**FINAL OFFICIAL STATEMENT DATED JUNE 13, 2024**

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

**NEW ISSUE**

*In the opinion of Dickinson Wright PLLC, Bond Counsel, subject to compliance with certain covenants, under existing law, (1) the interest on the Bonds is excluded from gross income for federal income tax purposes to the extent described herein, (2) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (3) the Bonds and the interest thereon are exempt from 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 to the extent described herein. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the Code.*

**$4,800,000**
**COUNTY OF OAKLAND**
**STATE OF MICHIGAN**
**SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT BONDS, SERIES 2024A**

**AUTHORIZATION, PURPOSE, AND SECURITY:** The Sewage Disposal System Capital Improvement Bonds, Series 2024A (the "Bonds") are being issued by the County of Oakland (the "County") pursuant to Act 34 of the Public Acts of Michigan of 2001, as amended ("Act 34"), and a bond authorizing resolution adopted by the County's Board of Commissioners on April 11, 2024. Proceeds from the sale of the Bonds will be used (i) to finance the cost of the replacement of sanitary sewer mains, construction of new sanitary sewer mains, a new pump station, valve vault, and sewer force main, improvements to related facilities, and (ii) to pay the cost of issuance of the Bonds. It is expected that the principal of and interest on the bonds will be paid from revenues of the County's City of Pontiac Sewage Disposal System, and such revenues have been authorized to be used for such purpose. In addition, the County has pledged its limited tax, full faith and credit as security for the payment of the principal of and interest on the Bonds. The County is obligated to make such payments as a first budget obligation from its general funds, including the collection of any ad valorem taxes it may be authorized to levy. The ability of the County to levy such taxes is subject to applicable constitutional and statutory tax rate limitations. See "THE BONDS – Authorization and Security" herein.

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

**PAYMENT OF BONDS**: Interest on the Bonds will be payable semiannually on January 1 and July 1 of each year commencing January 1, 2025. 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, 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 (July 2, 2024)** **Principal Due: January 1 of each year**

**NOT QUALIFIED TAX-EXEMPT OBLIGATIONS**

**LEGAL OPINION:** Dickinson Wright PLLC
**MUNICIPAL ADVISORS:** MFCI, LLC and Robert W. Baird & Co. Incorporated

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

---

♦See "Bond Ratings" herein.

**$4,800,000**
**COUNTY OF OAKLAND**
**STATE OF MICHIGAN**
**SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT BONDS, SERIES 2024A**

**MATURITIES, INTEREST RATES AND YIELDS**
**Principal Due: January 1**
**Base CUSIP◊: 672411**

| Maturity January 1 | CUSIP Number◊ | Amount | Coupon Rate % | Yield % | Maturity January 1 | CUSIP Number◊ | Amount | Coupon Rate % | Yield % |
|---|---|---|---|---|---|---|---|---|---|
| 2025 | 3W3 | $160,000 | 4.000% | 3.220% | 2035 | 4G7 | $240,000 | 5.000% | 3.050% ^ |
| 2026 | 3X1 | 165,000 | 4.000% | 3.210% | 2036 | 4H5 | 250,000 | 4.000% | 3.200% ^ |
| 2027 | 3Y9 | 170,000 | 4.000% | 3.120% | 2037 | 4J1 | 260,000 | 4.000% | 3.300% ^ |
| 2028 | 3Z6 | 180,000 | 4.000% | 3.050% | 2038 | 4K8 | 270,000 | 4.000% | 3.470% ^ |
| 2029 | 4A0 | 185,000 | 4.000% | 3.000% | 2039 | 4L6 | 280,000 | 4.000% | 3.510% ^ |
| 2030 | 4B8 | 195,000 | 4.000% | 2.960% | 2040 | 4M4 | 290,000 | 4.000% | 3.610% ^ |
| 2031 | 4C6 | 200,000 | 4.000% | 2.940% | 2041 | 4N2 | 305,000 | 4.000% | 3.810% ^ |
| 2032 | 4D4 | 210,000 | 4.000% | 2.950% | 2042 | 4P7 | 315,000 | 4.000% | 3.920% ^ |
| 2033 | 4E2 | 220,000 | 4.000% | 2.940% | 2043 | 4Q5 | 330,000 | 4.000% | 4.030% |
| 2034 | 4F9 | 230,000 | 4.000% | 2.930% | 2044 | 4R3 | 345,000 | 4.000% | 4.070% |

^ *Yield to first call date, January 1, 2034*

**PRIOR REDEMPTION:** Bonds maturing in the years 2035 through 2044, inclusive, are subject to optional redemption as described under the heading *Prior Redemption* herein.

---

**No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.**

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

**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. The Paying Agent has not participated in the preparation of this Official Statement and assumes no responsibility for it.**

---

This Official Statement contains forward-looking statements, which can be identified by the use of the future tense or other forward-looking terms such as "may," "intend," "will," "expect," "anticipate," "plan," "management believes," "estimate," "continue," "should," "strategy," or "position" or the negatives of those terms or other variations of them or by comparable terminology. In particular, any statements, express or implied, concerning future receipts of installments of special assessments or the ability to generate cash flow to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the County's management believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially from any results indicated or suggested by those assumptions. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Official Statement should not be regarded as a representation by the County that its plans and objectives will be achieved. All forward-looking statements are expressly qualified by the cautionary statements contained in this paragraph. The County does not undertake any duty to update any forward-looking statements.

**COUNTY OF OAKLAND**
**1200 North Telegraph Road**
**Pontiac, MI 48341**

**COUNTY OFFICIALS**

***County Executive***
David Coulter

***Treasurer***
Robert Wittenberg

***Prosecuting Attorney***
Karen McDonald

***Clerk and Register of Deeds***
Lisa Brown

***Sheriff***
Michael J. Bouchard

***Corporation Counsel***
Solon Phillips

***Water Resources Commissioner***
Jim Nash

***Chief Financial Officer***
Brian J. Lefler

**BOARD OF COMMISSIONERS**

David T. Woodward
*Chairperson*

Marcia Gershenson
*Vice-Chairperson*

District 1 – David T. Woodward
District 2 – Penny Luebs
District 3 – Ann Erickson Gault
District 4 – Brendan Johnson
District 5 – Michael Spisz
District 6 – Michael J. Gingell
District 7 – Bob Hoffman
District 8 – Karen Joliat
District 9 – Angela Powell
District 10 – Kristen Nelson
District 11 – Marcia Gershenson
District 12 – Christine Long
District 13 – Philip J. Weipert
District 14 – Ajay Raman
District 15 – Gwen Markham
District 16 – William Miller
District 17 - Yolanda Smith Charles
District 18 – Linnie Taylor
District 19 – Charlie Cavell

Bond Counsel .......... Dickinson Wright PLLC
Troy, Michigan
Municipal Advisors .......... MFCI, LLC
Milford, Michigan
Robert W. Baird & Co. Incorporated
Lansing, Michigan
Paying Agent .......... The Huntington National Bank
Grand Rapids, Michigan

**TABLE OF CONTENTS**

## OFFICIAL STATEMENT

**$4,800,000**
**COUNTY OF OAKLAND**
**STATE OF MICHIGAN**
**SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT BONDS, SERIES 2024A**

## INTRODUCTION

The purpose of this Official Statement is to set forth information concerning the County of Oakland (the "County") Sewage Disposal System Capital Improvement Bonds, Series 2024A (the "Bonds"). The information contained herein is presented in connection with the sale of the Bonds and for the information of those who initially became holders of the Bonds. Information describing the Bonds, summarized on the cover page, is part of this Official Statement.

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

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

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

## THE FINANCING

### Purpose of the Bonds

Proceeds from the sale of the Bonds will be used (i) to finance the cost of the replacement of sanitary sewer mains, construction of new sanitary sewer mains, a new pump station, valve vault, and sewer force main, and improvements to related facilities as well as all work necessary and incidental to these improvements, including without limitation the restoration of property, streets, rights-of-way, and easements affected by the improvements, and (ii) to pay the cost of issuance of the Bonds.

*[The remainder of this page was intentionally left blank.]*

**Estimated Sources and Uses of Funds**

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

| | | |
|---|---|---|
| *Sources of Funds* | | |
| Par Value of Bonds | $ | 4,800,000.00 |
| Net Original Issue Premium | | 197,424.25 |
| Total Sources | $ | 4,997,424.25 |
| | | |
| *Uses of Funds* | | |
| Deposit to Construction Fund | $ | 4,868,138.25 |
| Underwriter's Discount | | 41,760.00 |
| Costs of Issuance (1) | | 87,526.00 |
| Total Uses | $ | 4,997,424.25 |

(1) Includes legal, municipal advisors, printing, ratings, publication and other miscellaneous costs of issuance.
Source: County of Oakland

## THE BONDS

**Authorization and Security**

The Bonds are being issued pursuant to Act 34 of the Public Acts of Michigan of 2001, as amended ("Act 34"), and a bond authorizing resolution adopted by the County's Board of Commissioners on April 11, 2024 (the "Resolution"). It is expected that the principal of and interest on the bonds will be paid from revenues of the County's City of Pontiac Sewage Disposal System, and such revenues have been authorized to be used for such purpose. In addition, the County has pledged its limited tax, full faith and credit as security for the payment of the principal of and interest on the Bonds. The County is obligated to make such payments as a first budget obligation from its general funds, including the collection of any ad valorem taxes it may be authorized to levy. The ability of the County to levy such taxes is subject to applicable constitutional and statutory tax rate limitations. See "APPENDIX A - COUNTY OF OAKLAND GENERAL AND ECONOMIC INFORMATION – COUNTY TAXATION AND LIMITATIONS" herein.

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

**Description of the Bonds**

The Bonds shall be known as the "Sewage Disposal System Capital Improvement Bonds, Series 2024A" and shall be dated the date of their delivery (July 2, 2024). 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 January 1, 2025, and each January 1 thereafter, until final maturity, as provided on the inside cover page of this Official Statement.

**Interest Payment and Interest Rate**

The Bonds shall bear interest payable January 1, 2025, and semiannually thereafter on each January 1 and July 1, until maturity, with an interest rate not exceeding 6.0% per annum. Interest shall be paid by wire transfer or other electronic means or by check or draft mailed to the registered owner of each bond shown on the registration books kept by the Bond Registrar/Paying Agent as of the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due.

**Optional Redemption Prior to Maturity**

The Bonds maturing in the years 2025 through 2034, inclusive, shall not be subject to optional redemption prior to maturity. The Bonds, or portions of Bonds in multiples of $5,000 maturing in the years 2035 through 2044, inclusive, shall be subject to redemption prior to maturity, at the option of the County, in any order of maturity and by lot within any maturity, on any date on or after January 1, 2034, at par plus accrued interest to the date fixed for redemption, but without premium.

**Notice and Manner of Redemption**

Notice of redemption for any Bond shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail to the registered holder thereof at the address shown on the registration books of the County maintained by the Bond Registrar/Paying Agent. The Bonds shall be called for redemption in multiples of $5,000. The Bonds in denominations of more than $5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by $5,000 within a maturity. The Bonds may be redeemed in part. In the event of redemption of the Bonds in part, upon surrender of the Bond to be redeemed, a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof. No further interest on the Bonds or portions of the Bonds called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided the County has funds on hand with the Bond Registrar/Paying Agent to redeem the same.

**Registration, Payment, and Transfer**

The Bonds are issuable only as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denomination of $5,000 or any integral multiple thereof within a maturity. Purchasers will not receive certificates representing their beneficial interests in the Bonds purchased. So long as Cede & Co. is the Bondholder references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners, as hereinafter defined, of the Bonds. See "BOOK-ENTRY ONLY SYSTEM," herein.

The Bonds will be issued in the original aggregate principal amount as shown on the inside cover of this Official Statement. The Bonds will be dated as of the original date of delivery and will bear interest from that date. Interest on the Bonds shall be payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2025. Interest on the Bonds shall be computed using a 360-day year and twelve 30-day months. The Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the inside front cover of this Official Statement. The Bonds will be registered Bonds in the denomination of $5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the designated corporate trust office of the Bond Registrar/Paying Agent or such other paying agent as the County may hereafter designate by notice mailed to the Bondholders. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants, both as hereinafter defined, as more fully described below. Interest shall be paid when due by check or draft drawn on the Bond Registrar/Paying Agent by first class mail to the registered owners of Bonds at the address as shown on the registration books of the County kept by the Bond Registrar/Paying Agent as of the close of business on the fifteenth day of the calendar month preceding the payment date for each interest payment, provided, however, that if such day is a Saturday, Sunday or legal holiday in the State of Michigan (the "State"), then to the registered owners at the addresses shown on the registration books as of the close of business on the day next preceding such 15th day of the month which is not a Saturday, Sunday or legal holiday in the State.

## BOOK-ENTRY ONLY SYSTEM

The information in this section has been furnished by DTC. No representation is made by the County, the Bond Registrar/Paying Agent, MFCI (defined below), Baird (defined below), or the Underwriter as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the County, its Bond Counsel, the Bond Registrar/Paying Agent, MFCI, Baird, or the Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the County, the Bond Registrar/Paying Agent, MFCI, Baird, nor the Underwriter will have any responsibility or obligation to DTC, Direct Participants or Indirect

Participants (defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal or interest payment thereof.

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

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

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

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

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

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

Principal and interest payments 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 Bond Registrar/Paying Agent, on payable date in accordance with their respective holdings on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar/Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Bond Registrar/Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Bond Registrar/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.

The County, the Bond Registrar/Paying Agent, and the Underwriter cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest on the Bonds, (ii) any document representing or confirming beneficial ownership interests in the Bonds, or (iii) notices sent to DTC or Cede & Co. its nominee, as the registered owner of the Bonds, or that it will do so on a timely basis or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current "procedures" of DTC to be followed in dealing with the Participants are on file with DTC.

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

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

**Transfer Outside Book-Entry Only System**

In the event the book-entry only system is discontinued, the Bond Registrar/Paying Agent will act as transfer agent and bond registrar and shall keep the registration books for the Bonds (the "Bond Register") at its designated 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 designated office of the Bond Registrar/Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Bond Registrar/Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations. The Bond Registrar/Paying Agent shall not be required to register the transfer of or exchange any Bond selected for redemption in whole or in part, except the unredeemed portion of Bonds redeemed in part. Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion. The County and the Bond Registrar/Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Resolution. No transfer or exchange made other than as described above and in the Resolution shall be valid or effective for any purposes under the Resolution.

## ABSENCE OF CERTAIN LITIGATION

Simultaneously with the delivery of the Bonds, the County will certify that there are no actions, proceedings, or investigations at law or in equity before or by any court, public board or body, either actual or threatened, which would adversely affect the issuance of the Bonds or materially affect the County's ability to pay the principal of and interest thereon.

## BOND RATINGS

### Moody's Ratings

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

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

### S&P Global Ratings

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

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

## TAX MATTERS

### General

In the opinion of Dickinson Wright PLLC, Bond Counsel ("Bond Counsel"), based on its examination of the documents described in its opinion, under existing law as enacted and construed on the date of the initial delivery of the Bonds, the interest on the Bonds is (a) excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. However, Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.

The County has **not** designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

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

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

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

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

**Arbitrage and Rebate Requirements**

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

**Tax Treatment of Accruals on Original Issue Discount Bonds**

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

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

**Amortizable Bond Premium**

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

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

**Information Reporting and Backup Withholding**

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

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

**Future Developments**

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

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS THAT COULD CAUSE THE INTEREST ON THE BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESS NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

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

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

## NOT BANK QUALIFIED

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

## STATE TREASURY APPROVAL

The County has obtained a letter from the Department of Treasury of the State of Michigan stating that the County is in material compliance with the criteria of Act 34 for a municipality to be granted qualified status. The County may therefore proceed to issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

## MUNICIPAL ADVISORS TO THE COUNTY

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

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

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

Robert W. Baird & Co. Incorporated ("Baird") is a registered municipal advisor in accordance with the rules of the MSRB. Baird has been retained separately by the County Executive's office to provide certain municipal advisory services relating to financing matters other than for water, sewer, and drain infrastructure, including coordinating rating activities and participating in the preparation of certain parts of the Official Statements.

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

Baird's duties, responsibilities, and fees in connection with the Bonds arise solely as a registered municipal advisor to the County, and it has no secondary obligation or other responsibility. Baird's fees are expected to be paid from Bond proceeds.

## LEGAL MATTERS

Legal matters incident to the authorization, issuance, and sale of the Bonds are subject to the approval of Dickinson Wright PLLC, Bond Counsel. A copy of the opinion of Bond Counsel will be delivered with the Bonds, which opinion will be substantially in the form as set forth in Appendix C.

## BOND COUNSEL'S RESPONSIBILITY

The fees of Dickinson Wright PLLC ("Bond Counsel") for services rendered in connection with its approving opinion are expected to be paid from the proceeds of the Bonds. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds and except as stated below, Bond Counsel has not been retained to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

Bond Counsel has reviewed the statements made under the captions entitled "INTRODUCTION," "THE FINANCING" (except those statements made under the sub-caption "Estimated Sources and Uses of Funds"), "THE BONDS", "BOND COUNSEL'S RESPONSIBILITY," "TAX MATTERS," "NOT BANK QUALIFIED," "LEGAL MATTERS," and "CONTINUING DISCLOSURE" (first two paragraphs only). Bond Counsel has not been retained for review and has not reviewed any other portions of the Official Statement for accuracy or completeness and has not made inquiry of any official or employee of the County, or any other person and has made no independent verification of such portions hereof, and further has not expressed and will not express an opinion as to any portions hereof.

## UNDERWRITING

The Bonds were purchased through a competitive sale on June 13, 2024, by TD Securities (USA) LLC (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a price of $4,955,664.25, which represents the par amount of the Bonds of $4,800,000.00, plus the net original issue premium of $197,424.25 less the Underwriter’s discount of $41,760.00.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering price stated on the cover page hereof. The initial public offering price may be changed from time to time by the Underwriter.

## CONTINUING DISCLOSURE

The County has covenanted and will covenant for the benefit of the Bondholders and the Beneficial Owners (as hereinafter defined under this caption only), pursuant to the Resolution and the Continuing Disclosure Certificate to be delivered on the date of issuance of the Bonds to the purchaser(s) 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 the County's fiscal year, commencing with the Annual Report for its fiscal year ended September 30, 2024; 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. Currently, the fiscal year of the County commences on October 1. "Beneficial Owner" means (under this caption only) any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

Each Annual Report will be filed electronically with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"). If the County is unable to provide the MSRB any 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. The notices of material events will be filed by the County with MSRB through EMMA. These covenants have been made by the County in order to assist the purchaser(s) of the Bonds and registered brokers, dealers, and municipal securities dealers in complying with the requirements of subsection (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"). The information to be contained in the 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."

Failure by the County to comply with the Disclosure Certificate will not constitute an event of default under the Resolution, and Beneficial Owners of the Bonds are limited to the remedies described in the Disclosure Certificate.

Except as described in this paragraph, Oakland County has complied with all of its existing continuing disclosure undertakings over the last five years in all material respects. For the fiscal years ended September 30, 2017, 2018, and 2019, the County filed its continuing disclosure as required but inadvertently failed to link some CUSIPs to such filings. Upon discovery in 2020, the County linked the continuing disclosure to those missed CUSIPs. The County's Annual Reports for the fiscal years ended September 30, 2016 through 2018 omitted certain information relating to its county-wide tax collection record. Such omission was discovered in 2020, and notice of such omission along with updated information relating to county wide tax collection record has been posted to EMMA before the date of this Official Statement. Except for these incidents, in the past five years, the County has not failed to comply, in all material respects, with any of its previous undertakings in a written contract or agreement that it entered into pursuant to subsection (b)(5) of the Rule.

## OTHER MATTERS

The County certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the County and its economic and financial condition, is true and correct as of its date and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements included herein, in light of the circumstances under which they are made, not misleading.

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

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

**County of Oakland**

By: /s/Robert Wittenberg
Robert Wittenberg
Its: Treasurer

By: /s/Jim Nash
Jim Nash
Its: Water Resources Commissioner

# APPENDIX A

# OAKLAND COUNTY, STATE OF MICHIGAN

# GENERAL AND ECONOMIC INFORMATION REGARDING THE COUNTY

## Introduction

Oakland County continues to be a great place to live, work, shop, and establish a business. The County is an exceptional place to live where residents enjoy a high quality of life and where business growth and opportunity is strong. The County's taxable value for real and personal property continues to rebound along with the overall economy and grew 24.2% from 2019 to 2023. With only 3.50% of the 2023 taxable valuation coming from the ten largest taxpayers, the County continues to have a well-diversified tax base.

Residential developments in the County include some of the finest in the State. Based on building permit data, the average value of a new construction single-family home was approximately $386,000 in 2023. 73% of the County's residential development from 2019 through 2023 has been single-family units. From 2019 to 2023, 34% of net newly constructed residential units built in the Metropolitan Detroit area were built in Oakland County.

The unemployment rate for Oakland County averaged 2.9% in 2023. Oakland County did experience some job loss due to manufacturing reorganization in 2006 and the national recession that followed but had experienced consistent job growth since the middle of 2010 until job losses associated with the COVID-19 pandemic began to register in the data in April 2020. Based on their May 2024 report, the University of Michigan's economic forecast for Oakland County expects the count of employed Oakland County residents to keep growing in almost every quarter of their forecast period. The County's labor force is expected to grow by 1.2% over the next three years. The report forecasts the County's unemployment rate in a range of 2.9% to 3.0% through 2026.

In 2024, Oakland County was recognized as one of the most prosperous counties in the nation. In comparing Oakland County with 42 other counties of similar population throughout the nation, University of Michigan economists ranked Oakland County ninth overall based on selected indicators of prosperity.

Oakland County has the highest level of median household income of the major labor markets in Michigan. The estimated median household income of Oakland County residents in 2022 was $92,620.

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

## The County

The County is a public corporation created under the Constitution and Statutes of the State of Michigan and has general governmental powers and authority. Under Act 206, Public Acts of Michigan, 1893, as amended, the Treasurer of the County is the officer responsible for the collection of delinquent real property taxes returned to the County as uncollected on March 1 of any year. In addition, the County Treasurer is responsible for the application of the borrowing proceeds and the preservation of the security related to these funds. The County uses a modified accrual basis for accounting purposes.

## Form of Government

The County operates under the unified form of county government adopted pursuant to Act 139, Public Acts of Michigan, 1973, as amended. The 19-member Board of Commissioners is the governing and legislative body of the County and is elected from districts for two (2) year terms. The County Executive is the chief administrative officer of the County and is elected for a four (4) year term.

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

**County Location, Transportation, and Character**

The County of Oakland is located in the southeast portion of Michigan's Lower Peninsula and covers an area of 910 square miles, which includes 30 cities, 10 villages, and 21 townships. Within the County there are more than 1,400 lakes, 900 miles of interior shoreline, 5 rivers, and numerous small streams. There are approximately 82 private and public golf courses, including Groveland Oaks, the first park in Michigan to be environmentally certified by the Michigan Turfgrass Environmental Stewardship Program, which attracts many businesses and residents to Oakland County.

Oakland (County) International Airport: The County's airport can accommodate large commercial jets and is home base for over 624 corporate and general aviation aircraft. It is the nation's 16th busiest general aviation airport (2022 data) and is the second busiest airport in Michigan with more than 140,000 annual takeoffs and landings. In 1996 the airport opened a full-time U.S. customs office and expanded the airport to international commerce. The airport contributes over $584 million to the County's economy each year.

Detroit Metropolitan Airport (DTW): DTW is located 18 miles south of the County, offers direct and connecting flights daily to nearly everywhere in the world. With approximately 31.5 million passengers and 800 flights per day in 2023, Detroit Metropolitan Airport is one of the busiest airports in the United States. DTW serves as one of the largest hubs for both Delta and Spirit Airlines. The facility consists of two passenger terminals, 145 gates, six jet runways, and two modern Federal Inspection Services facilities for international arrivals.

The Port of Detroit: The Port of Detroit is located south of the County (in Wayne County), and serves as Southeast Michigan's link to the Great Lakes, the St. Lawrence Seaway and the world. An international port of entry with full U.S. Customs Service and a Free Trade Zone, enhancing the area's attractiveness to foreign manufacturers. In 2022, more than $40.4 billion in goods were exported from the Detroit MSA. The Detroit region ranked tenth in exports (based on dollar value) after Houston, New York, Corpus Christi, Chicago, Los Angeles, New Orleans, Dallas, Miami, and Lake Charles.

Roads and Highways: Major investments in upgrades to 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; I-94, I-96, and I-696 are major east/west freeways in the state, and 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, MI to Detroit or Chicago. Canadian National Railway operates class-one industrial/commercial freight shipping from Birmingham, Michigan to Detroit or Windsor, ON. Amtrak Passenger Rail Service has stations in the Michigan cities of Birmingham, Pontiac, and Royal Oak for trains traveling to Chicago Union Station and to points in between.

Residential: For the period of 2014-2023, the County issued approximately 28,000 net new construction permits (including multi-family). Oakland County continues to post strong numbers in residential development and had the highest total in the seven-county Southeast Michigan region according to SEMCOG data. According to the Oakland County Department of Economic Development and Zillow Research and Analytics' Zillow Housing Value Index (ZHVI), the median value of a home in Oakland County increased from $310,948 in 2022 to $317,354 in 2023, a 2.1% increase.

Commercial: Oakland County recorded 4.1 million square feet of nonresidential development completed in 2022 across 60 projects with a reported value of $439.3 million. Preliminary 2023 figures show that Oakland County recorded 30 completed nonresidential projects with a reported value of $86.5 million and covering 1.9 million square feet. Currently, there are an additional 76 nonresidential development projects underway in the county with 7.4 million square feet of floorspace and a reported value of nearly $850 million.

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

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

Corporate: As of 2023, 57% percent of Fortune 500 companies do business in Oakland County. In 2023, according to the Bureau of Labor Statistics, more than 17,000 Oakland County workers are employed by the Management and Companies and Enterprises Industry.

Hotels-Motels: As of 2023, Oakland County had 100 hotels and motels with 20 or more rooms. Several new hotel/motel properties have opened in the past few years.

*Source: Oakland County Department of Planning and Economic Development*

Office Buildings: More than twelve million square feet of floor space has been completed in Oakland County since the start of 2010, accounting for nearly a third of the Detroit market's total office development. According to CoStar, office lease and vacancy rates in Oakland County submarkets remain competitive with the rest of metro Detroit. Vacancy rates across Southeast Michigan have risen since the COVID-19 pandemic but began to see declines in 2023, with some submarkets now with office vacancy rates below pre-pandemic levels. At the start of 2024, the Pontiac submarket has the lowest office vacancy rate in the county at 6.7%. The Troy – South submarket saw the largest decline in vacancy rates from a peak of 25.4% in 2023 Q2 to 17.7% by 2024 Q1

*Source: SEMCOG, CoStar*

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

*Source: SEMCOG*

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

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

**Education**

There are 28 school districts in Oakland County. In 2023, U.S. News & World Report rated the International Academy in Bloomfield Hills number 2 in Michigan and number 54 in the nation's top U.S. high schools. Eight other high schools located in Oakland County were listed in the top 20 of Michigan high schools.

In the fall of 2006, Oakland County launched a Mandarin Chinese language program in four school districts. Today, all school districts in Oakland County and three consortium schools offer this language program.

Twenty-five institutions of higher learning with a total enrollment of over 40,000 are located in the County. The largest public degree-granting institutions headquartered in Oakland County are Oakland University, Oakland Community College, Lawrence Technological University, and Walsh College. Over 75% of Michigan's schools offer dual-enrollment programs which give high school students the opportunity to earn college credits. The national average of schools offering dual-enrollment is only 65%.

Oakland University: Oakland University has a total unduplicated headcount enrollment of 19,831 as of Fall 2022. 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 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 enrollment of 14,113, as of January 2024, 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 690 students annually.

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

The main campuses of the University of Michigan, Wayne State University, and Michigan State University are between 20 to 90 miles from the County. These are major centers of research. Each university has institutes established for the purpose of providing technology research, development, and transfer to the business sector for economic development. The Polymer Institute is located at the University of Detroit, less than two miles from the southern border of the County.

*Source: Oakland County Department of Planning and Economic Development*

**Population**

Oakland County's 2022 population was estimated to be 1,269,431, which represents a 4 percent increase since 2012. Out of 83 counties in Michigan, it has the second largest population. According to SEMCOG's 2050 Forecast, Oakland County is projected to have the largest actual population gain in the metro Detroit area by 2050 with the addition of 113,443 new residents.

**Table 1 – Population Trends, 1970 – 2022**

| Year | Population | Year | Population | Year | Population |
|---|---|---|---|---|---|
| 1970 | 907,871 | 2013 | 1,232,947 | 2018 | 1,256,694 |
| 1980 | 1,011,793 | 2014 | 1,238,718 | 2019 | 1,257,584 |
| 1990 | 1,083,592 | 2015 | 1,244,602 | 2020 | 1,274,395 |
| 2000 | 1,194,156 | 2016 | 1,251,027 | 2021 | 1,270,017 |
| 2010 | 1,202,362 | 2017 | 1,256,016 | 2022 | 1,269,431 |

*Source: U.S. Department of Commerce, Census Bureau, SEMCOG*

*[Remainder of this page intentionally left blank.]*

**Income**

Oakland County's estimated median household income (MHI) was $92,620 in 2022, the second-highest among Michigan's 83 counties. Oakland County's median household income also compares favorably to the national MHI of $74,580 and Michigan's MHI of $68,505.

**Table 2 – Median Household Income in Oakland County, 2013 – 2022**

| Year | Median Household Income |
|---|---|
| 2022 | $92,620 |
| 2021 | 86,275 |
| 2020 | 81,587 |
| 2019 | 79,698 |
| 2018 | 76,387 |
| 2017 | 73,369 |
| 2016 | 69,850 |
| 2015 | 67,465 |
| 2014 | 66,436 |
| 2013 | 65,594 |

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

**Job Growth**

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

University of Michigan economists Gabriel Ehrlich and Donald Grimes estimate that the COVID-19 pandemic caused the loss of 148,900 Oakland County jobs during the second quarter of 2020 but had regained more than two-thirds of that loss by the third quarter of 2021. In their May 2024 report, they project the County to add about 8,000 payroll jobs from 2024-2026, an average growth rate of 1.1 percent. The private health and social services sector is one of the major gainers, adding a total of 6,800 jobs over the next three years. Traditional blue-collar industries are also expected to grow by about 1.4% despite limited growth in the auto and government sectors. Their forecast takes Oakland County's payroll jobs count back to its pre-pandemic level in the first quarter of 2025 and to 1.3 percent higher by the end of 2026.

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, approximately 571 Emerging Sector companies have generated more than $5.4 billion in investment while creating or retaining approximately 95,000 jobs. The vast majority of those jobs are in the high-wage category. Oakland County is succeeding at attracting companies from emerging sectors from around the country and, in some instances, from around the globe.

*Source: Oakland County Department of Planning and Economic Development, Oakland County Economic Outlook 2024-2026*

**Industrial and High Technology**

The automotive industry has a large presence in southeast Michigan including many in Oakland County, specifically. Research and development organizations continue to select Oakland County, as one-third of all of Michigan's R&D facilities are located in Oakland County. Automation Alley, founded in Oakland County and headquartered in Troy, is Southeast Michigan's leading technology business association. Automation Alley is Michigan's Industry 4.0 knowledge center, with a global outlook and a regional focus and is one of Michigan's designated SmartZones. SmartZones are technology and business accelerators that provide distinct geographical locations to assist technology-based firms, entrepreneurs and researchers.

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

*Source: Oakland County Department of Planning and Economic Development*

**Foreign Investment**

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

**Labor Force**

The unemployment rate for Oakland County and the State of Michigan averaged 2.9% and 3.9%, respectively, in 2023. The January 2024 unemployment rate for Oakland County was 3.1% and the State of Michigan was 4.0%

**Table 3 – Unemployment History in the County, Calendar Year 2023**

| Month | Total Labor Force | Unemployed | Percent Unemployed |
|---|---|---|---|
| January | 669,109 | 21,154 | 3.2% |
| February | 670,071 | 19,184 | 2.9% |
| March | 678,412 | 17,298 | 2.5% |
| April | 673,451 | 12,813 | 1.9% |
| May | 682,606 | 19,154 | 2.8% |
| June | 690,888 | 21,864 | 3.2% |
| July | 697,956 | 22,707 | 3.3% |
| August | 702,376 | 24,041 | 3.4% |
| September | 701,328 | 22,786 | 3.2% |
| October | 698,687 | 22,626 | 3.2% |
| November | 697,167 | 18,953 | 2.7% |
| December | 693,143 | 18,094 | 2.6% |

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

**Table 4 – Unemployment History in the County, 2014-2023 (Annual Averages)**

| Calendar Year | Total Labor Force | Unemployed | Percent Unemployed |
|---|---|---|---|
| 2023 | 687,933 | 20,056 | 2.9% |
| 2022 | 664,232 | 19,831 | 3.0% |
| 2021 | 660,789 | 30,661 | 4.6% |
| 2020 | 654,755 | 59,552 | 9.1% |
| 2019 | 689,483 | 23,164 | 3.4% |
| 2018 | 683,258 | 23,724 | 3.4% |
| 2017 | 673,030 | 23,724 | 3.5% |
| 2016 | 652,450 | 26,842 | 4.1% |
| 2015 | 630,756 | 29,426 | 4.7% |
| 2014 | 629,684 | 40,596 | 6.4% |

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

**Table 5 – Unemployment History in the State of Michigan, 2014-2023 (Annual Averages)**

| Calendar Year | Total Work Force | Unemployed | Percent Unemployed |
|---|---|---|---|
| 2023 | 5,008,000 | 195,000 | 3.9% |
| 2022 | 4,866,000 | 202,000 | 4.1% |
| 2021 | 4,775,000 | 274,000 | 5.7% |
| 2020 | 4,862,000 | 486,000 | 10.0% |
| 2019 | 4,980,000 | 203,000 | 4.1% |
| 2018 | 4,945,000 | 206,000 | 4.2% |
| 2017 | 4,911,000 | 225,000 | 4.6% |
| 2016 | 4,849,000 | 242,000 | 5.0% |
| 2015 | 4,760,000 | 258,000 | 5.4% |
| 2014 | 4,760,000 | 344,000 | 7.2% |

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

**Major Employers**

The 25 largest employers in the County and number of employees as of July 2023.

**Table 6 – Twenty-Five Largest Employers in the County**

| Employer Name | Approximate Number of Employees |
|---|---|
| Corewell Health (formerly Beaumont Hospitals) | 14,580 |
| Stellantis (formerly FCA US LLC) | 11,524 |
| General Motors Co. | 7,451 |
| United Wholesale Mortgage | 6,000 |
| Henry Ford Health System | 5,301 |
| Ascension Michigan | 5,219 |
| U.S. Postal Service | 4,927 |
| Oakland County | 3,679 |
| Amazon.com Inc. | 3,650 |
| Trinity Health Michigan | 3,159 |
| Magna International of America | 2,640 |
| Comerica Bank | 1,998 |
| Lear Corp. | 1,958 |
| Rochester Community School District | 1,900 |
| Continental Automotive Systems | 1,875 |
| Walled Lake Consolidated Schools | 1,775 |
| Oakland University | 1,762 |
| Blue Cross Blue Shield of Michigan | 1,750 |
| State of Michigan | 1,545 |
| U.S. Farathane | 1,317 |
| Farmington Public Schools | 1,300 |
| McLaren Health Care | 1,247 |
| Flagstar Bank NA | 1,158 |
| BorgWarner Inc. | 1,130 |
| Plante Moran | 1,125 |

*Source: Crain's Detroit Business*

**Major Corporations**

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

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

| Company | 2023 Revenue (billions) |
|---|---|
| Stellantis, N.V. | $205.52 |
| Penske Automotive Group, Inc. | 22.8 |
| Lear Corporation | 20.5 |
| Aptiv PLC | 20.1 |
| BorgWarner Inc. | 14.2 |
| Kelly Services Inc. | 4.5 |
| Meritor Inc. | 3.6 |
| TI Fluid Systems | 3.5 |
| Sun Communities Inc. | 2.3 |
| United Wholesale Mortgage | 1.7 |

*Source: Crain's Detroit Business*

**Banking**

The banking needs within the County are handled by:

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

**County Budget Process**

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

Multiple-Year Budgeting: After years of preparing and managing an operating budget for two-year periods of time, in 2009, the County expanded its budget practices to a triennial budget. On September 21, 2023, the Oakland County Board of Commissioners adopted the FY 2024 to FY 2026 Budget and General Appropriations Act. The County maintains the triennial budget with periodic amendments. Each new program or action is considered for the current year and the subsequent two years on a line-item basis.

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

Operating and Other Reserves: The County recently updated its fund balance policy to maintain a minimum fund balance of 25% of annual General Fund expenditures (Miscellaneous Resolution #15175 adopted in July 22, 2021). The County recognizes that it is essential that it maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations and/or unanticipated expenditures. The General Fund balance is projected to be well above the minimum operating reserve through FY 2026, exceeding 50% of annual General Fund expenditures, based on the County's budget that was adopted on September 21, 2023. 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/government/investor-relations

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

| Assessment Year | Real Property | Personal Property | Total SEV | % Change In Total SEV | Taxable Value |
|---|---|---|---|---|---|
| 2024 | $102,716,918,368 | $3,933,067,246 | $106,649,985,614 | 9.17% | $80,356,053,875 |
| 2023 | 93,796,145,533 | 3,893,136,303 | 97,689,281,836 | 8.86 | 74,880,625,314 |
| 2022 | 85,872,455,469 | 3,863,299,665 | 89,735,755,134 | 5.84 | 69,645,264,171 |
| 2021 | 81,062,991,752 | 3,721,556,729 | 84,784,548,481 | 4.42 | 65,419,654,128 |
| 2020 | 77,592,268,960 | 3,603,125,954 | 81,195,394,914 | 5.84 | 62,997,745,070 |
| 2019 | 73,184,421,995 | 3,531,580,300 | 76,716,002,295 | 6.74 | 60,306,168,847 |
| 2018 | 68,461,534,887 | 3,409,823,960 | 71,871,358,847 | 4.15 | 57,302,006,431 |
| 2017 | 65,554,572,199 | 3,453,780,010 | 69,008,352,209 | 6.03 | 54,723,743,027 |
| 2016 | 61,675,751,998 | 3,409,099,116 | 65,084,851,114 | 7.04 | 52,786,202,473 |
| 2015 | 56,923,321,000 | 3,882,782,774 | 60,806,103,774 | 10.39 | 51,895,341,437 |

*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 | 2023 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Residential | 77.20% | 76.3% | 76.1% | 76.4% | 76.4% | 76.3% | 76.5% | 76.9% | 76.7% | 75.3% |
| Commercial | 15.7 | 16.2 | 16.3 | 16.0 | 16.1 | 15.9 | 15.7 | 15.2 | 15.2 | 15.5 |
| Industrial | 3.3 | 3.3 | 3.2 | 3.1 | 3.0 | 3.0 | 3.0 | 2.8 | 2.8 | 2.7 |
| Personal Property | 3.7 | 4.0 | 4.3 | 4.4 | 4.4 | 4.6 | 4.7 | 5.0 | 5.2 | 6.4 |
| Agricultural | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Developmental | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

*Source: Oakland County Equalization Department*
*Figures in the table above may not add to 100% due to rounding.*

**Ten Largest Taxpayers**

The 10 largest taxpayers in the County and their 2023 taxable valuations are approximately 3.50% of the County's total 2023 taxable value, indicating a well-diversified tax base:

*[Remainder of this page intentionally left blank.]*

**Table 10 – Ten Largest Taxpayers**

| Taxpayer | 2024 Taxable Valuation |
|---|---|
| DTE Electric and Gas | $853,078,569 |
| Consumers Energy | 702,477,631 |
| General Motors | 205,739,360 |
| ITC Transmission | 193,618,329 |
| FCA/ FCA Auburn Hills Owner LLC | 178,051,180 |
| Taubman, Great Lakes/12 Oaks Mall | 152,157,440 |
| Singh | 149,000,216 |
| Amazon | 148,685,780 |
| Edward Rose/Occidental Dev. | 147,222,840 |
| Enbridge | 123,032,840 |
| Total | $2,853,064,185 |

Note: The taxable values have been compiled from a number of sources/reports and may include estimated figures. 2024 data not yet available.

*Source: Oakland County Equalization Department*

**Property Subject to Taxation**

The State Constitution limits the proportion of true cash value at which property can be uniformly assessed to 50%. The state Legislature has also provided that the property shall be assessed at 50% of its true cash value.

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

The State Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government are responsible for 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, unless ownership of the property is sold or transferred at which time the assessment reverts to 50% of the true cash value of the property, as equalized. The effect of this assessment cap is that different parcels of property are taxed at 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 sale or 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 2023 taxable valuation of $304,734,528 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 2023, the total number of lessees or users of property under Act 189 within the County was 21.

*Source: Oakland County Treasurer*

**Personal Property Tax Revenues**

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

Under the PPT Reform Acts, owners of industrial and commercial Personal Property with a total true cash value of $180,000 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 $180,000 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 were able to claim an exemption from Personal Property tax. After 2022, all eligible manufacturing Personal Property is at least 10 years old or was purchased after December 31, 2012, so that it could be exempted from Personal Property tax.

To replace personal property tax revenues lost by local governments the PPT Reform Acts divided the existing state use tax into two components, a "state share tax" and a "local community stabilization share tax," and established the Local Community Stabilization Authority (the "LCSA") to levy and administer distribution of the local community stabilization share. The Michigan Department of Treasury collects the local community stabilization share tax on behalf of the LCSA. The local community stabilization share tax revenues are not subject to the annual appropriations process and are provided to the LCSA for distribution pursuant to a statutory formula. The County has received full reimbursement of PPT losses for FY 2017 through FY 2023 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 2024 – FY 2026 assumes reimbursement of $4.00 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 2023, after the Headlee reduction, is 3.9686 mills. See "Tax Rate Limitation" herein.

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

| As of September 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating | 3.9686 | 3.9686 | 4.0132 | 4.0200 | 4.0400 | 4.0400 | 4.0400 | 4.0400 | 4.0900 | 4.1900 |
| Parks & Recreation | 0.3431 | 0.3470 | 0.3500 | 0.2329 | 0.2349 | 0.2368 | 0.2392 | 0.2410 | 0.2415 | 0.2415 |
| Transit | 0.9500 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Huron Clinton Authority | 0.2070 | 0.2089 | 0.2104 | 0.2117 | 0.2129 | 0.2140 | 0.2146 | 0.2146 | 0.2146 | 0.2146 |
| Zoo Authority | 0.0945 | 0.0956 | 0.0965 | 0.0973 | 0.0982 | 0.0980 | 0.0990 | 0.0998 | 0.1000 | 0.1000 |
| Arts Authority | 0.1945 | 0.1897 | 0.1913 | 0.1929 | 0.1945 | 0.1961 | 0.1981 | 0.1996 | 0.2000 | 0.2000 |
| Total | 5.7577 | 4.8098 | 4.8614 | 4.7548 | 4.7805 | 4.7849 | 4.7909 | 4.7950 | 4.8461 | 4.9461 |

*Source: Oakland County Treasurer*

**Tax Rate Limitation**

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

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

Article IX, Section 6 further provides that by a majority vote of qualified electors of the County, the 15 mill limitation may be increased to a total of not to exceed 18 mills, and the millage of the local units involved shall then be permanently fixed within that greater millage limitation. These limitations may be further increased to an aggregate amount of up to 50 mills for a period of up to 20 years, if approved by a majority vote of the qualified electors of the County.

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

The County voted in 1978 to fix millage rates pursuant to Article IX, Section 6 of the 1963 Michigan Constitution and Act 62 and eliminate the Tax Allocation Board. The fixed rates are as follows (per $1,000 of equalized valuation):

| Unit of Government | Millage Rate |
|---|---|
| Any School District | 9.54 |
| County of Oakland | 5.26 |
| Any Township | 1.41 |
| Oakland County Intermediate School District | 0.25 |
| 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.

*[Remainder of this page intentionally left blank.]*

**County Operating Tax Collection Record**

**Table 12 – Collection Record of County's Tax Levy, 2014 - 2023**

| | | Collected within the Fiscal Year of the Levy | | | Total Collections to Date | | |
|---|---|---|---|---|---|---|---|
| Year of Tax Levy [1] | Fiscal Year | Tax Levy [2] | Amount | Percentage | Collections in Subsequent Years | Amount | Percentage |
| 2023 | 2023 | $287,441,232 | $257,383,809 | 89.54% | 29,638,362 | $287,022,171 | 99.85% |
| 2022 | 2022 | 268,255,998 | 229,561,355 | 85.58 | 38,290,058 | 267,851,414 | 99.85 |
| 2021 | 2021 | 255,643,144 | 221,700,293 | 86.72 | 29,841,904 | 255,252,495 | 99.85 |
| 2020 | 2020 | 246,663,143 | 223,110,366 | 90.45 | 21,514,465 | 244,624,831 | 99.17 |
| 2019 | 2019 | 237,559,852 | 215,492,770 | 90.71 | 21,223,051 | 236,715,821 | 99.64 |
| 2018 | 2018 | 226,289,005 | 201,249,308 | 88.93 | 24,724,355 | 225,973,663 | 99.86 |
| 2017 | 2017 | 216,149,261 | 196,045,294 | 90.70 | 19,952,482 | 215,997,776 | 99.93 |
| 2016 | 2016 | 208,735,308 | 186,750,930 | 89.47 | 21,893,519 | 208,644,449 | 99.96 |
| 2015 | 2015 | 207,429,739 | 186,742,691 | 90.03 | 20,596,594 | 207,339,285 | 99.96 |
| 2014 | 2014 | 204,966,211 | 181,910,042 | 88.75 | 22,977,344 | 204,887,386 | 99.96 |

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

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

*Source: Oakland County Treasurer*

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

**Table 13 – Collection Record of County Wide Tax Levy, 2014 – 2023**

| Year of Tax Levy | Tax Levy* | Collections to March 1 of Each Levy Year Amount** | Percent | Collections Plus Delinquent Tax Funding Percent |
|---|---|---|---|---|
| 2023* | $3,218,346,135 | $3,135,961,150 | 97.44% | 100.00% |
| 2022* | 2,973,715,208 | 2,900,035,216 | 97.52 | 100.00 |
| 2021* | 2,803,399,758 | 2,737,407,807 | 97.65 | 100.00 |
| 2020* | 2,745,535,326 | 2,673,107,911 | 97.36 | 100.00 |
| 2019* | 2,624,523,402 | 2,553,427,283 | 97.29 | 100.00 |
| 2018 | 2,513,293,651 | 2,442,068,195 | 97.17 | 100.00 |
| 2017 | 2,398,951,788 | 2,331,000,581 | 97.17 | 100.00 |
| 2016 | 2,328,096,528 | 2,256,640,187 | 96.93 | 100.00 |
| 2015 | 2,286,212,705 | 2,212,322,514 | 96.77 | 100.00 |
| 2014 | 2,217,628,392 | 2,140,231,078 | 96.51 | 100.00 |

* 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 |
|---|---|---|
| 2023 | $76,131,299.40 | $6,302,522.19 |
| 2022 | 67,845,940.18 | 5,718,886.35 |
| 2021 | 61,282,304.06 | 4,539,534.34 |
| 2020 | 66,860,487.96 | 5,337,123.56 |
| 2019 | 66,197,750.10 | 4,898,368.56 |
| 2018 | 66,133,316.14 | 4,970,962.04 |
| 2017 | 63,093,751.40 | 4,699,079.29 |
| 2016 | 66,517,083.17 | 4,813,003.09 |
| 2015 | 68,796,395.48 | 4,791,215.74 |
| 2014 | 72,532,013.95 | 4,669,385.41 |

*Source: Oakland County Treasurer*

**Revenues from the State of Michigan**

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

The State's ability to make revenue sharing payments to the County in the amounts and at the times specified in the Revenue Sharing Act is subject to the State's overall financial condition and its ability to finance any temporary cash flow deficiencies. Act 357, Public Acts of Michigan, 2004 ("Act 357") amended the General Property Tax Act to temporarily eliminate statutory revenue sharing payments to counties by creating a reserve fund, against which counties could draw in lieu of annual revenue sharing payments, paid for by the permanent advancement of the counties' property tax levy from December to July each year, beginning in 2005. Under Act 357, a county would resume receiving state revenue sharing payments in the first year in which the County's property tax revenue reserve was less than the amount the County would have otherwise received in state revenue sharing payments. The County resumed receiving the revenue sharing payments in 2015.

Under the fiscal year 2024 budget, signed into law on July 31, 2023, 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 2024, $261.1 million has been appropriated for revenue sharing distributions to counties, resulting in approximately 6.2% increase from the fiscal year 2023 appropriation of $245.8 million, of which $217.5 million will be distributed pursuant to the Revenue Sharing Act and $43.6 million will be distributed through the CIP. The CIP provides eligible counties distributions for complying with "best practices" to increase transparency. The department of treasury shall distribute revenue sharing funds to counties so that each eligible county receives a payment equal to 116.4592% of the amount determined pursuant to the Revenue Sharing Act, less the amount such county is eligible to receive under the CIP plus an additional 1.0% upon certification that all ARPA funds have been fully obligated, expended or declined, and plus an additional 2.0% for funding local public safety initiatives. However, each eligible county that is determined to have a retirement pension benefit system in underfunded status under section 5 of Act 202, Public Acts of Michigan, 2017, must allocate the excess of the sum of the amount it receives in 2022 county revenue sharing and county incentive program payments over the sum of the amount it received in county revenue sharing and county incentive program payments in fiscal year 2020 to its unfunded pension liability. Eligible counties are those that would be eligible to resume receiving state revenue sharing payments under Act 357.

Under the fiscal year 2023 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. Any portion of the CIP that the County would be eligible to receive would be subject to certain benchmarks that the County would need to meet, and 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 2023 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, 2019, through September 30, 2023, and the estimated revenue sharing payments for the County's fiscal year ending September 30, 2024.

**Table 15 – Revenue Sharing from the State of Michigan**

| County of Oakland Fiscal Year End September 30th | Revenue Sharing Payments |
|---|---|
| 2024 | $31,349,135* |
| 2023 | 29,577,022 |
| 2022 | 27,902,012 |
| 2021 | 27,357,386 |
| 2020 | 20,953,995** |
| 2019 | 26,808,155 |

Source: https://www.michigan.gov/treasury/local/share/county-revshare

*Projected – State of Michigan Executive Recommendation: https://www.michigan.gov/treasury/-/media/Project/Websites/treasury/Uncategorized/2024/CRS/FY-2024-Projected-County-Payment-BiMonthly-Amounts---10-31-23.pdf?rev=16de7ac52f1041138a53a60aa16ff9f9&hash=135CC173453CA9206D96009686EF7F58

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

*[Remainder of this page intentionally left blank.]*

**County Labor Contracts**

As of February 21, 2024, Oakland County has 3,716 full-time eligible positions of which 2,281 are represented by 11 certified bargaining units.

There are no current labor problems that might have a material effect upon Oakland County. Oakland County adopted Miscellaneous Resolution #19383 on December 12, 2019, that established a Neutrality and Card Check Recognition Policy.

**Table 16 – Oakland County Employees Represented by Bargaining Unit**

| County Employee Group | Number of Positions | Contract Expiration Date |
|---|---|---|
| OCDSA (Deputies & Corrections) | 807 | 9/30/2026 |
| OCCOA (Command Officers) | 129 | 9/30/2025 |
| MAPE | 120 | 9/30/2025 |
| MAPE Supervisory | 16 | 9/30/2025 |
| AFSCME | 77 | 9/30/2025 |
| TPOAM (Prosecutor Investigators) | 12 | 9/30/2024 |
| IBEW | 351 | 9/30/2025 |
| MNA | 68 | 9/30/2025 |
| IUOE | 6 | 9/30/2025 |
| UAW Supervisory | 171 | 9/30/2024 |
| UAW Non-Supervisory | 524 | 9/30/2024 |
| | 2,281 | |

*Source: Oakland County Human Resources Department as of 02/21/2024.*

**Pensions**

The September 30, 2023, fiscal year end reported net pension asset was determined using a measure of the total pension liability and the pension net position as of the September 30, 2023, measurement date. The September 30, 2023, total pension liability was determined by an actuarial valuation performed as of September 30, 2023. The plan's fiduciary net position represents 90.2% of the total pension liability.

The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2023. Additional information can be found on the County's website at: https://www.oakgov.com/government/investor-relations

*[Remainder of this page is intentionally left blank]*

**Table 17 – Oakland County Employees Retirement System**

| | General Union | Command Officers | Road Deputies | Corrections Deputies | Total |
|---|---|---|---|---|---|
| A. Accrued Liability | | | | | |
| 1. For retirees and beneficiaries | $487,043,568 | $51,743,581 | $69,618,185 | $62,259,137 | $670,664,471 |
| 2. For vested /terminated members | 3,880,866 | - | 712,785 | 313,466 | 4,907,117 |
| 3. For present active members | | | | | |
| a. Value of expected future benefit payments | 27,028,650 | 1,187,414 | 2,418,234 | 648,654 | 31,282,952 |
| b. Value of future normal costs | 1,556,869 | 10,546 | 65,046 | 24,165 | 1,656,626 |
| c. Active member liability: (a) – (b) | 25,471,781 | 1,176,868 | 2,353,188 | 624,489 | 29,626,326 |
| 4. Total | 516,396,215 | 52,920,449 | 72,684,158 | 63,197,092 | 705,197,914 |
| B. Valuation Assets | 501,694,597 | 51,257,388 | 69,179,741 | 61,345,624 | 683,477,350 |
| C. Unfunded Accrued Liability: (A.4) – (B) | $14,701,618 | $1,663,061 | $3,504,417 | $1,851,468 | $21,720,564 |
| D. Funding Ratio: (B) / (A.4) | | | | | 96.90% |

**Other Post-Employment Benefits ("OPEB")**

The September 30, 2023, fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the September 30, 2023, measurement date. The September 30, 2023, total OPEB liability was determined by an actuarial valuation performed as of September 30, 2023. The plan's fiduciary net position represents 141.5 percent of the total OPEB liability. The following data is taken from the latest actuarial report prepared by Gabriel, Roeder, Smith & Company as of September 30, 2023. Additional information can be found on the County's website at: https://www.oakgov.com/government/investor-relations

**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 | $459,130,682 | $41,764,594 | $70,031,151 | $53,376,593 | $624,303,020 |
| 2. For vested and terminated members | 45,040,813 | 1,471,466 | 4,645,144 | 3,311,723 | 54,469,146 |
| 3. For present active members | | | | | |
| a. Value of expected future benefit payments | 214,879,831 | 41,878,659 | 68,280,527 | 43,917,707 | 368,956,724 |
| b. Value of future normal costs | 31,938,308 | 6,123,673 | 11,704,315 | 7,202,275 | 56,968,571 |
| c. Active member liability: (a) – (b) | 182,941,523 | 35,754,986 | 56,576,212 | 36,715,432 | 311,988,153 |
| 4. Total | 687,113,018 | 78,991,046 | 131,252,507 | 93,403,748 | 990,760,319 |
| B. Valuation Assets | 1,086,508,836 | 93,543,748 | 192,690,395 | 144,286,555 | 1,517,029,534 |
| C. Unfunded Accrued Liability: (A.4) – (B) | $(399,395,818) | $(14,552,702) | $(61,437,888) | $(50,882,807) | $(526,269,215) |

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

**Table 19 –Oakland County Net Direct Debt as of June 13, 2024 – Unaudited**
**Including the Bonds described herein**

| | Gross | Self-Supporting or Portion Paid Directly by Benefited Municipalities[1] | Net |
|---|---|---|---|
| **Limited Tax** | | | |
| Building Authority | $ 29,860,000 | $ - | $ 29,860,000 |
| Retirees Health Care | 96,635,000 | - | 96,635,000 |
| Sewer Disposal | 19,815,000 | 19,815,000 | - |
| Water Supply | 5,515,800 | 5,515,800 | - |
| Water & Sewage Refunding | 9,845,000 | 9,845,000 | - |
| MFA Sewage Disposal | 40,388,673 | 40,388,673 | - |
| **Total Limited Tax** | 202,059,473 | 75,564,473 | 126,495,000 |
| | | | |
| **Drain Districts** | | | |
| Drain | 65,643,740 | 65,212,233 | 431,507 |
| Drain Refunding | 34,625,000 | 34,197,580 | 427,420 |
| MFA Drain[2],[3] | 258,989,556 | 258,907,172 | 82,385 |
| **Total Drain Districts** | 359,258,296 | 358,316,984 | 941,312 |
| **Total Limited Tax and Drain Districts** | $561,317,769 | $433,881,457 | $127,436,312 |

*Source: Oakland County Treasurer*

---

[1] "Self-Supporting or Portion Paid Directly by Benefited Municipalities" includes bond issues that are first paid from sources other than County funds. This includes bonds issued for water, sewer, drain, and lake level projects in the County on behalf or for the benefit of other municipalities or properties within the County. Payment sources include, but are not limited to, contracted payments under Act 342 of 1939 (including bonds issued as capital improvement bonds under Act 34 of 2001, if Act 342 contracted revenue pays the debt service), special drain assessments under Act 40 of 1956, or other special assessments against properties in the County. The County has pledged its full faith and credit to the repayment of these bonds. In the event the anticipated revenues are not sufficient to pay the debt service, the County is ultimately responsible for the debt service payments.

[2] Includes $108,963,000 for the Evergreen Farmington Sanitary Drain Drainage District issued to the State of Michigan's Clean Water State Revolving Fund ("CWSRF") on January 20, 2023. As of May 16, 2024, approximately $48,564,939 of the $108,963,000 has been drawn from the CWSRF.

[3]Includes $40,986,000 for the Clinton River Water Resource Recovery Facility Drainage District issued to the State of Michigan's Clean Water State Revolving Fund ("CWSRF") on September 20, 2023. As of May 16, 2024, approximately $281,987 of the $40,986,000 has been drawn from the CWSRF.

**Table 20 – Oakland County Overlapping Debt as of June 13, 2024 – Unaudited**
**Including the Bonds described herein**

| | |
|---|---|
| Cities, Villages, and Townships | $1,120,176,191 |
| School Districts | 3,446,423,754 |
| Community College, Intermediate School Districts and Library | 44,245,317 |
| Net County Overlapping Debt | 4,610,845,262 |
| Net County Direct Debt | 127,436,312 |
| Net County Direct and Overlapping Debt | $4,738,281,574 |

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 June 13, 2024 – Unaudited**
**Including the Bonds described herein**

| Fiscal Year | Building Authority | Water Supply | Sewage | Water & Sewage Refunding | MFA Sewer Disposal | Retiree Healthcare** |
|---|---|---|---|---|---|---|
| 2024 | $ 435,000 | $ 110,000 | $ 710,000 | $ 640,000 | $ 2,555,000 | $ - |
| 2025 | 2,950,000 | 161,800 | 1,830,000 | 890,000 | 3,266,500 | 30,750,000 |
| 2026 | 3,000,000 | 161,800 | 1,870,000 | 945,000 | 3,341,900 | 31,885,000 |
| 2027 | 3,100,000 | 171,800 | 1,925,000 | 995,000 | 3,428,027 | 34,000,000 |
| 2028 | 3,290,000 | 151,800 | 1,640,000 | 1,020,000 | 3,415,400 | - |
| 2029 | 3,430,000 | 161,800 | 1,690,000 | 1,080,000 | 3,505,800 | - |
| 2030 | 3,185,000 | 166,800 | 1,275,000 | 1,135,000 | 3,586,200 | |
| 2031 | 2,905,000 | 125,000 | 1,315,000 | 1,170,000 | 3,671,135 | |
| 2032 | 2,675,000 | 130,000 | 1,360,000 | 915,000 | 3,090,705 | |
| 2033+ | 4,890,000 | 4,175,000 | 6,200,000 | 1,055,000 | 10,528,006 | |
| Total | $29,860,000 | $5,515,800 | $19,815,000 | $9,845,000 | $40,388,673 | $96,635,000 |

** All of the outstanding $96,635,000 Retiree Healthcare Bonds are federally taxable.
*Source: Oakland County Treasurer*

*[Remainder of this page intentionally left blank.]*

**Table 22 – Oakland County Schedule of Drain Bond Maturities**
**County Limited Tax General Obligation – Drain Districts**
**Principal Only as of June 13, 2024 – Unaudited**

| Fiscal Year | Drain | Drain Refunding* | MFA Drain |
|---|---|---|---|
| 2024 | $ 2,145,000 | $ - | $ 7,180,000 |
| 2025 | 2,914,843 | 3,785,000 | 9,993,500 |
| 2026 | 3,514,843 | 3,430,000 | 9,712,246 |
| 2027 | 3,514,843 | 3,510,000 | 16,081,700 |
| 2028 | 3,464,843 | 3,600,000 | 16,424,600 |
| 2029 | 3,634,843 | 3,690,000 | 16,664,200 |
| 2030 | 3,804,843 | 3,765,000 | 16,548,800 |
| 2031 | 3,919,841 | 3,275,000 | 16,899,510 |
| 2032 | 4,074,841 | 3,130,000 | 15,335,000 |
| 2033+ | 34,655,000 | 6,440,000 | 134,150,000 |
| Total | $65,643,740 | $34,625,000 | $258,989,556 |

*Includes $32,825,000 of federally taxable bonds.

*Source: Oakland County Treasurer*

**Table 23 – Oakland County Schedule of Principal and Interest Requirements***
**as of June 13, 2024 – Unaudited**
**Including the Bonds described herein**

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2024-2028 | $208,766,431 | $42,420,073 | $251,186,504 |
| 2029-2033 | 150,129,320 | 22,435,700 | 172,565,020 |
| 2034-2038 | 84,359,944 | 6,556,784 | 90,916,728 |
| 2039+ | 16,611,625 | 1,898,977 | 18,510,602 |
| Total | $459,867,319 | $73,311,533 | $533,178,852 |

*Does not include the undrawn balances of principal and interest for bonds issued to the State of Michigan's Clean Water State Revolving Fund ("CWSRF") or Drinking Water State Revolving Fund ("DWSRF").

*Source: Oakland County Treasurer*

**Table 24 – Legal Debt Margin as of June 13, 2024 – Unaudited**
**Including the Bonds described herein**

| | |
|---|---|
| 2024 State Equalized Value (SEV) | $106,649,985,614 |
| Statutory Limit - 10% of 2024 SEV | 10,664,998,561 |
| | |
| Total Bonded Debt Outstanding | 561,317,769 |
| Available Statutory Debt Limit | $10,103,680,792 |

*Source: Oakland County Treasurer*

**Debt-History**

The County of Oakland has no record of default.

**Short-Term Financing**

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

**Table 25 – History of Oakland County Delinquent Tax Anticipation Notes as of June 13, 2024 – Unaudited**

| Year Issued | Notes Issued | Amount Outstanding |
|---|---|---|
| 2023 | - | - |
| 2022 | - | - |
| 2021 | - | - |
| 2020 | - | - |
| 2019 | - | - |
| 2018 | 25,000,000 | - |
| 2017 | 25,000,000 | - |
| 2016 | 25,000,000 | - |
| 2015 | 25,000,000 | - |
| 2014 | 25,000,000 | - |

*Source: Oakland County Treasurer*

**Lease Obligations**

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

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

**Future Financing**

The County Water Resources Commissioner's Office received financing from the State's Clean Water State Revolving Fund and Drinking Water State Revolving Fund Programs for multiple projects, totaling approximately $76,500,000 in Fiscal Year 2024. Local municipalities within Oakland County will be apportioned or contractually responsible for 100% of each bond issue, and the County expects some communities to prepay some or all of their apportionment. The actual amount bonded will depend on the final project cost and the amount of local municipality prepayments. It is anticipated that Oakland County will pledge its full faith and credit as additional security to the bond issues described in this paragraph.

The County Water Resources Commissioner's office plans to finance a portion of multiple projects for several water and sewer systems within the County. Financing projects may include the City of Pontiac Water and/or Sewage Disposal System (est. $4,800,000), Huron Rouge Sewer Disposal System (est. $18,750,000), Clinton Oakland Sewer Disposal System (est. $100,000,000), Oakland Township Crossings Water Storage (est. $15,000,000), Oakland Macomb Interceptor Drainage District ("OMID") (Oakland County local municipalities are apportioned 33.1% of est. $14,000,000), and other potential projects within the County. Local municipalities or water/sewer ratepayers within Oakland County have been apportioned or are contractually responsible for 100% of each bond issue (33.1% of

OMID). It is anticipated that Oakland County will pledge its full faith and credit as additional security to the bond issues described in this paragraph.

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

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

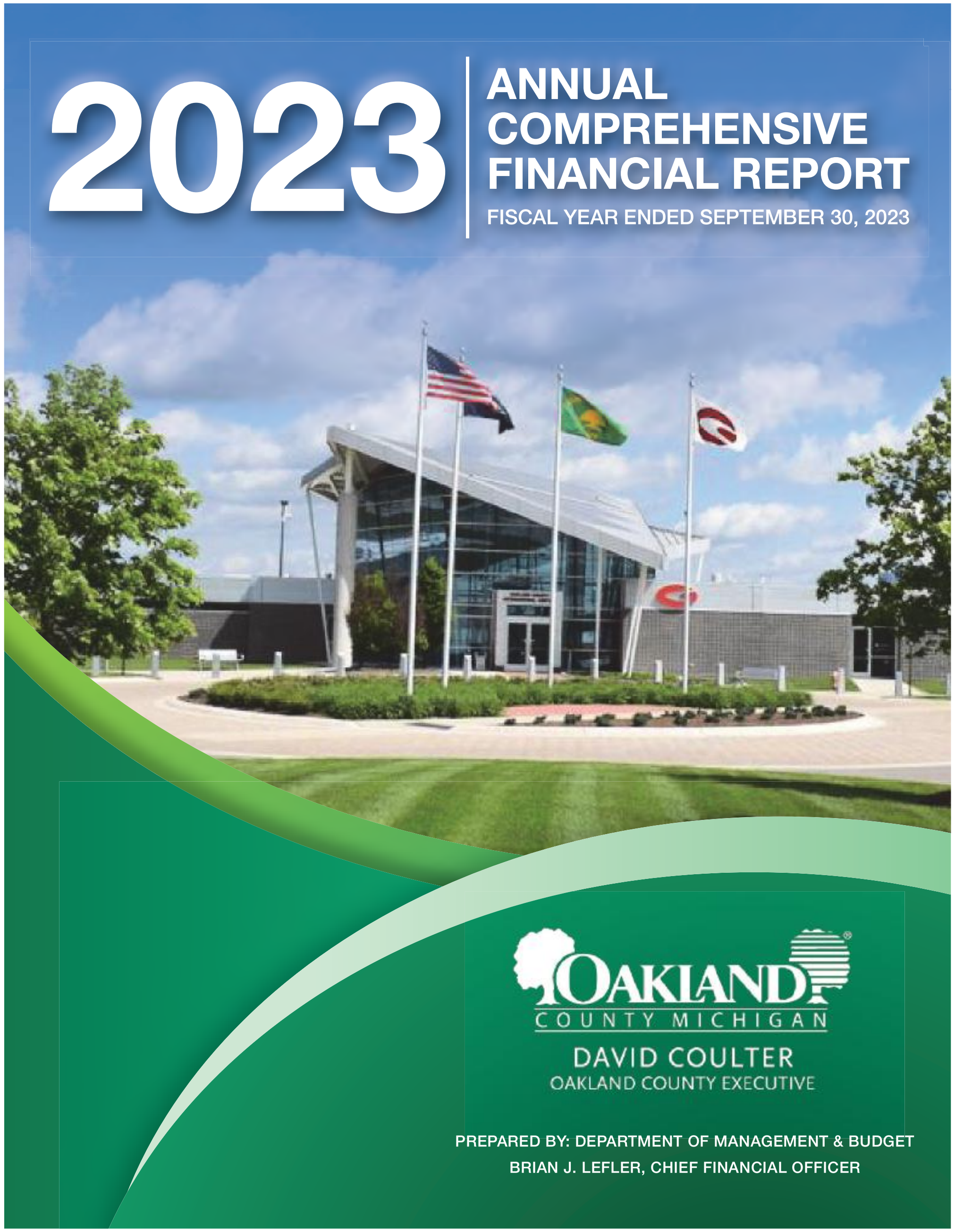
## APPENDIX B

## County of Oakland

## Annual Comprehensive Financial Report

## Fiscal Year Ended September 30, 2023

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.


2023
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023
OAKLAND
COUNTY MICHIGAN
DAVID COULTER
OAKLAND COUNTY EXECUTIVE
PREPARED BY: DEPARTMENT OF MANAGEMENT & BUDGET
BRIAN J. LEFLER, CHIEF FINANCIAL OFFICER



Contents

Contents (Continued)



Oakland County, Michigan

Contents (Continued)

**Brian J. Lefler, Chief Financial Officer**
**Department of Management and Budget**
(248) 452-8653 • leflerb@oakgov.com

March 25, 2024

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

State law requires that all general-purpose local governments publish, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of Oakland County, Michigan for the fiscal year ended September 30, 2023.

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

Oakland County's financial statements have been audited by Plante Moran, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Oakland County for the fiscal year ended September 30, 2023 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, 2023 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 dated as of September 30, 2023.

The Fiscal Year 2023 ACFR includes a Statement of Net Position and a Statement of Activities, which provides readers with the financial position of Oakland County, viewed as a single entity. In addition, the report provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). Oakland County's MD&A, which provides a detailed discussion of the County's fiscal year 2023 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. The County has a population of 1,266,971 (2023 U.S. Census estimate) and the County seat is located in the City of Pontiac. Oakland County is home to a mix of urban and rural communities, encompassing 62 cities, villages, and townships, including 32 downtown areas and many scenic natural settings. The County ranks tenth ($10^{th}$) in the nation among counties with populations between 900,000 and 1,600,000 based on five key economic measures as cited in a May 2023 report by University of Michigan economists. Oakland County enjoys a world class reputation due to its renowned business environment and a range of 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 public health, treatment and care of youth under court jurisdiction, emergency management/homeland security; community and economic development and planning, community corrections; airports; and a wide range of other services, such as Michigan State University Cooperative Extension, animal control, workforce development, veterans' services, and senior programs. All of these activities are supported by human resources, fiscal services, information technology, and other central administrative services.

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

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

In 2023, the Board of Commissioners is comprised of 19 members elected to two-year terms by their respective districts and serves as the legislative body responsible for establishing policy and appropriating funds. Beginning with the 2024 election, commissioners will be elected for four-year terms, concurrent with the countywide elected offices.

*Component Units*

A three-member Road Commission, established under Michigan Public Act 283 of 1909 and appointed by the County's Board of Commissioners, is responsible for more than 2,700 miles of roads. Its budget of approximately $193.1 million is funded principally by State-collected vehicle fuel and registration taxes under Public Act 51 of 1951. Other sources of funds are provided by federal, state, and local governments as well as proceeds from the sale of bonds. The Road Commission is not subject to the Board of Commissioners' appropriation process and, therefore, is reflected as a discretely presented component unit in the County's ACFR, as required by the Governmental Accounting Standards Board (GASB) Statement Number 14, *The Financial Reporting Entity,* as amended by Statement Number 39, *Determining Whether Certain Organizations are Component Units*, Statement Number 61, *The Financial Reporting Entity: Omnibus,* and Statement Number 80, *Blending Requirements for Certain Component Units*.

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

A ten-member commission, appointed by the Board of Commissioners, is responsible for Parks and Recreation, which acquires and develops County parks. Currently, Parks and Recreation maintains and operates 14 parks that provide camping, golf, swimming, an off-road vehicle park, and a variety of other recreational activities, as well as a local Farmers Market. Parks and Recreation is supported, in part, by a separately voted tax levy, subject to annual tax limitation adjustments pursuant to the Michigan constitution (tax year 2023 rate was 0.3431 mills). Parks and Recreation's activity is blended into the County's ACFR due to the specific agency relationship established by State statute, as required by GASB Statements Number 14, Number 39, Number 61, and Number 80.

*County Budget*

Oakland County maintains a focus on long-term financial planning. The County operates under a three-



year rolling budget, which allows for continuous planning. 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 (Public Act 621 of 1978 as amended by Public Act 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 (salaries, overtime, and fringe benefits), Operating Expenditures (contractual services and commodities), and Internal Support Expenditures (Internal Service charges for information technology, building space, motor pool, 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 can only be adopted through action of the Board of Commissioners, upon recommendation of the County Executive.

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

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

**Economic Condition of Oakland County**

Oakland County is recognized as one of the most prosperous counties in the nation. In their May 2023 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes reported that Oakland County ranks tenth overall when compared to other counties in the United States with populations between 900,000 and 1.6 million. Oakland County maintained its overall top ten ranking when analyzing the following factors: education (associate degree or higher), child poverty, median income, professional occupations, and high-income senior population.

While the COVID-19 pandemic certainly had an impact on Oakland County's economy, including its small businesses and workforce, the overall economic diversity, and solid fundamentals continue to position the County well for an economic recovery. This is attributed to Oakland County's educated workforce, high level of managerial and professional jobs, and the attractive standard of living with a solid foundation for economic prosperity in the future. In 2020, Oakland County received direct

Coronavirus Aid, Relief, and Economic Security (CARES) Act funding of approximately $219.4 million. And in 2021 and 2023, the County received a total of $244.3 million in funding from American Rescue Plan ACT (ARPA) Coronavirus Local Fiscal Recovery Fund. This funding has aided in Oakland County's economic recovery and allows for longer-term investments to further strengthen the future well-being of the County's residents. According to the April 2023 report from the University of Michigan, Oakland County experienced a strong rebound from the COVID-19-driven recession of 2020. See more on the pandemic funding in the Major Initiatives section of this transmittal letter.

Oakland County's 2022 per capita personal income (PCPI) of $84,850 was the highest among Michigan's 83 counties according to the U.S. Bureau of Economic Analysis' (BEA) most recent published data. The 2022 PCPI reflects an increase of 3.7 percent from 2021. Oakland County's per capita income also compares favorably to the national average ($65,470) and the state average ($57,038).

The 2023 market value of property in Oakland County is approximately $195.4 billion, an increase of approximately $15.9 billion from 2022 to 2023 (8.9%). The Taxable Value (TV), which is the calculation on which property tax revenue is based, increased 7.5%. This is the eleventh consecutive year of increase in property value. The budget assumptions referenced in the FY 2024 – FY 2026 adopted budget document includes an estimated 6.6% increase in taxable value as of December 31, 2023 (FY 2024 revenue); a 4.6% increase in taxable value as of December 31, 2024 (FY 2025 revenue); and an additional 4.2% increase in taxable value as of December 31, 2025 (FY 2026 revenue).

Oakland County's collective property values remain the highest of all 83 counties in Michigan and represents 16.8% of the state's total value (as compared to Oakland County's population representing approximately 12.6% of Michigan's total). The majority of Oakland County's taxable value is within the residential class of property, which is approximately 75.0% of the total property tax base. The average residential sale price of a home in Oakland County increased from $348,988 in 2021 to $365,237 in 2022 (affecting 2023 property tax assessment amounts), a 4.7% increase.

The average 2023 property tax rate is $41.55 per thousand dollars of taxable value. The average property tax rate is distributed to the following taxing authorities:

| | |
|---|---|
| Cities, Villages, Townships | 31.3% |
| Local School Districts | 29.4% |
| State Education Tax | 14.4% |
| County Operating | 9.6% |
| Intermediate School District | 7.5% |
| Community College | 3.5% |
| Parks & Recreation/Zoo/Art/Huron Clinton | 4.3% |
| | 100.00% |

The County's general operating millage rate for the July 1, 2023 tax levy was 3.9686 mills and the FY 2024 budget assumed the same tax rate for the July 1, 2024 tax levy. The County has one of the lowest county tax rates in the State of Michigan.



**Fiscal Policies**

Oakland County has established a number of financial policies to ensure that the business of the County is conducted in an effective and efficient manner. Some of these policies, such as those related to Debt Administration and Cash Management, affect the daily financial operations and thus the financial statements. The impacts of these policies are demonstrated in the financial statements themselves, as well as the notes accompanying the financial statements; particularly Note #3 (Deposits and Investments) and Note 7 - Long-Term Debt.

Other policies and practices, not as fully explained in the ensuing document, also impact the County's financial position in FY 2023 and thereafter include budgeting and forecasting practices, the capital improvement activities specifically associated with the Delinquent Tax Revolving Fund, and Pension and Other Post-Employment Benefit practices. These practices are summarized below.

*Budgeting and Forecasting*

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

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

A second purpose for maintaining a sizeable fund balance 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 (October 1). Prior to enacting Public Act 357, the County levied property taxes in December, only three months after the beginning of the fiscal year. the General Fund balance allows the County to maintain its cash flow needs, despite the shift to a later levy date. However, the County will continue to monitor its cash flow needs and will take appropriate actions if short-term borrowing is needed to augment General Fund cash balances.

In accordance with Public Act 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 exceeds this requirement by not only reporting the current financial position of the County each quarter, but also providing 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 with the forecast. 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, helping to ensure that no department will overspend its budget at year-end.

The result of these practices is a balanced line-item County budget (adopted by the Board of Commissioners in September 2023) for fiscal years 2024, 2025, and 2026. The County also prepares a high-level five-year forecast that incorporates known revenue and expenditure impacts for the additional two years to further facilitate long-term financial planning.

Over the last several years, the County has worked to balance its annual adopted General Fund budget on a structural basis, rather than relying on expenditure and revenue favorability throughout the year to avoid drawing down fund balance over time. This goal has been achieved with the FY 2024 adopted County budget, which eliminates the planned use of fund balance for ongoing county operations, funding those ongoing operations strictly through the County's annual operating millage and other ongoing revenue sources.

*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. When needed, the County funds the DTRF by borrowing money and issuing revolving fund notes when needed. Payment of the notes is made from the proceeds of delinquent tax collections. State law provides that once the notes are paid in full, any surplus in the fund may be transferred to the County General Fund by appropriate action of the Board of Commissioners. Oakland County's DTRF has consistently provided its local units of government with a stable revenue stream while also generating a surplus. Responsible use of this surplus is the purpose of the Fiscal Responsibility Plan. The Fiscal Responsibility Plan, contained in the annual GAA, provides clear guidance regarding the conditions and functions for which surplus DTRF funds may be used.

The purpose of the DTRF is to regularly pay local taxing units within the County 100% of their respective share of delinquent ad valorem real property taxes prior to the collection of those taxes by the County Treasurer. The policy, therefore, is to maintain a sufficient corpus in the DTRF to meet this primary purpose and only then to prudently utilize any surplus in excess of this baseline amount for other County purposes.

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

The net position of the DTRF as of September 30, 2023, totaled approximately $209.8 million. The



DTRF is well positioned to guarantee timely payments to local units of government and to pay outstanding notes on delinquent taxes. The County has leveraged available unrestricted assets by using the DTRF to cover debt service on certain major Board-approved capital projects that house essential public services. Three major building projects were initiated in the early 2000's for which debt service was covered by the DTRF. The debt for the two of the projects has now been fully paid off, with $1.3 million per year in debt service remaining for the third project. That debt service will be fully paid off after FY 2024 Additionally, in November 2015 the County issued debt of approximately $15.5 million to construct the Oakland County Animal Shelter and Pet Adoption Center. The animal shelter facility was fully operational in late 2017. The General Fund has covered the debt service for the first seven years by transferring $7.0 million in FY 2016 and another $1.7 million in FY 2018 from the General Fund to a separate debt service fund. It is not expected that the DTRF will need to cover the animal control facility debt service until late 2025.

Even using the DTRF to support these capital initiatives, the fund's net position is still more than sufficient to meet all the fund commitments. As a result, the County has used a portion of the DTRF equity (the amount higher than required to meet funding commitments) to support General Fund / General Purpose operations. Historically, prudent stewardship of the Fund has enabled the County to draw annually from the DTRF to support General Fund/General Purpose operations. The five-year forecast anticipates the continuation of annual transfers from the DTRF to support General Fund/General Purpose operations in the amount of $5.0 million annually for FY 2024 through FY 2027.

*Pension and Other Postemployment Benefits*

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

Individuals employed on or before July 1, 1994 had a choice to belong either to the PERS or the OPRS. All eligible individuals employed since July 1, 1994 have been enrolled in the OPRS. Due to the voluntary shifting of 1,126 employees from the PERS to OPRS, and the fact that all newly hired employees participate in the OPRS, the OPRS has substantially reduced County financial risk.

The County has implemented benefit changes that will limit the growth of the cost of Other Post-Employment Benefits (OPEB) in the future. 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 the two bargaining units representing Sheriff's Office personnel). 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 resolution also lowered the longevity requirements for the graduated vesting schedule with the RHS Plan. The previous vesting schedule allowed for a partial benefit (60%) provided after 15 years of service with full benefit provided after 25 years of service. The revised vesting schedule allows for partial vesting after 6 years of employment with employees becoming fully vested in the RHS Plan after 10 years of County service. Once the employee separates employment and receives the vested cash benefit, the County's financial obligations ends.

Employees hired prior to January 1, 2006, qualify for participation in the County's Voluntary Employees' Benefit Association (VEBA). The VEBA is an irrevocable trust fund; assets from this fund can only be used to pay retiree health care cost. Using this vehicle, Oakland County has been able to fully fund 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 was reduced by an average of $13.2 million per year and provides gross cumulative savings of $171.1 million.

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

**Major Initiatives**

As previously noted, the County has received $244.3 million of federal funding from the ARPA Coronavirus Local Fiscal Recovery Fund. As of December 31, 2023, the County has allocated $244.3 million for programs that address acute needs created by the COVID-19 pandemic for the county's residents and businesses, as well as one-time investments intended to transform the County's economic and support services for the County's residents.

Major investments funded through ARPA funds align with the County's strategic goals and include the following:

- $39.9 million to provide additional mental health supports to county residents, support healthier food options, and renovate and construct an integrated health care clinic in Hazel Park.
- $30.0 million to establish a Housing Trust Fund that will support the expansion of affordable



housing options in the County (the trust fund will also receive $2.0 million per year from County funds), improve shelter capacity for individuals experiencing homelessness, provide grants for capital and other improvements at senior centers, and fund other neighborhood initiatives.

- $12.1 million to provide out-of-school learning supports to K-12 students, fund Oakland80 career navigators to connect individuals with education and training opportunities for accessing quality, in-demand jobs, and other initiatives to help build a skilled and educated workforce and achieve the goal of 80 percent of Oakland County residents attaining a post-secondary certification or degree by 2030.
- $30.3 million for projects to expand and improve access to park and recreation opportunities for residents in underserved areas of the county, participate in a project that will eventually bring sewer service in the northwest part of the county to replace aging septic systems, and provide grants to local units of government for planning costs associated with infrastructure projects.
- $33.0 million to provide an additional 3-D printers to Oakland County small manufacturers, providing a needed Industry 4.0 capital infusion and alleviating supply chain issues; stand up a nonprofit organization to connect Oakland County's entrepreneurs and small business owners with the resources they need in order to be successful (Oakland THRIVE); and fund other initiatives designed to boost the county's economy and make it more inclusive.
- $28.8 million to fund County costs created by the COVID-19 pandemic, address County IT needs delayed during the pandemic, and improve remote work and meetings for County employees.

On November 8, 2022, the voters of Oakland County approved a 10-year countywide millage to support and expand public transit services in the county. Levied at 0.95 mills, the millage was estimated to generate $66 million in revenue in the first year. The millage replaces a previous millage that was levied in only a portion of communities within the county. Utilizing this millage revenue, the County has entered into contracts with four transit providers (Suburban Mobility Authority for Regional Transportation [SMART], Older Persons' Commission [OPC], North Oakland Transportation Authority [NOTA], and Western Oakland Transportation [WOTA]) to support continuation of existing transit services and begin initial service expansion, including new SMART service lines to the high-growth areas of Novi and Rochester. A Transit Division has been established in the County's Department of Economic Department to coordinate further service expansion, building toward a countywide transit system.

In addition to the county-level services Oakland County provides, many local communities contract with Oakland County for local services such as road patrol, police and fire dispatch services, real property assessing and personal property appraisals, animal control, information technology services, water and sewer services, and collection of delinquent taxes. The County continues to work to improve these services and ensure they are provided at an appropriate cost to local governments.

The County FY 2024 – FY 2026 budget, adopted by the Board of Commissioners in September 2023, includes a number of key priorities: the addition of state funding to stand up a public defender's office; the creation of an Older Adult Advocate position to coordinate and improve services the County provides to older residents; and the enhancement of funding to implement environmental sustainability and diversity, equity, and inclusion initiatives. As noted previously, the FY 2023 General Fund budget ends the practice of planning to use one-time fund balance to support ongoing County operations.

As noted in the accompanying financial statements, Oakland County's General Fund balance totaled $236.1 million as of September 30, 2023. This level of fund balance equates to 42.4% of budgeted fiscal year 2024 General Fund/General Purpose ongoing expenditures. Of the $236.1 million total equity amount $0.9 million is considered non-spendable, $234.2 million is assigned for various uses, see Note 9 – Fund Balance Constraints, for additional detail.

**Awards and Acknowledgements**

The County continues to earn the highest bond rating achievable from Moody's Ratings (Aaa) and S&P Global Ratings (AAA).

In a credit opinion dated April 26, 2022 Moody's Ratings affirmed Oakland County's 'Aaa' status and stated:

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

In a credit opinion dated April 27, 2022 S&P Global Ratings affirmed Oakland County's 'AAA' status and stated:

> Oakland County's budgetary performance is strong, in our opinion. The adopted budgets for fiscal years 2023 through 2024 show balanced and break-even operating results. Historically the county used to adopt budgets that called for the use of reserves and then, in most years, outperformed the expectations. The current management team worked on improving this budgetary practice by focusing on balanced budgets from the beginning of the budgetary process and not just throughout the year.

Oakland County has retained their 'Aaa/AAA' bond ratings since 1998. Oakland County's 'Aaa/AAA' bond ratings allows the County to borrow at the lowest possible interest rate, saving County taxpayers millions of dollars in future costs.

Since the release of the credit opinions in FY 2022, neither rating agency has performed surveillance of the County. These credit opinions as well as other financial and statistical information is available under "Investor Relations" on the County's website.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Oakland County for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022; this was the 32nd consecutive year Oakland County received this award. In order to be awarded the Certificate of Achievement, Oakland County is required to publish an easily readable and efficiently organized Annual



Comprehensive Financial Report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Furthermore, Oakland County is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). The fiscal year 2022 PAFR award was the County's 26th consecutive citation. The PAFR provides a condensed summary of the County's finances that is intended to be more accessible to county residents who are non-financial experts.

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

Respectfully submitted,

David Coulter
Oakland County Executive

Brian J. Lefler
Chief Financial Officer

Sheryl H. Johnson
Interim Deputy Chief Financial Officer

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Oakland County Michigan**

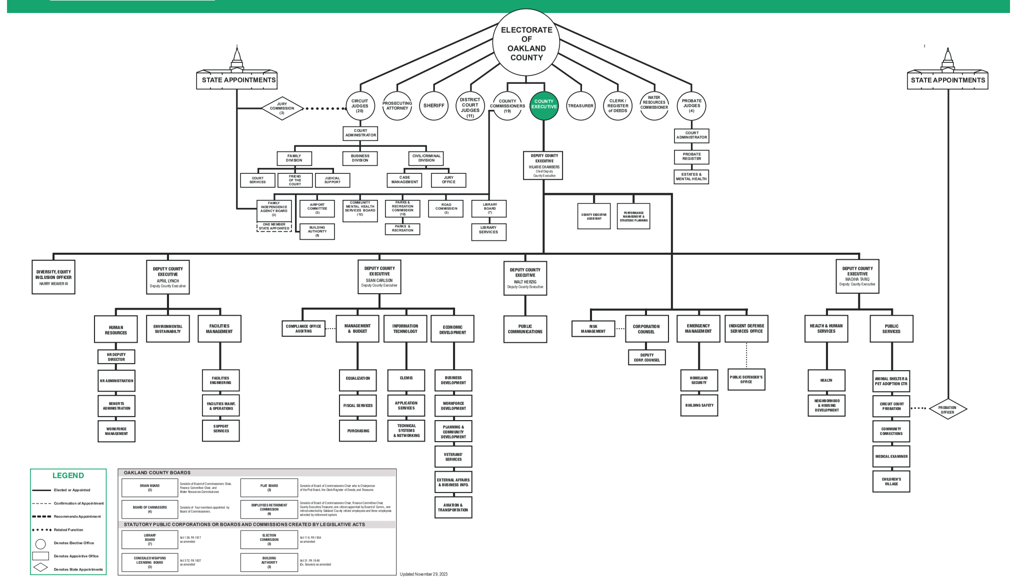
For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

OAKLAND COUNTY GOVERNMENT
**ORGANIZATIONAL CHART**



**COUNTY EXECUTIVE**

David Coulter

**BOARD OF COMMISSIONERS**

Dave Woodward, Chairperson
Marcia Gershenson, Vice-Chairperson

| | | |
|---|---|---|
| Charlie Cavell | Brenden Johnson | William Miller |
| Yolanda S. Charles | Gary R. McGillivray | Dr. Ajay V. Raman |
| Michael J. Gingell | Gwen Markham | Kristen D. Nelson |
| Bob Hoffman | Christine A. Long | Angela Powell |
| Janet Jackson | Penny Luebs | Michael Spisz |
| Karen Joliat | | Philip J. Weipert |

**OTHER ELECTED OFFICIALS**

Clerk/Register of Deeds
Lisa Brown

Treasurer
Robert Wittenberg

Water Resources Commissioner
Jim Nash

Prosecuting Attorney
Karen D. McDonald

Sheriff
Michael J. Bouchard

Chief Circuit Judge
Jeffery S. Matis

Chief Probate Judge
Linda S. Hallmark

Chief District Judge
Joseph G. Fabrizio

**AIRPORT COMMITTEE**

Gwen Markham
Christine A. Long
Penny Luebs
Gary McGillivray
Phillip Weipert
J. David VanderVeen

**BUILDING AUTHORITY**

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

**PARKS AND RECREATION**

Gary R. McGillivray, Chairperson
J. David VanderVeen, Vice-Chairperson
Ebony Bagley, Secretary
Christine A. Long, Executive Committee Member
Chris Ward, Director – Parks and Recreation

| | | |
|---|---|---|
| Yolanda S. Charles | Andrea LaFontaine | Nancy Quarles |
| Amanda Herzog | Jim Nash | E. Lance Stokes |

**ROAD COMMISSION**

Andrea LaLonde, Chairperson
Nancy Quarles, Vice-Chairperson
Eric D. Pherson, Commissioner

**DRAIN BOARD**

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



plante moran

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

## Independent Auditor's Report

To the Board of Commissioners
Oakland County, Michigan

### Report on the Audit of the Financial Statements

***Opinions***

We have audited 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, 2023 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of September 30, 2023 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matters***

As discussed in Note 20 to the financial statements, the 2022 basic financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, during the current year, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Commissioners
Oakland County, Michigan

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary 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.



To the Board of Commissioners
Oakland County, Michigan

***Other Supplementary 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, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section and statistical section, as identified in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the County's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 28, 2024

## 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, 2023. 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 $107.9 million or 6.2 percent during fiscal year 2023, increasing from $1,740.1 million (as restated, see note 20) to $1,848.0 million (excluding component units).
- Governmental activities net position increased by approximately $87.8 million, increasing from $1,003.0 million to $1,090.7 million.
- Business-type activity net position increased $20.1 million from $737.1 million (as restated, see Note 20) to $757.2 million.

**Fund Level:**
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of $310.8 million, an overall increase of $16.4 million from the fiscal year 2022 governmental funds combined ending fund balance.
- The General Fund balance increased by $15.3 million from $220.8 million at the end of fiscal year 2022 to $236.1 million at the end of fiscal year 2023.
- At the close of the fiscal year, the County's proprietary funds reported a combined ending net position of $1,303.1 million, consisting of $757.2 million for the Enterprise Funds (a $20.1 million increase from fiscal year 2022) and $545.9 million for the Internal Service Funds (a $28.2 million increase from fiscal year 2022).

**Capital and Long-term Debt Activities:**
- The County's capital assets experienced a net increase of $28.4 million during fiscal year 2023, which is attributed to a $21.1 million in governmental activities and a net increase of $7.3 million net increase in business type activities.
- The County reported no new general government debt nor business type debt during fiscal year 2023.
- The County's primary government bond and note obligations decreased by $40.2 million during fiscal year 2023, which reflects $8.9 million in payments related to Building Authority debt, $28.6 million in payments related to Retirees Health Care bonds, and $2.7 million in payments and refunding activity related to Water and Sewer debt.
- The County is $9.3 *billion* below its authorized debt limit.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

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

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

The Statement of Activities presents information showing how the County's net position changed during fiscal year 2023. All changes in net position are reported based on the period for which the underlying events occur, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

Both statements report the following activities:

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

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

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

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

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

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

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

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

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

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

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



  International Airport. *Internal Service funds* report activities that provide supplies and a service primarily to the County's other operations, such as the Motor Pool Fund. Internal Service funds are reported as governmental activities on the government-wide statements.

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

**Notes to the Financial Statements**

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

**Required Supplementary Information**

Following the basic financial statements is additional Required Supplementary Information (RSI) which further explains and supports the information in the financial statements. RSI includes a budgetary comparison schedule for the General Fund and pension trend data.

**Other Supplementary Information**

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

**Special Note:**

The fiscal year 2023 Annual Comprehensive Financial Report (ACFR) reflects the implementation of Governmental Accounting Standards Board (GASB) Statement 96, Subscription Based Information Technology Arrangements (SBITA). Additionally, during the fiscal year a resolution was approved moving the Evergreen Farmington Sewage Disposal System (enterprise fund) to the Chapter 20 Evergreen Farmington Sanitary Drainage District (component unit). For details of these prior year adjustments, please see note 20.

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

The government-wide financial analysis focuses on the net position and changes in net position of the County's governmental and business-type activities. As previously stated, Oakland County's overall financial position improved during fiscal year 2023. As reflected on the table below, the County's current year operations increased by $107.9 million. This includes the net position increase of $87.8 million for governmental activities and the net position increase of $20.1 million for business-type activities. Prior year Net Position has been restated, see note 20.

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:

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

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current Assets | $ 826.0 | $ 905.9 | $ 506.6 | $ 496.6 | $ 1,332.6 | $ 1,402.5 |
| Capital Assets | 275.5 | 236.0 | 321.5 | 307.8 | 597.0 | 543.8 |
| Other Long-term Assets | 465.8 | 400.3 | | | 465.8 | 400.3 |
| **Total Assets** | **1,567.3** | **1,542.2** | **828.1** | **804.4** | **2,395.4** | **2,346.6** |
| Deferred Outflows related to Pension | - | - | - | - | - | - |
| Deferred Outflows related to OPEB | 157.4 | 245.6 | - | - | 157.4 | 245.6 |
| **Deferred Outflows of Resources** | **157.4** | **245.6** | - | - | **157.4** | **245.6** |
| Current Liabilities | 268.6 | 336.8 | 35.0 | 30.5 | 303.6 | 367.3 |
| Long Term Liabilities | 342.7 | 400.5 | 34.5 | 35.2 | 377.2 | 435.7 |
| **Total Liabilities** | **611.3** | **737.3** | **69.5** | **65.7** | **680.8** | **803.0** |
| **Deferred Inflows of Resources** | | | | | | |
| Deferrred Inflows related to Pension | - | - | - | - | - | - |
| Deferred Inflows related to OPEB | 22.7 | 47.6 | - | - | 22.7 | 47.6 |
| Deferred Inflows from leases | | | **1.4** | **1.6** | 1.4 | 1.6 |
| **Total Deferred Inflows of Resources** | **22.7** | **47.6** | **1.4** | **1.6** | **24.1** | **49.2** |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 239.4 | 208.4 | 287.0 | 273.8 | 526.4 | 482.2 |
| Restricted | 442.8 | 54.7 | 105.4 | 107.2 | 548.2 | 161.9 |
| Unrestricted | 408.5 | 739.9 | 364.8 | 356.2 | 773.3 | 1,096.1 |
| **Total Net Position** | **$ 1,090.7** | **$ 1,003.0** | **$ 757.2** | **$ 737.2** | **$ 1,847.9** | **$ 1,740.2** |

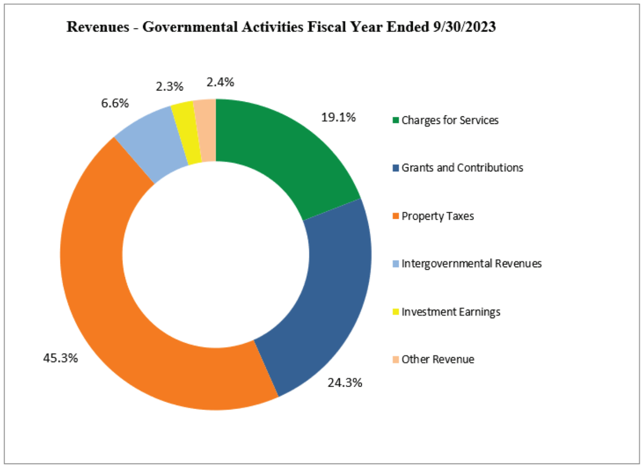


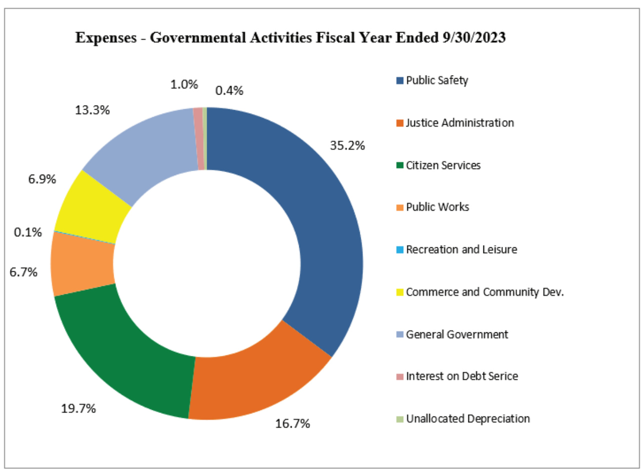
**Changes in Oakland County's Net Position**
*(in millions of dollars)*

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Revenues** | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | $ 147.5 | $ 159.0 | $ 270.6 | $ 259.0 | $ 418.1 | $ 418.0 |
| Grants and Contributions | | | | 0.0 | | |
| Operating | 186.5 | 121.5 | 1.0 | 1.0 | 187.5 | 122.4 |
| Capital | 3.3 | - | 0.3 | 0.3 | 3.6 | 0.3 |
| General Revenues | | | | 0 | | |
| Property Taxes | 353.0 | 272.2 | 23.2 | 22.1 | 376.2 | 294.3 |
| Intergovernmental Revenue | 51.8 | 45.8 | 0.3 | 0.2 | 52.1 | 46.0 |
| Investment Earnings (loss) | 18.2 | (26.0) | 7.8 | (9.9) | 26.0 | (35.8) |
| Other Revenue | 18.4 | 9.3 | - | - | 18.4 | 9.3 |
| Gain on Sale of Assets | 0.8 | 4.5 | - | - | 0.8 | 4.5 |
| **Total Revenues** | 779.5 | 586.3 | 303.2 | 272.7 | 1,082.7 | 859.1 |
| **Expenses** | | | | | | |
| Public Safety | 246.5 | 213.3 | 17.2 | 16.7 | 263.7 | 230.0 |
| Justice Administration | 116.4 | 103.7 | - | - | 116.4 | 103.7 |
| Citizen Services | 137.7 | 116.8 | 7.6 | 7.3 | 145.3 | 124.1 |
| Public Works | 46.5 | 44.1 | 217.5 | 198.2 | 264.0 | 242.3 |
| Recreation and Leisure | 0.7 | 0.8 | 32.9 | 28.3 | 33.6 | 29.1 |
| Commerce and Community Dev. | 47.9 | 47.1 | - | - | 47.9 | 47.1 |
| General Government | 92.8 | 70.1 | 0.9 | 0.9 | 93.7 | 71.0 |
| Interest on Debt Service | 7.3 | 2.0 | - | - | 7.3 | 2.0 |
| Unallocated Depreciation | 3.0 | 3.3 | - | - | 3.0 | 3.3 |
| **Total Expenses** | 698.8 | 601.2 | 276.1 | 251.4 | 974.9 | 852.6 |
| Revenues (Under) Over Expenditures | 80.7 | (14.9) | 27.1 | 21.3 | 107.8 | 6.5 |
| Special Item - Transfer of Water System | - | - | - | - | - | - |
| Transfers - On-going | 7.1 | 8.7 | (7.1) | (8.7) | - | |
| **Increase (Decrease) in Net Position** | 87.8 | (6.1) | 20.0 | 12.6 | 107.8 | 6.5 |
| | | | | - | | |
| Net Position-Beginning - as restated (Note 20) | 1,002.9 | 1,009.1 | 737.2 | 724.6 | 1,740.1 | 1,733.7 |
| Net Position - Ending | $ 1,090.7 | $ 1,003.0 | $ 757.2 | $ 737.2 | $ 1,847.9 | $ 1,740.2 |

## Governmental Activities

The following charts depict revenue and expenses of the governmental activities for the Fiscal Year:






In total, fiscal year 2023 governmental activity revenue increased by $193.2 million (33 percent) from fiscal year 2022 primarily reflecting increased federal and state funding that had been previously provided to support COVID-19 pandemic response programs and the Transit millage implementation in 2023.

Property taxes generated $353.0 million in revenue, remaining the largest source of support for governmental activities, comprising 45.3 percent of all governmental activity revenue. Governmental activities have decreased their dependency on property taxes; the fiscal year 2023 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 $80.8 million from the amount realized during fiscal year 2022. This overall increase is primarily due to implementation of the Transit millage and increasing property taxable values over the past year. The County's operating millage rate of 3.9686 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.

For FY 2023, the second largest source of support for governmental activities is the $189.8 million received in operating and capital grants contributions, which is 24.4 percent of the total revenue for governmental activities. This amount represents a $68.4 million increase (56.3 percent) from fiscal year 2022. The increase is primarily the result of American Rescue COVID Relief funding from federal and state funding agencies.

Charges for services, which reflects revenue generated by county operations charging specific benefiting parties for services performed, as well as recognition of other revenues generated by specific programs, is the third largest source of governmental activity revenue, generating $147.5 million or 18.9 percent of the total. The decrease in revenue is largely due to the Register of Deeds and decreases in the housing transfer related activities. There are a wide variety of activities charged under this category including service rendered to individuals, such as fees for marriage licenses, passports, and access to county records; as well as services rendered to other governmental units including contracted law enforcement and dispatch services, real and personal property assessing services, and the housing of state wards in the County's juvenile facility.

Oakland County governmental activities also recorded $51.8 million in intergovernmental revenue during fiscal year 2023, a $6.0 million increase from the $45.8 million received in fiscal year 2022. Intergovernmental revenue is "shared" revenue by the state and federal government and is not tied to contractual obligations such as grant agreements. However, in the case of the convention facility liquor tax revenue, forty percent 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 a $18.2 million in investment income during fiscal year 2023; The increase is due to increased investment earnings and market value adjustments in comparison to the previous year.

Governmental activity fiscal year expenses increased $97.6 million from the fiscal year 2022 expense level, a 16.2 percent increase from the previous fiscal year. The increase was primarily attributed to spending ARPA dollars on strategic programing and new Transit Fund dollars being spent on regional transportation needs.

Public Safety is the largest expense category for governmental activity, expensing $246.5 million of the $698.8 million total governmental activities amount (35.3 percent). Public Safety, which encompasses law enforcement, crime prevention, incarceration, emergency management, and technical support, experienced a $33.2 million increase (15.6 percent) in comparison to the previous fiscal year. The primary reason for the increase is due to changes in union contract terms for law enforcement. Also included in the law enforcement expenses for the year would have been the response to the Oxford High School shooting in November 2021 and associated costs.

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 second largest expense category with $137.7 million in expenses, or 19.7 percent of the total governmental activities. Expenses increased by $20.9 million from the fiscal year 2022 level.

Justice Administration is the third largest expense category accounting for $116.4 million, or 16.7 percent of the total governmental activity expenses. The Justice Administration activity, which centers on the operations of the 6th Judicial Circuit Court and 52nd District Court, as well as the Prosecuting Attorney and County Clerk functions which support the courts and the Reimbursement Unit of the Fiscal Services Division, experienced a $12.7 million increases (12.3 percent) from the previous fiscal year. This increase reflects personnel costs and costs associated with the Michigan Indigent Defense Commission activity and the creation of a new Public Defender's office.

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expensed $46.5 million in fiscal year 2023, or 6.7 percent of the total governmental activities expenses. This level of expense is a net increase of $2.4 million (5.4 percent) from fiscal year 2022.

Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced $47.9 million in expenses, or 6.9 percent of the total governmental activities. This reflects an increase of $.8 million (1.6 percent) from fiscal year 2022.

The General Government activity, which is comprised of the administration and financial management of County business, expensed $92.8 million in fiscal year 2023, or 13.3 percent of the total governmental activity expenses. The level of expenses in fiscal year 2023 increased by $22.7 million (32.3 percent) from fiscal year 2022 level.

The result of fiscal year 2023 governmental activity was an overall increase of $87.8 million in net position, to $1,090.7 million. Of the total $1,090.7 million in governmental activities' net position, $239.4 million is invested in capital assets; $442.8 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 $408.5 million is reported as unrestricted.

**Business-type Activities:**

Net position in business-type activities is reported at $757.2 million for fiscal year 2023, an increase of $20.0 million (2.7 percent) over the restated amount for fiscal year 2022 due to the reclassification of Evergreen Farmington (see Note 20). Of the total net position, $287.0 million is for the net investment in capital assets, $105.4 million is restricted, and $364.9 million is reported as unrestricted. It is important to note that although reported as unrestricted, many of these assets have been reserved through Board of



Commissioners resolutions to be spent on specific activities.

During fiscal year 2023, business-type activities generated $303.3 in revenue; this is a decrease of $30.4 million (11.2 percent) from the previous fiscal year.

Business-type activity recorded expenses of $276 million, a decrease of $24.6 million from fiscal year 2022 (9.8 percent). This decrease is related to expenses decreasing in Public Works, Public Safety and Recreation and Leisure.

## FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

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

Governmental Funds

Three (3) governmental funds are designated as major funds of the County: The *General Fund, American Rescue Plan (ARP) Local Fiscal Recovery Fund,* and the *Water and Sewer Debt Act 342 Fund.* As the County completed fiscal year 2023, the governmental funds reported *combined* fund balances of $310.8 million with the fund balances of the General Fund, ARP Local Fiscal Recovery Fund, and the Water & Sewer Debt Act 342 representing 76.0 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of $310.8 million represents an increase of $16.4 million from the combined fund balances reported at the end of fiscal year 2022. The overall increase in the combined governmental fund balances includes a $15.3 million increase to the General Fund balance. The Water and Sewer Debt Act 342 remained relatively unchanged. The non-major governmental funds increased by $1.1 million primarily reflected by an increase in Capital Projects.

**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, 2023, the General Fund reported a fund balance of $236.1 million. This amount reflects an increase of $15.3 million (6.9 percent) from the fund balance of $220.8 million reported as of September 30, 2022.

The overall $15.3 million increase in the General Fund balance is a result of General Fund revenues exceeding General Fund expenses by $73.2 million. In addition, the General Fund received $8.2 million transfers from other funds, while transferring $66.1 million to other funds, rendering a net "transfer-out" of $57.9 million.

General Fund revenues were recorded at $526.4 million for fiscal year 2023. This amount is an increase of $85.6 million (19.4 percent) from the $440.8 million received in fiscal year 2022. The increase is due to federal and state funding provided in response to the COVID-19 pandemic as well as the increase in property tax revenues.

General Fund expenditures were $453.2 million, a decrease of $5.1 million from the fiscal year 2022 level (1.0 percent).

The General Fund received $8.2 million in transfers from other funds; this is an increase of $1.7 million (26.2 percent) from the amounts transferred during fiscal year 2022. This increase relates to eligible amounts authorized for transfer from restricted funds and the completion and close out of projects in comparison to the previous year.

The General Fund transferred $66.1 million to other funds during fiscal year 2023. This amount is $5.9 million more (9.8 percent) than the fiscal year 2022 transfers. The increase reflects a transfer to the Pontiac Development Fund for the ongoing downtown Pontiac revitalization project.

Of the total $236.1 million General Fund balance, all but $1.0 million is Assigned for specific purposes or non-spendable. The total fiscal year 2023 General Fund balance of $236.1 million represents 52.1 percent of the fiscal year 2023 General Fund operations. The General Fund balance of $236.1 million represents 76.0 percent of the combined fund balances of the governmental funds.

General Fund Budgetary Highlights
Oakland County's budget is a dynamic document and process. Although the FY 2023 budget was adopted on September 23, 2022 (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 $55.9 million (11.6 percent) during the fiscal year 2023 from $483.6 million to $539.4 million. The increase is to recognize an increase in property tax revenue, increase in federal funding, and additional strategic investment plan mostly for the Pontiac Development Project.

Actual General Fund revenue totaled $526.4 million, $13.0 million less than the amended budget. Intergovernmental Revenue was $4.1 million favorable overall largely due to an increase in state shared revenue.

The General Fund expenditure budget increased $47.5 million (10.7 percent) from $441.5 million to $489.1 million during fiscal year 2023. The increases were primarily related to justice administration and public safety service levels. Furthermore, there were appropriations made during fiscal year 2023 of $2.0 million in new Local Road Improvement program projects and new Tri-Party Road Improvement Program projects in the amount of $2.0 million.

The General Fund expenditures for fiscal year 2023 were $35.8 million under budget. This was partially due to favorability of $10.3 million in salary and fringe benefit savings due to vacancies and turnover, $.4 million in internal support, and $17.1 million favorability in operating expenses.

Actual financing uses from the General Fund were $8.3 million less than budgeted. This variance largely reflects reduced operational requirements for Juvenile maintenance.

**ARP Local Fiscal Recovery Fund**

The *ARP Local Fiscal Recover Fund* was a new major fund in fiscal year 2021. This fund was created to track Federal funding awarded through American Rescue Plan ACT (ARPA) Coronavirus Local Fiscal Recovery Fund. See the Transmittal Letter for additional information on ARPA funding. Total revenues for this fund were reported at $44.2 million for fiscal year 2023. This amount represents 6.0% of the total revenues in the governmental funds. The expenditures were $44.2 million, representing 6.2% of governmental funds expenditures. There is no effect on fund balance for the governmental funds.



**The Water and Sewer Debt Act 342**

The remaining governmental fund classified as major is the *Water and Sewer Debt Act 342 Fund*, which experienced an increase in fund balance of $5,169 to report a total fund balance of $22,794.

Enterprise Funds
There are four (4) *enterprise funds* that are classified as major: the *Parks and Recreation Fund,* the *Delinquent Tax Revolving Fund*, the *Water and Sewer Trust Fund,* and the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund*. As of September 30, 2023, the Enterprise Funds had a combined net position of $757.2 million, a increase of $20.0 million from the combined net position reported at the end of fiscal year 2022, as restated due to the reclassification of Evergreen Farmington to a component unit, (See note 20). The four major enterprise funds reported net positions of $542.0 million (71.6 percent of the total combined Enterprise net position). The net position of these four major Enterprise funds increased overall by $16.2 million and the non-major enterprise funds increased by $3.9 million for fiscal year 2023.

In total, the major Enterprise Funds experienced a increase in net position. The *Delinquent Tax Revolving Fund (DTRF)* ended fiscal year 2023 with a net position increase to $209.7 million, $6 million (2.9 percent) more than the net position recorded at the end of fiscal year 2022.

The *Water and Sewer Trust Fund* realized a $1.9 million increase (1.0 percent) in fiscal year 2023 to report a net position of $183.0 million. This overall increase is mainly attributed to fluctuations in operating activity for the various water and sewer systems.

The *Parks and Recreation Fund* net position increased $4.7 million (4.8 percent) during fiscal year 2023 to a total of $101.2 million in net position. This increase is a result of the increased tax revenue and an increase in charges for services.

The *Southeast Oakland County Sewage Disposal System Fund (SOCSDS)* experienced a $3.6 million increase (8.1 percent) in net position to $48.0 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

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

At the end of fiscal year 2023, the County had invested $596.9 million, net of accumulated depreciation. This amount of net capital assets reflects an overall increase of $28.4 million from fiscal year 2022. As seen in the table below, this is attributed to an $21.1 million increase in governmental activities and a $7.3 million increase to business-type activities. The overall change is largely related to on-going infrastructure projects in progress for business-type activities and new accounting standards classification for leased assets in the governmental activities.

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

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | $ 7.4 | $ 7.4 | $ 68.8 | $ 68.8 | $ 76.2 | $ 76.2 |
| Land Improvements | 0.4 | 0.4 | 8.4 | 9.9 | 8.8 | 10.3 |
| Buildings and Improvements | 135.5 | 137.2 | 35.6 | 37.3 | 171.1 | 174.5 |
| Equipment and Vehicles | 29.5 | 34.5 | 13.8 | 14.5 | 43.4 | 49.0 |
| Infrastructure | 16.1 | 17.1 | 102.8 | 87.0 | 118.9 | 104.1 |
| Right to Use Asset | 6.5 | 7.6 | 0.1 | 0.1 | 6.6 | 7.7 |
| Subscription Asset | 14.0 | | 3.7 | | 17.7 | - |
| Subtotal | 209.4 | 204.2 | 233.2 | 217.6 | 442.6 | 421.8 |
| Construction in Progress | 66.0 | 31.8 | 88.3 | 90.1 | 154.3 | 121.9 |
| Total Capital Assets | $ 275.4 | $ 236.0 | $ 321.5 | $ 307.7 | $ 596.9 | $ 543.7 |

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



Long-term Debt - As of September 30, 2023, the Primary Government had $221.4 million in limited taxing authority bonds outstanding. This represents a $39.9 million decrease from September 30, 2022 in the limited tax authority bonds. In addition, the County uses its full faith and credit, as a secondary obligor, to back $267.0 million of Drainage District component unit debt. The Drainage District component unit debt experienced an overall increase of $17.1 million in fiscal year 2023.

**Outstanding Debt as of September 30, 2023**
*(in millions of dollars)*

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Bonds - Limited Tax Authority | $ 193.5 | $ 230.8 | $ 27.9 | $ 30.5 - | $ 221.4 | $ 261.3 |
| Total Bonds | $ 193.5 | $ 230.8 | $ 27.9 | $ 30.5 | $ 221.4 | $ 261.3 |
| Notes - Limited Tax Authority | $ - | $ - | $ - | $ - | $ - | $ - |
| Total Outstanding Debt | $ 193.5 | $ 230.8 | $ 27.9 | $ 30.5 | $ 221.4 | $ 261.3 |

| | Drainage Districts Component Unit | | Total County Commitment | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Bonds - Limited Tax Authority | $ 267.0 | $ 249.9 | $ 488.4 | $ 511.2 |
| Total Bonds | $ 267.0 | $ 249.9 | $ 488.4 | $ 511.2 |
| Notes - Limited Tax Authority | $ - | $ - | $ - | $ - |
| Total Outstanding Debt | $ 267.0 | $ 249.9 | $ 488.4 | $ 511.2 |
| Debt Limit (10% of SEV) | | | $ 9,768.9 | $ 8,973.6 |
| Available Statutory Debt Limit | | | $ 9,280.5 | $ 8,462.4 |

Oakland County issued no new general government nor business type debt in fiscal year 2023.

During fiscal year 2023, $40.0 million in outstanding general government and business-type debt was paid or refunded.

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

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

**Limitations on Debt**
State statute limits the County's debt obligations to 10 percent of the current state equalized value (SEV). The County's SEV as of September 30, 2023 was $97.7 *billion*. The County is $9.3 *billion* below its authorized debt limit.

## 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) 858-0049.





# Statement of Net Position

**September 30, 2023**

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Component Units |
| **Assets** | | | | |
| Pooled cash and investments | $ 626,027,283 | $ 384,749,248 | $ 1,010,776,531 | $ 197,889,698 |
| Investments | 19,616,068 | - | 19,616,068 | - |
| Receivables (Note 4) | 168,263,774 | 117,460,214 | 285,723,988 | 384,953,025 |
| Due from component units | 1,307,779 | - | 1,307,779 | - |
| Due from primary government | - | - | - | 250,000 |
| Internal balances | (1,169,311) | 1,169,311 | - | - |
| Inventories and supplies | 3,214,633 | 121,116 | 3,335,749 | 6,311,635 |
| Prepaid expenses and other assets | 8,803,057 | 3,171,157 | 11,974,214 | 9,705,861 |
| Other current assets | - | - | - | 7,160,951 |
| Restricted assets | - | - | - | 30,696,973 |
| Net OPEB asset (Note 12) | 465,796,487 | - | 465,796,487 | - |
| Capital assets: (Note 6) | | | | |
| Assets not subject to depreciation | 73,403,030 | 157,089,592 | 230,492,622 | 366,406,041 |
| Assets subject to depreciation - Net | 202,056,304 | 164,356,019 | 366,412,323 | 1,460,420,041 |
| Total assets | 1,567,319,104 | 828,116,657 | 2,395,435,761 | 2,463,794,225 |
| **Deferred Outflows of Resources** | | | | |
| Deferred pension costs (Note 10) | 43,589,363 | - | 43,589,363 | 29,119,920 |
| Deferred OPEB costs (Note 12) | 113,839,441 | - | 113,839,441 | 17,870,296 |
| Total deferred outflows of resources | 157,428,804 | - | 157,428,804 | 46,990,216 |
| **Liabilities** | | | | |
| Accounts payable | 35,425,172 | 25,198,302 | 60,623,474 | 37,624,320 |
| Due to other governmental units | 7,062,729 | 952,345 | 8,015,074 | 797,326 |
| Due to component units | 250,000 | - | 250,000 | - |
| Due to primary government | - | - | - | 1,307,779 |
| Refundable deposits and bonds | 27,958,268 | - | 27,958,268 | 1,658,570 |
| Accrued liabilities and other | 20,692,753 | 7,840,179 | 28,532,932 | 11,030,424 |
| Unearned revenue (Note 5) | 177,166,000 | 1,016,852 | 178,182,852 | 164,787,941 |
| Noncurrent liabilities: | | | | |
| Due within one year: | | | | |
| Payable from restricted assets | - | - | - | 5,170,745 |
| Compensated absences (Note 7) | 1,756,606 | - | 1,756,606 | - |
| Provision for claims and judgments (Note 15) | 9,172,205 | - | 9,172,205 | 783,672 |
| Current portion of long-term debt (Note 7) | 40,985,329 | 5,377,443 | 46,362,772 | 23,286,576 |
| Due in more than one year: | | | | |
| Compensated absences (Note 7) | 15,809,450 | - | 15,809,450 | 2,392,214 |
| Provision for claims and judgments (Note 15) | 28,872,943 | - | 28,872,943 | 814,733 |
| Net pension liability (Note 10) | 69,837,254 | - | 69,837,254 | 49,370,279 |
| Net OPEB liability (Note 12) | - | - | - | 111,078,541 |
| Long-term debt - Net of current portion (Note 7) | 176,317,111 | 29,101,829 | 205,418,940 | 251,121,682 |
| Total liabilities | 611,305,820 | 69,486,950 | 680,792,770 | 661,224,802 |
| **Deferred Inflows of Resources** | | | | |
| Deferred pension cost reductions (Note 10) | - | - | - | 5,937,436 |
| Deferred OPEB cost reductions (Note 12) | 22,714,713 | - | 22,714,713 | 4,576,936 |
| Deferred inflows from leases (Note 16) | - | 1,402,105 | 1,402,105 | - |
| Total deferred inflows of resources | 22,714,713 | 1,402,105 | 24,116,818 | 10,514,372 |
| **Net Position** | | | | |
| Net investment in capital assets | 239,445,389 | 286,966,339 | 526,411,728 | 1,577,944,052 |
| Restricted: | | | | |
| Debt service | 18,836,208 | - | 18,836,208 | 209,813,125 |
| Public safety | 7,402,738 | - | 7,402,738 | - |
| Citizens services | 4,201,526 | - | 4,201,526 | - |
| Public works | 10,208,893 | - | 10,208,893 | 47,491,438 |
| Superseding trust - OPEB | 19,714,747 | - | 19,714,747 | - |
| Commerce and community development | 24,813,993 | - | 24,813,993 | - |
| Opioid settlement funds | 18,128,949 | - | 18,128,949 | - |
| OPEB asset - Net of related debt | 339,501,487 | - | 339,501,487 | - |
| Community water and sewer | - | 105,396,677 | 105,396,677 | - |
| Unrestricted | 408,473,445 | 364,864,586 | 773,338,031 | 3,796,652 |
| Total net position | **$ 1,090,727,375** | **$ 757,227,602** | **$ 1,847,954,977** | **$ 1,839,045,267** |

See notes to financial statements.

# Statement of Activities

**Year Ended September 30, 2023**

| | Expenses | Program Revenue: Charges for Services | Program Revenue: Operating Grants and Contributions | Program Revenue: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities | Primary Government: Business Type Activities | Primary Government: Total | Component Units |
|---|---|---|---|---|---|---|---|---|
| **Functions/Programs** | | | | | | | | |
| Primary government | | | | | | | | |
| Governmental activities | | | | | | | | |
| General government, administrative | $ 92,818,889 | $ 25,418,923 | $ 878,889 | $ - | $ (66,521,077) | $ - | $ (66,521,077) | $ - |
| Public safety | 246,537,768 | 69,868,455 | 20,351,167 | 3,276,587 | (153,041,559) | - | (153,041,559) | - |
| Justice administration | 116,410,225 | 12,211,410 | 26,173,505 | - | (78,025,310) | - | (78,025,310) | - |
| Citizen services | 137,674,066 | 11,437,239 | 109,063,116 | - | (17,173,711) | - | (17,173,711) | - |
| Public works | 46,507,724 | 15,462,351 | 6,298,028 | - | (24,747,345) | - | (24,747,345) | - |
| Recreation and leisure | 691,755 | - | - | - | (691,755) | - | (691,755) | - |
| Commerce and community development | 47,865,966 | 13,089,356 | 23,734,981 | - | (11,041,629) | - | (11,041,629) | - |
| Unallocated depreciation | 2,983,431 | - | - | - | (2,983,431) | - | (2,983,431) | - |
| Interest on long-term debt | 7,308,275 | - | - | - | (7,308,275) | - | (7,308,275) | - |
| Total governmental activities | 698,798,099 | 147,487,734 | 186,499,686 | 3,276,587 | (361,534,092) | - | (361,534,092) | - |
| Business-type activities | | | | | | | | |
| Airports | 7,615,371 | 6,492,975 | 218,000 | - | - | (904,396) | (904,396) | - |
| Community safety support | 17,229,434 | 17,464,837 | - | - | - | 235,403 | 235,403 | - |
| Community tax financing | 884,826 | 12,486,851 | - | - | - | 11,602,025 | 11,602,025 | - |
| Community water and sewer | 117,420,806 | 116,465,703 | 391,052 | - | - | (564,051) | (564,051) | - |
| Recreation and leisure | 32,923,064 | 12,393,359 | 368,976 | 279,260 | - | (19,881,469) | (19,881,469) | - |
| Sewage disposal systems | 100,020,052 | 105,315,782 | - | - | - | 5,295,730 | 5,295,730 | - |
| Total business-type activities | 276,093,553 | 270,619,507 | 978,028 | 279,260 | - | (4,216,758) | (4,216,758) | - |
| Total primary government | **$ 974,891,652** | **$ 418,107,241** | **$ 187,477,714** | **$ 3,555,847** | (361,534,092) | (4,216,758) | (365,750,850) | - |
| Component units | | | | | | | | |
| Drainage districts | 205,091,032 | 165,393,301 | 250,000 | 66,058,770 | - | - | - | 26,611,039 |
| Road commission | 133,861,996 | 18,264,336 | 124,289,792 | 51,557,972 | - | - | - | 60,250,104 |
| Total component units | **$ 338,953,028** | **$ 183,657,637** | **$ 124,539,792** | **$ 117,616,742** | - | - | - | 86,861,143 |
| General Revenue: | | | | | | | | |
| Taxes | | | | | 353,016,956 | 23,237,774 | 376,254,730 | - |
| Unrestricted state-shared revenue | | | | | 51,848,774 | 342,300 | 52,191,074 | - |
| Unrestricted investment income | | | | | 18,156,450 | 7,777,583 | 25,934,033 | 1,686,073 |
| Gain on sale of capital assets | | | | | 837,936 | 48,086 | 886,022 | 642,965 |
| Other miscellaneous income | | | | | 18,376,904 | - | 18,376,904 | 144,639 |
| Total general revenue | | | | | 442,237,020 | 31,405,743 | 473,642,763 | 2,473,677 |
| Transfers | | | | | 7,069,970 | (7,069,970) | - | - |
| **Change in Net Position** | | | | | 87,772,898 | 20,119,015 | 107,891,913 | 89,334,820 |
| **Net Position -** Beginning of year, as restated **(Note 20)** | | | | | 1,002,954,477 | 737,108,587 | 1,740,063,064 | 1,749,710,447 |
| **Net Position -** End of year | | | | | **$ 1,090,727,375** | **$ 757,227,602** | **$ 1,847,954,977** | **$ 1,839,045,267** |

See notes to financial statements.



See notes to financial statements.

## Governmental Funds
## Balance Sheet

**September 30, 2023**

| | Major Funds | | | | |
|---|---|---|---|---|---|
| | General Fund | Water and Sewer Debt Act 342 Fund | ARP Local Fiscal Recovery Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| **Assets** | | | | | |
| Pooled cash and investments | $ 232,086,253 | $ 48,952 | $ 174,611,638 | $ 103,921,367 | $ 510,668,210 |
| Receivables (Note 4) | 64,552,812 | 38,805,102 | 7,112 | 59,842,842 | 163,207,868 |
| Due from component units | 212,356 | - | - | 990,175 | 1,202,531 |
| Due from other funds (Note 8) | 44,107,339 | - | 575,000 | 23,640,023 | 68,322,362 |
| Advances to other funds (Note 8) | - | - | - | 816,658 | 816,658 |
| Inventories and supplies | 398,197 | - | - | - | 398,197 |
| Prepaids and other assets | 492,667 | 500 | 126,703 | 369,560 | 989,430 |
| Total assets | **$ 341,849,624** | **$ 38,854,554** | **$ 175,320,453** | **$ 189,580,625** | **$ 745,605,256** |
| **Liabilities** | | | | | |
| Accounts payable | $ 11,370,405 | $ - | $ 2,163,616 | $ 15,980,428 | $ 29,514,449 |
| Due to other governmental units | 27,327 | - | - | 6,548,529 | 6,575,856 |
| Due to component units | 250,000 | - | - | - | 250,000 |
| Due to other funds (Note 8) | 26,086,147 | - | 22,367,628 | 25,800,962 | 74,254,737 |
| Advances from other funds (Note 8) | - | - | - | 711,658 | 711,658 |
| Refundable deposits and bonds | 27,958,268 | - | - | - | 27,958,268 |
| Accrued liabilities and other | 14,484,637 | 24,448 | 8,177 | 3,807,577 | 18,324,839 |
| Unearned revenue | 4,196,998 | - | 150,781,032 | 22,177,720 | 177,155,750 |
| Total liabilities | 84,373,782 | 24,448 | 175,320,453 | 75,026,874 | 334,745,557 |
| **Deferred Inflows of Resources** - Unavailable revenue (Note 5) | 21,385,747 | 38,807,312 | - | 39,843,256 | 100,036,315 |
| Total liabilities and deferred inflows of resources | 105,759,529 | 38,831,760 | 175,320,453 | 114,870,130 | 434,781,872 |
| **Fund Balances** (Note 9) | | | | | |
| Nonspendable | 890,864 | 500 | - | 369,560 | 1,260,924 |
| Restricted | - | 22,294 | - | 50,461,089 | 50,483,383 |
| Committed | - | - | - | 31,987,115 | 31,987,115 |
| Assigned | 234,198,008 | - | - | - | 234,198,008 |
| Unassigned | 1,001,223 | - | - | (8,107,269) | (7,106,046) |
| Total fund balances | 236,090,095 | 22,794 | - | 74,710,495 | 310,823,384 |
| Total liabilities, deferred inflows of resources, and fund balances | **$ 341,849,624** | **$ 38,854,554** | **$ 175,320,453** | **$ 189,580,625** | **$ 745,605,256** |





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

**September 30, 2023**

| | |
|---|---|
| **Fund Balances Reported in Governmental Funds** | $ 310,823,384 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and are not reported in the funds | 211,141,686 |
| Receivables such as special assessments, property taxes, and contracts receivable that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds | 100,036,315 |
| Bonds and leases payable are not due and payable in the current period and are not reported in the funds | (76,983,360) |
| Accrued interest is not due and payable in the current period and is not reported in the funds | (168,607) |
| Internal service funds are included as part of governmental activities | 545,877,957 |
| **Net Position of Governmental Activities** | **$ 1,090,727,375** |

## Governmental Funds
## Statement of Revenues, Expenditures and Changes in Fund Balances
**Year Ended September 30, 2023**

| | General Fund | Water and Sewer Debt Act 342 | ARP Local Fiscal Recovery Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Taxes | 287,381,273 | - | - | 64,273,934 | 351,655,207 |
| Special assessments | - | 3,688,353 | - | 5,327,545 | 9,015,898 |
| Intergovernmental: | | | | | |
| Federal grants | 19,868,184 | - | 44,223,462 | 30,797,938 | 94,889,584 |
| State and local | 61,433,769 | - | - | 47,348,419 | 108,782,188 |
| Charges for Services | 119,901,142 | 1,500 | - | 13,235,015 | 133,137,657 |
| Indirect cost recovery | 10,790,191 | - | - | (3,925) | 10,786,266 |
| Investment income | 15,469,724 | 6,169 | - | (859,880) | 14,616,013 |
| Other revenue | 11,553,752 | - | - | 6,771,413 | 18,325,165 |
| Total revenue | 526,398,035 | 3,696,022 | 44,223,462 | 166,890,459 | 741,207,978 |
| **Expenditures** | | | | | |
| Current operations: | | | | | |
| County Executive | 116,276,181 | - | 20,387,590 | 140,602,086 | 277,265,857 |
| Clerk/Register of Deeds | 9,714,745 | - | - | 1,540,776 | 11,255,521 |
| Treasurer | 7,562,177 | - | - | - | 7,562,177 |
| Justice administration | 60,564,075 | - | - | 24,706,887 | 85,270,962 |
| Law enforcement | 218,971,593 | - | 2,687,100 | 9,569,709 | 231,228,402 |
| Legislative | 5,830,393 | - | 8,321,821 | - | 14,152,214 |
| Water Resource Commissioner | 8,759,053 | 500 | - | 7,000,971 | 15,760,524 |
| Non-departmental | 25,545,071 | - | 12,118,243 | 4,660,774 | 42,324,088 |
| Capital outlay | - | - | 708,708 | 20,622,870 | 21,331,578 |
| Intergovernmental | - | - | - | 107,926 | 107,926 |
| Debt service: | | | | | |
| Principal | - | 2,520,000 | - | 6,188,865 | 8,708,865 |
| Interest and fiscal charges | - | 1,170,353 | - | 1,190,591 | 2,360,944 |
| Total Expenditures | 453,223,288 | 3,690,853 | 44,223,462 | 216,191,455 | 717,329,058 |
| **Excess of Revenues Over (Under) Expenditures** | 73,174,747 | 5,169 | - | (49,300,997) | 23,878,920 |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers In | 8,199,577 | - | - | 58,472,074 | 66,671,651 |
| Transfers Out | (66,107,972) | - | - | (8,048,968) | (74,156,940) |
| Total other financing sources (uses) | (57,908,395) | - | - | 50,423,106 | (7,485,289) |
| **Net Change in Fund Balances** | 15,266,352 | 5,169 | - | 1,122,110 | 16,393,631 |
| Fund Balance - Beginning of year | 220,823,743 | 17,625 | - | 73,588,385 | 294,429,753 |
| Fund Balance - End of year | **236,090,095** | **22,794** | **-** | **74,710,495** | **310,823,384** |





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

**Year Ended September 30, 2023**

| | |
|---|---|
| **Net Change in Fund Balances Reported in Governmental Funds** | $ 16,393,631 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation: | |
| Capital outlay | 33,811,901 |
| Depreciation and amortization expense | (12,899,635) |
| Net book value of assets disposed of | (65,052) |
| Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available | 11,701,826 |
| Lease expense is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt) | 1,474,052 |
| Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt) | 8,708,865 |
| Interest expense is recognized in the government-wide statements as it accrues | 448,299 |
| Internal service funds are included as part of governmental activities | 28,199,011 |
| **Change in Net Position of Governmental Activities** | **$ 87,772,898** |

See notes to financial statements.

# Proprietary Funds
# Statement of Net Position

**September 30, 2023**

| | Enterprise Funds | | | | Enterprise Funds | | Governmental Activities |
|---|---|---|---|---|---|---|---|
| | Parks and Recreation | Delinquent Tax Revolving | Water and Sewer Trust | S.O.C.S.D.S. | Nonmajor Enterprise | Total Enterprise Funds | Proprietary Internal Service Fund |
| **Assets** | | | | | | | |
| Current assets: | | | | | | | |
| Pooled cash and investments | $ 34,024,188 | $ 151,386,203 | $ 93,662,551 | $ 35,055,522 | $ 70,620,784 | $ 384,749,248 | $ 115,359,073 |
| Investments | - | - | - | - | - | - | 19,616,068 |
| Receivables (Note 4) | 678,191 | 62,673,873 | 34,424,412 | 8,161,133 | 11,522,605 | 117,460,214 | 5,055,906 |
| Due from component units | - | - | - | - | - | - | 105,248 |
| Due from other funds (Note 8) | 25,219 | - | - | - | 1,889,521 | 1,914,740 | 8,293,980 |
| Inventories and supplies | 121,116 | - | - | - | - | 121,116 | 2,816,436 |
| Prepaid expenses and other assets | 2,721 | 148,876 | 1,603,450 | 581,861 | 834,249 | 3,171,157 | 7,813,627 |
| Total current assets | 34,851,435 | 214,208,952 | 129,690,413 | 43,798,516 | 84,867,159 | 507,416,475 | 159,060,338 |
| Noncurrent assets: | | | | | | | |
| Net OPEB asset (Note 12) | - | - | - | - | - | - | 465,796,487 |
| Capital assets: (Note 6) | | | | | | | |
| Assets not subject to depreciation | 37,163,949 | - | 17,730,793 | 2,229,489 | 99,965,361 | 157,089,592 | 30,858,857 |
| Assets subject to depreciation - Net | 31,350,777 | - | 61,281,222 | 10,768,101 | 60,955,919 | 164,356,019 | 33,458,791 |
| Total noncurrent assets | 68,514,726 | - | 79,012,015 | 12,997,590 | 160,921,280 | 321,445,611 | 530,114,135 |
| Total assets | 103,366,161 | 214,208,952 | 208,702,428 | 56,796,106 | 245,788,439 | 828,862,086 | 689,174,473 |
| **Deferred Outflows of Resources** | | | | | | | |
| Deferred pension costs (Note 10) | - | - | - | - | - | - | 43,589,363 |
| Deferred OPEB costs (Note 12) | - | - | - | - | - | - | 113,839,441 |
| Total deferred outflows of resources | - | - | - | - | - | - | 157,428,804 |
| **Liabilities** | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | 1,585,542 | 225,057 | 10,097,483 | 8,528,744 | 4,761,476 | 25,198,302 | 5,910,723 |
| Due to other governmental units | - | 318,550 | 4,510 | - | 629,285 | 952,345 | 486,873 |
| Due to other funds (Note 8) | 17,211 | - | 450,054 | 173,164 | - | 640,429 | 3,635,916 |
| Accrued liabilities and other | 294,318 | 3,927,806 | 1,615,894 | 89,142 | 1,913,019 | 7,840,179 | 2,199,307 |
| Unearned revenue | 232,822 | - | - | - | 784,030 | 1,016,852 | 10,250 |
| Compensated absences (Note 7) | - | - | - | - | - | - | 1,756,606 |
| Provision for claims and judgments (Note 15) | - | - | - | - | - | - | 9,172,205 |
| Current portion of long-term debt (Note 7) | - | - | 1,313,357 | - | 4,064,086 | 5,377,443 | 33,621,315 |
| Total current liabilities | 2,129,893 | 4,471,413 | 13,481,298 | 8,791,050 | 12,151,896 | 41,025,550 | 56,793,195 |
| Noncurrent liabilities: | | | | | | | |
| Advances from other funds (Note 8) | - | - | 105,000 | - | - | 105,000 | - |
| Compensated absences (Note 7) | - | - | - | - | - | - | 15,809,450 |
| Provision for claims and judgments (Note 15) | - | - | - | - | - | - | 28,872,943 |
| Net pension liability (Note 10) | - | - | - | - | - | - | 69,837,254 |
| Long-term debt - Net of current portion (Note 7) | - | - | 12,092,751 | - | 17,009,078 | 29,101,829 | 106,697,765 |
| Total noncurrent liabilities | - | - | 12,197,751 | - | 17,009,078 | 29,206,829 | 221,217,412 |
| Total liabilities | 2,129,893 | 4,471,413 | 25,679,049 | 8,791,050 | 29,160,974 | 70,232,379 | 278,010,607 |
| **Deferred Inflows of Resources** | | | | | | | |
| Deferred OPEB cost reductions (Note 12) | - | - | - | - | - | - | 22,714,713 |
| Deferred inflows from leases (Note 16) | - | - | - | - | 1,402,105 | 1,402,105 | - |
| Total deferred inflows of resources | - | - | - | - | 1,402,105 | 1,402,105 | 22,714,713 |
| **Net Position** | | | | | | | |
| Net investment in capital assets | 68,514,726 | - | 65,605,907 | 12,997,590 | 139,848,116 | 286,966,339 | 50,293,568 |
| Restricted: | | | | | | | |
| Public works | - | - | 59,721,224 | 19,608,872 | 26,066,581 | 105,396,677 | - |
| Superseding trust - OPEB | - | - | - | - | - | - | 19,714,747 |
| OPEB asset, less related debt | - | - | - | - | - | - | 339,501,487 |
| Unrestricted | 32,721,542 | 209,737,539 | 57,696,248 | 15,398,594 | 49,310,663 | 364,864,586 | 136,368,155 |
| Total net position | **$ 101,236,268** | **$ 209,737,539** | **$ 183,023,379** | **$ 48,005,056** | **$ 215,225,360** | **$ 757,227,602** | **$ 545,877,957** |

See notes to financial statements.

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

**Year Ended September 30, 2023**

| | Enterprise Funds | | | | Enterprise Funds | | Governmental Activities |
|---|---|---|---|---|---|---|---|
| | Parks and Recreation | Delinquent Tax Revolving | Water and Sewer Trust | S.O.C.S.D.S. | Nonmajor Enterprise | Total Enterprise Funds | Proprietary Internal Service Fund |
| **Operating Revenue** | | | | | | | |
| Charges for services | $ 12,390,021 | $ 11,789,958 | $ 115,765,079 | $ 56,526,017 | $ 73,268,671 | $ 269,739,746 | $ 313,935,543 |
| Other | 3,338 | 102,095 | 348,531 | 59,219 | 6,485 | 519,668 | 449,348 |
| Total operating revenue | 12,393,359 | 11,892,053 | 116,113,610 | 56,585,236 | 73,275,156 | 270,259,414 | 314,384,891 |
| **Operating Expenses** | | | | | | | |
| Salaries | 13,218,319 | 128,969 | 106,624 | - | 5,285,456 | 18,739,368 | 53,327,791 |
| Fringe benefits | 4,203,041 | 62,133 | 55,468 | - | 2,665,912 | 6,986,554 | 26,718,370 |
| Fringe benefits - Pension | - | - | - | - | - | - | 25,558,354 |
| Fringe benefits - OPEB | - | - | - | - | - | - | (27,123,608) |
| Contractual services | 8,393,538 | 104,930 | 61,247,995 | 51,125,108 | 43,394,613 | 164,266,184 | 193,588,346 |
| Commodities | 1,852,673 | - | 3,442,980 | 229,443 | 1,078,254 | 6,603,350 | 9,356,029 |
| Internal services | 1,622,029 | 138,152 | 28,973,760 | 2,174,295 | 3,895,308 | 36,803,544 | 11,689,101 |
| Intergovernmental | 361,832 | - | 20,494,062 | - | 7,054,939 | 27,910,833 | - |
| Depreciation | 3,271,632 | - | 2,719,333 | 370,633 | 7,401,953 | 13,763,551 | 9,268,935 |
| Total operating expenses | 32,923,064 | 434,184 | 117,040,222 | 53,899,479 | 70,776,435 | 275,073,384 | 302,383,318 |
| **Operating (Loss) Income** | (20,529,705) | 11,457,869 | (926,612) | 2,685,757 | 2,498,721 | (4,813,970) | 12,001,573 |
| **Nonoperating Revenue (Expense)** | | | | | | | |
| Property taxes | 23,237,774 | - | - | - | - | 23,237,774 | - |
| Investment income (loss) | 880,815 | 3,991,314 | 2,669,299 | 912,236 | (676,081) | 7,777,583 | 3,541,379 |
| Interest expense | - | - | (380,584) | - | (639,585) | (1,020,169) | (6,222,788) |
| Gain on sale of assets | 48,086 | - | - | - | - | 48,086 | 902,988 |
| Other nonoperating revenue | 150,891 | - | - | - | - | 150,891 | 102,168 |
| Operating grants | 218,085 | - | 391,052 | - | 226,000 | 835,137 | 41,485 |
| Local community stabilization share | 342,300 | - | - | - | - | 342,300 | - |
| Total nonoperating revenue (expense) | 24,877,951 | 3,991,314 | 2,679,767 | 912,236 | (1,089,666) | 31,371,602 | (1,634,768) |
| **Income** - Before capital contributions and transfers | 4,348,246 | 15,449,183 | 1,753,155 | 3,597,993 | 1,409,055 | 26,557,632 | 10,366,805 |
| **Capital Contributions** | 279,260 | - | 352,093 | - | - | 631,353 | 3,276,587 |
| **Transfers In** | 83,000 | - | - | - | 2,844,139 | 2,927,139 | 14,781,605 |
| **Transfers Out** | (37,408) | (9,451,492) | (222,209) | - | (286,000) | (9,997,109) | (225,986) |
| **Change in Net Position** | 4,673,098 | 5,997,691 | 1,883,039 | 3,597,993 | 3,967,194 | 20,119,015 | 28,199,011 |
| **Net Position** - Beginning of year - As restated (Note 20) | 96,563,170 | 203,739,848 | 181,140,340 | 44,407,063 | 211,258,166 | 737,108,587 | 517,678,946 |
| **Net Position** - End of year | **$ 101,236,268** | **$ 209,737,539** | **$ 183,023,379** | **$ 48,005,056** | **$ 215,225,360** | **$ 757,227,602** | **$ 545,877,957** |

See notes to financial statements.

# Proprietary Funds
# Statement of Cash Flows

**Year Ended September 30, 2023**

| | Enterprise Funds | | | | Enterprise Funds | | Governmental Activities |
|---|---|---|---|---|---|---|---|
| | Parks and Recreation | Delinquent Tax Revolving | Water and Sewer Trust | S.O.C.S.D.S. | Nonmajor Enterprise | Total | Proprietary Internal Service Fund |
| **Cash Flows from Operating Activities** | | | | | | | |
| Receipts from customers | $ 11,972,523 | $ 15,533,845 | $ 114,688,377 | $ 54,222,248 | $ 71,755,462 | $ 268,172,455 | $ 322,013,042 |
| Payments to suppliers | (9,645,059) | (76,870) | (88,316,519) | (51,908,724) | (47,611,448) | (197,558,620) | (64,244,452) |
| Payments to employees and fringes | (17,392,851) | (191,486) | (161,150) | - | (7,945,720) | (25,691,207) | (221,218,363) |
| Payments to other funds | (1,717,767) | (138,152) | (28,123,658) | (2,024,032) | (4,285,232) | (36,288,841) | (10,484,257) |
| Net cash and cash equivalents (used in) provided by operating activities | (16,783,154) | 15,127,337 | (1,912,950) | 289,492 | 11,913,062 | 8,633,787 | 26,065,970 |
| **Cash Flows from Noncapital Financing Activities** | | | | | | | |
| Operating grants and subsidies | 368,976 | - | 391,052 | - | 226,000 | 986,028 | 41,485 |
| Transfers from other funds | 83,000 | - | - | - | 2,844,139 | 2,927,139 | 14,781,605 |
| Principal and interest paid on operating debt | - | - | - | - | - | - | (34,000,630) |
| Transfers to other funds | (37,408) | (9,451,492) | (222,209) | - | (286,000) | (9,997,109) | (225,960) |
| Payments of loans made from other funds | - | - | (60,000) | - | - | (60,000) | - |
| Property taxes | 23,237,774 | - | - | - | - | 23,237,774 | 102,168 |
| Local community stabilization share | 342,300 | - | - | - | - | 342,300 | - |
| Purchase of delinquent property taxes | - | (67,811,935) | - | - | - | (67,811,935) | - |
| Delinquent property taxes collected | - | 66,295,147 | - | - | - | 66,295,147 | - |
| Net cash and cash equivalents provided by (used in) noncapital financing activities | 23,994,642 | (10,968,280) | 108,843 | - | 2,784,139 | 15,919,344 | (19,301,332) |
| **Cash Flows from Capital and Related Financing Activities** | | | | | | | |
| Receipt of capital grants | - | - | 352,093 | - | - | 352,093 | - |
| Proceeds from sale of capital assets | 82,623 | - | - | - | - | 82,623 | 923,396 |
| Purchase of capital assets | (5,697,212) | - | (7,897,304) | (173,366) | (7,251,959) | (21,019,841) | (6,270,712) |
| Principal and interest paid on capital debt | - | - | (1,407,727) | - | (5,498,702) | (6,906,429) | (4,450,528) |
| Net cash and cash equivalents used in capital and related financing activities | (5,614,589) | - | (8,952,938) | (173,366) | (12,750,661) | (27,491,554) | (9,797,844) |
| **Cash Flows from Investing Activities** | | | | | | | |
| Interest received and investment value change | 888,162 | 4,261,999 | 2,818,242 | 969,714 | (561,497) | 8,376,620 | (687,402) |
| Purchases of investment securities | - | - | - | - | - | - | (11,229,132) |
| Purchase of investment securities - Net of sales | - | - | - | - | - | - | 12,665,378 |
| Net cash and cash equivalents provided by (used in) investing activities | 888,162 | 4,261,999 | 2,818,242 | 969,714 | (561,497) | 8,376,620 | 748,844 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 2,485,061 | 8,421,056 | (7,938,803) | 1,085,840 | 1,385,043 | 5,438,197 | (2,284,362) |
| **Cash and Cash Equivalents** - Beginning of year | 31,539,127 | 142,965,147 | 101,601,354 | 33,969,682 | 69,235,741 | 379,311,051 | 117,643,435 |
| **Cash and Cash Equivalents** - End of year | **$ 34,024,188** | **$ 151,386,203** | **$ 93,662,551** | **$ 35,055,522** | **$ 70,620,784** | **$ 384,749,248** | **$ 115,359,073** |
| **Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities** | | | | | | | |
| Operating (loss) income | $ (20,529,705) | $ 11,457,869 | $ (926,612) | $ 2,685,757 | $ 2,498,721 | $ (4,813,970) | $ 12,001,573 |
| Adjustments to reconcile operating (loss) income to net cash from operating activities: | | | | | | | |
| Depreciation | 3,271,632 | - | 2,719,333 | 370,633 | 7,401,953 | 13,763,551 | 9,268,935 |
| Changes in assets and liabilities: | | | | | | | |
| Receivables | (420,836) | 3,641,792 | (1,425,233) | (2,362,988) | (1,519,694) | (2,086,959) | 7,604,852 |
| Due to and from other funds | (130,160) | - | 850,102 | 150,263 | (430,921) | 439,284 | (55,033) |
| Inventories | 2,530 | - | - | - | 58,197 | 60,727 | (739,084) |
| Prepaid and other assets | (2,721) | 2,004 | (292,865) | (246,976) | 1,426,926 | 886,368 | (2,569,781) |
| Accrued and other payroll liabilities | 365,968 | - | - | - | - | 365,968 | (39,970,564) |
| Accounts payable | 950,091 | 26,056 | (2,838,617) | (307,197) | 2,472,232 | 302,565 | 1,182,751 |
| Deferrals related to pension or OPEB | - | - | - | - | - | - | 38,407,777 |
| Accrued and other liabilities | (289,953) | (384) | 942 | - | 5,648 | (283,747) | 934,544 |
| Total adjustments | 3,746,551 | 3,669,468 | (986,338) | (2,396,265) | 9,414,341 | 13,447,757 | 14,064,397 |
| Net cash and cash equivalents (used in) provided by operating activities | **$ (16,783,154)** | **$ 15,127,337** | **$ (1,912,950)** | **$ 289,492** | **$ 11,913,062** | **$ 8,633,787** | **$ 26,065,970** |
| **Significant Noncash Transactions** - Contribution of capital assets | $ 279,260 | $ - | $ 352,093 | $ - | $ - | $ 631,353 | $ 3,276,587 |

See notes to financial statements.

## Fiduciary Funds
## Statement of Fiduciary Net Position

**September 30, 2023**

| | Pension and Other Postemployment Benefits Trust Funds | Investment Trust Fund | Custodial Funds |
|---|---|---|---|
| **Assets** | | | |
| Pooled cash and investments | $ 48,883,893 | $ 223,381,654 | $ 364,850,675 |
| Investments: | | | |
| U.S. government securities | 340,135,402 | - | - |
| Other fixed income | 19,587,062 | - | - |
| Commercial mortgage-backed securities | 20,875,749 | - | - |
| International common stock | 545,427,095 | - | - |
| Common, preferred, and convertible stocks | 279,025,645 | - | - |
| Corporate bonds | 185,037,675 | - | - |
| Real estate | 229,218,528 | - | - |
| Partnerships | 217,145,401 | - | - |
| Hedge funds | 157,160,908 | - | - |
| Receivables - Accrued interest receivable | 6,121,536 | - | 32,234 |
| Prepaid expenses and other assets | 279,422 | - | - |
| Total assets | 2,048,898,316 | 223,381,654 | 364,882,909 |
| **Liabilities** | | | |
| Accounts payable | 2,798,159 | - | 25,478 |
| Due to other governmental units | - | - | 361,696,382 |
| Refundable deposits and bonds | - | - | 400,693 |
| Accrued liabilities and other | 2,081,408 | 1,272,217 | - |
| Total liabilities | 4,879,567 | 1,272,217 | 362,122,553 |
| **Net Position** - Restricted | | | |
| Pension | 638,057,007 | - | - |
| Postemployment benefits other than pension | 1,405,961,742 | - | - |
| Pool participants | - | 222,109,437 | - |
| Individuals, organizations, and other governments | - | - | 2,760,356 |
| Total net position | **$ 2,044,018,749** | **$ 222,109,437** | **$ 2,760,356** |





## Fiduciary Funds
## Statement of Changes in Fiduciary Net Position

**Year Ended September 30, 2023**

| | Pension and Other Postemployment Benefits Trust Funds | Investment Trust Fund | Custodial Funds |
|---|---|---|---|
| **Additions** | | | |
| Investment income (loss): | | | |
| Interest and dividends | $ 87,215,915 | $ 4,890,517 | $ - |
| Net increase (decrease) in fair value of investments | 76,903,274 | 18,322,406 | (2,061) |
| Investment-related expenses | (4,621,770) | - | - |
| Net investment income (loss) | 159,497,419 | 23,212,923 | (2,061) |
| Contributions - Employer contributions | 53,480 | - | - |
| New investments by participating municipalities | - | 118,312,364 | - |
| Property tax collections | - | - | 2,452,424,053 |
| Other revenue | 7,313,340 | - | - |
| Forfeitures, escheats, and deposits | - | - | 11,764,307 |
| Total additions | 166,864,239 | 141,525,287 | 2,464,186,299 |
| **Deductions** | | | |
| Benefit payments | 113,322,519 | - | - |
| Redemptions of investments by participating municipalities | - | 528,300,259 | - |
| Administrative expenses | 891,734 | - | - |
| Taxes disbursed | - | - | 2,452,424,053 |
| Release of funds | - | - | 10,316,347 |
| Court-ordered funds | - | - | 1,945,849 |
| Total deductions | 114,214,253 | 528,300,259 | 2,464,686,249 |
| **Net Increase (Decrease) in Fiduciary Net Position** | 52,649,986 | (386,774,972) | (499,950) |
| **Net Position** - Beginning of year | 1,991,368,763 | 608,884,409 | 3,260,306 |
| **Net Position** - End of year | **$ 2,044,018,749** | **$ 222,109,437** | **$ 2,760,356** |

# Component Units
## Statement of Net Position

**September 30, 2023**

| | Drainage Districts | Road Commission | Total |
|---|---|---|---|
| **Assets** | | | |
| Pooled cash and investments | $ 80,314,468 | $ 117,575,230 | $ 197,889,698 |
| Receivables | 350,120,216 | 34,832,809 | 384,953,025 |
| Due from primary government | 250,000 | - | 250,000 |
| Inventories and supplies | - | 6,311,635 | 6,311,635 |
| Prepaid expenses | 2,877,999 | 6,827,862 | 9,705,861 |
| Other current assets | 7,160,951 | - | 7,160,951 |
| Restricted assets | 30,696,973 | - | 30,696,973 |
| Capital assets: | | | |
| Assets not subject to depreciation | 110,779,906 | 255,626,135 | 366,406,041 |
| Assets subject to depreciation - Net | 652,661,210 | 807,758,831 | 1,460,420,041 |
| Total assets | 1,234,861,723 | 1,228,932,502 | 2,463,794,225 |
| **Deferred Outflows of Resources** | | | |
| Deferred pension costs | - | 29,119,920 | 29,119,920 |
| Deferred OPEB costs | - | 17,870,296 | 17,870,296 |
| Total deferred outflows of resources | - | 46,990,216 | 46,990,216 |
| **Liabilities** | | | |
| Accounts payable | 25,179,738 | 12,444,582 | 37,624,320 |
| Due to other governmental units | 797,326 | - | 797,326 |
| Due to primary government | 1,202,566 | 105,213 | 1,307,779 |
| Refundable deposits and bonds | - | 1,658,570 | 1,658,570 |
| Accrued liabilities and other | 8,635,209 | 2,395,215 | 11,030,424 |
| Unearned revenue | 147,604,232 | 17,183,709 | 164,787,941 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Payable from restricted assets | 5,170,745 | - | 5,170,745 |
| Provision for claims and judgments | - | 783,672 | 783,672 |
| Current portion of long-term debt | 23,286,576 | - | 23,286,576 |
| Due in more than one year: | | | |
| Compensated absences | - | 2,392,214 | 2,392,214 |
| Provision for claims and judgments | - | 814,733 | 814,733 |
| Net pension liability | - | 49,370,279 | 49,370,279 |
| Net OPEB liability | - | 111,078,541 | 111,078,541 |
| Long-term debt - Net of current portion | 251,121,682 | - | 251,121,682 |
| Total liabilities | 462,998,074 | 198,226,728 | 661,224,802 |
| **Deferred Inflows of Resources** | | | |
| Deferred pension cost reductions | - | 5,937,436 | 5,937,436 |
| Deferred OPEB cost reductions | - | 4,576,936 | 4,576,936 |
| Total deferred inflows of resources | - | 10,514,372 | 10,514,372 |
| **Net Position** | | | |
| Net investment in capital assets | 514,559,086 | 1,063,384,966 | 1,577,944,052 |
| Restricted: | | | |
| Debt service | 209,813,125 | - | 209,813,125 |
| Public works | 47,491,438 | - | 47,491,438 |
| Unrestricted | - | 3,796,652 | 3,796,652 |
| Total net position | **$ 771,863,649** | **$ 1,067,181,618** | **$ 1,839,045,267** |

See notes to financial statements.





| | | Program Revenue | | |
|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| **Functions/Programs** | | | | |
| Drainage Districts | $ 205,091,032 | $ 165,393,301 | $ 250,000 | $ 66,058,770 |
| Road Commission | 133,861,996 | 18,264,336 | 124,289,792 | 51,557,972 |
| Total component units | **$ 338,953,028** | **$ 183,657,637** | **$ 124,539,792** | **$ 117,616,742** |

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

Total general revenue

**Change in Net Position**

**Net Position** - Beginning of year - As restated (Note 20)

**Net Position** - End of year

See notes to financial statements.

| Net Revenue and Changes in Net Position | | |
|---|---|---|
| Drainage Districts | Road Commission | Total |
| $ 26,611,039 | $ - | $ 26,611,039 |
| - | 60,250,104 | 60,250,104 |
| 26,611,039 | 60,250,104 | 86,861,143 |
| 305,100 | 1,380,973 | 1,686,073 |
| 1,250 | 641,715 | 642,965 |
| 144,639 | - | 144,639 |
| 450,989 | 2,022,688 | 2,473,677 |
| 27,062,028 | 62,272,792 | 89,334,820 |
| 744,801,621 | 1,004,908,826 | 1,749,710,447 |
| **$ 771,863,649** | **$ 1,067,181,618** | **$ 1,839,045,267** |





## Note 1 - Significant Accounting Policies

***Accounting and Reporting Principles***

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

***The Financial Reporting Entity***

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

***Blended Component Units***

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

*Oakland County Building Authority (the "Authority")*

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

Separate financial statements for the Authority are not published.

***Discretely Presented Component Units***

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

## Note 1 - Significant Accounting Policies (Continued)

*Drainage Districts*

This component unit consists of individual districts created under Chapters 20 and 21 of Michigan Public Act 40 of 1956 for the purpose of alleviating drainage problems. This involves the construction, maintenance, and financing necessary to account for the cost of the drainage district. The individual districts, each a separate legal entity with power to assess the benefiting communities, are governed by the Drain Board for Oakland County, which consists of the Oakland County water resources commissioner, the chairman of the Oakland County Board of Commissioners, and the chairperson of the finance committee of the Board of Commissioners. Assessments are made against the applicable municipalities within each district, including the Road Commission for Oakland County and the State of Michigan, for road drainage. All activities of the various drainage districts are administered by the Oakland County water resources commissioner. However, the drainage districts are not subject to the County's appropriation process. Because of the relationship between the component unit and the primary government, it would be misleading to exclude the Drainage Districts component unit from the financial statements of Oakland County, Michigan.

The financial activities of the Drainage Districts as of and for the year ended September 30, 2023 are reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit, although financial information for the specific drainage districts may be obtained from Oakland County Water Resources Commissioner, #1 Public Works Drive, Waterford, MI 48328.

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

The Road Commission is governed by three appointees of the County Board of Commissioners who are not board members. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges and is principally funded by state-collected vehicle fuel and registration taxes under Michigan Public Act 51 of 1951. The County has budgetary control and appropriation authority over its activities; however, such control has not been exercised. The Road Commission's primary activities, which are as of and for the year ended September 30, 2023, 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, 2022, is not reported in the financial statements of Oakland County, Michigan.

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

***Fiduciary Component Units***

*Oakland County Public Employees' Retirement System (PERS)*

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

*Voluntary Employees' Beneficiary Trust (VEBA)*

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





## Note 1 - Significant Accounting Policies (Continued)

***Fund Accounting***

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

***Governmental Funds***

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The County reports the following funds as major governmental funds:

- The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Revenue is primarily derived from property taxes, state and federal distributions, and charges for services.
- The Water and Sewer Debt Act 342 Fund accounts for the accumulation of resources, mainly special assessments against benefiting municipalities, for the payment of bonded debt issued for construction of various water and sewer systems in Oakland County.
- The ARP Local Fiscal Recovery Fund accounts for the financial resources received under the American Rescue Plan Act.

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

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

***Proprietary Funds***

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

- The Parks and Recreation Fund accounts for the operation of the Oakland County, Michigan parks system.
- The Delinquent Tax Revolving Fund accounts for money advanced to the County and other local units of government for unpaid property taxes and the subsequent collection of delinquencies.
- The Water and Sewer Trust Fund accounts for the collection of resources for the operation of various water and sewer systems maintained by the County, rather than the respective individual municipalities.

## Note 1 - Significant Accounting Policies (Continued)

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

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

***Fiduciary Funds***

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

***Interfund Activity***

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

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

***Basis of Accounting***

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

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





## Note 1 - Significant Accounting Policies (Continued)

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

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

***Report Presentation***

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

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

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

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

***Specific Balances and Transactions***

***Pooled Cash and Investments***

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

Cash overdrafts occurring in funds participating in pooled cash accounts at September 30, 2023 have been reclassified as a due to other funds, and a corresponding due from other funds was established in the General Fund. Similarly, negative accrued interest receivable caused by negative cash balances is also reclassified at year end as an interfund liability.

## Note 1 - Significant Accounting Policies (Continued)

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

***Interfund Receivables/Payables***

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

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

***Inventories***

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

***Prepayments***

Payments made for services that will benefit periods beyond September 30, 2023 are recorded as prepayments using the consumption method.

***Unearned Revenue***

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

***Restricted Cash***

The County has unspent bond proceeds remaining for the OMI Drainage District and Evergreen-Farmington Drainage District totaling $30,696,973.

***Capital Assets***

Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., roads, drains, and similar items), are reported in the government-wide statements and applicable proprietary fund financial statements. Capital assets that are used for governmental activities are only capitalized in the government-wide statements and fully expended in the government funds. The County established capitalization thresholds for capital assets of $5,000. Capital assets are stated at cost or, if donated, at 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.

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 | 15-45 |
| Equipment and vehicles | 3-10 |
| Sewage disposal systems | 40-50 |
| Infrastructure | 10-100 |

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.





## Note 1 - Significant Accounting Policies (Continued)

***Long-term Obligations***

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

***Deferred Outflows/Inflows of Resources***

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

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

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2022 through September 30, 2023) and are reported as revenue in the financial statements. Amounts not collected within 60 days of the end of the fiscal year are considered unavailable for the current period and are reported as deferred inflows.

## Note 1 - Significant Accounting Policies (Continued)

***Net Position***

Net position of the County is classified in three components:

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

***Net Position Flow Assumption***

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

***Fund Balance Flow Assumptions***

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

***Fund Equity***

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

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





## Note 1 - Significant Accounting Policies (Continued)

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

***Property Tax Revenue***

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

The taxable value of real and personal property for the July 1, 2023 general operating levy was $74.8 billion. The general operating tax rate for this levy was 3.9686 mills, which is the maximum allowable millage levy per the Headlee Amendment to the Michigan Constitution. The County also has a voter-approved tax of 0.3431 mills for parks and recreation and a voter-approved tax of 0.9500 mills for public transportation, which are levied on December 1 each year. The amount unpaid at fiscal year end is reported as current property taxes receivable in the County's General Fund.

***Pension***

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

***Net Pension Liability (Asset)***

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

***Other Postemployment Benefit Liability (Asset)***

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

## Note 1 - Significant Accounting Policies (Continued)

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

***Compensated Absences***

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

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

***Proprietary Funds Operating Classification***

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

***Use of Estimates***

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

***Leases***

The County is a lessee for noncancelable leases of buildings. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Water and Sewer Trust Fund (enterprise fund) and in the governmental activities column in the government-wide financial statements. The County recognizes lease assets and liabilities with an initial value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.





## Note 1 - Significant Accounting Policies (Continued)

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The County is a lessor for noncancelable leases of a cellular tower. The County recognizes a lease receivable and a deferred inflow of resources in the proprietary fund financial statements (Radio Communications Fund).

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The County uses the incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***Subscriptions***

The County obtains the right to use vendors' information technology software through various long-term contracts. The County recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") in the applicable governmental or business-type activities column in the government-wide financial statements. The County recognizes subscription assets and liabilities with an initial value of $5,000 or more.

At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the County determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

1) The County uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

2) The subscription term includes the noncancelable period of the subscription.

The County monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

## Note 1 - Significant Accounting Policies (Continued)

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

***Comparative Data/Reclassifications***

***Upcoming Accounting Pronouncements***

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the County's financial statements for the year ending September 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the County's financial statements for the year ending September 30, 2025.

***Adoption of New Accounting Pronouncement***

During the current year, the County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, the statements of net position of the governmental activities, business-type activities, Water and Sewer Trust Fund, nonmajor enterprise funds, and internal service Funds now include a liability for the present value of payments expected to be made and subscription assets. The subscription assets and liabilities have been added to Note 6 and Note 7, respectively, as of the beginning of the year. Subscription activity is further described in Note 19.

***Reclassification***

Certain 2022 amounts have been reclassified to conform to the 2023 presentation.

## Note 2 - Stewardship, Compliance, and Accountability

***Budgetary Information***

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

The Board of Commissioners is authorized to make amendments to the various budgets as deemed necessary. Current year supplemental budgetary appropriations were not material. Funds that receive an appropriation and can, therefore, be defined as those with an appropriated, annual, legally adopted budget are the General Fund and three special revenue funds: ARP Local Fiscal Recovery, Child Care, and Social Welfare Foster Care. The budgetary comparison for the General Fund and ARP Local Fiscal Recovery Fund are presented in the required supplementary information, and the Child Care and Social Welfare Foster Care funds are presented in the other supplementary information.





## Note 2 - Stewardship, Compliance, and Accountability (Continued)

Transfers within and between budgeted funds and departments may be made by the fiscal officer (director of management and budget department) in the following instances:

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

(b) Transfers may be made from the nondepartmental appropriation reserve accounts for maintenance department charges and miscellaneous capital outlay to the appropriate departmental budgets as specific requests for these items are reviewed and approved by the fiscal officer.

(c) Transfers may be made from the nondepartmental appropriation reserve accounts, emergency salaries, and summer help as specific requests for these items are reviewed and approved by the director of the human resources department.

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

***Excess of Expenditures Over Appropriations in Budgeted Funds***

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

| | Budget | Actual |
|---|---|---|
| General Fund - Administration - Internal support | $ 1,127,155 | $ 1,131,430 |
| General Fund - Information technology - Personnel | - | 2,736 |
| General Fund - Public services - Internal support | 3,767,898 | 3,774,958 |
| General Fund - Circuit Court - Internal support | 7,215,413 | 7,217,243 |
| General Fund - Nondepartmental - Personnel | (9,230,760) | 1,022,742 |
| General Fund - Nondepartmental - Operating | 19,841,753 | 22,430,334 |
| General Fund - Transfers out - Building and Liability Insurance | - | 5,000,000 |
| General Fund - Transfers out - Fire Records Management | 504,611 | 510,339 |
| Child Care Fund - Economic development - Personnel | - | 1,585 |
| Child Care Fund - Circuit court - Personnel | 1,943,519 | 2,149,263 |
| Child Care Fund - Circuit court - Internal support | 3,527 | 5,371 |
| Child Care Fund - Sheriff - Personnel | - | 8,003 |

The General Fund and Child Care Fund had unfavorable variances in several different departments, primarily in personnel and internal support costs. This was due to personnel movement within departments late in the fiscal year, which is offset by budget favorability in other areas.

The variance between budget and actuals for nondepartmental General Fund personnel is due to the Voluntary Employee Separation Incentive Program (VESIP). More employees took advantage of the program as well as unplanned separations, which caused a larger than anticipated variance in our personnel budget. This variance is due to having more vacancies than planned.

The General Fund nondepartmental operating variance is due to Oakland County’s contribution to the Local Road Improvement projects and additional support for prior year road projects completed in fiscal year 2023.

Due to the timing on the actuary report, the County was unable to post an adjustment to the budget for the transfer out to the Building and Liability Fund. Unexpected increase in income from Oakland County Agencies late in the year did not allow for an amendment to the budget for the transfer out to the Fire Records Management fund.

## Note 2 - Stewardship, Compliance, and Accountability (Continued)

***Fund Deficits and Management's Plan***

At September 30, 2023, the County had a deficit in fund balance in the following funds:

- Special revenue fund - Friend of the Court Fund: $1,094,714
- Special revenue fund - Workforce Development Grants Fund: $5,408,468
- Special revenue fund - Other Grants Fund: $1,025,388
- Special revenue fund - Judicial Grants Fund: $164,606
- Capital project fund - Lake Levels Act 146 Fund: $31,041
- Capital project fund - Chapter 4 Drain Construction: $383,052

The negative unassigned fund balance in the Lake Levels Act 146 Fund relates to the Bush Lake Level project and the Upper Straits Lake Level project in the amounts of $12,544 and $21,780, respectively.

***Bush Lake Level***

Construction of a new lake level control structure has been completed. In 2010, the Oakland County Board of Commissioners authorized a loan in the amount of $300,000 from the County's Long-term Revolving Fund to the Bush Lake Special Assessment District to be collected in 10 annual installments. The long-term assessment for the project commenced in fiscal year 2011. The project cost was more than anticipated, and the final collections from the long-term assessment roll are being reviewed. The $12,544 deficit within the construction fund will be covered by additional annual assessments to be incorporated with the lake level maintenance fund assessment. The district will be assessed appropriate additional amounts to ensure the ability to eliminate the deficit within the next five to seven years given the small district size and being mindful of the impact to residents in the district.

***Upper Straits Lake Level***

Design and construction of an augmentation well to maintain the lake level has been started. The expected completion date is sometime in 2024. In 2020, the Oakland County Board of Commissioners approved the Special Assessment District issuance of bonds in the aggregate principal amount of not to exceed $700,000. Full repayment of this debt by the special assessment district is to be collected in 10 annual installments. The $21,780 deficit within the construction fund was caused by project overruns and will be collected through additional assessments during the annual process of assessing the maintenance fund. An assessment to be collected in the next fiscal year is sufficient to cover this deficit.

***Chapter 4 Drain Construction***

Lower Pettibone Lake Sanitary Chapter 4 Drain Construction Project - A loan from the Long-term Revolving Fund was approved by the Oakland County Board of Commissioners via Miscellaneous Resolution #14136 adopted on June 11, 2014 to provide up to $1,200,000 in funding for this project. A 20-year assessment against each of the benefiting properties in the district has been approved to repay the loan, with first payment due in December 2014. The construction of the sewer was completed and became operational as of January 2015, and the deficit for this specific project will be eliminated when the long-term assessment roll collection is complete. The long-term receivable is on the balance sheet to track the collection. The deficit for fiscal year 2023 is $383,052.

***Special Revenue Funds***

**Friend of the Court Fund** - The negative unassigned fund balance reflects the fact that this grant fund operates on a reimbursement basis. For example, the County pays the original expenses and is reimbursed by the grantor agency after submission of the proper support documentation. Typically, reimbursement for year-end expenditures lags by two to three months. The negative unassigned fund balance of $1,094,714 is offset by unavailable revenue recorded of $1,094,714. Once reimbursement is obtained, the negative unassigned fund balance will be eliminated.





## Note 2 - Stewardship, Compliance, and Accountability (Continued)

**Workforce Development Grants Fund** - The negative unassigned fund balance reflects the fact that this grant fund operates on a reimbursement basis. For example, the County pays the original expenses and is reimbursed by the grantor agency after submission of the proper support documentation. Typically, reimbursement for year-end expenditures lags by two or three months. The negative unassigned fund balance of $5,408,468 is slightly offset by unavailable revenue recorded of $5,372,524. Once reimbursement is obtained, the negative unassigned fund balance will be eliminated. Should the reimbursement not be sufficient to cover the expenditure, the County has match funds budgeted, which will be transferred to cover any remaining deficit.

**Other Grants Fund** - The negative unassigned fund balance reflects the fact that this grant fund operates on a reimbursement basis. For example, the County pays the original expenses and is reimbursed by the grantor agency after submission of the proper support documentation. Typically, reimbursement for year-end expenditures lags by two to three months. The negative unassigned fund balance of $1,025,388 is slightly offset by unavailable revenue recorded of $114,709. Once reimbursement is obtained, the negative unassigned fund balance will be eliminated. Should the reimbursement not be sufficient to cover the expenditures, the County has match funds budgeted, which will be transferred to cover any remaining deficit.

**Judicial Grants Fund** - The negative unassigned fund balance reflects the fact that this grant fund operates on a reimbursement basis. For example, the County pays the original expenses and is reimbursed by the grantor agency after submission of the proper support documentation. Typically, reimbursement for year-end expenditures lags by two or three months. The negative unassigned fund balance of $164,606 is slightly offset by unavailable revenue recorded of $162,442. Once reimbursement is obtained, the negative unassigned fund balance will be eliminated. Should the reimbursement not be sufficient to cover the expenditure, the County has match funds budgeted, which will be transferred to cover any remaining deficit.

## Note 3 - Deposits and Investments

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

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

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

The County Treasurer is permitted to offer an investment option to local units of government within the County, called the Local Government Investment Pool (LGIP). Contracted participant deposits are treated just like county funds. Income, gains, and losses are allocated based upon the participant's average daily balance. The LGIP is not subject to regulatory oversight, is not registered with the SEC, and does not issue a separate report. Fair value of the position in the pool is approximately equal to the value of the pool shares. The LGIP has not provided or obtained any legally binding guarantees during the period to support the value of the shares. Investments are valued monthly.

***Deposits***

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

## Note 3 - Deposits and Investments (Continued)

***Custodial Credit Risk - Deposits***

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

As of September 30, 2023, the bank balance of the County's deposits was $143,494,494. Insured deposits were $111,137,393, and the remaining $32,357,101 was uninsured, uncollateralized, and held in the County's name.

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

The County's investment policy allows for the use of bank deposits, including certificates of deposit. The only limitation placed on bank deposits is that they cannot exceed 60 percent of the total investment portfolio. In addition, the County's investment policy limits the investment with any single financial institution to 25 percent.

At September 30, 2023, the Road Commission component unit had bank deposits of $19,632,468 (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.

***Investments - Internal Investment Pool***

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

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of Michigan financial institutions
3. Commercial paper rated at the time of purchase at the highest classification established by no less than two standard rating services and that matures no more than 270 days after the date of purchase
4. Repurchase agreements consisting of instruments in subdivision 1. The PSA Master Repurchase agreement prototype agreement shall be employed with appropriate supplemental provisions regarding security delivery, security substitutions, and governing law. A signed repurchase agreement must be on file before entering into a repurchase transaction.
5. Bankers' acceptances of United States banks
6. Obligations of this state or any of its political subdivisions that, at the time of purchase, are rated as investment grade by no less than one standard rating service
7. Obligations described in subdivisions 1 through 6 if purchased through an interlocal agreement under the Urban Cooperation Act of 1967
8. Investment pools organized under the Surplus Funds Investment Pool Act, PA 367 of 1982
9. Investment pools organized under the Local Government Investment Pool Act, PA 121 of 1985





## Note 3 - Deposits and Investments (Continued)

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, 2023, the County had the following deposit and investment types in its internal investment pool:

| | Governmental Activities (Dollars) | Weighted-average Maturity (Days) |
|---|---|---|
| Deposit accounts (1) | 133,159,590 | 1 |
| Government investment pools | 384,072,373 | 1 |
| Government money markets | 103,525,397 | 1 |
| Treasury notes | 151,864,256 | 299 |
| Negotiable CDs | 4,926,252 | 113 |
| CDARS (1) | 10,000,000 | 176 |
| Municipal bonds | 33,355,557 | 1,278 |
| Government agencies | 979,421,153 | 339 |
| Total fair value of internal investment pool | 1,800,324,578 | |
| Weighted-average maturity of internal investment pool (in days) | - | 238 |

(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 $151,864,256 invested in Treasury notes that are rated AAA by Standard & Poor's and Aaa by Moody's. The County had $979,421,153 invested in U.S. government agencies that are rated AA by Standard & Poor's and Aaa by Moody's. The County had $33,355,557 invested in AAA (S&P) and Aaa (Moody's) municipal bonds. The money market investment pools had $487,597,770 invested with ratings AAA (S&P) or higher. 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***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of another side party. The County's investment policy requires that all investment transactions (including collateral for repurchase agreements) be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian, as designated by the county treasurer, and shall be evidenced by a safekeeping receipt. As of September 30, 2023, $1,180,636,690 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 safekeeping requirement.

***Concentration of Credit Risk - Investments***

On September 30, 2023, the County had investments of 5 percent or more of the total portfolio with the following issuers: Federal Farm Credit Bank - 16.37 percent, Federal Home Loan Bank - 22.84 percent, Farmer Mac - 10.26 percent, Freddie Mac - 4.84 percent, and U.S. Treasury note - 8.55 percent. No other issuer exceeded 5 percent of the total portfolio.

## Note 3 - Deposits and Investments (Continued)

***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 five years from date of purchase; however, securities exceeding the five-year limitation may be purchased provided maturity dates coincide with the expected use of the funds. As of September 30, 2023, the internal investment pool had a weighted-average maturity of 238 days, and the longest investment maturity in the portfolio was 1,278 days (3.5 years).

***Investments - Pension Trust Funds and VEBA Trust***

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

Pension investments are made through the use of investment advisors that are selected and retained by the Retirement (PERS, VEBA, and ST) and Deferred Compensation Board. The advisors serve at the leisure of the board, as provided by investment agreements. At September 30, 2023, the primary government's pension trust fund had 34 investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement System's name.

As of September 30, 2023, the County had the following investment types in its pension, VEBA Trust, and Superseding Trust (presented within the Fringe Benefit internal service fund) funds:

| Investment Type | Fair Value | Percentage | Average Duration (in Years) |
|---|---|---|---|
| Common stock | $ 545,427,096 | 26.56% | N/A |
| Common stock funds/ETFs | 357,089,441 | 17.39% | N/A |
| Government bonds | 73,764,897 | 3.59% | 9.42 |
| Government agency funds | 44,740,761 | 2.18% | N/A |
| Government agencies | 114,580,996 | 5.58% | 7.99 |
| Corporate debt securities | 146,739,323 | 7.14% | 6.29 |
| Corporate bond funds | 54,903,819 | 2.67% | N/A |
| Government mortgage-backed securities | 99,245,504 | 4.83% | 7.10 |
| Commercial mortgage-backed securities | 21,586,568 | 1.05% | 1.78 |
| Asset-backed securities | 16,478,795 | .80% | 2.03 |
| Non-government-backed CMOs | 47,274 | 0.00% | 2.41 |
| Other fixed income | 2,099,209 | 0.10% | 2.03 |
| Real estate | 229,218,527 | 11.16% | N/A |
| Other assets | 937,628 | 0.05% | N/A |
| Partnerships | 203,225,811 | 9.90% | N/A |
| Hedge funds | 92,725,024 | 4.51% | N/A |
| Cash and cash equivalents | 59,302,718 | 2.48% | 0.08 |
| Total | $ 2,062,113,391 | | |

***Credit Risk - Pension and VEBA Trust***

The board's adopted Statement of Investment Goals and Objectives (SIGO) states that no nonconvertible bonds and convertible securities are authorized for purchase. In addition, no more than 10 percent of the total value of the portfolio, at the time of purchase, may be held in noninvestment grade bonds as rated by Moody's and/or Standard & Poor's. Of the total value of the portfolio, 90 percent must have a quality rating of A or better by Moody's and Standard & Poor's. For any security held in the portfolio that drops below investment grade, as rated by Moody's or Standard & Poor's, the investment manager is to advise the board of that fact along with a buy/hold recommendation. The board shall then instruct the investment manager as to which action should be taken.





## Note 3 - Deposits and Investments (Continued)

As of September 30, 2023, debt obligation investments held in the pension, VEBA Trust, and Superseding Trust funds had the following ratings:

| Fair Value | Percentage | Moody's Rating |
|---|---|---|
| $ 202,749,920 | 32.61% | Aaa |
| 18,231,742 | 2.93% | Aa |
| 71,896,718 | 11.57% | A |
| 50,631,549 | 8.14% | Baa |
| 6,701,038 | 1.08% | Ba |
| 1,653,185 | .27% | B |
| 112,003 | .02% | Caa |
| 110,295,169 | 17.74% | Not rated |
| 159,395,306 | 25.64% | U.S. Government Guaranteed |
| $ 621,666,630 | | |

***Custodial Credit Risk - Pension and VEBA Trust Funds and Superseding Trust***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of an outside party. The Retirement System's Statement of Investment Goals and Objectives requires that all investment transactions shall be conducted through a custodian that will act as the system's third party. Securities shall be held by the custodian, as designated by the retirement boards, and shall be evidenced by a custodial report. As of September 30, 2023, $2,053,751,218 in investments was held in third-party safekeeping in the County's name.

***Concentration of Credit Risk - Pension and VEBA Trust Funds and Superseding Trust***

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

For equities, holdings of all securities of an industry group should not exceed 25 percent of the portfolio at cost. ADRs should not exceed a maximum of 10 percent of the portfolio at cost and shall be further limited to Canadian securities and non-U.S. domiciled corporations issuing U.S. securities. As of September 30, 2023, as reported by the system's investment managers, no holdings exceed any of the board's adopted limits.

***Interest Rate Risk - Pension and VEBA Trust Funds and Superseding Trust***

The board's adopted Statement of Investment Goals and Objectives places no limitation on the system's fixed-income managers on the length to maturity for fixed-income investments. As the schedule on the previous page indicates, the system's fixed-income investments had average durations of between 1.78 years and 17.39 years, which is reasonable given the long-term nature of the system. Having reasonable durations will reduce the retirement system's risk exposure to rapidly adjusting interest rates.

Collateralized mortgage obligations (CMOs) are U.S. government-issued asset-backed certificates and corporate-issued asset-backed certificates. Current CMO holdings have maturity lengths ranging from 24.3 years to 25.3 years and are backed by investments in various assets, including mortgages. As of September 30, 2023, the market value was $47,274.

## Note 3 - Deposits and Investments (Continued)

***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, 2023, the County's CMO portfolio had an effective duration of 2.41 years.

***Fair Value Measurements***

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

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

The County's primary government has the following recurring fair value measurements as of September 30, 2023:

| | Assets Measured at Carrying Value on a Recurring Basis at September 30, 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total Value |
| **Investment Type** | | | | |
| Government agencies | $ - | $ 979,421,153 | $ - | $ 979,421,153 |
| Municipal bonds | - | 33,355,557 | - | 33,355,557 |
| Treasury notes | - | 151,864,256 | - | 151,864,256 |
| Negotiable CDs | - | 4,926,252 | - | 4,926,252 |
| Total | $ - | $ 1,169,567,218 | $ - | 1,169,567,218 |
| Investments measured at NAV - Money market investment pools | | | | 487,597,770 |
| Total assets | | | | $ 1,657,164,988 |

The fair value of Treasury notes, negotiable CDs, government agencies, and municipal bonds at September 30, 2023 was determined primarily based on Level 2 inputs, and they are valued using quoted prices for identical securities in markets that are not active. The money market investment pools are valued at published fair value per share (unit) for the fund.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rate "A-1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by Treasurys and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.





## Note 3 - Deposits and Investments (Continued)

The following table represents the County's pension and VEBA Trust funds' assets measured at fair value on a recurring basis at September 30, 2023:

| | Assets Measured at Carrying Value on a Recurring Basis at September 30, 2023 | | | |
|---|---|---|---|---|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at September 30, 2023 |
| **Assets** | | | | |
| Equity securities: | | | | |
| Common stock | $ 518,481,631 | $ - | $ - | $ 518,481,631 |
| Common stock - Funds/ETFs | 78,063,795 | - | - | 78,063,795 |
| Total equity securities | 596,545,426 | - | - | 596,545,426 |
| Debt securities: | | | | |
| Government bonds | - | 73,764,897 | - | 73,764,897 |
| Government agencies | - | 114,580,996 | - | 114,580,996 |
| Corporate bonds | - | 146,739,323 | - | 146,739,323 |
| Government mortgage-backed securities | - | 98,443,226 | - | 98,443,226 |
| Commercial mortgage-backed securities | - | 21,586,568 | - | 21,586,568 |
| Non-government-backed CMOs | - | 47,274 | - | 47,274 |
| Asset-backed securities | - | 16,478,795 | - | 16,478,795 |
| Other fixed income | - | 2,099,209 | - | 2,099,209 |
| Total debt securities | - | 473,740,288 | - | 473,740,288 |
| Total investments by fair value level | $ 596,545,426 | $ 473,740,288 | $ - | 1,070,285,714 |
| Investments measured at NAV: | | | | |
| Domestic equity | | | | 204,077,748 |
| International equity | | | | 101,893,362 |
| Global fixed income | | | | 100,446,858 |
| Partnerships | | | | 296,888,463 |
| Real estate | | | | 229,218,527 |
| Total investments measured at NAV | | | | 932,524,958 |
| Total assets | | | | $ 2,002,810,672 |

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

## Note 3 - Deposits and Investments (Continued)

***Investments in Entities that Calculate Net Asset Value per Share***

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

At September 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

| | Carrying Value | Unfunded Commitments | Redemption Frequency, if Eligible | Redemption Notice Period |
|---|---|---|---|---|
| Domestic equity | $ 204,077,748 | $ - | Monthly | 10 days |
| International equity | 101,893,362 | - | Monthly | 10 days |
| Global fixed income | 100,446,858 | - | Daily | 3 days |
| Partnerships | 296,888,463 | 75,353,695 | Daily | 3 days |
| Real estate | 229,218,527 | 12,298,698 | | |
| Total | $ 932,524,958 | $ 87,652,393 | | |

The domestic equity fund seeks to approximate, as closely as possible, the performance of the S&P 500 index over the long run.

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

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

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

The private equity funds objectives are to generated high risk-adjusted returns produced from current income by investing in a variety of instruments, including senior secured corporate debt instruments.

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.

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

The board's investment philosophy combines preservation of capital with moderate risk-taking in exchange for moderate investment returns - attempting to optimize the return per unit of risk. This philosophy is supported by the Retirement System's long investment time horizon. The board follows the following key tenets: (1) broadly diversify the plan's assets across stocks, bonds, and other investments (within the constraints of Act 314); (2) further diversify the plan's assets across the broader asset classes (as defined in Section IV), managers, styles, and other factors; and (3) select qualified investment managers and continually monitor their performance.





## Note 3 - Deposits and Investments (Continued)

The board has adopted a strategic asset allocation policy that is consistent with the achievement of the plan's financial needs and overall investment objectives. Asset classes are selected based on their expected long-term returns, individual reward/risk characteristics, correlation with other asset classes, manager roles, and fulfillment of the plan's long-term financial needs. Conformance with statutory investment guidelines is also considered.

The board established an allocation range for each asset class in recognition of the need to vary exposure within and among different asset classes, based on investment opportunities and changing capital market conditions. The board selected the target allocation for each asset class based on the plan's current investments and present market conditions. The board intends to review these allocation targets at least annually, focusing on changes in the plan's financial needs, investment objectives, and asset class performance.

The board has diversified the fund into private investments. These investments expose the fund to additional risk factors, including, but not limited to, illiquidity risk. The inclusion of these investments offers the potential for higher rates. However, the board does not have any control of the timing of distributions. Distributions are at the manager's discretion, subject to the underlying offering documents. Generally speaking, these investments have an estimated life of 10 years.

***Disclosures Regarding Redemption Only Upon Liquidation***

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

## Note 4 - Receivables

Receivables as of September 30, 2023 for the County's individual major funds and the nonmajor, internal service, and component units in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | Primary Government | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | | | | |
| | General Fund | Water and Sewer Debt Act 342 Fund | ARP Local Fiscal Recovery Fund | Nonmajor Funds | Proprietary Internal Service Fund | Total Governmental Activities |
| Receivables: | | | | | | |
| Property taxes receivable | $ 30,354,528 | $ - | $ - | $ - | $ - | $ 30,354,528 |
| Special assessments receivable | - | 38,807,312 | - | 9,478,662 | - | 48,285,974 |
| Delinquent property taxes receivable | 723,747 | - | - | - | - | 723,747 |
| Accrued interest receivable | (592,478) | (2,210) | 7,112 | 100,327 | 1,091,669 | 604,420 |
| Leases receivable | - | - | - | - | - | - |
| Other receivables | - | - | - | - | - | - |
| Due from other governments | 27,523,680 | - | - | 24,869,629 | 101,294 | 52,494,603 |
| Other | 2,892,775 | - | - | 18,245,024 | 3,862,943 | 25,000,742 |
| Contracts receivable | 3,675,560 | - | - | 7,149,200 | - | 10,824,760 |
| Allowance for doubtful accounts | (25,000) | - | - | - | - | (25,000) |
| Net receivables | $ 64,552,812 | $ 38,805,102 | $ 7,112 | $ 59,842,842 | $ 5,055,906 | $ 168,263,774 |

## Note 4 - Receivables (Continued)

| | Primary Government | | | | | |
|---|---|---|---|---|---|---|
| | Business-type Activities | | | | | |
| | Parks and Recreation | Delinquent Tax Revolving | Water and Sewer Trust | S.O.C.S.D.S. | Nonmajor Enterprise | Total Business-type Activities |
| Receivables: | | | | | | |
| Property taxes receivable | $ - | $ - | $ - | $ - | $ - | $ - |
| Special assessments receivable | - | - | - | - | - | - |
| Delinquent property taxes receivable | 128,042 | 49,296,333 | - | - | - | 49,424,375 |
| Accrued interest receivable | 55,281 | 1,805,873 | 260,756 | 217,930 | 487,353 | 2,827,193 |
| Leases receivable | - | - | - | - | 1,542,681 | 1,542,681 |
| Other receivables | - | - | - | - | - | - |
| Due from other governments | 339,134 | 1,642,472 | 2,825,449 | 7,909,503 | 6,772,171 | 19,488,729 |
| Other | 384,481 | 9,929,195 | 31,338,207 | 33,700 | 2,720,400 | 44,405,983 |
| Contracts receivable | - | - | - | - | - | - |
| Allowance for doubtful accounts | (228,747) | - | - | - | - | (228,747) |
| Net receivables | $ 678,191 | $ 62,673,873 | $ 34,424,412 | $ 8,161,133 | $ 11,522,605 | $ 117,460,214 |

| | Primary Government | | |
|---|---|---|---|
| | Component Units | | |
| | Drainage Districts | Road Commission | Total Component Units |
| Receivables: | | | |
| Property taxes receivable | $ - | $ - | $ - |
| Special assessments receivable | 338,386,069 | 7,648,427 | 346,034,496 |
| Delinquent property taxes receivable | - | - | - |
| Accrued interest receivable | 256,697 | - | 256,697 |
| Leases receivable | - | - | - |
| Other receivables | 2,337,626 | - | 2,337,626 |
| Due from other governments | 9,085,298 | - | 9,085,298 |
| Other | 54,526 | 27,184,382 | 27,238,908 |
| Contracts receivable | - | - | - |
| Allowance for doubtful accounts | - | - | - |
| Net receivables | $ 350,120,216 | $ 34,832,809 | $ 384,953,025 |

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

## Note 5 - Unavailable/Unearned Revenue

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





## Note 5 - Unavailable/Unearned Revenue (Continued)

At September 30, 2023, the various components of unearned and unavailable revenue were as follows:

| | Governmental Funds | | | Enterprise Funds | Component Units | | |
|---|---|---|---|---|---|---|---|
| | Modified Accrual - Deferred Inflow - Unavailable | Liability - Unearned | Total | Liability - Unearned | Modified Accrual - Deferred Inflow - Unavailable | Liability - Unearned | Total |
| Property taxes | $ 12,227,789 | $ - | $ 12,227,789 | $ - | $ - | $ - | $ - |
| Special assessments | 48,285,974 | - | 48,285,974 | - | 207,423,140 | 147,536,168 | 354,959,308 |
| Grants | 7,363,661 | 151,185,484 | 158,549,145 | - | - | - | - |
| Contracts receivable | 7,090,000 | - | 7,090,000 | - | 2,337,626 | - | 2,337,626 |
| Other | 25,068,891 | 25,970,266 | 51,039,157 | 1,016,852 | - | 17,251,773 | 17,251,773 |
| Total | $ 100,036,315 | $ 177,155,750 | $ 277,192,065 | $ 1,016,852 | $ 209,760,766 | $ 164,787,941 | $ 374,548,707 |

## Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2023 of the County's governmental and business-type activities was as follows:

***Governmental Activities***

| | Balance October 1, 2022 | Reclassifications | Additions | Disposals and Adjustments | Balance September 30, 2023 |
|---|---|---|---|---|---|
| Capital assets not being depreciated: | | | | | |
| Land | $ 7,365,551 | $ - | $ - | $ - | $ 7,365,551 |
| Construction in progress | 31,795,818 | (1,063,893) | 35,305,554 | - | 66,037,479 |
| Subtotal | 39,161,369 | (1,063,893) | 35,305,554 | - | 73,403,030 |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 289,680,656 | 6,455,229 | - | (563,731) | 295,572,154 |
| Equipment and vehicles | 167,793,554 | (5,405,836) | 8,100,763 | (2,164,289) | 168,324,192 |
| Infrastructure | 40,048,901 | (110,500) | - | - | 39,938,401 |
| Land improvements | 1,675,941 | 125,000 | - | - | 1,800,941 |
| Right-to-use lease asset | 8,832,080 | - | - | - | 8,832,080 |
| Subscription asset | 18,312,641 | - | - | - | 18,312,641 |
| Subtotal | 526,343,773 | 1,063,893 | 8,100,763 | (2,728,020) | 532,780,409 |
| Accumulated depreciation: | | | | | |
| Buildings and improvements | 152,479,026 | - | 8,090,823 | (482,366) | 160,087,483 |
| Equipment and vehicles | 133,300,720 | - | 7,617,309 | (2,133,878) | 138,784,151 |
| Infrastructure | 22,912,797 | - | 910,736 | - | 23,823,533 |
| Land improvements | 1,306,772 | - | 45,184 | - | 1,351,956 |
| Right-to-use lease asset | 1,172,464 | - | 1,172,464 | - | 2,344,928 |
| Subscription asset | - | - | 4,332,054 | - | 4,332,054 |
| Subtotal | 311,171,779 | - | 22,168,570 | (2,616,244) | 330,724,105 |
| Net capital assets being depreciated | 215,171,994 | 1,063,893 | (14,067,807) | (111,776) | 202,056,304 |
| Net governmental activities capital assets | $ 254,333,363 | $ - | $ 21,237,747 | $ (111,776) | $ 275,459,334 |

## Note 6 - Capital Assets (Continued)

***Business-type Activities***

| | Balance October 1, 2022 | Reclassifications | Additions | Disposals and Adjustments | Balance September 30, 2023 |
|---|---|---|---|---|---|
| Capital assets not being depreciated: | | | | | |
| Land | $ 68,748,726 | $ - | $ - | $ - | $ 68,748,726 |
| Construction in progress | 90,149,494 | (21,581,136) | 19,760,508 | - | 88,328,866 |
| Other | 12,000 | - | - | - | 12,000 |
| Subtotal | 158,910,220 | (21,581,136) | 19,760,508 | - | 157,089,592 |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 90,413,425 | 140,046 | - | - | 90,553,471 |
| Equipment and vehicles | 89,143,529 | 319,981 | 1,159,295 | (290,899) | 90,331,906 |
| Infrastructure | 334,165,319 | 21,222,942 | 2,335 | (3,126) | 355,387,470 |
| Land improvements | 45,334,415 | - | - | - | 45,334,415 |
| Right-to-use lease asset | 192,395 | - | - | - | 192,395 |
| Subscription asset | 6,474,181 | - | - | - | 6,474,181 |
| Subtotal | 565,723,264 | 21,682,969 | 1,161,630 | (294,025) | 588,273,838 |
| Accumulated depreciation: | | | | | |
| Buildings and improvements | 53,108,766 | - | 1,881,053 | - | 54,989,819 |
| Equipment and vehicles | 74,623,079 | - | 2,161,598 | (290,899) | 76,493,778 |
| Infrastructure | 247,225,419 | - | 5,371,125 | - | 252,596,544 |
| Land improvements | 35,447,399 | - | 1,526,247 | - | 36,973,646 |
| Right-to-use lease asset | 40,504 | - | 40,504 | - | 81,008 |
| Subscription asset | - | - | 2,783,024 | - | 2,783,024 |
| Subtotal | 410,445,167 | - | 13,763,551 | (290,899) | 423,917,819 |
| Net capital assets being depreciated | 155,278,097 | 21,682,969 | (12,601,921) | (3,126) | 164,356,019 |
| Net business-type activities capital assets | $ 314,188,317 | $ 101,833 | $ 7,158,587 | $ (3,126) | $ 321,445,611 |





## Note 6 - Capital Assets (Continued)

***Component Units***

Capital asset activity for the County's component units for the year ended September 30, 2023 was as follows:

| | Balance October 1, 2022 | Reclassifications | Additions | Disposals and Adjustments | Balance September 30, 2023 |
|---|---|---|---|---|---|
| Capital assets not being depreciated: | | | | | |
| Land and other | $ 246,746,094 | $ - | $ 7,676,040 | $ - | $ 254,422,134 |
| Construction in progress | 125,905,650 | (38,588,270) | 24,666,527 | - | 111,983,907 |
| Subtotal | 372,651,744 | (38,588,270) | 32,342,567 | - | 366,406,041 |
| Capital assets being depreciated: | | | | | |
| Buildings and storage bins | 113,948,457 | 8,056,880 | 523,097 | - | 122,528,434 |
| Road equipment | 79,352,782 | - | 4,982,796 | (4,292,028) | 80,043,550 |
| Other equipment | 14,212,091 | 135,719 | 493,482 | - | 14,841,292 |
| Infrastructure | 2,079,252,223 | 30,392,392 | 80,044,132 | (37,807,047) | 2,151,881,700 |
| Brine wells and gravel pits | 2,489,608 | - | - | - | 2,489,608 |
| Land improvements | 1,971,443 | 3,279 | 423,097 | - | 2,397,819 |
| Subtotal | 2,291,226,604 | 38,588,270 | 86,466,604 | (42,099,075) | 2,374,182,403 |
| Accumulated depreciation: | | | | | |
| Buildings and storage bins | 40,833,664 | - | 3,161,996 | - | 43,995,660 |
| Road equipment | 68,495,037 | - | 4,465,636 | (4,292,028) | 68,668,645 |
| Other equipment | 8,013,940 | - | 1,099,461 | - | 9,113,401 |
| Infrastructure | 761,849,687 | - | 65,004,228 | (37,807,047) | 789,046,868 |
| Brine wells and gravel pits | 2,188,450 | - | 104,012 | - | 2,292,462 |
| Land improvements | 491,039 | - | 154,287 | - | 645,326 |
| Subtotal | 881,871,817 | - | 73,989,620 | (42,099,075) | 913,762,362 |
| Net capital assets being depreciated | 1,409,354,787 | 38,588,270 | 12,476,984 | - | 1,460,420,041 |
| Net component units - Capital assets | $ 1,782,006,531 | $ - | $ 44,819,551 | $ - | $ 1,826,826,082 |

In 2023, the Evergreen-Farmington Sewage Disposal System (enterprise fund) was converted into the Evergreen Farmington Sanitary Sewer Chapter 20 Drain, and related capital assets are now reported in the component unit section. See Note 20 for more information.

## Note 6 - Capital Assets (Continued)

Depreciation expense was charged to functions of the primary government as follows:

| | |
|---|---|
| Governmental activities: | |
| Public safety | $ 4,917,590 |
| Justice administration | 2,286,875 |
| Citizens services | 1,006,778 |
| Public infrastructure | 172,785 |
| Commerce and community development | 38,123 |
| Unallocated depreciation | 4,477,484 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | 9,268,935 |
| Total governmental activities | $ 22,168,570 |
| Business-type activities: | |
| Airports | $ 2,476,514 |
| Community safety support | 3,496,956 |
| Community water and sewer | 2,719,333 |
| Recreation and leisure | 3,271,632 |
| Sewage disposal systems | 1,799,116 |
| Total business-type activities | $ 13,763,551 |
| Component units: | |
| Drainage Districts | $ 16,427,980 |
| Road Commission | 57,561,640 |
| Total component units | $ 73,989,620 |





## Note 7 - Long-term Debt

The County issues bonds and notes authorized by various state acts. Each act provides specific covenants for specific purposes. Long-term debt activity for the year ended September 30, 2023 is summarized as follows:

***Governmental Activities***

| | Interest Rate Ranges | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year | General Obligation | With Governmental Commitment |
|---|---|---|---|---|---|---|---|---|
| Bonds payable: | | | | | | | | |
| Direct borrowings: | | | | | | | | |
| Retirees Health Care Bonds | 3.62% | $ 120,900,000 | $ - | $ (28,605,000) | $ 92,295,000 | $ 29,660,000 | $ 92,295,000 | $ - |
| Water supply - Act 342 | 3.34% | 105,000 | - | (20,000) | 85,000 | 20,000 | - | 85,000 |
| Michigan Bond Authority - Sewage Disposal Bonds | 1.62 - 2.50% | 28,047,312 | - | (1,765,000) | 26,282,312 | 1,805,000 | - | 26,282,312 |
| Total direct borrowings principal outstanding | | 149,052,312 | - | (30,390,000) | 118,662,312 | 31,485,000 | 92,295,000 | 26,367,312 |
| Other debt: | | | | | | | | |
| Building authority - Act 31 | 2.00% - 3.375% | 13,825,000 | - | (2,855,000) | 10,970,000 | 700,000 | 10,970,000 | - |
| Building authority refunding | 2.00% - 5.00% | 10,945,000 | - | (2,610,000) | 8,335,000 | 2,265,000 | 1,245,000 | 7,090,000 |
| Retiree Health Care Bonds | 4.52% | 34,000,000 | - | - | 34,000,000 | - | 34,000,000 | - |
| Lake levels - Act 451 | 2.00% | 1,195,048 | - | (128,865) | 1,066,183 | 128,865 | - | 1,066,183 |
| Water supply - Act 342 | 2.00% - 4.25% | 5,215,000 | - | (65,000) | 5,150,000 | 90,000 | - | 5,150,000 |
| Sewage disposal - Act 342 | 1.70% - 3.25% | 7,960,000 | - | (670,000) | 7,290,000 | 685,000 | - | 7,290,000 |
| Water supply refunding | 1.70% - 3.25% | 8,625,000 | - | (595,000) | 8,030,000 | 640,000 | - | 8,030,000 |
| Total other debt principal outstanding | | 81,765,048 | - | (6,923,865) | 74,841,183 | 4,508,865 | 46,215,000 | 28,626,183 |
| Unamortized bond premiums | | 2,898,832 | - | (387,187) | 2,511,645 | - | 2,511,645 | - |
| Total bonds payable | | 233,716,192 | - | (37,701,052) | 196,015,140 | 35,993,865 | 2,511,645 | - |
| Lease liability | | 7,982,119 | - | (966,555) | 7,015,564 | 928,808 | - | - |
| SBITA liability | | 18,312,640 | - | (4,040,904) | 14,271,736 | 4,062,656 | - | - |
| Compensated absences | | 17,039,018 | 2,230,940 | (1,703,902) | 17,566,056 | 1,756,606 | - | - |
| Claims and judgments | | 72,517,002 | 74,089,224 | (108,561,078) | 38,045,148 | 9,172,205 | - | - |
| Total governmental activities long-term debt | | $ 349,566,971 | $ 76,320,164 | $ (152,973,491) | $ 272,913,644 | $ 51,914,140 | $ 141,021,645 | $ 54,993,495 |

## Note 7 - Long-term Debt (Continued)

### *Business-type Activities*

| | Interest Rate Ranges | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year | General Obligation | With Governmental Commitment |
|---|---|---|---|---|---|---|---|---|
| Bonds payable: | | | | | | | | |
| Direct borrowings - | | | | | | | | |
| Michigan Bond Authority - Water and Sewage Disposal Bonds | 2.50% - 6.00% | $ 14,006,050 | $ - | $ (989,396) | $ 13,016,654 | $ 1,028,896 | $ 13,016,654 | $ - |
| Other debt: | | | | | | | | |
| BA refunding - County Airport | 2.00% - 5.00% | 3,405,000 | - | (660,000) | 2,745,000 | 675,000 | 2,745,000 | - |
| BA - Act 31 - Radio | 4.00% - 5.00% | 13,150,000 | - | (1,040,000) | 12,110,000 | 1,095,000 | 12,110,000 | - |
| Total other debt principal outstanding | | 16,555,000 | - | (1,700,000) | 14,855,000 | 1,770,000 | 14,855,000 | - |
| Unamortized bond premiums | | 3,230,673 | - | (340,358) | 2,890,315 | - | 2,890,315 | - |
| Total bonds payable | | 33,791,723 | - | (3,029,754) | 30,761,969 | 2,798,896 | 30,761,969 | - |
| Lease liability | | 157,513 | - | (37,747) | 119,766 | 40,742 | - | - |
| SBITA liability | | 6,474,181 | - | (2,876,644) | 3,597,537 | 2,537,805 | - | - |
| Total business-type activities long-term debt | | $ 40,423,417 | $ - | $ (5,944,145) | $ 34,479,272 | $ 5,377,443 | $ 30,761,969 | $ - |





## Note 7 - Long-term Debt (Continued)

### *Component Unit - Drainage Districts and Road Commission*

| | Interest Rate Ranges | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year | General Obligation | With Governmental Commitment |
|---|---|---|---|---|---|---|---|---|
| Bonds payable: | | | | | | | | |
| Direct borrowings: | | | | | | | | |
| Drain bonds - Act 40 | 1.00% - 2.45% | $ 355,000 | $ (85,000) | $ - | $ 270,000 | $ 90,000 | $ 97,389 | $ 172,611 |
| Michigan Bond Authority - Drain Bonds | 1.625% - 6.00% | 131,047,990 | 33,866,430 | (14,334,300) | 150,580,120 | 14,676,576 | 13,712,680 | 136,867,440 |
| Total direct borrowings principal outstanding | | 131,402,990 | 33,781,430 | (14,334,300) | 150,850,120 | 14,766,576 | 13,810,069 | 137,040,051 |
| Other debt: | | | | | | | | |
| Drain bonds - Act 40 | 1.00% - 6.00% | 73,300,000 | 5,730,000 | (3,805,000) | 75,225,000 | 4,100,000 | 8,979,104 | 66,245,896 |
| Drain Refunding Bonds | 1.85% - 3.00% | 45,220,000 | - | (4,360,000) | 40,860,000 | 4,420,000 | 35,602,580 | 5,257,420 |
| Total other debt principal outstanding | | 118,520,000 | 5,730,000 | (8,165,000) | 116,085,000 | 8,520,000 | 44,581,684 | 71,503,316 |
| Unamortized bond premiums | | 7,768,383 | 176,878 | (472,123) | 7,473,138 | - | 7,473,138 | - |
| Total bonds payable | | 257,691,373 | 39,688,308 | (22,971,423) | 274,408,258 | 23,286,576 | 58,391,753 | 208,543,367 |
| Net pension liability - Road Commission | | 4,254,080 | 45,116,199 | - | 49,370,279 | - | - | - |
| Net OPEB liability - Road Commission | | 96,568,922 | 14,509,619 | - | 111,078,541 | - | - | - |
| Compensated absences - Road Commission | | 2,450,826 | - | (58,612) | 2,392,214 | - | - | - |
| Claims and judgments - Road Commission | | 1,927,366 | - | (328,961) | 1,598,405 | - | - | - |
| Total component unit long-term debt | | $362,892,567 | $ 99,314,126 | $ (23,358,996) | $438,847,697 | $ 23,286,576 | $ 65,864,891 | $208,543,367 |

## Note 7 - Long-term Debt (Continued)

***Debt Service Requirements to Maturity***

The annual requirements to pay principal and interest on debt outstanding at September 30, 2023 (excluding the liabilities for leases, SBITAs, compensated absences, other postemployment benefits, pension liability, and uninsured losses for the County and Road Commission component unit) are as follows:

| | Governmental Activities | | | | |
|---|---|---|---|---|---|
| | Direct Borrowings | | Other Debt | | |
| Years Ending September 30 | Principal | Interest | Principal | Interest | Total |
| 2024 | $ 31,485,000 | $ 3,460,623 | $ 4,508,865 | $ 2,948,593 | $ 42,403,081 |
| 2025 | 32,620,000 | 2,322,284 | 3,118,865 | 2,799,498 | 40,860,647 |
| 2026 | 33,805,000 | 1,142,548 | 3,168,865 | 2,683,504 | 40,799,917 |
| 2027 | 1,960,727 | 518,136 | 37,273,865 | 1,797,993 | 41,550,721 |
| 2028 | 1,885,000 | 469,789 | 3,078,865 | 908,639 | 6,342,293 |
| 2029-2033 | 10,160,000 | 1,618,323 | 13,636,858 | 2,916,883 | 28,332,064 |
| 2034-2038 | 6,746,585 | 339,994 | 6,695,000 | 1,088,581 | 14,870,160 |
| 2039-2043 | - | - | 1,060,000 | 608,706 | 1,668,706 |
| 2044-2048 | - | - | 1,175,000 | 392,856 | 1,567,856 |
| 2049-2053 | - | - | 1,125,000 | 121,975 | 1,246,975 |
| Total | $ 118,662,312 | $ 9,871,697 | $ 74,841,183 | $ 16,267,228 | $ 219,642,420 |

| | Business-type Activities | | | | |
|---|---|---|---|---|---|
| | Direct Borrowings | | Other Debt | | |
| Years Ending September 30 | Principal | Interest | Principal | Interest | Total |
| 2024 | $ 1,028,896 | $ 318,265 | $ 1,770,000 | $ 318,265 | $ 3,435,426 |
| 2025 | 1,045,196 | 292,578 | 1,420,000 | 602,550 | 3,360,324 |
| 2026 | 1,075,596 | 266,255 | 1,480,000 | 530,050 | 3,351,901 |
| 2027 | 1,110,996 | 239,173 | 1,545,000 | 454,425 | 3,349,594 |
| 2028 | 1,144,096 | 211,172 | 1,635,000 | 374,925 | 3,365,193 |
| 2029-2033 | 5,274,500 | 627,824 | 7,005,000 | 639,675 | 13,546,999 |
| 2034-2038 | 2,337,374 | 113,773 | - | - | 2,451,147 |
| 2039-2043 | - | - | - | - | - |
| 2044-2048 | - | - | - | - | - |
| 2049-2053 | - | - | - | - | - |
| Total | $ 13,016,654 | $ 2,069,040 | $ 14,855,000 | $ 2,919,890 | $ 32,860,584 |





## Note 7 - Long-term Debt (Continued)

| | Component Units - Drainage Districts | | | | |
|---|---|---|---|---|---|
| | Direct Borrowings | | Other Debt | | |
| Years Ending September 30 | Principal | Interest | Principal | Interest | Total |
| 2024 | $ 14,766,576 | $ 3,260,590 | $ 8,520,000 | $ 3,176,822 | $ 29,723,988 |
| 2025 | 9,703,500 | 2,974,436 | 8,260,000 | 3,001,411 | 23,939,347 |
| 2026 | 9,932,246 | 2,749,148 | 8,030,000 | 2,776,015 | 23,487,409 |
| 2027 | 14,510,700 | 2,519,134 | 8,235,000 | 2,523,797 | 27,788,631 |
| 2028 | 14,824,600 | 2,201,736 | 8,305,000 | 2,265,241 | 27,596,577 |
| 2029-2033 | 71,897,510 | 6,216,264 | 41,015,000 | 7,319,084 | 126,447,858 |
| 2034-2038 | 15,214,988 | 810,147 | 23,835,000 | 2,594,713 | 42,454,848 |
| 2039-2043 | - | - | 9,885,000 | 487,019 | 10,372,019 |
| 2044-2048 | - | - | - | - | - |
| 2049-2053 | - | - | - | - | - |
| Total | $ 150,850,120 | $ 20,731,455 | $ 116,085,000 | $ 24,144,102 | $ 311,810,677 |

The County has pledged its full faith and credit on debt totaling $488,310,269. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2023, the debt limit was $9,768,928,183. 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, 2023, there was one issue outstanding totaling $10,970,000, maturing in the years 2024-2036, which represents debt originally issued in the years 2012-2015 totaling $15,450,000.

***Retirees Health Care Bonds***

In September 2013, the County issued refunding bonds in the amount of $350,000,000 in order to refinance and redeem the 2007 Certificates of Participation debt. This enabled the County to fully fund the VEBA Trust Fund as of September 30, 2014. The County thereafter entered into a superseding contract with a new Superseding Trust created by the County, under which contract the County is now obligated to maintain the funding in the VEBA Trust Fund in future years pursuant to the terms of that contract under a superseding plan that has superseded and supplanted the obligation of the County to maintain retiree health services by keeping the VEBA Trust Fund at full funding. As of September 30, 2023, there were two issues outstanding totaling $126,295,000, maturing in the years 2024-2027. The debt is recorded in the Fringe Benefits Fund, an internal service fund of the County.

***Sewage Disposal, Water and Sewer, and Water Supply Bonds - Act 342***

Act 342, Michigan Public Acts of 1939 provides for a contract between the County and local municipalities that defines a schedule of annual payments to be made by the municipality to meet principal and interest obligations. Such contractual payments may be funded by revenue produced by utility or tax revenue. The County is obligated upon the default of the local municipality, and, therefore, such obligation is shown as with governmental commitment. Assessments are shown in their entirety with the corresponding deferred inflows in the debt service funds for each act. At September 30, 2023, there were six issues outstanding, totaling $12,525,000, maturing in the years 2024-2053. This represents debt originally issued in the amount of $11,250,000 issued in the years 2017-2018 and $5,215,000 issued in 2022.

## Note 7 - Long-term Debt (Continued)

***Refunding Bonds***

Michigan Public Act 31 of 1948 and Act 34 of 2001 provide for the refunding of bonds based on covenants contained in the acts. The bonds will be repaid from assessments levied against the benefiting municipalities for water and sewer debt or leases for the Building Authority's debt. At September 30, 2023, there were eight issues outstanding totaling $16,365,000, maturing in the years 2024-2040. This represents debt originally issued in the years 2010-2021 totaling $26,870,000.

***Lake Levels***

Act 451 of Michigan Public Acts of 1994 permits the issuance of debt for providing lake level control. Bonds are to be repaid through special assessments levied against benefiting property owners. In March 2020, the County authorized the issuance of bonds in the amount of $468,000 for the Upper Straits Lake Level, which matures in the year 2030. In fiscal year 2022, an additional $820,648 was issued for the Bald Eagle Lake drain, which matures in the year 2032. At September 30, 2023, there was a balance outstanding of $1,066,183.

***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, 2023 for this issue is $400,727, which matures in the years 2024-2027.

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 Middlebelt Transport and Storage Tunnel project. The amount outstanding at September 30, 2023 for this issue is $25,881,585, which matures in the years 2024-2036.

***Business-type***

Two of the Building Authority's refunding bond issues for the County Airports Fund consist of the Airport T-Hangar Refunding in the amount outstanding as of September 30, 2023 of $435,000 maturing in the year 2024 and the Airport Terminal Building in the amount outstanding as of September 30, 2023 of $2,310,000 maturing in the years 2024-2030. These represent original refunding debt issued in the amount of $4,585,000 in 2012 for the Airport T-Hangar and $2,970,000 in 2020 for the Airport Terminal Building.

In 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 Clean Water/Water Quality projects. The total authorized loan amount is $8,220,720. Further, in 2014, the County authorized an additional $6,890,000 from the Michigan Municipal Bond Authority Revolving Loan fund for City of Pontiac Water Supply System Improvements with successive authorizations in the years 2014 through 2016 amounting to $12,735,000. At September 30, 2023 there are nine issues outstanding totaling $13,016,654, maturing in the years 2024-2038.

In May 2020, the County issued $15,125,000 of general obligation limited tax bonds for the Radio Communications project pursuant to authorization contained in Michigan Public Act 31 of 1948 and Act 34 of 2001. The amount outstanding as of September 30, 2023 was $12,110,000, which matures in the years 2023-2032.

In 2023, the Evergreen-Farmington Sewage Disposal System (enterprise fund) was converted into the Evergreen Farmington Sanitary Sewer Chapter 20 Drain, and related debt issues are now reported in the component unit section. See Note 20 for more information.





## Note 7 - Long-term Debt (Continued)

***Drain Bonds – Act 40 (Component Unit)***

Act 40 provides for the creation of a Drain Board, which has the power to assess state, county, and local levels of government for principal and interest payments. Such assessments are to be funded from General Fund revenue of the respective municipality. The County 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, 2023, there were 12 issues outstanding, totaling $75,495,000, maturing in the years 2024-2043. This represents original debt issued for $96,560,000 in the years 2005-2023.

***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, 2023, there were seven issues outstanding, totaling $40,860,000, maturing in the years 2024-2034. This represents debt originally issued in the years 2013-2021 in the amount of $59,455,000.

***Michigan Bond Authority Drain Bonds (Component Unit)***

The County authorized the issuance of bonds for $82,200,000 in 2001 from the Michigan Municipal Bond Authority Revolving Loan fund for the George W. Kuhn Drainage District. Further, the County authorized an additional $13,246,822 for the George W. Kuhn Drainage District Segment II in the years 2005 through 2008. 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, and IV in the years 2012, 2013, and 2015, respectively, amounting to $99,160,000. In March 2012, the County authorized the issuance of bonds for up to $2,415,000 for the Evergreen Farmington Sanitary Drainage District 8 Mile Pumping Station Septage Facility. The amount outstanding for this issue at September 30, 2023 was $1,235,000, which matures in the years 2023-2032. In August 2012, in conjunction with the transfer of operations of the City of Pontiac Waste-water Treatment System to the County, the County's Drainage District assumed the debt obligations initiated by the City of Pontiac for two Clean Water/Water Quality projects. The total authorized loan amount was $13,322,810. Further, in October 2014, the County authorized an additional $9,840,000 with $1,000,000 principal forgiveness for the Pontiac Waste-Water Treatment Drain District. In June 2017, the County authorized the issuance of bonds for Clinton River Water Resource Recovery Facility Drainage District for $31,995,000, with $2,500,000 principal forgiveness. In January 2023, the County authorized issuance of bonds for the Evergreen Farmington Sanitary Drainage District for $127,536,278, with $12,107,000 principal forgiveness. As of September 30, 2023, $75,176,637 remains undrawn. At September 30, 2023, there were 14 issues outstanding, amounting to $150,580,120, maturing in the years 2024-2053.

***Debt Authorized but Unissued***

As detailed in the preceding paragraphs, the County has debt that has been authorized through the Michigan Municipal Bond Authority Revolving Loan fund but unissued (undrawn) in the total amount of $75,176,637.

***Changes in Other Long-term Liabilities***

Long-term liabilities for compensated absences, pension liability (when applicable), workers compensation, and unreported health costs are reported in and liquidated through the Fringe Benefits internal service fund. Claims and judgments related to insurance activity are reported in the Building Liability Insurance internal service fund.

## Note 8 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Nonmajor governmental funds | $ 22,171,669 |
| | Water and Sewer Trust Fund | 54 |
| | S.O.C.S.D.S. Fund | 150,262 |
| | ARP Local Fiscal Recovery Fund | 21,720,324 |
| | Parks and Recreation Fund | 17,211 |
| | Internal service funds | 47,819 |
| | Total General Fund | 44,107,339 |
| Nonmajor governmental funds | General Fund | 18,087,874 |
| | Nonmajor governmental funds | 3,380,671 |
| | ARP Local Fiscal Recovery Fund | 450,000 |
| | S.O.C.S.D.S. Fund | 22,902 |
| | Internal service funds | 1,698,576 |
| | Total nonmajor governmental funds | 23,640,023 |
| Parks and Recreation Fund | General Fund | 25,000 |
| | ARP Local Fiscal Recovery Fund | 219 |
| | Total Parks and Recreation Fund | 25,219 |
| Internal service funds | General Fund | 7,848,273 |
| | ARP Local Fiscal Recovery Fund | 197,085 |
| | Nonmajor governmental funds | 248,622 |
| | Total internal service funds | 8,293,980 |
| ARP Local Fiscal Recovery Fund | General Fund | 125,000 |
| | Water and Sewer Trust Fund | 450,000 |
| | Total ARP Local Fiscal Recovery Fund | 575,000 |
| Nonmajor enterprise funds | Internal service funds | 1,889,521 |
| | Total | $ 78,531,082 |

These balances result from the time difference between the dates that services are provided or transfers are authorized, transactions are recorded in the accounting system, and payments between funds are made. In the General Fund, the receivable primarily consists of $10,864,455 to cover various funds with deficit cash balances at year end, return of excess funding of $1,044,767 in the Child Care Fund, $21,720,324 from the ARP Local Fiscal Recovery Fund for grant expenditures incurred in the General Fund, $4,521,509 from the Friend of the Court Fund, and $3,546,870 from the Project Work Order Fund covering the sale of the property at the Brown Road Animal Shelter. The receivable in the nonmajor governmental funds primarily consists of General Fund support of $7,447,932 in Facility Projects, $4,090,926 in IT Projects, and $3,263,925 in support of the Mandated Indigent Defense Fund. The Building Liability internal service fund received General Fund support in the amount of $5,000,000. Other interfund receivables/payables include charges from the Drain Commissioner Revolving Fund for amounts due from various drains and lake level funds and the Drain Equipment Fund.





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

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

| Fund Borrowed From | Fund Loaned To | Amount |
|---|---|---|
| Nonmajor governmental funds | Nonmajor governmental funds | $ 711,658 |
| | Water and Sewer Trust Fund | 105,000 |
| | Total nonmajor governmental funds | $ 816,658 |

Advances distinguish long-term internal borrowings from receivables and payables that arise in connection with routine borrowings and short-term loans (due to/due from other funds). These include the balances of the loans from the Long-term Revolving Fund to the Water and Sewer Trust Fund for the Lake Orion Sewer SCADA Project, $105,000; the Bush Lake Level Dam Project, $12,908; construction of the Lower Pettibone Sanitary Drain, $591,250; and $27,164 for deficits from maintenance and repairs of two Chapter 4 Drains.

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

| Receivable | Payable | Amount |
|---|---|---|
| General Fund | Drainage Districts | $ 212,356 |
| Nonmajor governmental funds | Drainage Districts | 990,175 |
| Drainage Districts | General Fund | 250,000 |
| Internal service funds | Drainage Districts | 35 |
| | Road Commission | 105,213 |
| | Total internal service funds | 105,248 |
| | Total | $ 1,557,779 |

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

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

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

| Receiving Fund (Transfer In) | Paying Fund (Transfer Out) | Amount |
|---|---|---|
| General Fund | Nonmajor governmental funds | $ 505,051 |
| | Delinquent Tax Revolving Fund | 7,694,526 |
| | Total General Fund | 8,199,577 |
| Nonmajor governmental funds | General Fund | 48,998,047 |
| | Nonmajor governmental funds | 7,543,918 |
| | Internal service funds | 173,143 |
| | Delinquent Tax Revolving Fund | 1,756,966 |
| | Total nonmajor governmental funds | 58,472,074 |
| Parks and Recreation Fund | General Fund | 83,000 |
| Nonmajor enterprise funds | General Fund | 2,844,139 |
| Internal service funds | General Fund | 14,182,786 |
| | Parks and Recreation Fund | 37,408 |
| | Nonmajor enterprise funds | 286,000 |
| | Water and Sewer Trust Fund | 222,209 |
| | Internal service funds | 53,202 |
| | Total internal service funds | 14,781,605 |
| | Total | $ 84,380,395 |

The transfers to and from the various funds are made to account for budgetary authorizations and/or providing funding for operations as needed. Major transfer amounts consist of the General Fund's recording of transfers of $25,000,000 to fund capital projects, including $19,800,000 in support of a county executive move to the City of Pontiac, and $5,200,000 for various other facilities projects. Additionally, General Fund transfers support the operations of the Child Care Fund, the Friend of the Court Fund, the Mandated Indigent Defense Fund, and various grants in the amounts of $9,118,995, $6,761,392, $1,380,304, and $2,475,387, respectively. Additionally, transfers in the amounts of $8,744,876 and $5,000,000 were made to fund operations of the Information Technology Fund and the Building and Liability Insurance Fund, respectively, along with $1,644,186 transferred to the Court Law Enforcement Information System Fund. In the nonmajor governmental funds, a transfer was made in the amount of $6,329,191 from the Building Improvement Fund to fund various work projects.





## Note 9 - Fund Balance Constraints

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

| | Primary Government | | | | |
|---|---|---|---|---|---|
| | General Fund | Water and Sewer Debt Act 342 Fund | ARP Local Fiscal Recovery Fund | Nonmajor Funds | Total |
| Nonspendable: | | | | | |
| Inventory | $ 398,197 | $ - | $ - | $ - | $ 398,197 |
| Prepaids | 492,667 | 500 | - | 369,560 | 862,727 |
| Total nonspendable | 890,864 | 500 | - | 369,560 | 1,260,924 |
| Restricted: | | | | | |
| Specific programs | - | - | - | 50,461,089 | 50,461,089 |
| Debt service | - | 22,294 | - | - | 22,294 |
| Total restricted | - | 22,294 | - | 50,461,089 | 50,483,383 |
| Committed - Capital projects | - | - | - | 31,987,115 | 31,987,115 |
| Assigned: | | | | | |
| Budget stabilization reserve | 143,500,000 | - | - | - | 143,500,000 |
| Property tax forfeiture activities | 2,551,831 | - | - | - | 2,551,831 |
| Strategic investment plan | 32,000,000 | - | - | - | 32,000,000 |
| Reserve for noneconomic budget risks | 25,100,000 | - | - | - | 25,100,000 |
| Assigned for FY 2024 adopted budget | 25,863,878 | - | - | - | 25,863,878 |
| RCOC triparty | 2,000,000 | - | - | - | 2,000,000 |
| Marine safety patrol match | 100,000 | - | - | - | 100,000 |
| Secondary Township road repair program | 2,000,000 | - | - | - | 2,000,000 |
| Oxford response | 1,082,299 | - | - | - | 1,082,299 |
| Total assigned | 234,198,008 | - | - | - | 234,198,008 |
| Unassigned | 1,001,223 | - | - | (8,107,269) | (7,106,046) |
| Total fund balance | $ 236,090,095 | $ 22,794 | $ - | $ 74,710,495 | $ 310,823,384 |

## Note 10 - Pension Plans

***Plan Description***

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

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

## Note 10 - Pension Plans (Continued)

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

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

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

***Benefits Provided***

Members of both plans may retire at age 55 (except sheriff's deputies, who may retire with 25 years of service regardless of age) with 25 years of service or at age 60 with 8 years of service. Members vest after 8 years of service.

Eligible employees under the county plan are provided benefits based on 2 percent, but 2.2 percent for years in excess of 14 years (sheriff's deputies, 2.2 percent for the first 14 years of service and 2.5 percent thereafter, command officers 2.5 percent), of the final average compensation times the number of years of credited service. Maximum county retirement is 75 percent of final average compensation, defined as the average of the highest 5 consecutive years during the last 10 years.

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

***Employees Covered by Benefit Terms***

The County PERS covers the majority of full-time employees of the County hired prior to July 1, 1994. The plans' membership consists of the following at September 30, 2022, the date of the latest actuarial valuation:

| | |
|---|---|
| Inactive plan members or beneficiaries currently receiving benefits | 1,908 |
| Inactive plan members entitled to but not yet receiving benefits | 41 |
| Active plan members | 62 |
| Total employees covered by the plan | 2,011 |

***Contributions***

The County's policy is to fund normal costs of the plan by contributions, which are based on actuarially determined rates expressed as percentages of annual covered payroll, that are sufficient to accumulate assets to pay benefits when due. For fiscal year 2023, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2021.





## Note 10 - Pension Plans (Continued)

Sheriff's deputies contribute at a rate of 3 percent of their annual pay for the first 14 years of service and 5 percent thereafter. Command officers contribute 5 percent. General county option A members who have elected improved benefits contribute 1 percent of their pay after 14 years of service. Contributions received from these employees for the year ended September 30, 2023 amounted to $51,052.

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

***Net Pension Liability***

The County has chosen to use the September 30 measurement date as its measurement date for the net pension liability. The September 30, 2023 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the September 30, 2023 measurement date. The September 30, 2023 total pension liability was determined by an actuarial valuation performed as of September 30, 2022, which used update procedures to roll forward the estimated liability to September 30, 2023.

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

| | Increase (Decrease) | | |
|---|---|---|---|
| Changes in Net Pension Liability | Total Pension Liability | Plan Net Position | Net Pension Liability |
| **Balance at October 1, 2022** | $ 718,014,316 | $ 648,806,362 | $ 69,207,954 |
| Changes for the year: | | | |
| Service cost | 517,707 | - | 517,707 |
| Interest | 49,789,995 | - | 49,789,995 |
| Differences between expected and actual experience | (4,364,660) | - | (4,364,660) |
| Changes in assumptions | 6,966,094 | - | 6,966,094 |
| Contributions - Employee | - | 51,052 | (51,052) |
| Net investment income | - | 52,504,943 | (52,504,943) |
| Benefit payments, including refunds | (63,029,191) | (63,029,191) | - |
| Administrative expenses | - | (276,159) | 276,159 |
| Net changes | (10,120,055) | (10,749,355) | 629,300 |
| **Balance at September 30, 2023** | $ 707,894,261 | $ 638,057,007 | $ 69,837,254 |

The plan's fiduciary net position represents 90.13 percent of the total pension liability.

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

For the year ended September 30, 2023, the County reported pension expense of $25,558,362.

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources |
|---|---|
| Net difference between projected and actual earnings on pension plan investments | $ 43,589,363 |

## Note 10 - Pension Plans (Continued)

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

| Years Ending September 30 | Amount |
|---|---|
| 2024 | $ 11,829,619 |
| 2025 | 8,107,233 |
| 2026 | 25,204,401 |
| 2027 | (1,551,890) |
| Total | $ 43,589,363 |

***Actuarial Assumptions***

The total pension liability in the September 30, 2022 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3 percent to 9 percent, an investment rate of return (net of investment expenses) of 7.00 percent, and the Pub-2010 Mortality Tables, with future mortality improvements projected generationally to 2030 using scale MP-2021. These assumptions were applied to all periods included in the measurement.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that county contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

***Investment Rate of Return***

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan’s trustees after considering input from the plan’s investment consultant(s). For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2023, these best estimates are summarized in the following table:

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





## Note 10 - Pension Plans (Continued)

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.00 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1 Percentage Point Decrease (6.00%) | Current Discount Rate (7.00%) | 1 Percentage Point Increase (8.00%) |
|---|---|---|---|
| Net pension liability | $ 132,485,877 | $ 69,837,254 | $ 15,761,552 |

***Assumption Changes***

The change in assumption is related to decreasing the discount rate from 7.25 percent in 2022 to 7.00 percent in 2023, updating the mortality tables from the RP-2014 tables to the Pub-2010 tables, and updating the pay projections from a range of 3.25 - 9.25 percent to a range of 3.00 - 9.00 percent.

***Investment Policy***

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

***Rate of Return***

For the year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.70 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Pension Plan Reserves***

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

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

## Note 10 - Pension Plans (Continued)

The balances of the reserve accounts at September 30, 2023 are as follows:

| | |
|---|---|
| Annuity reserve | $ (1,471,399) |
| Pension reserve | 80,774,502 |
| Pension accumulated reserve | 558,753,904 |
| Total | $ 638,057,007 |

***Road Commission for Oakland County Retirement System***

The Road Commission for Oakland County Retirement System board of trustees administers the Road Commission for Oakland County Retirement System - a single-employer defined benefit pension plan that provides retirement, disability, and death benefits for all eligible general employees of the retirement system. Benefit terms have been established by contractual agreements between the retirement system and the various employee union representation or other actions of the Oakland County Board of Road Commissioners; amendments are subject to the same process. At December 31, 2021, the date of the most recent actuarial valuation, membership consisted of 617 inactive plan members or beneficiaries currently receiving benefits, 53 inactive plan members entitled to but not yet receiving benefits, and 449 active plan members. The Road Commission's net pension liability as of December 31, 2022 was $49,370,279. The Road Commission has chosen to use December 31, 2022 as its measurement date for the net pension liability. The September 30, 2023 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation performed as of December 31, 2021. For the year ended September 30, 2023, the Road Commission recognized pension recoveries of $6,762,680. At September 30, 2023, the Road Commission reported total deferred outflows of resources of $29,119,920 and deferred inflows of resources of $5,937,436.

## Note 11 - Retirement Plans

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

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

Total membership in the OPRS as of September 30, 2023 was 3,571, which includes 155 employees who elected to transfer from the PERS in 1995 through 2000 and 3,416 current employees hired since July 1, 1994.





## Note 11 - Retirement Plans (Continued)

The County's payroll for employees covered by the OPRS for the year ended September 30, 2023 was $298,814,700. The required contributions, which matched those actually made, were $12,087,551 by employees and $26,349,827 by the County, representing 4.0 and 8.8 percent, respectively, of covered payroll.

In 2008, the County offered a voluntary defined contribution plan for part-time noneligible employees. The plan qualifies under the Omnibus Budget Reconciliation Act of 1990 (OBRA) and IRS Section 3121 (b) (&) (F), which allows for a defined contribution plan in lieu of Social Security. With the implementation of this plan, the County contributes 1.3 percent and employees contribute 6.2 percent of their earnings into a defined contribution plan. The employee would be immediately 100 percent vested in both the employer and employee contributions but cannot access the money invested in the plan until they are separated from county employment. During fiscal year 2023, the County contributed $234,225 to the plan.

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

## Note 12 - Other Postemployment Benefit Plan

***Plan Description***

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

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

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

***Benefits***

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

## Note 12 - Other Postemployment Benefit Plan (Continued)

***Plan Membership***

The Oakland County VEBA covers the majority of full-time employees of the County hired prior to September 21, 1985 having 8 or more years of service or hired between September 20, 1985 and January 1, 1995 with 15 years of service (for family coverage) or 8-14 years of service (for retired members only). The plans' membership consists of the following at September 30, 2022, the date of the latest actuarial valuation:

| | |
|---|---|
| Inactive plan members or beneficiaries currently receiving benefits | 2,763 |
| Inactive plan members entitled to but not yet receiving benefits | 191 |
| Active plan members | 1,269 |
| Total plan members | 4,223 |

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

***Funding Policy Contributions***

In 2013, the County contributed an additional $236,000,000 in order to fully fund the VEBA. The County contributions are based on a 10-year open amortization of the unfunded actuarial accrued liabilities (UAL) for the overfunded divisions. For fiscal year 2023, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2022, given the VEBA was fully funded. The insurance premiums are paid by the VEBA.

***Net OPEB Asset***

The County has chosen to use the September 30 measurement date as its measurement date for the net OPEB asset. The September 30, 2023 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the September 30, 2023 measurement date. The September 30, 2023 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2022, which used update procedures to roll forward the estimated liability to September 30, 2023. The net OPEB asset has been recorded in the Fringe Benefits Fund, an internal service fund that is used to account for the County's employee fringe benefits.





## Note 12 - Other Postemployment Benefit Plan (Continued)

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

| Changes in Net OPEB Asset | Increase (Decrease) Total OPEB Liability | Plan Net Position | Net OPEB Asset |
|---|---|---|---|
| **Balance at October 1, 2022** | $ 942,297,298 | $ 1,342,562,400 | $ (400,265,102) |
| Changes for the year: | | | |
| Service cost | 7,977,814 | - | 7,977,814 |
| Interest | 66,782,236 | - | 66,782,236 |
| Differences between expected and actual experience | (31,671,197) | - | (31,671,197) |
| Changes in assumptions | 5,082,959 | - | 5,082,959 |
| Contributions - Employee | - | 2,428 | (2,428) |
| Net investment income | - | 106,778,065 | (106,778,065) |
| Benefit payments, including refunds | (50,303,855) | (50,303,855) | - |
| Administrative expenses | - | (380,327) | 380,327 |
| Member-financed benefit payments | - | (2,428) | 2,428 |
| Other income | - | 7,305,459 | (7,305,459) |
| Net changes | (2,132,043) | 63,399,342 | (65,531,385) |
| **Balance at September 30, 2023** | $ 940,165,255 | $ 1,405,961,742 | $ (465,796,487) |

The plan's fiduciary net position represents 149.54 percent of the total OPEB liability.

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

For the year ended September 30, 2023, the County recognized a recovery of OPEB expense of $27,123,608.

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ - | $ 22,714,713 |
| Changes in assumptions | 5,987,679 | - |
| Net difference between projected and actual earnings on OPEB plan investments | 107,851,762 | - |
| Total | $ 113,839,441 | $ 22,714,713 |

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

| Years Ending September 30 | Amount |
|---|---|
| 2024 | $ 12,549,538 |
| 2025 | 23,171,063 |
| 2026 | 57,607,080 |
| 2027 | (2,202,953) |
| Total | $ 91,124,728 |

## Note 12 - Other Postemployment Benefit Plan (Continued)

***Actuarial Assumptions***

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using an inflation assumption of 2.5 percent; an investment rate of return (net of investment expenses) of 6.75 percent; a health care cost trend rate of 7.5 percent for 2023, decreasing to an ultimate rate of 3.5 percent year 10 and later years; and the Pub-2010 Mortality Tables, with future mortality improvements projected generationally to 2030 using scale MP-2021. These assumptions were applied to all periods included in the measurement.

***Discount Rate***

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that county contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

***Investment Rate of Return***

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

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

For each major asset class that is included in the OPEB plans' target asset allocation as of September 30, 2023, these best estimates are summarized in the following table:

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





## Note 12 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB asset of the County, calculated using the discount rate of 6.75 percent, as well as what the County's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1 Percentage Point Decrease (5.75%) | Current Discount Rate (6.75%) | 1 Percentage Point Increase (7.75%) |
|---|---|---|---|
| Net OPEB asset | $ (352,040,194) | $ (465,796,487) | $ (553,727,351) |

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

The following presents the net OPEB asset of the County, calculated using the health care cost trend rate of 7.5 percent, as well as what the County's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1 Percentage Point Decrease (6.5% Decreasing to 2.5%) | Current Health Care Cost Trend Rate (7.5% Decreasing to 3.5%) | 1 Percentage Point Increase (8.5% Decreasing to 4.5%) |
|---|---|---|---|
| Net OPEB asset | $ (566,152,274) | $ (465,796,487) | $ (336,273,970) |

***OPEB Plan Fiduciary Net Position***

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

***Assumption Changes***

The change in assumption is related to decreasing the discount rate from 7.25 in 2022 to 6.75 percent in 2023, updating the mortality tables from the RP-2014 tables to the Pub-2010 tables, and updating the pay projections from a range of 3.25 - 9.25 percent to a range of 3.00 - 9.00 percent.

***Rate of Return***

For the year ended September 30, 2023, the annual money-weighted rate of return on VEBA plan investments, net of VEBA plan investment expense, was 9.18 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Note 12 - Other Postemployment Benefit Plan (Continued)

***Road Commission for Oakland County Retiree Health Care Trust***

The Road Commission contributes to the Road Commission for Oakland County Retiree Health Care Trust (the "RHC Trust"). The RHC Trust provides for future payment of medical benefits for eligible retirees, their spouses, and their dependents. The obligation to provide benefits to employees was established by negotiation with various collective bargaining units or other actions of the Oakland County Board of Road Commissioners. At December 31, 2020, the date of the most recent actuarial valuation, membership consisted of 430 inactive plan members or beneficiaries currently receiving benefits and 223 active plan members. For the year ended September 30, 2023, the Road Commission made payments for postemployment health benefit premiums of $6,470,854 and advance-funding contributions of $7,000,000. For the year ended September 30, 2023, the Road Commission recognized OPEB expense of $3,484,196, deferred outflows of resources of $17,870,296, deferred inflows of resources of $4,576,936, and a net OPEB liability of $111,078,541.

## Note 13 - Pension and Other Employee Benefit Trust Funds

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

| | Oakland County Employees' Retirement | VEBA Trust | Total |
|---|---|---|---|
| **Statement of Net Position** | | | |
| Cash and investments | $ 636,775,610 | $ 1,405,721,748 | $ 2,042,497,358 |
| Other assets | 1,705,521 | 4,695,437 | 6,400,958 |
| Liabilities | (424,124) | (4,455,443) | (4,879,567) |
| Net position | $ 638,057,007 | $ 1,405,961,742 | $ 2,044,018,749 |
| **Statement of Changes in Net Position** | | | |
| Net investment income | $ 52,719,354 | $ 106,778,065 | $ 159,497,419 |
| Contributions | 51,052 | 2,428 | 53,480 |
| Other additions | 6,535 | 7,306,805 | 7,313,340 |
| Benefit payments | (63,029,191) | (50,293,328) | (113,322,519) |
| Other deductions | (497,105) | (394,629) | (891,734) |
| Net change in net position | $ (10,749,355) | $ 63,399,341 | $ 52,649,986 |

## Note 14 - Deferred Compensation Plan

In fiscal year 1998, both the County and the Road Commission adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. During fiscal year 1999, as required by the statement, the County and the Road Commission each placed all deferred compensation plan assets with a trustee, relinquishing all fiduciary accountability for the assets. Accordingly, the related assets and liabilities of the plan are not reported in the County and Road Commission's financial statements. In 2022, the County and the Road Commission adopted the provisions of GASB Statement No. 97, paragraphs 6 through 9, and the County and the Road Commission determined that the 457 plans did not meet the definition of a fiduciary activity to be reported within the financial statements.





## Note 15 - Risk Management

The County is exposed to various risks of loss related to property, employee injuries, general liability claims, and torts, as well as medical benefits provided to employees. The County has purchased a commercial property policy for its building and contents, electronic data processing equipment, boats and motors, ATV/snowmobiles, and automobile catastrophe physical damage coverage. The policy is subject to a maximum per occurrence catastrophic loss limit of $350,000,000. Policy limits (subject to the maximum $350,000,000 per occurrence catastrophic loss limit) are: building and contents in the amount of $705,872,165, electronic data processing equipment in the amount of $43,894,889, boats and motors in the amount of $571,299, ATV/snowmobiles in the amount of $82,692, automobile catastrophe physical damage in the amount of $2,000,000, flood coverage in the amount of $50,000,000 (subject to limitations is some flood zones), earthquake coverage in the amount of $50,000,000, and boiler and machinery coverage in the amount of $100,000,000. Property insurance for helicopters' hull physical damage in the amount of $3,139,792 and helicopters' additional equipment physical damage in the amount of $1,354,800. Liability insurance has been purchased for airport operations in the amount of $50,000,000, helicopter operations in the amount of $100,000,000, automobile fleet operations in the amount of $5,000,000, fiduciary liability in the amount of $25,000,000, employee dishonesty/faithful performance in the amount of $3,000,000, travel accident in the amount of $100,000 per person/$500,000 aggregate, N.E.T. law enforcement liability in the amount of $5,000,000, workers' compensation statutory coverage in excess of $1,250,000 each occurrence, self-insured retention and employers' liability in the amount of $1,000,000, parks facility rental liability in the amount of $3,000,000, excess liability with limits of $15,000,000 over auto liability, and $15,000,000 over a $15,000,000 SIR/deductible; cyber liability with limits of $5,000,000; liquor liability insurance in the total amount of $5,000,000 for parks and recreation facilities at Springfield Oaks, Lyon Oaks, and White Lake Oaks; and water resource commission CVT maintenance agreement liability coverage in the amount of $15,000,000. The County is self-insured for all other risks except as noted.

The County and the Road Commission estimate the liability for all of the above-mentioned claims that have been incurred through September 30, 2023, including both those claims that have been reported and those that have not yet been reported, and estimates of both future payments of losses and related claim adjustment expenses. Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses.

The County records estimates in the Fringe Benefits and the Building and Liability Insurance funds, both internal service funds. The Road Commission component unit records these estimates in the governmental fund type, with $800,000 estimated current portion of general liability claims included in accrued liabilities. Changes in the estimated claims liabilities are as follows:

| Primary Government | 2023 | 2022 |
|---|---|---|
| Liability - Beginning of period | $ 72,517,002 | $ 28,106,395 |
| Estimated claims incurred, claim adjustment expenses, and changes in estimates | 74,089,224 | 112,329,351 |
| Claim payments and claim adjustment expenses | (108,561,078) | (67,918,744) |
| Liability - End of period | $ 38,045,148 | $ 72,517,002 |

| Road Commission - Component Unit | 2023 | 2022 |
|---|---|---|
| Liability - Beginning of year | $ 2,827,366 | $ 2,888,007 |
| Estimated claims incurred and changes in estimates | 12,447,269 | 13,590,523 |
| Claim payments | (12,776,230) | (13,651,164) |
| Liability - End of year | $ 2,498,405 | $ 2,827,366 |

## Note 16 - Leases

The County leases certain assets from various third parties. The assets leased include buildings. Payments are generally fixed monthly rates with escalation in payments over the term of the lease.

Lease asset activity of the County is included in Note 6.

Future principal and interest payment requirements related to the County's lease liability at September 30, 2023 are as follows:

***Governmental Activities***

| Years Ending | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 928,808 | $ 406,461 | $ 1,335,269 |
| 2025 | 1,185,435 | 337,232 | 1,522,667 |
| 2026 | 1,084,724 | 263,654 | 1,348,378 |
| 2027 | 467,410 | 216,950 | 684,360 |
| 2028 | 462,812 | 189,497 | 652,309 |
| 2029-2033 | 2,737,729 | 458,522 | 3,196,251 |
| 2034-2037 | 148,646 | 3,819 | 152,465 |
| Total | $ 7,015,564 | $ 1,876,135 | $ 8,891,699 |

***Water and Sewer Trust***

| Years Ending | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 40,742 | $ 6,208 | $ 46,950 |
| 2025 | 43,926 | 3,624 | 47,550 |
| 2026 | 35,098 | 902 | 36,000 |
| Total | $ 119,766 | $ 10,734 | $ 130,500 |

The County leases certain assets to various third parties. The assets leased include radio equipment. Payments are generally fixed monthly rates with escalation in payments over the term of the lease.

During the year ended September 30, 2023, the County recognized the following related to its lessor agreements:

| | Radio Communications |
|---|---|
| Lease revenue | $ 180,938 |
| Interest income related to its leases | 91,148 |

Future principal and interest payment requirements related to the County's lease receivable at September 30, 2023 are as follows:

| Years Ending | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 131,468 | $ 85,727 | $ 217,195 |
| 2025 | 154,595 | 76,662 | 231,257 |
| 2026 | 180,237 | 66,058 | 246,295 |
| 2027 | 192,330 | 54,688 | 247,018 |
| 2028 | 205,457 | 42,544 | 248,001 |
| 2029-2033 | 549,490 | 79,454 | 628,944 |
| 2034-2037 | 129,104 | 15,190 | 144,294 |
| Total | $ 1,542,681 | $ 420,323 | $ 1,963,004 |





## Note 16 - Leases (Continued)

***Regulated Leases***

The County leases certain assets to various third parties that are considered regulated leases, as defined by GASB 87. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings. For example, the U.S. Department of Transportation (DOT) and the Federal Aviation Administration regulate aviation leases between airport and air carriers and other aeronautical users through various policies and guidance, including the FAA's Rates and Charges Policy and Federal Grant Assurances. In accordance with GASB 87, the County does not recognize a lease receivable and a deferred inflow of resources for regulated leases. The regulated lease assets include terminal passenger holdrooms, operations space, baggage service areas, terminal apron areas, jet bridges, ticket counters, ticket offices, hangars, and land. Leased land and several of the terminal locations are considered exclusive use by the second parties to the agreement, while some terminal areas are considered either preferential or shared/joint use.

During the year ended September 30, 2023, the County recognized the following from regulated leases:

| | |
|---|---|
| Lease revenue | $ 753,662 |
| Interest income related to its leases | 956,838 |

Future expected minimum payments related to the County's regulated leases at September 30, 2023 are as follows:

| Years Ending | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 791,142 | $ 909,782 | $ 1,700,924 |
| 2025 | 840,984 | 859,941 | 1,700,925 |
| 2026 | 874,282 | 807,308 | 1,681,590 |
| 2027 | 822,550 | 754,144 | 1,576,694 |
| 2028 | 745,552 | 706,981 | 1,452,533 |
| 2029-2033 | 4,267,356 | 2,786,008 | 7,053,364 |
| 2034-2038 | 3,509,286 | 1,555,878 | 5,065,164 |
| 2039-2043 | 2,279,221 | 660,646 | 2,939,867 |
| 2044-2047 | 971,257 | 141,597 | 1,112,854 |
| 2048-2052 | 110,559 | 7,544 | 118,103 |
| Total | $ 15,212,189 | $ 9,189,829 | $ 24,402,018 |

## Note 17 - Commitments and Contingencies

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

As of year end, Oakland County and various of its government officials have been named as defendants in four federal civil lawsuits related to plaintiffs who claim they were wrongfully convicted and incarcerated (commonly referred to as "Reversed Conviction" cases). Because each of the pending lawsuits involve multiple defendants, Corporation Counsel has retained outside counsel to represent the defendants in these matters. While the cost of defending these claims is being paid out of the County's Building and Liability Insurance Fund, the county administration anticipates that any adverse judgments or negotiated settlements of these Reversed Conviction cases would be paid from the County's General Fund or other available operating funds. Because these lawsuits are still in the early stages of discovery, the potential financial liability to the County that may result from these suits cannot be reasonably estimated at this time.

## Note 17 - Commitments and Contingencies (Continued)

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

The County has outstanding construction commitments (contracts) under the jurisdiction of the Water Resources Commissioner. The Water and Sewer Trust Fund has entered into contracts as follows: a contract for the Pontiac Watermain Improvements with a cost of $5,322,472 and a remaining balance of $1,885,479, a contract to upgrade the Pontiac Sewer System Area 3 Sewer with a cost of $3,447,652 and a remaining balance of $1,599,812, and a contract for a project to replace its billing system with a cost of $2,010,800 and a remaining balance of $1,034,495.

There is a contract for an Information Technology project for the P25 Radio Replacement Project with a cost of $10,636,873 with a remaining balance of $6,244,956 on September 30, 2023.

The Drainage Districts' component unit has construction contracts for northeast sanitary pump station electrical and mechanical upgrades for the Oakland Macomb Interceptor Drainage District Project with a total cost of $35,382,393 with a remaining balance of $19,340,690; a contract for northeast sanitary pump station PCI rehabilitation for the Oakland Macomb Interceptor Drainage District Project with a total cost of $9,509,327 with a remaining balance of $3,491,790; and a contract for northeast sanitary pump station PCI-18 and PCI-19 for the Oakland Macomb Interceptor Drainage District Project with a total cost of $15,600,000 with a remaining balance of $15,600,000 as of September 30, 2023. Additional contracts for the Evergreen Farmington Sanitary Sewer Drainage District include contracts created under Act 342 projects at September 30, 2023 are as follows: Eight Mile Road Conveyance Project with a cost of $50,862,572 with a balance of $45,479,387 and the 8 Mile Road CAP Phase II Project with a cost of $10,381,154 with a remaining balance of $10,381,154.

The Road Commission for Oakland County component unit reports construction projects in progress at September 30, 2023 in the amount of $181 million with remaining commitments of $47 million. The Road Commission's net share of these costs following estimated revenue from federal aid and contributions from state and local participants totals approximately $13 million.

## Note 18 - Tax Abatements

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

The IFTs were entered into based upon the Plant Rehabilitation and Industrial Development District Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFTs provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in building of new facilities, and promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at both 100 and 50 percent of the millage rate applicable to other real and personal property in the County. The abatements amounted to $618,427 for the County General Fund and $53,465 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 $1,449,697 for the County General Fund and $125,332 for the County Parks and Recreation Fund for the year.





## Note 18 - Tax Abatements (Continued)

The County also receives reduced property tax revenue as a result of the Personal Property Tax (Act 328 of 1998, as amended by PA 20 of 1999) granted by cities, villages, and townships with the County. Personal Property Tax exemptions are intended to promote purchase of new equipment. The abatements amounted to $703,540 for the County General Fund and $60,824 for the County Parks and Recreation Fund for the year.

Finally, various local governments within Oakland County use Payment in Lieu of Taxes (PILOT) programs that are designed to provide tax abatements primarily for owners of low to moderate income multifamily housing units. Under this program, the local governments establish ordinances and enter into agreements that allow the low to moderate multifamily housing unit property owners to make payments at lower amounts than would have been otherwise due in the normal course of property tax collection. The County has estimated the PILOT abatement impact by taking the County's ad valorem tax amount less the actual PILOT payments for the year. The abatements amounted to $468,657 for the year.

## Note 19 - Subscriptions

The County obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed annually.

Subscription asset activity of the County is included in Note 6.

Future principal and interest payment requirements related to the County's subscription liability at September 30, 2023 are as follows:

***Governmental Activities***

| Years Ending | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 4,062,656 | $ 641,691 | $ 4,704,347 |
| 2025 | 3,490,541 | 440,031 | 3,930,572 |
| 2026 | 3,216,850 | 276,674 | 3,493,524 |
| 2027 | 3,449,055 | 114,706 | 3,563,761 |
| 2028 | 52,634 | 250 | 52,884 |
| Total | $ 14,271,736 | $ 1,473,352 | $ 15,745,088 |

***Business-type Activities***

| Years Ending | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 2,537,805 | $ 107,460 | $ 2,645,265 |
| 2025 | 1,059,732 | 9,631 | 1,069,363 |
| Total | $ 3,597,537 | $ 117,091 | $ 3,714,628 |

## Note 20 - Prior Period Adjustment

In 1976, the County of Oakland established the Evergreen-Farmington Sewage Disposal System (EFSDS) and designated the Oakland County Drain Commissioner, now the Oakland County Water Resources Commissioner, as the county agency for the System pursuant to Act 342 with all the powers and duties with respect to the acquisition, construction, and financing of facilities for the System as are provided by law especially Act 342. As such, since that time, the County has reported the EFSDS as an enterprise fund.

The Cities of Auburn Hills, Birmingham, Bloomfield Hills, Farmington, Farmington Hills, Keego Harbor, Lathrup Village, Orchard Lake Village, Southfield, and Troy; the Villages of Beverly Hills, Bingham Farms, and Franklin; and the Charter Townships of Bloomfield and West Bloomfield are the public corporations that make up the Evergreen-Farmington System.

## Note 20 - Prior Period Adjustment (Continued)

In order to remain compliant with a 2019 administrative consent order issued by the Michigan Department of Environment, Great Lakes, and Energy, some municipalities served by the EFSDS petitioned the Water Resources Commissioner for the creation of an intra-county drainage district pursuant to Chapter 20 of the Michigan Drain Code, to authorize a project to address wastewater treatment and pollution control issues.

The new drainage district was established on November 17, 2020, for the benefit of the municipalities within the EFSDS. The new drainage district and the above-named municipalities entered into an agreement to allow for the issuance of bonds to finance the project; supersede and replace the existing Act 342 agreement; and provide for the operation, maintenance, and administration of the project. The district acknowledges its responsibilities with respect to any outstanding debt obligations previously issued to finance EFSDS improvements. It also acknowledges that the entire cost of the project and all costs associated with the operation, maintenance, and administration of the district are to be assessed against the municipalities. At the time this new drainage district was established, the EFSDS enterprise fund should have been incorporated into the Drainage District discretely presented component unit.

Both the drainage district and the municipalities it served further acknowledged that the EFSDS was transferred to and established as the Evergreen-Farmington Sanitary Drain Drainage District (EFSDDD) in accordance with the law and the administrative consent order's notice provisions.

The County's 2022 financial statements should have reflected the transaction above, including the conversion of the EFSDS from an enterprise fund to inclusion in the Drainage District component unit.

The accompanying financial statements for 2023 have been restated in that the Evergreen-Farmington Sanitary Drain Drainage District is included within the Drainage District component unit. The Drainage District component unit beginning net position was restated to $744,801,621, an increase of $107,848,862. The beginning balance for the modified accrual fund balance for the Drainage District was restated to $73,748,184, an increase of $19,066,577.

The beginning balances in the capital asset and long-term debt footnotes for both business-type activities and component units were restated as follows:

Capital assets - EFSDS capital assets totaling $99,403,928 were transferred from business-type activities to component units. Business-type activities ending capital assets in the 2022 financial statements of $407,118,064, less the $99,403,928 of transferred capital assets, agree to the restated beginning capital assets in Note 6 of $307,714,136 (excluding the impact of GASB 96 implementation). Component units ending capital assets in the 2022 financial statements of $1,682,602,603, plus the $99,403,928 of transferred capital assets, agree to the restated beginning capital assets in Note 6 of $1,782,006,531.

Long-term debt - EFSDS bonds payable totaling $13,180,000 were transferred from business-type activities to component units. Business-type activities ending bonds payable in the 2022 financial statements of $46,971,723, less the $13,180,000 of transferred debt, agree to the restated beginning bonds payable in Note 7 of $33,791,723. Component units ending bonds payable in the 2022 financial statements of $244,511,373, plus the $13,180,000 of transferred debt, agree to the restated beginning bonds payable in Note 7 of $257,691,373.



# Required Supplementary Information

## Schedule of Changes in the Net Pension Liability and Related Ratios

**Last Ten Fiscal Years**

| | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Total Pension Liability** | | | | |
| Service cost | $ 517,707 | $ 597,034 | $ 999,693 | $ 1,338,793 |
| Interest | 49,789,995 | 49,855,196 | 51,454,905 | 52,040,691 |
| Differences between expected and actual experience | (4,364,660) | 11,754,356 | (11,723,351) | 67,870 |
| Changes in assumptions | 6,966,094 | - | - | - |
| Benefit payments, including refunds | (63,029,191) | (63,103,273) | (62,086,459) | (60,628,743) |
| **Net Change in Total Pension Liability** | (10,120,055) | (896,687) | (21,355,212) | (7,181,389) |
| **Total Pension Liability** - Beginning of year | 718,014,316 | 718,911,003 | 740,266,215 | 747,447,604 |
| **Total Pension Liability** - End of year | **$ 707,894,261** | **$ 718,014,316** | **$ 718,911,003** | **$ 740,266,215** |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - Employer | $ - | $ - | $ - | $ - |
| Contributions - Member | 51,052 | 61,977 | 99,693 | 165,953 |
| Net investment income (loss) | 52,504,943 | (78,511,417) | 135,268,864 | 33,216,391 |
| Administrative expenses | (276,159) | (466,021) | (225,652) | (179,361) |
| Benefit payments, including refunds | (63,029,191) | (63,103,273) | (62,086,459) | (60,628,743) |
| **Net Change in Plan Fiduciary Net Position** | (10,749,355) | (142,018,734) | 73,056,446 | (27,425,760) |
| **Plan Fiduciary Net Position** - Beginning of year | 648,806,362 | 790,825,096 | 717,768,650 | 745,194,410 |
| **Plan Fiduciary Net Position** - End of year | **$ 638,057,007** | **$ 648,806,362** | **$ 790,825,096** | **$ 717,768,650** |
| **County's Net Pension Liability (Asset)** - Ending | **$ 69,837,254** | **$ 69,207,954** | **$ (71,914,093)** | **$ 22,497,565** |
| **Plan Fiduciary Net Position as a Percentage of Total Pension Liability** | 90.13 % | 90.36 % | 110.00 % | 96.96 % |
| **Covered Payroll** | $ 4,387,304 | $ 6,558,690 | $ 8,526,997 | $ 10,576,095 |
| **County's Net Pension Liability as a Percentage of Covered Payroll** | 1,628.19 % | 1,055.21 % | (843.37)% | 212.72 % |

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

See notes to required supplementary information.

## Required Supplementary Information
## Schedule of Pension Contributions

**Last Ten Fiscal Years**
**Years Ended September 30**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Statutorily required contribution | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 4,554,832 | $ 5,770,835 |
| Contributions in relation to the statutorily required contribution | - | - | - | - | - | - | - | - | 4,554,832 | 5,770,835 |
| **Contribution Excess** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **County's Covered Payroll** | $ 4,387,304 | $ 6,558,690 | $ 8,526,997 | $ 10,576,095 | $ 13,385,938 | $ 16,019,655 | $ 18,631,927 | $ 21,834,812 | $ 24,707,298 | $ 29,901,825 |
| **Contributions as a Percentage of Covered Payroll** | - % | - % | - % | - % | - % | - % | - % | - % | 18.44 % | 19.30 % |

**Notes to Schedule of Pension Contributions**

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates for the fiscal year ended September 30, 2023:

| | |
|---|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar, open if 100 percent funded |
| Remaining amortization period | 10 years |
| Asset valuation method | 5-year smoothed market |
| Inflation | 3.25 percent |
| Salary increase | 3.25 percent wage inflation |
| Investment rate of return | 7.25 percent, net of investment and administrative expenses |
| Retirement age | Age-based table of rates that are specific to the type of eligibility condition. |
| Mortality | RP-2014 healthy annuitant mortality table (unadjusted) projected to 2021 based on the 2-dimensional MP-2014 improvement scales |
| Cost of living adjustments | Up to 1.5 percent noncompounding annually |





## Required Supplementary Information
## Schedule of Pension Investment Returns

**Last Ten Fiscal Years**
**Years Ended September 30**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual money-weighted rate of return - Net of investment expense | 9.70 % | (11.75)% | 20.12 % | 4.79 % | 3.79 % | 6.43 % | 11.58 % | 9.20 % | 0.35 % | 8.74 % |

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

**Last Seven Fiscal Years**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| **Total OPEB Liability** | | | | | | | |
| Service cost | $ 7,977,814 | $ 8,239,992 | $ 9,355,546 | $ 9,220,055 | $ 8,876,381 | $ 9,742,233 | $ 11,009,857 |
| Interest | 66,782,236 | 67,475,212 | 67,891,807 | 66,070,507 | 63,749,998 | 70,351,546 | 67,692,444 |
| Differences between expected and actual experience | (31,671,197) | (73,242,187) | (29,755,582) | (17,653,479) | (53,355,110) | (82,048,924) | (6,799,845) |
| Changes in assumptions | 5,082,959 | 36,161,530 | (8,152,094) | 7,578,642 | 50,056,376 | (51,205,346) | - |
| Benefit payments, including refunds | (50,303,855) | (46,030,738) | (42,814,260) | (37,509,924) | (37,474,992) | (37,449,853) | (31,732,905) |
| **Net Change in Total OPEB Liability** | (2,132,043) | (7,396,191) | (3,474,583) | 27,705,801 | 31,852,653 | (90,610,344) | 40,169,551 |
| **Total OPEB Liability** - Beginning of year | 942,297,298 | 949,693,489 | 953,168,072 | 925,462,271 | 893,609,618 | 984,219,962 | 944,050,411 |
| **Total OPEB Liability** - End of year | **$ 940,165,255** | **$ 942,297,298** | **$ 949,693,489** | **$ 953,168,072** | **$ 925,462,271** | **$ 893,609,618** | **$ 984,219,962** |
| **Plan Fiduciary Net Position** | | | | | | | |
| Contributions - Member | $ 2,428 | $ 281,845 | $ 354,983 | $ 279,397 | $ 290,718 | $ 234,284 | $ 218,517 |
| Net investment income (loss) | 106,778,065 | (186,768,437) | 267,795,534 | 63,070,473 | 46,821,806 | 84,162,823 | 134,380,948 |
| Administrative expenses | (380,327) | (380,004) | (380,146) | (399,973) | (251,109) | (234,935) | (204,215) |
| Employer-financed benefit payments | (50,303,855) | (46,030,738) | (42,814,260) | (37,509,924) | (37,474,992) | (37,449,853) | (31,732,905) |
| Member-financed benefit payments | (2,428) | (281,845) | (354,983) | (279,397) | (290,718) | (234,284) | (218,517) |
| Other income | 7,305,459 | 7,784,725 | 5,849,415 | 4,767,201 | 2,959,477 | 3,465,258 | 3,332,028 |
| **Net Change in Plan Fiduciary Net Position** | 63,399,342 | (225,394,454) | 230,450,543 | 29,927,777 | 12,055,182 | 49,943,293 | 105,775,856 |
| **Plan Fiduciary Net Position** - Beginning of year | 1,342,562,400 | 1,567,956,854 | 1,337,506,311 | 1,307,578,534 | 1,295,523,352 | 1,245,580,059 | 1,139,804,203 |
| **Plan Fiduciary Net Position** - End of year | **$1,405,961,742** | **$1,342,562,400** | **$1,567,956,854** | **$1,337,506,311** | **$1,307,578,534** | **$1,295,523,352** | **$1,245,580,059** |
| **Net OPEB Asset** - Ending | **$ (465,796,487)** | **$ (400,265,102)** | **$ (618,263,365)** | **$ (384,338,239)** | **$ (382,116,263)** | **$ (401,913,734)** | **$ (261,360,097)** |
| **Plan Fiduciary Net Position as a Percentage of Total OPEB Liability** | 149.54 % | 142.48 % | 165.10 % | 140.32 % | 141.29 % | 144.98 % | 126.56 % |

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

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





# Required Supplementary Information
## Schedule of OPEB Contributions

**Last Ten Fiscal Years**
**Years Ended September 30**

| | 2023* | 2022* | 2021* | 2020* | 2019* | 2018* | 2017* | 2016* | 2015* | 2014* |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 800,184 | $ 818,930 | $ 35,236,330 |
| Contributions in relation to the actuarially determined contribution | - | - | - | - | - | - | - | - | - | - |
| **Contribution Excess** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ (800,184)** | **$ (818,930)** | **$ (35,236,330)** |
| **Covered-employee Payroll** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 141,464,508 | $ 144,715,626 | $ 146,473,723 |
| **Contributions as a Percentage of Covered-employee Payroll** | - % | - % | - % | - % | - % | - % | - % | - % | - % | - % |

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

**Notes to Schedule of Contributions**

Actuarial valuation information relative to the determination of contributions:

| | |
|---|---|
| Valuation date | Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which the contributions are reported. |
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar, open if 100 percent funded |
| Remaining amortization period | 10 years |
| Asset valuation method | 5-year smoothed |
| Inflation | 3.25 percent |
| Health care cost trend rates | Medical, Prescription Drug, Medicare Part B:<br>Pre-65: 7.50 percent trend, gradually decreasing to 3.50 percent in year 12<br>Post-65: 6.25 percent trend, gradually decreasing to 3.50 percent in year 12<br>Dental and Vision: 3.50 percent trend for all years |
| Salary increase | 3.25 percent wage inflation |
| Investment rate of return | 7.25 percent net of investment and administrative expenses |
| Retirement age | Age-based table of rates that are specific to the type of eligibility condition. |
| Mortality | RP-2014 healthy annuitant mortality table (unadjusted) projected to 2021 based on the 2-dimensional MP-2014 improvement scales |
| Other information | None |

## Required Supplementary Information
## Schedule of OPEB Investment Returns

**Last Seven Fiscal Years**
**Years Ended September 30**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| Annual money-weighted rate of return - Net of investment expense | 9.18 % | (12.11)% | 20.34 % | 5.20 % | 3.72 % | 6.50 % | 12.10 % |

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





## Required Supplemental Information
## Budgetary Comparison Schedule - General Fund

**Year ended September 30, 2023**

| | Original Budget (unaudited) | Final Amended Budget (unaudited) | Actual | Variance with Amended Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Current property taxes | $ 285,464,704 | $ 290,650,000 | $ 285,998,674 | $ (4,651,326) |
| Delinquent taxes - prior years | 125,000 | 125,000 | 124,515 | (485) |
| Marijuana tax | 50,000 | 50,000 | 1,163,676 | 1,113,676 |
| Trailer tax | 95,000 | 95,000 | 94,408 | (592) |
| Total | 285,734,704 | 290,920,000 | 287,381,273 | (3,538,727) |
| Other Intergovernmental Revenues | | | | |
| Critical judges' salaries | 914,480 | 914,480 | 915,624 | 1,144 |
| Probate judges' salaries | 622,464 | 622,464 | 722,345 | 99,881 |
| District judges' salaries | 457,240 | 457,240 | 457,690 | 450 |
| State court fund - P.A. 189 | 4,500,000 | 4,500,000 | 4,037,071 | (462,929) |
| Local comm stabilization share | 3,900,000 | 3,900,000 | 4,103,645 | 203,645 |
| Revenue sharing | 29,297,854 | 29,547,854 | 29,572,771 | 24,917 |
| Convention facility liquor tax | 9,886,275 | 9,886,275 | 14,135,288 | 4,249,013 |
| Other | 270,350 | 95,300 | 48,400 | (46,900) |
| Total | 49,848,663 | 49,923,613 | 53,992,834 | 4,069,221 |
| Charges For Services | | | | |
| County Executive | 326,000 | 326,000 | 448,344 | 122,344 |
| Management and Budget | 4,585,765 | 4,395,265 | 4,334,083 | (61,182) |
| Central Services | - | - | - | - |
| Human Services | 4,678,847 | 4,678,847 | 3,371,150 | (1,307,697) |
| Public Services | 2,047,114 | 2,131,194 | 1,701,462 | (429,732) |
| Community and Economic Development | 416,708 | 421,490 | 767,532 | 346,042 |
| Clerk/Register of Deeds | 18,043,500 | 18,043,500 | 16,727,008 | (1,316,492) |
| Treasurer | 3,347,100 | 3,347,100 | 3,143,093 | (204,007) |
| Circuit Court | 1,505,500 | 1,505,500 | 1,343,558 | (161,942) |
| District Court | 11,669,021 | 11,669,021 | 8,573,228 | (3,095,793) |
| Probate Court | 518,600 | 518,600 | 771,525 | 252,925 |
| Prosecuting Attorney | 820,349 | 853,621 | 959,393 | 105,772 |
| Sheriff | 69,128,953 | 72,168,092 | 72,115,042 | (53,050) |
| Legislative | 3,700 | 3,700 | 2,758 | (942) |
| Water Recourses Commissioner | 3,858,755 | 3,858,755 | 4,206,664 | 347,909 |
| Non-Departmental | 918,565 | 918,565 | 1,436,302 | 517,737 |
| Total | 121,868,477 | 124,839,250 | 119,901,142 | (4,938,108) |

## Required Supplemental Information
## Budgetary Comparison Schedule - General Fund
### Year ended September 30, 2023

| | Original Budget (unaudited) | Final Amended Budget (unaudited) | Actual | Variance with Amended Budget |
|---|---|---|---|---|
| Investment Income | 1,804,700 | 1,804,700 | 15,469,724 | 13,665,024 |
| Indirect cost recovery | 9,150,000 | 9,150,000 | 10,790,191 | 1,640,191 |
| Federal grants | 908,790 | 2,207,607 | 19,868,184 | 17,660,577 |
| State grants Contributions | 5,541,240 | 8,451,026 | 7,440,935 | (1,010,091) |
| Contributions | - | - | 8,608 | 8,608 |
| Planned use of fund balance | 8,273,876 | 51,716,719 | - | (51,716,719) |
| Other revenue | 434,000 | 434,000 | 11,545,144 | 11,111,144 |
| Total Revenues | 483,564,450 | 539,446,915 | 526,398,035 | (13,048,880) |
| **Expenditures** | | | | |
| County Executive | | | | |
| Administration | | | | |
| Personnel | 6,189,140 | 6,199,706 | 5,912,764 | 286,942 |
| Operating | 990,835 | 1,226,068 | 661,275 | 564,793 |
| Internal Support | 922,740 | 1,127,155 | 1,131,430 | (4,275) |
| Total Administration | 8,102,715 | 8,552,929 | 7,705,469 | 847,460 |
| Management and Budget | | | | |
| Personnel | 20,479,043 | 20,123,095 | 18,316,143 | 1,806,952 |
| Operating | 1,120,330 | 1,274,514 | 734,552 | 539,962 |
| Internal Support | 3,545,319 | 4,744,991 | 4,744,943 | 48 |
| Total Management and Budget | 25,144,692 | 26,142,600 | 23,795,638 | 2,346,962 |
| Central Services | | | | |
| Personnel | - | - | 2,736 | (2,736) |
| Total Central Services | - | - | 2,736 | (2,736) |
| Emergency Management & Homeland Security | | | | |
| Personnel | 1,081,520 | 1,153,341 | 1,152,925 | 416 |
| Operating | 469,337 | 1,702,927 | 1,460,618 | 242,309 |
| Internal Support | 599,413 | 837,903 | 837,873 | 30 |
| Total Emergency Management & Homeland Security | 2,150,270 | 3,694,171 | 3,451,416 | 242,755 |
| Facilities Management | | | | |
| Personnel | 2,882,560 | 2,882,560 | 2,649,056 | 233,504 |
| Operating | 767,229 | 1,015,171 | 851,470 | 163,701 |
| Internal Support | 1,073,865 | 1,153,726 | 1,115,994 | 37,732 |
| Total Facilities Management | 4,723,654 | 5,051,457 | 4,616,520 | 434,937 |





## Required Supplemental Information
## Budgetary Comparison Schedule - General Fund
### Year ended September 30, 2023

| | Original Budget (unaudited) | Final Amended Budget (unaudited) | Actual | Variance with Amended Budget |
|---|---|---|---|---|
| Human Resources | | | | |
| Personnel | 3,607,735 | 3,607,735 | 3,240,422 | 367,313 |
| Operating | 565,601 | 882,469 | 826,088 | 56,381 |
| Internal Support | 1,283,146 | 1,695,620 | 1,687,979 | 7,641 |
| Total Human Resources | 5,456,482 | 6,185,824 | 5,754,489 | 431,335 |
| Human Services | | | | |
| Personnel | 31,938,944 | 48,939,019 | 29,525,553 | 19,413,466 |
| Operating | 5,415,759 | 9,178,747 | 5,165,456 | 4,013,291 |
| Internal Support | 3,858,143 | 4,424,847 | 4,423,801 | 1,046 |
| Total Human Services | 41,212,846 | 62,542,613 | 39,114,810 | 23,427,803 |
| Public Services | | | | |
| Personnel | 11,427,208 | 11,423,296 | 10,671,014 | 752,282 |
| Operating | 1,625,320 | 2,128,840 | 2,072,696 | 56,144 |
| Internal Support | 3,538,585 | 3,767,898 | 3,774,958 | (7,060) |
| Total Public Services | 16,591,113 | 17,320,034 | 16,518,668 | 801,366 |
| Office of Public Communication | | | | |
| Personnel | 2,178,262 | 2,362,278 | 1,919,589 | 442,689 |
| Operating | 1,494,000 | 2,034,984 | 1,087,963 | 947,021 |
| Internal Support | 40,837 | 609,906 | 609,888 | 18 |
| Total Office of Public Communication | 3,713,099 | 5,007,168 | 3,617,440 | 1,389,728 |
| Community and Economic Development | | | | |
| Personnel | 7,844,494 | 7,849,651 | 7,112,753 | 736,898 |
| Operating | 2,034,875 | 5,424,951 | 2,867,164 | 2,557,787 |
| Internal Support | 1,349,620 | 1,719,168 | 1,719,078 | 90 |
| Total Community and Economic Development | 11,228,989 | 14,993,770 | 11,698,995 | 3,294,775 |
| Total County Executive | 118,323,860 | 149,490,566 | 116,276,181 | 33,214,385 |
| Clerk/Register of Deeds | | | | |
| Personnel | 8,098,002 | 8,138,002 | 7,097,973 | 1,040,029 |
| Operating | 1,332,412 | 1,363,724 | 881,481 | 482,243 |
| Internal Support | 1,336,589 | 1,735,345 | 1,735,291 | 54 |
| Total Clerk/Register of Deeds | 10,767,003 | 11,237,071 | 9,714,745 | 1,522,326 |
| Treasurer | | | | |
| Personnel | 3,771,884 | 3,771,884 | 3,645,079 | 126,805 |
| Operating | 3,408,770 | 3,763,244 | 2,475,365 | 1,287,879 |
| Internal Support | 1,288,312 | 1,625,105 | 1,441,733 | 183,372 |
| Total Treasurer | 8,468,966 | 9,160,233 | 7,562,177 | 1,598,056 |

## Required Supplemental Information
## Budgetary Comparison Schedule - General Fund
### Year ended September 30, 2023

| | Original Budget (unaudited) | Final Amended Budget (unaudited) | Actual | Variance with Amended Budget |
|---|---|---|---|---|
| Justice Administration | | | | |
| Circuit Court | | | | |
| Personnel | 26,134,241 | 26,243,472 | 23,908,233 | 2,335,239 |
| Operating | 3,890,639 | 4,604,180 | 2,998,320 | 1,605,860 |
| Internal Support | 5,223,654 | 7,215,413 | 7,217,243 | (1,830) |
| Total Circuit Court | 35,248,534 | 38,063,065 | 34,123,796 | 3,939,269 |
| District Court | | | | |
| Personnel | 14,702,269 | 14,795,658 | 14,525,997 | 269,661 |
| Operating | 2,196,016 | 2,293,927 | 2,004,682 | 289,245 |
| Internal Support | 1,912,955 | 2,034,321 | 2,025,156 | 9,165 |
| Total District Court | 18,811,240 | 19,123,906 | 18,555,835 | 568,071 |
| Probate Court | | | | |
| Personnel | 5,543,249 | 5,559,878 | 5,452,840 | 107,038 |
| Operating | 1,113,424 | 1,205,675 | 1,184,480 | 21,195 |
| Internal Support | 1,103,734 | 1,247,198 | 1,247,124 | 74 |
| Total Probate Court | 7,760,407 | 8,012,751 | 7,884,444 | 128,307 |
| Total Justice Administration | 61,820,181 | 65,199,721 | 60,564,075 | 4,635,646 |
| Law Enforcement | | | | |
| Prosecuting Attorney | | | | |
| Personnel | 21,971,765 | 22,328,618 | 20,667,876 | 1,660,742 |
| Operating | 661,836 | 1,361,864 | 1,022,119 | 339,745 |
| Internal Support | 2,351,664 | 2,735,842 | 2,735,787 | 55 |
| Total Prosecuting Attorney | 24,985,265 | 26,426,324 | 24,425,782 | 2,000,542 |
| Sheriff | | | | |
| Personnel | 145,712,711 | 155,570,100 | 155,466,198 | 103,902 |
| Operating | 13,494,198 | 17,664,776 | 15,030,869 | 2,633,907 |
| Internal Support | 23,358,310 | 24,237,782 | 24,048,744 | 189,038 |
| Total Sheriff | 182,565,219 | 197,472,658 | 194,545,811 | 2,926,847 |
| Total Law Enforcement | 207,550,484 | 223,898,982 | 218,971,593 | 4,927,389 |
| Legislative | | | | |
| Board of Commissioners | | | | |
| Personnel | 3,443,428 | 3,450,228 | 3,450,141 | 87 |
| Operating | 1,184,048 | 2,635,845 | 1,706,742 | 929,103 |
| Internal Support | 695,942 | 742,358 | 673,510 | 68,848 |
| Total Legislative | 5,323,418 | 6,828,431 | 5,830,393 | 998,038 |





## Required Supplemental Information
## Budgetary Comparison Schedule - General Fund
### Year ended September 30, 2023

| | Original Budget (unaudited) | Final Amended Budget (unaudited) | Actual | Variance with Amended Budget |
|---|---|---|---|---|
| Water Resources Commissioner | | | | |
| Personnel | 234,624 | 237,124 | 226,817 | 10,307 |
| Operating | 287,975 | 285,594 | 189,995 | 95,599 |
| Internal Support | 7,695,689 | 8,342,332 | 8,342,241 | 91 |
| Total Water Resources Commissioner | 8,218,288 | 8,865,050 | 8,759,053 | 105,997 |
| Non-departmental | | | | |
| Personnel | (9,230,760) | (9,230,760) | 1,022,742 | (10,253,502) |
| Operating | 18,300,825 | 19,841,753 | 22,430,334 | (2,588,581) |
| Internal Support | 11,979,844 | 3,767,482 | 2,091,995 | 1,675,487 |
| Total Non-departmental | 21,049,909 | 14,378,475 | 25,545,071 | (11,166,596) |
| Total Expenditures | 441,522,109 | 489,058,529 | 453,223,288 | 35,835,241 |
| **Excess of Revenues Over Expenditures** | 42,042,341 | 50,388,386 | 73,174,747 | 22,786,361 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers In | | | | |
| Special Revenue | | | | |
| ARP Local Fiscal Recovery Fund | - | 17,000,000 | - | (17,000,000) |
| Restricted Funds | - | 405,050 | 405,053 | 3 |
| Total Special Revenue Funds | - | 17,405,050 | 405,053 | (16,999,997) |
| Enterprise Funds | | | | |
| Delinquent Tax Revolving | 7,300,000 | 7,300,000 | 7,694,524 | 394,524 |
| Oakland Transit | - | 100,000 | 100,000 | - |
| Total Enterprise Funds | 7,300,000 | 7,400,000 | 7,794,524 | 394,524 |
| Total Transfers In | 7,300,000 | 24,805,050 | 8,199,577 | (16,605,473) |

## Required Supplemental Information
## Budgetary Comparison Schedule - General Fund
### Year ended September 30, 2023

| | Original Budget (unaudited) | Final Amended Budget (unaudited) | Actual | Variance with Amended Budget |
|---|---|---|---|---|
| Transfers Out | | | | |
| Special Revenue | | | | |
| Drains Act 40 Chap 4-18 Maint | (56,165) | (56,165) | (54,349) | 1,816 |
| Friend of the Court | (6,805,982) | (6,805,982) | (6,761,392) | 44,590 |
| Housing Trust Fund | (2,000,000) | (2,000,000) | (2,000,000) | - |
| Housing and Community Develop | (609,538) | (1,228,935) | (1,217,101) | 11,834 |
| Juvenile Maintenance | (18,752,877) | (18,911,624) | (9,118,996) | 9,792,628 |
| Law Enforcement Grants | (1,863,405) | (1,687,565) | (1,258,286) | 429,279 |
| Mandated Indigent Defense Fund | (1,883,621) | (1,883,621) | (1,380,304) | 503,317 |
| Multi-Organiaztional Grants | - | (4,409) | - | 4,409 |
| Pollution Control Grants | - | (1,300,000) | - | 1,300,000 |
| Social Welfare Foster Care | (1,000) | (1,000) | - | 1,000 |
| Total Special Revenue Funds | (31,972,588) | (33,879,301) | (21,790,428) | 12,088,873 |
| Debt Service | | | | |
| Building Authority Debt Act 31 | (2,208,125) | (2,208,125) | (2,207,620) | 505 |
| Total Debt Service Funds | (2,208,125) | (2,208,125) | (2,207,620) | 505 |
| Capital Projects | | | | |
| Building Improvement | (4,000,000) | (4,000,000) | (4,000,000) | - |
| Major Projects | - | (19,800,000) | (19,800,000) | - |
| Project Work Orders | (1,320,000) | (2,358,044) | (1,200,000) | 1,158,044 |
| Total Capital Projects Funds | (5,320,000) | (26,158,044) | (25,000,000) | 1,158,044 |
| Internal Service Funds | | | | |
| Building and Liability Insurance | - | - | (5,000,000) | (5,000,000) |
| Facilities Maintenance and Op | - | (8,306) | - | 8,306 |
| Information Technology | (7,632,831) | (8,744,876) | (8,744,876) | - |
| Motor Pool | (52,000) | (479,267) | (437,909) | 41,358 |
| Total Internal Service Funds | (7,684,831) | (9,232,449) | (14,182,785) | (4,950,336) |
| Enterprise Funds | | | | |
| Building Authority Debt Refunding ACT 202 | - | - | - | - |
| CLEMIS | (1,644,186) | (1,644,186) | (1,644,186) | - |
| Fire Records Management | (504,611) | (504,611) | (510,339) | (5,728) |
| Parks and Recreation | - | (83,000) | (83,000) | - |
| Radio Communications | (8,000) | (689,614) | (689,614) | - |
| Total Enterprise Funds | (2,156,797) | (2,921,411) | (2,927,139) | (5,728) |
| Total Transfers Out | (49,342,341) | (74,399,330) | (66,107,972) | 8,291,358 |
| Total Other Financing Uses | (42,042,341) | (49,594,280) | (57,908,395) | (8,314,115) |
| **Net Change in Fund Balances** | - | 794,106 | 15,266,352 | 14,472,246 |
| **Fund Balances - Beginning of year** | - | - | 220,823,743 | 220,823,743 |
| **Fund Balances - End of year** | $ - | $ 794,106 | $ 236,090,095 | $ 235,295,989 |





## Required Supplemental Information
## Budgetary Comparison Schedule - Major Special Revenue Fund
## ARP Local Fiscal Recovery Fund
### Year Ended September 30, 2023

| | Amended Budget | Actual | Variance With Amended Budget |
|---|---|---|---|
| **Revenue** | | | |
| Intergovernmental - Federal Grants | $ 140,307,216 | $ 44,223,462 | $ (96,083,754) |
| **Total Revenue** | 140,307,216 | 44,223,462 | (96,083,754) |
| **Expenditures** | | | |
| Current Services: | | | |
| Personnel | 984,036 | 756,696 | 227,340 |
| Operating | 104,351,329 | 42,886,456 | 61,464,873 |
| Internal Services - Library | 7,222,006 | 580,310 | 6,641,696 |
| **Total Expenditures** | 112,557,371 | 44,223,462 | 68,333,909 |
| **Excess of Revenue Over Expenditures** | 27,749,845 | - | (27,749,845) |
| Other Financial Uses - Transfers out | (27,749,845) | - | (27,749,845) |
| **Net Change in Fund Balance** | - | - | - |
| Fund Balance - beginning of year | - | - | - |
| Fund Balance - end of year | $ - | $ - | $ - |

***Budgetary Information***

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

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

Funds that receive an appropriation and can, therefore, be defined as those with an appropriated, annual, legally adopted budget are the General Fund and the following special revenue funds: ARP Local Fiscal Recovery, Child Care, and Social Welfare Foster Care.

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

***Pension Information***

***Benefit Changes***

There were no changes of benefit terms in 2023.

***Changes in Assumptions***

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

2023: The discount rate was decreased from 7.25 percent in 2022 to 7.00 percent in 2023. The mortality tables were updated from the RP-2014 tables to the Pub-2010 tables. The pay projections were updated from a range of 3.25 - 9.25 percent to a range of 3.00 - 9.00 percent.

***OPEB Information***

***Benefit Changes***

There were no changes of benefit terms in 2023.

***Changes in Assumptions***

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

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

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

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

2022 - The Medicare Part B premiums increased.





2023 - The discount rate was decreased from 7.25 percent in 2022 to 6.75 percent in 2023. The mortality tables were updated from the RP-2014 tables to the Pub-2010 tables. The pay projections were updated from a range of 3.25 - 9.25 percent to a range of 3.00 - 9.00 percent.

# Other Supplementary Information





## Other Supplementary Information
## Nonmajor Governmental Funds
## Fund Descriptions

***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, noncapital grants, and other earmarked revenue not included within other fund categories.

***Indigent Defense Fund***

This fund accounts for funding to assist with the Compliance Plan and Costs Analysis approved by the Michigan Indigent Defense Commission for the provision of Oakland County, Michigan to provide indigent criminal defense services specified in Standards 1-4. This includes continuing legal education, counsel at first appearance, and obtaining experts and investigators for indigent defense.

***Child Care Fund (formerly the Juvenile Maintenance Fund)***

This fund is used to account for revenue earmarked for the placement of children to foster care homes and for the detention of children in the Children's Village, as ordered by Probate Court.

***Register of Deeds Automation Fund***

This fund is used to account for revenue from additional fees, as authorized by the State of Michigan, to allow for technology improvements in Clerk/Register of Deeds offices.

***Oakland Enhancement Fund***

This fund is used to account for revenue received from various sources for the purpose of coordinating economic development within the County.

***Restricted Funds Fund***

This fund is used to account for donations made for various specific purposes or other amounts held for disbursement at a future date. This includes the following:

1. Donations made to, and their disbursements from, Oakland County Children's Village to benefit youths
2. Blind handicapped library gift accounts for donations made to the Blind/Handicapped Library
3. Oakland County sheriff's department seized funds are used to account for moneys relinquished to the sheriff's department as a result of investigation by the department and their disbursement pending trial
4. Prosecutor citizens' reward program is used to account for moneys received from public donations and awarded to citizens for their special assistance on major cases initiated by the prosecutor's office
5. Probate court trust is used to account for individual donations made to the court and their subsequent disbursement to assist youths
6. Donations for programs such as the medical examiner library and FSC; animal population control; and education, arts, culture, and film

***Waste Resource Management Fund***

This fund is used to account for administrative costs associated with brownfield plans.

***Water and Sewer Act 342 Fund***

This fund is used to account for the construction, under contractual arrangement, of water and sewer systems under Public Act 342 of 1939. Upon completion of the projects, these systems are turned over to the respective municipalities for operations and maintenance.

***Lake Levels Act 146 Fund***

This fund is used to account for funds from special assessments to finance the cost of maintaining lake levels in the County, created under Public Act 146 of 1961.

***Drains Act 40 Maintenance Chapters 4 and 18 Fund***

This fund is used to record expenditures for the operations and maintenance of drainage districts created under Chapters 4 and 18 of Public Act 40 of 1956. Revenue is provided from special assessments against the benefiting properties within the district.

***Lake Improvements Act 345 Fund***

This fund is used to account for funds held for lake improvement boards remaining from a phase-out that began in 2004, awaiting action by the improvement boards to transfer responsibility to the respective local municipality.

***Friend of the Court Fund***

This fund is used to account for costs of the operation of this division of the circuit court responsible for providing services to individuals involved in court actions relating to case initiation, establishment, collections, and enforcement of child support orders, as directed by the State of Michigan Child Support Enforcement System. Revenue sources include federal and state funding and charges for services.

***Multi-Organizational Grants Fund***

This fund accounts for costs in the following grants:

1. Community Corrections, which utilizes state funds to increase utilization of community-based sanctions and services for nonviolent offenders

2. Juvenile Accountability Block Grant, which utilizes federal and county funds to develop programs to promote greater accountability in the juvenile justice system

3. Byrne Formula Justice Assistance Grants (JAG) replaces the Local Law Enforcement Block Grant (LLEBG) programs. JAG provides federal funds to support a broad range of activities to prevent and control crime and to improve the criminal justice system.

***Workforce Development Grants Fund***

This fund accounts for costs involved in providing employment services to individuals who are unemployed, physically or economically disadvantaged, or transitioning from school to employment. Costs include training, education, and transportation, funded through state and federal grants.

***Law Enforcement Grants Fund***

This fund consists of grants used to record costs of various law enforcement programs utilizing federal, state, and local funds.

***Housing and Community Development Fund***

This fund accounts for block grants received from the U.S. Department of Housing and Urban Development for the use of low- to moderate-income home improvement loans, municipal projects, and homeless-assistance projects, including counseling.

***Human Service Grants Fund***

This fund accounts for the cost of various health-related/grant-funded programs.





***Other Grants Fund***

This fund consists of grants where the function does not relate specifically to one of the other areas:

1. Clerk/Register of Deeds Survey/Remonumentation, which utilizes state funds to locate, verify, replace, or reposition corners within the County, per Public Act 345 of 199

2. Tornado Siren, which utilizes county and municipal funds in the procurement and installation of tornado siren units used in the tornado warning system

3. Great Lakes Water Authority, a cost-reimbursement agreement for due diligence examination of business issues related to the research, creation, and implementation of the Authority

4. Grants for programs such as Domestic Preparedness Equipment, Homeland Security grants, MI Financial Empowerment, Holly Dispatch Consolidation, AAA Safety, DTE Energy Tree Planting, Friend of the Court Access and Visitation, Two Seven Oh, and MEDC Region 10

***Judicial Grants Fund***

This fund accounts for drug court programs through Oakland County Circuit and 52nd Division District Courts.

***Oakland Brownfield Initiative Fund***

This fund is used to account for grant revenue and administration/management costs incurred in assisting the redevelopment of tax-reverted properties through Brownfield Cleanup Revolving Loan Fund programs. The Brownfield Consortium Assessment program consists of Oakland County, Michigan plus cities to perform environmental investigations on parcels throughout the County, with special focus on the cities included in this consortium.

***Concealed Pistol Licensing Fund***

This fund was created under State of Michigan Public Act 3 of 2015, accounts for the deposit of concealed pistol licensing fees collected by the County Clerk/Register of Deeds and the allowable expenditures related to the cost of administering this act.

***Housing Trust Fund***

This fund accounts for funding to assist in the creation of additional affordable housing in Oakland County.

***Opioid Settlement Fund***

This fund was created to support treatment, recovery, harm reduction, and other life-saving programs and services in communities throughout the County.

***Oakland Transit Fund***

The fund was established to provide capital and operating assistance for rural and small urban public transportation systems.

***Debt Service Funds***

These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

***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 included debt issued as assistance in obtaining favorable lending rates for other units of government within the County.

***Building Authority Debt Refunding Fund***

This fund was established to accumulate resources for the payment of bonded debt issued for the refinancing of debt obligations under Public Act 202 of 1943, or Act 34 of 2001 for various building authority funds. It also includes refunding debt issued as assistance in obtaining favorable lending rates for other units of government within Oakland County.

***Lake Levels Debt Fund***

This fund was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the financing of actions necessary to establish lake levels pursuant to Part 307 of Public Act 451 of 1994.

***Water and Sewer Debt Refunding Fund***

This fund was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the refinancing of debt obligations for construction of various water and sewer systems.

***Capital Project Funds***

These funds account for the purchase or construction of major capital facilities that are not financed by proprietary funds.

***Building Improvement Fund***

This fund was established as a holding account for moneys transferred from the County's General Fund for future funding of major county building programs.

***Project Work Orders Fund***

This fund was established to account for the costs of various improvement projects for county facilities.

***Facilities Management Infrastructure and IT Projects Fund***

This fund was established to account for the costs of various capital improvements of county infrastructure administered by facilities management and capital improvement projects for information technology.

***Animal Control and Pet Adoption Center Construction Fund***

This fund was established to account for the costs of construction of a new facility for the animal control division and the related pet adoption center. Construction is financed by the issuance of general obligation bonds.

***Major Departmental Support Projects Fund***

This fund was established to account for the costs of departmental support projects with estimated aggregated expenditures over $5 million, which are funded by current available resources rather than bond issues.

***Lake Levels Act 146 Fund***

This fund is to account for the costs of construction or reconstruction of various dam structures for purposes of lake level control and augmentation wells under P.A. 146 of 1961.

***Lake Improvements Act 345 Fund***

This fund is used to account for the costs of construction of augmentation wells for purposes of lake level control. Financing is provided by special assessment rolls, as permitted under P.A. 345 of 1966.





***Chapter 4 Drain Construction Fund***

This 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.

***Drain Commissioner Revolving Fund***

This fund was established to provide funds for preliminary costs of various drains (including component unit drainage districts), lake level projects, and lake improvements.

***Long-term Revolving Fund***

This fund was established to provide preliminary financing for specific capital projects, as approved by the Oakland County Board of Commissioners. Funds advanced are recovered through special assessments, or contracts with municipalities, in the individual projects.

# Other Supplementary Information
# Combining Balance Sheet
# Nonmajor Governmental Funds

**September 30, 2023**

| | Special Revenue Funds: Indigent Defense | Child Care | Register of Deeds Automation | Oakland Enhancement | Restricted Funds | Waste Resource Management | Water and Sewer Act 342 | Lake Levels Act 146 | Drains - Act 40 Maintenance Chapters 4 and 18 | Lake Improvements Act 345 | Friend of the Court |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | | |
| Pooled cash and investments | $ 7,537,044 | $ 63,263 | $ 4,913,158 | $ 15,957 | $ 3,810,823 | $ 7,461,443 | $ 8,209,260 | $ 1,189,325 | $ 4,237,069 | $ 52 | $ - |
| Receivables: | | | | | | | | | | | |
| Special assessments receivable | - | - | - | - | - | - | - | - | 382,479 | - | - |
| Accrued interest receivable | - | - | 16,648 | 520 | 607 | - | 18,030 | - | 26,493 | - | - |
| Due from other governments | - | 4,793,825 | - | - | - | - | - | - | 1,100 | - | 1,886,143 |
| Other | - | 36,259 | - | 7,515 | 21,894 | - | - | - | 109,130 | - | 39,604 |
| Contracts receivable | - | - | - | - | - | - | - | - | - | - | - |
| Due from component units | - | - | - | - | - | - | - | - | - | - | - |
| Due from other funds | 5,156,510 | - | - | - | - | - | - | 829 | - | - | 3,370,710 |
| Advances to other funds | - | - | - | - | - | - | - | - | 80,336 | - | - |
| Prepaid expenses and other assets | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | **$ 12,693,554** | **$ 4,893,347** | **$ 4,929,806** | **$ 23,992** | **$ 3,833,324** | **$ 7,461,443** | **$ 8,227,290** | **$ 1,190,154** | **$ 4,836,607** | **$ 52** | **$ 5,296,457** |
| **Liabilities** | | | | | | | | | | | |
| Accounts payable | $ 546,163 | $ 610,813 | $ 33,971 | $ - | $ - | $ 6,567,924 | $ 611,641 | $ 127,442 | $ 157,083 | $ - | $ 7,693 |
| Due to other governmental units | - | 250,880 | 40 | - | - | - | - | - | 270 | - | 1,305 |
| Due to other funds | 3,721,047 | 1,044,770 | - | - | 45,950 | - | - | 51,533 | 456,161 | - | 4,954,781 |
| Advances from other funds | - | - | - | - | - | - | - | - | - | - | - |
| Accrued liabilities and other | 55,033 | 434,693 | 9,115 | 7,515 | 21,008 | 2,019 | - | 85,952 | 1,629,849 | - | 332,677 |
| Unearned revenue | 8,371,038 | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 12,693,281 | 2,341,156 | 43,126 | 7,515 | 66,958 | 6,569,943 | 611,641 | 264,927 | 2,243,363 | - | 5,296,456 |
| **Deferred Inflows of Resources** - Unavailable revenue | - | 2,552,191 | - | - | - | - | - | - | 382,479 | - | 1,094,715 |
| Total liabilities and deferred inflows of resources | 12,693,281 | 4,893,347 | 43,126 | 7,515 | 66,958 | 6,569,943 | 611,641 | 264,927 | 2,625,842 | - | 6,391,171 |
| **Fund Balances (Deficit)** | | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - | - | - |
| Restricted | 273 | - | 4,886,680 | 16,477 | 3,766,366 | 891,500 | 7,615,649 | 925,227 | 2,210,765 | 52 | - |
| Committed | - | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - | - | (1,094,714) |
| Total fund balances (deficit) | 273 | - | 4,886,680 | 16,477 | 3,766,366 | 891,500 | 7,615,649 | 925,227 | 2,210,765 | 52 | (1,094,714) |
| Total liabilities, deferred inflows of resources, and fund balances (deficit) | **$ 12,693,554** | **$ 4,893,347** | **$ 4,929,806** | **$ 23,992** | **$ 3,833,324** | **$ 7,461,443** | **$ 8,227,290** | **$ 1,190,154** | **$ 4,836,607** | **$ 52** | **$ 5,296,457** |





# Other Supplementary Information
# Combining Balance Sheet (Continued)
# Nonmajor Governmental Funds

**September 30, 2023**

| | Special Revenue Funds: Multi-Organizational Grants | Workforce Development Grants | Law Enforcement Grants | Housing and Community Development | Human Service Grants | Other Grants | Judicial Grants | Oakland Brownfield Initiative | Concealed Pistol Licensing | Housing Trust |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | |
| Pooled cash and investments | $ - | $ - | $ - | $ 8,679,607 | $ 6,374,538 | $ - | $ - | $ 774,800 | $ 3,318,830 | $ 1,968,210 |
| Receivables: | | | | | | | | | | |
| Special assessments receivable | - | - | - | - | - | - | - | - | - | - |
| Accrued interest receivable | - | - | - | 21,738 | - | - | - | - | - | - |
| Due from other governments | 324,964 | 10,077,126 | 1,719,143 | 4,052,386 | 89,878 | 1,493,431 | 235,389 | 59,769 | - | - |
| Other | 19,190 | 276,670 | 1,588,960 | 1,229,460 | 79,517 | - | 339,386 | - | 2,645 | - |
| Contracts receivable | - | - | - | - | - | - | - | - | - | - |
| Due from component units | - | - | - | - | - | - | - | - | - | - |
| Due from other funds | 7,067 | 18,713 | 575,593 | 4,058 | 343,437 | 322 | - | - | - | - |
| Advances to other funds | - | - | - | - | - | - | - | - | - | - |
| Prepaid expenses and other assets | - | - | 8,039 | - | 1,020 | - | - | - | - | - |
| Total assets | **$ 351,221** | **$ 10,372,509** | **$ 3,891,735** | **$ 13,987,249** | **$ 6,888,390** | **$ 1,493,753** | **$ 574,775** | **$ 834,569** | **$ 3,321,475** | **$ 1,968,210** |
| **Liabilities** | | | | | | | | | | |
| Accounts payable | $ 24,781 | $ 2,933,943 | $ 544,348 | $ 690,302 | $ 233,132 | $ 53,161 | $ 56,407 | $ 62,089 | $ 40,041 | $ 248 |
| Due to other governmental units | - | - | - | 24,474 | 6,271,560 | - | - | - | - | - |
| Due to other funds | 294,937 | 7,045,945 | 2,202,864 | 4,058 | 220,728 | 1,248,610 | 503,044 | - | - | - |
| Advances from other funds | - | - | - | - | - | - | - | - | - | - |
| Accrued liabilities and other | 25,871 | 34,261 | 111,483 | 46,203 | 107,313 | 5,538 | 17,488 | - | 3,986 | 6,089 |
| Unearned revenue | - | 394,304 | 10,148 | 12,298,407 | - | 1,097,122 | - | 6,701 | - | - |
| Total liabilities | 345,589 | 10,408,453 | 2,868,843 | 13,063,444 | 6,832,733 | 2,404,431 | 576,939 | 68,790 | 44,027 | 6,337 |
| **Deferred Inflows of Resources** - Unavailable revenue | 1,650 | 5,372,524 | 536,105 | - | - | 114,710 | 162,442 | - | - | - |
| Total liabilities and deferred inflows of resources | 347,239 | 15,780,977 | 3,404,948 | 13,063,444 | 6,832,733 | 2,519,141 | 739,381 | 68,790 | 44,027 | 6,337 |
| **Fund Balances (Deficit)** | | | | | | | | | | |
| Nonspendable | - | - | 8,039 | - | 1,020 | - | - | - | - | - |
| Restricted | 3,982 | - | 478,748 | 923,805 | 54,637 | - | - | 765,779 | 3,277,448 | 1,961,873 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | (5,408,468) | - | - | - | (1,025,388) | (164,606) | - | - | - |
| Total fund balances (deficit) | 3,982 | (5,408,468) | 486,787 | 923,805 | 55,657 | (1,025,388) | (164,606) | 765,779 | 3,277,448 | 1,961,873 |
| Total liabilities, deferred inflows of resources, and fund balances (deficit) | **$ 351,221** | **$ 10,372,509** | **$ 3,891,735** | **$ 13,987,249** | **$ 6,888,390** | **$ 1,493,753** | **$ 574,775** | **$ 834,569** | **$ 3,321,475** | **$ 1,968,210** |

# Other Supplementary Information
# Combining Balance Sheet (Continued)
# Nonmajor Governmental Funds

**September 30, 2023**

| | Special Revenue Funds | | | Debt Service Funds | | | | | Capital Project Funds | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opioid Settlement | Oakland Transit | Total Special Revenue Funds | Building Authority Debt Act 31 | Building Authority Debt Refunding | Lake Levels Debt | Water and Sewer Debt Refunding | Total Debt Service Funds | Building Improvement | Project Work Orders |
| **Assets** | | | | | | | | | | |
| Pooled cash and investments | $ 4,318,856 | $ 15,508,422 | $ 78,380,657 | $ 1,737,343 | $ - | $ 55,673 | $ 4,743 | $ 1,797,759 | $ 1,546,029 | $ 11,971,824 |
| Receivables: | | | | | | | | | | |
| Special assessments receivable | - | - | 382,479 | - | - | 1,066,183 | 8,030,000 | 9,096,183 | - | - |
| Accrued interest receivable | - | (36,325) | 47,711 | 13,147 | - | - | - | 13,147 | - | - |
| Due from other governments | - | - | 24,733,154 | - | 136,475 | - | - | 136,475 | - | - |
| Other | 13,810,093 | - | 17,560,323 | - | 684,701 | - | - | 684,701 | - | - |
| Contracts receivable | - | - | - | - | 7,090,000 | - | - | 7,090,000 | - | - |
| Due from component units | - | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | 9,477,239 | - | - | - | - | - | 4,000,000 | 3,447,932 |
| Advances to other funds | - | - | 80,336 | - | - | - | - | - | - | - |
| Prepaid expenses and other assets | - | - | 9,059 | - | - | 500 | - | 500 | - | - |
| Total assets | **$ 18,128,949** | **$ 15,472,097** | **$ 130,670,958** | **$ 1,750,490** | **$ 7,911,176** | **$ 1,122,356** | **$ 8,034,743** | **$ 18,818,765** | **$ 5,546,029** | **$ 15,419,756** |
| **Liabilities** | | | | | | | | | | |
| Accounts payable | $ - | $ - | $ 13,301,182 | $ - | $ - | $ - | $ 500 | $ 500 | $ - | $ 2,362,031 |
| Due to other governmental units | - | - | 6,548,529 | - | - | - | - | - | - | - |
| Due to other funds | - | 100,000 | 21,894,428 | - | - | - | - | - | 3,546,870 | 75,000 |
| Advances from other funds | - | - | - | - | - | - | - | - | - | - |
| Accrued liabilities and other | - | 5,692 | 2,941,785 | - | 3,561 | 53 | 1,237 | 4,851 | - | 850,023 |
| Unearned revenue | - | - | 22,177,720 | - | - | - | - | - | - | - |
| Total liabilities | - | 105,692 | 66,863,644 | - | 3,561 | 53 | 1,737 | 5,351 | 3,546,870 | 3,287,054 |
| **Deferred Inflows of Resources** - Unavailable revenue | 13,440,257 | - | 23,657,073 | - | 7,090,000 | 1,066,183 | 8,030,000 | 16,186,183 | - | - |
| Total liabilities and deferred inflows of resources | 13,440,257 | 105,692 | 90,520,717 | - | 7,093,561 | 1,066,236 | 8,031,737 | 16,191,534 | 3,546,870 | 3,287,054 |
| **Fund Balances (Deficit)** | | | | | | | | | | |
| Nonspendable | - | - | 9,059 | - | - | 500 | - | 500 | - | - |
| Restricted | 4,688,692 | 15,366,405 | 47,834,358 | 1,750,490 | 817,615 | 55,620 | 3,006 | 2,626,731 | - | - |
| Committed | - | - | - | - | - | - | - | - | 1,999,159 | 12,132,702 |
| Unassigned | - | - | (7,693,176) | - | - | - | - | - | - | - |
| Total fund balances (deficit) | 4,688,692 | 15,366,405 | 40,150,241 | 1,750,490 | 817,615 | 56,120 | 3,006 | 2,627,231 | 1,999,159 | 12,132,702 |
| Total liabilities, deferred inflows of resources, and fund balances (deficit) | **$ 18,128,949** | **$ 15,472,097** | **$ 130,670,958** | **$ 1,750,490** | **$ 7,911,176** | **$ 1,122,356** | **$ 8,034,743** | **$ 18,818,765** | **$ 5,546,029** | **$ 15,419,756** |






# Other Supplementary Information
# Combining Balance Sheet (Continued)
# Nonmajor Governmental Funds

**September 30, 2023**


| | Capital Project Funds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Facilities Management Infrastructure and IT Projects | Animal Control and Pet Adoption Center Construction | Major Departmental Support Projects | Lake Levels Act 146 | Lake Improvements Act 345 | Chapter 4 Drain Construction | Drain Commissioner Revolving | Long-term Revolving | Total Capital Project Funds | Total |
| **Assets** | | | | | | | | | | |
| Pooled cash and investments | $ 5 | $ 507,231 | $ 7,337,993 | $ 33,159 | $ 9,622 | $ 314,935 | $ 354,125 | $ 1,668,028 | $ 23,742,951 | $ 103,921,367 |
| Receivables: | | | | | | | | | | |
| Special assessments receivable | - | - | - | - | - | - | - | - | - | 9,478,662 |
| Accrued interest receivable | 13,608 | 25,098 | - | - | - | 763 | - | - | 39,469 | 100,327 |
| Due from other governments | - | - | - | - | - | - | - | - | - | 24,869,629 |
| Other | - | - | - | - | - | - | - | - | - | 18,245,024 |
| Contracts receivable | - | - | - | - | - | - | - | 59,200 | 59,200 | 7,149,200 |
| Due from component units | - | - | - | - | - | - | 990,175 | - | 990,175 | 990,175 |
| Due from other funds | - | - | 6,234,152 | - | - | - | 480,700 | - | 14,162,784 | 23,640,023 |
| Advances to other funds | - | - | - | - | - | - | - | 736,322 | 736,322 | 816,658 |
| Prepaid expenses and other assets | - | - | 360,001 | - | - | - | - | - | 360,001 | 369,560 |
| Total assets | **$ 13,613** | **$ 532,329** | **$ 13,932,146** | **$ 33,159** | **$ 9,622** | **$ 315,698** | **$ 1,825,000** | **$ 2,463,550** | **$ 40,090,902** | **$ 189,580,625** |
| **Liabilities** | | | | | | | | | | |
| Accounts payable | $ - | $ - | $ 312,705 | $ 4,010 | $ - | $ - | $ - | $ - | $ 2,678,746 | $ 15,980,428 |
| Due to other governmental units | - | - | - | - | - | - | - | - | - | 6,548,529 |
| Due to other funds | - | - | 248,300 | 36,364 | - | - | - | - | 3,906,534 | 25,800,962 |
| Advances from other funds | - | - | - | 12,908 | - | 698,750 | - | - | 711,658 | 711,658 |
| Accrued liabilities and other | - | - | - | 10,918 | - | - | - | - | 860,941 | 3,807,577 |
| Unearned revenue | - | - | - | - | - | - | - | - | - | 22,177,720 |
| Total liabilities | - | - | 561,005 | 64,200 | - | 698,750 | - | - | 8,157,879 | 75,026,874 |
| **Deferred Inflows of Resources** - Unavailable revenue | - | - | - | - | - | - | - | - | - | 39,843,256 |
| Total liabilities and deferred inflows of resources | - | - | 561,005 | 64,200 | - | 698,750 | - | - | 8,157,879 | 114,870,130 |
| **Fund Balances (Deficit)** | | | | | | | | | | |
| Nonspendable | - | - | 360,001 | - | - | - | - | - | 360,001 | 369,560 |
| Restricted | - | - | - | - | - | - | - | - | - | 50,461,089 |
| Committed | 13,613 | 532,329 | 13,011,140 | - | 9,622 | - | 1,825,000 | 2,463,550 | 31,987,115 | 31,987,115 |
| Unassigned | - | - | - | (31,041) | - | (383,052) | - | - | (414,093) | (8,107,269) |
| Total fund balances (deficit) | 13,613 | 532,329 | 13,371,141 | (31,041) | 9,622 | (383,052) | 1,825,000 | 2,463,550 | 31,933,023 | 74,710,495 |
| Total liabilities, deferred inflows of resources, and fund balances (deficit) | **$ 13,613** | **$ 532,329** | **$ 13,932,146** | **$ 33,159** | **$ 9,622** | **$ 315,698** | **$ 1,825,000** | **$ 2,463,550** | **$ 40,090,902** | **$ 189,580,625** |

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

**Year Ended September 30, 2023**

| | Special Revenue Funds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Indigent Defense | Child Care | Register of Deeds Automation | Oakland Enhancement | Restricted Funds | Waste Resource Management | Water and Sewer Act 342 | Lake Levels Act 146 | Drains - Act 40 Maintenance Chapters 4 and 18 | Lake Improvements Act 345 | Friend of the Court |
| **Revenue** | | | | | | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Special assessments | - | - | - | - | - | - | - | 859,530 | 1,619,746 | - | - |
| Intergovernmental: | | | | | | | | | | | |
| Federal grants | - | 284,046 | - | - | - | - | - | - | - | - | - |
| State and local | 8,179,347 | 14,459,311 | - | - | - | - | - | - | - | - | 10,772,617 |
| Charges for services | - | 5,946,342 | 716,030 | 382,926 | 813,340 | (47,700) | - | - | 75,902 | - | 1,542,940 |
| Indirect cost recovery | - | - | - | - | - | - | - | - | - | - | - |
| Investment income (loss) | 8,968 | - | (54,903) | 345 | 57,677 | (42,804) | (62,295) | 14,599 | 52,296 | - | - |
| Other revenue | - | 60,852 | - | - | 95,345 | - | - | - | - | - | 2,534,379 |
| Total revenue | 8,188,315 | 20,750,551 | 661,127 | 383,271 | 966,362 | (90,504) | (62,295) | 874,129 | 1,747,944 | - | 14,849,936 |
| **Expenditures** | | | | | | | | | | | |
| Current services: | | | | | | | | | | | |
| Salaries | 1,036,026 | 13,925,164 | 276,920 | 256,726 | - | - | - | - | - | - | 10,819,850 |
| Fringe benefits | 528,434 | 6,649,897 | 159,687 | 126,200 | - | - | - | - | - | - | 5,453,297 |
| Contractual services | 7,810,975 | 5,456,489 | 413,672 | 10,000 | 112 | 8,683 | 3,934,434 | 420,695 | 418,933 | - | 1,580,488 |
| Commodities | 79,399 | 589,694 | 1,870 | - | - | - | 336 | 11,445 | 3,102 | - | 73,046 |
| Internal services | 113,512 | 3,229,288 | 232,161 | - | - | - | 164,766 | 327,579 | 768,084 | - | 2,191,100 |
| Capital outlay | - | 19,015 | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | 9,568,346 | 29,869,547 | 1,084,310 | 392,926 | 112 | 8,683 | 4,099,536 | 759,719 | 1,190,119 | - | 20,117,781 |
| **Excess of Revenue (Under) Over Expenditures** | (1,380,031) | (9,118,996) | (423,183) | (9,655) | 966,250 | (99,187) | (4,161,831) | 114,410 | 557,825 | - | (5,267,845) |
| **Other Financing Sources (Uses)** | | | | | | | | | | | |
| Transfers in | 1,380,304 | 9,118,996 | - | - | - | - | - | - | 54,349 | - | 6,761,392 |
| Transfers out | - | - | - | - | (1,602,965) | - | - | (13,650) | - | - | - |
| Total other financing sources (uses) | 1,380,304 | 9,118,996 | - | - | (1,602,965) | - | - | (13,650) | 54,349 | - | 6,761,392 |
| **Net Change in Fund Balances** | 273 | - | (423,183) | (9,655) | (636,715) | (99,187) | (4,161,831) | 100,760 | 612,174 | - | 1,493,547 |
| **Fund Balances (Deficit)** - Beginning of year | - | - | 5,309,863 | 26,132 | 4,403,081 | 990,687 | 11,777,480 | 824,467 | 1,598,591 | 52 | (2,588,261) |
| **Fund Balances (Deficit)** - End of year | **$ 273** | **$ -** | **$ 4,886,680** | **$ 16,477** | **$ 3,766,366** | **$ 891,500** | **$ 7,615,649** | **$ 925,227** | **$ 2,210,765** | **$ 52** | **$ (1,094,714)** |





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

**Year Ended September 30, 2023**

| | Special Revenue Funds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Multi-Organizational Grants | Workforce Development Grants | Law Enforcement Grants | Housing and Community Development | Human Service Grants | Other Grants | Judicial Grants | Oakland Brownfield Initiative | Concealed Pistol Licensing | Housing Trust |
| **Revenue** | | | | | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Special assessments | - | - | - | - | - | - | - | - | - | - |
| Intergovernmental: | | | | | | | | | | |
| Federal grants | 34,374 | 11,416,277 | 1,965,166 | 7,621,825 | 8,104,992 | 573,212 | - | 298,046 | - | - |
| State and local | 1,839,509 | 2,138,358 | 5,322,236 | 39 | 2,787,029 | 454,743 | 1,222,270 | 172,960 | - | - |
| Charges for services | - | - | 401,448 | 2,672,015 | 21,515 | - | - | 59,000 | 573,934 | - |
| Indirect cost recovery | - | - | - | - | (3,925) | - | - | - | - | - |
| Investment income (loss) | - | - | - | 61,945 | - | - | - | - | (41,737) | 311 |
| Other revenue | - | 163,799 | - | (971,596) | 58,655 | 30,000 | - | 765 | - | - |
| Total revenue | 1,873,883 | 13,718,434 | 7,688,850 | 9,384,228 | 10,968,266 | 1,057,955 | 1,222,270 | 530,771 | 532,197 | 311 |
| **Expenditures** | | | | | | | | | | |
| Current services: | | | | | | | | | | |
| Salaries | 1,085,932 | 923,796 | 4,132,256 | 1,579,888 | 3,518,567 | 264,140 | 606,458 | - | 55,298 | 50,902 |
| Fringe benefits | 524,175 | 462,569 | 1,989,490 | 862,924 | 1,882,720 | 121,919 | 302,540 | - | 34,969 | - |
| Contractual services | 230,524 | 17,390,343 | 782,488 | 6,928,380 | 4,019,726 | 522,406 | 297,716 | 468,522 | - | 16,286 |
| Commodities | 25,456 | 65,301 | 146,615 | 11,217 | 629,141 | 331,880 | 9,869 | - | 36,725 | 3,317 |
| Internal services | 10,899 | 152,899 | 430,844 | 171,293 | 748,936 | - | - | - | 35,777 | 7,933 |
| Capital outlay | - | 101,820 | 688,536 | 1,517 | 3,028 | 240,252 | 21,565 | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | 1,876,986 | 19,096,728 | 8,170,229 | 9,555,219 | 10,802,118 | 1,480,597 | 1,238,148 | 468,522 | 162,769 | 78,438 |
| **Excess of Revenue (Under) Over Expenditures** | (3,103) | (5,378,294) | (481,379) | (170,991) | 166,148 | (422,642) | (15,878) | 62,249 | 369,428 | (78,127) |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Transfers in | - | - | 1,373,230 | 1,217,101 | - | - | - | - | - | 2,000,000 |
| Transfers out | - | - | (3,162) | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | 1,370,068 | 1,217,101 | - | - | - | - | - | 2,000,000 |
| **Net Change in Fund Balances** | (3,103) | (5,378,294) | 888,689 | 1,046,110 | 166,148 | (422,642) | (15,878) | 62,249 | 369,428 | 1,921,873 |
| **Fund Balances (Deficit)** - Beginning of year | 7,085 | (30,174) | (401,902) | (122,305) | (110,491) | (602,746) | (148,728) | 703,530 | 2,908,020 | 40,000 |
| **Fund Balances (Deficit)** - End of year | **$ 3,982** | **$ (5,408,468)** | **$ 486,787** | **$ 923,805** | **$ 55,657** | **$ (1,025,388)** | **$ (164,606)** | **$ 765,779** | **$ 3,277,448** | **$ 1,961,873** |

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

**Year Ended September 30, 2023**

| | Special Revenue Funds | | | Debt Service Funds | | | | | Capital Project Funds | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opioid Settlement | Oakland Transit | Total Special Revenue Funds | Building Authority Debt Act 31 | Building Authority Debt Refunding | Lake Levels Debt | Water and Sewer Debt Refunding | Total Debt Service Funds | Building Improvement | Project Work Orders |
| **Revenue** | | | | | | | | | | |
| Taxes | $ - | $ 64,273,934 | $ 64,273,934 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Special assessments | - | - | 2,479,276 | - | 1,294,804 | 107,426 | 920,750 | 2,322,980 | - | - |
| Intergovernmental: | | | | | | | | | | |
| Federal grants | - | - | 30,297,938 | - | - | - | - | - | - | 500,000 |
| State and local | - | - | 47,348,419 | - | - | - | - | - | - | - |
| Charges for services | - | - | 13,157,692 | - | 667 | 500 | - | 1,167 | - | - |
| Indirect cost recovery | - | - | (3,925) | - | - | - | - | - | - | - |
| Investment income (loss) | (109,394) | (209,339) | (324,331) | (17,609) | 203 | 1,495 | 1,503 | (14,408) | (39,160) | (281,784) |
| Other revenue | 4,798,086 | - | 6,770,285 | - | - | - | - | - | - | 1,128 |
| Total revenue | 4,688,692 | 64,064,595 | 163,999,288 | (17,609) | 1,295,674 | 109,421 | 922,253 | 2,309,739 | (39,160) | 219,344 |
| **Expenditures** | | | | | | | | | | |
| Current services: | | | | | | | | | | |
| Salaries | - | 105,714 | 38,637,637 | - | - | - | - | - | - | - |
| Fringe benefits | - | 43,490 | 19,142,311 | - | - | - | - | - | - | - |
| Contractual services | - | 48,428,089 | 99,138,961 | - | - | - | - | - | - | - |
| Commodities | - | 12,435 | 2,030,848 | - | - | - | - | - | - | 684 |
| Internal services | - | 8,462 | 8,593,533 | - | - | - | - | - | - | - |
| Capital outlay | - | - | 1,075,733 | - | - | - | - | - | - | 14,439,769 |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | 2,855,000 | 2,610,000 | 128,865 | 595,000 | 6,188,865 | - | - |
| Interest and fiscal charges | - | - | - | 385,731 | 444,261 | 33,849 | 326,750 | 1,190,591 | - | - |
| Total expenditures | - | 48,598,190 | 168,619,023 | 3,240,731 | 3,054,261 | 162,714 | 921,750 | 7,379,456 | - | 14,440,453 |
| **Excess of Revenue (Under) Over Expenditures** | 4,688,692 | 15,466,405 | (4,619,735) | (3,258,340) | (1,758,587) | (53,293) | 503 | (5,069,717) | (39,160) | (14,221,109) |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Transfers in | - | - | 21,905,372 | 2,207,620 | 1,756,969 | - | - | 3,964,589 | 4,000,000 | 8,788,463 |
| Transfers out | - | (100,000) | (1,719,777) | - | - | - | - | - | (6,329,191) | - |
| Total other financing sources (uses) | - | (100,000) | 20,185,595 | 2,207,620 | 1,756,969 | - | - | 3,964,589 | (2,329,191) | 8,788,463 |
| **Net Change in Fund Balances** | 4,688,692 | 15,366,405 | 15,565,860 | (1,050,720) | (1,618) | (53,293) | 503 | (1,105,128) | (2,368,351) | (5,432,646) |
| **Fund Balances (Deficit)** - Beginning of year | - | - | 24,584,381 | 2,801,210 | 819,233 | 109,413 | 2,503 | 3,732,359 | 4,367,510 | 17,565,348 |
| **Fund Balances (Deficit)** - End of year | **$ 4,688,692** | **$ 15,366,405** | **$ 40,150,241** | **$ 1,750,490** | **$ 817,615** | **$ 56,120** | **$ 3,006** | **$ 2,627,231** | **$ 1,999,159** | **$ 12,132,702** |





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

Year Ended September 30, 2023

| | Capital Project Funds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Facilities Management Infrastructure and IT Projects | Animal Control and Pet Adoption Center Construction | Major Departmental Support Projects | Lake Levels Act 146 | Lake Improvements Act 345 | Chapter 4 Drain Construction | Drain Commissioner Revolving | Long-term Revolving | Total Capital Project Funds | Total |
| **Revenue** | | | | | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 64,273,934 |
| Special assessments | - | - | - | 35,445 | - | 475,044 | - | 14,800 | 525,289 | 5,327,545 |
| Intergovernmental: | | | | | | | | | | |
| Federal grants | - | - | - | - | - | - | - | - | 500,000 | 30,797,938 |
| State and local | - | - | - | - | - | - | - | - | - | 47,348,419 |
| Charges for services | - | - | 73,457 | 2,699 | - | - | - | - | 76,156 | 13,235,015 |
| Indirect cost recovery | - | - | - | - | - | - | - | - | - | (3,925) |
| Investment income (loss) | - | 6,722 | (170,492) | (109) | - | 5,932 | - | (42,250) | (521,141) | (859,880) |
| Other revenue | - | - | - | - | - | - | - | - | 1,128 | 6,771,413 |
| Total revenue | - | 6,722 | (97,035) | 38,035 | - | 480,976 | - | (27,450) | 581,432 | 166,890,459 |
| **Expenditures** | | | | | | | | | | |
| Current services: | | | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - | - | 38,637,637 |
| Fringe benefits | - | - | - | - | - | - | - | - | - | 19,142,311 |
| Contractual services | - | - | - | - | - | 911,595 | - | - | 911,595 | 100,050,556 |
| Commodities | - | - | 18,790 | - | - | 5,633 | - | - | 25,107 | 2,055,955 |
| Internal services | - | - | - | - | - | - | - | - | - | 8,593,533 |
| Capital outlay | - | - | 24,684,344 | 52,145 | - | 80,016 | - | - | 39,256,274 | 40,332,007 |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | 6,188,865 |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | 1,190,591 |
| Total expenditures | - | - | 24,703,134 | 52,145 | - | 997,244 | - | - | 40,192,976 | 216,191,455 |
| **Excess of Revenue (Under) Over Expenditures** | - | 6,722 | (24,800,169) | (14,110) | - | (516,268) | - | (27,450) | (39,611,544) | (49,300,996) |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Transfers in | - | - | 19,800,000 | 13,650 | - | - | - | - | 32,602,113 | 58,472,074 |
| Transfers out | - | - | - | - | - | - | - | - | (6,329,191) | (8,048,968) |
| Total other financing sources (uses) | - | - | 19,800,000 | 13,650 | - | - | - | - | 26,272,922 | 50,423,106 |
| **Net Change in Fund Balances** | - | 6,722 | (5,000,169) | (460) | - | (516,268) | - | (27,450) | (13,338,622) | 1,122,110 |
| **Fund Balances (Deficit)** - Beginning of year | 13,613 | 525,607 | 18,371,310 | (30,581) | 9,622 | 133,216 | 1,825,000 | 2,491,000 | 45,271,645 | 73,588,385 |
| **Fund Balances (Deficit)** - End of year | **$ 13,613** | **$ 532,329** | **$ 13,371,141** | **$ (31,041)** | **$ 9,622** | **$ (383,052)** | **$ 1,825,000** | **$ 2,463,550** | **$ 31,933,023** | **$ 74,710,495** |

## Other Supplemental Information
## Budgetary Comparison Schedule - Non-Major Special Revenue Funds
## Social Welfare Foster Care

**Year Ended September 30, 2023**

| | Social Welfare Foster Care | | |
|---|---|---|---|
| | Final Amended Budget (Unaudited) | Actual | Variance with Amended Budget |
| **Revenue** | | | |
| State grants | $ 1,000 | $ - | $ (1,000) |
| Total revenue | 1,000 | - | (1,000) |
| **Expenditures** | | | |
| County Executive | | | |
| Human Services | | | |
| Operating | 2,000 | - | 2,000 |
| Total Human Services | 2,000 | - | 2,000 |
| Total County Executive | 2,000 | - | 2,000 |
| Total expenditures | 2,000 | - | 2,000 |
| **Excess of Revenue Over (Under) Expenditures** | (1,000) | - | 1,000 |
| **Other Financing Sources (Uses)** | | | |
| Transfers in | 1,000 | - | (1,000) |
| Total other financing sources (uses) | 1,000 | - | (1,000) |
| **Net Change in Fund Balances** | - | - | - |
| **Fund Balances - Beginning of year** | - | - | - |
| **Fund Balances - End of year** | $ - | $ - | $ - |





## Other Supplemental Information
## Budgetary Comparison Schedule - Non-Major Special Revenue Funds
## Child Care

**Year Ended September 30, 2023**

| | Final Amended Budget (Unaudited) | Actual | Variance with Amended Budget |
|---|---|---|---|
| **Revenue** | | | |
| Federal grants | $ 300,000 | $ 284,046 | $ 15,954 |
| State grants | 14,806,484 | 14,459,311 | $ 347,173 |
| Charges for services | 5,323,319 | 5,946,342 | $ (623,023) |
| Planned Use of Fund Balance | 95,863 | - | 95,863 |
| Other Revenue | - | 60,852 | $ (60,852) |
| Total revenue | 20,525,666 | 20,750,551 | $ 224,885 |
| **Expenditures** | | | |
| County Executive | | | |
| Public Services | | | |
| Personnel | 20,355,635 | 18,416,210 | 1,939,425 |
| Operating | 3,914,105 | 2,863,928 | 1,050,177 |
| Internal Support | 3,231,457 | 3,223,916 | 7,541 |
| Total Public Services | 27,501,197 | 24,504,054 | 2,997,143 |
| Economic Development | | | |
| Personnel | - | 1,585 | (1,585) |
| Total Human Services | - | 1,585 | (1,585) |
| Human Services | | | |
| Operating | 2,986,182 | 601,189 | 2,384,993 |
| Total Human Services | 2,986,182 | 601,189 | 2,384,993 |
| Total County Executive | 30,487,379 | 25,106,828 | 5,382,136 |
| Justice Administration | | | |
| Circuit Court | | | |
| Personnel | 1,943,519 | 2,149,263 | (205,744) |
| Operating | 7,546,971 | 2,600,081 | 4,946,890 |
| Internal Support | 3,527 | 5,371 | (1,844) |
| Total Circuit Court | 9,494,017 | 4,754,715 | 4,739,302 |
| Total Justice Administration | 9,494,017 | 4,754,715 | 4,739,302 |

## Other Supplemental Information
## Budgetary Comparison Schedule - Non-Major Special Revenue Funds
## Child Care

**Year Ended September 30, 2023**

| | | | |
|---|---|---|---|
| Sheriff | | | |
| Personnel | - | 8,003 | (8,003) |
| Total Non-departmental | - | 8,003 | - |
| Total expenditures | 39,981,396 | 29,869,546 | 13,118,581 |
| **Excess of Revenue Over (Under) Expenditures** | (19,455,730) | (9,118,996) | (12,893,696) |
| **Other Financing Sources (Uses)** | | | |
| Transfers in | 18,911,624 | 9,118,996 | (9,885,284) |
| Total other financing sources (uses) | 18,911,624 | 9,118,996 | (9,885,284) |
| **Net Change in Fund Balances** | - | - | - |
| **Fund Balances - Beginning of year** | - | - | - |
| **Fund Balances - End of year** | $ - | $ - | $ - |





## Other Supplementary Information
## Internal Service Funds
## Fund Descriptions

These funds account for the financing of goods or services provided by one county department or agency to other departments or agencies on a cost-reimbursement basis.

***Facilities Maintenance and Operations Fund***

This fund accumulates the costs of operating and maintaining the County's buildings, grounds, and utilities. The fund recovers costs by developing rates and billing user departments.

***Information Technology Fund***

This fund accounts for the operations of the Department of Information Technology, a service bureau that provides services to other county departments and divisions, local governmental units, private sector, and @access Oakland customers. Costs include the program and system support, maintenance, enhancements, and new development for all major systems applications.

***Drain Equipment Fund***

This fund accounts for the cost of vehicles and other equipment used for the construction and maintenance of various drains and lake level projects. The fund is reimbursed as the accumulated costs are distributed to specific projects or funds.

***Motor Pool Fund***

This fund accumulates the costs of purchasing, servicing, and operating county-owned vehicles. The fund recovers these costs by developing rates and billing user departments.

***Telephone Communications Fund***

This fund accumulates the costs of operating the county telephone system. The fund is reimbursed for the accumulated costs by distributing the charges to the specific fund or department.

***Building and Liability Insurance Fund***

This fund was established to accumulate moneys that are available to settle claims against the County when no insurance coverage exists and to make insurance premium payments. The fund is reimbursed by the user departments for insurance premiums paid and moneys accumulated for self-insurance.

***Fringe Benefits Fund***

This fund is used to account for the County's employee fringe benefits. Moneys are accumulated in this fund as a result of payroll allocations made on a departmental and/or bargaining unit basis. This fund also accumulates and disburses moneys related to workers' compensation and unemployment compensation claims and performs as the debt service fund for the County's Retiree Healthcare Refunding debt, including the reporting of keeping the VEBA Trust at full funding through assets of the Superseding Trust Fund. Due to the nature of the fund serving as the mechanism for employee benefits, the entire net pension and net OPEB liability (asset) is also recorded in the Fringe Benefits Fund.

**September 30, 2023**

| | Facilities Maintenance and Operations | Information Technology | Drain Equipment | Motor Pool | Telephone Communications | Building and Liability Insurance | Fringe Benefits | Total Internal Service Funds |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Current assets: | | | | | | | | |
| Pooled cash and investments | $ 5,503,005 | $ 18,554,487 | $ 22,632,527 | $ 2,686,657 | $ 2,158,874 | $ 15,874,467 | $ 47,949,056 | $ 115,359,073 |
| Investments | - | - | - | - | - | - | 19,616,068 | 19,616,068 |
| Receivables: | | | | | | | | |
| Accrued interest receivable | 36,770 | 62,458 | - | 7,645 | 19,080 | 155,876 | 809,840 | 1,091,669 |
| Due from other governments | 6,840 | 48,854 | 17,562 | 12,118 | 14,028 | - | 1,892 | 101,294 |
| Other | 214,380 | 140,849 | 292,692 | - | 521 | 13,274 | 3,201,227 | 3,862,943 |
| Due from component units | 71,169 | 34,044 | 35 | - | - | - | - | 105,248 |
| Due from other funds | 7,803 | 3,078,153 | - | - | - | 5,000,000 | 208,024 | 8,293,980 |
| Inventories and supplies | 297,346 | 20,909 | 2,146,356 | 351,825 | - | - | - | 2,816,436 |
| Prepaid expenses and other assets | - | 3,739,466 | 2,292 | 3,994 | 17,457 | 2,909,175 | 1,141,243 | 7,813,627 |
| Total current assets | 6,137,313 | 25,679,220 | 25,091,464 | 3,062,239 | 2,209,960 | 23,952,792 | 72,927,350 | 159,060,338 |
| Noncurrent assets: | | | | | | | | |
| Net OPEB asset | - | - | - | - | - | - | 465,796,487 | 465,796,487 |
| Capital assets: | | | | | | | | |
| Assets not subject to depreciation | - | 24,613,947 | 6,244,910 | - | - | - | - | 30,858,857 |
| Assets subject to depreciation - Net | 1,166,366 | 17,804,107 | 5,866,010 | 8,521,549 | 100,759 | - | - | 33,458,791 |
| Total noncurrent assets | 1,166,366 | 42,418,054 | 12,110,920 | 8,521,549 | 100,759 | - | 465,796,487 | 530,114,135 |
| Total assets | 7,303,679 | 68,097,274 | 37,202,384 | 11,583,788 | 2,310,719 | 23,952,792 | 538,723,837 | 689,174,473 |
| **Deferred Outflows of Resources** | | | | | | | | |
| Deferred pension costs | - | - | - | - | - | - | 43,589,363 | 43,589,363 |
| Deferred OPEB costs | - | - | - | - | - | - | 113,839,441 | 113,839,441 |
| Total deferred outflows of resources | - | - | - | - | - | - | 157,428,804 | 157,428,804 |
| **Liabilities** | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable | 784,342 | 1,872,676 | 572,797 | 81,254 | 177,137 | 285,366 | 2,137,151 | 5,910,723 |
| Due to other governmental units | - | 239,935 | - | - | - | - | 246,938 | 486,873 |
| Due to other funds | 6,841 | 3,627,527 | 26 | - | - | - | 1,522 | 3,635,916 |
| Accrued liabilities and other | 324,705 | 351,813 | 967,134 | 38,187 | 3,012 | 21,281 | 493,175 | 2,199,307 |
| Unearned revenue | - | 10,250 | - | - | - | - | - | 10,250 |
| Compensated absences | - | - | - | - | - | - | 1,756,606 | 1,756,606 |
| Provision for claims and judgments | - | - | - | - | - | 4,912,029 | 4,260,176 | 9,172,205 |
| Current portion of long-term debt | - | 3,895,981 | - | 35,564 | 29,770 | - | 29,660,000 | 33,621,315 |
| Total current liabilities | 1,115,888 | 9,998,182 | 1,539,957 | 155,005 | 209,919 | 5,218,676 | 38,555,568 | 56,793,195 |
| Noncurrent liabilities: | | | | | | | | |
| Compensated absences | - | - | - | - | - | - | 15,809,450 | 15,809,450 |
| Provision for claims and judgments | - | - | - | - | - | 18,176,863 | 10,696,080 | 28,872,943 |
| Net pension liability | - | - | - | - | - | - | 69,837,254 | 69,837,254 |
| Long-term debt - Net of current portion | - | 9,863,025 | - | 125,842 | 73,898 | - | 96,635,000 | 106,697,765 |
| Total noncurrent liabilities | - | 9,863,025 | - | 125,842 | 73,898 | 18,176,863 | 192,977,784 | 221,217,412 |
| Total liabilities | 1,115,888 | 19,861,207 | 1,539,957 | 280,847 | 283,817 | 23,395,539 | 231,533,352 | 278,010,607 |
| **Deferred Inflows of Resources** - Deferred OPEB costs | - | - | - | - | - | - | 22,714,713 | 22,714,713 |
| **Net Position** | | | | | | | | |
| Net investment in capital assets | 1,166,366 | 28,659,048 | 12,110,920 | 8,360,143 | - | - | - | 50,296,477 |
| Restricted - Superseding trust and OPEB asset | - | - | - | - | - | - | 359,216,234 | 359,216,234 |
| Unrestricted | 5,021,425 | 19,577,019 | 23,551,507 | 2,942,798 | 2,026,902 | 557,253 | 82,688,342 | 136,365,246 |
| Total net position | **$ 6,187,791** | **$ 48,236,067** | **$ 35,662,427** | **$ 11,302,941** | **$ 2,026,902** | **$ 557,253** | **$ 441,904,576** | **$ 545,877,957** |

## Combining Statement of Revenue, Expenses, and Changes in Net Position
## Internal Service Funds

**Year Ended September 30, 2023**

| | Facilities Maintenance and Operations | Information Technology | Drain Equipment | Motor Pool | Telephone Communications | Building and Liability Insurance | Fringe Benefits | Total Internal Service Funds |
|---|---|---|---|---|---|---|---|---|
| **Operating Revenue** | | | | | | | | |
| Charges for services | $ 28,072,085 | $ 41,692,671 | $ 52,022,439 | $ 9,195,821 | $ 4,144,443 | $ 8,688,397 | $ 170,119,687 | $ 313,935,543 |
| Other | - | 42,245 | 41,565 | 5,776 | 71 | 2,732 | 356,959 | 449,348 |
| Total operating revenue | 28,072,085 | 41,734,916 | 52,064,004 | 9,201,597 | 4,144,514 | 8,691,129 | 170,476,646 | 314,384,891 |
| **Operating Expenses** | | | | | | | | |
| Salaries | 10,823,471 | 12,383,107 | 26,614,177 | 1,185,263 | 100,186 | 689,545 | 1,532,042 | 53,327,791 |
| Fringe benefits | 5,802,322 | 5,626,405 | 13,602,100 | 560,055 | 49,067 | 317,644 | 760,777 | 26,718,370 |
| Fringe benefits - Pension | - | - | - | - | - | - | 25,558,354 | 25,558,354 |
| Fringe benefits - OPEB | - | - | - | - | - | - | (27,123,608) | (27,123,608) |
| Contractual services | 10,209,679 | 19,725,143 | 1,253,383 | 2,113,741 | 3,354,403 | 11,930,520 | 145,001,477 | 193,588,346 |
| Commodities | 2,140,793 | 1,097,123 | 1,852,113 | 4,101,213 | 94,130 | 56,066 | 14,591 | 9,356,029 |
| Internal services | 1,223,703 | 2,749,634 | 6,241,409 | 281,892 | 570,290 | 106,149 | 516,024 | 11,689,101 |
| Depreciation | 324,708 | 5,033,268 | 729,153 | 3,149,127 | 32,679 | - | - | 9,268,935 |
| Total operating expenses | 30,524,676 | 46,614,680 | 50,292,335 | 11,391,291 | 4,200,755 | 13,099,924 | 146,259,657 | 302,383,318 |
| **Operating (Loss) Income** | (2,452,591) | (4,879,764) | 1,771,669 | (2,189,694) | (56,241) | (4,408,795) | 24,216,989 | 12,001,573 |
| **Nonoperating (Expense) Revenue** | | | | | | | | |
| Investment income (loss) | (44,038) | (377,469) | (303,539) | (23,730) | (29,615) | (368,899) | 4,688,669 | 3,541,379 |
| Interest expense | - | (811,715) | - | (8,768) | (6,675) | - | (5,395,630) | (6,222,788) |
| Gain on sale of assets | - | - | 6,000 | 896,988 | - | - | - | 902,988 |
| Other nonoperating revenue | 102,168 | - | - | - | - | - | - | 102,168 |
| Operating grants | - | 3,113 | - | 38,372 | - | - | - | 41,485 |
| Total nonoperating (expense) revenue | 58,130 | (1,186,071) | (297,539) | 902,862 | (36,290) | (368,899) | (706,961) | (1,634,768) |
| **(Loss) Income** - Before capital contributions | (2,394,461) | (6,065,835) | 1,474,130 | (1,286,832) | (92,531) | (4,777,694) | 23,510,028 | 10,366,805 |
| **Capital Contributions** | - | 3,276,587 | - | - | - | - | - | 3,276,587 |
| **Transfers In** | - | 9,030,875 | 222,209 | 528,521 | - | 5,000,000 | - | 14,781,605 |
| **Transfers Out** | (52,843) | - | (173,143) | - | - | - | - | (225,986) |
| **Change in Net Position** | (2,447,304) | 6,241,627 | 1,523,196 | (758,311) | (92,531) | 222,306 | 23,510,028 | 28,199,011 |
| **Net Position** - Beginning of year | 8,635,095 | 41,994,440 | 34,139,231 | 12,061,252 | 2,119,433 | 334,947 | 418,394,548 | 517,678,946 |
| **Net Position** - End of year | **$ 6,187,791** | **$ 48,236,067** | **$ 35,662,427** | **$ 11,302,941** | **$ 2,026,902** | **$ 557,253** | **$ 441,904,576** | **$ 545,877,957** |

**Year Ended September 30, 2023**

| | Facilities Maintenance and Operations | Information Technology | Drain Equipment | Motor Pool | Telephone Communications | Building and Liability Insurance | Fringe Benefits | Total Internal Service Funds |
|---|---|---|---|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | | | | | |
| Receipts from customers | $ 27,834,521 | $ 42,077,091 | $ 52,183,711 | $ 9,205,014 | $ 4,139,334 | $ 16,189,590 | $ 170,383,781 | $ 322,013,042 |
| Payments to suppliers | (12,436,625) | (23,622,861) | (4,819,176) | (6,140,398) | (3,308,862) | (8,106,520) | (5,810,010) | (64,244,452) |
| Payments to employees and fringes | (16,600,087) | (17,996,901) | (40,243,547) | (1,736,714) | (149,083) | (1,001,461) | (143,490,570) | (221,218,363) |
| Payments to other funds | (1,228,330) | (1,575,201) | (6,241,409) | (245,051) | (570,290) | (106,149) | (517,827) | (10,484,257) |
| Net cash and cash equivalents (used in) provided by operating activities | (2,430,521) | (1,117,872) | 879,579 | 1,082,851 | 111,099 | 6,975,460 | 20,565,374 | 26,065,970 |
| **Cash Flows from Noncapital Financing Activities** | | | | | | | | |
| Operating grants and subsidies | - | 3,113 | - | 38,372 | - | - | - | 41,485 |
| Transfers from other funds | - | 9,030,875 | 222,209 | 528,521 | - | 5,000,000 | - | 14,781,605 |
| Principal and interest paid on operating debt | - | - | - | - | - | - | (34,000,630) | (34,000,630) |
| Transfers to other funds | (52,843) | - | (173,117) | - | - | - | - | (225,960) |
| Other receipts | 102,168 | - | - | - | - | - | - | 102,168 |
| Net cash and cash equivalents provided by (used in) noncapital financing activities | 49,325 | 9,033,988 | 49,092 | 566,893 | - | 5,000,000 | (34,000,630) | (19,301,332) |
| **Cash Flows from Capital and Related Financing Activities** | | | | | | | | |
| Proceeds from sale of capital assets | - | - | 6,000 | 917,396 | - | - | - | 923,396 |
| Purchase of capital assets | (285,102) | (746,335) | (887,062) | (4,352,213) | - | - | - | (6,270,712) |
| Principal and interest paid on capital debt and leases | - | (4,368,951) | - | (45,132) | (36,445) | - | - | (4,450,528) |
| Net cash and cash equivalents used in capital and related financing activities | (285,102) | (5,115,286) | (881,062) | (3,479,949) | (36,445) | - | - | (9,797,844) |
| **Cash Flows from Investing Activities** | | | | | | | | |
| Interest received and investment value change | (36,436) | (370,003) | (289,988) | (19,372) | (27,275) | (364,382) | 420,054 | (687,402) |
| Purchases of investment securities | - | - | - | - | - | - | (11,229,132) | (11,229,132) |
| Sale of investment securities | - | - | - | - | - | - | 12,665,378 | 12,665,378 |
| Net cash and cash equivalents (used in) provided by investing activities | (36,436) | (370,003) | (289,988) | (19,372) | (27,275) | (364,382) | 1,856,300 | 748,844 |
| **Net (Decrease) Increase in Cash and Cash Equivalents** | (2,702,734) | 2,430,827 | (242,379) | (1,849,577) | 47,379 | 11,611,078 | (11,578,956) | (2,284,362) |
| **Cash and Cash Equivalents** - Beginning of year | 8,205,739 | 16,123,660 | 22,874,906 | 4,536,234 | 2,111,495 | 4,263,389 | 59,528,012 | 117,643,435 |
| **Cash and Cash Equivalents** - End of year | **$ 5,503,005** | **$ 18,554,487** | **$ 22,632,527** | **$ 2,686,657** | **$ 2,158,874** | **$ 15,874,467** | **$ 47,949,056** | **$ 115,359,073** |
| **Classification of Cash and Cash Equivalents** - Cash and investments | **$ 5,503,005** | **$ 18,554,487** | **$ 22,632,527** | **$ 2,686,657** | **$ 2,158,874** | **$ 15,874,467** | **$ 47,949,056** | **$ 115,359,073** |
| **Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities** | | | | | | | | |
| Operating (loss) income | $ (2,452,591) | $ (4,879,764) | $ 1,771,669 | $ (2,189,694) | $ (56,241) | $ (4,408,795) | $ 24,216,989 | $ 12,001,573 |
| Adjustments to reconcile operating (loss) income to net cash from operating activities: | | | | | | | | |
| Depreciation | 324,708 | 5,033,268 | 729,153 | 3,149,127 | 32,679 | - | - | 9,268,935 |
| Changes in assets and liabilities: | | | | | | | | |
| Receivables | (237,564) | 341,630 | 119,391 | 3,417 | (5,180) | 7,498,461 | (115,303) | 7,604,852 |
| Due to and from other funds | - | (43,646) | - | - | - | - | (11,387) | (55,033) |
| Inventories | (9,625) | - | (788,995) | 59,536 | - | - | - | (739,084) |
| Prepaid and other assets | - | (1,841,250) | (2,292) | (116) | 97,668 | (702,415) | (121,376) | (2,569,781) |
| Accrued and other payroll liabilities | 2,467 | - | - | - | - | - | (39,973,031) | (39,970,564) |
| Accounts payable | (81,305) | 258,734 | (922,393) | 51,977 | 42,003 | 4,582,481 | (2,748,746) | 1,182,751 |
| Deferrals related to pension or OPEB | - | - | - | - | - | - | 38,407,777 | 38,407,777 |
| Accrued and other liabilities | 23,389 | 13,156 | (26,954) | 8,604 | 170 | 5,728 | 910,451 | 934,544 |
| Total adjustments | 22,070 | 3,761,892 | (892,090) | 3,272,545 | 167,340 | 11,384,255 | (3,651,615) | 14,064,397 |
| Net cash and cash equivalents (used in) provided by operating activities | **$ (2,430,521)** | **$ (1,117,872)** | **$ 879,579** | **$ 1,082,851** | **$ 111,099** | **$ 6,975,460** | **$ 20,565,374** | **$ 26,065,970** |
| **Significant Noncash Transactions** - Capital contribution | $ - | $ 3,276,587 | $ - | $ - | $ - | $ - | $ - | $ 3,276,587 |

# Other Supplementary Information
## Nonmajor Enterprise Funds
## Fund Descriptions

These funds account for operations and services provided for county residents and are financed primarily through user charges.

***Delinquent Personal Property Tax Administration Fund***

This fund is used to account for the collection of delinquent personal property taxes and their subsequent disbursement to various municipalities, school districts, and other governmental units. Cost-related activities involving the collection of taxes are also recorded in this fund. Per State of Michigan statutes, money collected in excess of costs shall be intermittently transferred to the County's General Fund.

***Fire Records Management Fund***

This fund was established to accumulate revenue and costs associated with providing a centralized Fire Records Management System (FRMS). The system will aid in uniform reporting and data sharing for participating local fire departments.

***CLEMIS (Courts and Law Enforcement Management Information System) Fund***

This fund was established to accumulate revenue and costs associated with providing law enforcement units with immediate access to criminal and vehicle information throughout the United States and Canada. This includes the costs of purchasing, servicing, and operating mobile data terminals and base stations.

***Radio Communications Fund***

This fund accumulates the costs of purchasing, servicing, and operating the county radio system. The fund recovers costs by developing rates and billing users and also receives revenue from the 911 surcharge.

***Huron-Rouge S.D.S. (Sewage Disposal System) Fund***

This fund was established to record the operations and maintenance of the system, which is used to move sewage to Wayne County for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

***Clinton-Oakland S.D.S. (Sewage Disposal System) Fund***

This fund was established to record the operations and maintenance of the system, which is used to move sewage to the Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

***County Airports Fund***

This fund was established to account for the county airports.





| | Delinquent Personal Property Tax Administration | Fire Records Management | CLEMIS | Radio Communications |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets: | | | | |
| Pooled cash and investments | $ 1,461,862 | $ 595,056 | $ 2,830,491 | $ 21,375,206 |
| Receivables: | | | | |
| Accrued interest receivable | 57,213 | 2,928 | 45,416 | 141,349 |
| Leases receivable | - | - | - | 1,542,681 |
| Due from other governments | - | 93,451 | 1,284,605 | 15,149 |
| Other | - | - | 204,243 | 1,316,017 |
| Due from other funds | - | - | 1,889,521 | - |
| Prepaid expenses and other assets | - | 283 | 286,549 | 246,419 |
| Total current assets | 1,519,075 | 691,718 | 6,540,825 | 24,636,821 |
| Noncurrent assets - | | | | |
| Capital assets: | | | | |
| Assets not subject to depreciation | - | - | 1,980,236 | 44,920,974 |
| Assets subject to depreciation - Net | - | 329,564 | 4,069,238 | 788,303 |
| Total noncurrent assets | - | 329,564 | 6,049,474 | 45,709,277 |
| Total assets | 1,519,075 | 1,021,282 | 12,590,299 | 70,346,098 |
| **Liabilities** | | | | |
| Current liabilities: | | | | |
| Accounts payable | 2,460 | 15,032 | 268,108 | 1,863,039 |
| Due to other governmental units | - | - | 607,930 | 21,355 |
| Accrued liabilities and other | 4,300 | 7,903 | 79,957 | 289,827 |
| Unearned revenue | - | - | 102,828 | 13,900 |
| Current portion of long-term debt | - | - | 2,294,086 | 1,095,000 |
| Total current liabilities | 6,760 | 22,935 | 3,352,909 | 3,283,121 |
| Noncurrent liabilities - Long-term debt - Net of current portion | - | - | 1,033,763 | 13,449,503 |
| Total liabilities | 6,760 | 22,935 | 4,386,672 | 16,732,624 |
| **Deferred Inflows of Resources** - Leases | - | - | - | 1,402,105 |
| **Net Position** | | | | |
| Net investment in capital assets | - | 329,564 | 2,721,625 | 31,164,774 |
| Restricted - Public works | - | - | - | - |
| Unrestricted | 1,512,315 | 668,783 | 5,482,002 | 21,046,595 |
| Total net position | **$ 1,512,315** | **$ 998,347** | **$ 8,203,627** | **$ 52,211,369** |

# Other Supplementary Information
# Combining Statement of Net Position
# Nonmajor Enterprise Funds

**September 30, 2023**

| Huron-Rouge S.D.S. | Clinton-Oakland S.D.S. | County Airports | Total Nonmajor Enterprise Funds |
|---|---|---|---|
| $ 11,251,878 | $ 17,118,447 | $ 15,987,844 | $ 70,620,784 |
| 14,665 | 137,913 | 87,869 | 487,353 |
| - | - | - | 1,542,681 |
| 863,780 | 4,514,546 | 640 | 6,772,171 |
| - | - | 1,200,140 | 2,720,400 |
| - | - | - | 1,889,521 |
| - | - | 300,998 | 834,249 |
| 12,130,323 | 21,770,906 | 17,577,491 | 84,867,159 |
| 14,979,629 | 1,112,225 | 36,972,297 | 99,965,361 |
| 304,392 | 29,030,367 | 26,434,055 | 60,955,919 |
| 15,284,021 | 30,142,592 | 63,406,352 | 160,921,280 |
| 27,414,344 | 51,913,498 | 80,983,843 | 245,788,439 |
| 2,141,102 | 443,454 | 28,281 | 4,761,476 |
| - | - | - | 629,285 |
| 838,693 | 13,305 | 679,034 | 1,913,019 |
| - | - | 667,302 | 784,030 |
| - | - | 675,000 | 4,064,086 |
| 2,979,795 | 456,759 | 2,049,617 | 12,151,896 |
| - | - | 2,525,812 | 17,009,078 |
| 2,979,795 | 456,759 | 4,575,429 | 29,160,974 |
| - | - | - | 1,402,105 |
| 15,284,021 | 30,142,592 | 60,205,540 | 139,848,116 |
| 7,550,062 | 18,516,519 | - | 26,066,581 |
| 1,600,466 | 2,797,628 | 16,202,874 | 49,310,663 |
| **$ 24,434,549** | **$ 51,456,739** | **$ 76,408,414** | **$ 215,225,360** |





| | Delinquent Personal Property Tax Administration | Fire Records Management | CLEMIS | Radio Communications |
|---|---|---|---|---|
| **Operating Revenue** | | | | |
| Charges for services | $ 594,798 | $ 340,032 | $ 7,048,981 | $ 10,067,546 |
| Other | - | - | - | 278 |
| Total operating revenue | 594,798 | 340,032 | 7,048,981 | 10,067,824 |
| **Operating Expenses** | | | | |
| Salaries | 210,438 | 245,671 | 2,547,320 | 683,003 |
| Fringe benefits | 98,292 | 132,825 | 1,241,538 | 410,834 |
| Contractual services | 98,132 | 267,589 | 2,108,090 | 2,448,220 |
| Commodities | 500 | - | 6,844 | 880,215 |
| Internal services | 43,280 | 350,472 | 760,826 | 1,085,498 |
| Intergovernmental | - | - | - | - |
| Depreciation | - | 263,651 | 3,050,234 | 183,071 |
| Total operating expenses | 450,642 | 1,260,208 | 9,714,852 | 5,690,841 |
| **Operating Income (Loss)** | 144,156 | (920,176) | (2,665,871) | 4,376,983 |
| **Nonoperating Revenue (Expense)** | | | | |
| Investment income (loss) | 16,863 | 8,592 | (31,742) | (193,883) |
| Interest expense | - | - | (229,054) | (334,479) |
| Operating grants | - | - | - | 8,000 |
| Total nonoperating revenue (expense) | 16,863 | 8,592 | (260,796) | (520,362) |
| **Income (Loss)** - Before transfers | 161,019 | (911,584) | (2,926,667) | 3,856,621 |
| **Transfers In** | - | 510,339 | 1,644,186 | 689,614 |
| **Transfers Out** | - | - | - | (286,000) |
| **Change in Net Position** | 161,019 | (401,245) | (1,282,481) | 4,260,235 |
| **Net Position** - Beginning of year | 1,351,296 | 1,399,592 | 9,486,108 | 47,951,134 |
| **Net Position** - End of year | **$ 1,512,315** | **$ 998,347** | **$ 8,203,627** | **$ 52,211,369** |

**Year Ended September 30, 2023**

| Huron-Rouge S.D.S. | Clinton-Oakland S.D.S. | County Airports | Total Nonmajor Enterprise Funds |
|---|---|---|---|
| $ 9,996,450 | $ 38,728,189 | $ 6,492,675 | $ 73,268,671 |
| 1,224 | 4,683 | 300 | 6,485 |
| 9,997,674 | 38,732,872 | 6,492,975 | 73,275,156 |
| - | - | 1,599,024 | 5,285,456 |
| - | - | 782,423 | 2,665,912 |
| 8,595,335 | 27,752,138 | 2,125,109 | 43,394,613 |
| - | 44,014 | 146,681 | 1,078,254 |
| 160,411 | 1,085,253 | 409,568 | 3,895,308 |
| - | 7,054,939 | - | 7,054,939 |
| 42,932 | 1,385,551 | 2,476,514 | 7,401,953 |
| 8,798,678 | 37,321,895 | 7,539,319 | 70,776,435 |
| 1,198,996 | 1,410,977 | (1,046,344) | 2,498,721 |
| (108,940) | (173,710) | (193,261) | (676,081) |
| - | - | (76,052) | (639,585) |
| - | - | 218,000 | 226,000 |
| (108,940) | (173,710) | (51,313) | (1,089,666) |
| 1,090,056 | 1,237,267 | (1,097,657) | 1,409,055 |
| - | - | - | 2,844,139 |
| - | - | - | (286,000) |
| 1,090,056 | 1,237,267 | (1,097,657) | 3,967,194 |
| 23,344,493 | 50,219,472 | 77,506,071 | 211,258,166 |
| $ 24,434,549 | $ 51,456,739 | $ 76,408,414 | $ 215,225,360 |





| | Delinquent Personal Property Tax Administration | Fire Records Management | CLEMIS | Radio Communications |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Receipts from customers | $ 594,798 | $ 338,508 | $ 6,792,804 | $ 9,975,768 |
| Payments to suppliers | (97,792) | (269,342) | (1,739,470) | (2,352,179) |
| Payments to employees and fringes | (308,558) | (375,279) | (3,783,962) | (1,094,221) |
| Payments to other funds | (43,280) | (350,472) | (719,829) | (1,085,498) |
| Net cash and cash equivalents provided by (used in) operating activities | 145,168 | (656,585) | 549,543 | 5,443,870 |
| **Cash Flows from Noncapital Financing Activities** | | | | |
| Operating grants and subsidies | - | - | - | 8,000 |
| Transfers from other funds | - | 510,339 | 1,644,186 | 689,614 |
| Transfers to other funds | - | - | - | (286,000) |
| Net cash and cash equivalents provided by noncapital financing activities | - | 510,339 | 1,644,186 | 411,614 |
| **Cash Flows from Capital and Related Financing Activities** | | | | |
| Purchase of capital assets | - | - | (1,013,121) | (2,369,881) |
| Principal and interest paid on capital debt and leases | - | - | (2,861,979) | (1,836,321) |
| Net cash and cash equivalents used in capital and related financing activities | - | - | (3,875,100) | (4,206,202) |
| **Cash Flows Provided by (Used in) Investing Activities** - Interest received and investment value change | 18,796 | 9,510 | (26,704) | (158,703) |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 163,964 | (136,736) | (1,708,075) | 1,490,579 |
| **Cash and Cash Equivalents** - Beginning of year | 1,297,898 | 731,792 | 4,538,566 | 19,884,627 |
| **Cash and Cash Equivalents** - End of year | **$ 1,461,862** | **$ 595,056** | **$ 2,830,491** | **$ 21,375,206** |
| **Classification of Cash and Cash Equivalents** - Cash and investments | **$ 1,461,862** | **$ 595,056** | **$ 2,830,491** | **$ 21,375,206** |
| **Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities** | | | | |
| Operating income (loss) | $ 144,156 | $ (920,176) | $ (2,665,871) | $ 4,376,983 |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: | | | | |
| Depreciation | - | 263,651 | 3,050,234 | 183,071 |
| Changes in assets and liabilities: | | | | |
| Receivables | - | (1,524) | (256,177) | (92,056) |
| Due to and from other funds | - | - | - | - |
| Inventories | - | - | - | 58,197 |
| Prepaid and other assets | - | 308 | 539,178 | 395,103 |
| Accounts payable | 840 | (2,061) | (122,717) | 522,956 |
| Accrued and other liabilities | 172 | 3,217 | 4,896 | (384) |
| Total adjustments | 1,012 | 263,591 | 3,215,414 | 1,066,887 |
| Net cash and cash equivalents provided by (used in) operating activities | **$ 145,168** | **$ (656,585)** | **$ 549,543** | **$ 5,443,870** |

**Year Ended September 30, 2023**

| Huron-Rouge S.D.S. | Clinton-Oakland S.D.S. | County Airports | Total |
|---|---|---|---|
| $ 9,955,492 | $ 38,466,943 | $ 5,631,149 | $ 71,755,462 |
| (6,489,039) | (34,741,115) | (1,922,511) | (47,611,448) |
| - | - | (2,383,700) | (7,945,720) |
| (160,411) | (1,516,174) | (409,568) | (4,285,232) |
| 3,306,042 | 2,209,654 | 915,370 | 11,913,062 |
| - | - | 218,000 | 226,000 |
| - | - | - | 2,844,139 |
| - | - | - | (286,000) |
| - | - | 218,000 | 2,784,139 |
| (2,894,256) | (671,570) | (303,131) | (7,251,959) |
| - | - | (800,402) | (5,498,702) |
| (2,894,256) | (671,570) | (1,103,533) | (12,750,661) |
| (92,870) | (143,706) | (167,820) | (561,497) |
| 318,916 | 1,394,378 | (137,983) | 1,385,043 |
| 10,932,962 | 15,724,069 | 16,125,827 | 69,235,741 |
| **$ 11,251,878** | **$ 17,118,447** | **$ 15,987,844** | **$ 70,620,784** |
| **$ 11,251,878** | **$ 17,118,447** | **$ 15,987,844** | **$ 70,620,784** |
| $ 1,198,996 | $ 1,410,977 | $ (1,046,344) | $ 2,498,721 |
| 42,932 | 1,385,551 | 2,476,514 | 7,401,953 |
| (42,182) | (265,929) | (861,826) | (1,519,694) |
| - | (430,921) | - | (430,921) |
| - | - | - | 58,197 |
| - | - | 492,337 | 1,426,926 |
| 2,106,296 | 109,976 | (143,058) | 2,472,232 |
| - | - | (2,253) | 5,648 |
| 2,107,046 | 798,677 | 1,961,714 | 9,414,341 |
| **$ 3,306,042** | **$ 2,209,654** | **$ 915,370** | **$ 11,913,062** |





***Pension Trust Funds***

Employee pension trust funds accept payments made by the County, invest fund resources, and calculate and pay pensions and retirees' health care to beneficiaries.

***Oakland County Employees' Retirement Fund***

This fund is used to account for the financial operations of the Oakland County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system.

***VEBA (Voluntary Employees' Beneficiary Association) Trust Fund***

The OPEB (other postemployment benefits) trust plan is funded through the VEBA Trust Fund.

This fund was established as a trust under Internal Revenue Code Section 501(c)(9) to account for funding on an actuarial basis, including contributions by Oakland County, Michigan, and subsequent disbursement for postemployment medical benefits.

***Investment Trust Fund***

The investment trust fund accounts for resources of external units of government that are pooled in an investment portfolio for the benefit of the participants.

***Local Governmental Investment Pool Fund***

This fund was established as a trust with cities, townships, and villages in Oakland County whereby the county treasurer, under contractual arrangement, pools resources of the participants. Interest earnings net of fees accrue to the benefit of the participants in the pool.

***Custodial 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.

***Undistributed Taxes Fund***

This fund is a conglomerate of various current year tax funds that receive tax moneys and disburse them to municipalities, school districts, and other governmental units.

***Register of Deeds Trust Fund***

This fund is used to account for redemption moneys received from the sale of real estate by the sheriff's department and their subsequent disbursement.

***Sheriff's NET (Narcotics Enforcement Team) Forfeiture Fund***

This fund is used to account for money seized, or the sale of confiscated property at auction, under authorization of Michigan state law. The money is held until the court case has been resolved, and, at least yearly, any forfeited moneys are distributed to local, state, or federal police agencies that participate in the NET program.

***Circuit Court Trust Fund***

This fund is used to account for moneys received and disbursed by the clerk's office per circuit court order.

***Escheats Trust Fund***

This fund is used to account for moneys that have not been claimed. This includes payroll, retirement, and other checks issued by the County and moneys from the Legatee Trust and Special Trust funds. All moneys go to the State of Michigan after a prescribed length of time.

# Other Supplementary Information
## Fiduciary Funds
## Fund Descriptions (Continued)

***Legatee Trust Fund***

This fund is used to account for estate assets that remain unclaimed. After five years, these moneys are transferred to the Oakland County Escheats Trust Fund.

***Special Trust Fund***

This fund is used to account for moneys deposited with the county treasurer that are released at a later date. Juvenile court bonds, transient merchant license bonds, and overbids on sheriff land sales are included.

***Public Library Trust Fund***

This fund is used to account for moneys received by district and circuit courts for court fines and disbursed to public libraries based on a percentage of the current census.

***District Court Trust Account***

This fund is used to account for appearance bonds and other trust moneys in the four divisions of the County's district court system.

***Jail Inmate Trust Account***

This fund is used to hold moneys collected from and for inmates of the Oakland County Jail. Checks are written to cover bond payments, commissary purchases of other personal needs, and to return account balances upon inmate release or transfer to another facility. Individual accounts are tracked in the Jail Management System (JAMS).





| | Pension and Other Postemployment Benefits Trust Funds | | | Investment Trust Fund | Custodial Funds | | |
|---|---|---|---|---|---|---|---|
| | Oakland County Employees' Retirement | VEBA Trust | Total | Local Government Investment Pool | Undistributed Taxes | Register of Deeds Trust | Sheriff's NET Forfeiture |
| **Assets** | | | | | | | |
| Pooled cash and investments | $ 12,817,410 | $ 36,066,483 | $ 48,883,893 | $ 223,381,654 | $ 361,696,382 | $ (123,898) | $ 927,892 |
| Investments: | | | | | | | |
| U.S. government securities | 95,089,751 | 245,045,651 | 340,135,402 | - | - | - | - |
| Other fixed income | 6,451,446 | 13,135,616 | 19,587,062 | - | - | - | - |
| Commercial mortgage-backed securities | 6,335,318 | 14,540,431 | 20,875,749 | - | - | - | - |
| International common stock | 189,156,452 | 356,270,643 | 545,427,095 | - | - | - | - |
| Common, preferred, and convertible stocks | 94,192,160 | 184,833,485 | 279,025,645 | - | - | - | - |
| Corporate bonds | 52,316,833 | 132,720,842 | 185,037,675 | - | - | - | - |
| Real estate | 70,605,878 | 158,612,650 | 229,218,528 | - | - | - | - |
| Partnerships | 70,504,969 | 146,640,432 | 217,145,401 | - | - | - | - |
| Hedge funds | 39,305,393 | 117,855,515 | 157,160,908 | - | - | - | - |
| Receivables - Accrued interest receivable | 1,705,521 | 4,416,015 | 6,121,536 | - | - | - | 23,256 |
| Prepaid expenses and other assets | - | 279,422 | 279,422 | - | - | - | - |
| Total assets | 638,481,131 | 1,410,417,185 | 2,048,898,316 | 223,381,654 | 361,696,382 | (123,898) | 951,148 |
| **Liabilities** | | | | | | | |
| Accounts payable | 422,987 | 2,375,172 | 2,798,159 | - | - | 25,478 | - |
| Due to other governmental units | - | - | - | - | 361,696,382 | - | - |
| Refundable deposits and bonds | - | - | - | - | - | - | - |
| Accrued liabilities and other | 1,137 | 2,080,271 | 2,081,408 | 1,272,217 | - | - | - |
| Total liabilities | 424,124 | 4,455,443 | 4,879,567 | 1,272,217 | 361,696,382 | 25,478 | - |
| **Net Position** | | | | | | | |
| Restricted: | | | | | | | |
| Pension | 638,057,007 | - | 638,057,007 | - | - | - | - |
| Postemployment benefits other than pension | - | 1,405,961,742 | 1,405,961,742 | - | - | - | - |
| Pool participants | - | - | - | 222,109,437 | - | - | - |
| Individuals, organizations, and other governments | - | - | - | - | - | (149,376) | 951,148 |
| Total net position | **$ 638,057,007** | **$ 1,405,961,742** | **$ 2,044,018,749** | **$ 222,109,437** | **$ -** | **$ (149,376)** | **$ 951,148** |

# Other Supplementary Information
# Combining Statement of Fiduciary Net Position
# Fiduciary Funds

**September 30, 2023**

| Custodial Funds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Circuit Court Trust | Sheriff Bond Deposits | Escheats Trust | Legatee Trust | Special Trust | Public Library Trust | District Court Trust Account | Jail Inmate Trust Account | Total Custodial Funds | Total Fiduciary Funds |
| $ - | $ - | $ 31,067 | $ 1,040,595 | $ - | $ 469,406 | $ - | $ 809,231 | $ 364,850,675 | $ 637,116,222 |
| - | - | - | - | - | - | - | - | - | 340,135,402 |
| - | - | - | - | - | - | - | - | - | 19,587,062 |
| - | - | - | - | - | - | - | - | - | 20,875,749 |
| - | - | - | - | - | - | - | - | - | 545,427,095 |
| - | - | - | - | - | - | - | - | - | 279,025,645 |
| - | - | - | - | - | - | - | - | - | 185,037,675 |
| - | - | - | - | - | - | - | - | - | 229,218,528 |
| - | - | - | - | - | - | - | - | - | 217,145,401 |
| - | - | - | - | - | - | - | - | - | 157,160,908 |
| - | - | - | - | - | 8,978 | - | - | 32,234 | 6,153,770 |
| - | - | - | - | - | - | - | - | - | 279,422 |
| - | - | 31,067 | 1,040,595 | - | 478,384 | - | 809,231 | 364,882,909 | 2,637,162,879 |
| - | - | - | - | - | - | - | - | 25,478 | 2,823,637 |
| - | - | - | - | - | - | - | - | 361,696,382 | 361,696,382 |
| - | - | - | - | - | - | - | 400,693 | 400,693 | 400,693 |
| - | - | - | - | - | - | - | - | - | 3,353,625 |
| - | - | - | - | - | - | - | 400,693 | 362,122,553 | 368,274,337 |
| - | - | - | - | - | - | - | - | - | 638,057,007 |
| - | - | - | - | - | - | - | - | - | 1,405,961,742 |
| - | - | - | - | - | - | - | - | - | 222,109,437 |
| - | - | 31,067 | 1,040,595 | - | 478,384 | - | 408,538 | 2,760,356 | 2,760,356 |
| $ - | $ - | $ 31,067 | $ 1,040,595 | $ - | $ 478,384 | $ - | $ 408,538 | $ 2,760,356 | $ 2,268,888,542 |





| | Pension and Other Postemployment Benefits Trust Funds | | | Investment Trust Fund | Custodial Funds | | |
|---|---|---|---|---|---|---|---|
| | Oakland County Employees' Retirement | VEBA Trust | Total | Local Government Investment Pool | Undistributed Taxes | Register of Deeds Trust | Sheriff's NET Forfeiture |
| **Additions** | | | | | | | |
| Investment income (loss): | | | | | | | |
| Interest and dividends | $ 37,386,218 | $ 49,829,697 | $ 87,215,915 | $ 4,890,517 | $ - | $ - | $ - |
| Net increase (decrease) in fair value of investments | 16,726,736 | 60,176,538 | 76,903,274 | 18,322,406 | - | - | (721) |
| Investment-related expenses | (1,393,600) | (3,228,170) | (4,621,770) | - | - | - | - |
| Net investment income (loss) | 52,719,354 | 106,778,065 | 159,497,419 | 23,212,923 | - | - | (721) |
| Contributions - Employee contributions | 51,052 | 2,428 | 53,480 | - | - | - | - |
| New investments by participating municipalities | - | - | - | 118,312,364 | - | - | - |
| Property tax collections | - | - | - | - | 2,452,424,053 | - | - |
| Other revenue | 6,535 | 7,306,805 | 7,313,340 | - | - | - | - |
| Forfeitures, escheats, and deposits | - | - | - | - | - | 3,463,354 | 985,500 |
| Total additions | 52,776,941 | 114,087,298 | 166,864,239 | 141,525,287 | 2,452,424,053 | 3,463,354 | 984,779 |
| **Deductions** | | | | | | | |
| Benefit payments | 63,029,191 | 50,293,328 | 113,322,519 | - | - | - | - |
| Redemptions of investments by participating municipalities | - | - | - | 528,300,259 | - | - | - |
| Administrative expenses | 497,105 | 394,629 | 891,734 | - | - | - | - |
| Taxes disbursed | - | - | - | - | 2,452,424,053 | - | - |
| Release of funds | - | - | - | - | - | 3,835,249 | 973,903 |
| Court-ordered funds | - | - | - | - | - | - | - |
| Total deductions | 63,526,296 | 50,687,957 | 114,214,253 | 528,300,259 | 2,452,424,053 | 3,835,249 | 973,903 |
| **Net (Decrease) Increase in Fiduciary Net Position** | (10,749,355) | 63,399,341 | 52,649,986 | (386,774,972) | - | (371,895) | 10,876 |
| **Net Position** - Beginning of year (as restated) | 648,806,362 | 1,342,562,401 | 1,991,368,763 | 608,884,409 | - | 222,519 | 940,272 |
| **Net Position (Deficit)** - End of year | $ 638,057,007 | $ 1,405,961,742 | $ 2,044,018,749 | $ 222,109,437 | $ - | $ (149,376) | $ 951,148 |

## Other Supplementary Information
## Combining Statement of Changes in Fiduciary Net Position
## Fiduciary Funds

**Year Ended September 30, 2023**

| Custodial Funds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Circuit Court Trust | Sheriff Bond Deposits | Escheats Trust | Legatee Trust | Special Trust | Public Library Trust | District Court Trust Account | Jail Inmate Trust Account | Total Custodial Funds | Total Fiduciary Funds |
| $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 92,106,432 |
| - | - | - | (136) | - | (1,204) | - | - | (2,061) | 95,223,619 |
| - | - | - | - | - | - | - | - | - | (4,621,770) |
| - | - | - | (136) | - | (1,204) | - | - | (2,061) | 182,708,281 |
| - | - | - | - | - | - | - | - | - | 53,480 |
| - | - | - | - | - | - | - | - | - | 118,312,364 |
| - | - | - | - | - | - | - | - | 2,452,424,053 | 2,452,424,053 |
| - | - | - | - | - | - | - | - | - | 7,313,340 |
| - | - | 2,401,669 | 346,197 | - | 1,741,866 | - | 2,825,721 | 11,764,307 | 11,764,307 |
| - | - | 2,401,669 | 346,061 | - | 1,740,662 | - | 2,825,721 | 2,464,186,299 | 2,772,575,825 |
| - | - | - | - | - | - | - | - | - | 113,322,519 |
| - | - | - | - | - | - | - | - | - | 528,300,259 |
| - | - | - | - | - | - | - | - | - | 891,734 |
| - | - | - | - | - | - | - | - | 2,452,424,053 | 2,452,424,053 |
| - | - | 2,394,503 | 314,008 | - | - | - | 2,798,684 | 10,316,347 | 10,316,347 |
| 157,710 | - | - | - | - | 1,788,139 | - | - | 1,945,849 | 1,945,849 |
| 157,710 | - | 2,394,503 | 314,008 | - | 1,788,139 | - | 2,798,684 | 2,464,686,249 | 3,107,200,761 |
| (157,710) | - | 7,166 | 32,053 | - | (47,477) | - | 27,037 | (499,950) | (334,624,936) |
| 157,710 | - | 23,901 | 1,008,542 | - | 525,861 | - | 381,501 | 3,260,306 | 2,603,513,478 |
| **$ -** | **$ -** | **$ 31,067** | **$ 1,040,595** | **$ -** | **$ 478,384** | **$ -** | **$ 408,538** | **$ 2,760,356** | **$ 2,268,888,542** |





## Statement of Net Position and Governmental Funds Balance Sheet
## Drainage Districts

**September 30, 2023**

| | Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| | Special Revenue | Debt Service | Capital Projects | Total | Full Accrual Adjustments | Statement of Net Position |
| **Assets** | | | | | | |
| Pooled cash and investments | $ 64,365,239 | $ 468,697 | $ 15,480,532 | $ 80,314,468 | $ - | $ 80,314,468 |
| Receivables | | | | | | |
| Special assessments receivable | 508,622 | 337,877,447 | - | 338,386,069 | - | 338,386,069 |
| Contracts receivable | - | 2,337,626 | - | 2,337,626 | - | 2,337,626 |
| Accrued interest receivable | 234,426 | 22,271 | - | 256,697 | - | 256,697 |
| Due from primary government | - | - | 250,000 | 250,000 | - | 250,000 |
| Due from other governments | 8,898,179 | 159,339 | 27,780 | 9,085,298 | - | 9,085,298 |
| Other | 52,236 | 2,290 | - | 54,526 | - | 54,526 |
| Prepaid expenses | 2,876,949 | 1,050 | - | 2,877,999 | - | 2,877,999 |
| Other assets | 7,100,052 | 47,419 | 13,480 | 7,160,951 | - | 7,160,951 |
| Restricted assets | - | - | 30,696,973 | 30,696,973 | - | 30,696,973 |
| Capital assets: | | | | | | |
| Assets not subject to depreciation | - | - | - | - | 110,779,906 | 110,779,906 |
| Assets subject to depreciation - Net | - | - | - | - | 652,661,210 | 652,661,210 |
| Total assets | **$ 84,035,703** | **$ 340,916,139** | **$ 46,468,765** | **$ 471,420,607** | **$ 763,441,116** | **$ 1,234,861,723** |
| **Liabilities** | | | | | | |
| Accounts payable | $ 24,937,463 | $ 500 | $ 241,775 | $ 25,179,738 | $ - | $ 25,179,738 |
| Due to other governmental units | 718,847 | 78,479 | - | 797,326 | - | 797,326 |
| Due to primary government | 806,988 | - | 395,578 | 1,202,566 | - | 1,202,566 |
| Accrued liabilities and other | 1,312,489 | 47,919 | 7,274,801 | 8,635,209 | - | 8,635,209 |
| Unearned revenue | 68,064 | 130,976,116 | 16,560,052 | 147,604,232 | - | 147,604,232 |
| Noncurrent liabilities | | | | | | |
| Due within one year: | | | | | | |
| Payable from restricted assets | - | - | 5,170,745 | 5,170,745 | - | 5,170,745 |
| Current portion of bonds payable | - | - | - | - | 23,286,576 | 23,286,576 |
| Due in more than one year: | | | | | | |
| Bonds payable - Net of current portion | - | - | - | - | 251,121,682 | 251,121,682 |
| Total liabilities | 27,843,851 | 131,103,014 | 29,642,951 | 188,589,816 | 274,408,258 | 462,998,074 |
| **Deferred Inflows of Resources** | | | | | | |
| Unavailable revenue - special assessments | 508,622 | 206,914,518 | - | 207,423,140 | (207,423,140) | - |
| Unavailable revenue - contracts | - | 2,337,626 | - | 2,337,626 | (2,337,626) | - |
| Total deferred inflows of resources | 508,622 | 209,252,144 | - | 209,760,766 | (209,760,766) | - |
| **Fund Balance** | | | | | | |
| Nonspendable | 2,876,949 | 1,050 | - | 2,877,999 | | |
| Restricted | 52,806,281 | 559,931 | 16,825,814 | 70,192,026 | | |
| Total fund balance | 55,683,230 | 560,981 | 16,825,814 | 73,070,025 | (73,070,025) | - |
| **Net Position** | | | | | | |
| Net investment in capital assets | | | | | 514,559,086 | 514,559,086 |
| Restricted | | | | | 184,234,538 | 257,304,563 |
| Unrestricted | | | | | - | - |
| Total fund balances/net position | 55,683,230 | 560,981 | 16,825,814 | 73,070,025 | 698,793,624 | 771,863,649 |
| Total liabilities, deferred inflows of resources, and fund balances/net position | **$ 84,035,703** | **$ 340,916,139** | **$ 46,468,765** | **$ 471,420,607** | **$ 763,441,116** | **$ 1,234,861,723** |

# Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance
## Drainage Districts

**For the Year Ended September 30, 2023**

| | Governmental Funds: Special Revenue | Governmental Funds: Debt Service | Governmental Funds: Capital Projects | Governmental Funds: Total | Full Accrual Adjustments | Statement of Activities |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Special assessments | $ 19,490,936 | $ 27,171,849 | $ 4,789,251 | $ 51,452,036 | $ 38,627,860 | $ 90,079,896 |
| Intergovernmental: | | | | | | |
| Federal grants | - | - | - | - | - | - |
| State and local grants and contributions | 12,107,000 | - | 250,000 | 12,357,000 | 259,138 | 12,616,138 |
| Charges for services | 127,063,376 | 1,941,074 | - | 129,004,450 | - | 129,004,450 |
| Investment income (loss) | (619,698) | 37,584 | 887,214 | 305,100 | - | 305,100 |
| Other revenue | 140,733 | - | 6,743 | 147,476 | - | 147,476 |
| Total revenue | 158,182,347 | 29,150,507 | 5,933,208 | 193,266,062 | 38,886,998 | 232,153,060 |
| **Expenses** | | | | | | |
| Current: | | | | | | |
| Contractual services | 166,941,102 | - | 27,147,114 | 194,088,216 | (21,998,054) | 172,090,162 |
| Commodities | 2,008,007 | - | 589 | 2,008,596 | - | 2,008,596 |
| Internal services | 7,822,097 | - | 684,039 | 8,506,136 | - | 8,506,136 |
| Intergovernmental | 788 | - | - | 788 | - | 788 |
| Depreciation | - | - | - | - | 16,427,980 | 16,427,980 |
| Debt service: | | | | | | |
| Principal | - | 22,584,300 | - | 22,584,300 | (22,584,300) | - |
| Interest | - | 6,529,493 | - | 6,529,493 | (472,123) | 6,057,370 |
| Total expenses | 176,771,994 | 29,113,793 | 27,831,742 | 233,717,529 | (28,626,497) | 205,091,032 |
| **Excess of Revenues Over Expenses** | (18,589,647) | 36,714 | (21,898,534) | (40,451,467) | 67,513,495 | 27,062,028 |
| **Other Financing Sources (Uses)** | | | | | | |
| Transfers in | 98 | 1,045 | 6,719 | 7,862 | (7,862) | - |
| Transfers out | (7,764) | (98) | - | (7,862) | 7,862 | - |
| New debt issued | 25,077,618 | - | 14,518,812 | 39,596,430 | (39,596,430) | - |
| Debt premium | - | - | 176,878 | 176,878 | (176,878) | - |
| Total other financing sources (uses) | 25,069,952 | 947 | 14,702,409 | 39,773,308 | (39,773,308) | - |
| **Net Change in Fund Balances** | 6,480,305 | 37,661 | (7,196,125) | (678,159) | 27,740,187 | 27,062,028 |
| **Fund Balances/Net Position** - Beginning of year, as restated (Note 20) | 49,202,925 | 523,320 | 24,021,939 | 73,748,184 | 671,053,437 | 744,801,621 |
| **Fund Balances/Net Position** - End of year | **$ 55,683,230** | **$ 560,981** | **$ 16,825,814** | **$ 73,070,025** | **$ 698,793,624** | **$ 771,863,649** |



# Statistical Section

# Statistical Section

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

The statistical section is organized into the following main categories:

Financial trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue capacity
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt capacity
These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and economic information
These schedules help the reader understand the environment within which the government's financial activities take place.

Operating information
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.





| | As of September 30, | | | |
|---|---|---|---|---|
| | 2014 | 2015 | 2016(1) | 2017 |
| **Governmental Activities:** | | | | |
| Net investment in capital assets | $ 145,910,667 | $ 156,456,894 | $ 147,744,764 | $ 168,617,536 |
| Restricted | 53,896,914 | 39,591,712 | 35,931,987 | 40,952,520 |
| Unrestricted | 180,545,856 | 228,425,269 | 304,822,163 | 336,663,951 |
| Total net position | **$ 380,353,437** | **$ 424,473,875** | **$ 488,498,914** | **$ 546,234,007** |
| **Business Type Activities:** | | | | |
| Net investment in capital assets | $ 268,982,184 | $ 284,732,715 | $ 299,224,229 | $ 298,608,145 |
| Restricted | 78,286,471 | 89,643,864 | 98,337,169 | 96,499,021 |
| Unrestricted | 354,280,212 | 333,831,563 | 345,130,207 | 351,717,949 |
| Total net position | **$ 701,548,867** | **$ 708,208,142** | **$ 742,691,605** | **$ 746,825,115** |
| **Primary government in total:** | | | | |
| Net investment in capital assets | $ 414,892,851 | $ 441,189,609 | $ 446,968,993 | $ 467,225,681 |
| Restricted | 132,183,385 | 129,235,576 | 134,269,156 | 137,451,541 |
| Unrestricted | 534,826,068 | 562,256,832 | 649,952,370 | 688,381,900 |
| Total net position | **$ 1,081,902,304** | **$ 1,132,682,017** | **$ 1,231,190,519** | **$ 1,293,059,122** |

(1) Implementation of GASB Statement No. 75 resulted in restatement of Net Position as of September 30,2016.

# Net Position by Component

**Last Ten Fiscal Years**

**September 30,2023**

| As of September 30, | | | | | |
|---|---|---|---|---|---|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| $ 181,610,977 | $ 183,757,890 | $ 199,348,222 | $ 203,351,000 | $ 208,414,771 | $ 239,445,389 |
| 43,329,877 | 51,872,513 | 52,511,443 | 60,070,038 | 54,650,291 | 442,808,541 |
| 432,498,567 | 522,810,577 | 625,617,223 | 745,669,223 | 739,889,415 | 408,473,445 |
| **$ 657,439,421** | **$ 758,440,980** | **$ 877,476,888** | **$ 1,009,090,261** | **$ 1,002,954,477** | **$ 1,090,727,375** |
| $ 293,504,939 | $ 304,042,430 | $ 327,109,356 | $ 339,898,274 | $ 273,764,900 | $ 286,966,339 |
| 97,172,136 | 111,130,441 | 122,316,499 | 120,542,462 | 107,223,342 | 105,396,677 |
| 365,217,051 | 363,905,686 | 356,849,937 | 367,574,466 | 356,120,345 | 364,864,586 |
| **$ 755,894,126** | **$ 779,078,557** | **$ 806,275,792** | **$ 828,015,202** | **$ 737,108,587** | **$ 757,227,602** |
| $ 475,115,916 | $ 487,800,320 | $ 526,457,578 | $ 543,249,274 | $ 482,179,671 | $ 526,411,728 |
| 140,502,013 | 163,002,954 | 174,827,942 | 180,612,500 | 161,873,633 | 548,205,218 |
| 797,715,618 | 886,716,263 | 982,467,160 | 1,113,243,689 | 1,096,009,760 | 773,338,031 |
| **$ 1,413,333,547** | **$ 1,537,519,537** | **$ 1,683,752,680** | **$ 1,837,105,463** | **$ 1,740,063,064** | **$ 1,847,954,977** |





| | As of September 30, | | | |
|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 |
| **Expenses** | | | | |
| Governmental activities: | | | | |
| General government, administrative | $ 23,850,091 | $ 69,539,633 | $ 36,922,795 | $ 7,210,199 |
| Public safety | 201,580,810 | 186,050,353 | 186,368,098 | 198,159,722 |
| Justice administration | 93,496,165 | 86,238,778 | 88,190,032 | 91,193,006 |
| Citizen services | 87,214,484 | 83,738,255 | 77,513,361 | 80,436,567 |
| Public works | 42,267,177 | 38,300,439 | 53,585,849 | 44,539,179 |
| Recreation and leisure | 1,448,875 | 1,322,395 | 1,346,384 | 1,368,297 |
| Commerce and community development | 48,411,360 | 44,364,348 | 42,667,769 | 42,558,106 |
| Unallocated depreciation | 2,083,460 | 3,164,143 | 3,527,266 | 3,825,781 |
| Interest on debt | 3,244,225 | 3,273,505 | 3,222,007 | 3,568,860 |
| Total governmental activities expenses | 503,596,647 | 515,991,849 | 493,343,561 | 472,859,717 |
| Business- type activities: | | | | |
| Airports | 6,910,625 | 7,023,922 | 6,630,136 | 6,587,495 |
| Community safety support | 21,277,821 | 21,312,944 | 20,772,663 | 19,648,350 |
| Community tax financing | 1,278,589 | 1,230,707 | 988,159 | 970,801 |
| Community water and sewer | 77,684,287 | 81,572,797 | 82,330,145 | 85,734,595 |
| Recreation and leisure | 22,860,691 | 23,741,356 | 23,460,676 | 25,050,628 |
| Sewage disposal systems | 128,252,681 | 129,927,356 | 132,107,791 | 138,073,377 |
| Total business- type activities expenses | 258,264,694 | 264,809,082 | 266,289,570 | 276,065,246 |
| Total primary government expenses | **$ 761,861,341** | **$ 780,800,931** | **$ 759,633,131** | **$ 748,924,963** |
| **Program Revenues** | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government, administrative | $ 25,879,090 | $ 24,225,570 | $ 23,078,190 | $ 28,420,204 |
| Public safety | 63,007,666 | 64,625,234 | 64,274,890 | 65,792,333 |
| Justice administration | 31,711,482 | 31,830,801 | 32,064,235 | 31,447,605 |
| Citizen services | 7,310,429 | 8,414,435 | 9,488,715 | 9,315,993 |
| Public works | 19,090,066 | 12,855,569 | 34,566,771 | 30,265,391 |
| Recreation and leisure | 39,934 | 14,686 | 15,468 | 16,046 |
| Commerce and community development | 17,158,997 | 17,646,879 | 18,361,879 | 21,023,719 |
| Operating grants and contributions: | | | | |
| General government, administrative | 786,094 | 4,448,510 | 600,500 | 614,012 |
| Public safety | 17,770,136 | 17,630,677 | 18,302,689 | 18,934,764 |
| Justice administration | 508,391 | 741,357 | 680,004 | 854,996 |
| Citizen services | 23,545,171 | 14,728,273 | 15,731,575 | 15,028,275 |
| Public works | 261,174 | 362,098 | 1,069,022 | 400,203 |
| Recreation and leisure | 14,965 | - | 8,000 | 7,004 |
| Commerce and community development | 23,443,405 | 22,065,499 | 20,163,033 | 19,855,509 |
| Capital grants and contributions: | | | | |
| General government, administrative | - | - | - | 161,669 |
| Public safety | 193,234 | 163,231 | 282,049 | - |
| Justice administration | - | - | 39,190 | - |
| Citizen services | - | - | - | - |
| Public works | 3,557,413 | 5,761,319 | 1,207,474 | 2,158,419 |
| Total governmental activities program revenues | **$ 234,277,647** | **$ 225,514,138** | **$ 239,933,684** | **$ 244,296,142** |

# Changes in Net Position

**Last Ten Fiscal Years**

**September 30,2023**

| As of September 30, | | | | | |
|---|---|---|---|---|---|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| $ 35,548,340 | $ 35,091,684 | $ 45,235,354 | $ 68,097,576 | $ 70,138,155 | $ 92,818,889 |
| 169,208,509 | 175,918,304 | 181,218,780 | 170,165,901 | 213,302,224 | 246,537,768 |
| 78,025,038 | 82,205,431 | 83,420,779 | 82,680,325 | 103,693,297 | 116,410,225 |
| 73,510,309 | 75,939,004 | 166,218,189 | 197,192,575 | 116,822,520 | 137,674,066 |
| 27,336,927 | 26,120,398 | 12,162,537 | 20,629,427 | 44,105,238 | 46,507,724 |
| 1,294,311 | 1,097,813 | 958,837 | 959,961 | 771,777 | 691,755 |
| 40,532,530 | 40,338,245 | 38,828,613 | 44,925,802 | 47,126,228 | 47,865,966 |
| 3,557,676 | 3,791,283 | 3,287,405 | 2,928,922 | 3,270,176 | 2,983,431 |
| 3,609,194 | 3,295,856 | 3,089,502 | 2,292,741 | 1,997,323 | 7,308,275 |
| 432,622,834 | 443,798,018 | 534,419,996 | 589,873,230 | 601,226,938 | 698,798,099 |
| | | | | | |
| 6,316,381 | 6,557,528 | 7,101,012 | 6,906,947 | 7,310,040 | 7,615,371 |
| 18,114,764 | 18,374,698 | 19,678,111 | 23,091,421 | 16,776,965 | 17,229,434 |
| 1,423,477 | 1,126,127 | 838,789 | 855,232 | 886,342 | 884,826 |
| 100,192,304 | 89,291,813 | 90,362,472 | 97,253,386 | 102,062,666 | 117,420,806 |
| 26,891,978 | 26,267,157 | 23,046,773 | 26,284,570 | 28,290,154 | 32,923,064 |
| 138,558,969 | 138,973,982 | 149,057,323 | 147,564,346 | 141,959,078 | 100,020,052 |
| 291,497,873 | 280,591,305 | 290,084,480 | 301,955,902 | 297,285,245 | 276,093,553 |
| **$ 724,120,707** | **$ 724,389,323** | **$ 824,504,476** | **$ 891,829,132** | **$ 898,512,183** | **$ 974,891,652** |
| | | | | | |
| $ 27,513,139 | $ 23,675,763 | $ 20,723,525 | $ 20,623,894 | $ 21,647,745 | $ 25,418,923 |
| 69,089,611 | 71,255,942 | 69,317,706 | 71,808,818 | 71,593,604 | 69,868,455 |
| 31,538,861 | 31,330,523 | 25,999,629 | 29,203,725 | 14,894,634 | 12,211,410 |
| 9,710,756 | 11,072,215 | 7,678,391 | 10,534,209 | 9,690,233 | 11,437,239 |
| 16,873,895 | 16,102,696 | 16,194,572 | 14,928,777 | 16,436,978 | 15,462,351 |
| 14,527 | 11,085 | 3,968 | - | - | - |
| 20,968,785 | 21,319,207 | 21,372,375 | 28,015,186 | 24,759,678 | 13,089,356 |
| | | | | | |
| 722,999 | 675,071 | 772,768 | 1,519,615 | 987,164 | 878,889 |
| 21,820,828 | 20,709,746 | 18,573,921 | 17,455,018 | 18,840,945 | 20,351,167 |
| 571,023 | 2,559,438 | 5,784,960 | 3,528,424 | 20,096,453 | 26,173,505 |
| 16,820,290 | 18,311,577 | 140,807,013 | 171,747,027 | 57,727,223 | 109,063,116 |
| 1,000 | - | - | 42,541 | 5,533,677 | 6,298,028 |
| - | - | - | - | - | - |
| 20,652,246 | 20,338,952 | 18,118,102 | 25,446,301 | 18,267,516 | 23,734,981 |
| | | | | | |
| 23,273 | - | - | - | - | - |
| 45,046 | 71,241 | 47,165 | - | - | 3,276,587 |
| - | 119,100 | 1,176,908 | - | - | - |
| - | 13,054 | 512,800 | 15,756 | - | - |
| 2,187,532 | - | - | - | - | - |
| | | | | | |
| **$ 238,553,811** | **$ 237,565,610** | **$ 347,083,803** | **$ 394,869,291** | **$ 280,475,850** | **$ 337,264,007** |

(Continued)





| | As of September 30, | | | |
|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 |
| **Program Revenues (Continued)** | | | | |
| Business- type activities: | | | | |
| Charges for services: | | | | |
| Airports | $ 4,294,902 | $ 4,421,496 | $ 4,624,215 | $ 4,671,073 |
| Community safety support | 13,085,553 | 12,833,963 | 14,293,818 | 13,775,015 |
| Community tax financing | 18,306,142 | 16,657,070 | 15,872,925 | 13,613,000 |
| Community water and sewer | 80,597,277 | 80,058,849 | 92,591,784 | 95,595,194 |
| Recreation and leisure | 8,525,094 | 9,978,385 | 9,981,419 | 10,022,384 |
| Sewage disposal systems | 126,670,775 | 137,441,935 | 133,611,778 | 138,190,001 |
| Operating grants and contributions: | | | | |
| Airports | - | 287,991 | - | 96,254 |
| Community water and sewer | 48,319 | 807,591 | 1,398,631 | 339,060 |
| Recreation and leisure | 92,689 | 69,032 | 77,079 | 80,928 |
| Sewage disposal systems | - | 518,864 | 727,072 | 1,197,809 |
| Capital grants and contributions: | | | | |
| Airports | 1,252,591 | 485,207 | 915,522 | 995,851 |
| Community safety support | 2,255,765 | 761,013 | 77,563 | - |
| Community water and sewer | 1,206,737 | 1,294,332 | 1,057,973 | 227,084 |
| Recreation and leisure | - | 308,000 | - | 82,700 |
| Sewage disposal systems | 93,399 | 8,219,302 | 27,520,966 | 14,654,105 |
| Total business- type activities program revenues | 256,429,243 | 274,143,030 | 302,750,745 | 293,540,458 |
| Total primary government program revenues | **$ 490,706,890** | **$ 499,657,168** | **$ 542,684,429** | **$ 537,836,600** |
| **Net (Expenses) / Revenues** | | | | |
| Governmental activities | (236,459,914) | (269,319,000) | (290,477,711) | (253,409,877) |
| Business- type activities | 2,442,514 | (1,835,451) | 9,333,948 | 36,461,175 |
| Total primary government net expenses | **$ (234,017,400)** | **$ (271,154,451)** | **$ (281,143,763)** | **$ (216,948,702)** |
| **General Revenue and Other Changes in Net Position** | | | | |
| Governmental activities: | | | | |
| Property taxes | $ 206,256,326 | $ 204,218,641 | $ 210,219,877 | $ 221,228,539 |
| State- shared revenue (unrestricted) | 14,066,100 | 39,238,141 | 42,849,430 | 44,185,407 |
| Unrestricted investment earnings (loss) | 4,917,507 | 3,589,453 | 3,894,824 | 3,417,064 |
| Gain on sale of capital assets | 205,284 | 135,786 | 435,178 | 407,829 |
| Other revenues | 3,397,021 | 5,623,075 | 3,765,977 | 1,808,840 |
| Transfers in (out) | 19,532,013 | 17,940,753 | 17,841,687 | 15,250,989 |
| Total governmental activities | **$ 248,374,251** | **$ 270,745,849** | **$ 279,006,973** | **$ 286,298,668** |

## Changes in Net Position (continued)

**Last Ten Fiscal Years**
**September 30,2023**

| As of September 30, | | | | | |
|---|---|---|---|---|---|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| $ 4,711,066 | $ 4,972,876 | $ 4,622,299 | $ 4,906,182 | $ 5,660,606 | $ 6,492,975 |
| 14,601,037 | 15,168,426 | 17,066,500 | 17,418,475 | 17,052,331 | 17,464,837 |
| 12,723,395 | 11,712,916 | 12,293,716 | 12,991,268 | 11,971,091 | 12,486,851 |
| 98,234,422 | 95,637,473 | 104,098,318 | 102,406,475 | 111,098,682 | 116,465,703 |
| 10,424,470 | 10,375,407 | 6,365,194 | 10,339,377 | 11,008,520 | 12,393,359 |
| 142,048,906 | 145,549,376 | 148,678,133 | 154,498,320 | 152,067,468 | 105,315,782 |
| 92,761 | 87,823 | 297,432 | - | 23,000 | 218,000 |
| 50,227 | 575,779 | 32,458 | 142,884 | 301,703 | 391,052 |
| 660,093 | 159,458 | 274,351 | 168,633 | 294,750 | 368,976 |
| 1,212,675 | 772,439 | 535,493 | 139,092 | - | - |
| - | 7,713,316 | 22,106 | 621,213 | - | - |
| - | - | 2,114,445 | - | - | - |
| 772,916 | - | - | - | - | - |
| 68,469 | 53,810 | 2,923 | 366,975 | 267,900 | 279,260 |
| 8,809,512 | 834,483 | 10,773,357 | 138,765 | 614,557 | - |
| 294,409,949 | 293,613,582 | 307,176,725 | 304,137,659 | 310,360,608 | 271,876,795 |
| **$ 532,963,760** | **$ 531,179,192** | **$ 654,260,528** | **$ 699,006,950** | **$ 590,836,458** | **$ 609,140,802** |
| (228,563,575) | (194,069,023) | (206,232,408) | (187,336,193) | (320,751,088) | (361,534,092) |
| 17,475,212 | 2,912,076 | 13,022,277 | 17,092,245 | 13,075,363 | (4,216,758) |
| **$ (211,088,363)** | **$ (191,156,947)** | **$ (193,210,131)** | **$ (170,243,948)** | **$ (307,675,725)** | **$ (365,750,850)** |
| $ 227,384,489 | $ 238,804,207 | $ 247,883,604 | $ 256,727,921 | $ 272,180,505 | $ 353,016,956 |
| 45,299,918 | 44,691,290 | 38,533,633 | 44,943,661 | 45,801,251 | 51,848,774 |
| 5,743,583 | 12,661,175 | 11,238,804 | 4,257,864 | (25,976,167) | 18,156,450 |
| 478,887 | 472,207 | 432,430 | 795,382 | 4,538,403 | 837,936 |
| 1,543,368 | 1,503,877 | 220,576 | 16,214,433 | 9,322,411 | 18,376,904 |
| 12,156,434 | 9,101,211 | 8,063,054 | 3,678,051 | 8,748,901 | 7,069,970 |
| **$ 292,606,679** | **$ 307,233,967** | **$ 306,372,101** | **$ 326,617,312** | **$ 314,615,304** | **$ 449,306,990** |

(Continued)





| | As of September 30, | | | |
|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 |
| **General Revenues and Other Changes in Net Position (Continued)** | | | | |
| Business- type activities: | | | | |
| Property taxes | $ 11,567,251 | $ 11,832,814 | $ 12,246,824 | $ 12,393,806 |
| State- shared revenue (unrestricted) | - | - | - | 271,123 |
| Unrestricted investment earnings (loss) | 5,179,637 | 2,914,365 | 3,617,151 | 4,440,196 |
| Gain on sale of capital assets | - | - | - | (15,195,838) |
| Transfers in (out) | (19,532,013) | (17,940,753) | (17,841,687) | (15,250,989) |
| Total business- type activities | (2,785,125) | (3,193,574) | (1,977,712) | (13,341,702) |
| Total primary government | **$ 245,589,126** | **$ 267,552,275** | **$ 277,029,261** | **$ 272,956,966** |
| **Change in Net Position** | | | | |
| Governmental activities | (20,944,749) | (19,731,862) | 25,597,096 | 57,735,093 |
| Business- type activities | (4,620,576) | 6,140,374 | 34,483,463 | 4,133,510 |
| Total primary government | **$ (25,565,325)** | **$ (13,591,488)** | **$ 60,080,559** | **$ 61,868,603** |

# Changes in Net Position (continued)

**Last Ten Fiscal Years**
**September 30,2023**

| | As of September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| | $ 12,707,412 | $ 13,197,395 | $ 13,735,450 | $ 21,580,908 | $ 22,148,124 | $ 23,237,774 |
| | 323,212 | 296,449 | 301,929 | 327,989 | 223,310 | 342,300 |
| | 5,282,745 | 10,939,806 | 7,475,187 | 2,452,090 | (9,760,599) | 7,777,583 |
| | - | (5,170,285) | (3,344,522) | (1,125,283) | 4,950 | 48,086 |
| | (12,156,434) | (9,101,211) | (8,063,054) | (3,678,051) | (8,748,901) | (7,069,970) |
| | 6,156,935 | 10,162,154 | 10,104,990 | 19,557,653 | 3,866,884 | 24,335,773 |
| | **$ 298,763,614** | **$ 317,396,121** | **$ 316,477,091** | **$ 346,174,965** | **$ 318,482,188** | **$ 473,642,763** |
| | 98,537,656 | 101,001,559 | 119,035,908 | 131,613,373 | (6,135,784) | 87,772,898 |
| | 9,069,011 | 23,184,431 | 27,197,235 | 21,739,410 | 16,942,247 | 20,119,015 |
| | **$ 107,606,667** | **$ 124,185,990** | **$ 146,233,143** | **$ 153,352,783** | **$ 10,806,463** | **$ 107,891,913** |





| | As of September 30, | | | |
|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 |
| General Fund: | | | | |
| Nonspendable | $ 221,975 | $ 490,499 | $ 534,766 | $ 353,124 |
| Restricted | 28,453,511 | 15,190,786 | 5,884,980 | 10,401,084 |
| Assigned | 222,979,095 | 242,777,177 | 245,859,255 | 251,021,647 |
| Unassigned | 2,329,993 | 1,745,931 | 2,962,467 | 3,004,232 |
| Total General Fund | **$ 253,984,574** | **$ 260,204,393** | **$ 255,241,468** | **$ 264,780,087** |
| All Other Governmental Funds: | | | | |
| Nonspendable | $ 991,206 | $ 1,176,207 | $ 1,102,916 | $ 1,150,421 |
| Restricted | 25,443,403 | 19,294,296 | 25,721,135 | 26,218,607 |
| Committed | 39,973,683 | 27,813,859 | 51,423,615 | 33,562,352 |
| Assigned | - | - | - | - |
| Unassigned | (2,708,371) | (4,080,095) | (3,010,629) | (3,294,277) |
| Total all other governmental funds | **$ 63,699,921** | **$ 44,204,267** | **$ 75,237,037** | **$ 57,637,103** |

# Fund Balances, Governmental Funds

**Last Ten Fiscal Years**

**September 30,2023**

| As of September 30, 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| $ 306,104 | $ 246,786 | $ 491,034 | $ 403,635 | $ 420,681 | $ 890,864 |
| 12,860,936 | 9,795,577 | - | - | - | - |
| 230,412,909 | 248,479,921 | 264,217,322 | 272,232,679 | 219,443,400 | 234,198,008 |
| 1,464,988 | 1,212,494 | 2,317,556 | 15,766,703 | 959,662 | 1,001,223 |
| **$ 245,044,937** | **$ 259,734,778** | **$ 267,025,912** | **$ 288,403,017** | **$ 220,823,743** | **$ 236,090,095** |
| | | | | | |
| $ - | $ - | $ - | $ 62,399 | $ 992,198 | $ 370,060 |
| 24,737,155 | 23,218,412 | 22,239,848 | 27,089,599 | 32,337,797 | 50,483,383 |
| 44,273,743 | 41,684,723 | 32,815,999 | 32,266,214 | 44,312,823 | 31,987,115 |
| - | - | - | - | - | - |
| (3,492,780) | (999,133) | (5,509,165) | (3,043,793) | (4,036,808) | (8,107,269) |
| **$ 65,518,118** | **$ 63,904,002** | **$ 49,546,682** | **$ 56,374,419** | **$ 73,606,010** | **$ 74,733,289** |





| | As of September 30, 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property taxes | $ 207,034,582 | $ 206,368,131 | $ 214,229,960 | $ 216,562,738 |
| Special assessments | 5,712,490 | 19,429,154 | 5,384,564 | 10,020,057 |
| Federal grants | 37,110,198 | 32,135,507 | 29,637,348 | 28,522,404 |
| State grants | 28,778,014 | 27,853,475 | 26,846,548 | 26,808,928 |
| Other intergovernmental revenue | 26,659,052 | 53,124,504 | 56,868,569 | 58,545,962 |
| Charges for services | 117,882,404 | 120,992,621 | 123,644,292 | 131,191,772 |
| Contributions | 373,184 | 276,151 | 221,578 | 149,441 |
| Investment income | 3,604,765 | 2,580,784 | 2,772,483 | 2,230,403 |
| Indirect cost recovery | 8,415,107 | 7,946,958 | 7,846,289 | 8,216,061 |
| Other | 2,498,909 | 1,019,667 | 930,308 | 1,395,893 |
| Total revenues | 438,068,705 | 471,726,952 | 468,381,939 | 483,643,659 |
| **Expenditures** | | | | |
| County Executive | $ 177,990,015 | $ 152,940,829 | $ 150,905,047 | $ 154,409,494 |
| Clerk/ Register of Deeds | 11,478,209 | 10,688,410 | 10,844,437 | 10,884,241 |
| Treasurer | 8,715,059 | 8,897,706 | 8,286,497 | 8,103,102 |
| Justice administration | 76,112,761 | 75,627,179 | 75,811,521 | 77,509,465 |
| Law enforcement | 159,070,684 | 159,354,251 | 164,741,810 | 172,460,663 |
| Legislative | 3,955,467 | 3,864,960 | 3,960,835 | 4,172,103 |
| Water resource commissioner | 15,737,892 | 14,748,645 | 35,142,209 | 24,420,433 |
| Non- departmental | 18,528,670 | 29,905,627 | 21,079,507 | 21,568,122 |
| Capital outlay | 1,668,488 | 16,394,718 | 13,469,248 | 28,082,057 |
| Intergovernmental | 24,718 | 13,592 | 4,508 | 12,500 |
| Debt service: | | | | |
| Principal payments | 11,215,000 | 19,730,000 | 8,610,000 | 10,685,000 |
| Interest and fiscal charges | 3,406,901 | 3,301,677 | 3,070,416 | 3,626,631 |
| Total expenditures | 487,903,864 | 495,467,594 | 495,926,035 | 515,933,811 |
| Excess of revenues over (under) expenditures | (49,835,159) | (23,740,642) | (27,544,096) | (32,290,152) |

# Changes in Fund Balances, Governmental Funds

**Last Ten Fiscal Years**

**September 30,2023**

As of September 30,

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| $ 228,013,169 | $ 239,485,107 | $ 247,512,190 | $ 258,448,312 | $ 269,470,416 | $ 351,655,207 |
| 8,128,190 | 8,931,750 | 8,656,068 | 8,047,693 | 8,211,025 | 9,015,898 |
| 31,027,408 | 30,791,227 | 144,452,173 | 180,408,987 | 64,294,317 | 94,889,584 |
| 28,546,713 | 32,438,244 | 31,054,827 | 95,838,340 | 91,489,956 | 108,782,188 |
| 59,860,852 | 61,536,812 | 50,736,797 | - | - | - |
| 131,851,162 | 132,380,869 | 121,181,006 | 132,809,500 | 134,717,328 | 133,137,657 |
| 127,213 | 116,386 | 615,362 | - | - | - |
| 2,803,018 | 8,400,757 | 7,090,634 | 602,630 | (21,179,267) | 14,616,013 |
| 9,145,652 | 9,027,123 | 9,372,744 | 9,084,669 | 9,068,263 | 10,786,266 |
| 872,212 | 1,187,006 | 182,643 | 14,375,745 | 10,611,609 | 18,325,165 |
| 500,375,589 | 524,295,281 | 620,854,444 | 699,615,876 | 566,683,647 | 741,207,978 |
| | | | | | |
| $ 162,066,148 | $ 160,675,873 | $ 219,190,171 | $ 206,402,901 | $ 195,983,050 | $ 277,265,857 |
| 10,661,568 | 10,287,033 | 11,778,970 | 11,843,534 | 11,896,879 | 11,255,521 |
| 7,643,131 | 7,566,638 | 16,578,419 | 7,082,824 | 49,338,347 | 7,562,177 |
| 80,614,403 | 83,938,183 | 81,524,860 | 83,083,140 | 79,801,223 | 85,270,962 |
| 180,920,178 | 183,331,101 | 194,939,665 | 193,785,872 | 208,002,914 | 231,228,402 |
| 4,944,629 | 4,531,874 | 4,712,556 | 6,059,647 | 5,313,965 | 14,152,214 |
| 14,866,155 | 11,005,656 | 10,675,269 | 10,780,720 | 11,387,281 | 15,760,524 |
| 21,825,031 | 23,187,856 | 50,330,260 | 98,376,608 | 44,622,613 | 42,324,088 |
| 24,264,758 | 16,532,348 | 18,153,107 | 1,720,851 | 759,785 | 21,331,578 |
| 1,834 | 220,675 | 3,054,017 | 29,263,540 | 55,724 | 107,926 |
| | | | | | |
| 11,225,000 | 10,880,000 | 32,590,000 | 10,562,621 | 11,146,800 | 8,708,865 |
| 3,649,126 | 3,337,262 | 2,993,819 | 2,724,071 | 2,478,027 | 2,360,944 |
| 522,681,961 | 515,494,499 | 646,521,113 | 661,686,329 | 620,786,608 | 717,329,058 |
| | | | | | |
| (22,306,372) | 8,800,782 | (25,666,669) | 37,929,547 | (54,102,961) | 23,878,920 |

(Continued)





| | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|
| **Other Financing (Uses)** | | | | |
| Transfers in | $ 88,060,822 | $ 67,778,233 | $ 75,470,868 | $ 60,850,931 |
| Transfers out | (75,126,053) | (59,866,546) | (62,329,852) | (52,137,819) |
| Insurance recoveries | 183,718 | 222,022 | - | 765,010 |
| Payment to bond escrow agent | - | - | - | - |
| Issuance of bonds | 10,126,377 | 2,331,098 | 40,475,488 | 14,732,205 |
| Issuance of refunding bonds | 2,875,000 | - | - | - |
| Premiums on bonds sold | 206,732 | - | 20,870 | 18,510 |
| Discount on bonds sold | (12,642) | - | (23,433) | - |
| Discount on bonds sold | - | - | - | - |
| Total other financing sources (uses) | 26,313,954 | 10,464,807 | 53,613,941 | 24,228,837 |
| Net change in fund balances | **$ (23,521,205)** | **$ (13,275,835)** | **$ 26,069,845** | **$ (8,061,315)** |
| | | | | |
| Debt service as a percentage of noncapital expenditures (1) | 3.05% | 4.72% | 2.40% | 2.89% |

(1) Noncapital expenditures are total governmental expenditures less capital expenditures.
(Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances)

# Changes in Fund Balances, Governmental Funds (continued)

**Last Ten Fiscal Years**
**September 30,2023**

| As of September 30, | | | | | |
|---|---|---|---|---|---|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| $ 82,037,565 | $ 57,258,755 | $ 59,897,924 | $ 50,000,797 | $ 62,226,328 | $ 66,671,651 |
| (75,031,735) | (53,244,682) | (63,193,039) | (61,410,949) | (68,188,984) | (74,156,940) |
| 857,096 | 130,000 | - | 62,595 | - | - |
| - | - | - | (11,394,179) | - | - |
| 2,589,311 | 130,870 | 470,633 | 1,843,603 | 6,035,648 | - |
| - | - | 19,496,000 | 9,460,000 | - | - |
| - | - | 2,028,965 | 1,613,428 | 135,416 | - |
| - | - | - | - | - | - |
| - | - | - | - | 3,546,870 | - |
| 10,452,237 | 4,274,943 | 18,700,483 | (9,824,705) | 3,755,278 | (7,485,289) |
| **$ (11,854,135)** | **$ 13,075,725** | **$ (6,966,186)** | **$ 28,104,842** | **$ (50,347,683)** | **$ 16,393,631** |
| 2.93% | 2.79% | 5.54% | 2.03% | 2.21% | 1.62% |





# Taxable Value and Estimated Actual Value of Taxable Property

**Last Ten Fiscal Years**
**September 30,2023**

| | Real Property (1) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Residential Property | | Commercial Property | | Industrial Property | | Other Property (2) | |
| Fiscal Year | Assessed and Equalized Value | Taxable Value | Assessed and Equalized Value | Taxable Value | Assessed and Equalized Value | Taxable Value | Assessed and Equalized Value | Taxable Value |
| 2014 | 40,589,040,038 | 36,222,002,217 | 9,183,062,325 | 8,592,084,460 | 1,596,788,260 | 1,543,801,500 | 64,213,910 | 40,619,450 |
| 2015 | 45,768,414,870 | 37,726,099,014 | 9,416,529,950 | 8,668,179,912 | 1,670,792,580 | 1,575,950,217 | 67,583,600 | 42,908,710 |
| 2016 | 49,933,653,218 | 38,997,799,934 | 9,867,734,909 | 8,731,176,989 | 1,806,943,546 | 1,606,675,259 | 67,420,325 | 42,597,045 |
| 2017 | 53,043,295,649 | 40,609,322,089 | 10,486,445,800 | 8,957,063,497 | 1,954,501,320 | 1,661,231,821 | 70,329,430 | 44,178,330 |
| 2018 | 54,971,706,209 | 42,722,004,594 | 11,275,983,448 | 9,373,464,567 | 2,141,831,950 | 1,751,303,050 | 72,013,280 | 46,014,710 |
| 2019 | 58,567,480,435 | 45,025,561,832 | 12,230,078,570 | 9,874,861,799 | 2,308,382,440 | 1,824,916,636 | 78,480,550 | 49,363,690 |
| 2020 | 62,000,752,770 | 47,186,788,266 | 13,049,878,820 | 10,260,143,342 | 2,458,558,940 | 1,895,811,378 | 83,078,430 | 51,861,930 |
| 2021 | 64,781,503,832 | 49,073,505,006 | 13,588,906,280 | 10,599,175,014 | 2,608,937,140 | 1,973,439,019 | 83,644,500 | 51,964,260 |
| 2022 | 68,274,369,769 | 52,116,908,871 | 14,614,165,290 | 11,420,390,043 | 2,896,770,040 | 2,190,437,432 | 87,150,370 | 54,208,080 |
| 2023 | 74,578,099,178 | 56,184,059,575 | 15,866,369,075 | 12,301,318,413 | 3,256,793,360 | 2,443,081,033 | 94,883,920 | 59,063,020 |

| | Personal Property | | Total Property | | |
|---|---|---|---|---|---|
| Fiscal Year | Assessed and Equalized Value | Taxable Value | Assessed and Equalized Value | Taxable Value | Total Direct Tax Rate (3) |
| 2014 | 3,651,502,760 | 3,650,142,460 | 55,084,607,293 | 50,048,650,087 | 4.4315 |
| 2015 | 3,882,782,774 | 3,882,203,584 | 60,806,103,774 | 51,895,341,437 | 4.3315 |
| 2016 | 3,409,099,116 | 3,407,953,246 | 65,084,851,114 | 52,786,202,473 | 4.2810 |
| 2017 | 3,453,780,010 | 3,451,947,290 | 69,008,352,209 | 54,723,743,027 | 4.2792 |
| 2018 | 3,409,823,960 | 3,409,219,510 | 71,871,358,847 | 57,302,006,431 | 4.2768 |
| 2019 | 3,531,580,300 | 3,531,464,890 | 76,716,002,295 | 60,306,168,847 | 4.2749 |
| 2020 | 3,603,125,954 | 3,603,140,154 | 81,195,394,914 | 62,997,745,070 | 4.2529 |
| 2021 | 3,721,556,729 | 3,721,570,829 | 84,784,548,481 | 65,419,654,128 | 4.3632 |
| 2022 | 3,863,299,665 | 3,863,319,745 | 89,735,755,134 | 69,645,264,171 | 4.3156 |
| 2023 | 3,893,136,303 | 3,893,103,273 | 97,689,281,836 | 74,880,625,314 | 4.3117 |

**Notes:**

(1) The County assesses property annually. Assessed value is approximately 50% of actual cash value (estimated market value) . Values are equalized by adding or deducting from the assessed value of each class of property in all assessing jurisdictions in order to bring each unit to a common level of valuation. Taxable value is a result of a ballot proposal passed by the electorate in the state of Michigan in 1994. Taxable value increases are limited to (following adjustments for additions or losses) the rate of inflation or 5% , whichever is less. The taxable value limit does not apply to a property in the year following a transfer of ownership (sale) .

(2) Includes Agricultural and Developmental property

(3) Per $1,000 of taxable value. Includes County Operating and Oakland County Parks and Recreation.

Source: Oakland County Department of Management & Budget, Equalization Division

## Oakland County, Michigan

# Direct and Overlapping Property Tax Rates

**Last Ten Fiscal Years**
**September 30,2023**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **County direct rates** | | | | | | | | | | |
| County operating | 4.1900 | 4.0900 | 4.0400 | 4.0400 | 4.0400 | 4.0400 | 4.0200 | 4.0132 | 3.9686 | 3.9686 |
| Parks and Recreation | 0.2415 | 0.2415 | 0.2410 | 0.2392 | 0.2368 | 0.2349 | 0.2329 | 0.3500 | 0.3470 | 0.3431 |
| Public Transportation | | | | | | | | | | 0.9500 |
| Total rate | 4.4315 | 4.3315 | 4.2810 | 4.2792 | 4.2768 | 4.2749 | 4.2529 | 4.3632 | 4.3156 | 5.2617 |
| **Overlapping rates** | | | | | | | | | | |
| Huron- Clinton Metro Authority (a) | 0.2146 | 0.2146 | 0.2146 | 0.2146 | 0.2140 | 0.2129 | 0.2117 | 0.2104 | 0.2089 | 0.2070 |
| Intermediate school districts (5) | | | | | | | | | | |
| Median rate | 3.3690 | 3.3633 | 3.3398 | 3.3079 | 3.2813 | 3.2539 | 3.7457 | 3.7207 | 3.6950 | 3.6950 |
| Low range | 2.9295 | 2.9295 | 2.9115 | 2.8915 | 2.8798 | 2.8744 | 2.8573 | 2.8320 | 2.8010 | 2.8010 |
| High range | 3.5341 | 3.5341 | 5.4643 | 5.4643 | 5.4643 | 5.4643 | 5.4643 | 5.4520 | 5.4275 | 5.4275 |
| Community colleges (3) | | | | | | | | | | |
| Median rate | 1.7967 | 1.7967 | 1.7880 | 1.7766 | 1.7662 | 2.2700 | 2.2877 | 2.7472 | 2.2700 | 2.2700 |
| Low range | 1.5844 | 1.5819 | 1.5707 | 1.5555 | 1.5431 | 1.5303 | 1.5184 | 1.5057 | 1.4891 | 1.4891 |
| High range | 2.8596 | 2.8596 | 2.8096 | 2.8096 | 2.8047 | 2.8019 | 2.7605 | 2.7472 | 2.6638 | 2.5438 |
| Cities (31) | | | | | | | | | | |
| Median rate | 17.5856 | 17.5854 | 16.8995 | 17.2076 | 17.1311 | 18.4133 | 18.0833 | 17.5522 | 16.8611 | 17.1408 |
| Low range | 7.8600 | 7.8600 | 7.8332 | 7.8270 | 8.3229 | 8.3212 | 8.3189 | 8.3590 | 8.3540 | 8.3600 |
| High range | 38.1191 | 39.2669 | 39.1859 | 39.2861 | 39.0343 | 38.3265 | 37.4707 | 36.5895 | 34.5157 | 34.4157 |
| Villages (11) | | | | | | | | | | |
| Median rate | 15.9168 | 15.6106 | 15.4412 | 15.3816 | 15.1381 | 15.0275 | 14.5747 | 14.8989 | 14.4327 | 14.4327 |
| Low range | 9.5000 | 8.8020 | 7.8250 | 9.9863 | 10.0000 | 9.9927 | 9.6658 | 9.2996 | 8.7300 | 9.5151 |
| High range | 18.5025 | 18.4701 | 18.4744 | 18.4043 | 19.3535 | 18.7295 | 19.5172 | 19.2841 | 18.9862 | 18.9766 |
| Townships (21) | | | | | | | | | | |
| Median rate | 7.9168 | 7.6106 | 8.1787 | 8.0907 | 8.0064 | 7.9721 | 7.9030 | 7.8442 | 8.0811 | 8.2960 |
| Low range | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 |
| High range | 15.1064 | 14.6712 | 14.6987 | 14.6799 | 14.6784 | 14.0745 | 14.0669 | 14.0583 | 13.0818 | 13.0818 |
| School districts (35) (b) | | | | | | | | | | |
| Homestead: | | | | | | | | | | |
| Median rate | 14.3880 | 15.4086 | 15.3000 | 15.0000 | 14.9991 | 14.1984 | 14.1670 | 14.4658 | 14.1018 | 14.1000 |
| Low range | 9.8700 | 6.0000 | 8.8700 | 8.8700 | 9.2700 | 9.2700 | 9.2700 | 9.1132 | 9.2230 | 8.3000 |
| High range | 26.8868 | 26.2068 | 26.2618 | 26.1868 | 26.6868 | 24.5077 | 24.6808 | 23.7940 | 23.6957 | 23.6911 |
| Non- Homestead: | | | | | | | | | | |
| Median rate | 31.0000 | 31.0000 | 31.0000 | 30.2450 | 30.9693 | 30.2779 | 30.1038 | 29.9773 | 30.0098 | 30.2511 |
| Low range | 25.6974 | 24.0000 | 25.6739 | 25.6665 | 25.6165 | 25.6103 | 26.6500 | 25.4600 | 25.6562 | 25.0461 |
| High range | 37.4500 | 41.0000 | 40.8512 | 40.5603 | 40.9516 | 41.9463 | 41.8741 | 41.7944 | 41.6957 | 41.6911 |
| DDAs (10) | | | | | | | | | | |
| Median rate | 1.8978 | 1.8787 | 1.8046 | 1.7142 | 1.8525 | 1.8411 | 1.7853 | 1.7853 | 1.7802 | 1.7196 |
| Low range | 1.3794 | 1.3794 | 1.3549 | 1.3326 | 1.3072 | 1.2958 | 1.2958 | 1.2860 | 1.2763 | 1.2763 |
| High range | 1.9734 | 1.9732 | 1.9516 | 1.9514 | 1.9685 | 1.9510 | 1.9510 | 1.9510 | 1.9459 | 1.9459 |
| Public Transportation Authority (c) | 1.0000 | 1.0000 | 0.9998 | 0.9941 | 0.9863 | 1.0000 | 0.9927 | 0.9851 | 0.9765 | |
| Zoological Authority | 0.1000 | 0.1000 | 0.0998 | 0.0990 | 0.0980 | 0.0982 | 0.0973 | 0.0965 | 0.0956 | 0.0945 |
| Art Institute Authority | 0.2000 | 0.2000 | 0.1996 | 0.1981 | 0.1961 | 0.1945 | 0.1929 | 0.1913 | 0.1897 | 0.1945 |

**Notes**

The County's maximum allowable operating millage levy for 2023 was 3.9686.

(a) Tax rate is recommended by this parks authority, and is approved by the Oakland County Board of Commissioners. The rate is included in the " County Combined Rate" on tax statements, but is not recorded as revenue on the County's financial statements.

(b) Includes State of Michigan levy of 6.0000 mills for State Education Tax.

(c) Special voted tax, levied in 18 cities, 3 villages, and 3 townships only. Included in CVT rates above.

Source: Oakland County Department of Management & Budget, Equalization Division yearly " Apportionment of Local Tax Rages" document.



## Oakland County, Michigan

# Principal Tax Payers

**Current and Nine Years Ago**
**September 30, 2023**

| | Taxpayer | 2023 Taxable Value | 2023 Rank | % of total | 2014 Taxable Value | 2014 Rank | % of total |
|---|---|---|---|---|---|---|---|
| 1 | Detroit Edison Company/DTE | $ 775,697,714 | 1 | 1.04% | $ 516,752,800 | 1 | 1.05% |
| 2 | Consumers Energy | 685,593,644 | 2 | 0.92% | 260,204,203 | 2 | 0.53% |
| 3 | International Transmission ( ITC) | 178,778,093 | 3 | 0.24% | 89,217,670 | 5 | 0.18% |
| 4 | FCA Auburn Hills Owner LLC ( formerly Chrysler) | 170,320,290 | 4 | 0.23% | 150,000,000 | 3 | 0.30% |
| 5 | Amazon | 155,298,020 | 5 | 0.21% | - | | |
| 6 | Taubman/ Great Lakes/ 12 Oaks Mall | 152,020,150 | 6 | 0.20% | 117,410,340 | 4 | 0.24% |
| 7 | SighCidermill Village | 144,207,769 | 7 | 0.19% | 72,817,750 | 7 | 0.10% |
| 8 | Enbridge Energy | 121,396,870 | 8 | 0.16% | - | | |
| 9 | Edward Rose/ Occidental Dev | 119,045,380 | 9 | 0.16% | - | | |
| 10 | General Motors | 117,391,850 | 10 | 0.16% | 67,148,760 | 9 | 0.14% |
| | Comcast | 87,287,037 | 11 | 0.12% | - | | |
| | SL Town Etal ( Bre Southfield, Town Centre) | 84,740,742 | 14 | 0.11% | 67,398,350 | 8 | 0.14% |
| | Redico | 81,601,946 | 13 | 0.11% | - | | |
| | Meijer/ Goodwill Co | 80,017,120 | 15 | 0.11% | - | | |
| | LITHIA Motors | 75,016,450 | 20 | 0.10% | - | | |
| | Oakland Management | 72,086,380 | 16 | 0.10% | 63,277,950 | 10 | 0.13% |
| | Kroger | 68,482,720 | 18 | 0.09% | - | | |
| | Redwood- ERC Novi LLC | 68,342,380 | 17 | 0.09% | - | | |
| | Somerset Collection LTD PTN ( Frankel/ Forbes/ Cohn) | 63,920,120 | 19 | 0.09% | 51,579,130 | 12 | 0.10% |
| | LREH, MI/CA | 59,894,990 | 20 | 0.08% | - | | |
| | Total | $ 3,361,139,665 | | 4.49% | $ 1,455,806,953 | | 2.91% |

* Note: The Taxable Values have been compiled from a number of sources/ reports and may include estimated figures.

Source: Oakland County Department of Management & Budget, Equalization Division

# County Operating Property Tax Levies and Collections

**Last Ten Fiscal Years**
**September 30, 2023**

| | | Collected within the Fiscal Year of the Levy (2) | | | Total Collections to Date | |
|---|---|---|---|---|---|---|
| Fiscal Year | Tax Levy (1) | Amount | Percent of Levy | Collections in Subsequent Years | Amount | Percent of Levy |
| 2014 | 204,966,211 | 181,910,042 | 88.75% | 23,054,190 | 204,964,232 | 100.00% |
| 2015 | 207,429,739 | 186,742,691 | 90.03% | 20,684,154 | 207,426,845 | 100.00% |
| 2016 | 208,735,308 | 186,750,930 | 89.47% | 21,912,524 | 208,663,454 | 99.97% |
| 2017 | 216,149,261 | 196,045,294 | 90.70% | 20,022,912 | 216,068,206 | 99.96% |
| 2018 | 226,289,005 | 201,249,308 | 88.93% | 24,927,475 | 226,176,783 | 99.95% |
| 2019 | 237,559,852 | 215,492,770 | 90.71% | 21,894,846 | 237,387,616 | 99.93% |
| 2020 | 246,663,143 | 223,110,366 | 90.45% | 23,313,424 | 246,423,790 | 99.90% |
| 2021 | 255,550,668 | 221,700,293 | 86.75% | 33,081,847 | 254,782,140 | 99.70% |
| 2022 | 268,255,998 | 229,561,355 | 85.58% | 36,471,036 | 266,032,391 | 99.17% |
| 2023 | 287,601,067 | 257,377,866 | 89.49% | - | 257,377,866 | 89.49% |

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

(2) Tax levy is dated July 1, collections for the current fiscal year reflect only a three month period.

Source: Oakland County Treasurer





# Ratio of General Bonded Debt Outstanding

**Last Ten Fiscal Years**
**September 30, 2023**

| | Governmental Activities Debt | | | | | | Business-Type Activities | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | General Obligation Bonds | Lease Liability | SBITA Liability | Percentage of Taxable Property Values (a) | Per Capita (b) | Special Assessment Bonds (c) | Bonds | Lease Liability | SBITA Liability | Total Primary Government | Percentage of Personal Income (b) | Per Capita (b) |
| 2014 | 402,340,000 | - | - | 0.80% | 323.72 | 53,557,104 | 33,818,351 | - | - | 489,715,455 | 6.46% | 394.03 |
| 2015 | 375,630,000 | - | - | 0.72% | 301.81 | 41,458,202 | 21,260,612 | - | - | 438,348,814 | 5.44% | 352.20 |
| 2016 | 363,425,000 | - | - | 0.69% | 290.50 | 63,328,690 | 26,807,354 | - | - | 453,561,044 | 5.47% | 362.55 |
| 2017 | 334,205,000 | - | - | 0.61% | 266.08 | 73,575,895 | 28,257,164 | - | - | 436,038,059 | 5.05% | 347.16 |
| 2018 | 303,945,000 | - | - | 0.53% | 241.86 | 71,330,206 | 35,699,261 | - | - | 410,974,467 | 4.58% | 327.03 |
| 2019 | 272,620,000 | - | - | 0.45% | 216.78 | 67,156,076 | 34,837,915 | - | - | 374,613,991 | 4.07% | 297.88 |
| 2020 | 239,730,000 | - | - | 0.38% | 190.63 | 61,762,709 | 51,209,912 | - | - | 352,702,621 | 3.83% | 280.46 |
| 2021 | 209,408,072 | - | - | 0.32% | 164.55 | 57,258,512 | 51,049,959 | - | - | 317,716,543 | 3.22% | 248.11 |
| 2022 | 174,523,832 | 7,982,119 | - | 0.26% | 143.77 | 59,192,360 | 46,971,723 | 157,513 | - | 288,827,547 | 0.27% | 227.53 |
| 2023 | 141,021,645 | 7,015,564 | 14,271,736 | 0.22% | 127.86 | 54,993,495 | 30,761,969 | 119,766 | 3,957,537 | 252,141,712 | 0.23% | 198.63 |

**Notes:**

(a) Taxable values can be found in Table 5.

(b) Population and personal income data can be found in Table 12.

(c) See Notes to Basic Financial Statements, Note 7 - Debt. Special Assessment debt is shown with governmental commitment.

Source: Oakland County Department of Management & Budget, Fiscal Services Division

## Net County Direct and Overlapping Debt

**September 30, 2023**

| | Net Amount Outstanding |
|---|---|
| **Direct debt** | |
| Building Authority bonds | $ 19,305,000 |
| Water & sewer special assessment debt | 46,837,312 |
| Lake Levels special assessment debt | 1,066,183 |
| Retirees Health Care bonds | 126,295,000 |
| Total direct debt | 193,503,495 |
| **Overlapping debt** | |
| Cities | 798,221,158 |
| Townships | 377,475,576 |
| Villages | 40,403,405 |
| School districts | 3,568,359,461 |
| Intermediate school districts | 39,053,974 |
| Community colleges | 4,034,256 |
| Libraries | 1,796,768 |
| Net overlapping debt | 4,829,344,598 |
| **Net direct and overlapping debt** | **$ 5,022,848,093** |

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





## Legal Debt Margin

**Last Ten Fiscal Years**

**September 30, 2023**

| 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 |
|---|---|---|---|---|---|
| 2014 | $ 55,084,607,293 | $ 5,508,460,729 | $ 737,931,143 | $ 4,770,529,586 | 13.40% |
| 2015 | 60,806,103,774 | 6,080,610,377 | 727,915,288 | $ 5,352,695,089 | 11.97% |
| 2016 | 65,084,851,114 | 6,508,485,111 | 743,347,532 | $ 5,765,137,579 | 11.42% |
| 2017 | 69,008,352,209 | 6,900,835,221 | 711,202,791 | $ 6,189,632,430 | 10.31% |
| 2018 | 71,871,358,847 | 7,187,135,885 | 674,306,686 | $ 6,512,829,199 | 9.38% |
| 2019 | 76,716,002,295 | 7,671,600,230 | 611,908,264 | $ 7,059,691,966 | 7.98% |
| 2020 | 81,195,394,914 | 8,119,539,491 | 633,225,390 | $ 7,486,314,101 | 7.80% |
| 2021 | 84,784,548,481 | 8,478,454,848 | 569,267,324 | $ 7,909,187,524 | 6.71% |
| 2022 | 89,735,755,134 | 8,973,575,513 | 511,301,400 | $ 8,462,274,113 | 5.70% |
| 2023 | 97,689,281,836 | 9,768,928,184 | 488,310,269 | $ 9,280,617,915 | 5.00% |

**Sources:**

Equalized Valuations = Oakland County Department of Management & Budget, Equalization Division

Debt = See Notes to Financial Statements, Note No. 7

# Demographic and Economic Statistics

**Last Ten Fiscal Years**
**September 30, 2023**

| Year | Population | Personal income (in thousands) | Per Capita Personal Income | Unemployment Rate |
|---|---|---|---|---|
| 2014 | 1,250,933 | $ 75,424,837.00 | $ 60,295 | 6.40% |
| 2015 | 1,254,626 | 80,632,537 | 64,268 | 4.70% |
| 2016 | 1,263,231 | 82,487,478 | 65,299 | 4.10% |
| 2017 | 1,270,081 | 85,888,177 | 67,624 | 3.50% |
| 2018 | 1,272,967 | 89,322,345 | 70,169 | 3.40% |
| 2019 | 1,275,118 | 91,548,729 | 71,796 | 3.40% |
| 2020 | 1,272,413 | 97,217,213 | 76,404 | 9.10% |
| 2021 | 1,271,891 | 104,068,949 | 81,822 | 4.60% |
| 2022 | 1,269,431 | 107,711,780 | 84,850 | 3.00% |
| 2023 | 1,269,431 (a) | 107,711,780 (a) | 84,850 (a) | 2.90% |

(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





# Principal Employers

**Current and Nine Years Ago**
**September 30, 2023**

| Employer | Employees | 2023 Rank | % of Total County Employment | Employees | 2014 Rank | % of Total County Employment |
|---|---|---|---|---|---|---|
| Corewell Health (formally Beaumont Health System and Spectum Health) | 14,580 | 1 | 2.18% | 11,891 | 2 | 2.13% |
| Stellantis (formerly FCA US LLC, Chrysler) | 11,524 | 2 | 1.73% | 12,308 | 1 | 2.21% |
| General Motors Corporation | 7,451 | 3 | 1.12% | 9,154 | 3 | 1.64% |
| United Wholesale Mortgage | 6,000 | 4 | 0.90% | - | - | |
| Henry Ford Health System | 5,301 | 5 | 0.79% | 2,674 | 7 | 0.48% |
| Ascension Michigan (formerly St John Providence Hospital) | 5,219 | 6 | 0.78% | 4,208 | 4 | 0.76% |
| U.S. Postal Service | 4,927 | 7 | 0.74% | 4,108 | 5 | 0.74% |
| Oakland County Government | 3,679 | 8 | 0.55% | 3,211 | 6 | 0.58% |
| Amazon | 3,650 | 9 | 0.55% | | | |
| Trinity Health (formerly St. Joseph Mercy) | 3,159 | 10 | 0.47% | 2,372 | 10 | 0.43% |
| Botsford Health Care | - | | | 2,634 | 8 | 0.47% |
| | 65,490 | | 9.81% | 52,560 | | 9.44% |

**Source:**
Oakland County Department of Planning & Economic Development

**Oakland County, Michigan**

## County Employees by Function/Program

**Last Ten Fiscal Years**
**September 30, 2023**

| Function/ program: | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | As of September 30, (1) | | | | | | | | | |
| **General government** | | | | | | | | | | |
| County Executive Administration | 60 | 60 | 60 | 62 | 62 | 63 | 64 | 54 | 48 | 61 |
| Management & Budget | 189 | 188 | 188 | 188 | 188 | 188 | 197 | 206 | 193 | 195 |
| Central Services (5) | 59 | 60 | 61 | 61 | 61 | 62 | 64 | 64 | 62 | 0 |
| Human Resources | 46 | 48 | 48 | 49 | 50 | 56 | 58 | 57 | 61 | 76 |
| Board of Commissioners | 30 | 30 | 30 | 30 | 31 | 33 | 36 | 41 | 38 | 35 |
| Clerk/ Register of Deeds | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 110 | 105 | 106 |
| County Treasurer | 47 | 47 | 46 | 46 | 46 | 46 | 46 | 46 | 44 | 44 |
| Public Safety | | | | | | | | | | |
| Sheriff | 1,107 | 1,117 | 1,169 | 1,200 | 1,205 | 1,239 | 1,257 | 1,349 | 1,345 | 1,352 |
| Community Corrections | 59 | 59 | 59 | 60 | 60 | 61 | 72 | 70 | 67 | 67 |
| Animal Control | 36 | 37 | 38 | 37 | 37 | 34 | 57 | 56 | 57 | 57 |
| Justice Administration | | | | | | | | | | |
| Circuit Court | 410 | 412 | 415 | 417 | 420 | 420 | 433 | 429 | 416 | 405 |
| District Court | 186 | 188 | 190 | 189 | 189 | 191 | 217 | 211 | 207 | 203 |
| Probate Court | 49 | 51 | 52 | 53 | 53 | 53 | 54 | 55 | 55 | 55 |
| Prosecuting Attorney | 171 | 170 | 169 | 169 | 169 | 169 | 176 | 176 | 183 | 193 |
| Medical Examiner | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 28 | 27 | 27 |
| Citizens Services | | | | | | | | | | |
| Administration | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Health | 369 | 366 | 365 | 357 | 347 | 351 | 375 | 453 | 459 | 433 |
| Homeland Security | 12 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 40 | 40 |
| Children's Village | 192 | 201 | 203 | 206 | 211 | 214 | 224 | 227 | 222 | 221 |
| Veterans' Services (2) | 16 | 16 | 16 | 16 | 16 | 16 | 16 | - | - | - |
| MSU Extension- Oakland County (6) | 15 | 13 | 13 | 13 | 13 | 13 | 14 | 11 | 8 | 0 |
| Public Works | | | | | | | | | | |
| Water Resources Commissioner | 266 | 314 | 370 | 376 | 378 | 382 | 385 | 385 | 384 | 397 |
| Facilities Management | 189 | 190 | 194 | 197 | 199 | 189 | 189 | 189 | 155 | 204 |
| Information Technology | 159 | 160 | 166 | 173 | 173 | 173 | 177 | 178 | 173 | 174 |
| Recreation and Leisure | | | | | | | | | | |
| Library Board (3) | 7 | 7 | 6 | 6 | 6 | 6 | 5 | - | - | - |
| Parks and Recreation | 421 | 425 | 441 | 440 | 484 | 497 | 511 | 805 | 811 | 785 |
| Commerce and Community Development | | | | | | | | | | |
| Administration | 12 | 12 | 14 | 14 | 14 | 15 | 17 | 17 | 13 | 11 |
| Planning and Economic Development Services | 48 | 49 | 48 | 48 | 49 | 48 | 46 | 46 | 17 | 17 |
| Business Development | | | | | | | | | 22 | 21 |
| Community and Home Improvement | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 23 | 23 | 23 |
| Aviation and Transportation | - | - | - | - | - | - | - | - | 0 | 30 |
| Workforce Development | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 26 | 27 | 27 |
| Department of Public Communications (4) | - | - | - | - | - | - | - | - | 23 | 20 |
| Totals | **4,326** | **4,402** | **4,543** | **4,589** | **4,643** | **4,701** | **4,873** | **5,325** | **5,287** | **5,281** |

(1) Employee count reflects authorized, budgeted positions -
(2) Transferred under Economic Development in 2021
(3) Transferred under Board of Commissioners in 2021
(4) Department of Public Communications created per M.R. #21323, effective 08/31/2021
(5) Central Services - Deletion of department and transfer of divisions and positions, M.R. #22048, effective 02/26/22.
(6) Per FY 2023 County Executive Recommended Budget, division and postions are deleted.

**Source:**
Oakland County Human Resources Department



**Oakland County, Michigan**

## Operating Indicators by Function/Program

**Last Ten Fiscal Years**
**September 30, 2023**

| Function/ Program | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | As of September 30, | | | | | | | | | |
| Law Enforcement | | | | | | | | | | |
| Dispatched Calls | 286,235 | 292,131 | 333,680 | 375,492 | 389,998 | 405,609 | 379,498 | 399,646 | 419,921 | 477,681 |
| Arrests | 11,943 | 11,355 | 13,727 | 13,200 | 13,404 | 12,452 | 7,240 | 5,317 | 5,408 | 8,508 |
| Inmate bookings | 19,317 | 18,789 | 18,236 | 18,124 | 17,351 | 16,554 | 9,554 | 9,859 | 10,865 | 12,285 |
| Judicial | | | | | | | | | | |
| Circuit Court civil/ criminal cases disposed | 11,742 | 10,981 | 11,132 | 10,889 | 11,319 | 12,495 | 9,518 | 10,614 | 11,021 | 11,907 |
| District Court cases filed | 119,347 | 122,934 | 119,077 | 118,358 | 124,569 | 120,682 | 77,576 | 78,431 | 85,499 | 87,109 |
| Citizen Services | | | | | | | | | | |
| Veteran benefits claims filed | 5,461 | 5,697 | 5,544 | 5,114 | 4,645 | 4,435 | 3,222 | 2,146 | 2,590 | 3,067 |
| Deeds/ Mortgages | 90,969 | 101,807 | 107,252 | 101,409 | 92,210 | 98,804 | 128,702 | 148,377 | 104,100 | 68,931 |
| Jobs retained and created | 11,332 | 10,057 | 19,053 | 33,804 | 10,108 | 6,235 | 2,978 | 5,353 | 3,784 | 1,627 |
| Immunizations | 54,600 | 59,156 | 51,086 | 45,951 | 55,105 | 43,350 | 25,014 | 183,634 | 77,392 | 35,953 |
| Community Development | | | | | | | | | | |
| BFC/ EDC Loans | 34 | 26 | 13 | 20 | 20 | 5 | 11 | 16 | 12 | 14 |
| Applications for home improvement | 533 | 393 | 519 | 560 | 440 | 512 | 300 | 257 | 188 | 294 |
| Single family homes rehabilitated | 198 | 206 | 183 | 207 | 244 | 272 | 172 | 155 | 120 | 130 |
| Parks and Recreation | | | | | | | | | | |
| Participants- Parks/ County Market | 1,147,845 | 913,524 | 999,654 | 1,285,490 | 1,317,042 | 1,119,711 | 989,184 | 1,221,037 | 1,187,863 | 1,269,923 |
| Participants- Golf Courses | 104,492 | 164,067 | 160,895 | 147,388 | 140,452 | 147,047 | 116,552 | 167,983 | 151,270 | 172,243 |
| Participants- Recreation Facilities | 485,981 | 492,530 | 456,053 | 500,395 | 577,786 | 606,342 | 197,858 | 287,430 | 448,788 | 447,512 |
| Participants- Banquet Facilities | 87,436 | 89,888 | 75,449 | 71,488 | 67,515 | 60,671 | 27,820 | 15,613 | 23,214 | 22,607 |
| Airports | | | | | | | | | | |
| Takeoffs and landings | 111,672 | 126,070 | 125,132 | 131,294 | 130,762 | 140,028 | 123,332 | 126,240 | 142,535 | 144,222 |
| Public Works | | | | | | | | | | |
| Water and sewer customers | 79,312 | 78,432 | 119,630 | 120,989 | 118,415 | 122,747 | 124,040 | 124,625 | 125,269 | 126,052 |
| Water main breaks | 123 | 156 | 133 | 114 | 165 | 148 | 129 | 160 | 161 | 145 |
| Water permits issued | 921 | 884 | 734 | 849 | 596 | 278 | 214 | 387 | 309 | 324 |

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

# Capital Asset Statistics by Function/Program

**Last Ten Fiscal Years**
**September 30, 2023**

| Function/ program | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | As of September 30, | | | | | | | | | |
| Justice and Law Enforcement | | | | | | | | | | |
| Correction facilities capacities | 1,653 | 1,653 | 1,653 | 1,508 | 1,664 | 1,664 | 1,664 | 1,664 | 1,664 | 1,664 |
| Substations | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Parks and Recreation | | | | | | | | | | |
| Number of county parks | 13 | 13 | 13 | 13 | 13 | 13 | 14 | 14 | 14 | 14 |
| Park acreage | 6,756 | 6,756 | 6,743 | 6,743 | 6,743 | 6,747 | 6,849 | 6,851 | 6,979 | 7,011 |
| Airport | | | | | | | | | | |
| Number of runways | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of T-Hangars | 646 | 646 | 646 | 646 | 646 | 646 | 644 | 624 | 624 | 624 |
| Facilities | | | | | | | | | | |
| Buildings | 40 | 40 | 40 | 40 | 41 | 41 | 41 | 37 | 37 | 37 |
| County facilities square footage | 1,890,262 | 1,888,888 | 1,891,804 | 1,885,019 | 1,922,091 | 1,922,091 | 1,922,091 | 1,849,991 | 1,849,991 | 1,849,991 |
| Public Works | | | | | | | | | | |
| Combined Sewer Overflow Retention Treatment Facilities | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Water mains (miles) | 516 | 440 | 442 | 363 | 365 | 313 | 313 | 317 | 316 | 316 |
| Water storage capacity (millions of gallons) | 15 | 15 | 15 | 18 | 17 | 15 | 15 | 15 | 15 | 15 |
| Sewers (miles) | 138 | 138 | 145 | 144 | 144 | 145 | 144 | 144 | 144 | 144 |
| Permitted Sewer treatment capacity (millions of gallons) | 15,580 | 15,580 | 15,567 | 15,567 | 15,567 | 15,567 | 15,577 | 15,577 | 15,572 | 15,572 |

**Sources:**
Various County departments





| | Facilities Infrastructure & IT Projects | Animal Control & Pet Adoption Center Debt | CMHA Housing Project Refunding | Office Bldg. Renovation Refunding | City of Keego Harbor Refunding |
|---|---|---|---|---|---|
| Cash | $ - | $ 1,737,344 | $ (717) | $ 222 | $ (65) |
| Lease receivable | - | - | 420,000 | - | 710,000 |
| Other assets | - | 13,147 | - | - | - |
| Deferred inflows - contracts | - | - | 420,000 | - | 710,000 |
| Other liabilities | - | - | - | - | - |
| | | | | | |
| Current year activity: | | | | | |
| Transfers in | 2,207,620 | - | - | 1,271,750 | - |
| Leases and other income | - | - | 323,574 | - | 49,404 |
| Issuance of refunding bonds, incl. premiums | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | 2,175,000 | 680,000 | 300,000 | 1,180,000 | 25,000 |
| Interest | 32,625 | 370,713 | 23,808 | 91,866 | 24,587 |
| Fiscal charges | - | - | - | - | - |
| Contractual services | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| | | | | | |
| Principal and interest requirements: | | | | | |
| 2023 | - | 1,031,906 | 330,400 | 1,276,125 | 53,138 |
| 2024 | - | 1,025,681 | 102,000 | - | 51,638 |
| 2025 | - | 1,028,856 | - | - | 50,137 |
| 2026 | - | 1,026,356 | - | - | 48,638 |
| 2027 | - | 1,028,181 | - | - | 56,887 |
| Thereafter | - | 8,260,203 | - | - | 632,131 |
| | **$ -** | **$ 13,401,183** | **$ 432,400** | **$ 1,276,125** | **$ 892,569** |

(1) Excludes debt reported in Proprietary Funds

## Building Authority Data (Continued)

**September 30, 2023**

| | WkRel-Jail Mgt Video Refunding | City of Oak Park Refunding | CMHA Bldg. Reno Refund Refunding | Office Bldg. Reno Refund Refunding | Totals |
|---|---|---|---|---|---|
| Cash | $ - | $ 10 | $ (105) | $ - | $ 1,736,689 |
| Lease receivable | - | 1,495,000 | 4,465,000 | - | 7,090,000 |
| Other assets | - | - | - | - | 13,147 |
| Deferred inflows - contracts | - | 1,495,000 | 4,465,000 | - | 7,090,000 |
| Other liabilities | - | - | - | - | - |
| | | | | | - |
| Current year activity: | | | | | - |
| Transfers in | - | - | 485,219 | - | 3,964,589 |
| Leases and other income | - | 126,322 | 796,326 | - | 1,295,626 |
| Issuance of refunding bonds, incl. premiums | - | - | - | - | - |
| Debt service: | | | | | - |
| Principal | - | 70,000 | 560,000 | 475,000 | 5,465,000 |
| Interest | - | 56,483 | 237,333 | 10,219 | 847,634 |
| Fiscal charges | - | - | - | - | - |
| Contractual services | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| | | | | | - |
| Principal and interest requirements: | | | | | - |
| 2023 | - | 127,775 | 803,375 | - | 3,622,719 |
| 2024 | - | 128,900 | 783,375 | - | 2,091,594 |
| 2025 | - | 129,775 | 811,625 | - | 2,020,393 |
| 2026 | - | 130,400 | 788,125 | - | 1,993,519 |
| 2027 | - | 130,775 | 812,875 | - | 2,028,718 |
| Thereafter | - | 1,194,050 | 1,240,750 | - | 11,327,134 |
| | **$ -** | **$ 1,841,675** | **$ 5,240,125** | **$ -** | **$ 23,084,077** |

(1) Excludes debt reported in Proprietary Funds



**All ways, MOVING FORWARD**

**OAKLAND COUNTY, MICHIGAN • OAKGOV.COM**

COVER PHOTO: OAKLAND COUNTY INTERNATIONAL AIRPORT • WATERFORD, MICHIGAN

# Oakland County, Michigan

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

**September 30, 2023**



## Contents

plante moran

**Plante & Moran, PLLC**
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

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, 2023 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 28, 2024.

**Report on Internal Control Over Financial Reporting**

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

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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Findings 2023-001, 2023-002, and 2023-003, that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

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

PRAXITY
Empowering Business Globally



To Management and the Board of Commissioners
Oakland County, Michigan

**The County's Responses to the Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

**Purpose of this Report**

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

Plante & Moran, PLLC

March 28, 2024

# Schedule of Findings and Responses

**Year Ended September 30, 2023**

## Financial Statement Audit Findings

| Reference Number | Finding |
|---|---|
| 2023-001 | **Finding Type** - Material weakness |

**Criteria** - The County should have a process in place to ensure year-end journal entries are properly recorded in accordance with generally accepted accounting principles (GAAP) prior to the commencement of the audit.

**Condition** - Year-end journal entries necessary to state the financial statements in accordance with GAAP were identified as part of the audit.

**Context** - Year-end journal entries were proposed by the auditors and posted by the County in order to ensure the financial statements were stated in accordance with GAAP. Misstatements detected as a result of audit procedures included adjustments to cash, interfunds, unearned revenue, accounts payable, receivables, property and equipment, revenue, and expenditures.

There were also various adjustments to the financial statements that should have been made in order to correctly state the County's financial records at year end that were not adjusted, as management did not deem these items to be significant enough to correct in the accounting records (referred to as "passed adjustments"). The passed adjustments included corrections to fund classification, investments, capital assets, net OPEB asset, deferred inflows of resources, revenue, and expenses.

**Cause** - Processes and controls were not in place to ensure year-end closing entries were properly recorded in the general ledger prior to the commencement of the audit.

**Effect** - If the year-end journal entries identified above had not been recorded, the financial statements would have been materially misstated.

**Recommendation** - The County should continue to work with all applicable departments to ensure its control procedures properly identify and record all year-end journal entries.

**Views of Responsible Officials and Planned Corrective Actions** - The County implemented a new ERP system (Workday) midway through fiscal year 2022. The challenges from this midyear implementation were corrected for fiscal year 2022, but it was midway through fiscal year 2023. Therefore, some of the audit findings for fiscal year 2023 did not have a full year of corrections behind them and were in place for a portion of fiscal year 2023.

The County created a fund in the proprietary fund classification that was later determined to be a governmental fund.

**Corrective Action** - As implemented last fiscal year, processes and reports have now been developed and are in use. Journal entries are being processed timely and entries are being made as needed. Because these changes were not implemented until the end of the fiscal year 2022 audit (April 2023), seven months of the 2023 fiscal year had already passed. A full year of corrective action will be in place for the fiscal year 2024 items.

New funds and fund modifications will be given special attention in the future to ensure that appropriate reporting will continue. A thorough review of established funds may take place, as some of the fund changes recommended have been in place for several years and are just now being questioned.





# Schedule of Findings and Responses (Continued)

**Year Ended September 30, 2023**

## Financial Statement Audit Findings (Continued)

| Reference Number | Finding |
|---|---|
| 2023-002 | **Finding Type** - Material weakness |

**Criteria** - The County should have a process in place to ensure any changes to the reporting entity are recorded in accordance with generally accepted accounting principles.

**Condition** - The County required a prior period adjustment to properly move the Evergreen-Farmington Sewage Disposal System from a proprietary fund to a component unit.

**Context** - Those at the County responsible for financial reporting were made aware during the year that the Evergreen-Farmington Sewage Disposal System had effectively transferred ownership to the Drainage District, a discretely presented component unit, in a prior fiscal year. This transfer of ownership changes the fund classification from a proprietary fund to a component unit.

**Cause** - Lack of communication between the County departments lead to untimely recognition of the change in reporting entity, which occurred in a prior fiscal year.

**Effect** - Due to the transfer of ownership of Evergreen-Farmington Sewage Disposal System not being identified as a change in reporting entity until the correct year, the correction of the error was required to be recorded as a prior period adjustment.

**Recommendation** - The County should ensure there are processes and controls in place to identify any changes in the reporting entity on a timely basis.

**Views of Responsible Officials and Planned Corrective Actions** - In November 2020, a new drainage district was established (see Note 20). A resolution (#2023-3013) was adopted on June 15, 2023 that solidified (1) the transfer of assets and liabilities assigned to Evergreen-Farmington Sewage Disposal System (EFSDS) to the Evergreen-Farmington Sewage Disposal Drain District (EFSDDD) in accordance with applicable law, the 471 agreement, and any other bond or debt obligation (2) the completion of any book entry or internal financial accounting changes to complete the conversion, transfer, or assignment, and (3) execution of any necessary or prudent conversion, transfer, or assignment.

There was a time lag between the transfer of Evergreen Farmington in 2021 and the final board resolution. This project involved over $100 million of design, construction, and improvements to the Evergreen-Farmington Drain. Due to the extensive due diligence required to list, track, and confirm all asset details (cost, date placed in service, etc.) for each system, the resolution was not approved by the Board of Commissioners until July 2023. At that time, a restatement of beginning balances was necessary.

**Corrective Action** - No corrective action necessary, as the transition and related accounting is now completed.

## Financial Statement Audit Findings (Continued)

| Reference Number | Finding |
|---|---|
| 2023-003 | **Finding Type** - Material weakness<br><br>**Criteria** - The County should perform and review all bank reconciliations in a timely manner.<br><br>**Condition** - Bank reconciliations were not completed and reviewed in a timely manner.<br><br>**Context** - During the audit, it was observed that certain bank reconciliations during the year were not completed and reviewed timely. The effectiveness of the review process was not sufficient to identify the differences in the bank reconciliation in a timely manner.<br><br>**Cause** - There was a lack of sufficient oversight in order to properly reconcile bank information to the general ledger timely.<br><br>**Effect** - Without timely preparation and review of bank reconciliations, the County could fail to identify errors or misappropriations timely.<br><br>**Recommendation** - The County should implement procedures and a review process to ensure all bank reconciliations are completed and reviewed in a timely manner.<br><br>**Views of Responsible Officials and Planned Corrective Actions** - The County implemented a new ERP system (Workday) midway through fiscal year 2022. The challenges from this midyear implementation were corrected for fiscal year 2022, but it was midway through fiscal year 2023. Therefore, some of the audit findings for fiscal year 2023 did not have a full year of corrections behind them and were in place for a portion of fiscal year 2023.<br><br>The bank reconciliation process had to be completely overhauled to accommodate Workday banking tools. The fiscal year 2022 audit was not completed until April 30, and seven months of the current fiscal year had already passed before the revised process was in place.<br><br>**Corrective Action** - As implemented last fiscal year, processes and reports have now been developed and are in use. Bank reconciliations are being reconciled and reviewed timely. Because these changes were not implemented until the end of the fiscal year 2022 audit (April 2023), seven months of the 2023 fiscal year had already passed. A full year of corrective action will be in place for the fiscal year 2024 items. |



March 28, 2024

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, 2023 and have issued our report thereon dated March 28, 2024. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated December 13, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Our audit of the County's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the County, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated March 28, 2024 regarding our consideration of the County'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 November 8, 2023.

**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 2023, except for the required implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred, other than the immaterial receivables related to certain national opioid settlements that were previously reported as uncorrected misstatements but were recorded in fiscal year 2023.

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

- Estimated accounts receivable related to unbilled water and sewer fees - The County estimates water and sewer usage as of September 30, 2023, 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 in relation to the financial statements taken as a whole.

- 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 in relation to the financial statements taken as a whole.

- 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 amounts reported, we concluded the estimates were reasonable in relation to the financial statements taken as a whole.

- 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 in relation to the financial statements taken as a whole.

- The liability for defined pension benefits and retiree health care - The County uses an independent actuary to estimate and value the County's obligations for the defined pension benefits and retiree health care costs. The actuary estimates the liabilities based on projected pension payments and assumptions for the defined pension and actual historical claims, along with assumptions for retiree health care. Based on our review of the report, we concluded that the estimate was reasonable in relation to the financial statements taken as a whole.





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

- Note 3 - Deposits and Investments
- Note 10 - Defined Benefit Pension Plan
- Note 11 - Defined Contribution Plans
- Note 12 - Postemployment Benefits
- Note 17 - Commitments and Contingencies

***Difficulties Encountered in Performing the Audit***

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

***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Misstatements detected as a result of audit procedures were corrected by management and included adjustments to cash, interfunds, unearned revenue, accounts payable, receivables, property and equipment, revenue, and expenditures. There was also an adjustment related to the Evergreen-Farmington Sanitary Drain District as described below.

The attached schedules summarize uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. However, uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated.

***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.

As petitioned by the public corporations that made up the Evergreen-Farmington Sewage Disposal System (EFSDS), the Evergreen-Farmington Sanitary Drain Drainage District was established on November 17, 2020. Both the drainage district, and the municipalities it serves, further acknowledge that the EFSDS was transferred to and established as the Evergreen-Farmington Sanitary Drain Drainage District in accordance with the law and the administrative consent order's notice provisions. The County's 2022 financial statements should have reflected the transaction above, including the conversion of the EFSDS from an enterprise fund to inclusion in the Drainage District component unit. The accompanying financial statements for 2023 have been restated in that the Evergreen-Farmington Sanitary Drain Drainage District is included within the Drainage District component unit. The Drainage District component unit beginning net position was restated to $744,801,621, an increase of $107,848,862.

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

March 28, 2024

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 28, 2024.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

### Other Information Included in Annual Reports

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the introductory and statistical sections of the Annual Comprehensive Financial Report, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

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

Very truly yours,

**Plante & Moran, PLLC**

Timothy St. Andrew

Timothy St. Andrew



## Attachment

**Client:** Oakland County, Michigan
**Opinion Unit:** Governmental Activities
**Y/E:** 9/30/2023

### 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 identified below:

| Ref. # | Description of Misstatement | Current Assets | Long-term Assets | Deferred Outflows of Resources | Current Liabilities | Long-term Liabilities | Deferred Inflows of Resources | Equity | Revenue | Expenses | Net Income Statement Impact |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **FACTUAL MISSTATEMENTS:** | | | | | | | | | | | |
| A1 | To adjust to full market value adjustment for investments. | $ 9,120,383 | | | | | | | $ 9,120,383 | | $ 9,120,383 |
| A2 | To adjust for capitalized warranties and licenses. | | $ (1,140,000) | | | | | | | $ 1,140,000 | (1,140,000) |
| A3 | To adjust revenue and deferred inflows of resources for equalization contract revenue earned in 2023 | | | | $ (918,890) | | | | 918,890 | | 918,890 |
| A4 | To adjust the net OPEB asset in the Fringe Benefit Fund after adjusting market value to actual | | 1,748,517 | $ (1,398,814) | | | | | | (349,703) | 349,703 |
| A5 | To remove the Waste Resource Management Fund and record as a Component Unit Brownfield | (7,461,443) | | | (6,569,943) | | | $ (990,687) | $ 90,504 | (8,683) | 99,187 |
| **JUDGMENTAL ADJUSTMENTS:** | | | | | | | | | | | |
| B1 | None | | | | | | | | | | |
| **PROJECTED ADJUSTMENTS** | | | | | | | | | | | |
| C1 | None | | | | | | | | | | |
| | | - | - | - | - | $ - | $ - | - | - | - | - |
| | Total | $ 1,658,940 | $ 608,517 | $ (1,398,814) | $ (7,488,833) | $ - | $ - | $ (990,687) | $ 10,129,777 | $ 781,614 | $ 9,348,163 |
| **PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES** | | | | | | | | | | | |
| D1 | None | | | | | | | | | | |

**Client:** Oakland County, Michigan
**Opinion Unit:** General Fund
**Y/E:** 9/30/2023

### 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 identified below:

| Ref. # | Description of Misstatement | Current Assets | Long-term Assets | Deferred Outflows of Resources | Current Liabilities | Long-term Liabilities | Deferred Inflows of Resources | Equity | Revenue | Expenses | Net Income Statement Impact |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **FACTUAL MISSTATEMENTS:** | | | | | | | | | | | |
| A1 | To report unavailable revenue for sheriff law enforcement services | | | | | | $ 1,638,863 | | $ (1,638,863) | | $ (1,638,863) |
| A2 | To adjust deferred inflows of resources related to the equalization contracts | | | | $ (918,890) | | 918,890 | | | | - |
| A3 | To adjust to full market value adjustment for investments. | $ 1,361,957 | | | | | | | 1,361,957 | | 1,361,957 |
| **JUDGMENTAL ADJUSTMENTS:** | | | | | | | | | | | |
| B1 | None | | | | | | | | | | |
| **PROJECTED ADJUSTMENTS** | | | | | | | | | | | |
| C1 | None | | | | | | | | | | |
| | | - | $ - | $ - | - | - | - | $ - | - | $ - | - |
| | Total | $ 1,361,957 | $ - | $ - | $ (918,890) | $ - | $ 2,557,753 | $ - | $ (276,906) | $ - | $ (276,906) |
| **PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES** | | | | | | | | | | | |
| D1 | None | | | | | | | | | | |

**Client:** Oakland County, Michigan
**Opinion Unit:** Aggregate Remaining Fund Info
**Y/E:** 9/30/2023

### 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 identified below:

| Ref. # | Description of Misstatement | Current Assets | Long-term Assets | Deferred Outflows of Resources | Current Liabilities | Long-term Liabilities | Deferred Inflows of Resources | Equity | Revenue | Expenses | Net Income Statement Impact |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **FACTUAL MISSTATEMENTS:** | | | | | | | | | | | |
| A1 | To adjust alternative investment balance to actual (VEBA) | $ 1,748,517 | | | | | | | $ 1,748,517 | | $ 1,748,517 |
| A2 | To adjust the net OPEB asset in the Fringe Benefit Fund after adjusting market value to actual | | $ 1,748,517 | $ (1,398,814) | | | | | | $ (349,703) | 349,703 |
| A3 | To remove the Waste Resource Management Fund and record as a Component Unit Brownfield | (7,461,443) | | | $ (6,569,943) | | | $ (990,687) | 90,504 | (8,683) | 99,187 |
| **JUDGMENTAL ADJUSTMENTS:** | | | | | | | | | | | |
| B1 | None | | | | | | | | | | |
| **PROJECTED ADJUSTMENTS** | | | | | | | | | | | |
| C1 | Projected adjustment to alternative investment balance based on PAJE A2 difference applied to the entire alternative investment population (VEBA) | 635,623 | | | | | | | 635,623 | | 635,623 |
| | | - | - | - | - | $ - | $ - | - | - | - | - |
| | Total | $ (5,077,303) | $ 1,748,517 | $ (1,398,814) | $ (6,569,943) | $ - | $ - | $ (990,687) | $ 2,474,644 | $ (358,386) | $ 2,833,030 |
| **PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES** | | | | | | | | | | | |
| D1 | None | | | | | | | | | | |

# Attachment
# (Continued)

**Client:** **Oakland County, Michigan**
**Opinion Unit:** **Discretely Presented Component Units**
**Y/E:** **9/30/2023**

## 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 identified below:

| Ref. # | Description of Misstatement | Current Assets | Long-term Assets | Deferred Outflows of Resources | Current Liabilities | Long-term Liabilities | Deferred Inflows of Resources | Equity | Revenue | Expenses | Net Income Statement Impact |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **FACTUAL MISSTATEMENTS:** | | | | | | | | | | | |
| A1 | To adjust to full market value adjustment for investments. | $ (1,185,827) | | | | | | | | $ 1,185,827 | $ (1,185,827) |
| A2 | To record the Waste Resource Management Fund as a Component Unit Brownfield | 7,461,443 | | | $ 6,569,943 | | | $ 990,687 | $ 9,096,044 | 9,195,231 | (99,187) |
| | | | | | | | | | | | - |
| **JUDGMENTAL ADJUSTMENTS:** | | | | | | | | | | | |
| B1 | None | | | | | | | | | | |
| **PROJECTED ADJUSTMENTS** | | | | | | | | | | | |
| C1 | None | | | | | | | | | | |
| | | - | $ - | $ - | - | $ - | $ - | - | - | - | - |
| | Total | **$ 6,275,616** | **$ -** | **$ -** | **$ 6,569,943** | **$ -** | **$ -** | **$ 990,687** | **$ 9,096,044** | **$ 10,381,058** | **$ (1,285,014)** |

**PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES**

| | |
|---|---|
| D1 | None |

## APPENDIX C

## FORM OF APPROVING OPINION

DICKINSON WRIGHT PLLC

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

July 2, 2024

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

Ladies and Gentlemen:

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 its $4,800,000 Sewage Disposal System Capital Improvement Bonds, Series 2024A, dated July 2, 2024 (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 under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the federal corporate alternative minimum tax under Section 55 of the Code. The opinion set forth in this paragraph is subject to the condition that the County comply with all requirements of 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 County has covenanted to comply

with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

Respectfully submitted,

4873-1149-8927 v2 [9007-449]

# APPENDIX D

## FORM OF CONTINUING DISCLOSURE CERTIFICATE

# CONTINUING DISCLOSURE CERTIFICATE

## COUNTY OF OAKLAND

## $4,800,000
## SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT BONDS, SERIES 2024A

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 Sewage Disposal System Capital Improvement Bonds, Series 2024A (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, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005
Tel: (202) 838-1500
Fax: (202) 898-1500

"Official Statement" shall mean the final Official Statement for the Bonds dated June 13, 2024.

"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, 2024, 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 fifteen (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:

(1) History of State Equalized Valuation (SEV) and Taxable Value (TV);

(2) Ten Largest Taxpayers;

(3) County Tax Rates (in mills) $1.00/$1,000 of Taxable Valuation;

(4) Collection Record of County's Tax Levy, 2014-2023;

(5) Collection Record of County Wide Tax Levy, 2014-2023;

(6) History of County Wide Tax Delinquencies;

(7) Revenue Sharing from the State of Michigan;

(8) Oakland County Employees Represented by Bargaining Unit;

(9) Pensions;

(10) Other Post-Employment Benefits (OPEB);

(11) Oakland County Net Direct Debt – Unaudited;

(12) Oakland County Schedule of Bond Maturities - County Limited Tax General Obligation – Principal Only;

(13) Oakland County Schedule of Drain Bond Maturities - County Limited Tax General Obligation – Drain Districts – Principal Only;

(14) Oakland County Schedule of Principal and Interest Requirements; and

(15) Legal Debt Margin.

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

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

**Section 5. Reporting of Significant Events.**

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

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Tender offers;

(13) Bankruptcy, insolvency, receivership or similar event of the Issuer;

(14) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, 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, 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: ______________________________

Robert Wittenberg
Its: Treasurer

Dated: July 2, 2024

## EXHIBIT A

## NOTICE OF FAILURE TO FILE ANNUAL REPORT

| | |
|---|---|
| Name of Issuer: | County of Oakland, Michigan |
| Name of Bond Issue: | $4,800,000 Sewage Disposal System Capital Improvement Bonds, Series 2024A |
| Date of Bonds: | July 2, 2024 |

**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: | $4,800,000 Sewage Disposal System Capital Improvement Bonds, Series 2024A |
| Date of Bonds: | July 2, 2024 |

**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: County of Oakland, Michigan
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.**

**$4,800,000**
**COUNTY OF OAKLAND**
**STATE OF MICHIGAN**
**SEWAGE DISPOSAL SYSTEM CAPITAL IMPROVEMENT BONDS, SERIES 2024A**