017,467,629	\$ 1,012,682,700	\$ 1,048,285,173	\$ 1,031,374,738	\$ 1,010,683,180

- (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.

County of Oakland
Changes in Net Position – Unaudited Table 2
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010	2009
Expenses										
Governmental activities:										
General government, administrative	\$ 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	\$ 65,890,329
Public safety	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	187,538,293
Justice administration	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	88,190,975
Citizen services	73,510,309	80,436,567	77,513,361	83,738,255	87,214,484	82,502,384	83,141,703	78,697,492	84,616,509	87,111,105
Public works	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	21,098,772
Recreation and leisure	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	2,537,737
Commerce and community development	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	59,391,426
Unallocated depreciation	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	1,959,201
Interest on debt	3,609,194	3,568,860	3,222,007	3,273,505	3,244,225	2,626,856	4,041,193	13,447,625	35,876,728	40,013,064
Total governmental activities expenses	\$ 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	\$ 553,030,902
Business-type activities:										
Airports	6,316,381	6,587,495	6,630,136	7,023,922	6,910,625	6,653,186	9,106,461	5,957,174	5,819,585	6,224,009
Community safety support	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	11,812,058
Community tax financing	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	2,233,942
Community water and sewer	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	43,447,751
Jail commissary	-	-	-	-	-	-	-	-	-	648,125
Recreation and leisure	26,891,978	25,050,628	23,460,676	23,741,356	22,860,691	21,181,725	20,108,609	20,061,135	21,635,634	20,446,250
Sewage disposal systems	138,558,969	138,073,377	132,107,791	129,927,356	128,352,681	126,797,005	121,129,202	111,655,907	93,373,475	102,123,883
Total business-type activities expenses	\$ 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	\$ 186,936,108
Total primary government expenses	\$ 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	\$ 739,966,920
Program Revenues										
Governmental activities:										
Charges for services:										
General government, administrative	\$ 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	\$ 17,820,281
Public safety	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	49,231,699
Justice administration	31,538,861	31,447,605	32,064,235	31,830,801	31,711,482	31,730,104	31,950,808	31,071,405	38,414,451	30,403,131
Citizen services	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	18,906,620
Public works	16,873,895	30,265,391	34,566,771	12,855,569	10,990,066	22,030,824	16,293,669	3,988,963	13,972,441	4,075,870
Recreation and leisure	14,527	16,046	15,468	14,686	39,934	38,154	79,342	91,273	178,753	703,665
Commerce and community development	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	13,744,979
Operating grants and contributions:										
General government, administrative	722,999	614,012	600,500	4,448,510	786,094	812,900	1,972,545	10,139,348	1,785,795	911,378
Public safety	218,208,828	18,934,764	18,302,689	17,630,677	17,770,136	23,447,123	28,177,900	21,725,458	22,185,332	23,627,427
Justice administration	571,023	854,996	680,004	741,157	508,391	456,013	662,382	675,133	629,776	344,724
Citizen services	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	20,990,530
Public works	1,000	400,203	1,069,022	362,098	261,174	930,304	2,635,398	836,666	1,483,907	68,125
Recreation and leisure	-	7,004	8,000	-	14,965	72,414	254,812	7,700	11,500	3,700
Commerce and community development	20,652,246	19,855,509	20,363,033	22,065,499	23,443,405	24,638,978	30,484,781	41,374,879	46,056,662	36,598,640
Capital grants and contributions:										
General government, administrative	23,273	161,669	-	-	-	-	-	-	-	-
Public safety	45,046	-	282,049	103,231	103,234	965,065	6,184,135	1,869,849	259,795	3,061,120
Justice administration	-	-	39,190	-	-	-	-	-	-	-
Public works	2,187,532	2,158,419	1,207,474	5,761,119	3,557,413	-	1,961,591	1,992,056	493,320	1,905,878
Total governmental activities program revenues	\$ 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	\$ 212,307,857

(Continued)

County of Oakland
Changes in Net Position – Unaudited Table 2 (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010	2009
Program Revenues (Continued)										
Business-type activities:										
Charges for services:										
Airports	\$ 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	\$ 4,088,960
Community safety support	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	11,562,650
Community tax financing	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	56,665,158
Community water and sewer	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	45,494,838
Jail commissary	-	-	-	-	-	-	-	-	-	648,781
Recreation and leisure	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	7,712,091
Sewage disposal systems	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	65,648,219
Operating grants and contributions:										
Airports	92,761	96,254	-	287,991	-	-	-	-	59,892	-
Community water and sewer	50,227	339,060	1,398,631	807,591	48,319	-	13,301,375	-	-	-
Recreation and leisure	660,093	80,928	77,079	69,032	92,689	96,241	25,385	31,579	42,723	52,752
Sewage disposal systems	1,212,675	1,197,809	727,072	518,864	-	21,783	-	300,000	22,389	16,208
Capital grants and contributions:										
Airports	-	995,851	915,522	485,207	1,252,591	778,548	17,054,233	3,510,611	1,988,314	1,217,057
Community safety support	-	-	77,563	761,013	2,255,765	2,189,506	786,768	6,710,663	1,076,608	4,089,196
Community water and sewer	772,916	227,084	1,057,973	1,294,332	1,206,737	-	-	-	-	-
Recreation and leisure	68,469	82,700	-	308,000	-	288,141	38,796	1,506,000	-	-
Sewage disposal systems	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	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	197,195,910
Total primary government program revenues	\$ 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	\$ 409,503,767
Net (Expenses)/Revenues										
Governmental activities	\$ (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)	\$ (340,723,045)
Business-type activities	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	10,259,892
Total primary government net expenses	\$ (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)	\$ (330,463,153)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 243,995,434
State-shared revenue (unrestricted)	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	9,902,653
Unrestricted investment earnings	5,743,583	3,417,064	3,894,824	3,899,453	4,917,507	2,553,617	2,955,907	4,865,609	7,243,074	832,681
Gain on sale of capital assets	478,887	407,829	435,178	135,786	205,284	270,885	213,451	331,629	-	91,828
Other revenues	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	5,859,798
Transfers in (out)	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	22,982,426
Total governmental activities	292,606,679	286,298,668	279,006,973	270,745,849	248,374,251	238,978,219	254,585,033	260,596,423	272,656,178	283,664,820

(Continued)

County of Oakland
Changes in Net Position – Unaudited Table 2 (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010	2009
General Revenues and Other Changes in Net Position (Continued)										
Business-type activities:										
Property taxes	\$ 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	\$ 15,128,620
State-shared revenue (unrestricted)	323,212	271,123	-	-	-	-	-	-	-	-
Unrestricted investment earnings	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	7,977,096
Special items	-	(15,195,838)	-	-	-	6,471,638	37,492,899	-	-	-
Transfers in (out)	(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)	(22,982,426)
Total business-type activities	6,156,935	(13,341,702)	(19,777,712)	(3,193,574)	(2,785,125)	(175,890)	8,068,629	(9,189,398)	(13,112,439)	23,290
Total primary government	\$ 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	\$ 283,788,110
Change in Net Position										
Governmental activities	\$ 98,537,656	\$ 57,735,093	\$ 25,597,096	\$ (9,731,862)	\$ (20,944,749)	\$ 2,518,305	\$ 861,666	\$ 14,095,006	\$ 3,317,779	\$ (57,058,225)
Business-type activities	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	10,383,812
Total primary government	\$ 107,606,667	\$ 61,868,603	\$ 60,080,559	\$ (3,591,488)	\$ (25,565,325)	\$ 4,784,929	\$ 54,367,527	\$ 16,940,435	\$ 20,691,558	\$ (46,675,043)

(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.

County of Oakland
Fund Balances, Governmental Funds – Unaudited Table 3
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011 (1)	2010	2009
General Fund (f):										
Reserved:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,793	\$ 384,218
Unreserved:										
Designated:	-	-	-	-	-	-	-	-	48,009,832	105,531,347
Unassigned:	-	-	-	-	-	-	-	-	56,356	351,088
Nonspendable:	306,404	353,124	534,766	490,499	221,075	258,647	1,000,441	292,698		
Restricted:	12,860,936	10,401,084	5,884,980	15,190,786	28,453,511	20,201,033	11,555,348	5,287,071		
Assigned:	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:	1,464,988	3,004,232	2,962,467	1,745,931	2,329,993	1,091,218	1,090,503	1,500,000		
Total General Fund	\$ 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	\$ 106,266,653
All Other Governmental Funds (f):										
Reserved:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,622,280	\$ 365,269,937
Unreserved:										
Designated:										
Special Revenue Funds:	-	-	-	-	-	-	-	-	147,349,425	179,637,943
Capital Projects Funds:	-	-	-	-	-	-	-	-	6,175,010	7,063,814
Unassigned:	-	-	-	-	-	-	-	-	(9,134,212)	(96,051,010)
Special Revenue Funds:	-	-	-	-	-	-	-	-	11,756,867	12,518,053
Capital Projects Funds:	-	-	-	-	-	-	-	-		
Nonspendable:	-	1,150,421	1,002,916	1,176,207	991,206	441,135	547,459	445,125		
Restricted:	24,737,155	26,218,607	25,721,135	19,294,296	25,443,403	514,18,485	813,631,173	97,920,945		
Committed:	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:	-	-	-	-	-	-	-	17,254		
Unassigned:	(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	\$ 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	\$ 564,393,696

(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 Foreclosure, and CCRF Funds.

County of Oakland
Changes in Fund Balances, Governmental Funds – Unaudited Table 4
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011 (2)	2010	2009
Revenues										
Property taxes:	\$ 228,013,169	\$ 216,562,738	\$ 214,229,960	\$ 206,368,131	\$ 207,034,582	\$ 200,842,221	\$ 200,943,790	\$ 209,290,437	\$ 221,217,179	\$ 244,919,383
Special assessments:	8,128,390	10,020,057	5,384,464	19,429,164	5,712,490	24,639,381	8,873,064	7,918,855	10,420,745	11,402,826
Federal grants:	31,027,408	28,522,404	29,637,348	32,135,507	37,100,898	43,875,848	58,364,646	61,433,127	64,410,483	58,228,883
State grants:	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	28,607,917
Other intergovernmental revenue:	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	14,605,183
Charges for services:	13,185,162	13,119,172	12,644,292	12,092,621	11,782,404	12,147,370	12,904,076	99,927,910	108,984,759	105,195,473
Contributions:	127,213	149,441	221,578	276,151	373,184	207,200	718,965	443,866	400,252	257,986
Investment income:	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	(1,661,180)
Indirect cost recovery:	9,145,652	8,216,061	7,846,289	7,946,958	8,415,107	7,640,932	8,275,669	8,770,800	9,143,112	9,315,137
Other:	872,212	1,395,893	930,308	10,966,77	2,498,909	3,637,920	6,364,199	1,067,822	4,045,007	5,859,798
Total Revenues	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	476,731,406
Expenditures										
County Executive:	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	183,553,752
Clerk/Registrar/Deeds:	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	12,114,081
Treasurer:	7,643,111	8,103,102	8,286,497	8,897,706	8,715,059	8,371,074	8,222,889	8,003,249	8,440,263	7,879,361
Justice administration:	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	84,794,618
Law enforcement:	80,920,178	172,460,663	164,741,810	159,354,251	159,070,684	154,364,056	160,228,557	146,921,316	148,473,341	152,303,740
Legislative:	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	5,222,130
Water resource commissioner:	14,866,155	24,420,433	35,142,209	14,748,645	15,737,892	12,362,273	10,755,550	9,088,423	11,113,024	9,346,814
Non-departmental:	21,825,031	21,568,122	21,079,507	29,905,627	18,528,670	18,778,041	17,164,651	16,674,594	74,017,143	80,683,771
Capital outlay:	24,264,758	28,082,057	19,469,248	16,394,718	1,668,488	3,154,872	8,124,757	13,125,733	9,440,401	9,721,942
Intergovernmental:	1,834	12,500	4,508	13,592	24,718	107,184	14,363	3,035	15,98,330	134,838
Debt service:										
Principal payments:	11,225,000	10,685,000	8,610,000	19,730,000	11,115,000	24,095,000	22,275,000	8,535,000	11,655,000	11,955,000
Interest and fiscal charges:	3,649,126	3,626,631	3,070,416	3,310,177	3,406,901	4,096,185	4,176,896	4,917,688	5,194,504	5,524,573
Total Expenditures	522,681,961	515,933,811	495,926,035	495,467,594	487,901,864	493,134,717	501,021,276	482,209,479	555,911,288	563,234,620
Excess of revenues over (under) expenditures	(22,306,372)	(32,290,152)	(27,544,096)	(23,740,642)	(49,833,159)	(33,870,261)	(49,487,837)	(37,870,944)	(50,747,169)	(86,503,214)

(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									
	2018	2017	2016	2015	2014	2013	2012	2011 (2)	2010	2009
Other Financing Sources (Uses)										
Transfers in	\$ 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	\$ 119,914,896
Transfers out	(75,031,735)	(52,137,889)	(62,329,852)	(59,806,546)	(75,126,053)	(64,468,826)	(59,410,852)	(58,902,434)	(93,179,568)	(99,307,651)
Insurance recoveries	857,096	765,000	-	222,022	183,718	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	(348,800,000)	-	(29,840,000)	(12,488,453)	(2,699,858)
Issuance of bonds	2,589,311	14,732,205	40,475,488	2,331,098	10,126,377	33,825,000	9,300,000	12,000,000	6,942,148	174,208
Issuance of refunding bonds	-	-	-	-	2,875,000	350,000,000	13,620,000	28,485,000	10,990,000	2,710,000
Premiums on bonds sold	-	18,510	20,870	-	206,732	1,702,443	203,846	1,488,907	1,592,775	38,144
Discount on bonds sold	-	-	(23,433)	-	(12,642)	-	(76,269)	(17,993)	(54,700)	-
Total other financing sources (uses)	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	20,829,739
Net change in fund balances	\$ (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)	\$ (65,673,475)
Debt service as a percentage of noncapital expenditures (1)	2.93%	2.89%	2.40%	4.72%	3.05%	5.73%	5.30%	2.82%	3.06%	3.11%

(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 Fiscal Years

Fiscal Year	Real Property (1)					
	Residential Property		Commercial Property		Industrial Property	
	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value
2009	\$ 46,636,936,943	\$ 43,627,806,247	\$ 12,859,969,592	\$ 10,914,474,991	\$ 4,288,377,580	\$ 3,873,912,827
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
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
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
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
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
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
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
2017	53,043,295,649	40,609,322,089	10,486,445,800	8,957,063,497	1,954,501,320	1,661,231,821
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
Fiscal Year	Personal Property		Total Property		Total Direct Tax Rate (3)	
	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value		
2009	\$ 3,949,566,334	\$ 3,945,257,660	\$ 67,858,986,149	\$ 62,416,676,895	4.4315	
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	

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 (a) 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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
County direct rates										
County operating	4.0400	4.0400	4.0400	4.0900	4.8900	4.8900	4.8900	4.8900	4.8900	4.8900
Parks and Recreation	0.2368	0.2392	0.2410	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415
Total rate	4.2768	4.2792	4.2810	4.3315	4.4315	4.4315	4.4315	4.4315	4.4315	4.4315
Overlapping rates										
Huron-Clinton Metro Authority (a)	0.2140	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Intermediate school districts (5)										
Median rate	3.2813	3.3079	3.3398	3.3633	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690
Low range	2.8798	2.8915	2.9115	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295
High range	5.4643	5.4643	5.4643	3.5341	3.5341	3.5341	3.5341	3.5341	3.5341	3.5341
Community colleges (3)										
Median rate	1.7662	1.7766	1.7880	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967
Low range	1.5431	1.5555	1.5707	1.5819	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844
High range	2.8047	2.8096	2.8096	2.8596	2.8596	2.8596	2.8596	2.8596	2.6796	2.6796
Cities (31)										
Median rate	17.1311	17.2076	16.8995	17.5854	17.5856	16.7929	16.0541	16.1905	15.5898	14.8121
Low range	8.3229	7.8270	7.8332	7.8600	7.8600	7.3600	8.8200	9.7060	9.0500	8.3000
High range	39.0343	39.2861	39.1859	39.2669	38.1191	37.4634	30.4298	29.1461	25.3589	25.2763
Villages (10)										
Median rate	15.1381	15.3816	15.4412	15.6106	15.9168	15.2286	14.4597	14.6508	14.1182	14.1182
Low range	10.0000	9.9863	7.8250	8.8020	9.5000	8.8900	8.5900	8.5900	7.9900	7.3525
High range	19.3535	18.4043	18.4744	18.4701	18.5025	17.9756	20.0210	18.3610	18.1386	17.8196
Townships (21)										
Median rate	8.0064	8.0907	8.1787	7.6106	7.9168	7.2786	7.2685	6.7444	6.7444	6.5876
Low range	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.5000
High range	14.6784	14.6799	14.6987	14.6712	15.1064	13.8002	13.8002	13.8002	13.1777	11.7112
School districts (35) (b)										
Homesite:										
Median rate	14.9991	15.0000	15.3000	15.4086	14.3880	13.9513	13.9513	13.7550	13.6410	13.4161
Low range	9.2700	8.8700	8.8700	6.0000	9.8700	9.8700	9.0500	8.2500	8.8000	7.8500
High range	26.6868	26.1868	26.2618	26.2068	26.8868	26.8868	26.4868	26.4868	25.8868	25.8868
Non-Homesite:										
Median rate	30.9693	30.2450	31.0000	31.0000	31.0000	31.0000	30.7000	30.5400	30.4000	29.5200
Low range	25.6165	25.6665	25.6739	24.0000	25.6974	26.4420	26.4420	26.1800	26.1800	25.8000
High range	40.9516	40.5603	40.8512	41.0000	37.4500	35.3610	34.8500	34.8500	34.5000	33.3410
DDAs (9) (c)										
Median rate	1.8525	1.7142	1.8046	1.8787	1.8978	1.8978	1.8978	1.8008	1.7470	1.7470
Low range	1.3072	1.3326	1.3549	1.3794	1.3794	1.3794	1.3794	1.3794	1.3000	1.3000
High range	1.9685	1.9514	1.9516	1.9732	1.9734	1.9734	1.9734	1.9734	1.9734	1.9734
Public Transportation Authority (d)	0.9863	0.9941	0.9998	1.0000	1.0000	0.5900	0.5900	0.5900	0.5900	0.5900
Zoological Authority	0.0980	0.0990	0.0998	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Art Institute Authority (e)	0.1961	0.1981	0.1996	0.2000	0.2000	0.2000	0.2000	-	-	-

Notes
The County's maximum allowable operating millage levy for 2018 was 4.1125.
(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) Downtown Development Authority's rates began in tax year 1999 with 7 districts. Consists of 9 districts as of tax year 2009.
(d) Special voted tax, levied in 18 cities, 3 villages, and 3 townships only. Included in CVT rates above.
(e) 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 2018			Fiscal Year 2009		
	Taxable Valuation*	Rank	Percentage County Taxable Valuation	Taxable Valuation*	Rank	Percentage County Taxable Valuation
Detroit Edison Company/DTE	\$ 613,252,667	1	1.07%	\$ 438,376,120	2	0.70%
Consumers Energy	372,537,818	2	0.65%	188,745,980	4	0.30%
FCA Auburn Hills Owner LLC (formerly Chrysler)	172,863,430	3	0.30%	427,281,110	3	0.68%
Taubman/Great Lakes/12 Oaks Mall	123,710,780	4	0.22%	147,766,930	6	0.24%
Enbridge Energy	117,854,260	5	0.21%	-	-	-
International Transmission (ITC)	111,083,140	7	0.19%	103,685,600	10	0.17%
General Motors	84,142,020	8	0.15%	693,019,000	1	1.11%
Sight/Clendell Village	81,805,520	9	0.14%	-	-	-
Edward Rose/Oakland Dev	81,329,400	10	0.14%	-	-	-
SL Town Hall	77,785,070	11	0.13%	109,390,720	9	0.18%
Oakland Management	65,858,000	12	0.11%	-	-	-
Concast	58,050,400	13	0.10%	60,048,280	16	0.10%
Redwood-ERC Nov1 LLC	57,076,220	14	0.10%	57,167,690	17	0.09%
Frankel/Forbes/Cohn	54,119,590	15	0.09%	155,863,920	5	0.25%
Rumco Lion Venture	50,496,800	16	0.09%	117,522,270	8	0.19%
Kroger	49,551,290	17	0.09%	49,564,870	20	0.08%
VHS Huron Valley-Snow Hospital	36,795,130	18	0.06%	-	-	-
Southfield Galleria	35,791,170	19	0.06%	-	-	-
Troy Apts IV	29,125,510	19	0.05%	-	-	-
Troy Office Center	28,310,750	20	0.05%	-	-	-
Total	\$ 2,301,413,965		4.02%	\$ 2,548,432,510		4.09%

* 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		Collections in Subsequent Years		Total Collections to Date	
	Tax Levy (1)	Amount	Percentage of Levy	Years	Amount	Percentage of Levy
2009	\$253,987,318	\$219,099,614	86.26 %	\$34,882,160	\$253,981,774	100.00 %
2010	223,423,779	198,172,603	88.70 %	25,248,010	223,420,613	100.00 %
2011	206,524,166	187,107,837	90.60 %	19,410,503	206,518,340	100.00 %
2012	200,442,426	179,242,176	89.42 %	21,184,883	200,427,059	99.99 %
2013	201,089,193	179,700,449	89.36 %	21,277,879	200,978,328	99.94 %
2014	204,966,211	181,910,042	88.75 %	22,932,166	204,842,208	99.94 %
2015	207,429,729	186,742,691	90.03 %	20,442,125	207,184,816	99.88 %
2016	208,735,308	186,750,930	89.47 %	21,090,616	207,841,546	99.57 %
2017	216,149,261	196,045,294	90.70 %	17,879,266	213,924,560	98.97 %
2018	226,351,676	201,249,308	88.91 %	-	201,249,308	88.91 %

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 Bonds	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)				
2009	\$ 579,780,000	0.93 %	\$ 482.79	\$ 57,663,579	\$ -	\$ 637,443,579	10.97 %	\$ 530.81
2010	562,030,000	1.02 %	467.20	52,350,727	-	614,380,727	10.29 %	510.72
2011	538,995,000	1.06 %	444.96	48,375,727	4,060,000	591,430,727	9.04 %	488.24
2012	515,605,000	1.05 %	422.14	52,865,727	19,589,279	588,060,006	8.35 %	481.46
2013	428,985,000	0.87 %	348.07	46,625,727	34,705,962	510,316,689	7.18 %	414.06
2014	402,340,000	0.80 %	324.66	53,557,104	33,818,351	489,715,455	6.49 %	395.17
2015	375,630,000	0.72 %	302.68	41,458,202	21,260,612	438,348,814	5.45 %	353.22
2016	363,425,000	0.69 %	291.73	63,328,690	26,807,354	453,561,044	5.47 %	364.08
2017	334,205,000	0.61 %	267.19	73,575,895	28,257,164	436,038,059	5.05 %	348.60
2018	303,945,000	0.53 %	242.99	71,330,206	35,699,261	410,974,467	4.76 %	328.56

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

County of Oakland
Net County Direct and Overlapping Debt – Unaudited Table 10
September 30, 2018

	Net Amount Outstanding
Direct debt	\$ 44,445,000
Building Authority bonds	259,500,000
Retirees Health Care bonds	303,945,000
Total direct debt	
Overlapping debt	
Cities	793,686,082
Townships	409,276,671
Villages	33,564,788
School districts	2,227,772,877
Intermediate school districts	43,849,071
Community colleges	1,935,024
Libraries	448,380
Water & sewer special assessment debt	71,330,206
Net overlapping debt	3,581,863,099
Net direct and overlapping debt	\$3,885,808,099

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
2009	\$ 67,858,986,149	\$ 6,785,898,615	\$ 834,924,659	\$ 5,950,973,956	12.30%
2010	\$ 77,745,076,507	\$ 7,774,507,651	809,993,682	4,964,513,969	14.03%
2011	\$ 2,453,460,343	\$ 2,453,346,034	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%

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	Personal Income		Per Capita Personal Income		Unemployment Rate
	Population	Income (thousands of dollars)	Income	Income	
2009	1,200,890	\$ 58,106,529	\$ 48,386		13.00 %
2010	1,202,968	59,689,134	49,618		11.80 %
2011	1,211,346	65,436,740	54,020		9.50 %
2012	1,221,410	70,416,035	57,651		8.20 %
2013	1,232,456	71,094,848	57,686		7.80 %
2014	1,239,248	75,511,473	60,933		6.50 %
2015	1,240,999	80,399,850	64,786		4.70 %
2016	1,245,762	82,853,137	66,508		4.20 %
2017	1,250,836	86,271,021	68,971		3.40 %
2018	1,250,836 (a)	86,271,021 (a)	68,971 (a)		3.30 %

(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 2018			Fiscal Year 2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaumont Health System	17,896	1	2.79%	13,694	1	2.65%
FCA US LLC	12,564	2	1.96%	6,710	3	1.30%
(formerly Chrysler)						
General Motors Corporation	9,242	3	1.44%	8,200	2	1.59%
Ascension Michigan	4,408	4	0.69%	4,396	5	0.85%
(formerly St John Providence Hospital)						
U.S. Postal Service	4,195	5	0.65%	3,540	8	0.69%
Oakland County Government	3,432	6	0.53%	3,474	9	0.67%
Henry Ford Health System	3,405	7	0.53%	n/a	n/a	n/a
Trinity Health	3,098	8	0.48%	4,823	4	0.93%
(formerly St. Joseph Mercy)						
Magna International of America Inc.	2,199	9	0.34%	n/a	n/a	n/a
Comerica Bank	2,163	10	0.34%	4,000	6	0.77%
Electronic Data Systems (EDS)	n/a	n/a	n/a	3,959	7	0.77%
Blue Cross Blue Shield of Michigan	n/a	n/a	n/a	3,060	10	0.59%
Boisford Health Care	n/a	n/a	n/a			
	62,602		9.76%	55,856		10.81%

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)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government										
County Executive Administration	62	62	60	60	60	47	47	47	50	52
Management & Budget	188	188	188	188	189	204	203	205	205	203
Central Services	61	61	61	60	59	59	58	66	68	68
Human Resources	50	49	48	48	46	46	47	49	50	50
Board of Commissioners	31	30	30	30	30	34	34	34	34	34
Clerk/Register of Deeds	112	112	112	112	112	112	116	118	118	121
County Treasurer	46	46	46	47	47	46	46	44	44	48
Public Safety										
Sheriff	1,205	1,200	1,169	1,117	1,107	1,088	1,119	1,024	1,054	1,117
Community Corrections	60	60	59	59	59	60	58	59	60	60
Animal Control	37	37	38	37	36	36	33	26	26	26
Justice Administration										
Circuit Court	420	417	415	412	410	410	409	431	442	471
District Court	189	189	190	188	186	188	185	184	186	197
Probate Court	53	53	52	51	49	49	49	54	57	59
Prosecuting Attorney	169	169	169	170	171	170	172	175	177	185
Medical Examiner	26	26	26	26	26	26	26	26	26	26
Citizens Services										
Administration	2	2	2	2	2	2	2	2	5	5
Health	347	357	365	366	369	370	373	378	378	387
Homeland Security	11	11	11	11	12	12	16	13	13	13
Children's Village	211	206	203	201	192	192	189	185	185	178
Veterans' Services	16	16	16	16	16	16	16	16	16	16
MSU Extension-Oakland County	13	13	13	13	15	15	15	15	15	15
Public Works										
Water Resources Commissioner	378	376	370	314	266	263	263	264	264	266
Facilities Management	199	197	194	190	189	187	188	189	193	196
Information Technology	173	173	166	160	159	161	161	164	164	167
Recreation and Leisure										
Library Board	6	6	6	7	7	7	10	10	12	17
Parks and Recreation	484	440	441	425	421	378	379	376	376	376
Commerce and Community Development										
Administration	14	14	14	12	12	12	12	12	12	12
Planning and Economic Development Services	49	48	48	49	48	46	46	47	48	49
Community and Home Improvement	22	22	22	22	22	23	23	23	22	22
Workforce Development	9	9	9	9	9	9	9	9	9	9
Totals	4,643	4,589	4,543	4,402	4,326	4,268	4,304	4,245	4,309	4,445

(1) Employee count reflects authorized, budgeted positions

Source
Oakland County Human Resources Department

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County of Oakland
Operating Indicators by Function/Program – Unaudited Table 15
Last Ten Fiscal Years

Functions/Programs	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Law Enforcement										
Dispatched Calls	389,998	375,492	333,680	292,131	286,235	272,066	197,767	168,685	145,090	125,987
Arrests	13,404	13,200	13,727	11,355	11,943	11,525	12,126	10,999	8,906	8,513
Inmate bookings	17,351	18,124	18,236	18,789	19,317	19,913	19,796	19,889	19,608	21,866
Judicial										
Circuit Court civil/criminal cases disposed	11,319	10,889	11,132	10,981	11,742	12,442	13,147	14,212	15,752	15,927
District Court cases filed	124,569	118,358	119,077	122,934	119,347	118,307	119,643	123,860	134,077	145,465
Citizen Services										
Veteran benefits claims filed	4,645	5,114	5,544	5,697	5,461	6,202	6,805	6,848	7,220	6,870
Deeds/Mortgages	92,210	101,409	107,252	101,807	90,969	119,116	109,403	86,034	84,048	85,478
Jobs retained and created	10,108	33,804	19,053	10,057	11,332	8,866	9,269	8,365	14,522	4,187
Immunizations	55,105	45,951	51,086	59,156	54,600	61,141	62,309	80,741	143,839	102,893
Community Development										
BFC/EDC Loans	20	20	13	26	34	40	28	26	21	16
Applications for home improvement	440	560	519	393	533	500	387	384	276	601
Single family homes rehabilitated	244	207	183	206	198	183	163	165	186	276
Parks and Recreation										
Participants-Parks/County Market	1,317,042	1,285,490	999,654	913,524	1,147,845	1,358,617	1,221,658	942,019	843,600	775,683
Participants-Golf Courses	140,452	147,388	160,895	164,067	104,492	95,531	130,281	116,804	126,727	148,747
Participants-Recreation Facilities	577,786	500,395	456,053	492,530	485,981	437,407	411,068	390,106	370,355	291,917
Participants-Banquet Facilities	67,515	71,488	75,449	89,888	87,436	90,915	125,008	109,420	125,592	147,365
Airports										
Takeoffs and landings	130,762	131,294	125,132	126,070	111,672	117,981	128,766	119,347	119,581	144,678
Public Works										
Water and sewer customers	118,415	120,989	119,630	78,432	79,312	78,096	77,280	76,784	76,435	76,413
Water main breaks	165	114	133	156	123	128	79	85	90	104
Water permits issued	596	849	734	884	921	902	626	337	220	164

Source
Oakland County Department of Management & Budget, Fiscal Services Division
and other individual departments

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County of Oakland
Capital Asset Statistics by Function/Program – Unaudited Table 16
Last Ten Fiscal Years

Functions/Programs	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Justice and Law Enforcement										
Correction facilities capacities	1,664	1,508	1,653	1,653	1,653	1,653	1,653	1,666	1,594	1,750
Substations	13	13	13	13	13	13	14	14	12	12
Parks and Recreation										
Number of county parks	13	13	13	13	13	13	14	13	13	13
Park acreage	6,743	6,743	6,743	6,756	6,756	6,756	6,643	6,643	6,456	6,398
Airport										
Number of runways	5	5	5	5	5	5	5	5	5	5
Number of T-Hangars	646	646	646	646	646	650	738	738	738	738
Facilities										
Buildings	41	40	40	40	40	40	40	40	40	40
County facilities square footage	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	1,877,780
Public Works										
Combined Sewer Overflow Retention										
Treatment Facilities	4	4	4	4	4	4	4	4	4	4
Water mains (miles)	364.52	362.93	441.61	439.71	515.79	160.63	136.41	133.03	132.99	123.60
Water storage capacity (millions of gallons)	16.50	17.50	15.07	15.07	15.07	3.07	3.07	3.07	3.07	3.07
Sewers (miles)	144.48	144.35	144.93	138.34	138.41	138.42	138.29	137.32	137.22	137.22
Permitted Sewer treatment capacity (millions of gallons)	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	15,594.90
Sources										
Various County departments										

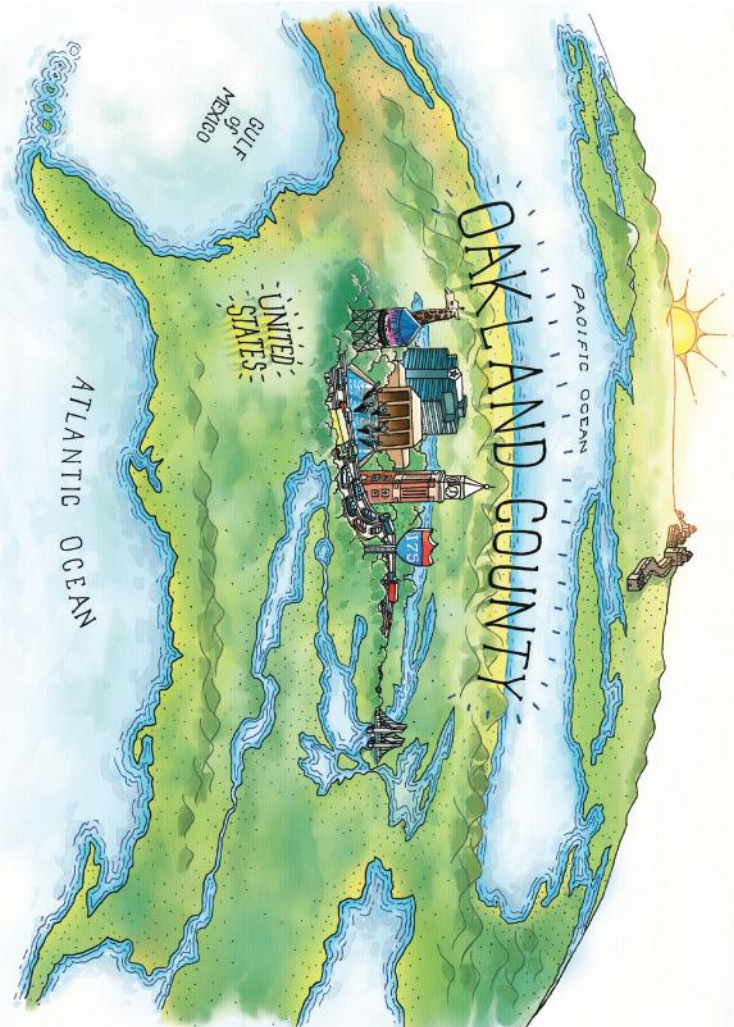
County of Oakland
Building Authority Data – Unaudited Table 17
September 30, 2018

	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	\$ 117,379	\$ 5	\$ -	\$ 6,654,807	\$ -	\$ 26
Lease receivable	2,070,000	-	8,440,000	-	925,000	1,860,000
Other assets	-	-	752,723	17,451	-	331
Deferred inflows - contracts	2,070,000	-	8,440,000	-	925,000	1,860,000
Other liabilities	468	-	1,590	-	305	-
Current year activity:						
Transfers in	-	2,238,500	-	1,708,046	-	-
Leases and other income	154,950	-	879,568	90,668	63,460	337,607
Debt service:						
Principal	75,000	1,900,000	600,000	615,000	25,000	270,000
Interest	75,685	337,500	262,200	420,656	38,438	67,050
Fiscal charges	300	500	500	500	600	500
Contractual services	-	500	500	1,000	-	-
Principal and interest requirements:						
2019	153,747	2,229,750	868,825	1,033,256	67,687	324,025
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
Thereafter	2,187,837	-	5,695,175	13,401,185	1,099,788	432,400
	<u>\$ 2,946,111</u>	<u>\$ 11,089,750</u>	<u>\$ 9,996,550</u>	<u>\$ 18,574,766</u>	<u>\$ 1,428,325</u>	<u>\$ 2,080,450</u>

(continued)

County of Oakland
Building Authority Data – Unaudited Table 17 (Continued)
September 30, 2018

	52/3 District Court Bldg. Refunding	Work Release JailMgt/Video Refunding	Office Bldg. Renovation Refunding	Sheriff Substation Refunding	Totals
Cash	\$ 5	\$ 5	\$ 5	\$ 341	\$ 6,772,573
Lease receivable	-	-	-	505,000	13,800,000
Other assets	-	-	-	17	770,522
Deferred inflows - contracts	-	-	-	505,000	13,800,000
Other liabilities	-	-	-	-	2,363
Current year activity:					
Transfers in	1,301,800	1,587,500	1,866,400	-	8,702,246
Leases and other income	-	-	-	331,706	1,857,959
Debt service:					
Principal	1,020,000	1,310,000	1,545,000	315,000	7,675,000
Interest	281,500	277,200	321,100	16,400	2,097,729
Fiscal charges	300	300	300	250	4,050
Contractual services	-	-	-	-	2,000
Principal and interest requirements:					
2019	1,300,500	1,569,800	1,864,050	315,100	9,726,740
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
Thereafter	-	-	1,355,850	-	24,172,235
	<u>\$ 5,200,000</u>	<u>\$ 6,189,800</u>	<u>\$ 10,673,906</u>	<u>\$ 519,100</u>	<u>\$ 68,698,758</u>



Oakland County, Michigan

**Report to the Finance Committee
of the Oakland County Board of Commissioners**

September 30, 2018

March 21, 2019

To the Finance Committee of the Oakland
County Board of Commissioners
Oakland County, Michigan

We have audited the financial statements of Oakland County, Michigan (the "County") as of and for the year ended September 30, 2018 and have issued our report thereon dated March 21, 2019. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Section II - Required Communications with Those Charged with Governance

Section I includes information that *Government Auditing Standards* require independent auditors to communicate to those individuals charged with governance. *Government Auditing Standards* require us to formally communicate annually matters we note about the County's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Oakland County Board of Commissioners.

We would like to take this opportunity to thank the County's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of Oakland County Board of Commissioners and management of the County and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC



William E. Brickey



Timothy St. Andrew

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Commissioners
Oakland County, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan (the "County") as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Commissioners
Oakland County, Michigan

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Phyllis I. Morrow, PLLC

March 21, 2019

Section II - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 18, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented. In all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the County. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of Oakland County, Michigan's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of Oakland County, Michigan, including compliance with certain provisions of laws, regulations, contracts, grant agreements, certain instances of error or fraud, illegal acts applicable to government agencies, and significant deficiencies in internal control that we identify during our audit. We have communicated those matters in Section I of this letter regarding our consideration of Oakland County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on October 18, 2018.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements are as follows:

- Estimated accounts receivable related to unbilled water and sewer fees - The County estimates water and sewer usage as of September 30, 2018 based on historical data and subsequent billings. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated receivable balance, we concluded that the estimate was reasonable.

Section II - Required Communications with Those Charged with Governance (Continued)

- The liability for accrued workers' compensation claims, including claims incurred but not reported - The County uses a third-party administrator to track reported claims and to estimate the required reserves for the reported claims. In addition, the County's insurance and safety coordinator estimates an amount for claims incurred but not reported based on a 10-year history of reported claims. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.
- The liability for general liability claims and judgments, including claims incurred but not reported - The County's risk management department tracks reported claims and estimates the required reserves for the reported claims. In addition, the County uses a third-party actuarial company to estimate an amount for claims incurred but not reported based on a history of reported claims. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.
- The liability for incurred but not reported health costs - The County uses a third-party administrator to estimate the required reserves for claims incurred but not reported. The third-party administrator estimates the liability based on a history of reported claims. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.
- The liability for unbilled legal fees - The County estimates an amount owed to attorneys for unbilled legal fees based on a review of outstanding cases at year end and a history of legal expenses. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded that the estimate was reasonable.
- The liability for property tax refunds - The County's equalization department and fiscal services department have estimated possible property tax refunds based on a review of current properties under appeal with the Michigan Tax Tribunal. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded that the estimate was reasonable.
- The liability for defined pension benefits and retiree health care - The County uses an independent actuary to estimate and value the County's obligations for the defined pension benefits and retiree healthcare costs. The actuary estimates the liabilities based on projected pension payments along with assumptions for the defined pension and actual historical claims along with assumptions for retiree health care. Based on our review of the report, we concluded that the estimate was reasonable.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were as follows:

- Note 3 - Deposits and Investments
- Note 12 - Defined Benefit Pension Plan
- Note 13 - Defined Contribution Plans
- Note 14 - Postemployment Benefits

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Section II - Required Communications with Those Charged with Governance
(Continued)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements that were requested to be recorded. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the County, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 21, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultant involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the County's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such other information is properly stated. However, we read the introductory and statistical sections of the Comprehensive Annual Financial Report and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Attachment

Client: Oakland County, Michigan
Opinion Unit: Aggregate Remaining Fund Info
Y/E: 9/30/2018

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories as identified below.

Ref. #	Description of Misstatement	Balance Sheet				Income Statement			
		Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Current Expenses	Long-term Expenses	Revenue	Net Income
JUDICIAL ADJUSTMENTS:									
81	To adjust the true value of certain investments Investments to actual BSM and VISA	\$ 4,361,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,361,000	\$ 4,361,000
Total		\$ 4,361,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,361,000	\$ 4,361,000

Appendix C



2600 WEST BIG BEAVER ROAD, SUITE 300
TROY, MI 48084-3312
TELEPHONE: 248-433-7200
FACSIMILE: 844-670-6009
<http://www.dickinsonwright.com>

_____, 2020

Oakland County Water Resources Commissioner
County of Oakland, State of Michigan

We have acted as bond counsel to the County of Oakland, State of Michigan (the "County") in connection with the issuance by the County of \$_____ Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A, dated the date of delivery (the "Bonds"). We have examined the law and such certified proceedings and other papers, as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding obligations of the County.
2. The full faith and credit of the County have been pledged for the payment of the principal of and interest on the Bonds when due. The principal of and interest on the Bonds are payable as a first budget obligation of the County from its general funds. Taxes imposed by the County for payment of such principal and interest are subject to constitutional and statutory limitations.
4. 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 of the Bonds.
5. The interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the individual federal alternative minimum tax. The opinion set forth in this paragraph is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Oakland County Water Resources Commissioner
_____, 2020
Page 2

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the official statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

4817-9412-7538 v1 [9007-437]

CONTINUING DISCLOSURE CERTIFICATE

COUNTY OF OAKLAND, STATE OF MICHIGAN

§ _____

**EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM
CAPITAL IMPROVEMENT BONDS, SERIES 2020A**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Oakland, Michigan (the "Issuer") in connection with the issuance of its Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the "Bonds"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

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

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

Section 2. Definitions. The following capitalized terms shall have the following meanings:

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

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

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

"Bondholder" shall mean the registered owner of any Bonds.

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

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

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, and existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act. As of the date of this Disclosure Certificate, the address and telephone and telecopy numbers of the MSRB are as follows:

Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314
Tel: (703) 797-6600
Fax: (703) 797-6700

"Official Statement" shall mean the final Official Statement for the Bonds dated _____, 2020.

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

"Rule" shall mean Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"SEC" shall mean the United States Securities and Exchange Commission.

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

"State" shall mean the State of Michigan.

Section 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than the date seven (7) months after the end of the Issuer's fiscal year, commencing with the Issuer's Annual Report for its fiscal year ending September 30, 2019, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days (or such lesser number of days as is acceptable to the Dissemination Agent) prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). Currently, the Issuer's fiscal

year commences on October 1. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the Issuer are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for the Issuer shall be included in the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report of the Issuer by the date required in subsection (a), the Issuer shall file a notice, in a timely fashion, with the MSRB, in substantially the form attached as Exhibit A.

(c) If the Issuer's fiscal year changes, the Issuer shall file written notice of such change with the MSRB, in substantially the form attached as Exhibit B.

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

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

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

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

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

(b) An update of the financial information and operating data relating to the Issuer of the same nature as that contained in the following portions of Appendix A to the Official Statement: "History of State Equalized Valuation (SEV)," "Ten Largest Taxpayers," "County Tax Rates (in mills) \$1.00/\$1,000 of Taxable Valuation," "Collection Record of County's Tax Levy, 2010-2019," "Collection Record of County Wide Tax Levy, 2010-2019," "History of County Wide Tax Delinquencies," "Revenue Sharing from the State of Michigan," "Oakland County Employees Represented by Bargaining Unit," "Pensions," "Other Post-Employment Benefits (OPEB)," "Oakland County Net Direct Debt – Unaudited," "Oakland County Schedule of Bond Maturities - County Limited Tax General Obligation – Principal Only," "Oakland County Schedule of Drain Bond Maturities - County Limited Tax General Obligation – Drain Districts – Principal Only," "Oakland County Schedule of Principal and Interest Requirements," and "Legal Debt Margin."

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

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

Section 5. Reporting of Significant Events.

(a) The Issuer covenants to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event and in accordance with the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Tender offers;
- (13) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (14) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- (15) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (16) Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security holders, if material; and
- (17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a)(2), (7), (8), (10), (14), (15), or (16), the Issuer shall as soon as possible determine if such Listed Event would be material under applicable federal securities laws. The Issuer covenants that its determination of materiality will be made in conformance with federal securities laws.

(c) If the Issuer determines that (i) a Listed Event described in subsection (a)(1), (3), (4), (5), (6), (9), (11), (12), (13) or (17) has occurred or (ii) the occurrence of a Listed Event described in subsection (a)(2), (7), (8), (10), (14), (15), or (16), would be material under applicable federal securities laws, the Issuer shall cause a notice of such occurrence to be filed with the MSRB within ten (10) business days of the occurrence of the Listed Event, together with a cover sheet in substantially the form attached as Exhibit D. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the Issuer shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

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

(e) The Issuer acknowledges that the "rating changes" referred to in subsection (a)(11) above may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable.

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

Section 6. Mandatory Electronic Filing with EMMA.

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

Section 7. Termination of Reporting Obligation.

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

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

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

Section 9. Amendment; Waiver.

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

(i) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer, or type of business conducted by the Issuer;

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

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

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially

changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

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

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Failure to Comply. In the event of a failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Issuer or the Dissemination Agent (if other than the Issuer) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds. Notwithstanding the foregoing, if the alleged failure of the Issuer to comply with this Disclosure Certificate is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than a majority of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Issuer shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Certificate.

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

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

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

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

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

COUNTY OF OAKLAND, MICHIGAN

By: _____

ANDREW E. MEISNER

Its: Treasurer

Dated: _____, 2020

EXHIBIT A
NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: County of Oakland, Michigan

Name of Bond Issue: Evergreen and Farmington Sewage Disposal System Capital
Improvement Bonds, Series 2020A

Date of Bonds: _____, 2020

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

COUNTY OF OAKLAND, MICHIGAN

By: _____

Its _____

Dated: _____

EXHIBIT B

NOTICE OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer: County of Oakland, Michigan

Name of Bond Issue: Evergreen and Farmington Sewage Disposal System Capital
Improvement Bonds, Series 2020A

Date of Bonds: _____, 2020

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

COUNTY OF OAKLAND, MICHIGAN

By: _____

Its _____

Dated: _____

EXHIBIT C
ANNUAL REPORT COVER SHEET

This cover sheet and the attached Annual Report or portion thereof should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(A) and (B).

Issuer's Name: County of Oakland, Michigan

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which the attached Annual Report relates: _____

Number of pages of the attached Annual Report or portion thereof: _____

Name of Bond Issue to which the attached Annual Report relates: _____

Date of such Bonds: _____

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

Signature: _____

Name: _____

Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

EXHIBIT D

EVENT NOTICE COVER SHEET

This cover sheet and the attached Event Notice should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which the attached Event Notice relates: _____

Number of pages of the attached Event Notice: _____

Description of the attached Event Notice (Check One):

- | | | |
|-----|-------|--|
| 1. | _____ | Principal and interest payment delinquencies |
| 2. | _____ | Non-Payment related defaults |
| 3. | _____ | Unscheduled draws on debt service reserves reflecting financial difficulties |
| 4. | _____ | Unscheduled draws on credit enhancements reflecting financial difficulties |
| 5. | _____ | Substitution of credit or liquidity providers, or their failure to perform |
| 6. | _____ | Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security |
| 7. | _____ | Modifications to rights of securities holders |
| 8. | _____ | Bond calls |
| 9. | _____ | Defeasances |
| 10. | _____ | Release, substitution, or sale of property securing repayment of the securities |
| 11. | _____ | Rating changes |
| 12. | _____ | Tender offers |
| 13. | _____ | Bankruptcy, insolvency, receivership or similar event of an obligated person |
| 14. | _____ | The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms |
| 15. | _____ | Appointment of a successor or additional trustee, or the change of name of a trustee |
| 16. | _____ | Incurrence of a financial obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an obligated person, any of which affect security holders, if material |
| 17. | _____ | Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of an obligated person, any of which reflect financial difficulties |
| 18. | _____ | Failure to provide annual financial information as required |
| 19. | _____ | Other material event notice (specify) _____ |

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

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

Please format the Event Notice attached to this cover sheet in 10 point type or larger. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.

Appendix E
OFFICIAL NOTICE OF SALE

\$3,945,000*

*(subject to adjustment as described below)

COUNTY OF OAKLAND, STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM
CAPITAL IMPROVEMENT BONDS, SERIES 2020A

SEALED BIDS for the purchase of the above bonds will be received on behalf of the County of Oakland (the “County”) at the offices of the Municipal Advisory Council of Michigan (the “MAC”), 26211 Central Park Blvd., Suite 508, Southfield, Michigan 48076, on Wednesday, the 11th day of March, 2020, at 11 a.m., Eastern Daylight Time, at which time and place said bids will be publicly opened and read. Signed bids may be submitted to the MAC by fax at fax number (313) 963-0943, or by email at mac@macmi.com, but no bid will be received after the time for receiving bids specified above, and the bidder bears all risks of transmission failure.

IN THE ALTERNATIVE: Bids may be submitted electronically via PARITY pursuant to this Notice on the same date and until the same time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice, the terms of this Notice shall control. For further information about PARITY, potential bidders may contact MFCI, LLC at (313) 782-3011 or PARITY at (212) 849-5021.

BOND DETAILS: The bonds will be fully registered bonds of the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof, dated the date of their delivery, and will bear interest from their date payable on January 1, 2021, and semiannually thereafter.

The bonds will mature on the first day of July as follows (provided, however, that the amounts set forth below may be adjusted as described under “ADJUSTMENT IN PRINCIPAL AMOUNT” herein):

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2021	\$405,000	2026	\$445,000
2022	415,000	2027	455,000
2023	420,000	2028	465,000
2024	430,000	2029	470,000
2025	440,000		

TERM BOND OPTION: Bidders shall have the option of designating bonds maturing in the year 2021 and thereafter as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2021 through final maturity represents a serial maturity or a mandatory redemption requirement for a term bond maturity. There may be more than one term bond designated. In any event, the above principal amount scheduled for the

years 2021 through final maturity shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

PRIOR REDEMPTION:

A. MANDATORY REDEMPTION. Bonds designated as term bonds shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities hereinbefore set forth. The bonds or portions of bonds to be redeemed shall be selected by lot.

B. NO OPTIONAL REDEMPTION. The bonds are not subject to optional redemption prior to maturity.

C. NOTICE OF REDEMPTION. Not less than thirty nor more than sixty days' notice of redemption shall be given by first class mail to the registered owner at the registered address. Failure to receive notice of redemption shall not affect the validity of the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the redemption date; provided, funds are on hand with the bond registrar and paying agent to redeem the bonds called for redemption.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 7% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/100 of 1%, or both. The interest on any one bond shall be at one rate only, and all bonds maturing in any one year must carry the same interest rate. The interest rate borne by bonds maturing in any one year shall not be less than the interest rate borne by bonds maturing in the preceding year. No proposal for the purchase of less than all of the bonds or at a price less than 99% or more than 101% of their par value will be considered.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. However, the bonds will not be issued in book-entry-only form if the purchaser is willing to accept physical delivery of the bonds in denominations equal to the aggregate principal amount for each maturity and, if necessary, transfer the bonds only in such denominations. If requested by the purchaser of the bonds and determined by an authorized officer of the County, the bonds may be issued in the form of a single bond with an exhibit containing the principal maturity amounts and applicable interest rates and due dates. The book-entry-only system is described further in the Preliminary Official Statement for the bonds.

BOND REGISTRAR AND PAYING AGENT: The bonds shall be payable as to principal in lawful money of the United States upon surrender thereof at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, the bond registrar and paying agent. Interest shall be paid to the registered owner of each bond as shown on the registration books at the close

of business on the 15th day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address. As long as DTC, or its nominee Cede & Co., is the registered owner of the bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the bonds is the responsibility of DTC participants and indirect participants as described in the preliminary official statement for the bonds. The County from time to time as required may designate a successor bond registrar and paying agent. Alternatively, the County Treasurer may serve as bond registrar and paying agent for the bonds if it is determined to be in the best interest of the County.

PURPOSE AND SECURITY: The bonds are to be issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, to defray all or part of the cost of acquiring, constructing, and installing sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the “System”) to serve users of the Evergreen Farmington Sewage Disposal Systems in the County of Oakland, Michigan. The County has authorized the revenues of the System to be used to pay the principal of and interest on the bonds when due. In addition, the full faith and credit of the County have been pledged to the prompt payment of the principal of and interest on the bonds. The principal of and interest on the bonds are payable as a first budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County.

ADJUSTMENT IN PRINCIPAL AMOUNT: Following receipt of bids and prior to final award, the County reserves the right to decrease the principal amount of the bonds. Such adjustment, if necessary, will be made in increments of \$5,000, and may be made in one or more maturities. The purchase price will be adjusted proportionately to the decrease in the principal amount of the bonds, but the interest rates specified by the successful bidder will not change. The successful bidder may not withdraw its bid as a result of any changes made as provided in this paragraph.

GOOD FAITH: A good faith deposit in the form of a certified or cashier’s check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$78,900 payable to the order of the County Treasurer will be required of the winning bidder. If a check is used, it must accompany the bid. If a wire transfer is used, the winning bidder is required to wire its good faith deposit to the County not later than Noon, Eastern Daylight Time, on the next business day following the sale using the wire instructions provided by MFCI, LLC. The good faith deposit will be applied to the purchase price of the bonds, and payment for the balance of the purchase price of the bonds shall be made at the closing. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the County. No interest shall be allowed on the good faith deposit, and checks of the unsuccessful bidders will be promptly returned to such bidder’s representative or by registered mail.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost to the County. True interest cost shall be computed by determining the annual interest rate (compounded semiannually) necessary to discount the debt service payments on the bonds from the payment dates thereof to March 26, 2020, and to the price bid.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Dickinson Wright PLLC, attorneys of Troy, Michigan, the original of which will be furnished without expense to the purchaser at the delivery of the bonds. The fees of Dickinson Wright PLLC for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the above bonds, Dickinson Wright PLLC has made no inquiry as to any financial information, statements or material contained in 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 information, statements or materials.

TAX MATTERS: The approving opinion will include an opinion to the effect that 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 will be subject to the condition that the County 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 certain of 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 County has covenanted to comply with all such requirements. The opinion will express no opinion regarding other federal tax consequences arising with respect to the bonds.

The County has not designated the bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

If the winning bidder will obtain a municipal bond insurance policy or other credit enhancement for the bonds in connection with their original issuance, the winning bidder will be required, as a condition of delivery of the bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

In addition, the approving opinion will include an opinion to the effect that 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.

ISSUE PRICE: The winning bidder shall assist the County in establishing the issue price of the bonds and shall execute and deliver to the County at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form provided by Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County and Bond Counsel. All actions to be taken by the County under this Notice of Sale to

establish the issue price of the bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the "competitive sale requirements") because:

- (1) the County is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the County anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the County anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that competitive sale requirements are satisfied, the winning bidder shall be expected to certify as to the reasonably expected initially offering price of the bonds to the public.

In the event that the competitive sale requirements are not satisfied, the County shall so advise the winning bidder. The County shall treat (i) the first price at which 10% of a maturity of the bonds (the "10% test") is sold to the public as of the sale date as the issue price of that maturity and (ii) the initial offering price to the public as of the sale date of any maturity of the bonds not satisfying the 10% test as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the County if any maturity of the bonds satisfies the 10% test as of the date and time of the award of the bonds. Any maturity of the bonds (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) that does not satisfy the 10% test as of the date and time of the award of the bonds shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that any maturity of the bonds is subject to the hold-the-offering-price rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the bonds.

By submitting a bid, each bidder confirms that, except as otherwise provided in its bid, it has an established industry reputation for underwriting new issuances of municipal bonds, and, further, the winning bidder shall (i) confirm that the underwriters have offered or will offer the bonds to the public on or before the date of award at the offering price or prices (the "initial

offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the bonds, that the underwriters will neither offer nor sell unsold bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The County acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the bonds to the public),
- (iii) a purchaser of any of the bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the bonds are awarded by the County to the winning bidder.

OFFICIAL STATEMENT: A copy of the County's official statement relating to the bonds may be obtained by contacting MFCI, LLC at the address referred to below. The official statement is in a form deemed final by the County for purposes of paragraph (b)(1) of SEC Rule 15c2-12 (the "Rule"), but is subject to revision, amendment and completion in a final official statement.

After the award of the bonds, the County will provide on a timely basis copies of a final official statement, as that term is defined in paragraph (f)(3) of the Rule, at the County's expense in sufficient quantity to enable the successful bidder or bidders to comply with paragraphs (b)(3) and (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. Requests for such additional copies of the final official statement shall be made to MFCI, LLC at the address set forth below within 24 hours of the award of the bonds.

CONTINUING DISCLOSURE: In order to assist bidders in complying with paragraph (b)(5) of the Rule, the County will undertake, pursuant to a resolution adopted by its governing body and a continuing disclosure certificate, to provide annual reports and notices of certain events. A

description of these undertakings is set forth in the preliminary official statement and will also be set forth in the final official statement.

CUSIP: It is anticipated that CUSIP numbers will be imprinted on all bonds of this issue at the County's expense. An improperly printed number will not constitute basis for the purchaser to refuse to accept delivery. The purchaser shall be responsible for payment of any charges for the assignment of numbers.

BIDDER CERTIFICATION: NOT "IRAN-LINKED BUSINESS". By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act No. 517, Public Acts of Michigan, 2012; MCL 129.311 et seq.

DELIVERY OF BONDS: The County will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York. The usual closing documents, including a continuing disclosure certificate and a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of the delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, Eastern Daylight Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the winning bidder on that day, or any time thereafter until delivery of the bonds, may withdraw its proposal by serving notice of cancellation, in writing, on the undersigned, in which event the County shall return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for Bonds."

FURTHER INFORMATION: Further information regarding the bonds may be obtained from MFCI, LLC, 3150 Livernois Rd., Suite 175, Troy, MI, Telephone (313) 782-3011, Financial Consultant to the County.

Jim Nash, Oakland County Water Resources
Commissioner

**APPENDIX F
OPTIONAL BID FORM**

**\$3,945,000[†]
COUNTY OF OAKLAND
STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM
CAPITAL IMPROVEMENT BONDS, SERIES 2020A**

For your legally issued Bonds, as described in the Official Notice of Sale, we will pay you par plus a premium / minus a discount (cross-out non-applicable) of \$_____ for Bonds maturing and bearing interest as follows:

Principal Due: July 1 of each year as shown below:

<u>Year</u>	<u>Amount[†]</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount[†]</u>	<u>Interest Rate</u>
2021	\$405,000	_____ %	2026	\$445,000	_____ %
2022	415,000	_____ %	2027	455,000	_____ %
2023	420,000	_____ %	2028	465,000	_____ %
2024	430,000	_____ %	2029	470,000	_____ %
2025	440,000	_____ %			

This Bid is for all or none of the Bonds.

In making this offer, we accept all of the terms and conditions of the Official Notice of Sale published in The Bond Buyer.

Bid of :

Respectfully submitted,

Firm

Contact Name

By: _____
Authorized Representative

Contact Email

Contact Phone Number

The following is a computation of the interest cost on the above Bid. This computation is not to be considered as a part of the Bid and is subject to verification.

Gross Interest Cost	\$ _____
(-) Premium / (+) Discount	\$ _____
Interest Cost	\$ _____
True Interest Rate	_____ %

[†] Preliminary, subject to change: See "Adjustment in Principal Amount" herein and Appendix E, "Draft Official Notice of Sale."

\$3,945,000[†]
COUNTY OF OAKLAND
STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL
IMPROVEMENT BONDS, SERIES 2020A

[†] Preliminary, subject to change

**Copy Of
Advertisement
Of**

Certificate of Publication

Yohanna Beato, is the Billing Coordinator of the BOND BUYER, a daily newspaper printed and published at One State Street Plaza, in the City of New York, County of New York, State of New York; and the notice, of which the annexed is a printed copy, was regularly published in said BOND BUYER on March 4th, 2020.

X *Yohanna Beato*
Billing Coordinator
March 24th 2020

OFFICIAL NOTICE OF SALE**\$3,945,000***

*(subject to adjustment as described below)

**COUNTY OF OAKLAND, STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM
CAPITAL IMPROVEMENT BONDS, SERIES 2020A**

SEALED BIDS for the purchase of the above bonds will be received on behalf of the County of Oakland (the "County") at the offices of the Municipal Advisory Council of Michigan (the "MAC"), 26211 Central Park Blvd., Suite 508, Southfield, Michigan 48076, on Wednesday, the 11th day of March, 2020, at 11 a.m., Eastern Daylight Time, at which time and place said bids will be publicly opened and read. Signed bids may be submitted to the MAC by fax at fax number (313) 963-0943, or by email at mac@macmi.com, but no bid will be received after the time for receiving bids specified above, and the bidder bears all risks of transmission failure.

IN THE ALTERNATIVE: Bids may be submitted electronically via PARITY pursuant to this Notice on the same date and until the same time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice, the terms of this Notice shall control. For further information about PARITY, potential bidders may contact MFCL, LLC at (313) 782-3011 or PARITY at (212) 849-5021.

BOND DETAILS: The bonds will be fully registered bonds of the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof, dated the date of their delivery, and will bear interest from their date payable on January 1, 2021, and semiannually thereafter.

The bonds will mature on the first day of July as follows (provided, however, that the amounts set forth below may be adjusted as described under "ADJUSTMENT IN PRINCIPAL AMOUNT" herein):

YEAR	AMOUNT	YEAR	AMOUNT
2021	\$405,000	2026	\$445,000
2022	415,000	2027	455,000
2023	420,000	2028	465,000
2024	430,000	2029	470,000
2025	440,000		

TERM BOND OPTION: Bidders shall have the option of designating bonds maturing in the year 2021 and thereafter as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2021 through final maturity represents a serial maturity or a mandatory redemption requirement for a term bond maturity. There may be more than one term bond designated. In any event, the above principal amount scheduled for the years 2021 through final maturity shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

PRIOR REDEMPTION:

A. **MANDATORY REDEMPTION.** Bonds designated as term bonds shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities hereinbefore set forth. The bonds or portions of bonds to be redeemed shall be selected by lot.

B. **NO OPTIONAL REDEMPTION.** The bonds are not subject to optional redemption prior to maturity.

C. **NOTICE OF REDEMPTION.** Not less than thirty nor more than sixty days' notice of redemption shall be given by first class mail to the registered owner at the registered address. Failure to receive notice of redemption shall not affect the validity of the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the redemption date; provided, funds are on hand with the bond registrar and paying agent to redeem the bonds called for redemption.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 7% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/100 of 1%, or both. The interest on any one bond shall be at one rate only, and all bonds maturing in any one year must carry the same interest rate. The interest rate borne by bonds maturing in any one year shall not be less than the interest rate borne by bonds maturing in the preceding year. No proposal for the purchase of less than all of the bonds or at a price less than 99% or more than 101% of their par value will be considered.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. However, the bonds will not be issued in book-entry-only form if the purchaser is willing to accept physical delivery of the bonds in denominations equal to the aggregate principal amount for each maturity and, if necessary, transfer the bonds only in such denominations. If requested by the purchaser of the bonds and determined by an authorized officer of the County, the bonds may be issued in the form of a single bond with an exhibit containing the principal maturity amounts and applicable interest rates and due dates. The book-entry-only system is described further in the Preliminary Official Statement for the bonds.

BOND REGISTRAR AND PAYING AGENT: The bonds shall be payable as to principal in lawful money of the United States upon surrender thereof at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, the bond registrar and paying agent. Interest shall be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which the interest payment

is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address. As long as DTC, or its nominee Cede & Co., is the registered owner of the bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the bonds is the responsibility of DTC participants and indirect participants as described in the preliminary official statement for the bonds. The County from time to time as required may designate a successor bond registrar and paying agent. Alternatively, the County Treasurer may serve as bond registrar and paying agent for the bonds if it is determined to be in the best interest of the County.

PURPOSE AND SECURITY: The bonds are to be issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, to defray all or part of the cost of acquiring, constructing, and installing sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the "System") to serve users of the Evergreen Farmington Sewage Disposal Systems in the County of Oakland, Michigan. The County has authorized the revenues of the System to be used to pay the principal of and interest on the bonds when due. In addition, the full faith and credit of the County have been pledged to the prompt payment of the principal of and interest on the bonds. The principal of and interest on the bonds are payable as a first budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County.

ADJUSTMENT IN PRINCIPAL AMOUNT: Following receipt of bids and prior to final award, the County reserves the right to decrease the principal amount of the bonds. Such adjustment, if necessary, will be made in increments of \$5,000, and may be made in one or more maturities. The purchase price will be adjusted proportionately to the decrease in the principal amount of the bonds, but the interest rates specified by the successful bidder will not change. The successful bidder may not withdraw its bid as a result of any changes made as provided in this paragraph.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$78,900 payable to the order of the County Treasurer will be required of the winning bidder. If a check is used, it must accompany the bid. If a wire transfer is used, the winning bidder is required to wire its good faith deposit to the County not later than Noon, Eastern Daylight Time, on the next business day following the sale using the wire instructions provided by MFCL, LLC. The good faith deposit will be applied to the purchase price of the bonds, and payment for the balance of the purchase price of the bonds shall be made at the closing. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the County. No interest shall be allowed on the good faith deposit, and checks of the unsuccessful bidders will be promptly returned to such bidder's representative or by registered mail.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost to the County. True interest cost shall be computed by determining the annual interest rate (compounded semiannually) necessary to discount the debt service payments on the bonds from the payment dates thereof to March 26, 2020, and to the price bid.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Dickinson Wright PLLC, attorneys of Troy, Michigan, the original of which will be furnished without expense to the purchaser at the delivery of the bonds. The fees of Dickinson Wright PLLC for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the above bonds, Dickinson Wright PLLC has made no inquiry as to any financial information, statements or material contained in 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 information, statements or materials.

TAX MATTERS: The approving opinion will include an opinion to the effect that 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 will be subject to the condition that the County 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 certain of 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 County has covenanted to comply with all such requirements. The opinion will express no opinion regarding other federal tax consequences arising with respect to the bonds.

The County has not designated the bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

If the winning bidder will obtain a municipal bond insurance policy or other credit enhancement for the bonds in connection with their original issuance, the winning bidder will be required, as a condition of delivery of the bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

In addition, the approving opinion will include an opinion to the effect that 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.

ISSUE PRICE: The winning bidder shall assist the County in establishing the issue price of the bonds and shall execute and deliver to the County at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form provided by Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County and Bond Counsel. All actions to

continued on next page

Competitive Sales Notices

Wednesday, March 4, 2020
www.bondbuyer.com

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continued from previous page

be taken by the County under this Notice of Sale to establish the issue price of the bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the "competitive sale requirements") because:

(1) the County is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the County anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the County anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that competitive sale requirements are satisfied, the winning bidder shall be expected to certify as to the reasonably expected initial offering price of the bonds to the public.

In the event that the competitive sale requirements are not satisfied, the County shall so advise the winning bidder. The County shall treat (i) the first price at which 10% of a maturity of the bonds (the "10% test") is sold to the public as of the sale date as the issue price of that maturity and (ii) the initial offering price to the public as of the sale date of any maturity of the bonds not satisfying the 10% test as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the County if any maturity of the bonds satisfies the 10% test as of the date and time of the award of the bonds. Any maturity of the bonds (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) that does not satisfy the 10% test as of the date and time of the award of the bonds shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that any maturity of the bonds is subject to the hold-the-offering-price rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the bonds.

By submitting a bid, each bidder confirms that, except as otherwise provided in its bid, it has an established industry reputation for underwriting new issuances of municipal bonds, and, further, the winning bidder shall (i) confirm that the underwriters have offered or will offer the bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the bonds, that the underwriters will neither offer nor sell unsold bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The County acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the

County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the bonds to the public),

(iii) a purchaser of any of the bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the bonds are awarded by the County to the winning bidder.

OFFICIAL STATEMENT: A copy of the County's official statement relating to the bonds may be obtained by contacting MFCL, LLC at the address referred to below. The official statement is in a form deemed final by the County for purposes of paragraph (b)(1) of SEC Rule 15c2-12 (the "Rule"), but is subject to revision, amendment and completion in a final official statement.

After the award of the bonds, the County will provide on a timely basis copies of a final official statement, as that term is defined in paragraph (d)(3) of the Rule, at the County's expense in sufficient quantity to enable the successful bidder or bidders to comply with paragraphs (b)(3) and (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. Requests for such additional copies of the final official statement shall be made to MFCL, LLC at the address set forth below within 24 hours of the award of the bonds.

CONTINUING DISCLOSURE: In order to assist bidders in complying with paragraph (b)(5) of the Rule, the County will undertake, pursuant to a resolution adopted by its governing body and a continuing disclosure certificate, to provide annual reports and notices of certain events. A description of these undertakings is set forth in the preliminary official statement and will also be set forth in the final official statement.

CUSIP: It is anticipated that CUSIP numbers will be imprinted on all bonds of this issue at the County's expense. An improperly printed number will not constitute basis for the purchaser to refuse to accept delivery. The purchaser shall be responsible for payment of any charges for the assignment of numbers.

BIDDER CERTIFICATION: NOT "IRAN-LINKED BUSINESS": By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act No. 517, Public Acts of Michigan, 2012; MCL 129.311 et seq.

DELIVERY OF BONDS: The County will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York. The usual closing documents, including a continuing disclosure certificate and a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of the delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, Eastern Daylight Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the winning bidder on that day, or any time thereafter until delivery of the bonds, may withdraw its proposal by serving notice of cancellation, in writing, on the undersigned, in which event the County shall return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for Bonds."

FURTHER INFORMATION: Further information regarding the bonds may be obtained from MFCL, LLC, 3150 Livernois Rd., Suite 175, Troy, MI, Telephone (313) 782-3011, Financial Consultant to the County.

Jim Nash, Oakland County Water Resources
Commissioner

THE BOND BUYER

THE DAILY NEWSPAPER OF PUBLIC FINANCE

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To place your Bond Redemption Advertisement in The Bond Buyer, please call Kerry-Ann Blake-Parkes at 212-803-8436 or email it to nos@arizent.com.

ORDER OF WATER RESOURCES COMMISSIONER

WHEREAS, by resolution adopted on May 2, 2018 (the "Bond Resolution") the Board of Commissioners of the County of Oakland (the "County") authorized (i) the issuance of its Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds (the "Bonds") in the principal sum of not-to-exceed \$15,000,000 for the purpose of defraying all or part of the cost of acquiring, constructing, and installing sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems to serve users of the Evergreen Farmington Sewage Disposal Systems in the County (the "Project"), and (ii) the County Water Resources Commissioner to take certain actions for the sale and delivery of the Bonds; and

WHEREAS, the Michigan Department of Treasury has issued its determination granting the County qualified status within the meaning of Act 34, Public Acts of Michigan, 2001, as amended; and

WHEREAS, the notice of sale for the purchase of the Bonds was published in *The Bond Buyer* on March 4, 2020; and

WHEREAS, attached hereto are the proposals for the purchase of the Bonds that had been received on or before 11 a.m., Eastern Daylight Time, on the date hereof.

THEREFORE, IT IS HEREBY ORDERED that:

1. The Bonds shall be designated the Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A; shall not be issued in book-entry-only form; shall not be assigned a CUSIP number; and shall be issued as a single bond in the principal amount of \$3,910,000, shall be dated as of the date of its delivery, shall mature on July 1 of each year as set forth in the next paragraph and shall bear interest, payable on January 1, 2021, and semiannually thereafter.

2. The proposal of PNC Bank, National Association to purchase the Bonds to be issued by the County at par and bearing interest per annum as follows:

<u>Maturity Date</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
<u>July 1</u>		
2021	\$395,000	1.51%
2022	415,000	1.51%
2023	425,000	1.51%
2024	430,000	1.51%
2025	435,000	1.51%
2026	440,000	1.51%
2027	450,000	1.51%
2028	455,000	1.51%
2029	465,000	1.51%

3. The Bonds are not subject to optional redemption prior to maturity.
4. In accordance with the designation of the County Treasurer, The Huntington National Bank, Grand Rapids, Michigan, is approved as the bond registrar and paying agent for the Bonds.
5. The Bonds shall be issued in accordance with the terms set forth in the Bond Resolution and bearing interest as set forth above.
6. The fixing of March 11, 2020 as the date of sale of the Bonds is hereby ratified and confirmed and the form of notice of such sale as published in *The Bond Buyer* is hereby approved.
7. The designation of the Preliminary Official Statement for the Bonds as an official statement deemed final by the County for the purposes of paragraph (b)(1) of SEC Rule 15c2-12 is confirmed.



JIM NASH
Water Resources Commissioner
County of Oakland

Dated: March 12, 2020



Douglas C. Barcy, Senior Vice President
Public Finance
PNC Bank, N.A.
120 N. Washington Square
Lansing, MI 48933
Phone 517-334-5226
Fax 517-334-5489
Mobile 517-256-4835
writer's email: douglas.barcy@pnc.com

March 11, 2020

Mr. Jim Nash
Water Resource Commissioner
County of Oakland
One Public Works Drive
Waterford, MI 48328-1907

Dear Mr. Nash:

PNC Bank, National Association ("*Purchaser*" or the "*Bank*") is pleased to offer the following direct placement proposal to Oakland County, State of Michigan, Evergreen and Farmington Sewage Disposal Systems ("*Issuer*") to purchase the Oakland County, State of Michigan Evergreen and Farmington Sewage Disposal Systems Capital Improvement Bonds, Series 2020A ("*Bond*" or the "*Bonds*").

Terms not specifically covered or made definitive in this proposal are subject to mutual agreement between the Purchaser and Issuer. This proposal will be subject to (a) the attached terms and conditions, which supersede any prior oral or written understanding between the Purchaser and Issuer with regard to the transaction provided herein and (b) documentation satisfactory in form and content to Purchaser and its legal counsel.

Third parties should in no way rely on this letter and Bank is not liable for any actions taken by a third party because of their reliance on this letter.

Please indicate acceptance of the stated terms of this proposal by executing this letter and returning the same to us on or before the end of business day on Thursday, March 12, 2020. If acceptance is not received by this date, this proposal will be considered cancelled and void. Any revisions to this proposal must be approved by the Bank in writing. Closing of this proposal is to take place on March 26, 2020.

Thank you for your consideration and I look forward to being of service.

Sincerely,

A handwritten signature in blue ink, appearing to read "Douglas C. Barcy", is written over a faint, larger version of the same signature.

Douglas C. Barcy
Senior Vice President
Relationship Manager
Michigan Public Finance Group

cc Steven Burke, MFCI LLC
Eric A. McGlothlin, Dickinson Wright

The undersigned hereby accepts the foregoing proposal from PNC Bank, National Association and the terms and conditions set forth herein, this 12th day of March, 2020.

Oakland County, State of Michigan

BY:

Jim Nash
Name (Please Print)

[Signature]
Signature

TITLE:

OCWRC

DATE:

3/12/20

PNC Bank, National Association is pleased to provide the following proposal subject to the terms and conditions herein and in the attached cover letter.

This proposal is delivered to you on the understanding that any of the terms of substance hereunder shall not be disclosed, directly or indirectly, to any other person except your officers, agents and advisors who are directly involved in the consideration of this matter unless prior written consent has been given by the Purchaser or otherwise required by law.

**PNC BANK, NATIONAL ASSOCIATION
Preliminary Summary of Terms and Conditions
County of Oakland, State of Michigan
Evergreen and Farmington Sewage Disposal Systems
Capital Improvement Bonds, Series 2020A
Direct Purchase of Tax-Exempt Bank Fixed Rate Bonds
March 11, 2020**

I. PARTIES

ISSUER: County of Oakland, State of Michigan, Evergreen and Farmington Sewage Disposal Systems Capital Improvement Bonds, Series 2020A (*Issuer*).

PURCHASER: PNC Bank, National Association (*Purchaser* or the *Bank*).

II. ISSUE, SECURITY AND FINANCING DOCUMENTS

ISSUE: PNC proposes to provide the Issuer with a single registered tax-exempt bond in the principal amount of up to \$3,910,000 (*Bond* or the *Bonds*) for direct purchase by the Bank.

PURPOSE: The Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the *Bonds*) are being issued pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended (*Act 34*) and a resolution adopted by the Board of Commissioners of the County of Oakland, State of Michigan (the *County*), on May 2, 2018 (the *Resolution*). The County of Oakland (the *County*) has determined that is it necessary to acquire, construct, and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the *System*).

PAR AMOUNT: Up to \$3,910,000 (the *Par Amount*).

MATURITY/AMORTIZATION: The Bond will have a stated maturity of July 1, 2029 with annual mandatory redemption payments as set forth below:

7/1/2021	\$395,000
7/1/2022	\$415,000
7/1/2023	\$425,000
7/1/2024	\$430,000
7/1/2025	\$435,000
7/1/2026	\$440,000
7/1/2027	\$450,000
7/1/2028	\$455,000
7/1/2029	\$465,000

SECURITY: The Bonds and the obligations owed to the Purchaser will be secured by from revenues of the System, and such revenues have been authorized to be used for such purpose. In addition, the full faith and credit of the County are pledged to the payment of the principal and interest on the Bonds. The principal of and interest on the Bonds are payable as a first budget item budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the County.

FINANCING DOCUMENTATION: Documentation in form and substance satisfactory to the Bank must be executed and delivered containing representations, warranties, indemnities, conditions to lending, events of default and other provisions as are appropriate in the Bank's opinion and specified by the Bank. The Bond, the Bond Authorizing Resolution and other required documents are herein collectively referred to as the "*Financing Documents*."

OPTIONAL REDEMPTION: The Bond is not subject to optional redemption prior to maturity.

TAX STATUS OF INTEREST ON BOND: Interest on the Bond shall be excludable from gross income for federal income and state income tax purposes. The Issuer shall take all steps necessary to maintain such tax exempt status. The Purchaser shall be provided an opinion of Bond Counsel satisfactory to the Purchaser which concludes that interest on the Bond is excludable from gross income for federal and State of Michigan income tax purposes. Such opinion shall either be addressed to the Bank or a reliance letter shall be provided which states that the Bank may rely on the opinion of Bond Counsel.

CLOSING DATE: Closing on the Bond will occur on March 26, 2020 (the "*Closing Date*").

III. INTEREST RATES AND OTHER KEY PROVISIONS:

BANK RATE: The Purchaser's Tax Exempt fixed rate on the Bond is 1.51% based on the expected Closing Date (the "*Fixed Rate*"). This Fixed Rate is valid through the end of business day on Thursday, March 12, 2020 and upon receipt of an executed proposal letter from the Issuer by the Purchaser.

COMPUTATION BASIS: Interest shall be based on a 360-day-year comprised of twelve 30-day months. Interest will accrue from the Closing Date and will be payable on

January 1, 2021 and semiannually each January 1 and July 1 thereafter until maturity.

BANK COUNSEL: Varnum (Susan M. Wyngaarden); Bank's legal counsel expenses shall not exceed \$3,500.

PAYING AGENT: The Huntington National Bank, Grand Rapids Michigan or such other paying agent as the Issuer may from time to time designate.

IV. CONDITIONS PRECEDENT TO CLOSING:

Customary for financings of this nature and in form and substance satisfactory to the Purchaser:

- 1) The unqualified opinion of a nationally recognized Bond Counsel that is satisfactory to the Bank approving the legality and the Tax-Exempt status of the Bond. Such opinion shall either be addressed to the Bank or a reliance letter shall be provided which states that the Bank may rely on the opinion of Bond Counsel.
- 2) An authorized officer of the Issuer shall execute the closing memorandum, settlement statement or other document (the "*Closing Memorandum*") authorizing the Bank to make wire transfers on the date of closing as set forth in the Closing Memorandum. Furthermore, the Issuer shall provide the Bank with a certified copy of the Issuer's resolution authorizing such officer to execute the Closing Memorandum and a copy of an incumbency certificate of the Issuer acceptable to the Bank which lists the name and title of all officers executing closing documents on behalf of the Issuer and confirming each officer's signature identification.
- 3) Final draft of closing documents shall be made available to Bank's legal counsel for review at least three (3) business days prior to closing.
- 4) An electronic copy of fully executed closing documents will be provided to the Bank one (1) business day prior to closing. A transcript of all original signed documents will be forwarded to the Bank within one (1) week from closing.
- 5) The Bond shall not be initially registered to participate in DTC, and shall not be assigned a CUSIP number.
- 6) The Purchaser will purchase and hold the Bonds in its own loan portfolio with no intent to re-offer the Bonds to other persons.

V. CHOICE OF LAW / JURY TRIAL / VENUE:

GOVERNING LAW/VENUE: This term sheet shall be governed by the laws of the State of Michigan.

NO ADVISORY OR FIDUCIARY ROLE: The Issuer acknowledges and agrees that: (i) the Purchaser has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser or any of its affiliates has provided other services or is currently providing

other services to the Issuer on other matters); (ii) the only obligations the Purchaser has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this term sheet; and (iii) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

FAX
prior 11 AM
on MARCH 11

**APPENDIX F
OPTIONAL BID FORM**

**\$3,945,000†
COUNTY OF OAKLAND
STATE OF MICHIGAN
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM
CAPITAL IMPROVEMENT BONDS, SERIES 2020A**

For your legally issued Bonds, as described in the Official Notice of Sale, we will pay you par plus a premium / minus a discount (cross-out non-applicable) of \$ 0 for Bonds maturing and bearing interest as follows:

Principal Due: July 1 of each year as shown below:

Year	Amount†	Interest Rate	Year	Amount†	Interest Rate
2021	\$405,000	<u>0.5</u> %	2026	\$445,000	<u>2</u> %
2022	415,000	<u>0.5</u> %	2027	455,000	<u>2</u> %
2023	420,000	<u>0.5</u> %	2028	465,000	<u>2</u> %
2024	430,000	<u>1</u> %	2029	470,000	<u>2</u> %
2025	440,000	<u>1</u> %			

This Bid is for all or none of the Bonds.

In making this offer, we accept all of the terms and conditions of the Official Notice of Sale published in The Bond Buyer.

Bid of:

Respectfully submitted,

Washtenaw County

Firm

Treasurer

Catherine McClary

Contact Name

L-Banking@washtenaw.org

Contact Email

734-222-6607

Contact Phone Number

The following is a computation of the interest cost on the above Bid. This computation is not to be considered as a part of the Bid and is subject to verification.

Gross Interest Cost	\$ _____
(-) Premium / (+) Discount	\$ _____
Interest Cost	\$ _____
True Interest Rate	_____ %

1.596169

† Preliminary, subject to change: See "Adjustment in Principal Amount" herein and Appendix E, "Draft Official Notice of Sale."



Office of the County Treasurer

200 N. Main Street, Suite 200
P.O. Box 8645
Ann Arbor, MI 48107-8645

Phone: (734) 222-6600
Fax: (734) 222-6632
e-mail: L-banking@Washtenaw.org

Catherine McClary, CPFO, CPFIM
Treasurer

FACSIMILE

DATE: 3/11/2020

TO: MAC

DEPT / CO: _____

Fax #: 313-963-0943

Phone #: _____

of PAGES: 2 including cover

COMMENTS:

County of Oakland
State of Michigan
Evergreen & Farmington Sewage Disposal System
Capital Improvement Bonds, Series 2020 A
Bid

If you have any questions, please contact Michael at (734) 222-6600,
or fax (734) 222-6632. 6607



Parity Calendar

Upcoming Calendar Overview Result Excel

Huntington Securities, Inc. - Chicago , IL's Bid

PARITY

**Oakland County
\$3,945,000 Evergreen and Farmington Sewage Disposal
System Capital Improvement Bonds, Series 2020A**

For the aggregate principal amount of \$3,945,000.00, we will pay you \$3,983,447.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
07/01/2021	405M	0.0500
07/01/2022	415M	0.0500
07/01/2023	420M	0.0500
07/01/2024	430M	0.0500
07/01/2025	440M	2.0000
07/01/2026	445M	2.2500
07/01/2027	455M	2.5000
07/01/2028	465M	2.5000
07/01/2029	470M	2.5000

Total Interest Cost: \$398,912.40
Premium: \$38,447.00
Net Interest Cost: \$360,465.40
TIC: 1.668405
Time Last Bid Received On:03/11/2020 10:56:35 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Huntington Securities, Inc., Chicago , IL
Contact: Jim Van Metre
Title:
Telephone:312-443-1555
Fax:

Issuer Name: County of Oakland

Company Name: _____

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____



Parity Calendar

Upcoming Calendar	Overview	Result	Excel
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Bernardi Securities, Inc. - Chicago , IL's Bid**PARITY****Oakland County****\$3,945,000 Evergreen and Farmington Sewage Disposal
System Capital Improvement Bonds, Series 2020A**

For the aggregate principal amount of \$3,945,000.00, we will pay you \$3,964,928.65, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
07/01/2021	405M	2.0000
07/01/2022	415M	2.0000
07/01/2023	420M	2.0000
07/01/2024	430M	2.0000
07/01/2025	440M	2.0000
07/01/2026	445M	2.0000
07/01/2027	455M	2.0000
07/01/2028	465M	2.0000
07/01/2029	470M	2.0000

Total Interest Cost:	\$425,220.83
Premium:	\$19,928.65
Net Interest Cost:	\$405,292.18
TIC:	1.899086
Time Last Bid Received On:03/11/2020 10:56:29 EDST	

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Bernardi Securities, Inc., Chicago , IL
Contact: Gineen DeStefano
Title:
Telephone:312-281-2019
Fax: 312-281-2039

Issuer Name: County of Oakland

Company Name: _____

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____



Parity Calendar

Upcoming Calendar	Overview	Result	Excel
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Fifth Third Securities, Inc. - Cincinnati, OH's Bid**PARITY****Oakland County****\$3,945,000 Evergreen and Farmington Sewage Disposal
System Capital Improvement Bonds, Series 2020A**

For the aggregate principal amount of \$3,945,000.00, we will pay you \$3,980,650.10, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
07/01/2021	405M	1.0000
07/01/2022	415M	1.0000
07/01/2023	420M	1.2500
07/01/2024	430M	1.2500
07/01/2025	440M	2.0000
07/01/2026	445M	2.0000
07/01/2027	455M	2.0000
07/01/2028	465M	3.0000
07/01/2029	470M	3.0000

Total Interest Cost:	\$468,642.01
Premium:	\$35,650.10
Net Interest Cost:	\$432,991.91
TIC:	2.009117
Time Last Bid Received On:	03/11/2020 10:58:53 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Fifth Third Securities, Inc., Cincinnati, OH
Contact: Matthew Saunders
Title:
Telephone: 513-534-2403
Fax:

Issuer Name: County of Oakland

Company Name: _____

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____

March 26, 2020

Oakland County Water Resources Commissioner
County of Oakland, State of Michigan

We have acted as bond counsel to the County of Oakland, State of Michigan (the "County") in connection with the issuance by the County of \$3,910,000 Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A, dated March 26, 2020 (the "Bonds"). We have examined the law and such certified proceedings and other papers, as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding obligations of the County.
2. The full faith and credit of the County have been pledged for the payment of the principal of and interest on the Bonds when due. The principal of and interest on the Bonds are payable as a first budget obligation of the County from its general funds. Taxes imposed by the County for payment of such principal and interest are subject to constitutional and statutory limitations.
3. 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 of the Bonds.
4. 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 in this paragraph is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Oakland County Water Resources Commissioner
March 26, 2020
Page 2

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the official statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

Dickinson Wright PLLC

4817-9412-7538 v1 [9007-437]



2600 WEST BIG BEAVER ROAD, SUITE 300
TROY, MI 48084-3312
TELEPHONE: (248) 433-7200
FACSIMILE: (844) 670-6009
<http://www.dickinsonwright.com>

ERIC MCGLOTHLIN
EMcGlothlin@dickinsonwright.com
(248) 433-7566

March 26, 2020

PNC Bank, National Association
120 N. Washington Square
Lansing, MI 48933

Re: \$3,910,000 County of Oakland Evergreen and Farmington Sewage
Disposal System Capital Improvement Bonds, Series 2020A

Ladies and Gentlemen:

We deliver to you herewith a copy of our approving opinion dated the date hereof and relating to the above-referenced bonds.

You are entitled to rely on this approving opinion as though the same were addressed to you.

Very truly yours,

Dickinson Wright PLLC

4843-8075-5383 v1 [9007-437]

NONARBITRAGE AND TAX COMPLIANCE CERTIFICATE

COUNTY OF OAKLAND, MICHIGAN

\$3,910,000

Evergreen and Farmington Sewage Disposal System
Capital Improvement Bonds, Series 2020A

Pursuant to Section 1.148-2(b)(2) of the Treasury Regulations on Income Tax, the undersigned hereby certifies with respect to the Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A in the aggregate principal amount of \$3,910,000 (the "Bonds") issued and delivered by the County of Oakland, Michigan (the "Issuer"), pursuant to a bond authorizing resolution adopted by the Board of Commissioners of the Issuer on May 2, 2018 (the "Bond Resolution") and an Order of the Water Resources Commissioner dated March 12, 2020, that, on the date hereof, the following exist or are reasonably expected to occur:

1. Due Inquiry; Statement as to Facts, Estimates and Circumstances. The undersigned is the Water Resources Commissioner of the Issuer, is in general charge of the issuance of the Bonds, has made due inquiry with respect to and is fully informed as to the matters set forth in this Certificate, and makes the certifications herein in good faith. The facts and estimates set forth in this Certificate on which the Issuer's expectations are based as to the amount and the use of gross proceeds of the Bonds are made to the best knowledge and belief of the undersigned, and the expectations are reasonable. The Issuer is not aware of any facts or circumstances that would cause the Issuer to question the accuracy or reasonableness of any representations or certifications made in this Certificate.

2. Sale of Bonds; Issue Date.

(a) The Bonds are being sold pursuant to a notice of sale for the purchase of the Bonds that was published in *The Bond Buyer* on March 4, 2020, the proposal of PNC Bank, National Association to purchase the Bonds, and the Issuer's acceptance thereof on March 12, 2020.

(b) The Bonds are being issued and delivered to the original purchaser thereof on the date hereof (the "Issue Date").

3. Purpose; Single Issue.

(a) The Bonds are authorized under the laws of the State of Michigan and issued for the purpose of providing funds to be used, together with other available funds, (i) to acquire, construct, and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the "System") to serve users of the System (the "Project"), and (ii) to pay the costs of issuing the Bonds.

(b) The Issuer does not expect to issue any other obligations which will be: (i) sold at substantially the same time as the Bonds (i.e., within 15 days of March 11, 2020, the date the Bonds were sold); (ii) sold pursuant to the same plan of financing with the Bonds; and (iii) reasonably expected to be paid from substantially the same source of funds as will be used to pay the Bonds.

4. Sale Proceeds; No Overissuance.

(a) Sale Proceeds. The Issuer expects to receive from the original purchaser of the Bonds the sum of \$3,910,000, representing the aggregate principal amount of the Bonds.

(b) No Overissuance. The amount to be received by the Issuer from the original purchaser of the Bonds and the investment earnings thereon will not exceed the amount required for the purposes described in paragraph 3 above, by more than \$100,000.

5. Use of Proceeds. The \$3,910,000 amount to be received from the original purchaser of the Bonds will be deposited in the Construction Fund for disposition as described in paragraph 6 of this Certificate.

6. Construction Fund.

(a) The \$3,910,000 proceeds of the sale of the Bonds deposited in the Construction Fund as described in paragraph 5 above and the investment proceeds thereof will be used to pay the costs of the Project and the costs of issuing the Bonds. The investment earnings with respect to investments allocated to the Construction Fund will be deposited upon receipt in the Construction Fund and reinvested until used to pay the foregoing costs. Until expended, the amounts in the Construction Fund will be invested without restriction as to yield; subject, however, to the applicable requirements of the memorandum attached hereto as Exhibit A relating to the rebating of certain excess investment earnings to the United States (the "Rebate Memorandum"); provided, however, that any amounts remaining in the Construction Fund after the third anniversary of the Issue Date (or with respect to investment earnings only, the first anniversary of the date of receipt, if later) will be invested at a yield (computed with regard to any yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c)) not exceeding the yield on the Bonds by more than 0.125 percentage points.

(b) Within 6 months of the Issue Date, the Issuer will incur a substantial binding obligation to a third party to expend at least 5 percent of the net sale proceeds of the Bonds on costs of the Project.

(c) Construction of the Project has commenced, and the Project and the allocation of the net sale proceeds of the Bonds to expenditures for costs of the Project will proceed with due diligence to completion, which is expected on or before December 1, 2020.

(d) At least 85 percent of the net sale proceeds of the Bonds will be allocated to expenditures for costs of the Project within three years of the Issue Date.

7. Principal and Interest Fund. Taxes levied and collected by the Issuer for the payment of the Bonds will be deposited in the Principal and Interest Fund established pursuant to Section 12 of the Bond Resolution (the "Principal and Interest Fund") and will be invested

without restriction as to yield and expended within 13 months of the date of deposit to pay principal of and interest on the Bonds. Investment earnings on amounts in the Principal and Interest Fund will be redeposited thereto and used within 13 months of the date of receipt to pay principal of or interest on the Bonds. The Principal and Interest Fund will be primarily used to achieve a proper matching of revenues with principal and interest payments on the Bonds in each bond year, and will be depleted each year except for a reasonable carryover amount not exceeding the greater of (i) the earnings on the Principal and Interest Fund for the immediately preceding bond year or (ii) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding bond year.

8. Issue Price; Yield on the Bonds.

(a) In accordance with Treas. Reg. § 1.148-1(f)(2)(iv), the issue price for the Bonds was calculated by using the price paid by the original purchaser of the Bonds since the Bonds are issued for money in a private placement to the original purchaser. Pursuant to the bid submitted by the original purchaser and the certificate delivered by the original purchaser attached as Exhibit B, the original purchaser agreed and represented that it is not acting as an “underwriter,” within the meaning of Treas. Reg. § 1.148-1(f)(3)(iii), with respect to the Bonds, and the original purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds or any portion of the Bonds.

(b) The issue price of the Bonds has been determined in accordance with the special rule for bonds issued for money in a competitive sale of Treas. Reg. § 1.148-1(f)(2)(iii) in reliance on the Purchaser Certificate. The issue price of the Bonds is \$3,910,000.

(c) The yield on the Bonds is calculated in the manner provided in Treas. Reg. § 1.148-4(b) and in reliance on the certificate of the original purchaser attached as Exhibit B. The yield on the Bonds, so calculated, as of the Issue Date, is 1.5095556% per annum.

9. Replacement Proceeds.

(a) No funds or accounts other than the Construction Fund and the Principal and Interest Fund will be pledged directly or indirectly to pay the principal of or interest on the Bonds such that there is a reasonable assurance that amounts deposited therein will be available to pay principal of or interest on the Bonds, even if the Issuer encounters financial difficulties.

(b) The Bonds have a weighted average maturity of 5.38 years, which does not exceed 120 percent of the average reasonably expected economic life of the Project, which is at least 20 years

(c) The proceeds of the Bonds will not replace any funds of the Issuer invested at a yield materially higher than the yield on the Bonds, since no funds of the Issuer have been designated for the purposes for which the Bonds are issued such that those amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Minor Portion. At no time after the Issue Date and prior to the final payment of the Bonds will the Issuer have on hand in the Construction Fund or the Principal and Interest

Fund, or otherwise, an aggregate amount in excess of \$100,000 invested at a yield materially higher than the yield on the Bonds and comprised of:

(a) Any proceeds of the sale of the Bonds and investment proceeds thereof in the Construction Fund that are not expended within 3 years of the Issue Date (or with respect to investment earnings only, within one year of the date of receipt, if later) to pay costs of the Project and costs of issuing the Bonds (yield computed with regard to yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c));

(b) Any amount in the Principal and Interest Fund not expended to pay the principal of or interest on the Bonds within 13 months of the date of receipt, and any amount in the Principal and Interest Fund longer than 30 days that is not expected to be expended to pay the principal of or interest on the Bonds within 13 months of the date of receipt (yield computed without regard to yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c)).

11. Rebate of Arbitrage Earnings; Elections under 2-Year Spending Exception.

(a) The Rebate Memorandum sets forth the procedures for rebating arbitrage earnings on the Bonds to the United States. The Issuer agrees to cause such procedures to be followed and such payments to be timely made pursuant to its covenant in section 20 of the Bond Resolution to establish and maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(b) The Issuer hereby elects, pursuant to Treas. Reg. §1.148-7(f)(2), to apply the provisions of Treas. Reg. §1.148-7(e) through (m) based on actual facts and not on reasonable expectations as of the Issue Date.

12. Additional Tax Compliance Representations.

(a) No Private Activity Bonds. No more than 10 percent of the proceeds of the Bonds will be used directly or indirectly in a trade or business carried on by any person other than a governmental unit (a "private business use"). No more than 5 percent of the proceeds of the Bonds will be used for any private business use that is not related to governmental purposes of the Issuer or that, although related to governmental purposes of the Issuer, exceeds the amount of Bond proceeds used for governmental purposes of the Issuer other than a related private business use. No more than 5 percent of the proceeds of the Bonds will be used directly or indirectly to make or finance loans to persons other than governmental units or loans for purposes other than enabling a borrower to finance any governmental tax or assessment of general application for a specific essential governmental function such as the Project.

(b) Capital Purposes. The property to be financed with the proceeds of the Bonds consists solely of property which, under general federal tax principles, is chargeable to a capital account.

(c) Change of Use. Any change of use of the Project will conform with the requirements of Treas. Reg. §1.141-12 and the Rebate Memorandum.

(d) No Federally Guaranteed Bonds. The payment of principal or interest with respect to the Bonds is not guaranteed in whole or in part by the United States or any agency or instrumentality thereof. The Bonds are not issued as part of an issue 5 percent or more of the proceeds of which is to be used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States or any agency or instrumentality thereof, or invested directly or indirectly in federally insured deposits or accounts, other than those proceeds invested during applicable temporary periods or as investments in bona fide debt service funds or investments in permissible reserves or in obligations issued by the United States Treasury. The payment of principal of or interest on the Bonds is not otherwise indirectly guaranteed in whole or in part by the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

(e) No Hedge Bonds. The Issuer reasonably expects that at least 85 percent of the spendable proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within the 3-year period beginning on the Issue Date. No more than 50 percent of the proceeds of the Bonds will be invested in nonpurpose investments having a substantially guaranteed yield for 4 years or more.

(f) Reimbursement Allocations.

(1) Except for (i) preliminary expenditures for architectural, engineering, soil testing, bond issuance, and similar costs (not including costs of land acquisition, site preparation, and similar costs incident to the commencement of construction) that were incurred prior to the commencement of acquisition, construction or rehabilitation of the facilities comprising the Project and did not exceed 20 percent of the aggregate issue price of the Bonds and (ii) amounts not in excess of the lesser of \$100,000 or 5% of the proceeds of the Bonds, no proceeds of the Bonds will be allocated to the reimbursement of an expenditure for costs of the Project paid more than 60 days prior to May 25, 2017, on which date the Issuer declared its official intent to issue the Bonds. Except for preliminary expenditures described in the preceding sentence, no proceeds of the Bonds will be allocated to the reimbursement of any expenditure paid more than 3 years prior to the date of such reimbursement allocation.

(2) Within one year after the Issue Date, funds corresponding to the proceeds of the Bonds for which a reimbursement allocation is made will not be used in a manner that results in the creation of replacement proceeds of the Bonds or another issue. For this purpose, replacement proceeds are created if amounts are so allocated to an issue or to the governmental purpose of an issue such that those amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose.

(g) Information Reporting. The IRS Form 8038-G with respect to the Bonds is true, accurate and complete.

(h) Amendments. This Certificate sets forth the information, representations, and procedures necessary in order for Bond Counsel to render its opinion regarding the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation and may be

amended or supplemented from time to time to maintain such exclusion only with the approval of Bond Counsel.

Notwithstanding any other provision herein, the covenants and obligations contained herein may be and shall be deemed modified to the extent the Issuer secures an opinion of Bond Counsel that any action required hereunder is no longer required or that some further action is required in order to maintain the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation.

(i) Supplementation of the Certificate. The Issuer understands the need to supplement this Certificate periodically to reflect further developments in the Federal income tax laws governing the exclusion from Federal gross income of interest on the Bonds and the Issuer will, periodically, seek the advice of its Bond Counsel as to the propriety of seeking the review of and supplements to this Certificate from Bond Counsel.

13. Matters Relating to Certificate.

(a) To the best of the knowledge and belief of the undersigned, the expectations of the Issuer as set forth in this Certificate are reasonable.

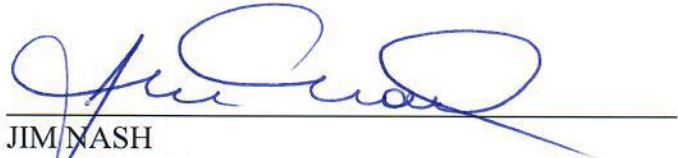
(b) It is intended that this Certificate meet the requirements of Section 148 of the Code and Sections 1.148-0 through -11 of the Treasury Regulations on Income Tax, and the terms used herein shall be construed consistently therewith. Paragraph 12 addresses additional matters under the Code in furtherance of the Issuer's tax compliance covenant in the Bond Resolution.

(c) Capitalized terms used in this Certificate have the meanings specified in this Certificate or in the Bond Resolution.

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COUNTY OF OAKLAND

By:


JIM NASH
Its: Water Resources Commissioner

Dated: March 26, 2020

EXHIBIT A

MEMORANDUM

TO: County of Oakland, Michigan (the “Issuer”)

FROM: Dickinson Wright PLLC (“Bond Counsel”)

RE: \$3,910,000 Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the “Bonds”)

DATE: March 26, 2020

This Memorandum specifies procedures designed to comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the rebating of arbitrage earnings to the United States so as to establish and maintain the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. Compliance with these procedures by the Issuer is mandated by the Issuer’s tax covenants in Section 20 of the Resolution. All terms and references from the Issuer’s Nonarbitrage and Tax Compliance Certificate dated as of even date herewith relating to the Bonds are hereby incorporated by reference.

1. Rebate Requirements.

An amount equal to the sum of the excess of the aggregate amount earned from the Issue Date on all nonpurpose investments to which gross proceeds of the Bonds are allocated as described herein over the amount that would have been earned if the yield on such nonpurpose investments had been equal to the yield on the Bonds, plus any income attributable to such excess, must be calculated as described in Section 4 of this Memorandum, and must be paid to the United States as described in Section 4 hereof by the Issuer. Nonpurpose investments for this purpose include investments of gross proceeds of the Bonds in the Construction Fund and, except as provided in Section 2 hereof, the Principal and Interest Fund. For purposes of this Memorandum, all amounts in the Construction Fund and the Principal and Interest Fund are treated as gross proceeds of the bonds.

2. Exceptions to Rebate Requirements.

(a) Bona Fide Debt Service Fund. Except as otherwise provided in this Section 2(a), earnings from the investment of amounts in the Principal and Interest Fund are not subject to the rebate requirements of Section 1 of this Memorandum, unless such amounts set aside in the Principal and Interest Fund do not satisfy the requirements of paragraph 7 of the Nonarbitrage and Tax Compliance Certificate in that Bond Year.

(b) Spending Exceptions.

(1) 6-Month Exception. The rebate requirements of Section 1 will be considered to have been satisfied with respect to the gross proceeds of the Bonds if all gross proceeds of the Bonds are allocated to expenditures for the governmental purposes of the Bonds within the 6-month period beginning on the Issue Date. The 6-month period is extended for an additional 6 months if all gross proceeds are expended within the initial 6-month period except for a failure to spend an amount not exceeding 5 percent of the proceeds of the Bonds. Solely for purposes of determining whether all gross proceeds are allocated to expenditures within the initial 6-month period (as extended, if applicable), the gross proceeds do not include (i) amounts in the Principal and Interest Fund that qualify for the exception described in subparagraph (a) above, and (ii) subsequently arising gross proceeds described in Section 3 of this Memorandum that arise more than 6 months after the Issue Date. The rebate requirements of Section 1 apply to the amounts described in the foregoing clauses (i) and (ii), notwithstanding the 6-month spending exception (subject, however, to the other exceptions described in this Section 2).

(2) 18-Month Exception. The rebate requirements of Section 1 will be considered to have been satisfied with respect to the gross proceeds of the Bonds if all gross proceeds of the Bonds are allocated to expenditures for the governmental purposes of the Bonds in accordance with the following schedule measured from the Issue Date:

- (i) At least 15 percent within 6 months;
- (ii) At least 60 percent within 12 months; and
- (iii) 100 percent within 18 months, except that a reasonable retainage (not to exceed 5 percent of the net sale proceeds of the Bonds) may be allocated to such expenditures within 30 months.

Solely for purposes of determining whether all gross proceeds of the Bonds are allocated to expenditures in accordance with the foregoing schedule, the gross proceeds do not include (i) amounts in the Principal and Interest Fund that qualify for the exception described in subparagraph (a) above and (ii) subsequently arising gross proceeds of the Bonds described in Section 3 of this Memorandum that arise more than 18 months after the Issue Date. The rebate requirements apply to the amounts described in the foregoing clauses (i) and (ii), notwithstanding the 18-month spending exception (subject, however, to the other exceptions described in this Section 2).

(3) 2-Year Exception. The rebate requirements of Section 1 will be considered to have been satisfied with respect to the available construction proceeds of the Bonds, if (i) at least 75 percent of the available construction proceeds of the Bonds is used for construction expenditures with respect to property that is to be owned by a state or local governmental unit or 501(c)(3) organization, and (ii) at least 10 percent of the available construction proceeds of the Bonds is spent for the governmental purpose of the Bonds within 6 months of the Issue Date, at least 45 percent within 12 months of the Issue Date, at least 75 percent within 18 months of the Issue Date, 100 percent of the available construction proceeds of the Bonds, excluding a reasonable retainage not exceeding 5 percent of the available construction proceeds of the Bonds, within 24 months of the Issue Date, and 100 percent of the available

construction proceeds of the Bonds, including all retainages, within 36 months of the Issue Date. Payment of interest on the Bonds allocable to the Bonds is treated for this purpose as an expenditure for the governmental purpose of the Bonds, and the payment of interest on the Bonds allocable to the Bonds that accrues before the date construction is substantially completed is treated as a construction expenditure, except to the extent properly allocable on a ratable basis to costs of acquiring or equipping, as opposed to constructing or renovating, the Project. The available construction proceeds of the Bonds include investment earnings (the actual investment earnings based on the election in paragraph 11(b) of the Nonarbitrage and Tax Compliance Certificate) with respect to investments in the Construction Fund. The rules with respect to the 2-year exception are set forth in Treas. Reg. §1.148-7(e). The rebate requirements apply to all gross proceeds of the Bonds as described in Section 1 of this Memorandum other than the available construction proceeds of the Bonds, notwithstanding the 2-year spending exception (subject, however, to the other exceptions described in this Section 2); provided, however, that the rebate requirements do not apply to the portion of the proceeds of the Bonds in the Construction Fund that is used to pay issuance costs if that portion is expended within 24 months of the Issue Date.

(4) Effect of Prepayments. In determining whether gross proceeds have been properly located to expenditures, a prepayment is treated as an investment, and not as an expenditure, if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. However, a prepayment is treated as an expenditure, and not as an investment, if (i) prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to the Issuer but who are not beneficiaries of tax-exempt financing, (ii) the prepayment is made within 90 days of the reasonably expected date of delivery of all of the property or services for which the prepayment is made, or (iii) the prepayment meets certain special rules that are applicable only to State and local government natural gas and electric utilities.

(5) Spending Exceptions Not Mandatory. The 6-month, 18-month and 2-year spending exceptions are not mandatory. For example, in computing the rebate requirements with respect to any investments allocable to subsequently arising gross proceeds described in Section 3 of this Memorandum, you may include investments allocable to gross proceeds of the Bonds in the Construction Fund, even if a spending exception applies.

(6) Accounting for Expenditures; 18-Month Rule. For purposes of the spending exceptions, and for purposes of determining the dates of receipts on nonpurpose investments for the purposes described in Section 4(c)(2) of this Memorandum, you may use any reasonable accounting method for allocating funds from different sources to expenditures for the cost of the Project and costs of issuing the Bonds, including any of the following methods, if consistently applied: a specific tracing method; a gross proceeds spent first method; a first-in, first-out method; or a ratable allocation method. However, an allocation of gross proceeds of the Bonds to an expenditure must involve a current outlay of cash occurring not later than 5 banking days after the date as of which the allocation of gross proceeds to the expenditure is made. You must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the Project is placed in service. This allocation must be made in any event by the date 60 days after the First Required Payment Date (as defined in Section 4(a) of this Memorandum). If you do not maintain books and records sufficient to establish that a particular allocation method was used, you will be deemed to have

used a specific tracing method. For example, if you requisition the Construction Fund periodically for reimbursement of the cost of the Project and costs of issuing the Bonds that you have paid since the last requisition, you may treat Bond proceeds as having been expended either on the date on which you paid a contractor (simultaneously “deallocating” a corresponding amount in the Construction Fund from Bond proceeds) or on the date of the reimbursement. However, unless you establish within the 18-month period accounting records indicating that Bond proceeds were allocated to expenditures on the date of each contractor payment, the Bond proceeds will probably not be deemed to have been expended until the requisition date, which is a specific tracing method.

3. Subsequently Arising Gross Proceeds. While it may not be anticipated that amounts other than the amounts described in Section 1 hereof will be deemed gross proceeds of the Bonds, if any amounts do become gross proceeds of the Bonds in the future (for example, upon a receipt of sale or insurance proceeds upon the sale or destruction of the Project and deposit of those proceeds in the Principal and Interest Fund such that the conditions of the exception described in 2(a) of this Memorandum will not be met), the excess of the actual aggregate amount earned on such resulting gross proceeds over the amount that would have been earned if the resulting proceeds of the Bonds had been invested at a yield equal to the yield on the Bonds, plus any income attributable to such excess, must also be rebated to the United States.

4. Rebate Procedures.

(a) Computation Dates.

The procedures for satisfying the statutory rebate requirements under Section 148(f) of the Code described in Section 1 above are set forth in final regulations at Treas. Reg. §§1.148-0 through -11 published in the Federal Register on June 18, 1993, as amended (the “Arbitrage Regulations”). In order to satisfy the minimum procedural requirements of the Arbitrage Regulations, you must compute the amount required to be paid to the United States as of the last day of each fifth Bond Year and as of the date on which the Bonds are finally retired, i.e., assuming that the Bonds remain outstanding to maturity, as of September 30, 2024, and July 1, 2029 (each a “Computation Date”).¹ The period between two successive Computation Dates (or between the Issue Date and the first Computation Date) is referred to in this Memorandum as a “Computation Period”).

Under the Code and the Arbitrage Regulations, the first rebate installment payment must be made for a Computation Date that is not later than 5 years after the Issue Date (the “First Required Payment Date”). Subsequent rebate installment payments must be made for

¹ A “Bond Year” is any consistently applied annual period designated by you. The first and last Bond Years may be short periods. This Memorandum assumes that you will choose to designate a Bond Year coinciding with the Issuer’s fiscal year. You may also make more frequent provisional computations, e.g., as of the last day of each Bond Year, beginning September 30, 2020, and treat the date of each such computation as an additional “Computation Date.” Annual computations are generally advisable and may be required by accounting standards relating to disclosure of contingent liabilities.

respective Computation Dates each of which is not later than 5 years after the previous Computation Date for which an installment payment was made (subsequent “Required Payment Dates”). In this case, the First Required Payment Date is September 30, 2024, and the subsequent Required Payment Date, assuming that the Bonds remain outstanding to maturity, is July 1, 2029². Each rebate payment must be made no later than 60 days after the Required Payment Date to which it relates, and, if made within that 60-day period, is treated as made on that Required Payment Date.

(b) Yield on the Bonds.

The yield on the Bonds is 1.5095556% per annum, based on semiannual compounding and a 360-day year composed of twelve 30-day months, as shown in paragraph 8 of the Nonarbitrage and Tax Compliance Certificate. That yield applies for all purposes of this Memorandum and may not be recomputed to take into account any subsequent events, including, without limitation, any early redemption or any after-acquired credit enhancement. An exception exists only in the case of a transfer, waiver, modification, or similar transaction with respect to any right that is part of the terms of a bond of the Bonds or is otherwise associated with a bond of the Bonds (e.g., a redemption right), in a transaction that is separate and apart from the original sale of the Bonds. Notwithstanding the foregoing, an interest rate swap or other hedge transaction could cause the Bonds to be treated as a variable yield issue, which would require a redetermination of the yield as of each Computation Date.

(c) Payments and Receipts on Nonpurpose Investments.

You should establish a bookkeeping system for recording all payments and receipts on nonpurpose investments of amounts treated as gross proceeds of the Bonds as described above. The following special rules apply with respect to payments and receipts on nonpurpose investments:

(1) Payments. The following payments are taken into account in the rebate computation: (i) amounts actually or constructively paid to acquire a nonpurpose investment (or treated as paid to a commingled fund); (ii) for a nonpurpose investment that is first allocated to the Bonds on a date after it is actually acquired (e.g., an investment that becomes allocated to the Bonds on the Issue Date), or that becomes subject to the rebate requirement with respect to the Bonds on a date after it is actually acquired (same example), the fair market value of the investment on that date; (iii) for a nonpurpose investment that was allocated to the Bonds at the end of the preceding Computation Period, an amount equal to the value of that investment at the beginning of the Computation Period; (iv) on the last day of each Bond Year during which there are amounts allocated to the Bonds that are subject to the rebate requirement, and on the final maturity date (including a date on which all of the Bonds are

² You may also treat an earlier Computation Date as the First Required Payment Date. For example, you may treat September 30, 2020, as the first Required Payment Date, in which case the remaining Required Payment Dates, assuming that the Bonds remain outstanding to maturity, would be September 30, 2025, and July 1, 2029.

redeemed prior to maturity), a computation credit of \$1,000³; and (v) any yield reduction payments on nonpurpose investments made pursuant to Treas. Reg. §1.148-5(c).⁴

(2) Receipts. The following receipts are taken into account in the rebate computation: (i) amounts actually or constructively received from a nonpurpose investment (including amounts treated as received from a commingled fund), such as earnings and return of principal; (ii) for an investment that ceases to be allocated to the Bonds before its disposition or redemption date (e.g., in the case of a partial refunding of the Bonds) or that ceases to be subject to the rebate requirement on a date earlier than its disposition or redemption date (e.g., an investment transferred to the Principal and Interest Fund), the fair market value of that nonpurpose investment on that date; and (iii) for a nonpurpose investment that is held at the end of a Computation Period, the value of that investment at the end of that Computation Period.

(3) Value of Investments. The value of an investment (including a payment or receipt on the investment) on a date must be determined using one of the following valuation methods:

(i) Outstanding Principal Amount. A “plain par investment” may be valued at its outstanding stated principal amount, plus any accrued unpaid interest. A “plain par investment” is defined with particularity in the Arbitrage Regulations and generally includes any conventional investment not issued with an original issue discount or premium exceeding 2 percent or acquired with a market discount or premium exceeding 2 percent.

(ii) Present Value. A fixed rate investment may be valued at its present value. Yield-restricted investments must be valued at their present value.

(iii) Fair Market Value. Except for yield-restricted investments, any investment may be valued at its fair market value, as more particularly described in Section 5 of this Memorandum (certain other exceptions apply that are not expected to be applicable to the Bonds).

(4) Qualified Administrative Costs. Qualified administrative costs are taken into account in determining payments and receipts on nonpurpose investments (i.e., as increasing payments or decreasing receipts). Qualified administrative costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, record keeping, custody, and similar costs. General overhead costs and similar indirect costs such as employee salaries and office expenses

³ Under proposed regulations issued September 26, 2007, the \$1,000 computation credit would increase to \$1,400, further increased by a cost of living adjustment. Issuers may currently apply this proposed change to bond years ending after September 26, 2007.

⁴ Treas. Reg. §1.148-5(c) permits certain yield restriction requirements with respect to gross proceeds of a bond issue to be satisfied by making periodic yield reduction payments, similar to rebate payments, to the United States. Yield reduction payments have the effect of reducing the amount of rebatable arbitrage, as described here.

are not qualified administrative costs (except in the case of investments in regulated investment companies, which may pass through such indirect costs). Costs associated with computing the rebate amount also are not qualified administrative costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than gross proceeds of tax-exempt bonds. A broker's commission or similar fee with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow is reasonable to the extent that (i) the amount of the fee that the Issuer treats as a qualified administrative cost does not exceed the lesser of (A) \$30,000 and (B) 0.2% of the computation base or, if more, \$3,000, and (ii) for the Bonds, the Issuer does not treat as qualified administrative costs more than \$85,000 in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with gross proceeds of the Bonds. The "computational base" is (i) for a guaranteed investment contract, the amount of gross proceeds the Issuer reasonably expects, as of the date the contract is acquired, to be deposited in the guaranteed investment contract over the term of the contract, and (ii) for investments (other than guaranteed investment contracts) to be deposited in a yield restricted defeasance escrow, the amount of gross proceeds initially invested in those investments. Certain cost of living adjustments described in Treas. Reg. §1.148-5(e)(2)(iii)(B)(3) apply to the foregoing dollar amounts.

(d) Computation of Rebate Amount.

The rebate amount with respect to the Bonds as of each Computation Date is equal to the excess of the future value, as of that date, of all receipts on nonpurpose investments over the future value, as of that date, of all payments on nonpurpose investments. The future value is determined using the economic accrual method (i.e., compounding interest at the end of each compounding period) and equals the value of the payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the yield on the Bonds, compounding semiannually and calculating interest consistently with the Bonds.

(e) Payments to the United States.

(1) Amount of Payments. The amount required to be paid to the United States within 60 days after the First Required Payment Date is equal to 90 percent of the rebate amount as of the First Required Payment Date. The amount required to be paid to the United States within 60 days after each succeeding Required Payment Date, except the final Required Payment Date, is equal to the amount that, when added to the future value (determined as described in (d) above, as of that Required Payment Date, of previous rebate payments made for the Bonds (treating such payments as made on the respective Required Payment Dates to which they relate, if the payments were timely), is equal to 90 percent of the rebate amount as of that Required Payment Date. The amount required to be paid to the United States within 60 days after the final Required Payment Date is equal to the amount that, when added to the future value, as of the final Required Payment Date, of previous rebate payments made for the Bonds, is equal to 100 percent of the rebate amount as of the final Required Payment Date. There is no provision for rounding of payments.

(2) Where and How to Make Payments. Each payment to the United States should be filed with the Internal Revenue Service Center, Ogden, Utah 84201, accompanied by Form 8038-T.

5. Fair Market Value.

(a) In General. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding (i.e., the trade date rather than the settlement date). Except as provided below for certificates of deposit and guaranteed investment contracts, an investment that is not of a type that is traded on an established securities market is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(b) Certificates of Deposit. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal is treated as its fair market value on the purchase date if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States and (ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(c) Guaranteed Investment Contracts and Investments Purchased for Yield Restricted Defeasance Escrows. The purchase price of a guaranteed investment contract (which includes any nonpurpose investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates, e.g., a forward supply contract) and the purchase price of an investment purchased for a yield restricted defeasance escrow is treated as its fair market value of the investment if all of the following requirements are satisfied:

(1) The Issuer makes a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements:

(i) The bid specifications are in writing and are timely forwarded to potential providers.

(ii) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment.

(iii) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other formal or informal agreement that the potential provider has with the issuer or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of paragraph (2)(i) or (ii) below.

(iv) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term

other than to increase the purchase price or reduce the yield of the investment. For example, for solicitations of investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the issuer reasonably requires.

(v) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Issuer's reasonably expected deposit and draw-down schedule for the amounts to be invested.

(vi) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.

(vii) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(2) The bids received by the Issuer meet all of the following requirements:

(i) The Issuer receives at least three bids from providers that the Issuer solicited under a bona fide solicitation meeting the requirements of paragraph (1) above and that do not have a material financial interest in the Bonds. The lead underwriter is deemed to have a material financial interest in the Bonds until 15 days after the Issue Date. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Bonds. A provider that is a related party to a provider that has a material financial interest in the Bonds is deemed to have a material financial interest in the Bonds.

(ii) At least one of the three bids described in subparagraph (i) above is from a reasonably competitive provider, within the meaning of paragraph (1)(vii) above.

(iii) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(3) The winning bid meets the following requirements:

(i) Guaranteed Investment Contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(ii) Other Investments. If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest cost bid is either the lowest cost bid for the portfolio or, if the Issuer compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Issuer from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow

float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of this subsection (c) is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of The Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications.

(C) If State and Local Government Series Securities from the United States Department of The Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison under (B) above is not required.

(4) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.

(5) The Issuer retains the following records with the bond documents until three years after the last outstanding Bond is redeemed:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of investments other than guaranteed investment contracts, the purchase agreement or confirmation.

(ii) The receipt or other record of the amount actually paid by the Issuer for the investments, including a record of any administrative costs paid by the Issuer , and the certification under paragraph (4) above.

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation. For example, if the Issuer purchases a portfolio of investments for a yield restricted defeasance escrow and, in order to satisfy the yield restriction requirements of Section 148 of the Code, an investment in the winning bid is replaced with an investment with a lower yield, the Issuer must retain a record of the substitution and how the price of the substitute investment was determined. If the Issuer replaces an investment in the winning bid portfolio with another investment, the purchase price of the new investment is not covered by the safe harbor unless the investment is bid under a bidding procedure meeting the requirements of this subsection (c).

(v) For purchases of investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Se-

curities, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

6. Modification of Requirements. None of the requirements of this Memorandum need be observed if the Issuer receives an opinion or opinions of nationally recognized bond counsel, in form and substance reasonably satisfactory to the Issuer, that the failure to observe the procedures set forth in this Memorandum will not cause the Bonds to become arbitrage bonds under Section 148 of the Code or otherwise adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation. Conversely, it may become necessary in the future to follow additional or modified procedures described in the writing by nationally recognized bond counsel in order to ensure that the interest on the Bonds will not be included in gross income for purposes of federal income taxation.

Please call us from time to time if you have questions relating to arbitrage rebate rules and procedures.

EXHIBIT B

CERTIFICATE OF PURCHASER

\$3,910,000

EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT BONDS, SERIES 2020A

This certificate is being delivered by PNC Bank, National Association (the "Purchaser"), in connection with its purchase from the County of Oakland, Michigan (the "Issuer"), of its \$3,910,000 Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the "Bonds"), issued pursuant to a resolution of the Board of Commissioners adopted on May 2, 2018. The Purchaser hereby certifies to the Issuer as follows:

1. On the date of this Certificate, the Purchaser is purchasing the Bonds for the amount of \$3,910,000. The Purchaser is not acting as an underwriter with respect to the Bonds and is not a related party to an underwriter of the Bonds. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds (or any portion of the Bonds or any interest in the Bonds). The Purchaser has not contracted with any person pursuant to a written agreement or otherwise to have such person participate in the initial sale of the Bonds and the Purchaser has not agreed with the Issuer pursuant to a written agreement or otherwise to sell the Bonds to persons other than the Purchaser or a related party to the Purchaser.
2. The Purchaser is extending credit as a lender in the normal course of its loan business through the purchase of the Bonds for its own account in its normal and customary business practice. The Purchaser will not sell or otherwise distribute the Bonds or any interest or participation therein other than in a transaction in compliance with applicable federal and state securities law.
3. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Bonds without reliance upon others.
4. The Purchaser understands that a preliminary official statement dated as of March 4, 2020 was published in connection with a public, competitive sale of the Bonds held on March 11, 2020, but that a final official statement, prospectus, offering circular, or other comprehensive offering statement has not been provided with respect to the Bonds. The Purchaser has made, without reliance upon others, its own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds.
5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the Issuer and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that it has been able to make an informed decision to purchase the

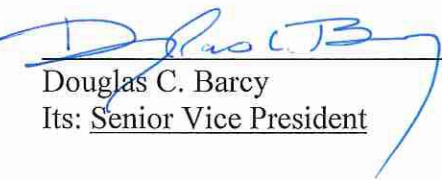
Bonds without reliance upon others; provided, however, that this letter shall not constitute a waiver of any rights or remedies the Purchaser may have with respect to any untrue information it may have received from the Issuer or any material nonpublic information which was intentionally withheld from its review.

6. The Purchaser understands that the Bonds: (i) are not registered under the Securities Act of 1933, as amended, and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, (iii) have not been rated by any credit rating agency, and (iv) are not subject to any continuing disclosure undertaking pursuant to Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage and Tax Compliance of the Issuer of even date herewith and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dickinson Wright PLLC, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[Remainder of page intentionally left blank; signature on following page]

PNC BANK, NATIONAL ASSOCIATION

By: 
Douglas C. Barclay
Its: Senior Vice President

Dated: March 26, 2020

CERTIFICATE AS TO SIGNATURES AND INCUMBENCY

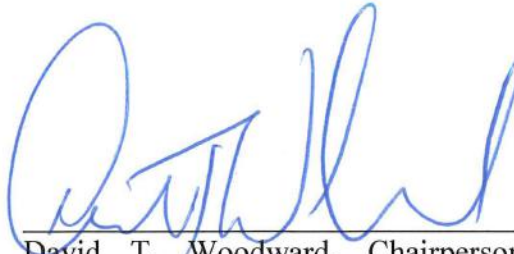
We, the undersigned Chairperson of the Board of Commissioners, County Clerk, County Treasurer, and Water Resources Commissioner, as County Agency, of the County of Oakland, State of Michigan (the "County"), acting for and on behalf of the County and County Agency, as applicable, do hereby certify as follows with respect to the County's Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the "Bonds"):

1. We are the duly appointed, qualified and acting Chairperson of the Board of Commissioners, County Clerk, County Treasurer and Water Resources Commissioner of the County and County Agency, as applicable, and, as such, are familiar with the books, records and proceedings of the County and County Agency, as applicable, and are charged with the responsibility on behalf of the County and County Agency, as applicable, for the execution and delivery of the Bonds and to do all other things necessary to effectuate the issuance, delivery, transfer and exchange thereof in accordance with Miscellaneous Resolution #18100 of the County Board of Commissioners Authorizing Issuance of Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds (the "Resolution").

2. The undersigned are the persons initially designated to act on behalf of the County for purposes of the Resolution, and the signatures appearing herein below are their true and correct signatures.

[Signatures on following page(s)]

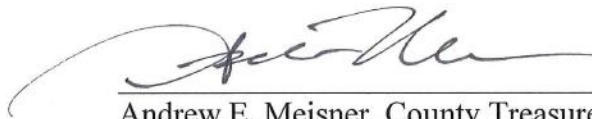
DATED: March 26, 2020



David T. Woodward, Chairperson, Board of
Commissioners



Lisa Brown, County Clerk



Andrew E. Meisner, County Treasurer

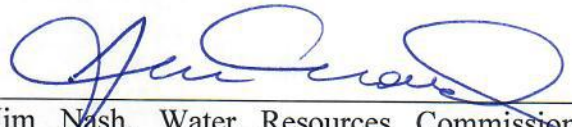
Jim Nash, Water Resources Commissioner, as
County Agency

DATED: March 26, 2020

David T. Woodward, Chairperson, Board of
Commissioners

Lisa Brown, County Clerk

Andrew E. Meisner, County Treasurer



Jim Nash, Water Resources Commissioner, as
County Agency

CERTIFICATE OF COUNTY WATER RESOURCES COMMISSIONER

I hereby certify that:

1. I am the Water Resources Commissioner of the County of Oakland, State of Michigan, and the "County Agency" for certain water supply and sewage disposal systems established by the County under Act No. 342, Public Acts of Michigan, 1939, as amended.

2. The foregoing is a complete and correct transcript of all the proceedings and records, the originals or certified copies of which are on file in my office, relating to the issuance and sale by the County of Oakland of the following bonds:

Oakland County Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A, dated March 26, 2020, in the principal amount of \$3,910,000 (the "Bonds").

3. The form of the Bonds as attached hereto is approved.

4. Said proceedings have not been rescinded, amended or modified in any manner whatsoever, except as set forth in said transcript, and that the time for reconsideration of such proceedings or filing notice thereof has expired.

[Remainder of page intentionally left blank; signature on following page]

*Signature Page~
Certificate of County Water Resources Commissioner
Evergreen and Farmington Sewage Disposal System
Capital Improvement Bonds, Series 2020*



JIM NASH, Water Resources Commissioner

Dated: March 26, 2020

CLOSING AND NONLITIGATION CERTIFICATE OF COUNTY CLERK

LISA BROWN hereby certifies that:

1. She is the duly elected County Clerk of the County of Oakland in the State of Michigan.
2. Miscellaneous Resolution #17107 adopted by the Board of Commissioners of the County of Oakland (the "Board") on May 25, 2017 and Miscellaneous Resolution #18100 adopted by the Board on May 2, 2018, the originals of which are on file in my office, relating to the issuance and sale by said County of Oakland of \$3,910,000 Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A, dated March 26, 2020 (the "Bonds"), have not been rescinded, amended or modified in any manner.
3. At the time of the adoption of the proceedings described in paragraph 2 hereof, the persons named therein as being members of the Board were the duly qualified and acting members of the Board.
4. To my knowledge, no litigation of any nature is now pending, or to my knowledge threatened, seeking to restrain or enjoin the issuance and delivery by the County of Oakland of the Bonds or the imposition and collection of taxes, assessments or charges, as the case may be, to pay the principal of and interest on the Bonds, or in any manner questioning the proceedings and authority under which the Bonds are issued, or the validity of the Bonds.
5. To my knowledge, neither the corporate existence or boundaries of the County of Oakland nor the title of its present officers to their respective offices is being contested and that no authority or proceedings for the issuance of the Bonds has been annulled, repealed, revoked, rescinded or amended.
6. The facsimile signatures of David T. Woodward and Lisa Brown appearing on the Bonds are respectively the signatures of the Chairperson of the Board and the Clerk of the County and the facsimile seal appearing on the Bonds is the corporate seal of the County.
7. The Notice of Intent to Issue Bonds by the County of Oakland, Michigan was duly published in the Oakland Press on June 14, 2017, in not less than 1/4 page in size, and since June 14, 2017, no petition requesting a referendum upon the issuance of the Bonds has been filed with me or in my office.

[Remainder of page intentionally left blank; signature on following page]

*Signature Page~
Closing and Nonlitigation Certificate of County Clerk
Evergreen and Farmington Sewage Disposal System
Capital Improvement Bonds, Series 2020*



LISA BROWN, Clerk
County of Oakland, Michigan

Dated: March 26, 2020

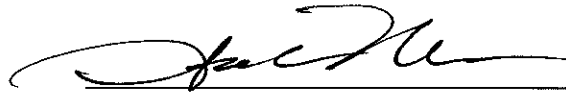
CERTIFICATE AND RECEIPT OF COUNTY TREASURER

I hereby certify that:

1. I am the Treasurer of the County of Oakland, Michigan (the "County").
2. The current valuation of all the taxable property in the County as equalized by the State of Michigan is \$76,716,002,295.
3. The taxable value of all taxable property in the County is \$60,306,168,847.
4. The County has pledged its full faith and credit for the payment of contractual obligations to the Oakland County Building Authority and bonds and notes issued by the County and by drainage districts, which contractual obligations, bonds and notes are now outstanding in an aggregate amount not exceeding \$615,800,540.
5. The Huntington National Bank, Grand Rapids, Michigan, is designated bond registrar and paying agent for the Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A, dated March 26, 2020 (the "Bonds").
6. The Bonds were delivered to PNC Bank, National Association, the purchaser thereof, on this date, that the Bonds have been paid for in full by the purchaser in accordance with the terms of sale and that the said purchaser has fully complied with its contract for the purchase of the Bonds.

[Remainder of page intentionally left blank; signature on following page]

*Signature Page~
Certificate and Receipt of County Treasurer
Evergreen and Farmington Sewage Disposal System
Capital Improvement Bonds, Series 2020A*

A handwritten signature in black ink, appearing to read 'Andrew E. Meisner', is written over a horizontal line.

ANDREW E. MEISNER, Treasurer

Dated: March 26, 2020

County of Oakland, State of Michigan
Evergreen and Farmington SDS 2020A

Dated: 03/26/2020
Delivered: 03/26/2020

Sizing Debt Service Schedule

\$3,910,000

<i>Fiscal Yr</i>	<i>Coupon Date</i>	<i>Zer Cpn</i>	<i>Cpn Rate</i>	<i>Maturing Principal</i>	<i>Periodic Interest</i>	<i>Gross Semi-Annl Dbt Svc</i>	<i>Cap Int</i>	<i>Dbt Svc Rev Int & Prin</i>	<i>Constr. Fund Interest</i>	<i>Net Semi-Annl Dbt Svc</i>	<i>Net Fiscal Dbt Svc</i>
20	7/1/2020										
21	1/1/2021				45,100.77	45,100.77				45,100.77	
21	7/1/2021	N	1.510	395,000.00	29,520.50	424,520.50				424,520.50	469,621.27
22	1/1/2022				26,538.25	26,538.25				26,538.25	
22	7/1/2022	N	1.510	415,000.00	26,538.25	441,538.25				441,538.25	468,076.50
23	1/1/2023				23,405.00	23,405.00				23,405.00	
23	7/1/2023	N	1.510	425,000.00	23,405.00	448,405.00				448,405.00	471,810.00
24	1/1/2024				20,196.25	20,196.25				20,196.25	
24	7/1/2024	N	1.510	430,000.00	20,196.25	450,196.25				450,196.25	470,392.50
25	1/1/2025				16,949.75	16,949.75				16,949.75	
25	7/1/2025	N	1.510	435,000.00	16,949.75	451,949.75				451,949.75	468,899.50
26	1/1/2026				13,665.50	13,665.50				13,665.50	
26	7/1/2026	N	1.510	440,000.00	13,665.50	453,665.50				453,665.50	467,331.00
27	1/1/2027				10,343.50	10,343.50				10,343.50	
27	7/1/2027	N	1.510	450,000.00	10,343.50	460,343.50				460,343.50	470,687.00
28	1/1/2028				6,946.00	6,946.00				6,946.00	
28	7/1/2028	N	1.510	455,000.00	6,946.00	461,946.00				461,946.00	468,892.00
29	1/1/2029				3,510.75	3,510.75				3,510.75	
29	7/1/2029	N	1.510	465,000.00	3,510.75	468,510.75				468,510.75	472,021.50
				3,910,000.00	317,731.27	4,227,731.27	0.00	0.00	0.00	4,227,731.27	4,227,731.27
<i>True Interest Cost (TIC)</i>						1.5095556	<i>Arbitrage Yield Limit (AYL)</i>				1.5095556
<i>Net Interest Cost (NIC)</i>						1.5100000	<i>Arbitrage Net Interest Cost (ANIC)</i>				1.5100000

CLOSING MEMORANDUM

To:

Jim Nash
Steve Korth
Sid Lockhart
Raphael Chirolla
Andy Meisner
Jody Weissler DeFoe

Natalie Neph
Lynn Sonkiss
Shawn Phelps
Eric McGlothlin
Diana Murphy
Patrick O'Donnell
Ellen Campbell
Doug Barcy
Susan M. Wyngaarden

Oakland County WRC	248-858-0958
Oakland County WRC	248-431-3810
Oakland County WRC	248-431-3814
Oakland County WRC	248-858-1440
Oakland County Treasurer	248-858-0611
Oakland County Deputy Treasurer	248-858-0625
Oakland County Treasurer's Office, Investment Administrator	248-858-7097, C: 248-318-8607
Oakland County Fiscal Services	248-858-0940
Oakland County Fiscal Services	248-585-5691
Dickinson Wright PLLC	248-433-7566
Dickinson Wright PLLC	248-433-7213
The Huntington National Bank	616-771-6210
The Huntington National Bank	616-235-5941
PNC Bank	517-334-5226
Varnum LLP	616-336-6563

From:

Steven Burke, CFA

MFCI

804-986-1419

Closing Date:

Thursday, March 26, 2020

Re:

Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A

Closing Participants:

This letter sets forth the details for the closing of the above-referenced bond issue for the County of Oakland (the "County") Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A (the "Bonds"). The closing will be held at the offices of Dickinson Wright, PLLC, Troy, Michigan ("Bond Counsel") and via wire transfer and electronic mail.

1. PNC Bank, National Association ("PNC") transfer to the County:

At the open of business on Thursday, March 26, 2020, PNC will make arrangements to transfer:

\$3,910,000.00

This amount represents the purchase price of the Bonds. PNC will use the Oakland County account information below to arrange the transfer. MFCI, LLC ("MFCI") will contact Natalie Neph or Jody Weissler DeFoe from the Oakland County Treasurer's Office (248-318-8607 (cell) or 248-858-0625), at 10:00 am on Thursday, March 26, 2020, to verify the receipt of those funds. The total bond proceeds will be placed in the Plum Hollow CIPP Phase 3 project fund (attention: Shawn Phelps, Oakland County Fiscal Services).

Par Amount of the Bonds
Amount Due at Closing

\$	3,910,000.00
\$	<u>3,910,000.00</u>

Oakland County Account Information:

Bank Name: PNC Bank
ABA Number: 041000124
Account #: 4255065437
Account Name: Oakland County Wire Transfer Account

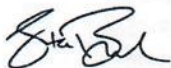
2. Confirmation of Transfers and Closing:

Upon confirmation and verification of the receipt of funds as provided in Step 1, MFCI will contact Bond Counsel with that information. Based upon that information, Bond Counsel will contact PNC (517-334-5226) to release the Bonds and this issue will be closed.

The County will pay issuance costs as invoices are received. All cost of issuance invoices should be emailed to Sid Lockhart (lockharts@oakgov.com) and carbon copy Shawn Phelps (phelpss@oakgov.com).

Please contact me at 313-782-3011 with any additional questions.

Thank you,



Steven Burke, CFA

The undersigned County Water Resources Commissioner, acting as County Agency for the County of Oakland, approves the wire transfer and Closing Memorandum set forth above.



Jim Nash
Water Resources Commissioner
Oakland County

March 17, 2020

David Coulter
OAKLAND (COUNTY OF) MI
Oakland County
2100 Pontiac Lake Road, Building 41W
Waterford, MI 48328

Dear David Coulter :

We wish to inform you that on March 6, 2020, Moody's Investors Service reviewed and assigned a rating of Aaa to OAKLAND (COUNTY OF) MI, Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A.

Credit ratings issued by Moody's Investors Service, Inc. and its affiliates ("Moody's") are Moody's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities and are not statements of current or historical fact. Moody's credit ratings address credit risk only and do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility.

This letter uses capitalized terms and rating symbols that are defined or referenced either in *Moody's Definitions and Symbols Guide* or *MIS Code of Professional Conduct* as of the date of this letter, both published on www.moodys.com. The Credit Ratings will be publicly disseminated by Moody's through normal print and electronic media as well as in response to verbal requests to Moody's Rating Desk. Moody's related research and analyses will also be published on www.moodys.com and may be further distributed as otherwise agreed in writing with us.

Moody's Credit Ratings or any corresponding outlook, if assigned, will be subject to revision, suspension or withdrawal, or may be placed on review, by Moody's at any time, without notice, in the sole discretion of Moody's. For the most current Credit Rating, please visit www.moodys.com.

Moody's has not consented and will not consent to being named as an expert under applicable securities laws, such as section 7 of the Securities Act of 1933. The assignment of a rating does not create a fiduciary relationship between Moody's and you or between Moody's and other recipients of a Credit Rating. Moody's Credit Ratings are not and do not provide investment advice or recommendations to purchase, sell or hold particular securities. Moody's issues Credit Ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, sale or holding.

Moody's adopts all necessary measures so that the information it uses in assigning a Credit Rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently validate or verify information received in the rating process. Moody's expects and is relying upon you possessing all legal rights and required consents to disclose the information to Moody's, and that such information is not subject to any restrictions that would prevent use by Moody's for its ratings process. In assigning the Credit Ratings, Moody's has relied upon the truth, accuracy, and completeness of the information supplied by you or on your behalf to Moody's. Moody's expects that you will, and is relying upon you to, on an ongoing basis, promptly provide Moody's with all information necessary in order for Moody's to accurately and timely monitor the Credit Ratings, including current financial and statistical information.

March 17, 2020

David Coulter
OAKLAND (COUNTY OF) MI
Oakland County
2100 Pontiac Lake Road, Building 41W
Waterford, MI 48328

Under no circumstances shall Moody's have any liability (whether in contract, tort or otherwise) to any person or entity for any loss, injury or damage or cost caused by, resulting from, or relating to, in whole or in part, directly or indirectly, any action or error (negligent or otherwise) on the part of, or other circumstance or contingency within or outside the control of, Moody's or any of its or its affiliates' directors, officers, employees or agents in connection with the Credit Ratings. **ALL INFORMATION, INCLUDING THE CREDIT RATING, ANY FEEDBACK OR OTHER COMMUNICATION RELATING THERETO IS PROVIDED "AS IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND. MOODY'S MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH INFORMATION.**

Any non-public information discussed with or revealed to you must be kept confidential and only disclosed either (i) to your legal counsel acting in their capacity as such; (ii) to your other authorized agents acting in their capacity as such with a need to know that have entered into non-disclosure agreements with Moody's in the form provided by Moody's and (iii) as required by applicable law or regulation. You agree to cause your employees, affiliates, agents and advisors to keep non-public information confidential.

If there is a conflict between the terms of this rating letter and any related Moody's rating application, the terms of the executed rating application will govern and supercede this rating letter.

Should you have any questions regarding the above, please do not hesitate to contact the analyst assigned to this transaction, Andrew Van Dyck Dobos at 312-706-9974.

Sincerely,

Moody's Investors Service, Inc

Moody's Investors Service, Inc.

CC:

Brian Lefler
Robert W. Baird & Co.
124 West Allegan Street, Suite 2200
Lansing, MI 48933

March 5, 2020

County of Oakland
County Service Center
1200 North Telegraph Road
Building 12 East, Department 479
Pontiac, MI 48341
Attention: Mr. Andrew E. Meisner, County Treasurer

Re: US\$3,945,000 County of Oakland, State of Michigan, Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A, dated: Date of delivery, due: July 01, 2029

Dear Mr. Meisner:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AAA". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

kl
enclosures

cc: ***Ms. Alyson N. Hayden (Shafer)***
Mr. Brian J. Lefler
Mr. Michael McCarty
Mr. Zach Barbera

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS

FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

R-1

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
EVERGREEN AND FARMINGTON SEWAGE DISPOSAL SYSTEM
CAPITAL IMPROVEMENT BOND, SERIES 2020A

INTEREST RATE

1.51%

MATURITY DATE

See Exhibit A

DATE OF ORIGINAL ISSUE

March 26, 2020

Registered Owner: PNC Bank, National Association

Principal Amount: *****\$3,910,000*****

The County of Oakland, State of Michigan (the "County") acknowledges itself indebted to and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the maturity dates and in the amounts set forth on Exhibit A attached hereto, the final payment of such Principal Amount to be paid upon presentation and surrender of this bond at the corporate trust office of The Huntington National Bank in the City of Grand Rapids, Michigan; the bond registrar and paying agent (the "Paying Agent"), and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount from the Date of Original Issue or such later date through which interest shall have been paid until the County's obligation with respect to the payment of such Principal Amount is discharged at the rate per annum specified above. Interest is payable on the first day of January and July in each year, commencing January 1, 2021. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything to the contrary set forth herein, so long as PNC Bank, National Association is the Registered Owner of this bond, all payments of principal of and interest on this bond, whether at final maturity or on any of the maturity dates set forth on Exhibit A attached hereto, shall be paid directly to the Registered Owner by wire transfer or other means acceptable to the Registered Owner, without the need for presentation or surrender of this bond. This bond shall be surrendered to the Paying Agent for cancellation within thirty (30) days of the final maturity date set forth on Exhibit A attached hereto.

This bond is a single obligation in the principal sum of Three Million Nine Hundred Ten Thousand Dollars (\$3,910,000) issued by the County under and pursuant to and in full conformity the Constitution and Statutes of Michigan (especially Act No. 34, Public Acts of 2001, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County (the "Resolution") and an order of the Water Resources Commissioner of the County, as County Agency, for the purpose of defraying all or part of the cost of acquiring, constructing, and installing sewage disposal system facilities to maintain the capacity and performance of the Evergreen and

Farmington Sewage Disposal Systems to serve users of the Evergreen Farmington Sewage Disposal Systems in the County of Oakland, Michigan (the "System").

The County has authorized the revenues of the System to be used to pay the principal of and interest on the bonds when due. In addition, the County has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on the bonds as the same become due. The principal of and interest on the bonds are payable as a first budget obligation of the County from its general funds. The ability of the County to raise such funds is subject to applicable statutory and constitutional limitations on the taxing power of the County. The amount of taxes necessary to pay the principal of and interest on the bonds, together with the taxes levied for the same year, shall not exceed the limit authorized by law.

This bond is transferable, as provided in the Resolution, only upon the books of the County kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond, a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

This bond is not subject to optional redemption prior to maturity.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the County, including the series of bonds of which this bond is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Oakland, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

COUNTY OF OAKLAND

By: _____

Chairperson, Board of Commissioners

And: _____

County Clerk

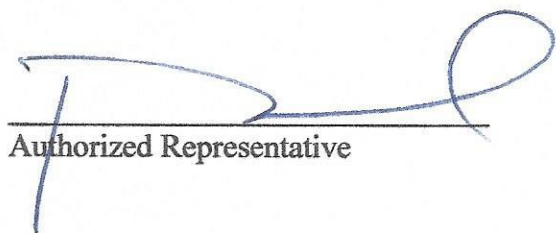


CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

THE HUNTINGTON NATIONAL BANK
Bond Registrar and Paying Agent

By:


Authorized Representative

AUTHENTICATION DATE:

March 26, 2020

SPECIMEN

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(please print or type name, address and taxpayer identification number of transferee) the within
bond and all rights thereunder and hereby irrevocably constitutes and appoints

attorney to transfer the within bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a
Securities Transfer Association recognized signature guarantee program.

EXHIBIT A

The principal amounts and maturity dates for the bond to which this Exhibit A is attached are as follows:

MATURITY DATE
JULY 1

PRINCIPAL MATURITY

2021	\$395,000
2022	415,000
2023	425,000
2024	430,000
2025	435,000
2026	440,000
2027	450,000
2028	455,000
2029	465,000

SPECIMEN

From: Treas_MunicipalFinance
To: [Leiana M. Monkman](#)
Subject: EXTERNAL: Thank You
Date: Monday, March 30, 2020 11:07:42 AM

Your email has been received by the Municipal Finance Section at the Michigan Department of Treasury. Inquiries needing a response should be replied to within three business days. For immediate assistance, please visit our website at Michigan.gov/MunicipalFinance or by reviewing the FAQs below:

1. We don't plan on issuing municipal securities this year. Do we still need to file a Qualifying Statement? Yes – filing a Qualifying Statement annually is statutorily required.
2. How do we [file online reports](#)? Reports to be filed online include Qualifying Statements, Prior Approval Applications, and Deficit Elimination Plans.
3. If you have questions/concerns regarding your username and password for online filing, call (517) 335-7469.
4. To review filings posted online, visit our [Document Search Site](#).
5. Qualifying Statement determination letters will be posted online within one business day after submission. However, if the audit report has not been filed no results will be posted until it has been filed or the deadline for filing has passed. You will not receive a determination letter via email or the U.S. postal service.
6. Prior Approval Application determination letters will be emailed to you within 30 business days after submission. The determination letter and supporting documentation will also be posted online. You will not receive a determination letter via the U.S. postal service.
7. Within 15 business days after issuing a municipal security, a municipality shall file a [Security Report](#) with the Department of Treasury.
8. [Deficit Elimination Plan](#) determination letters will be emailed to you. The determination letter, plan, and supporting documentation will also be posted online. You will not receive a determination letter via the U.S. postal service.
9. I already submitted my Corrective Action Plan. Why am I being asked for a Deficit Elimination Plan? The Corrective Action Plan addresses deficiencies as noted in your Auditing Procedures Report, while the Deficit Elimination Plan addresses fund deficits as

noted in your audit report.

10. Schools only need to submit an audit report to the Department of Education, which will meet the needs of both the Department of Education and the Department of Treasury.
11. Sign up for email updates from the Department of Treasury.

From: [Leiana M. Monkman](#)
To: ["treas_municipalfinance@michigan.gov"](mailto:treas_municipalfinance@michigan.gov)
Cc: [Eric A. McGlothlin \(EMcGlothlin@dickinson-wright.com\)](#); [Diana J. Murphy](#)
Subject: 6300003892SecRpt - \$3,910,000 County of Oakland Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A
Date: Monday, March 30, 2020 11:05:25 AM
Attachments: [6300003892SecRpt.pdf](#)

Attached is the post-issuance filing required by Section 319(1) of 2001 PA 34 for the \$3,910,000 County of Oakland Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A.

Leiana Monkman



2600 WEST BIG BEAVER ROAD, SUITE 300
TROY, MI 48084-3312
TELEPHONE: (248) 433-7200
FACSIMILE: (844) 670-6009
<http://www.dickinsonwright.com>

ERIC MCGLOTHLIN
EMcGlothlin@dickinsonwright.com
(248) 433-7566

March 29, 2020

Via Email: Treas_MunicipalFinance@michigan.gov

Mr. Harlan Goodrich
Michigan Department of Treasury
Local Fiscal Accountability Division
P.O. Box 30728
Lansing, MI 48909

Re: \$3,910,000 County of Oakland Evergreen and Farmington Sewage Disposal
System Capital Improvement Bonds, Series 2020A (6300003892SecRpt)

Dear Mr. Goodrich:

Please be advised that the referenced bonds were delivered to PNC Bank, National Association (the "Purchaser") on March 26, 2020. Enclosed for filing pursuant to Section 319(1) of Act No. 34, Public Acts of Michigan, 2001, as amended, please find a completed Security Report and a copy of each of the following documents:

1. Bond Resolution;
2. Certificate of Publication of the Official Notice of Sale and publisher's email regarding Certificate;
3. Order Awarding Bonds;
4. Bond Counsel Opinion Letter;
5. Rating Agency Letters; and
6. Specimen Bonds.

There was no final official statement prepared for this transaction. The Purchaser purchased the bonds for its own investment portfolio and did not require a final official statement.

A copy of the Security Report and a check payable to the State of Michigan in the amount of \$728 has been mailed to the address set forth below your name above. An additional check for the balance due of \$54 will be mailed to the address set forth below your name above. Please let me know if you have any questions or need additional information.

Very truly yours,

Eric McGlothlin

Enclosures
4815-1941-1382 v1 [9007-437]

INSTRUCTIONS: File this report within 15 business days of completing issuance of any municipal securities. E-mail this form and supporting documentation described in MCL 141.2319 or MCL 129.177 to Treas_MunicipalFinance@Michigan.gov. If certain supporting documentation is not applicable, provide an explanation. E-mail form and supporting documentation as a single .pdf file, the name of which should be the six-digit municode followed by "3892SecRpt." For example: 3320203892SecRpt.pdf. The e-mail subject line should read the six-digit municode followed by "3892SecRpt." If a filing fee and/or late fee is due, mail a copy of the form and payment to Michigan Department of Treasury, Local Fiscal Accountability Division, P.O. Box 30728, Lansing, MI 48909. Direct questions to 517-373-3227 or e-mail to Treas_MunicipalFinance@Michigan.gov.

Issuer Name County of Oakland		Name of Issue See Attachment A	
Amount of Issue 3,910,000.00	Dated Date of Issue March 26, 2020	Legal Authority (Public Act) 2001 PA 34 as amended	
Purpose To acquire, construct, and install sewage disposal system facilities to maintain the capacity and performance of the Evergreen and Farmington Sewage Disposal Systems (the "System") to serve users of the System			
Full Faith and Credit Pledge ☒ Limited Tax ☐ Unlimited Tax ☐ None	First Call Date N/A	Date Sold March 11, 2020	Net Interest Rate 1.51%
Check All That Apply ☐ Voted ☐ School Bond Loan Fund Qualified ☐ Special Education Funded ☐ Vocational Education Funded			

Name	% Participation	% Revenue	% Taxes
County of Oakland	100.00%	00.00%	100.00%
	0.00%	0.00%	0.00%
	0.00%	0.00%	0.00%

[illegible][illegible]

Attachment A to Security Report

Name of Issue

Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A

DICKINSON WRIGHT PLLC

500 Woodward Avenue-Suite 4000-Detroit, MI 48226

JPMorgan Chase Bank, N.A.
Detroit, MI

9-32/720

Date 03/26/2020

427867

AMOUNT

\$ 728.00**

Seven Hundred Twenty-Eight and 00/100 Dollar(s)

PAY TO
THE
ORDER
OF

State Of Michigan
MI Depart Of Treasury, Local Audit/Finance
Division
PO Box 30728
Lansing, MI 48909

VOID AFTER 180 DAYS
COUNTER SIGNATURE REQUIRED OVER
\$5,000.00



THIS CHECK IS IN PAYMENT OF THE FOLLOWING ITEMS:

				DETACH BEFORE DEPOSITING	
INV NUM	DATE	DESCRIPTION	VOUCHER	ACCOUNT NO.	NET AMOUNT
032620	2020-03-26	009007-00437, 2686, 11, Pick up Leiana Monkman Oakland County EFSDS 2020A, 000000 0700 00	541793	009007-00437	728.00

DICKINSON WRIGHT PLLC
Detroit, MI 48226

\$728.00

427867

Commercial-General 427867

03/26/2020 VIN: 2803-
BX30728

State Of Michigan
MI Depart Of Treasury,
Local Audit/Finance
PO Box 30728
Lansing, MI 48909

032620	2020-03-26	009007-00437, 2686, 11, Pick up Leiana Monkman Oakland County EFSDS 2020A, 000000 0700 00	541793	009007-00437	728.00
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DICKINSON WRIGHT PLLC
Detroit, MI 48226

\$728.00

Eric A. McGlothlin

From: Treas_MunicipalFinance <Treas_MunicipalFinance@michigan.gov>
Sent: Monday, March 30, 2020 6:56 PM
To: Eric A. McGlothlin
Subject: EXTERNAL: Thank You

Your email has been received by the Municipal Finance Section at the Michigan Department of Treasury. Inquiries needing a response should be replied to within three business days. For immediate assistance, please visit our website at Michigan.gov/MunicipalFinance or by reviewing the FAQs below:

1. We don't plan on issuing municipal securities this year. Do we still need to file a Qualifying Statement? Yes – filing a Qualifying Statement annually is statutorily required.
2. How do we [file online reports](#)? Reports to be filed online include Qualifying Statements, Prior Approval Applications, and Deficit Elimination Plans.
3. If you have questions/concerns regarding your username and password for online filing, call (517) 335-7469.
4. To review filings posted online, visit our [Document Search Site](#).
5. Qualifying Statement determination letters will be posted online within one business day after submission. However, if the audit report has not been filed no results will be posted until it has been filed or the deadline for filing has passed. You will not receive a determination letter via email or the U.S. postal service.
6. Prior Approval Application determination letters will be emailed to you within 30 business days after submission. The determination letter and supporting documentation will also be posted online. You will not receive a determination letter via the U.S. postal service.
7. Within 15 business days after issuing a municipal security, a municipality shall file a [Security Report](#) with the Department of Treasury.
8. [Deficit Elimination Plan](#) determination letters will be emailed to you. The determination letter, plan, and supporting documentation will also be posted online. You will not receive a determination letter via the U.S. postal service.
9. I already submitted my Corrective Action Plan. Why am I being asked for a Deficit Elimination Plan? The Corrective Action Plan addresses deficiencies as noted in your Auditing Procedures Report, while the Deficit Elimination Plan addresses fund deficits as noted in your audit report.
10. Schools only need to submit an audit report to the Department of Education, which will meet the needs of [both](#) the Department of Education and the Department of Treasury.
11. Sign up for email [updates](#) from the Department of Treasury.

Eric A. McGlothlin

From: Eric A. McGlothlin
Sent: Monday, March 30, 2020 6:55 PM
To: 'Treas_MunicipalFinance'
Cc: Leiana M. Monkman
Subject: 6300003892SecRpt - \$3,910,000 County of Oakland Evergreen and Farmington Sewage Disposal System Capital Improvement Bonds, Series 2020A - Supplemental filing fee check
Attachments: 4829-2049-3240 v1 LTR Treasury - Supplemental Filing Fee Check.pdf

Attached is a letter and copy of a supplemental filing fee check in connection with the post-issuance filing made for the captioned bonds.

Eric A. McGlothlin Member

2600 W. Big Beaver Rd. Phone 248-433-7566
Suite 300
Troy MI 48084 Fax 844-670-6009
Email EMcGlothlin@dickinsonwright.com

[Profile](#) [V-Card](#)

DICKINSON WRIGHT PLLC

ARIZONA CALIFORNIA FLORIDA KENTUCKY MICHIGAN NEVADA OHIO
TENNESSEE TEXAS WASHINGTON D.C. TORONTO



2600 WEST BIG BEAVER ROAD, SUITE 300
TROY, MI 48084-3312
TELEPHONE: (248) 433-7200
FACSIMILE: (844) 670-6009
<http://www.dickinsonwright.com>

ERIC MCGLOTHLIN
EMcGlothlin@dickinsonwright.com
(248) 433-7566

March 30, 2020

Via Email: Treas_MunicipalFinance@michigan.gov

Mr. Harlan Goodrich
Michigan Department of Treasury
Local Fiscal Accountability Division
P.O. Box 30728
Lansing, MI 48909

Re: \$3,910,000 County of Oakland Evergreen and Farmington Sewage Disposal
System Capital Improvement Bonds, Series 2020A (6300003892SecRpt)

Dear Mr. Goodrich:

The filing fee for the captioned bonds is \$782.00. A check in the amount of \$728.00 (Check #427867) was provided in connection with the filing made on March 30, 2020 for the captioned bonds. Attached is a copy of a check for the balance of \$54.00 that was sent out today. Please let me know if you have any questions or need additional information.

Very truly yours,

Eric McGlothlin

Enclosures
4825-4035-1672 v1 [9007-437]

DICKINSON WRIGHT PLLC

500 Woodward Avenue-Suite 4000-Detroit, MI 48226

JPMorgan Chase Bank, N.A.
Detroit, MI

9-32/720

Date 03/30/2020

428011

AMOUNT

\$ 54.00**

Fifty-Four and 00/100 Dollar(s)

PAY TO State Of Michigan
THE Dept Of Treasury, Local Audit And Finance
ORDER Division
OF PO Box 30728
 Lansing, MI 48909-8228

VOID AFTER 180 DAYS
COUNTER SIGNATURE REQUIRED OVER
\$5,000.00



630000

THIS CHECK IS IN PAYMENT OF THE FOLLOWING ITEMS:

INV NUM	DATE	DESCRIPTION	VOUCHER	DETACH BEFORE DEPOSITING ACCOUNT NO.	NET AMOUNT
032720	2020-03-27	009007-00437, 2686, 11, Pick up Leiana Monkman Oakland County EFSDS 2020A,	542288	009007-00437	54.00

Oakland Cty EFSDS 2020A
630000

428011

DICKINSON WRIGHT PLLC
Detroit, MI 48226

\$54.00

Form **8038-G****Information Return for Tax-Exempt Governmental Bonds**

(Rev. September 2018)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service**Caution:** If the issue price is under \$100,000, use Form 8038-GC.
► Go to www.irs.gov/F8038G for instructions and the latest information.**Part I Reporting Authority**If Amended Return, check here ☐

1 Issuer's name County of Oakland, Michigan		2 Issuer's employer identification number (EIN) 38-6004876	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 1200 North Telegraph Road	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Pontiac, Michigan 48341		7 Date of issue 03/26/2020	
8 Name of issue Farmington and Evergreen Sewage Disposal System Capital Improvement Bonds, Series 2020A		9 CUSIP number N/A	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Jim Nash, Water Resources Commissioner		10b Telephone number of officer or other employee shown on 10a 248-858-0958	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15	\$3,910,000	00
16	Housing	16		
17	Utilities	17		
18	Other. Describe ►	18		
19a	If bonds are TANs or RANs, check only box 19a			
b	If bonds are BANs, check only box 19b			
20	If bonds are in the form of a lease or installment sale, check box			

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2029	\$ 3,910,000.00	\$ 3,910,000.00	5.3815 years	1.5095 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	22	-0-	
23	Issue price of entire issue (enter amount from line 21, column (b))	23	3,910,000	00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	52,889	50
25	Proceeds used for credit enhancement	25	-0-	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	-0-	
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	-0-	
28	Proceeds used to refund prior taxable bonds. Complete Part V	28	-0-	
29	Total (add lines 24 through 28)	29	52,889	50
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	3,857,110	50

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2018)

Part VI Miscellaneous

- | | | |
|------------|--|------------|
| 35 | | -0- |
| 36a | | -0- |
| 37 | | -0- |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ► _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ► _____
- d** Enter the name of the issuer of the master pool bond ► _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► _____
- c** Type of hedge ► _____
- d** Term of hedge ► _____
- 42** If the issuer has superintegrated the hedge, check box ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ► ☐
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ► ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☒ and enter the amount of reimbursement ► \$1,330,098
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) 05/25/2017

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return to the person that I have authorized above.

Signature of issuer's authorized representative Jim Nash Date 3/26/20 Type or print name and title Jim Nash, Water Resources Commissioner

Paid Preparer Use Only

Print/Type preparer's name Eric McLothlin	Preparer's signature <u>Eric McLothlin</u>	Date <u>03/26/2020</u>	Check ☐ if self-employed	PTIN P01881490
Firm's name ► Dickinson Wright PLLC			Firm's EIN ► 38-1364333	
Firm's address ► 2600 West Big Beaver Road, Suite 300, Troy, Michigan			Phone no. 248-433-7568	

CERTIFICATE OF MAILING – IRS FORM 8038-G

**\$3,910,000 County of Oakland Evergreen and Farmington Sewage Disposal System
Capital Improvement Bonds, Series 2020A**

Date of Issue: March 26, 2020

The undersigned does hereby certify that on May 8, 2020, they personally mailed the foregoing IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) to Internal Revenue Service, Ogden, Utah 84201, by means of certified mail, return receipt requested, postage paid.

Certified Mail Receipt No. 70192970 0001 9239 2573

Gerard Brooks
Gerard Brooks

Dated: May 8, 2020

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL®



7019 2970 0001 9237 2573

7019 2970 0001 9237 2573

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)	\$
☐ Return Receipt (electronic)	\$
☐ Certified Mail Restricted Delivery	\$
☐ Adult Signature Required	\$
☐ Adult Signature Restricted Delivery	\$

Postage

Total Postage and Fees

Sent To

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

IRS

Ogden, UT

EAM
MBM

Postmark
Here

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

USPS TRACKING#



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 5775 0003 9888 62

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

DICKINSON WRIGHT PLLC
2600 West Big Beaver Road, Suite 300
Troy, MI 48064-3312

EAm/monkman

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service
Ogden, UT 84201



9590 9402 5775 0003 9888 62

2. Article Number (Transfer from service label)

7019 2970 0001 9237 2573

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt