OFFICIAL STATEMENT DATED APRIL 28, 2021

NEW ISSUE **Rating♦:** Moody's: Aa

Book-Entry-Only

In the opinion of Dickinson Wright PLLC, Bond Counsel, under existing law (1) interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and (2) interest on the Bonds is not excluded from gross income for State of Michigan income tax purposes, see "TAX MATTERS" herein.

$38,010,000
CITY OF PONTIAC WASTEWATER TREATMENT FACILITY DRAINAGE DISTRICT
COUNTY OF OAKLAND, STATE OF MICHIGAN
DRAIN REFUNDING BONDS, SERIES 2021 (TAXABLE)

AUTHORITY, PURPOSE, AND SECURITY: The Drain Refunding Bonds, Series 2021 (Taxable) (the "Refunding Bonds") are being issued pursuant to the provisions of Act 40, Michigan Public Act 40 of the Public Acts of 1956, as amended (the "Drain Code" or "Act 40"), Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), and a resolution adopted by the Drainage Board of the City of Pontiac Wastewater Treatment Facility Drainage District (the "Drainage Board") on March 23, 2021. The Refunding Bonds are being issued to refund all of the City of Pontiac Wastewater Treatment Facility Drainage District Drain Bonds, Series 2012A (Taxable), dated August 23, 2012, maturing in the years 2022-2034 (the "Prior Bonds"), and paying the costs of issuance of the Refunding Bonds. The Refunding Bonds are payable from installments of a special assessment against the City of Pontiac (the "City"), located in the County of Oakland, State of Michigan (the "County"), together with interest and investment income thereon. Act 40 provides that the tax levying officials of the City shall levy sufficient taxes to pay installments of the assessment and interest as the same become due unless there have been set aside moneys sufficient therefor. Taxes imposed by the City assessed are subject to applicable constitutional, statutory, and charter tax rate limitations.

Pursuant to a resolution adopted by its Board of Commissioners on February 18, 2021, the County pledged its full faith and credit as additional security for the payment of the principal of and interest on the Refunding Bonds when due. In the event and to the extent that moneys required to pay such principal and interest are not collected from the aforementioned special assessments, the County is obligated to advance from its general fund moneys sufficient to pay such principal and interest and, to the extent necessary, to levy ad valorem taxes on all taxable property in the County for such purpose, subject to applicable constitutional and charter tax rate limitations.

BOOK-ENTRY-ONLY: The Refunding Bonds are issuable as fully registered bonds without coupons, and when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Refunding Bonds. Purchases of beneficial interest in the Refunding Bonds will be made in book-entry-only form, in the denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Refunding 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 Refunding Bonds. See "BOOK-ENTRY-ONLY SYSTEM".

PAYMENT OF REFUNDING BONDS: Interest on the Refunding Bonds will be payable semi-annually on the first day of December and June of each year commencing December 1, 2021. The Refunding 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 corporate trust office of The Huntington National Bank in Grand Rapids, Michigan or other designated office (the "Bond Registrar and Paying Agent"), or such other bond registrar and paying agent as the Drainage District 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: May 19, 2021 **Principal Due: June 1** of each year as shown below

MATURITY SCHEDULE
Base CUSIP‡: 732622

Year	CUSIP Number	Amount	Coupon Rate %	Yield %	Year	CUSIP Number	Amount	Coupon Rate %	Yield %
2022	BG9	$ 2,545,000	2.000	0.200	2029	BP9	$ 3,005,000	2.000	1.550
2023	BH7	2,640,000	2.000	0.350	2030	BQ7	3,065,000	2.000	1.700
2024	BJ3	2,700,000	2.000	0.450	2031	BR5	3,075,000	2.000	1.800
2025	BK0	2,765,000	2.000	0.750	2032*	BS3	3,130,000	2.000	1.900 ^
2026	BL8	2,820,000	2.000	0.950	2033*	BT1	3,185,000	2.000	2.000
2027	BM6	2,885,000	2.000	1.200	2034*	BU8	3,255,000	2.000	2.100
2028	BN4	2,940,000	2.000	1.400					

^Yield to the first call date, June 1, 2031

***PRIOR REDEMPTION:** Refunding Bonds maturing in the years 2032 through 2034 are subject to optional redemption as described under the heading *Prior Redemption* herein.

LEGAL OPINION: Dickinson Wright, PLLC

KeyBanc
Capital Markets

‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for the convenience of reference only. None of the Issuer, the Underwriter, or their agents or counsel assume responsibility for the accuracy of such numbers.

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

CITY OF PONTIAC WASTEWATER TREATMENT FACILITY DRAINAGE DISTRICT

One Public Works Drive
Building #95W
Waterford, MI 48328

DRAINAGE DISTRICT BOARD MEMBERS

Member	***Chairperson***	***Member***
David T. Woodward	Jim Nash	Gwen Markham

COUNTY OF OAKLAND OFFICIALS

	County Executive	
	David Coulter	
Treasurer	***Prosecuting Attorney***	***Clerk and Register of Deeds***
Andrew E. Meisner	Karen McDonald	Lisa Brown
Sheriff	***Interim Corporation Counsel***	***Water Resources Commissioner***
Michael J. Bouchard	Pete Menna	Jim Nash

BOARD OF COMMISSIONERS

David T. Woodward
Chairperson

Marcia Gershenson
Vice-Chairperson

District 1 - Michael J. Gingell	District 8 - Philip J. Weipert	District 15 - Adam L. Kochenderfer
District 2 - Robert Hoffman	District 9 - Gwen Markham	District 16 - Penny Luebs
District 3 - Michael Spisz	District 10 - Angela Powell	District 17 - Yolanda S. Charles
District 4 - Karen Joliat	District 11 - Tom Kuhn	District 18 - Charlie Cavell
District 5 - Kristen Nelson	District 12 - Chuck Moss	District 19 - David T. Woodward
District 6 - Eileen T. Kowall	District 13 - Marcia Gershenson	District 20 - Gary R. McGillivray
District 7 - Christine Long	District 14 - William Miller	District 21 - Janet Jackson

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

TABLE OF CONTENTS

No dealer, broker, salesman or other person has been authorized by the Drainage District 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 Drainage District. 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 Refunding 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 Drainage District and other sources which are believed to be reliable, including The Depository Trust Company with respect to the information contained under the heading "Book-Entry-Only System," but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Drainage District.

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 Drainage District since the date of this Official Statement. The Transfer 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 Drainage District'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 Drainage District or that its plans and objectives will be achieved. All forward-looking statements are expressly qualified by the cautionary statements contained in this paragraph. The Drainage District undertakes no duty to update any forward-looking statements.

$38,010,000
CITY OF PONTIAC WASTEWATER TREATMENT FACILITY DRAINAGE DISTRICT
COUNTY OF OAKLAND, STATE OF MICHIGAN
DRAIN REFUNDING BONDS, SERIES 2021 (TAXABLE)

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices hereto, sets forth information concerning the City of Pontiac Wastewater Treatment Facility Drainage District (the "Drainage District") Drain Refunding Bonds, Series 2021 (Taxable) (the "Refunding Bonds"). The Refunding Bonds are to be issued for the purpose of refunding a portion of the outstanding Drainage District's Drain Bonds, Series 2012A (Taxable) (the "Prior Bonds") and paying the costs of issuance of the Refunding Bonds. The information contained herein is presented in connection with the sale of the Refunding Bonds and for the information of those who initially became holders of the Refunding Bonds.

All financial and other information presented in this Official Statement with respect to each of the Drainage District, the County of Oakland (the "County"), and the City of Pontiac (the "City") (i.e. "Public Corporations," as defined by Section 511(b) of the Drain Code, MCL §280.511(b)), has been provided by representatives of the Drainage District, the County, and the City, respectively, from their records, except for information expressly attributed to other sources. Information from other sources has not been independently confirmed or verified by any of the Public Corporations, 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 of the Public Corporations. 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 Refunding 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.

DESCRIPTION OF THE REFUNDING BONDS

The Drainage District, by the adoption of a resolution on March 23, 2021, to authorize the issuance of Refunding Bonds (the "Drainage District Resolution"), has authorized the refunding of a portion of the Prior Bonds as follows:

Prior Bonds Outstanding	Prior Bonds Being Refunded
$40,915,000 Series 2012A Maturing in the years 2021-2034.	$38,595,000 Series 2012A Maturing in the years 2022-2034.

The Refunding 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 Refunding Bonds shall mature on June 1, 2022, and each June 1 thereafter, until maturity, as provided on the cover page of this Official Statement.

Authorization

The Refunding Bonds are being issued pursuant to the provisions of Act 40, Michigan Public Act 40 of the Public Acts of 1956, as amended (the “Drain Code” or “Act 40”), Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and the Drainage District Resolution for the purpose of refunding the Prior Bonds maturing in the years 2022-2034 as described further under “Plan of Refunding” herein.

Interest Payment and Interest Rate

The Refunding Bonds shall bear interest payable December 1, 2021, and semi-annually thereafter on each June 1 and December 1, until maturity, at the interest rates shown on the cover of this Official Statement. Interest on the Refunding Bonds shall be computed using a 360-day year with twelve 30-day months. Interest shall be paid by check or draft mailed to the registered owner of each bond as of the applicable date of record.

Paying Agent and Bond Registrar

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

Plan of Refunding

The proceeds of the Refunding Bonds, together with amounts transferred by the Drainage District from the debt retirement fund for the Prior Bonds, if necessary, will be used to pay the principal of and interest on the Prior Bonds maturing in the years 2022-2034 on June 1, 2021 (the “Prior Bonds Being Refunded”) and to pay the costs of issuance. The principal and interest on the Prior Bonds maturing on June 1, 2021, will be escrowed with amounts transferred by the Drainage District from the debt retirement fund.

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

Principal of and Interest on the Prior Bonds to be Paid from the Escrow Fund

Redemption Date	Principal	Interest to Call	Debt Service to Call
6/1/2021	$ 40,915,000.00	$ 739,936.25	$ 41,654,936.25
Total:	$ 40,915,000.00	$ 739,936.25	$ 41,654,936.25

On or prior to the date of delivery of the Refunding Bonds, Robert Thomas CPA, LLC, Overland Park, Kansas, independent certified public accountants, will perform calculations that will confirm the sufficiency of the Deposits to the Escrow Fund to make the required payments of principal and interest on each issue of the Prior Bonds.

Prior Redemption

The Refunding Bonds maturing prior to June 1, 2032, shall not be subject to optional redemption prior to maturity. Refunding Bonds maturing on or after June 1, 2032, shall be subject to redemption prior to maturity at the option of the Drainage District, in any order, in whole or in part in integral multiples of $5,000 on any date on or after June 1, 2031. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

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

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

CUSIP Numbers

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

SOURCES AND USES OF FUNDS

Sources of Funds		
Par Value of Bonds	$	38,010,000.00
Original Issue Premium/Discount		1,021,361.85
Contribution from Prior Bonds Debt Retirement Fund		3,059,936.25
Total Sources	$	42,091,298.10
Uses of Funds		
Deposit to Escrow Fund	$	41,654,936.25
Underwriter's Discount		273,088.89
Estimated Costs of Issuance		163,272.96
Total Uses	$	42,091,298.10

SECURITY FOR THE REFUNDING BONDS

The Refunding Bonds are issued in anticipation of and are payable from installments of a special assessment against the City of Pontiac, located in the County of Oakland, State of Michigan, together with interest and investment income thereon. The statute under which the Refunding Bonds are to be issued provides that the tax levying officials of the City, as the public corporation being assessed, shall levy sufficient taxes to pay installments of assessments and interest as the same become due unless there have been set aside moneys sufficient therefor. Taxes imposed by the public corporation assessed are subject to applicable constitutional, statutory, and charter tax rate limitations.

Pursuant to a resolution adopted by its Board of Commissioners on February 18, 2021, the County pledged its full faith and credit as additional security for the payment of the principal of and interest on the Refunding Bonds when due. In the event and to the extent that moneys required to pay such principal and interest are not collected from the aforementioned special assessments, the County is obligated to advance from its general fund moneys sufficient to pay such principal and interest and, to the extent necessary, to levy ad valorem taxes on all taxable property in the County for such purpose, subject to applicable constitutional and statutory tax rate limitations.

Contracted Payments to the Drainage District

The Clinton-Oakland Sewage Disposal System ("COSDS") diverts some sewage flow to the Drainage District's Wastewater Treatment Facility and, for the fiscal year ended June 30, 2021, makes payments to the Drainage District equal to 44.95% of the debt service of the Drainage District. The percentage of these contracted payments is adjusted annually based on the proportional three-year average flow received by the Drainage District. The COSDS is structured under Public Act 342 of 1939, as amended ("Act 342"). Its service area includes all or part of the Cities of Auburn Hills, Rochester Hills, Rochester, and Lake Angelus; the Townships of Independence, Waterford, West Bloomfield, Oakland, Orion, and Oxford; and the Villages of Clarkston, Lake Orion, and Oxford.

The City of Pontiac Sewage Disposal System ("PSDS") makes payments to the Drainage District equal to 55.05% of the debt service of the Drainage District. The percentage of these contracted payments is adjusted annually based on the proportional three-year average flow received by the Drainage District. The PSDS is structured under Act 342. Its service area includes all of the City of Pontiac. In 2012, the County assumed responsibility for operating and maintaining the PSDS and billing and servicing the retail customers of PSDS.

POTENTIAL IMPACT OF THE COVID – 19 PANDEMIC

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of the coronavirus. On March 10, 2020, Michigan Governor Gretchen Whitmer declared a state of emergency across the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. On March 13, 2020, President Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic. The current spread of COVID-19, and actions taken by the federal and state and local governments in response thereto, are altering the behavior of businesses and people in a manner that may have a long term negative effect on economic activity, and therefore could adversely affect the future financial condition of the Drainage District or County, directly or indirectly.

State of Emergency- Legislative Authority and Executive Orders

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

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

Subsequent to April 30, 2020, the Governor continued to issue executive orders under Act 302 and Act 390 (see "—*Stay-Home Practices and Restricted Activity- Executive Orders*" herein). On May 5, 2020, the Legislature filed suit against the Governor challenging the validity and constitutionality of her executive orders related to COVID-19. On October 12, 2020, the Michigan Supreme Court issued an order finding that (i) the Governor did not have authority after April 30, 2020, to issue or renew any executive orders related to the COVID-19 pandemic under Act 390 and (ii) the Governor did not possess the authority to exercise emergency powers under Act 302 because the statute unlawfully delegates legislative power to the executive branch in violation of the Michigan Constitution. The court's order was given immediate effect.

The court's October 12, 2020 order incorporated by reference the analysis and conclusions from its October 2, 2020 opinion in response to a request to answer certified questions in *Midwest Institute Of Health, PLLC v. Governor*, a case pending in the Federal District Court for the Western District of Michigan, which likewise found the Governor's actions invalid.

Stay-Home Practices and Restricted Activity- Executive Orders

Beginning on March 23, 2020, the Governor issued a series of executive orders directing Michigan businesses and other venues to temporarily suspend or reduce in-person operations that are not necessary to sustain or protect life and further directed individuals to stay in their homes unless they are part of the critical infrastructure workforce. In light of the recent Michigan Supreme Court decisions, those orders are

---

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

no longer legally effective (see "—*State of Emergency- Legislative Authority and Executive Orders*" herein); however beginning on October 9, 2020, the Michigan Department of Health and Human Services ("DHHS") has issued statewide orders limiting attendance at various types of gatherings and capacity at various types of venues, including a variety of businesses. The current DHHS order became effective April 19, 2021, and remains in effect through May 24, 2021.

Impact on the Drainage District, County, and the Bonds

The Drainage District and County each have pledged its full faith and credit for the payment of principal of and interest on the Bonds, including collections of ad valorem taxes levied on all taxable property in the County, subject to applicable constitutional, statutory and charter tax rate limitations. The County does not currently anticipate that the 2020 levy of property taxes will be materially affected; however the County cannot predict the effect the spread of COVID-19 will have on collection of those taxes or on future property tax levies and collections.

Although the State's finances have also been adversely affected by the continued spread of COVID-19, recent revenue projections have improved. The State's August 2020 Consensus Revenue Estimating Conference (the "Conference") projected an overall 4.1% revenue decrease for the State's fiscal year 2021 in the General Fund and School Aid Fund (the "GF-SAF") from the prior year; however the January Conference revised that figure to a 2.0% decrease. The January Conference also projected a 4.5% increase in Constitutional revenue sharing for the State's 2021 fiscal year. This increase will affect payments to local units of government; however, it does not affect payments to the County, which receives statutory revenue sharing payments only. Statutory revenue sharing, which is set by legislative appropriation, has also been affected. August 2020 statutory revenue sharing payments were eliminated and replaced with payments from a portion of funds allocated to the State under the federal Coronavirus Aid, Relief and Economic Security Act, Public Law 116-36 (the "CARES Act"), were equal to or greater than the eliminated August revenue sharing payments, but must be spent in accordance with CARES Act restrictions. The State's enacted fiscal year 2021 budget maintains statutory revenue sharing payments at fiscal year 2020 levels prior to the one-time August 2020 elimination referenced above. See "REVENUES FROM THE STATE OF MICHIGAN" in APPENDIX A. The County cannot currently predict the ultimate effect the spread of COVID-19 will have on its future finances or operations.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the Drainage District 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 Drainage District to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Drainage District nor the Paying Agent will have any responsibility or obligation to DTC Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Refunding Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) 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 Refunding Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Refunding 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 Refunding 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 Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Drainage District 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 Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT “PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH THE PARTICIPANTS ARE ON FILE WITH DTC.

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

Discontinuation of Book-Entry-Only System

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

Transfer Outside Book-Entry-Only System

In the event the book-entry-only system is discontinued, the Paying Agent shall keep the registration books for the Refunding Bonds (the “Bond Register”) at its corporate trust office. Subject to the further conditions contained in the Drainage District Resolution, the Refunding Bonds may be transferred or exchanged for one or more Refunding Bonds in different authorized denominations upon surrender thereof at the corporate trust office of the Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Refunding Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; the Paying Agent shall not be required to effect or register any transfer or exchange of any Refunding Bond which has been selected for such redemption, except the Refunding Bonds properly surrendered for partial redemption may be exchanged for new Refunding Bonds in authorized denominations equal in the aggregate to the unredeemed portion; and the Drainage District and Paying Agent shall be entitled to treat the registered owners of the Refunding Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Refunding Bonds for all purposes under the Resolution.

Transfer or Exchange of Refunding Bonds

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

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

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

CONTINUING DISCLOSURE

The County, on behalf of the Drainage District, and the City have covenanted and will covenant for the benefit of the holders of the Refunding Bonds and the Beneficial Owners (as hereinafter defined) pursuant to the Resolution and the Continuing Disclosure Certificate to be delivered on the date of issuance of the Refunding Bonds to the purchaser thereof (the "Disclosure Certificate"), to provide or cause to be provided: (i) each year, certain financial information and operating data for the preceding fiscal year (the "Annual Report") (a) with respect to the County, by not later than seven (7) months after the first day of its fiscal year, commencing with the Annual Report for its fiscal year end September 30, 2021, and (b) with respect to the City, by not later than seven (7) months after the first day of its fiscal year, commencing with the Annual Report for its fiscal year end June 30, 2021; provided, however, that if the audited financial statements of the County, on behalf of the Drainage District, and the City are not available by such date, they will be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements most recently prepared for the County or City will be included in the Annual Report; and (ii) timely notices of the occurrence of certain enumerated events, if material. "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Refunding Bonds (including any person holding Refunding Bonds through nominees, depositories, or other intermediaries).

Each Annual Report will be filed with the Municipal Securities Rulemaking Board ("MSRB") electronically through MSRB's Electronic Municipal Market Access system ("EMMA"). If the County or City is unable to provide the MSRB its Annual Report by the date required, the County or City shall send, in a timely manner, to the MSRB through EMMA, a notice of the failure to file the Annual Report by such date. Notices of material events will be filed by the County or City with the MSRB through EMMA. These covenants have been made by the County and City in order to assist the purchaser of the Refunding Bonds and registered brokers, dealers and municipal securities dealers in complying with the requirements of subsection of (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"). The information to be contained in each Annual Report, the enumerated events, the occurrence of which will require a notice, and the other terms of the Disclosure Certificate are set forth in "Appendix F", "FORM OF CONTINUING DISCLOSURE CERTIFICATE".

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

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

During the last five years, the City of Pontiac has been subject to continuing disclosure obligations in connection with outstanding bonds. However, the City has not filed its Annual Reports as required in connection with such obligations for the fiscal years ended June 30, 2016-2020. The City filed an event notice and corrective filing on April 19, 2021, for the fiscal years ended June 30, 2016-2020. The City has taken steps intended to ensure compliance with its ongoing continuing disclosure obligations by designating the City's Finance Director as the responsible official for compliance with the Rule, and the Finance Director has been made aware of the ongoing continuing disclosure requirements for the City.

BOND RATING

Moody's Investors Services, Inc.

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

The Drainage District 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 Refunding Bonds. Additional information is available upon request from Moody's Investors Service, Inc., 7 Trade Center at 250 Greenwich St., New York, NY 10007, (212) 553-0377.

TAX MATTERS

General

Interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"). In addition, interest on the Bonds is not excluded from gross income for State of Michigan income tax purposes.

The following is a summary of certain federal income tax considerations generally applicable to holding and disposing of the Bonds by U.S. Holders that acquire their Bonds in the initial offering. This summary is based upon laws, regulations, rulings and judicial decisions now in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax considerations discussed below, and no assurances can be given that the IRS will not take a contrary position. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to investors. This summary is intended as a general explanatory discussion of the consequences of holding the Bonds generally and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, except as explicitly provided below, it generally is addressed only to original purchasers of the Bonds that are "U.S. Holders" (as defined below), deals only with Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, S corporations, persons that hold Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of Bonds. This summary was prepared in connection with the offering of the Bonds. **EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE APPLICATION OF UNITED STATES FEDERAL INCOME TAX LAWS, AS WELL AS ANY STATE, LOCAL, FOREIGN OR OTHER TAX LAWS, TO SUCH INVESTOR'S PARTICULAR SITUATION**.

As used herein, a "*U.S. Holder*" is a "U.S. person" that is a beneficial owner of a Bond. A "*Non-U.S. Holder*" is a holder (or beneficial owner) of a Bond that is not a U.S. Person. For these purposes, a "*U.S. person*" is a citizen or resident (including a "deemed" resident) of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

Tax Status of the Bonds

The Bonds will be treated, for federal income tax purposes, as a debt instrument. Accordingly, interest will be included as ordinary income of the holder at the time such amounts are accrued or paid, in accordance with the U.S. Holders method of accounting for U.S. federal income tax purposes.

If the excess of the stated redemption price at maturity of a Bond over its "*issue price*" exceeds a specified de minimis amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity), the excess is treated as original issue discount ("*OID*"). The issue price of the Bonds is the first price at which a substantial amount of the Bond is sold to the public. The issue price of the Bonds is expected to be the amount set forth on the cover page of this Offering Memorandum but is subject to change based on actual sales.

With respect to a U.S. Holder that purchases in the initial offering a Bond issued with OID, the amount of OID that accrues during any accrual period equals (i) the "adjusted issue price" of the Bond at the beginning of the accrual period (which price equals the issue price of such Bond plus the amount of OID that has accrued on a constant-yield basis in all prior accrual periods minus the amount of any payments, other than "qualified stated interest," received on the Bond in prior accrual periods) multiplied by (ii) the yield to maturity of such Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period) less (iii) any qualified stated interest payable on the Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period.

A U.S. Holder of a Bond issued with OID must include in gross income for federal income tax purposes the amount of OID accrued with respect to each day during the taxable year that the U.S. Holder owns the Bond. Such an inclusion in advance of receipt of the cash attributable to the income is required even if the U.S. Holder is on the cash method of accounting for United States federal income tax purposes. The amount of OID that is includible in a U.S. Holder's gross income will increase the U.S. Holder's tax basis in the Bond. The adjusted tax basis in a Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale or retirement) of the Bond.

Holders of the Bonds that allocate a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

If a holder purchases the Bonds after the initial offering for an amount that is less than the principal amount of the Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount Bond that does not exceed the accrued market discount for any taxable year, will be deferred.

Under newly enacted law that is effective for tax years beginning after December 31, 2017 (or, in the case of original issue discount, for tax years beginning after December 31, 2018), accrual method taxpayers may be required to recognize items of income, including OID, no later than the taxable year in which such income is taken into account as revenue for financial accounting purposes. The precise method of applying this acceleration rule to the Bonds is a matter of some uncertainty, particularly with respect to debt instruments issued with OID, and especially those subject to Section 1272(a)(6) of the Code. Prospective investors should consult their own tax advisors with regard to the application of these new tax accounting rules in their particular circumstances.

Net Investment Income Tax

An additional 3.8% surtax will be imposed on all or a portion of the "net investment income," or "undistributed net investment income" of an estate or trust, (which includes interest, original issue discount and gains from a disposition of a Bond) of certain individuals, trusts and estates. The 3.8% net investment income tax is determined in a different manner than the regular income tax. Prospective investors in the Bonds should consult their tax advisors regarding this tax.

Sale and Exchange of Bonds; Defeasance

Upon a sale or exchange of a Bond, a holder generally will recognize gain or loss on the Bonds equal to the difference between the amount realized on the sale and its adjusted tax basis in such Bond. Such gain or loss generally will be capital gain (although any gain attributable to accrued market discount of the Bond not yet taken into income will be ordinary) if the holder holds the Bond as a capital asset. The adjusted basis of the holder in a Bond (without OID) will (in general) equal its original purchase price and decreased by any payments received on the Bond. In general, if the Bond is held for longer than one year, any gain or loss would be long term capital gain or loss, and capital losses are subject to certain limitations.

If the liability of the Corporation in respect of a Bond ceases for example as a result of an election by the Corporation to pay and discharge the indebtedness on such Bond by depositing with the Bond Trustee sufficient cash and/or Government Obligations to pay or redeem and discharge the indebtedness on such Bond (a "*legal defeasance*"), under current tax law a holder will be deemed to have sold or exchanged such Bond. In the event of such a legal defeasance, a holder generally will recognize gain or loss on the deemed exchange of the Bonds. Ownership of the Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different than those described in this "TAX MATTERS" section and each holder should consult its own tax advisor regarding the consequences to such holder of a legal defeasance of the Bonds.

Backup Withholding

Payments on the Bonds will generally be subject to U.S. information reporting on any payment that is payable to a U.S. Holder, subject to certain exceptions, and may be subject to "backup withholding." Under Section 3406 of the Code and applicable Treasury Regulations, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 24% (subject to future adjustment) with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a taxpayer identification number ("*TIN*") to the payor in the manner required, (ii) the payee furnishes an incorrect TIN, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) there has been a failure of the payee to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liabilities (and possibly result in a refund), so long as the required information is timely provided to the IRS. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code impose a separate 30% withholding tax on certain types of payments to "foreign financial institutions" unless an agreement is in place between the foreign financial institution or the jurisdiction in which the Non-U.S. Holder is a tax resident and the U.S. Treasury to collect and disclose information about accounts, equity investments, or debt interests in the foreign financial institution held by one or more U.S. persons, or the foreign financial institution is a resident in a jurisdiction that has entered into such an agreement, or unless the foreign financial institution is otherwise exempt from those requirements. For these purpose, a "financial institution" means any entity that (i) accepts deposits in the ordinary course of a banking or similar business, (ii) holds financial assets for the account of others as a substantial portion of its business, or (iii) is engaged (or holds itself out as being engaged) primarily in the business of investing, reinvesting or trading in securities, partnership interests, commodities or any interest (including a futures contract or option) in such securities, partnership interests or commodities.

In addition, the same type of payments to non-financial non-U.S. entities (other than publicly traded foreign entities, entities owned by residents of U.S. possessions, foreign governments, international organizations, or foreign central banks), will also be subject to the separate withholding tax of 30% under the Foreign Account Tax Compliance Act ("*FACTA*") if the entity does not certify that the entity does not have any substantial U.S. owners or provide the name, address and TIN of each substantial U.S. owner.

Failure to comply with the additional certification, information reporting and other specified requirements imposed under FACTA could result in a 30% withholding tax being imposed on payments of interest and principal under the Bonds and sale proceeds of the Bonds held by or through a foreign entity.

If a Non-U.S. Holder would be subject to the withholding on payments of interest (including OID) described in the preceding paragraphs, the gross proceeds from a sale, exchange, retirement or other disposition of a Bond may also be subject to a withholding tax of 30% after December 31, 2018. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing is a brief summary of certain federal income tax consequences to a Non-U.S. Holder and as such, such persons should consult their tax advisors regarding the tax consequences of an investment in the Bonds.

Future Developments

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS THAT COULD ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS.

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

LITIGATION

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

APPROVAL OF LEGALITY

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

MICHIGAN DEPARTMENT OF TREASURY STATUS

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

FINANCIAL ADVISOR

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

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

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

RESPONSIBILITIES OF BOND COUNSEL

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

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

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

[The remainder of this page intentionally left blank.]

MISCELLANEOUS

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

This Official Statement has been duly approved, executed, and delivered by the Drainage District and the County on the date set forth on the front cover of this Official Statement.

City of Pontiac Waste Water Treatment Facility Drainage District
By: /s/ Jim Nash
Jim Nash
Its: Chairperson

County of Oakland
By: /s/ Andrew Meisner
Andrew Meisner
Its: Treasurer

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

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

City of Pontiac
By: /s/ Darin Carrington
Darin Carrington
Its: Finance Director

APPENDIX A

GENERAL AND ECONOMIC INFORMATION REGARDING THE COUNTY

Introduction

Oakland County continues to be a great place to live, work, shop, and establish a business. The County is a special place to live where families enjoy a quality of life that is second to none and where business grows and prospers. The County's taxable value for real and personal property continues to rebound along with the overall economy and has grown 16.21% since 2015. With only 3.34% of taxable valuation coming from the ten largest taxpayers, the County continues to have a well-diversified tax base.

Residential developments in the County include some of the finest in the State. The median housing value of a single-family home was approximately $258,000 in 2019. 66% of the County's residential development from 2010 to 2017 has been single-family units, compared to 58% for the entire Southeast Michigan region. More than 21% of new residential construction in the region has been in Oakland County since 2010.

The unemployment rate for Oakland County averaged 8.7% in 2020. Oakland County did experience some job loss due to manufacturing reorganization in 2006 and the national recession that followed but has experienced consistent job growth since the middle of 2010 until job losses associated with the COVID-19 pandemic began to register in the data in April 2020. Based on their September 2020 report, the University of Michigan's economic forecast for Oakland County projects resumed job growth beginning in the 3rd quarter of 2020 and continuing into the new year with 5.8% growth in 2021 and 2.0% growth in 2022 for a total of 43,400 new jobs during the period.

Oakland County has been recognized as one of the most prosperous counties in the nation. In comparing Oakland County with 37 other prosperous counties of similar population throughout the nation, economists rank Oakland County ninth overall based on selected indicators of prosperity. Our goal is to ensure Oakland County and its work force continues to thrive today and tomorrow as a premier technology hub and that Oakland County maintains the coveted Aaa/AAA bond ratings thanks to sound fiscal stewardship with a 3-year adopted budget balanced through 2023.

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 2019 was $79,698.

Source: Oakland County Department of Planning and Economic Development

The County

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

Form of Government

The County operates under the unified form of county government adopted pursuant to Act 139, Public Acts of Michigan, 1973, as amended. The 21-member Board of Commissioners is the governing and legislative body of the County and is elected from districts for two (2) year terms. The County Executive is the chief administrative officer of the County and is elected for a four (4) year term.

The County Executive is responsible for the overall supervision of all County departments, except those headed by other elected officials. The County Executive also has veto powers over any ordinance or resolution adopted by the Board of Commissioners, including appropriating ordinances, which may be 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. The County covers an area of 910 square miles, which includes 30 cities, 10 villages, and 21 townships. Within the County there are more than 5 rivers, 1,400 lakes, 900 miles of interior shoreline, and numerous small streams. There are approximately 82 private and public golf courses, including Groveland Oaks, the first park in Michigan to be environmentally certified by the Michigan Turfgrass Environmental Stewardship Program, which attracts many businesses and residents to Oakland County.

Oakland (County) International Airport can accommodate large commercial jets and is home base for over 554 corporate and general aviation aircraft. It is the nation's 13th busiest general aviation airport (2017 data) and is the second busiest airport in Michigan with more than 130,000 annual takeoffs and landings. In 1996 the airport opened a full-time U.S. customs office and expanded the airport to international commerce. The airport contributes over $584 million to the County's economy each year.

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

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

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

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

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

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

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

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

Corporate. 57% percent of Fortune 500 companies do business in Oakland County. Nearly 19,000 Oakland County workers are employed by the Management and Companies and Enterprises Industry.

Hotels-Motels. As of 2019, Oakland County had 100 hotels and motels with 20 or more rooms, including the Townsend of Birmingham and the Royal Park Hotel in Rochester. Several new hotel/motel properties have opened in the past few years.

Source: Oakland County Department of Planning and Economic Development

Office Buildings. More than ten million square feet of floor space has been completed in Oakland County since the start of 2007, accounting for nearly a third of Southeast Michigan's total nonresidential development. According to Jones Lang LaSalle, office lease and vacancy rates in Oakland County submarkets remain competitive with the rest of metro Detroit. Vacancy rates across Southeast Michigan have risen due to the ongoing COVID-19 pandemic. In the fourth quarter of 2020, Royal Oak/Southeast Oakland County remains one of the strongest markets with an estimated vacancy rate of 3.5% versus the region wide suburban average of 20.5%. Other vacancy rates for Oakland County markets include Birmingham/Bloomfield 17.7%, Farmington/Farmington Hills 15.8%, Southfield 30.3%, and Troy 21.3%.

Source: SEMCOG, Jones Lang LaSalle

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

Source: SEMCOG

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

Electric Suppliers:		
Detroit Edison	Consumers Power	
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	Community Water Treatment Facilities and Septic Fields	Clinton River Water Resource Recovery System	Separate Storm and Sanitary Community Treatment Facilities

Education

There are 28 school districts in Oakland County In 2020, U.S. News & World Report rated the International Academy in Bloomfield Hills number 3 in Michigan and number 40 in the nation's top U.S. high schools. Four other high schools located in Oakland County were listed in the top 10 of Michigan high schools.

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

Thirty institutions of higher learning with a total enrollment of over 100,000 are located in the County. The largest public degree-granting institutions headquartered in Oakland County are Oakland University, Oakland Community College, M-Tech and Lawrence Technological University. Over 75% of Michigan's schools offer dual-enrollment programs which give high school students the opportunity to earn college credits. The national average of schools offering dual-enrollment is only 65%.

Oakland University. The Schools of Management and Engineering work with industrial firms in developing personnel versed in manufacturing technologies and technology development processes, and management. The university's faculty consults with many industrial firms and facilitates on the transfer of technology between the University and the business community. The new William Beaumont/Oakland University School of Medicine is a game-changing development for Oakland University, Oakland County, and the practice of medicine.

Oakland Community College. Oakland Community College has an unduplicated headcount enrollment of over 25,000 who attend this multi-campus college specializing in technical and vocational education.

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

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

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

Source: Oakland County Department of Planning and Economic Development

Population

Oakland County's 2019 population was estimated to be 1,257,584. Out of 83 counties in Michigan, it has the second largest population. Oakland County is also projected to have the third largest actual population gain in the metro Detroit area by 2045 with nearly 68,000 new residents.

Table 1 – Population Trends, 1960 – 2019

Year	Population	Year	Population	Year	Population
1960	650,259	2010	1,202,362	2015	1,244,602
1970	907,871	2011	1,211,103	2016	1,251,027
1980	1,011,793	2012	1,221,138	2017	1,256,016
1990	1,083,592	2013	1,232,947	2018	1,256,694
2000	1,194,156	2014	1,238,718	2019	1,257,584

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

Income

Oakland County's estimated median household income (MHI) was $79,698 in 2019, the second-highest among Michigan's 83 counties. Oakland County's median household income also compares favorably to the national MHI of $62,843 and Michigan's MHI of $57,144

Table 2 – Median Household Income in Oakland County, 2010 – 2019

Year	Median Household Income
2019	$79,698
2018	76,387
2017	73,369
2016	69,850
2015	67,465
2014	66,436
2013	65,594
2012	65,637
2011	66,456
2010	66,390

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

Job Growth

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

In their September 2020 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes estimate that the COVID-19 pandemic caused the loss of 156,100 Oakland County jobs during the second quarter of 2020. The report estimated that a strong rebound in jobs during the third and fourth quarter of 2020, would bring the total net job loss in the County to about 68,000 for the year. The report forecasts job growth of 39,100 jobs in 2021, 14,300 jobs in 2022, and that the County would grow jobs faster than Michigan overall.

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

Source: Oakland County Department of Planning and Economic Development, 35th Oakland County Economic Outlook 2020-2022

Industrial and High Technology

Companies believe that if you are a part of the automotive industry, you must have a presence in southeast Michigan, and preferably Oakland County. Certainly, research and development organizations continue to select Oakland County as one-third of all Michigan's R & D facilities are located in Oakland County. Automation Alley, founded in Oakland County and headquartered in Troy, is Southeast Michigan's leading technology business association. Automation Alley is Michigan's Industry 4.0 knowledge center, with a global outlook and a regional focus and is one of Michigan's designated SmartZones. SmartZones are technology and business accelerators that provide distinct geographical locations to assist technology-based firms, entrepreneurs and researchers.

Source: Oakland County Department of Planning and Economic Development

Foreign Investment

1,040 businesses, representing 39 counties are located in Oakland County. In 2018, sixty-seven percent of all foreign-owned firms in southeastern Michigan were in Oakland County.

Labor Force

The unemployment rate for Oakland County and the State of Michigan averaged 9.3% and 9.9%, respectively, in 2020. The January 2021 unemployment rate for Oakland County was 4.1%, and the State of Michigan was 6.1%.

Table 3 – Unemployment History in the County, Calendar Year 2020

Month	Total Labor Force	Unemployment	Percent Unemployed
January	673,705	22,995	3.4%
February	673,128	20,955	3.1
March	671,363	25,772	3.8
April	567,613	113,079	19.9
May	582,523	118,250	20.3
June	644,770	100,078	15.5
July	658,874	61,829	9.4
August	664,580	55,844	8.4
September	662,527	52,785	8.0
October	663,580	48,641	7.3
November	660,670	48,411	7.3
December	661,576	53,403	8.1

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

Table 4 – Unemployment History in the County, 2011-2020 (Annual Averages)

Calendar Year	Total Labor Force	Unemployment	Percent Unemployed
2020	648,742	60,170	9.3%
2019	680,255	23,220	3.4
2018	673,420	22,479	3.3
2017	664,575	23,490	3.5
2016	653,406	27,253	4.2
2015	634,053	29,950	4.7
2014	631,312	40,898	6.5
2013	628,635	49,021	7.8
2012	616,205	50,751	8.2
2011	610,881	58,221	9.5

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

Table 5 – Unemployment History in the State of Michigan, 2011-2020 (Annual Averages)

Calendar Year	Total Work Force	Unemployment	Percent Unemployed
2020	4,840,000	478,000	9.9%
2019	4,937,000	201,000	4.1
2018	4,909,000	203,000	4.1
2017	4,884,000	225,000	4.6
2016	4,847,000	241,000	5.0
2015	4,759,000	258,000	5.4
2014	4,761,000	344,000	7.2
2013	4,724,000	416,000	8.8
2012	4,673,000	426,000	9.1
2011	4,685,000	487,000	10.4

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

Major Employers

The 25 largest employers in the County and number of employees as of July 2020.

Table 6 – Twenty-Five Largest Employers in the County

Employer Name	Approximate Number of Employees
Beaumont Hospitals	17,071
FCA US LLC	13,156
General Motors Co.	7,604
United Wholesale Mortgage	6,241
Ascension Michigan	5,699
Henry Ford Health System	5,454
U.S. Postal Service	4,880
Oakland County	3,583
Magna International of America	2,389
Trinity Health	2,357
Flagstar Bancorp Inc.	2,129
Rochester Community Schools	2,077
Comerica Bank	2,029
Continental Automotive Systems	2,000
Oakland University	1,844
Blue Cross Blue Shield of Michigan	1,836
Lear Corp	1,749
Walled Lake Consolidated Schools	1,703
Troy School District	1,609
The Suburban Collection	1,577
McLaren Health Care Corp.	1,502
Huron Valley Schools	1,364
U.S. Farathane	1,175
State of Michigan	1,152
Farmington Public Schools	1,089

Source: Oakland County Department of Planning and Economic Development

Major Corporations

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

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

Company	Sales (billions)
FCA US LLC	$25
Penske Automotive Group	23
Lear Corporation	19
BorgWarner Inc.	10
IAC Group North America	7.7
Kelly Services, Inc.	5.3
The Shyft Group USA	5.3
Beaumont Health	4.7
Blue Care Network of Michigan	4.3
PKC Group USA	5.3

Source: Oakland County Department of Planning and Economic Development

Banking

The banking needs within the County are adequately handled by:

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

County Budget Process

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

Multiple-Year Budgeting. After years of preparing and managing an operating budget for two-year periods of time, in 2009, the County expanded its budget practices to a triennial budget. On September 23, 2020, the Oakland County Board of Commissioners adopted the FY 2021 to FY 2023 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 has a fund balance policy of maintaining a minimum fund balance of 20% of annual General Fund expenditures (Miscellaneous Resolution #15175 adopted in July 2015). The County recognizes that it is essential that it maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations and/or unanticipated expenditures. The General Fund balance is projected to be well above the minimum operating reserve through FY 2023, exceeding 50% of annual General Fund expenditures, based on the County's budget that was adopted on September 23, 2020. The County also has a formally expressed policy of maintaining a targeted amount of at least $200,000,000 in its Delinquent Tax Revolving Fund.

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

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

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

Assessment Year	Real Property	Personal Property	Total SEV	% Change In Total SEV	Taxable Value
2020	$77,592,268,960	$3,603,125,954	$81,195,394,914	5.84%	$62,997,745,070
2019	73,184,421,995	3,531,580,300	76,716,002,295	6.74	60,306,168,847
2018	68,461,534,887	3,409,823,960	71,871,358,847	4.15	57,302,006,431
2017	65,554,572,199	3,453,780,010	69,008,352,209	6.03	54,723,743,027
2016	61,675,751,998	3,409,099,116	65,084,851,114	7.04	52,786,202,473
2015	56,923,321,000	3,882,782,774	60,806,103,774	10.39	51,895,341,437
2014	51,433,104,533	3,651,502,760	55,084,607,293	7.11	50,048,650,087
2013	47,639,423,175	3,790,500,640	51,429,923,815	1.16	49,235,110,306
2012	47,131,932,645	3,707,092,321	50,839,024,966	-3.08	49,235,953,993
2011	48,766,831,153	3,686,629,190	52,453,460,343	-9.16	50,798,540,257

Source: Oakland County Equalization Department

SEV does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatements. In accordance with Act 409, Public Acts of 1965, as amended, and Article IX, Section 3, of the Michigan Constitution of 1963, SEV represents 50% of true cash value. See "Property Subject to Taxation" herein.

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

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

[Remainder of this page is intentionally left blank]

Ten Largest Taxpayers

The 10 largest taxpayers in the County and their 2020 taxable valuations are:

Table 10 – Ten Largest Taxpayers

Taxpayer	Taxable Valuation
DTE Electric and Gas	$697,564,750
Consumers Energy	465,579,380
FCA Auburn Hills Owner LLC	167,647,670
ITC Transmission	147,148,960
Taubman, Great Lakes/12 Oaks Mall	136,241,530
Enbridge	118,763,470
Singh	105,263,050
General Motors	104,608,350
Edward Rose/Occidental Dev.	100,122,000
Comcast	86,235,120
Total	$2,129,174,280

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

Source: Oakland County Equalization Department

Property Subject to Taxation

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

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

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

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution, limiting the increase in taxable value of property in any year, commencing 1995, to 5% or the rate of inflation, whichever is less, until ownership of the property is transferred at which time the assessment reverts to 50% of the true cash value of the property, as equalized. The effect of this assessment cap will be that different parcels of property will be taxed on different percentages of their cash value. The legislation implementing this constitutional amendment adds a new measure of property value for property taxes levied after 1994, known as taxable value. For the year 1995, the taxable value of property is based on the state equalized value (SEV) of that property in 1994. For each year after 1994, increases in the taxable value of property are limited by the constitutional assessment cap or the percentage change in the SEV of such property from the prior year until the transfer of ownership of the property at which time the taxable value shall be the property's SEV.

Industrial Facilities Tax

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended) ("Act 198"), provides significant tax incentives to industry to renovate and expand aging plants and to build new plants in Michigan. Under the provisions of Act 198, qualifying cities, villages, and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new plants to the area. The issuance of any exemption certificate must be approved by the State Treasurer. Firms situated in such districts pay an Industrial Facilities Tax in lieu of property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the assessed value is frozen at previous levels. New plant and equipment is taxed at one-half the current millage rate. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one half the current millage rate, except for mills levied for local and intermediate school operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for school operating purposes in 1993. For abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act. For abatements granted after 1993, the State Treasurer may also permit abatement of one-half of the mills levied or exempt the abatement totally from mills levied under the State Education Act. Abatements under Act 198 have been granted to properties in the County with a total 2020 taxable valuation of $301,994,046 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 2020, the total number of lessees or users of property under Act 189 within the County was 24.

Source: Oakland County Treasurer

Personal Property Tax Revenues

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

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

To replace personal property tax revenues lost by local governments the PPT Reform Acts divided the existing state use tax into two components, a "state share tax" and a "local community stabilization share tax," and established the Local Community Stabilization Authority (the "LCSA") to administer distribution of the local community stabilization share. The Michigan Department of Treasury collects the local community stabilization share tax on behalf of the LCSA. The local community stabilization share tax revenues are not subject to the annual appropriations process and are provided to the LCSA for distribution pursuant to a statutory formula. The statutory formula is anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions. The County has received full reimbursement of PPT losses for FY 2016 through FY 2020 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 2021 – FY 2023 assumes reimbursement of $2.25 million annually.

County Tax Rates

In August, 1978, the voters of Oakland County approved, as part of County wide fixed millage, a maximum millage of $5.26 per $1,000, subject to Headlee Amendment reductions. The maximum authorized operating millage for 2020, after the Headlee reduction, is 4.0468 mills. See "Tax Rate Limitation" herein.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating	4.0200	4.0400	4.0400	4.0400	4.0400	4.0900	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.3500	0.2329	0.2349	0.2392	0.2410	0.2415	0.2415	0.2415	0.2415	0.2415
Huron Clinton Authority	0.2104	0.2117	0.2129	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Zoo Authority	0.0965	0.0973	0.0982	0.0990	0.0998	0.1000	0.1000	0.1000	0.1000	0.1000
Arts Authority	0.1913	0.1929	0.1945	0.1981	0.1996	0.2000	0.2000	0.2000	0.2000	0.0000
Total	4.8682	4.7748	4.7805	4.7909	4.7950	4.8461	4.9461	4.9461	4.9461	4.7461

Source: Oakland County Treasurer

Tax Rate Limitation

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

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

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

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

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

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.

County Operating Tax Collection Record

Table 12 – Collection Record of County's Tax Levy, 2011 - 2020

			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
2020	2020	246,908,469	223,110,366	90.36	-	223,110,366	90.36
2019	2019	237,559,852	215,492,770	90.71	19,706,957	235,199,727	99.01
2018	2018	226,289,005	201,249,308	88.93	22,760,442	224,009,750	98.99
2017	2017	216,149,261	196,045,294	90.70	19,267,896	215,313,190	99.61
2016	2016	208,735,308	186,750,930	89.47	21,798,703	208,549,633	99.91
2015	2015	207,429,739	186,742,691	90.03	20,568,905	207,311,596	99.94
2014	2014	204,966,211	181,910,042	88.75	22,966,224	204,876,266	99.96
2013	2013	201,089,193	179,700,449	89.36	21,380,777	201,081,226	100.00
2012	2012	200,442,426	179,242,176	89.42	21,195,645	200,437,821	100.00
2011	2011	206,524,166	187,107,837	90.60	19,413,799	206,521,636	100.00

(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.

[Remainder of this page is intentionally left blank]

Table 13 – Collection Record of County Wide Tax Levy, 2011 - 2020

Year of Tax Levy	Tax Levy*	Collections to March 1 of Each Levy Year Amount**	Percent	Collections Plus Delinquent Tax Funding Percent
2020*		*Data not yet available*		
2019*	2,662,986,467	2,591,886,877	97.33	100.00%
2018	2,513,293,651	2,442,068,195	97.17	100.00
2017	2,398,951,788	2,331,000,581	97.17	100.00
2016	2,328,096,528	2,256,640,187	96.93	100.00
2015	2,286,212,705	2,212,322,514	96.77	100.00
2014	2,217,628,392	2,140,231,078	96.51	100.00
2013	2,170,304,164	2,083,958,031	96.02	100.00
2012	2,155,447,277	2,059,602,174	95.55	100.00
2011	2,196,145,824	2,081,982,974	94.80	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
2020	*Data not yet available*	
2019	66,201,221.12	4,898,368.56
2018	66,133,316.14	4,970,962.04
2017	63,093,751.40	4,699,079.29
2016	66,517,083.17	4,813,003.09
2015	68,796,395.48	4,791,215.74
2014	72,532,013.95	4,669,385.41
2013	80,215,223.23	6,132,887.66
2012	89,699,373.20	5,702,067.01
2011	107,675,895.41	6,032,598.54

Source: Oakland County Treasurer

Revenue Sharing from the State of Michigan

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

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

Under the fiscal year 2021 budget, signed into law on September 30, 2020, 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 2021, the county revenue sharing program has an appropriation of $226.5 million, with $183.2 million being distributed pursuant to the Revenue Sharing Act and $43.3 million being distributed through the CIP. The CIP provides eligible counties distributions for complying with "best practices" to increase transparency. Eligible counties are those that would be eligible to resume receiving state revenue sharing payments under Act 357.

Under the fiscal year 2021 CIP, an eligible county can receive CIP payments if it meets requirements for accountability and transparency, including making a citizen's guide to its finances, a performance dashboard, a debt service report and a two-year budget projection available for public viewing. However, there can be no assurance of what amount, if any, the County would receive under CIP. The County anticipates meeting the requirements to receive fiscal year 2021 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, 2016, through September 30, 2020, and the estimated revenue sharing payments for the County's fiscal years ending September 30, 2021, and 2022.

Table 15 – Revenue Sharing from the State of Michigan

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

*Projected – State of Michigan Executive Recommendation:
https://www.michigan.gov/documents/treasury/FY22_CRS_CIP_Projections_Exec_Rec_716175_7.pdf

**Amounts are projected based on the FY 2021 appropriation (2020 Public Act 166) –
https://www.michigan.gov/documents/treasury/FY_2021_Projected_County_Payment_Amounts_-_10_22_20_without_Vendor_Code_719174_7.pdf

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

[Remainder of this page is intentionally left blank]

County Labor Contracts

As of July 2020, Oakland County has 3,586 full-time eligible positions of which 1,623 are represented by 8 certified bargaining units.

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

Table 16 – Oakland County Employees Represented by Bargaining Unit

County Employee Group	Number of Positions	Contract Expiration Date
Sheriff's Law Enforcement	448	9/30/2021
Corrections and Services	370	9/30/2021
Sheriff's Command Officers	121	9/30/2021
Children's Village Employees	143	9/30/2021
Family Court Employees	84	9/30/2021
Prosecutor's Investigators	9	9/30/2021
Oakland County Employees Union	344	9/30/2022
Public Health Nurses	76	9/30/2021
Clerk Register Supervisors	15	9/30/2024
	1,610	

Source: Oakland County Human Resources Department as of March 23, 2021.

Pensions

As of September 30, 2020, the actuarial value of assets was used to determine both the funded status and the required employer contribution. The resulting System funded percent is 102.2%.

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

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

Table 17 – Oakland County Employees Retirement System

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

Other Post-Employment Benefits ("OPEB")

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

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

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

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

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

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

[Remainder of this page intentionally left blank]

Table 19 –Oakland County Net Direct Debt as of April 28, 2021 – Unaudited

Including the Bonds described herein

	Gross	Self-Supporting or Portion Paid Directly by Benefited Municipalities	Net
Limited Tax			
Building Authority	$30,694,335	$ -	$30,694,335
Building Authority Refunding	19,080,665	-	19,080,665
Retirees Health Care	182,485,000	-	182,485,000
Sewer Disposal	19,735,000	8,870,000	10,865,000
Sewage Refunding	2,465,000	-	2,465,000
Water Supply	8,038,000	7,570,000	468,000
Water & Sewage Refunding	4,150,000	4,150,000	-
MFA Sewage Disposal	46,598,989	700,727	45,898,262
Total Limited Tax	**$313,246,989**	**$21,290,727**	**$291,956,262**
Drain Districts			
Drain	$69,245,000	$26,768,963	$42,476,037
Drain Refunding	47,495,000	46,302,042	1,192,958
MFA Drain	149,428,916	133,813,172	15,615,744
Total Drain Districts	**$266,168,916**	**$206,884,177**	**$59,284,739**
Total Limited Tax and Drain Districts	**$579,415,905**	**$228,174,904**	**$351,241,001**

Table 20 – Oakland County Overlapping Debt as of April 28, 2021

Including the Bonds described herein

Cities, Villages, and Townships	$1,271,082,661
School Districts	3,038,695,690
Community College, Intermediate School Districts and Library	49,182,296
Net County Overlapping Debt	$4,358,960,646
Net County Direct Debt	$351,241,001
Net County Direct and Overlapping Debt	$4,710,201,647

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 April 28, 2021

Fiscal Year	Building Authority	Building Authority Refunding	Water Supply	Sewage	Water & Sewage Refunding	MFA Sewer Disposal	Retiree Healthcare**
2021	$-	$1,190,000	$420,000	$665,000	$260,000	$2,330,000	$ -
2022	4,864,400	3,830,600	480,000	1,550,000	625,000	2,997,600	27,585,000
2023	4,331,289	1,933,711	480,000	1,590,000	495,000	3,075,700	28,605,000
2024	2,256,986	2,043,014	510,000	1,630,000	510,000	3,151,100	29,660,000
2025	1,728,465	1,221,535	510,000	1,675,000	535,000	3,221,500	30,750,000
2026	1,812,802	1,187,198	535,000	1,710,000	565,000	3,296,900	31,885,000
2027	1,870,777	1,229,223	570,000	1,760,000	585,000	3,383,027	34,000,000
2028	1,974,101	1,315,899	550,000	1,470,000	610,000	3,365,400	-
2029+	11,855,515	5,129,485	3,983,000	7,685,000	2,430,000	21,777,762	-
Total	$30,694,335	$19,080,655	$8,038,000	$19,735,000	$6,355,000	$46,598,989	$182,485,000

** All of the outstanding $182,485,000 Retiree Healthcare Bonds are federally taxable.

Source: Oakland County Treasurer

Table 22 – Oakland County Schedule of Drain Bond Maturities
County Limited Tax General Obligation – Drain Districts
Principal Only as of April 28, 2021

Fiscal Year	Drain*	Drain Refunding	MFA Drain
2021	$3,815,000	$-	$6,250,000
2022	2,835,000	4,530,000	14,997,400
2023	2,475,000	4,140,000	14,214,300
2024	2,575,000	4,200,000	14,551,576
2025	2,680,000	3,785,000	9,488,500
2026	3,270,000	3,430,000	9,712,246
2027	3,260,000	3,510,000	9,842,700
2028	3,200,000	3,600,000	10,069,600
2029+	45,135,000	20,300,000	60,302,594
Total	$69,245,000	$47,495,000	$149,428,916

* Includes $40,980,000 of federally taxable bonds.

Source: Oakland County Treasurer

Table 23 – Oakland County Schedule of Principal and Interest Requirements as of April 28, 2021 Including the Bonds described herein

Fiscal Year	Principal	Interest	Total
2021	$14,985,000	$9,618,377	$24,603,377
2022-2024	186,722,676	42,954,744	229,677,420
2025-2029	225,952,287	34,910,651	260,862,938
2030-2034	115,027,785	10,573,597	125,601,382
2035-2040	36,728,157	6,524,675	43,252,832
Total	$579,415,905	$104,582,044	$683,997,949

Source: Oakland County Treasurer

Table 24 – Legal Debt Margin as of April 28, 2021 Including the Bonds described herein

2020 State Equalized Value (SEV)	$81,195,394,914
Statutory Limit - 10% of 2020 SEV	8,119,539,491
Total Bonded Debt Outstanding	$579,415,905
Available Statutory Debt Limit	$7,540,123,586

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 April 28, 2021

Year Issued	Notes Issued	Amount Outstanding
2020	$ -	-
2019	-	-
2018	25,000,000	-
2017	25,000,000	-
2016	25,000,000	-
2015	25,000,000	-
2014	25,000,000	-
2013	25,000,000	-
2012	25,000,000	-
2011	50,000,000	-
2010	50,000,000	-

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

On April 28, 2021, the County sold two refunding bond issues:

- $38,010,000 City of Pontiac Wastewater Treatment Facility Drainage District Drain Refunding Bonds, Series 2021 (Taxable)
- $3,990,000 Oakland County Farmington Hills Water Supply System Refunding Bonds, Series 2021A

The County plans to refund the Oakland County Farmington Hills Water Supply System Improvement Bonds, Series 2014, in August 2021 for present value savings. The refunded par amount is estimated to be about $6,325,000.

The Evergreen-Farmington Sanitary Drain Drainage District plans to issue approximately $32,000,000 to $35,000,000 of new bonds in October or November 2021. Local municipalities within Oakland County will likely be apportioned 100% of this bond issue. In the past, Oakland County has pledged its full faith and credit as additional security to the bonds apportioned to local municipalities within County.

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

The Bald Eagle Lake Drain Drainage District, County of Oakland, State of Michigan, anticipates issuing up to approximately $850,000 of drain bonds in June 2021. Property owners within the Bald Eagle Lake Drain Drainage District will be assessed special drain assessments equal to 100% of this bond issue. In the past, Oakland County has pledged its full faith and credit as additional security to special assessment drain bonds within County.

The Red Run Intercounty Drain Drainage District may issue up to $2,500,000 of drain bonds in late 2021. Local municipalities within Oakland County will likely be apportioned about 55.589% of the bond issue. In the past, Oakland County has pledged its full faith and credit as additional security to the bonds apportioned to local municipalities within County.

APPENDIX B

Oakland County
Comprehensive Annual Financial Report

The auditor was not requested to examine or review and therefore has not examined or reviewed any financial documents, statements, or materials that have been or may be furnished in connection with the authorization, issuance, or marketing of the Refunding Bonds and accordingly has not conducted any post-audit review procedures and will not express any opinion with respect to the accuracy or completeness of such financial documents, statements or materials. The County's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020, is included in Appendix B. Additionally, the Comprehensive Annual Financial Report for fiscal years ending September 30, 2020, 2019, and 2018, are available at the following links:

September 30, 2020 Comprehensive Annual Financial Report

September 30, 2019 Comprehensive Annual Financial Report

September 30, 2018 Comprehensive Annual Financial Report

OAKLAND COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2020
(With Independent Auditor's Report Thereon)

Prepared by:

Department of Management and Budget
Fiscal Services Division

Project Manager
Carol Morin

Illustrated cover by
Pamela Tremble, Graphic Artist for Oakland County

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
Fiscal Year Ended September 30, 2020

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

OAKLAND COUNTY
MICHIGAN
DAVID COULTER
OAKLAND COUNTY EXECUTIVE

II. Financial Section (continued)

I. Introductory Section

II. Financial Section

III. Statistical Section – Unaudited

II. Financial Section (continued)

OAKLAND COUNTY MICHIGAN
MANAGEMENT & BUDGET

OAKLAND COUNTY EXECUTIVE DAVID COULTER

Kyle I. Jen, Director
(248) 452-8653 jenk@oakgov.com

March 24, 2021

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

State law requires all general purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the Comprehensive Annual Financial Report of Oakland County, Michigan for the fiscal year ended September 30, 2020.

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

Oakland County's financial statements have been audited by Plante & Moran, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Oakland County for the fiscal year ended September 30, 2020 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, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

The independent audit of the financial statements of Oakland County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Those reports are available in Oakland County's separately issued Single Audit Report.

I. INTRODUCTORY SECTION

The Introductory Section contains:

A. Letter of Transmittal

B. Organizational Chart

C. List of Principal Officials

D. Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting

The Fiscal Year 2020 Comprehensive Annual Financial Report 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 2020 financial performance, can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of Oakland County

Incorporated on March 28, 1820, Oakland County covers approximately 910 square miles in southeast Michigan, immediately north of the City of Detroit and Wayne County. With a population of 1,257,584 (2019 estimate) and the County seat in Pontiac, Oakland County is home to a mix of urban and rural communities, encompassing 62 cities, villages, and townships, including thirty-two (32) downtown areas and many scenic natural settings, providing a good quality of life for any lifestyle. Measuring per capita income, the County ranks as the ninth (9^{th}) wealthiest county in the nation among counties with populations between 900,000 and 1,600,000 as cited in the September 2020 report by University of Michigan economists. Oakland County enjoys a world class reputation due to its renowned business environment and its many attributes that contribute to an excellent quality of life.

Government Structure

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

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

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

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

Component Units

A three-member Road Commission, established under Michigan Public Act 283 of 1909 and appointed by the County's Board of Commissioners, is responsible for more than 2,700 miles of roads. Its budget of approximately $162.1 million (excluding Special Assessment Districts) is funded principally by State-collected vehicle fuel and registration taxes under Public Act 51 of 1951. Other sources of funds are provided by federal, state, and local governments as well as proceeds from the sale of bonds. The Road Commission is not subject to the Board of Commissioners' appropriation process and, therefore, is reflected as a discretely presented component unit in the County's Comprehensive Annual Financial Report, as required by the Governmental Accounting Standards Board (GASB) Statement Number 14, *The Financial Reporting Entity,* as amended by Statement Number 39, *Determining Whether Certain Organizations are Component Units*, Statement Number 61, *The Financial Reporting Entity: Omnibus,* and Statement Number 80, *Blending Requirements for Certain Component Units*.

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

A ten-member commission, appointed by the Board of Commissioners, is responsible for Parks and Recreation, which acquires and develops County parks. Currently, Parks and Recreation maintains and operates thirteen (13) parks that provide camping, golf, swimming, and a variety of other recreational activities, as well as operates a local Farmers Market. Parks and Recreation is supported, in part, by a separately voted ¼-mill tax levy, subject to annual tax limitation adjustments pursuant to the Michigan constitution (FY 2020 rate was .2329 mills). As authorized with the November 3, 2020 election, the voters increased the Parks and Recreation millage rate to .3500 mills and will be instrumental in subsequent fiscal years Parks and Recreation operations and maintenance activities. Parks and Recreation's activity is blended into the County's Comprehensive Annual Financial Report due to the specific agency relationship established by State statute, as required by GASB Statements Number 14, Number 39, Number 61, and Number 80.

County Budget

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

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

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

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

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

Economic Condition of Oakland County

Oakland County is recognized as one of the most prosperous counties in the nation. In their September 2020 report, University of Michigan economists Gabriel Ehrlich and Donald Grimes reported that Oakland County ranks ninth overall when compared to other counties in the United States with populations between 900,000 and 1.6 million. Oakland maintained its overall top ten ranking when looking the following factors: education (associates degree or higher), child poverty, median income, professional occupations, and high-income senior population.

While the COVID-19 pandemic certainly had an impact on Oakland County's economy, including its small businesses and workforce, the overall economic diversity and solid fundamentals positions the County well for an economic recovery. This is attributed to Oakland County's educated workforce, amount of managerial and professional jobs, and the attractive standard of living with a solid foundation for economic prosperity in the future. In addition, Oakland County received direct Coronavirus Aid, Relief, and Economic Security (CARES) Act funding of approximately $219.4 million to aid in the economic recovery (see more on the CARES Act program funding in the Major Initiatives section of this transmittal letter).

Oakland County did experience continued job growth in early 2020, marking just over 10 years of job growth which is the longest streak since the job data has been collected. As a result of the COVID-19 pandemic, economist Gabriel Ehrlich predicted that the County would lose 68,000 jobs in 2020 which is a 9.1% decline from the previous year. However, it is forecasted that Oakland County will enjoy a faster job recovery than Michigan overall with the County forecasted to recover 29,100 jobs in 2021 and 14,300 jobs in 2022.

Prior to the COVID-19 pandemic, Oakland County's unemployment rate had fallen (improved) steadily from the 2009 high rate of 13.0%. In December 2019, Oakland County reported an unemployment of 2.9%. Unemployment spiked to 19.5% in April 2020 as a result of the pandemic. According to a Michigan Department of Technology, Management & Budget published document, Oakland County's unemployment rate was 7.9% as of December 2020. The same published document reported the national unemployment rate at 6.7% and the State of Michigan unemployment rate of 7.5% as of December 2020. Oakland County's December 2020 unemployment rate of 7.9% was lower in comparison to both Macomb County (9.7%) and Wayne County (12.4%).

Enhanced by the County's investment in economic development programs, Oakland County remains an ideal location for business. In 2004, an Emerging Sectors initiative was launched to diversify the County's economy away from reliance on traditional manufacturing jobs. Since its creation in 2004 through December 2020, the Emerging Sectors program has had 571 business successes and has attracted nearly $5.4 billion in investment, creating approximately 54,958 jobs and retaining 40,386 jobs. In late 2020, despite the COVID-19 pandemic, Oakland County unveiled an updated economic development strategy to spur innovation, investment, and growth through a focus on digitized manufacturing, regional collaboration, environmental sustainability, and increased workforce education and training.

Oakland County's 2019 per capita personal income (PCPI) of $73,271 is the highest among Michigan's 83 counties according to the U.S. Bureau of Economic Analysis (BEA) most recent published data on November 17, 2020. The 2019 PCPI reflects an increase of 2.7 percent from 2018. The Oakland County's per capita income also compares favorably to the national average ($56,490) and the state average ($49,228).

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

Oakland County's collective property values remain the highest of all 83 counties in Michigan and represents 16.6% of the state's total value (even though Oakland County's population represents approximately 12.6% of Michigan's total). The majority of Oakland County's taxable value is within the residential class of property, which is approximately 74.9% of the total property tax base. The average residential sale price of a home in Oakland County increased from $279,441 in 2019 to $290,674 in 2020, a 4.0% increase.

The average 2020 property tax rate is $43.05 per thousand dollars of taxable value, a slight increase from the 2019 average of $43.04 per thousand dollars of taxable value. The average property tax rate is distributed to the following taxing authorities:

Local School Districts	32.44%
Cities, Villages, Townships	31.64%
State Education Tax	13.94%
County Operating	9.34%
Intermediate School District	7.50%
Community College	3.45%
Parks & Recreation/Zoo/Art/Huron Clinton	1.69%
	100.00%

The County continues to exercise a prudent and conservative approach to tax revenues by controlling the millage rate levied on the tax base. The millage rate for the July 1, 2020 tax levy was 4.02 mills (out of a maximum authorized levy of 4.0468 mills) and the FY 2021 budget authorized a tax rate of 4.02 mills for the July 1, 2021 tax levy. The County has one of the lowest county tax rates in the State of Michigan.

Fiscal Policies

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

Other policies and practices are not as fully explained in other parts of the ensuing document yet they equally impact the County's financial position in FY 2020 and beyond and, therefore, some discussion of these policies is appropriate. Among these policies and practices meriting fuller discussion are the Budgeting and Forecasting activities; the capital improvement activities particularly associated with the Delinquent Tax Revolving Fund and the innovative Pension and Other Post-Employment Benefit practices.

Budgeting and Forecasting

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

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

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

However, the County will continue to monitor its cash flow needs and will take appropriate actions if short-term borrowing is needed to augment General Fund cash balances.

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

first seven years by transferring $7.0 million in FY 2016 and another $1.7 million in FY 2018 from the General Fund to a separate debt service fund. It is not expected that the DTRF will need to cover the animal control facility debt service until late 2025.

Even using the DTRF to support these capital initiatives, the fund's net position is still more than sufficient to meet all the fund commitments. As a result, the County has used a portion of the DTRF equity (the amount higher than required to meet funding commitments) to support General Fund / General Purpose operations. Historically, prudent stewardship of the Fund has enabled the County to draw annually from the DTRF to support General Fund / General Purpose operations. The five-year forecast anticipates the continuation of annual transfers from the DTRF to support General Fund / General Purpose operations in the amount of $3.0 million annually for FY 2021 through FY 2025.

Pension and Other Postemployment Benefits

Realizing that employees are both its most valuable resource and that employee compensation and benefits are one of the largest expenses, Oakland County established two pension plans. The first plan is the Defined Benefit Pension Program, referred to as the County's Public Employees' Retirement System (PERS). The second plan is the Defined Contribution Pension Program, referred to as the Oakland Performance Retirement System (OPRS), which qualifies under Internal Revenue Code Section 401(a).

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

Due to the voluntary shifting of 1,126 employees from the PERS to OPRS, and the fact that all newly hired employees participate in the OPRS, the OPRS has resulted in a savings of approximately $180.6 million since inception of the program without jeopardizing the retirement security of valued employees.

Oakland County has been a leader in exploring methods to providing and financing Other Post-Employment Benefits (OPEB). Specifically, the County has implemented benefit changes that will limit the growth of the cost of these benefits in the future, while still providing employees with a method to retain health care insurance once they leave County service. Rather than receiving a specific level of health care insurance when they retire from County service, employees hired after January 1, 2006 are enrolled in a "Retirement Health Savings Plan" (RHS). Under the RHS, for non-represented employees and most represented employees, the County contributes $1,950 annually ($75 per pay) to each employee's retirement health savings account ($3,250 annually for those bargaining units bound by state law to binding arbitration). Upon leaving County service, the employee is entitled to the vested funds the County contributed based upon their length of service. In 2014, the Board of Commissioners approved Miscellaneous Resolution #14005 that provided a one-time window which allowed certain eligible employees to voluntarily and irrevocably convert from the defined benefit VEBA Plan to the defined contribution RHS Plan. The "buy out" provided a lump sum deposit equivalent to $2,000 per year for each year of eligible service. The result was that 83 employees opted out of the VEBA Plan with approximately $2.1 million being set aside in individual RHS Plan accounts for these employees. It is estimated that the ratio of savings is approximately 5:1; meaning for

The result of these historic practices is a balanced line-item County budget (adopted by the Board of Commissioners in September 2020) for fiscal years 2021, 2022, and 2023. The County also has a historic practice of preparing a high-level five-year forecast.

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

The Delinquent Tax Revolving Fund (DTRF) was established in 1974 to help stabilize local revenues by paying the local taxing units 100% of their respective shares of delinquent ad valorem real property taxes in anticipation of the collection of those taxes by the County Treasurer. The County funds the DTRF by borrowing money and issuing revolving fund notes when needed. Payment of the notes is made from the proceeds of delinquent tax collections. State law provides that once the notes are paid in full, any surplus in the fund may be transferred to the County General Fund by appropriate action of the Board of Commissioners. Oakland County's DTRF has consistently provided its local units of government with a stable revenue stream while also generating a surplus. Responsible use of this surplus is the purpose of the Fiscal Responsibility Plan. The Fiscal Responsibility Plan, contained in the annual GAA, provides clear guidance regarding the conditions and functions for which surplus DTRF funds may be used.

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

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

The net position of the DTRF as of September 30, 2020, totaled approximately $205.6 million. The DTRF is well positioned to guarantee timely payments to local units of government and to pay outstanding notes on delinquent taxes. The County has leveraged available unrestricted assets by using the DTRF to cover debt service on certain major Board-approved capital projects that house essential public services. There are three major building projects that were initiated in the early 2000's where debt service of approximately $4.7 million annually is being covered by the DTRF. The debt on two of these projects will be paid in full by the end of FY 2022 with the third project to be paid in full by the end of FY 2024, thus freeing up approximately $2.8 million to potentially support new debt beginning in FY 2023 and another $1.9 million starting in FY 2025. Additionally, in November 2015 the County issued debt of approximately $15.5 million to construct the Oakland County Animal Shelter and Pet Adoption Center. The animal shelter facility was fully operational in late 2017. The General Fund has covered the debt service for the

Major Initiatives

Even through the significant challenges brought about with the COVID-19 pandemic, Oakland County government continued to provide the services expected by its citizens, supported its local cities, villages, and townships, and worked with the private sector to support recovery of the local economy – all while still balancing a multi-year budget and maintaining a healthy fund balance. This was accomplished through the combined efforts of Oakland County's elected officials, administrators, and employees who realize that their job is to continue providing necessary services in times of emergency. Oakland County's historic focus has always been on long-term sustainability.

In order to maintain quality citizen services, Oakland County officials realize that they must maintain an effective, professional workforce. However, in recent decades Oakland County's employee general salary increases have been conservative and have lagged in comparison to the private sector. In December 2020, the Oakland County Board of Commissioners approved an updated comprehensive salary administration plan, after nearly three decades since the last comprehensive update, with a scheduled implementation of late January 2021. To offset the costs of increased salary levels under the plan, the county's workforce will be reduced over the next five years through identification of efficiencies and services that are no longer needed.

With over a third of the County workforce eligible to retire, the County continues to look for ways to further build and sustain the County workforce. In December 2020 the Board of Commissioners adopted Miscellaneous Resolution #20660 for a voluntary employee separation incentive program (VESIP) for eligible full-time employees to aid in workforce restructuring efforts. The VESIP program implementation will occur in early calendar 2021 and will provide one (1) week of base salary, up to a maximum of 26 weeks, for each full year of retirement service.

Health care benefits are another important factor in this fiscal balancing act. The County has been able to constrain its overall health care costs, including the cost of retiree health care. Much of the success in managing costs is due to the County's employee wellness program, OakFit. The mission of the OakFit program is to assist employees, retirees, and dependents in taking ownership of their health and wellness in order to improve quality of life, enhance productivity, and stabilize long-term employee/employer health care costs. In late 2020, efforts were initiated by the County Executive Administration to further review the overall benefit package and engage representatives from across the workforce to collaborate on how to provide essential benefits while looking at ways to further cost saving measures.

The County has also taken measures to address on-going security initiatives, major technology replacement and improvement projects, and infrastructure projects. This includes the replacement of the Oakland County public safety radio system. With an estimated overall project cost of $57.0 million, the project will include replacement of the legacy 911 copper network to a regional Emergency Services Internet-protocol Network (ESINet) for the Next Generation 911 and the replacement of the Public Safety Radio Communications system that will enhance the communications and interoperability for first responders. This latest technology allows 911 calls to be routed using geographic information system coordinates and will allow callers to use wireless devices to transmit photographs, videos, in-car crash system data, and text

every $1 provided for the one-time voluntarily conversion, $5 in savings is anticipated in present value liabilities. The resolution also lowered the longevity requirements for the graduated vesting schedule with the RHS Plan. The previous vesting schedule allowed for a partial benefit (60%) provided after 15 years of service with full benefit provided after 25 years of service. The revised vesting schedule allows for partial vesting after 6 years of employment with employees becoming fully vested in the RHS Plan after 10 years of County service. Once the employee separates employment and receives the vested cash benefit, the County's financial obligations ends.

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

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

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

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

messages. $18.5 million of tax- exempt debt was issued in May 2020 for the radio project with the remaining amount of the project predominately being covered by annual 911 operating surcharge funding. Other technology initiatives underway include the replacement of the County's imaging and document management system, the replacement of the analog telephone system with a universal communication system that will transform the way employees communicate and collaborate with each other as well as with the public, and the Identity and Access Management project.

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

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

The fiscal year 2020 4.02 millage rate is below the current maximum authorized rate of 4.0468 as allowed by the State Constitution. Until 2015, the maximum authorized millage rate had not changed for 10 years, primarily as a result of suppressed property values. With the recent improvement in property values, a roll-back to the maximum authorized millage rate has been required for the past six years. The County continues to monitor the impacts of the Headlee Constitutional Tax Limitation Amendment of 1978 and the Proposal A Property Tax Limitation Amendment of 1994 in order to foresee potential constraints on future millage rates and factor the roll-back impact into the County's budget.

Key priorities were put forth by the county executive's FY 2021 – FY 2023 budget recommendation reflecting a commitment to strengthening fiscal discipline practices, maintaining a balanced budget, and focusing on priority areas that require investment and leadership by the county. This includes expanding and protecting health care; increasing

workforce opportunities; implementing a new economic development strategic plan; protecting water and the environment; embracing diversity, equity and inclusion; and enhancing public safety.

As with the rest of the state, nation, and world, the COVID-19 pandemic required Oakland County to take quick and decisive action. Oakland County received approximately $219.4 million in direct CARES Act funding of which $90.8 million was used in FY 2020 as well as other COVID-19-related grants to stabilize and mitigate the effects of the pandemic locally. Below is a summary of COVID-19 initiatives as of December 2020 which could not have been accomplished without the support of the Board of Commissioners, county and local elected officials, residents, businesses, non-profit organizations, and state and federal partners, as well as county employees who kept services running throughout the pandemic.

Small Businesses

- $32 Million Grant Fund to assist 3,153 retail, restaurants, and other businesses
- $14 Million Stabilization Fund for 3,500 small business
- $11 Million Michigan Small Business Restart Grant to help nearly 3,000 Oakland County businesses including minority-, women-, and veteran-owned businesses
- $10 Million Oakland Together Restaurant Relief Program for about 785 restaurants
- $10 Million Industry 4.0 PPE Resilience Grants Program grants for 235 businesses
- $1 Million to 23 companies who shifted production to personal protective equipment such as masks, gowns, and face shields
- 15,000 Small Business Reopening Kits which contained PPE

Government and School Partners

- $29 Million-plus for 57 cities, villages, and townships
- $27.6 Million for 41 school districts and public-school academies
- $3 Million to hire 64 school nurses to work with local school districts
- $2.8 Million for 52 libraries, senior centers, and community centers
- $1 Million for the Road Commission for Oakland County
- $500,000 each for Oakland University, Oakland Community College, and Oakland Schools
- In addition, the county utilized $64 million to ensure county operations were safe for residents and employees, including hazard pay, tele-work capabilities, and social distancing and health screening precautions throughout the county campus

Community Partners

- $10.7 Million for 88 non-profit organizations to serve vulnerable populations during the pandemic
- $2 Million-plus to 78 of our Cultural Institutions and organizations
- $2 Million-plus to support 374 childcare providers in Oakland County
- Nearly $2 Million for 126 non-profits hard hit economically
- $600,000 for Oakland County Health Network to purchase tablets to assist clients with telehealth services

- Support for Havenwyck Hospital and Honor Community Health
- $600,000 for 31 veterans service organizations
- Over $2.8 Million to Oakland County Skilled Nursing home facilities
- A $150,000 pilot with American House to offer Echo share devices to connect elderly residents with family members
- A $300,000 pilot with St. Joseph Hospital and Honor Community health to provide childcare for essential workers with school-aged kids
- $57,000 to local youth assistance programs throughout the county

Residents

- 6,000 individuals received $750 in a microgrant to help with basic expenses
- $1 Million in rent, mortgage, and utility assistance for 250 households
- $1 Million Military Service Fund for Oakland County veterans and dependents
- $215,508 to help support 120 local musicians
- Over 5,000 free meal delivery subscriptions provided to senior citizens
- Oakland County Michigan Works! launched financial coaching for Oakland County residents in partnership with the Oakland Livingston Human Services Agency. The program has assisted dozens of residents with assessing their financial wellness and meeting their short- and long- term financial goals.

As noted in the accompanying financial statements, Oakland County's General Fund balance totaled $267.0 million as of September 30, 2020. This level of fund balance equates to 58.4% of budgeted fiscal year 2021 General Fund/General Purpose expenditures. However, of the $267.0 million total equity amount $0.5 million is considered non-spendable, $14.6 million is assigned for carry forward balances and encumbrances, $0.6 million is assigned to balance the fiscal year 2021 budget, $5.2 million is assigned to balance the fiscal year 2022 budget, and $0.5 million is assigned to balance the fiscal year 2023 budget. When the above amounts are removed, the General Fund balance still stands at $245.6 million or 53.7% of General Fund/General Purpose expenditures.

It is important to note that there is a pending court case, *Rafaeli, LLC v Oakland County*, that could financially impact Oakland County as well as other Michigan counties that were following the General Property Tax Act (MCL 211.1 et seq). The court case was initially filed in 2014 and the initial $9.6 million liability estimate was recorded based on reasonable assumptions of pending legislation at the time of closing the financial records in the fall of 2020 to limit the retroactive claim period. It is not clear at this time that the final form of that legislation, as enacted, will have the effect of limiting the retroactive claim period. The court decision as to any retroactive claim period, which has a direct impact on the claim amount, has not occurred as of the finalization of the FY 2020 financial report.

Awards and Acknowledgements

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

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

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

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

> "The stable outlook reflects our expectation that the county's credit profile will remain consistent given its current tax base trajectory, significant reserve cushion, as well as management's track record and commitment to complying with its budgetary and debt policies and practices."

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

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Oakland County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019; this was the 29th consecutive year Oakland County received this prestigious award. In order to be awarded the Certificate of Achievement, Oakland County is required to publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, Oakland County also received the GFOA's Distinguished Budget Presentation Award for its triennial budget document dated October 1, 2018 which covers FY 2019 through FY 2021. This latest award is the 16th in a row. In order to qualify for the Distinguished Budget Presentation Award, Oakland County's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operation guide, and a communications device. Oakland County was the first governmental entity in the state of Michigan to achieve this honor in 1984, the first year of the program.

Furthermore, Oakland County is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). The fiscal year 2018 PAFR award was the County's 22nd consecutive

County of Oakland
Letter of Transmittal

citation. The fiscal year 2019 PAFR was submitted for the award program but as of this document publication the GFOA has not yet announced the FY 2019 award results.

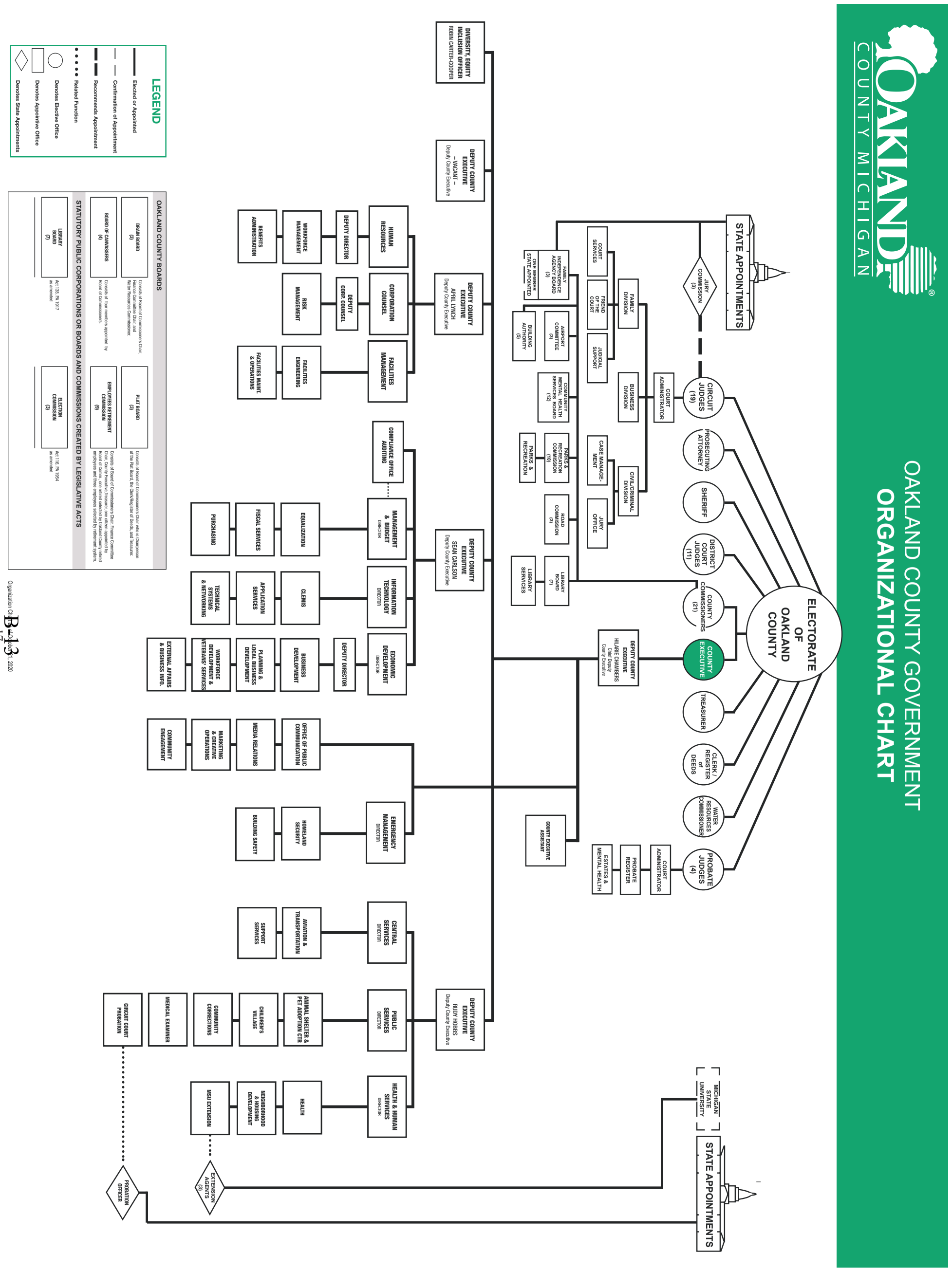
In closing, the preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division of the Department of Management and Budget. We would like to express our appreciation to all members of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

Respectfully submitted,

David Coulter
Oakland County Executive

Kyle Jen
Director, Management & Budget

Lynn Sonkiss
Fiscal Services Officer, Fiscal Services Division



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Oakland County Michigan

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

COUNTY EXECUTIVE

David Coulter

BOARD OF COMMISSIONERS

Dave Woodward, Chairperson
Marcia Gershenson, Vice-Chairperson

Michael J. Gingell	Christine A. Long	Angela Powell
Robert Hoffman	Penny Luebs	Nancy Quarles
Janet Jackson	Gary R. McGillivray	Michael Spisz
Adam Kochenderfer	Gwen Markham	Shelley Goodman Taub
Eileen Kowall	Tom Middleton	Philip J. Weipert
Thomas Kuhn	William Miller	Helaine M. Zack
	Kristen D. Nelson	

OTHER ELECTED OFFICIALS

Clerk/Register of Deeds
Lisa Brown

Treasurer
Andy Meisner

Water Resources Commissioner
Jim Nash

Prosecuting Attorney
Jessica R. Cooper

Sheriff
Michael J. Bouchard

Chief Circuit Judge
Shalina Kumar

Chief Probate Judge
Kathleen A. Ryan

Chief District Judge
Joseph G. Fabrizio

AIRPORT COMMITTEE

Eileen Kowall
Christine A. Long
Penny Luebs
Gwen Markham
Nancy Quarles

BUILDING AUTHORITY

Eric McPherson, Chairperson
Andy Meisner, Vice-Chairperson
Jamele Hage, Secretary
David Coulter
Emerson Devon Jackson

PARKS AND RECREATION

Gary R. McGillivray, Chairperson
J. David VanderVeen, Vice-Chairperson
Ebony Bagley, Secretary
Christine A. Long, At-Large Member
Dan J. Stencil, Executive Officer

Amanda Herzog	Robert E. Kostin	Jim Nash
Gregory C. Jamian	Andrea LaFontaine	Nancy Quarles

ROAD COMMISSION

Gregory C. Jamian, Chairperson
Ronald J. Fowkes, Vice-Chairperson
Andrea LaLonde, Commissioner

DRAIN BOARD

Jim Nash, Water Resources Commissioner
Dave Woodward, Board of Commissioners Chairperson
Helaine Zack, Finance Committee Chairperson

As of September 2020

Independent Auditor's Report

To the Board of Commissioners
Oakland County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan (the "County") as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

II. Financial Section

The Financial Section contains:

A. Independent Auditors' Report

B. Management's Discussion and Analysis

C. Basic Financial Statements

D. Notes to Basic Financial Statements

E. Required Supplementary Information

F. Combining and Individual Fund Financial Statements and Schedules – Non-Major Funds

To the Board of Commissioners
Oakland County, Michigan

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan as of September 30, 2020 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

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

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

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

To the Board of Commissioners
Oakland County, Michigan

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also issued a report dated March 24, 2021 on our consideration of Oakland County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oakland County, Michigan's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 24, 2021

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, 2020. 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.

*** COVID-19 PANDEMIC ***

The COVID-19 pandemic began in the middle of the County's fiscal year 2020. The pandemic had a significant impact on County operations both logistically and financially. While the County did experience reduced revenue in Charges for Services and Revenue Sharing from the State of Michigan, the County did maintain favorable property tax values and property tax collections. County services were realigned and expenditures were increased significantly to respond to the pandemic. The County received $219.4 million in Coronavirus Relief Funds from the federal government and used $90.8 million as of September 30, 2020. The remaining balance of $128.2 million was used by December 30, 2020. There was also federal pass-through funding received from the State of Michigan for small business program initiatives, public health support, and public safety support. The County took active measures to maintain expenditure control and maximize grant funding to minimize the overall impact on base county financial activities and position. The fiscal year 2020 financial results demonstrate Oakland County's ability to maintain a favorable financial position as of September 30, 2020.

FINANCIAL HIGHLIGHTS

Government-wide:
- In total, Oakland County's financial position increased by $146.3 million or 9.5 percent during fiscal year 2020, increasing from $1,537.5 million to $1,683.8 million (excluding component units).
- Governmental activities net position increased by approximately $119.1 million, increasing from $758.4 million to $877.5 million.
- Business-type activity net position increased $27.2 million from $779.1 million to $806.3 million.

Fund Level:
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of $316.7 million, an overall decrease of $6.9 million from the fiscal year 2019 governmental funds combined ending fund balance.
- The General Fund balance increased by $7.3 million from $259.7 million at the end of fiscal year 2019 to $267.0 million at the end of fiscal year 2020.
- At the close of the fiscal year, the County's proprietary funds reported a combined ending net position of $1,185.6 million, consisting of $806.3 million for the Enterprise Funds (a $27.2 million increase from fiscal year 2019) and $379.3 million for the Internal Service Funds (a $114.7 million increase from fiscal year 2019).

Capital and Long-term Debt Activities:
- The County's capital assets experienced a net increase of $33.1 million during fiscal year 2020, which is attributed to a $24.7 million net increase in business type activities and a net increase of $8.4 million in governmental activities.
- The County reported approximately $42.1 million in new general government debt and business type debt during fiscal year 2020. This supported debt for general government of $19.6 million and $22.2

million for business-type debt. Of the $42.1 million of additions, approximately $22.5 million was related to refunding bond issues to take advantage of call options and favorable interest rates.
- The County's primary government bond and note obligations decreased by $64.1 million during fiscal year 2020, which reflects $32.6 million in payments and refunding activity related to Building Authority debt, $25.7 million in payments related to Retirees Health Care bonds, and $5.8 million in payments and refunding activity related to Water and Sewer debt.
- The County is $7.5 *billion* below its authorized debt limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The Statement of Activities presents information showing how the County's net position changed during fiscal year 2020. All changes in net position are reported based on the period for which the underlying events occur, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

Both statements report the following activities:

- *Governmental Activities* – Most of the County's basic services are reported under this category. Taxes, charges for services, and intergovernmental revenues primarily fund these services. Most of the County Executive departments, law enforcement, the courts, the Board of Commissioner operations, and other countywide elected official operations are reported under these activities.
- *Business-type Activities* – These activities operate like private businesses. The County charges fees to recover the cost of the services provided. The Oakland County International Airport, Water and Sewer services, and the Parks and Recreation Fund operations are examples of these activities.

- *Discretely Presented Component Units* – Component units are legally separate organizations for which the Board of Commissioners appoints a majority of the organization's policy board and there is a degree of financial accountability to the County. Two organizations are included as component units: the Road Commission for Oakland County and the Drainage Districts.

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

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

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

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

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

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

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

- *Governmental Funds* – Most of the County's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year, and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund

statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the County's programs. These funds are reported using the *modified accrual* basis of accounting as described above. Because this basis of accounting differs from the government-wide statements, additional information is provided reconciling the governmental fund statements to the government-wide statements.

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

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

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

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total Primary Government 2020	Total Primary Government 2019
Revenues						
Program Revenues						
Charges for Services	$ 161.3	$ 174.8	$ 293.1	$ 283.4	$ 454.4	$ 458.2
Grants and Contributions						
Operating	184.0	62.6	1.2	1.6	185.2	64.2
Capital	1.8	0.2	12.9	8.6	14.7	8.8
General Revenues						
Property Taxes	247.9	238.8	13.7	13.2	261.6	252.0
Intergovernmental Revenue	38.6	44.7	0.3	0.3	38.9	45.0
Investment Earnings	11.2	12.7	7.5	10.9	18.7	23.6
Other Revenue	0.2	1.5	-	-	0.2	1.5
Gain on Sale of Assets	0.4	0.4	-	-	0.4	0.4
Total Revenues	645.4	535.7	328.7	318.0	974.1	853.7
Expenses						
Public Safety	181.2	175.9	19.7	18.4	200.9	194.3
Justice Administration	83.4	82.2	-	-	83.4	82.2
Citizen Services	166.2	75.9	7.1	6.5	173.3	82.4
Public Works	12.2	26.1	239.4	228.3	251.6	254.4
Recreation and Leisure	1.0	1.1	23.1	26.3	24.1	27.4
Commerce and Community Dev.	38.8	40.4	-	-	38.8	40.4
General Government	45.2	35.1	0.8	1.1	46.0	36.2
Interest on Debt Service	3.1	3.3	-	-	3.1	3.3
Unallocated Depreciation	3.3	3.8	-	-	3.3	3.8
Total Expenses	534.4	443.8	290.1	280.6	824.5	724.4
Revenues (Under) Over Expenditures	111.0	91.9	38.6	37.4	149.6	129.3
Special item - Transfer of water system	-	-	(3.3)	(5.1)	(3.3)	(5.1)
Transfers - On-going	8.1	9.1	(8.1)	(9.1)	-	-
Increase(Decrease) in Net Position	119.1	101.0	27.2	23.2	146.3	124.2
Net Position - Beginning	758.4	657.4	779.1	755.9	1,537.5	1,413.3
Net Position - Ending	$ 877.5	$ 758.4	$ 806.3	$ 779.1	1,683.8	$ 1,537.5

Special Note:

The fiscal year 2020 Comprehensive Annual Financial Report does not include any new implementations of Governmental Accounting Standards Board (GASB) Statements.

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 2020. As reflected on the table below, the County's combined net position increased by $146.3 million. This includes the net position increase of $119.1 million (15.7 percent) for governmental activities and the net position increase of $27.2 million (3.5 percent) for business-type activities.

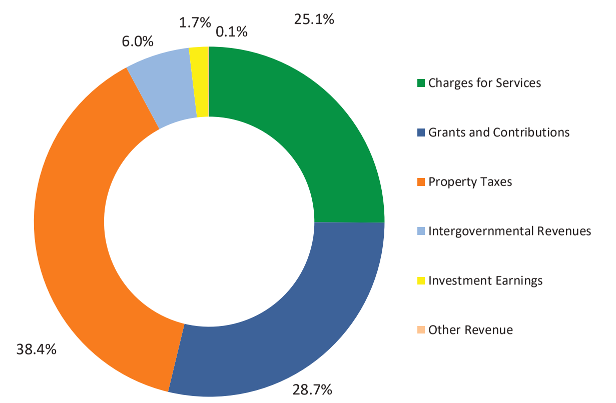
Oakland County's Net Position
(in millions of dollars)

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total Primary Government 2020	Total Primary Government 2019
Current Assets	$ 787.0	$ 615.4	$ 523.0	$ 499.2	$ 1,310.0	$ 1,114.6
Capital Assets	230.0	221.6	363.6	338.9	593.6	560.5
Other Long-term Assets	438.8	439.5	21.6	3.2	460.4	442.7
Total Assets	1,455.8	1,276.5	908.2	841.3	2,364.0	2,117.8
Deferred Outflows of Resources						
Related to Pension	27.0	9.7	-	-	27.0	9.7
Related to OPEB	65.3	52.1	-	-	65.3	52.1
Total Deferred Inflows of Resources	92.3	61.8	-	-	92.3	61.8
Current Liabilities	322.2	166.4	50.7	29.9	372.9	196.3
Other Liabilities	317.2	330.9	51.2	32.3	368.4	363.2
Total Liabilities	639.4	497.3	101.9	62.2	741.3	559.5
Deferred Inflows of Resources						
Related to Pension	-		-	-	-	
Related to OPEB	31.2	82.6	-	-	31.2	82.6
Total Deferred Inflows of Resources	31.2	82.6	-	-	31.2	82.6
Net Position:						
Net Investment in Capital Assets	199.4	183.7	327.1	304.1	526.5	487.8
Restricted	52.5	51.9	122.3	111.1	174.8	163.0
Unrestricted	625.6	522.8	356.9	363.9	982.5	886.7
Total Net Position	$ 877.5	$ 758.4	$ 806.3	$ 779.1	$ 1,683.8	$ 1,537.5

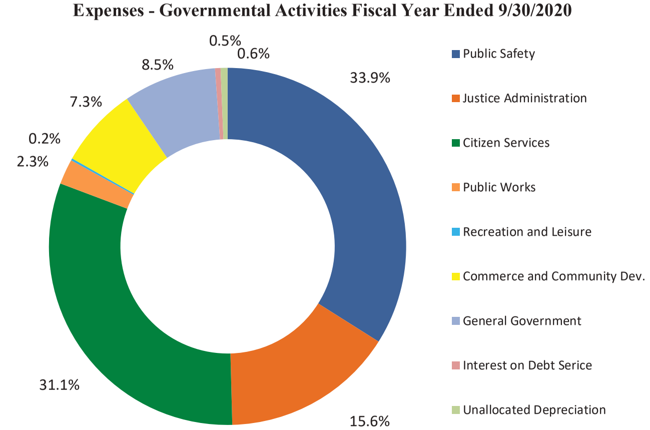
Governmental Activities:

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

Revenues - Governmental Activities Fiscal Year Ended 9/30/2020



Expenses - Governmental Activities Fiscal Year Ended 9/30/2020



In total, fiscal year 2020 governmental activity revenue increased by $109.7 million (20.5 percent) from fiscal year 2019 primarily reflecting increased federal and state funding to support COVID-19 pandemic response programs.

Property taxes generated $247.9 million in revenue, remaining the largest source of support for governmental activities, comprising 38.4 percent of all governmental activity revenue. Governmental activities have decreased their dependency on property taxes; the fiscal year 2020 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 $9.1 million from the amount realized during fiscal year 2019. This overall increase is primarily due to increasing property taxable values over the past year as well as the timing of property tax collections. The County's operating millage rate of 4.02 mills is the ninth lowest county general operating millage rate in the State. For more details regarding actual property tax collections, please see the statistical section appearing in the last section of this document.

For FY 2020, the second largest source of support for governmental activities is the $185.8 million received in operating and capital grants contributions, which is 28.8 percent of the total revenue for governmental activities. This amount represents a substantial $123.0 million increase (195.6 percent) from fiscal year 2019 and reflects federal and state funding in response to the COVID-19 pandemic. Oakland County received $219.4 million in direct Coronavirus Relief Fund program funding of which approximately $90.8 million was used as of September 30, 2020. There were also several grants passed through the State of Michigan for the COVID-19 pandemic response related to small business support, public health, and public safety needs. Included in this total change is a $121.4 million increase in operating grants and a $1.6 million increase in capital contributions and grants in comparison to fiscal year 2019.

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 $161.3 million or 24.9 percent of the total. There are a wide variety of activities charged under this category including service rendered to individuals, such as fees for marriage licenses, passports, and access to county records; as well as services rendered to other governmental units including contracted law enforcement and dispatch services, real and personal property assessing services, and the housing of state wards in the County's juvenile facility.

The $161.3 million collected in fiscal year 2020 represents a $13.5 million decrease (7.7 percent) from the previous fiscal year. The primary reasons for the decrease is due to law enforcement contract revenue as services for special events did not take place due to the pandemic; reduced court activity due to the pandemic that resulted in less court revenue/collections; and reduced land sale revenue as the land sale activity was suspended during the pandemic.

Oakland County governmental activities also recorded $38.6 million in intergovernmental revenue during fiscal year 2020, a $6.1 million decrease from the $44.7 million received in fiscal year 2019. The decrease is primarily related reduced revenue sharing payments from the State of Michigan due to the COVID-19 pandemic. Intergovernmental revenue is "shared" revenue by the state and federal government and is not tied to contractual obligations such as grant agreements. However, in the case of the convention facility liquor tax revenue, one-half of the revenues distributed by the State under the authority of the State Convention Facility Development Act, P.A. 106 of 1985, must be earmarked for substance abuse prevention and treatment programs.

Governmental activities generated $11.2 million in investment earnings during fiscal year 2020; this amount reflects a $1.5 million decrease (11.8 percent) from the amount earned in fiscal year 2019. The decrease is substantially due to reduced investment earnings and market value adjustments in comparison to the previous year. The County's investment pool rates continue to outperform U.S. Treasury rates.

Governmental activity fiscal year expenses increased $90.6 million from the fiscal year 2019 expense level, a 20.4 percent increase from the previous fiscal year. The increase was primarily attributed to the utilization of federal, state, and county funding in response to the COVID-19 pandemic.

Public Safety continued to be the largest governmental activity, expensing $181.2 million of the $534.4 million total governmental activities amount (33.9 percent). Public Safety, which encompasses law enforcement, crime prevention, incarceration, emergency management, and technical support, experienced a $5.3 million increase (3.0 percent) in comparison to the previous fiscal year. The primary reason for the increase is related to personnel costs and hazard pay that was provided during the height of the pandemic.

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 governmental activity with $166.2 million in expenses, or 31.1 percent of the total governmental activities. Expenses increased by $90.3 million from the fiscal year 2019 level (118.9 percent). The overall increase is largely related the COVID-19 pandemic programming efforts that were described in the Transmittal Letter.

Justice Administration is the third largest expense category accounting for $83.4 million, or 15.6 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 $1.2 million increase (1.5 percent) from the previous fiscal year. This increase primarily relates to personnel costs and costs associated with the Michigan Indigent Defense Commission activity.

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expensed $12.2 million in fiscal year 2020, or 2.3 percent of the total governmental activities expenses. This level of expense is a net decrease of $13.9 million (53.2 percent) from fiscal year 2019. Most of this decrease is due to fluctuating Act 342 water and sewer projects and other infrastructure projects that did not meet capitalization thresholds.

Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced $38.8 million in expenses, or 7.3 percent of the total governmental activities. This reflects a decrease of $1.6 million (3.9 percent) from fiscal year 2019. The majority of the decrease is related to the timing of Community Development Block Grant awards (please note the pandemic related programming for Community Development Block Grants is captured under Citizen Services activity).

The General Government activity, which is comprised of the administration and financial management of County business, expensed $45.2 million in fiscal year 2020, or 8.5 percent of the total governmental activity expenses. The level of expenses in fiscal year 2020 increased by $10.1 million (28.8 percent) from fiscal year 2019 level. The overall increase is the result of an estimated liability recorded for the *Rafaeli, LLC v Oakland County* court case. It is important to note that this court case could further financially impact Oakland County as well as other Michigan counties that were following the General Property Tax Act (MCL 211.1 et seq). The court case was initially filed in 2014 and the initial $9.6 million liability estimate was recorded based on reasonable assumptions of pending legislation at the time of closing the financial records in the fall of 2020 to limit the retroactive claim period. It is not clear at this time that the final form of that legislation, as enacted, will have the effect of limiting the retroactive claim period. The court decision as to any retroactive claim period, which has a direct impact on the claim amount, has not occurred as of the finalization of the FY 2020 financial report.

As stated previously, the result of fiscal year 2020 governmental activity was an overall increase of $119.1 million in net position, to $877.5 million. Of the total $877.5 million in governmental activities' net position, $199.4 million is invested in capital assets; $52.5 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 $625.6 million is reported as unrestricted.

Business-type Activities:

Net position in business-type activities is reported at $806.3 million for fiscal year 2020, an increase of $27.2 million (3.5 percent) over the amount reported at the end of fiscal year 2019. Of the total net position, $327.1 million is for the net investment in capital assets, $122.3 million is restricted, and $356.9 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 2020, business-type activities generated $328.7 million in revenue; this is an increase of $10.7 million (3.4 percent) from the previous fiscal year. The overall change primarily reflects an increase in interceptor sewage disposal system revenue as well as retail water and sewer revenue.

Business-type activity recorded expenses of $290.1 million, an increase of $9.5 million from fiscal year 2019 (3.4 percent). This overall increase is primarily for Public Works activity and primarily relates to a liability for a 2014 stormwater claim settlement recently reached for the Southeastern Oakland County Sewage Disposal System.

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
Two (2) governmental funds are designated as major funds of the County: the *General Fund* and the *Water and Sewer Debt Act 342 Fund.* As the County completed fiscal year 2020, the governmental funds reported *combined* fund balances of $316.7 million with the fund balances of the General Fund and the Water & Sewer Debt Act 342 representing 84.3 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of $316.7 million represents a decrease of $6.9 million from the combined fund balances reported at the end of fiscal year 2019. The overall decrease in the combined governmental fund balances includes a $7.3 million increase to the General Fund balance. The Water and Sewer Debt Act 342 remained relatively unchanged. The non-major governmental funds decreased by $14.3 million overall and primarily reflects the timing of expenditures in the special revenue and capital project funds.

General Fund

The General Fund is the principal operating fund of the County. Unless otherwise required by statute, contractual agreement, or policy, all County revenues and expenditures are recorded in the General Fund. As of September 30, 2020 the General Fund reported a fund balance of $267.0 million. This amount reflects an increase of $7.3 million (2.8 percent) from the fund balance of $259.7 million reported as of September 30, 2019.

The overall $7.3 million increase in the General Fund balance is a result of General Fund revenues exceeding General Fund expenditures by $59.2 million. In addition, the General Fund received $6.2 million transfers from other funds, while transferring $58.1 million to other funds, rendering a net "transfer-out" of $51.9 million.

General Fund revenues were recorded at $526.3 million for fiscal year 2020. This amount is an increase of $97.1 million (22.6 percent) from the $429.2 million received in fiscal year 2019. The majority of the increase is due to federal and state funding provided in response to the COVID-19 pandemic, as well as improved property taxable values and property tax collections.

General Fund expenditures were $467.0 million, an increase of $97.1 million from the fiscal year 2019 level (24.7 percent). Again, the overall change primarily reflects programming in response to the COVID-19 pandemic.

The General Fund received $6.2 million in transfers from other funds; this is a decrease of $0.6 million (8.8 percent) from the amounts transferred during fiscal year 2019. This decrease 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 $58.1 million to other funds during fiscal year 2020. This amount is $11.4 million more (24.4 percent) than the fiscal year 2019 transfers. The increase largely reflects transfers made in fiscal year 2020 in response to the COVID-19 pandemic for small business support grant programs and county departmental support services such as Information Technology and Facilities Management.

Of the total $267.0 million General Fund balance, all but $2.3 million is Non-Spendable, Restricted, or Assigned for specific purposes. The total fiscal year 2020 General Fund balance of $267.0 million

represents 50.8 percent of the fiscal year 2020 General Fund operations. However, when removing Non-Spendable, Restricted, or Assignments that were specifically for encumbrance or carryforward amounts, that leaves fund balance of approximately $245.6 million or 46.8 percent of fiscal year 2020 General Fund operations. The General Fund balance of $267.0 million represents 84.3 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 2020 budget was adopted on September 25, 2019 (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 $101.5 million (24.1 percent) during the fiscal year 2020 from $420.7 million to $522.2 million. The substantial increase is for the federal and state funding provided to aid in the COVID-19 pandemic response.

Actual General Fund revenue totaled $526.3 million, $4.0 million more than the amended budget. Although variances naturally occur in every revenue line item, the most significant reason for this variance is the Investment Income favorability of $4.2 million in comparison to the budgeted amount, primarily due to market rate adjustments and the increased cash base given the up-front COVID-19 pandemic funding and that was available for use beyond September 30, 2020. Also, favorable property tax revenue of $1.3 million was primarily due to a 0.21% improvement of taxable value over the adopted budget amount as well as the timing of property tax collections. Intergovernmental Revenue was also $1.0 million favorable overall largely due to an excess distribution from the State of Michigan for personal property tax loss reimbursement. The overall favorability was partially offset by unfavorable $2.9 million Charges for Services revenue primarily due to the COVID-19 pandemic.

The General Fund expenditure budget increased $97.6 million (23.6 percent) from $413.8 million to $511.4 million during fiscal year 2020. The majority of the amendments were related to various support appropriations authorized for the pandemic response. Also, there were appropriations made during fiscal year 2020 of $1.9 million in new Local Road Improvement program projects and new Tri-Party Road Improvement Program projects in the amount of $1.1 million.

The General Fund expenditures for fiscal year 2019 were $44.4 million below budget. This favorable variance from the budget reflects 'normal' operations being reduced because of the COVID-19 pandemic and service delivery being focused only on critical functions. Of the $44.4 million favorability, about $9.8 million was related to salary and fringe benefit savings as all authorized positions were fully budgeted in FY 2020. There was also $32.5 million in contractual/commodity operating favorability as many budgeted operations were not carried out due to the pandemic or due to conscious efforts of the County's elected officials to limit expenditures wherever possible. Approximately $14.1 million of the $32.5 million favorability was included as a carry forward request to be re-appropriated in FY 2021. Carry forwards included unspent funds for Salary Adjustment Reserve, Tri-Party Road Improvement Projects, Grant Match, Juvenile Resentencing, Capital Outlay, and various departmental requests, which were carried forward into the fiscal year 2021 budget to complete the projects.

The adopted budget also included other financing sources and uses for General Fund operations, essentially the net result of the General Fund receiving resources from other funds less the amount of General Fund resources provided to (or transferred to) other funds. The adopted budget assumed that the General Fund would transfer $37.5 million more in resources to other funds (financing uses) than it would

The *Clinton Oakland Sewage Disposal System Fund (COSDS)* ended fiscal year 2020 with a net position of $46.7 million, almost $1.9 million (4.2 percent) more than the net position recorded at the end of fiscal year 2019. The increase in net position is primarily for fluctuating operating activity over the prior year.

The *County Airport Fund* recorded a net position of $80.4 million as of September 30, 2020. This reflects a decrease of approximately $1.8 million (2.2 percent) in net position from fiscal year 2019. The primary reason is due to the timing of capital contributions recognized from the completion of federal and state sponsored projects.

The *Parks and Recreation Fund* net position decreased $1.9 million (2.2 percent) during fiscal year 2020 to a total of $85.2 million in net position. This decrease resulted from operating expenses outpacing charges for services and property tax revenue as well as overall reductions in operating activity due to the COVID-19 pandemic.

The *Southeast Oakland County Sewage Disposal System Fund (SOCSDS)* experienced a $5.3 million decrease (11.4 percent) in net position to $41.2 million. The decrease is primarily due to a liability adjustment for the recently reached settlement for a 2014 stormwater claim.

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

At the end of fiscal year 2020, the County had invested $593.6 million, net of accumulated depreciation. This amount of net capital assets reflects an increase of $33.1 million from fiscal year 2019. As seen in the table below, this is attributed to a $8.4 million increase in governmental activities and a $24.7 million increase to business-type activities. The overall change is largely related to on-going infrastructure and technology projects in progress for both governmental and business-type activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Land	$ 7.4	$ 7.4	$ 68.5	$ 68.5	$ 75.9	$ 75.9
Land Improvements	0.4	0.2	12.5	13.9	12.9	14.1
Buildings and Improvements	141.7	147.6	49.9	52.9	191.6	200.5
Equipment and Vehicles	24.2	27.4	21.6	15.8	45.8	43.2
Infrastructure	16.9	14.5	62.5	67.8	79.4	82.3
Subtotal	190.6	197.1	215.0	218.9	405.6	416.0
Construction in Progress	39.4	24.5	148.6	120.0	188.0	144.5
Total Capital Assets	$ 230.0	$ 221.6	$ 363.6	$ 338.9	$ 593.6	$ 560.5

take in from other funds (financing sources). The financing uses budget was increased during fiscal year 2020 by $24.8 million from $43.0 million to $67.8 million. Major amendments included $13.8 million in appropriation transfers to further support small business pandemic grant programs, $7.3 million to internal services funds that provided required pandemic operational support including both technology and facility needs, and $1.9 million for the FY 2020 Michigan Indigent Defense Commission Grant Program related to the Michigan Indigent Defense Commission Act (MIDC Act), MCL 780.981 et. al., delivery of indigent defense systems, as specified in MIDC Standards 1 through 4. There was also an amendment of $1.5 million to make renovations to the North Oakland Health Center and the South Oakland Health Center to enable improved community health services through a contractual arrangement with Honor Community Health.

Actual financing uses from the General Fund were $9.7 million less than budgeted. This variance largely reflects actual operational requirements for the Child Care Fund ($5.8 million), Building Improvement Fund ($1.5 million), Housing & Community Development Grants ($589,161), the Friend of the Court Grant Fund ($393,213), Law Enforcement Grants ($155,880), and various other grants ($993,053) as transfers are based on actual operational activity.

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 $2,701 to report a total fund balance of $22,390.

Enterprise Funds
There are seven (7) *enterprise funds* that are classified as major: the *Parks and Recreation Fund,* the *Delinquent Tax Revolving Fund*, the *County Airport Fund*, the *Water and Sewer Trust Fund*, the *Evergreen-Farmington Sewage Disposal System (EFSDS) Fund,* the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund,* and the *Clinton Oakland Sewage Disposal System (COSDS) Fund*. As of September 30, 2020, the Enterprise Funds had a combined net position of $806.3 million, an increase of $27.2 million from the combined net position reported at the end of fiscal year 2019. The seven major enterprise funds reported net positions of $730.4 million (90.6 percent of the total combined Enterprise net position). The net position of these seven major Enterprise funds increased overall by $14.0 million and the non-major enterprise funds increased by $13.2 million for fiscal year 2020.

Four of the seven major Enterprise Funds experienced an increase in net position. The *Delinquent Tax Revolving Fund (DTRF)* ended fiscal year 2020 with a net position of $205.6 million, $4.1 million (2.0 percent) more than the net position recorded at the end of fiscal year 2019. This increase is primarily the result of continued payment plan collection efforts and favorable investment income due to market value adjustments as of September 30, 2020.

The *Water and Sewer Trust Fund* realized a $12.0 million increase (7.6 percent) in fiscal year 2020 to report a net position of $170.2 million. This overall increase is mainly attributed to fluctuations in operating activity for the various water and sewer systems. The overall increase was partially offset by the transfer of water system assets to Oxford Township.

The *Evergreen-Farmington Sewage Disposal System Fund (EFSDS)* increased in net position by $5.0 million (5.2 percent) to $101.0 million. The increase in net position is attributed to fluctuating operating activity over the prior year and to capital asset contributions from Act 342 projects.

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

Long-term Debt - As of September 30, 2020, the Primary Government had $352.7 million in limited taxing authority bonds outstanding. This represents a $21.9 million decrease from September 30, 2019 in the limited tax authority bonds. In addition, the County uses its full faith and credit, as a secondary obligor, to back $280.5 million of Drainage District component unit debt. The Drainage District component unit debt experienced an overall increase of $43.2 million in fiscal year 2020.

Outstanding Debt as of September 30, 2020
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Bonds - Limited Tax Authority	$ 301.5	$ 339.8	$ 51.2	$ 34.8	$ 352.7	$ 374.6
Total Bonds	$ 301.5	$ 339.8	$ 51.2	$ 34.8	$ 352.7	$ 374.6
Notes - Limited Tax Authority	$ -	$ -	$ -	$ -	$ -	$ -
Total Outstanding Debt	$ 301.5	$ 339.8	$ 51.2	$ 34.8	$ 352.7	$ 374.6

	Drainage Districts Component Unit		Total County Commitment	
	2020	**2019**	**2020**	**2019**
Bonds - Limited Tax Authority	$ 280.5	$ 237.3	$ 633.2	$ 611.9
Total Bonds	$ 280.5	$ 237.3	$ 633.2	$ 611.9
Notes - Limited Tax Authority	$ -	$ -	$ -	$ -
Total Outstanding Debt	$ 280.5	$ 237.3	$ 633.2	$ 611.9
Debt Limit (10% of SEV)			$ 8,119.5	$ 7,671.6
Available Statutory Debt Limit			$ 7,486.3	$ 7,059.7

Oakland County issued approximately $42.1 million in general government and business-type activity debt in fiscal year 2020. Of the $42.1 million, $19.6 million is for governmental-type activities of which $18.8 million is attributed to eligible bond issues being refinanced due to favorable interest rates. Business-type activities included $22.2 million in new issues of which $15.1 million was related to the County's Public Safety Radio Replacement project, $4.1 million related to water and sewer infrastructure projects, and approximately $3.0 million related to eligible bond issues being refinanced due to favorable interest rates.

During fiscal year 2020, $64.0 million in outstanding general government and business-type debt was paid or refunded to take advantage of bond issues eligible for refinancing.

The Drainage Districts component unit issued $69.7 million in new or refunding debt during fiscal year 2020 and retired about $26.4 million in debt obligations. Most of the new debt is related to continued improvements of the Oakland Macomb Interceptor Drainage District (OMIDD) with the debt being paid from assessments to benefitting public corporations (communities) of the OMIDD.

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

Bond Ratings

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

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, 2020 was $81.2 billion. The County is $7.5 billion below its authorized debt limit.

ECONOMIC OUTLOOK

Oakland County is recognized as one of the most prosperous counties in the nation. As detailed in the *Transmittal Letter* preceding this *Management's Discussion and Analysis*, while the unemployment rate spiked to 19.5% in April 2020 as a result of the pandemic, Oakland County's unemployment rate declined to 7.8% as of December 2020. University of Michigan economists reported in September 2020 that while the County was expected to lose approximately 68,000 jobs in 2020 as a result of the pandemic, they forecasted that Oakland County is expected to enjoy faster job recovery than Michigan overall with the County forecasted to recover 29,100 jobs in 2021 and 14,300 jobs in 2022.

The budget assumptions in the FY 2021 – FY 2023 adopted budget document includes an estimated 1.80% increase in taxable value as of December 31, 2020 (FY 2021 revenue); a 3.50% increase of taxable value as of December 31, 2021 (FY 2022 revenue); and an additional 4.25% increase in taxable value as of December 31, 2022 (FY 2023 revenue). Every 1.0 percent increase in taxable value adds approximately $2.5 million to the County's property tax revenue.

The initiatives taken by the County's Elected Officials and Administration have resulted in structural reductions of county expenses as well as generating additional fund balance in excess of the 20 percent of annual operating expenditures targeted fund balance level. On September 23, 2020, the Oakland County Board of Commissioners adopted a balanced budget for fiscal years 2021, 2022, and 2023 (through September 30, 2023). That document also includes budget estimates for fiscal years 2024 and 2025.

Finally, Oakland County leadership continues monitor and to take appropriate action in response to the on-going COVID-19 pandemic in order to protect its residents and support its local economy.

CONTACTING THE COUNTY'S DEPARTMENT OF MANAGEMENT AND BUDGET

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

County of Oakland
Statement of Net Position
September 30, 2020

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Assets				
Current assets				
Pooled cash and investments	$ 627,828,884	$ 399,731,013	$ 1,027,559,897	$ 60,421,533
Cash and cash equivalents	-	-	-	71,357,871
Investments, at fair value	16,501,806	-	16,501,806	-
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	23,798,103	-	23,798,103	-
Delinquent property taxes	622,453	49,905,763	50,528,216	-
Special assessments receivable	-	-	-	10,899,548
Due from other governmental units	29,461,287	22,490,213	51,951,500	4,841,539
Due from primary government	-	-	-	95
Due from component units	672,897	102,489	775,386	-
Accrued interest receivable	2,205,009	4,076,619	6,281,628	286,219
Accounts receivable	5,971,810	41,344,086	47,315,896	22,977,425
Contracts receivable	66,270,024	1,941,542	68,211,566	-
Internal balances	13,905	(13,905)	-	-
Inventories and supplies	1,961,278	306,800	2,268,078	4,778,003
Prepayments and other assets	11,697,601	3,100,129	14,797,730	3,130,492
Total current assets	787,005,057	522,984,749	1,309,989,806	178,692,725
Noncurrent assets				
Restricted cash	-	18,619,674	18,619,674	64,130,588
Special assessments receivable	54,490,199	-	54,490,199	225,817,684
Due from other governmental units	-	2,980,530	2,980,530	-
OPEB asset	384,338,239	-	384,338,239	-
Capital assets, net				
Land and other nondepreciable assets	46,780,971	217,108,861	263,889,832	396,207,236
Land improvements, net	445,905	12,493,171	12,939,076	521,274
Buildings and improvements, net	141,654,513	49,929,262	191,583,775	64,578,921
Equipment and vehicles, net	24,184,991	21,613,580	45,798,571	21,149,028
Infrastructure, net	16,921,842	62,466,109	79,387,951	1,169,788,023
Total capital assets, net	229,988,222	363,610,983	593,599,205	1,652,244,482
Total noncurrent assets	668,816,660	385,211,187	1,054,027,847	1,942,192,754
Total assets	1,455,821,717	908,195,936	2,364,017,653	2,120,885,479
Deferred Outflows of Resources				
Deferred outflows related to pension	26,980,166	-	26,980,166	4,585,119
Deferred outflows related to OPEB	65,352,798	-	65,352,798	20,515,624
Total deferred outflows of resources	92,332,964	-	92,332,964	25,100,743

(continued)

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

Basic
Financial Statements

County of Oakland
Statement of Activities
Year Ended September 30, 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense)
Functions/Programs					
Primary government					
Governmental activities					
General government, administrative	$ 45,235,353	$ 20,723,525	$ 772,768	$ -	$ (23,739,060)
Public safety	181,218,780	69,317,706	18,573,921	47,165	(93,279,988)
Justice administration	83,420,779	25,999,629	5,784,960	1,176,908	(50,459,282)
Citizen services	166,218,189	7,678,391	140,807,013	512,800	(17,219,985)
Public works	12,162,537	16,194,572	-		4,032,035
Recreation and leisure	958,837	3,968	-	-	(954,869)
Commerce and community development	38,828,613	21,372,375	18,118,102	-	661,864
Unallocated depreciation	3,287,405	-	-	-	(3,287,405)
Interest on debt	3,089,502	-	-	-	(3,089,502)
Total governmental activities	534,419,995	161,290,166	184,056,764	1,736,873	(187,336,192)
Business-type activities					
Airports	7,101,012	4,622,299	297,432	22,106	(2,159,175)
Community safety support	19,678,111	17,066,500	-	2,114,445	(497,166)
Community tax financing	838,789	12,293,716	-	-	11,454,927
Community water and sewer	90,362,472	104,098,318	32,458	-	13,768,304
Recreation and leisure	23,046,773	6,365,194	274,351	2,923	(16,404,305)
Sewage disposal systems	149,057,323	148,678,133	535,493	10,773,357	10,929,660
Total business-type activities	290,084,480	293,124,160	1,139,734	12,912,831	17,092,245
Total primary government	$ 824,504,475	$ 454,414,326	$ 185,196,498	$ 14,649,704	$ (170,243,947)
Component units					
Drainage districts	$ 110,383,482	$ 102,979,082	$ 122,924	$ 10,041,108	$ 2,759,632
Road commission	133,068,151	18,799,197	103,608,028	61,623,457	50,962,531
Total component units	$ 243,451,633	$ 121,778,279	$ 103,730,952	$ 71,664,565	$ 53,722,163

(continued)

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

County of Oakland
Statement of Net Position (Continued)
September 30, 2020

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Totals	Component Units
Liabilities				
Current liabilities				
Vouchers payable	$ 33,251,109	$ 21,609,890	$ 54,860,999	$ 24,491,046
Accrued payroll	12,516,835	232,760	12,749,595	-
Due to other governmental units	1,513,265	816,322	2,329,587	1,094,436
Due to primary government	-	-	-	775,386
Due to component units	95	-	95	-
Accrued interest payable	378,287	304,082	682,369	-
Other accrued liabilities	36,786,230	20,954,136	57,740,366	13,202,038
Accrued compensated absences	1,654,822	-	1,654,822	-
Unearned revenue	190,609,191	2,881,653	193,490,844	97,763,541
Claims and judgments	7,750,768	-	7,750,768	711,123
Bonds and notes payable	37,756,800	3,914,900	41,671,700	22,355,100
Total current liabilities	322,217,402	50,713,743	372,931,145	160,392,670
Noncurrent liabilities				
Accrued compensated absences	14,893,399	-	14,893,399	3,783,997
Claims and judgments	14,198,025	-	14,198,025	794,818
Net pension liability	22,497,565	-	22,497,565	36,882,420
Net OPEB obligation	-	-	-	126,288,932
Bonds and notes payable	263,735,909	47,295,012	311,030,921	258,167,669
Unamortized premiums on bonds	1,913,565	3,911,389	5,824,954	7,640,486
Total noncurrent liabilities	317,238,463	51,206,401	368,444,864	433,558,322
Total liabilities	639,455,865	101,920,144	741,376,009	593,950,992
Deferred Inflows of Resources				
Deferred Inflows related to pension	-	-	-	6,309,492
Deferred Inflows related to OPEB	31,221,928	-	31,221,928	12,486,405
Total deferred inflows of resources	31,221,928	-	31,221,928	18,795,897
Net Position				
Net investment in capital assets	199,348,222	327,109,356	526,457,578	1,435,852,301
Restricted for				
Property tax forfeiture	-	-	-	-
Superseding Trust - OPEB	16,744,693	-	16,744,693	
Public safety	10,419,244	-	10,419,244	-
Citizens services	7,524,804	-	7,524,804	-
Public works	1,398,459	-	1,398,459	26,295,068
Justice Administration	2,658,233		2,658,233	-
Commerce and community development	8,127,382	-	8,127,382	-
Debt service	5,638,628	-	5,638,628	151,614,790
Airports	-	-	-	-
Community water and sewer	-	122,316,499	122,316,499	-
Unrestricted	625,617,223	356,849,937	982,467,160	(80,522,826)
Total net position	$ 877,476,888	$ 806,275,792	$ 1,683,752,680	$ 1,533,239,333

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

Governmental Fund Financial Statements

Major Funds

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

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

Non-Major Funds

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

Special revenue funds
Debt service funds
Capital projects funds

County of Oakland
Statement of Activities (Continued)
Year Ended September 30, 2020

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	Component Units
Changes in net position				
Net (expense) revenue	$ (187,336,192)	$ 17,092,245	$ (170,243,947)	$ 53,722,163
General revenues				
Taxes				
Property taxes	247,883,604	13,735,450	261,619,054	-
State-shared revenue (unrestricted)	38,533,633	301,929	38,835,562	-
Unrestricted investment earnings	11,238,803	7,475,187	18,713,990	2,393,181
Gain (loss) on sale of capital assets	432,430	-	432,430	270,731
Other revenues	220,576	-	220,576	-
Special item - Transfer of water system to Oxford Township	-	(3,344,522)	(3,344,522)	-
Transfers in (out)	8,063,054	(8,063,054)	-	-
Total general revenues, transfers and special item	306,372,100	10,104,990	316,477,090	2,663,912
Change in net position	119,035,908	27,197,235	146,233,143	56,386,075
Net position				
Beginning	758,440,980	779,078,557	1,537,519,537	1,476,853,258
Ending	$ 877,476,888	$ 806,275,792	$ 1,683,752,680	$ 1,533,239,333

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

County of Oakland
Balance Sheet
Governmental Funds
September 30, 2020

	Major Funds			
	General	Water and Sewer Debt Act 342	Non-Major Funds	Totals September 30, 2020
Assets				
Pooled cash and investments	$ 414,215,420	$ 1,071,536	$ 70,014,035	$ 485,300,991
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	23,798,103	-	-	23,798,103
Delinquent property taxes	622,453	-	-	622,453
Due from other governmental units	14,409,575	-	14,999,706	29,409,281
Due from component units	45,160	-	570,383	615,543
Accrued interest receivable	747,104	-	206,112	953,216
Accounts receivable	7,485,697	-	860,704	8,346,401
Contracts receivable	56,831,224	-	9,438,800	66,270,024
Special assessments receivable		52,295,727	2,194,472	54,490,199
Due from other funds	20,893,817	22,590	17,890,572	38,806,979
Advances receivable	-	-	899,163	899,163
Inventories	261,038	-	-	261,038
Prepayments and other assets	229,996	-	1,964,799	2,194,795
Total assets	$ 539,539,587	$ 53,389,853	$ 119,038,746	$ 711,968,186
Liabilities				
Vouchers payable	$ 19,464,125	$ 1,070,715	$ 3,875,190	$ 24,410,030
Accrued payroll	10,973,187	-	741,021	11,714,208
Due to other governmental units	947,522	-	3,249	950,771
Due to other funds	23,070,605	771	21,337,259	44,408,635
Advances payable	-	-	899,163	899,163
Unearned revenue	180,517,427	-	9,463,446	189,980,873
Other accrued liabilities	22,163,766	250	13,002,003	35,166,019
Total liabilities	257,136,632	1,071,736	49,321,331	307,529,699
Deferred Inflows of Resources				
Unavailable revenue-property taxes	10,498,792	-	-	10,498,792
Unavailable revenue-special assessments	-	52,295,727	2,194,472	54,490,199
Unavailable revenue-grants	189,845	-	5,940,479	6,130,324
Unavailable revenue-contracts receivable	-	-	9,350,000	9,350,000
Unavailable revenue-other	4,688,406	-	2,608,172	7,296,578
Total deferred inflows of resources	15,377,043	52,295,727	20,093,123	87,765,893
Fund Balances				
Nonspendable	491,034	-	-	491,034
Restricted	-	22,390	22,317,458	22,339,848
Committed	-	-	32,815,999	32,815,999
Assigned	264,217,322	-	-	264,217,322
Unassigned	2,317,556	-	(5,509,165)	(3,191,609)
Total fund balances	267,025,912	22,390	49,624,292	316,672,594
Total liabilities, deferred inflows of resources, and fund balances	$ 539,539,587	$ 53,389,853	$ 119,038,746	$ 711,968,186

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

County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
September 30, 2020

Total fund balances for governmental funds		$ 316,672,594
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land, not being depreciated	$ 7,235,551	
Construction in progress, not being depreciated	14,596,880	
Land improvements, net of $1,230,036 depreciation	445,905	
Buildings and improvements, net of $137,458,822 depreciation	139,967,913	
Equipment and vehicles, net of $31,026,458 depreciation	9,983,733	
Infrastructure, net of $18,220,324 depreciation	16,794,823	
		189,024,805
Internal service funds are used by management to charge the cost of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		379,330,610
Property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenue in the funds.		9,876,339
Long-term receivables such as special assessments and contracts receivable are expected to be collected over several years and are deferred in the governmental funds and are not available to pay for current year expenditures.		77,267,101
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the net effect of these balances on the statement:		
Bonds and notes payable	(92,402,709)	
Accrued interest payable	(378,287)	
Unamortized bond premiums	(1,913,565)	
		(94,694,561)
Net position of governmental activities		$ 877,476,888

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

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2020

	Major Funds: General	Major Funds: Water and Sewer Debt Act 342	Non-Major Funds	Totals September 30, 2020
Revenues				
Taxes	$ 247,512,190	$ -	$ -	$ 247,512,190
Special assessments	-	4,424,976	4,231,092	8,656,068
Federal grants	105,909,329	-	38,542,844	144,452,173
State grants	6,666,072	-	24,388,755	31,054,827
Other intergovernmental revenues	40,763,727	-	9,973,070	50,736,797
Charges for services	108,978,364	1,800	12,200,842	121,181,006
Contributions	332,047	-	283,315	615,362
Investment income	6,575,597	5,531	509,505	7,090,633
Indirect cost recovery	9,372,744	-	-	9,372,744
Other	150,045	-	32,598	182,643
Total revenues	526,260,115	4,432,307	90,162,021	620,854,443
Expenditures				
Current operations				
County Executive	131,813,492	-	87,376,678	219,190,170
Clerk/Register of Deeds	9,592,086	-	2,186,884	11,778,970
Treasurer	16,578,419	-	-	16,578,419
Justice administration	54,358,092	-	27,166,769	81,524,861
Law enforcement	187,015,069	-	7,924,596	194,939,665
Legislative	4,712,556	-	-	4,712,556
Water Resource Commissioner	8,237,099	22,205	2,415,965	10,675,269
Non-departmental	50,217,877	-	112,383	50,330,260
Total current operations	462,524,690	22,205	127,183,275	589,730,170
Capital outlay	1,464,023	-	16,689,083	18,153,106
Intergovernmental	3,054,017	-		3,054,017
Debt service				
Principal payments	-	3,740,000	28,850,000	32,590,000
Interest and fiscal charges	-	1,387,526	1,606,293	2,993,819
Total expenditures	467,042,730	5,149,731	174,328,651	646,521,112
Excess (deficiency) of revenues over (under) expenditures	59,217,385	(717,424)	(84,166,630)	(25,666,669)
Other financing sources (uses)				
Transfers in	6,179,427	-	53,718,497	59,897,924
Transfers out	(58,105,678)	(875)	(5,086,486)	(63,193,039)
Insurance recoveries	-	-	-	-
Issuance of bonds	-	-	470,633	470,633
Issuance of refunding bonds	-	721,000	18,775,000	19,496,000
Premiums on bonds sold	-	-	2,028,965	2,028,965
Total other financing sources (uses)	(51,926,251)	720,125	69,906,609	18,700,483
Net change in fund balances	7,291,134	2,701	(14,260,021)	(6,966,186)
Fund balances				
October 1, 2019	259,734,778	19,689	63,884,313	323,638,780
September 30, 2020	$ 267,025,912	$ 22,390	$ 49,624,292	$ 316,672,594

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

County of Oakland
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities
Year Ended September 30, 2020

Net change in fund balance - total governmental funds		$ (6,966,186)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Construction in progress	$ (977,203)	
Buildings and improvements	1,164,159	
Equipment and vehicles	755,715	
Infrastructure	3,051,495	
Depreciation expense	(9,252,083)	
		(5,257,917)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		114,761,433
Property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenue in the funds.		
Prior year's deferral	(9,504,925)	
Current year deferral	9,876,339	
		371,414
Revenues from special assessments and contracts receivable reported in the Statement of Activities in previous years did not provide current financial resources in the governmental funds until the current year.		5,475,113
Premiums on the sale of bonds provide current financial resources in governmental funds, but increases long-term liabilities in the Statement of Net Position. Amortization of premiums reduces long-term liabilities in the Statement of Net Position		
Current year premiums on bonds	(2,028,965)	
Amortizition of current year premium	115,400	
		(1,913,565)
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Position. This is the amount proceeds exceed repayments.		
Bond proceeds	(19,966,633)	
Repayment of bond principal	32,590,000	
Accrued interest	(57,751)	
		12,565,616
Change in net position of governmental activities		$ 119,035,908

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

County of Oakland
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Assets					
Current assets					
Pooled cash and investments	$ 19,316,205	$ 144,475,621	$ 16,868,095	$ 98,932,115	$ 20,677,530
Investments, at fair value	-	-			
Delinquent property taxes receivable	-	49,905,763	-	-	-
Current portion of due from other governmental units	126,521	302,394	300	3,310,211	5,154,294
Due from component units	-	-	-	-	102,489
Accrued interest receivable	28,959	2,334,022	141,929	438,339	191,478
Accounts receivable (net of allowance for uncollectibles where applicable)	382,003	9,535,720	234,109	30,176,860	-
Due from other funds	98,100	-	-	138	-
Current portion of contracts receivable	-	-	1,941,542	-	-
Inventories and supplies	141,941	-	-	-	-
Prepayments and other assets	-	-	59,204	808,754	-
Total current assets	20,093,729	206,553,520	19,245,179	133,666,417	26,125,791
Noncurrent assets					
Restricted cash	-	-	-	-	217,458
Due from other governmental units	-	-	-	-	2,980,530
Net OPEB assets	-	-	-	-	-
Capital assets, net					
Land and other nondepreciable assets	33,322,658	-	36,488,418	25,520,878	73,997,145
Land improvements, net	-	-	12,060,910	-	432,261
Building and improvements, net	17,829,954	-	19,009,583	2,261,916	10,526,711
Equipment and vehicles, net	1,210,495	-	422,052	7,877,848	2,935,592
Infrastructure, net	14,239,392	-	1,521,101	27,446,233	7,228,431
Total capital assets	66,602,499	-	69,502,064	63,106,875	95,120,140
Total noncurrent assets	66,602,499	-	69,502,064	63,106,875	98,318,128
Total assets	86,696,228	206,553,520	88,747,243	196,773,292	124,443,919
Deferred Outflows of Resources					
Deferred outflows related to pension	-	-	-	-	-
Deferred outflows related to OPEB	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-

(continued)

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

Proprietary Fund Financial Statements

Major Funds

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

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

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

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

Evergreen-Farmington S.D.S. (Sewage Disposal System) Fund - This fund was established to record the operations and maintenance of the system, which is used to move sewage to the Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities being serviced or issuance of debt.

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

Clinton-Oakland S.D.S. (Sewage Disposal System) Fund - This fund was established to record the operations and maintenance of the system, which is used to move sewage to the Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

Non-Major Funds

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

Internal service funds
Enterprise funds

County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	S.O.C.S.D.S.	Clinton-Oakland S.D.S.	Non-Major Funds	Totals September 30, 2020	Governmental Activities - Internal Service Funds
Assets					
Current assets					
Pooled cash and investments	$ 38,471,050	$ 14,442,337	$ 46,548,060	$ 399,731,013	$ 142,527,893
Investments, at fair value					16,501,806
Delinquent property taxes	-	-	-	49,905,763	
Current portion of due from other governmental units	6,627,796	4,227,698	2,740,999	22,490,213	52,006
Due from component units	-	-	-	102,489	57,354
Accrued interest receivable	331,500	190,383	420,009	4,076,619	1,251,793
Accounts receivable (net of allowance for uncollectibles where applicable)	38,944	-	976,450	41,344,086	2,472,714
Due from other funds	-	-	7,687	105,925	7,092,033
Current portion of contracts receivable	-	-	-	1,941,542	-
Inventories and supplies	-	-	164,859	306,800	1,700,240
Prepayments and other assets	421,361	-	1,810,810	3,100,129	9,502,806
Total current assets	45,890,651	18,860,418	52,668,874	523,104,579	181,158,645
Noncurrent assets					
Restricted cash	-	-	18,402,216	18,619,674	-
Due from other governmental units	-	-	-	2,980,530	-
Net OPEB asset	-	-	-	-	384,338,239
Capital assets, net					
Land and other nondepreciable assets	8,477,586	18,335,947	20,966,229	217,108,861	24,948,540
Land improvements, net	-	-	-	12,493,171	
Building and improvements, net	35,740	150,617	114,741	49,929,262	1,686,600
Equipment and vehicles, net	2,696,332	1,005,636	5,465,625	21,613,580	14,201,258
Infrastructure, net	1,025,638	10,601,320	403,994	62,466,109	127,019
Total capital assets	12,235,296	30,093,520	26,950,589	363,610,983	40,963,417
Total noncurrent assets	12,235,296	30,093,520	45,352,805	385,211,187	425,301,656
Total assets	58,125,947	48,953,938	98,021,679	908,315,766	606,460,301
Deferred Outflows of Resources					
Deferred outflows related to pension	-	-	-	-	26,980,166
Deferred outflows related to OPEB	-	-	-	-	65,352,798
Total deferred outflows of resources	-	-	-	-	92,332,964

(continued)

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

County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Liabilities					
Current liabilities					
Vouchers payable	$ 457,539	$ 601,735	$ 137,712	$ 4,966,008	$ 6,263,157
Accrued payroll	151,335	2,130	22,587	1,012	-
Due to other governmental units	4,332	191,660	-	101,034	518
Due to component units	-	-	-	-	-
Due to other funds	66,676	-	-	22,590	-
Unearned revenue	167,774	-	2,327,437	-	-
Current portion of bonds payable	-	-	620,000	1,124,900	1,185,000
Accrued interest payable	-	-	50,820	-	-
Current portion of accrued compensated absences	-	-	-	-	-
Current portion of clains and judgments	-	-	-	-	-
Other accrued liabilities	642,248	109,947	537,170	5,569,324	1,614,160
Total current liabilities	1,489,904	905,472	3,695,726	11,784,868	9,062,835
Noncurrent liabilities					
Bonds payable	-	-	4,030,000	14,715,012	14,410,000
Unamortized premiums on bonds	-	-	634,173	-	-
Net pension liability	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Claims and judgments	-	-	-	-	-
Total noncurrent liabilities	-	-	4,664,173	14,715,012	14,410,000
Total liabilities	1,489,904	905,472	8,359,899	26,499,880	23,472,835
Deferred Inflows of Resources					
Deferred inflows related to OPEB	-	-	-	-	-
Total deferred inflows of resources					
Net position					
Net investment in capital assets	66,602,499	-	64,217,891	47,266,963	79,742,598
Restricted for programs	-	-	-	67,195,904	12,646,527
Unrestricted	18,603,825	205,648,048	16,169,453	55,810,545	8,581,959
Total net position	$ 85,206,324	$205,648,048	$ 80,387,344	$170,273,412	$100,971,084

(continued)

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

County of Oakland
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Operating revenues					
Charges for services	$ 6,334,009	$ 11,882,315	$ 4,611,260	$103,529,858	$ 46,700,515
Other	31,185	1,258	9,089	567,285	299
Total operating revenues	6,365,194	11,883,573	4,620,349	104,097,143	46,700,814
Operating expenses					
Salaries	8,374,703	121,249	1,444,800	106,733	-
Fringe benefits	3,480,233	79,977	792,419	60,748	-
Fringe benefits - pension	-	-	-	-	-
Fringe benefits - OPEB	-	-	-	-	-
Contractual services	5,740,016	178,725	1,562,152	45,528,091	39,898,508
Commodities	609,910	-	107,772	1,844,811	60,571
Depreciation	3,235,801	-	2,692,986	1,935,102	854,645
Internal services	1,606,110	62,377	279,997	26,144,257	1,662,791
Intergovernmental	-	-	-	14,327,313	-
Total operating expenses	23,046,773	442,328	6,880,126	89,947,055	42,476,515
Operating income (loss)	(16,681,579)	11,441,245	(2,259,777)	14,150,088	4,224,299
Nonoperating revenues (expenses)					
Property taxes	13,735,450	-	-	-	-
Local community stabilization share	301,929	-	-	-	-
Contributions	274,351	-	256,000	32,458	-
Interest recovery - federal grants	-	-	41,432	-	-
Investment income	377,134	2,961,521	311,040	1,733,707	347,260
Interest expense	-	-	(220,886)	(415,417)	(329,206)
Insurance recoveries	-	-	-	-	-
Gain on sale of property and equipment	-	-	1,950	1,175	-
Total nonoperating revenues (expenses)	14,688,864	2,961,521	389,536	1,351,923	18,054
Income (loss) before transfers and contributions	(1,992,715)	14,402,766	(1,870,241)	15,502,011	4,242,353
Transfers and contributions					
Capital contributions	2,923	-	22,106	-	773,357
Transfers in	216,100	-	-	-	-
Transfers out	(104,577)	(10,292,314)	-	(98,407)	-
Total transfers and contributions	114,446	(10,292,314)	22,106	(98,407)	773,357
Special items					
Transfer of water system to Oxford Township	-	-	-	(3,344,522)	-
Change in net position	(1,878,269)	4,110,452	(1,848,135)	12,059,082	5,015,710
Net position					
October 1, 2019	87,084,593	201,537,596	82,235,479	158,214,330	95,955,374
September 30, 2020	$ 85,206,324	$205,648,048	$80,387,344	$170,273,412	$100,971,084

(continued)

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

County of Oakland
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major				
	S.O.C.S.D.S.	Clinton-Oakland S.D.S.	Non-Major Funds	Totals September 30, 2020	
Liabilities					
Current liabilities					
Vouchers payable	$ 7,847,720	$ 94,041	$ 1,241,978	$ 21,609,890	$ 8,841,079
Accrued payroll	-	-	55,696	232,760	802,627
Due to other governmental units	3,845	1,357	513,576	816,322	562,494
Due to component units	-	-	-	-	95
Due to other funds	22,901	-	7,663	119,830	1,476,472
Unearned revenue	-	-	386,442	2,881,653	5,865
Current portion of bonds payable	-	-	985,000	3,914,900	26,605,000
Accrued interest payable	-	-	253,262	304,082	-
Current portion of accrued compensated absenc	-	-	-	-	1,654,822
Current portion of clains and judgments	-	-	-	-	7,750,768
Other accrued liabilities	9,011,062	2,171,932	1,298,293	20,954,136	6,467,516
Total current liabilities	16,885,528	2,267,330	4,741,910	50,833,573	54,166,738
Noncurrent liabilities					
Bonds payable	-	-	14,140,000	47,295,012	182,485,000
Unamortized premiums on bonds	-	-	3,277,216	3,911,389	-
Net pension liability	-	-	-	-	22,497,565
Accrued compensated absences	-	-	-	-	14,893,399
Claims and judgments	-	-	-	-	14,198,025
Total noncurrent liabilities	-	-	17,417,216	51,206,401	234,073,989
Total liabilities	16,885,528	2,267,330	22,159,126	102,039,974	288,240,727
Deferred Inflows of Resources					
Deferred inflows related to OPEB	-	-	-	-	31,221,928
Total deferred inflows of resources	-	-	-	-	31,221,928
Net position					
Net investment in capital assets	12,235,296	30,093,520	26,950,589	327,109,356	40,963,417
Restricted for programs	13,804,398	13,646,494	15,023,176	122,316,499	16,744,693
Unrestricted	15,200,725	2,946,594	33,888,788	356,849,937	321,622,500
Total net position	$ 41,240,419	$ 46,686,608	$ 75,862,553	$ 806,275,792	$ 379,330,610

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

County of Oakland
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Cash flows from operating activities					
Cash received from users	$ 6,153,889	$ 9,724,589	$ 4,742,355	$ 102,006,677	$ 45,639,317
Cash paid to suppliers	(11,702,568)	(321,079)	(3,149,070)	(85,575,891)	(38,989,484)
Cash paid to employees	(8,223,368)	(119,119)	(1,422,213)	(105,721)	-
Net cash provided by (used in) operating activities	(13,772,047)	9,284,391	171,072	16,325,065	6,649,833
Cash flows from noncapital financing activities					
Transfers from other funds	216,100	-	-	-	-
Transfers to other funds	(104,577)	(10,292,314)	-	(98,407)	-
Local community stabilization share	301,929	-	-	-	-
Contributions	274,351	-	256,000	32,458	-
Interest recovery - federal grants	-	-	41,432	-	-
Principal paid on debt	-	-	-	-	-
Interest paid on debt	-	-	-	-	-
Purchase of delinquent property taxes	-	(66,201,221)	-	-	-
Delinquent property taxes collected	-	63,192,543	-	-	-
Repayments received on advances	-	25,766	-	-	-
Property taxes	13,735,450	-	-	-	-
Net cash provided by (used in) noncapital financing activities	14,423,253	(13,275,226)	297,432	(65,949)	-
Cash flows from capital and related financing activities					
Contributions for capital acquisitions	-	-	-	-	-
Proceeds from sale of bonds	-	-	3,623,991	173,796	3,910,000
Transfers from other funds	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Proceeds from sale of capital assets	-	-	1,950	1,175	-
Acquisition of capital assets	(2,519,216)	-	(28,022)	(4,352,291)	(7,145,839)
Principal paid on debt	-	-	(3,945,000)	(1,091,800)	(770,000)
Interest paid on debt	-	-	(189,884)	(415,417)	(329,206)
Amount paid on advances	-	-	-	-	-
Interest paid on advances	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(2,519,216)	-	(536,965)	(5,684,537)	(4,335,045)
Cash flows from investing activities					
Purchase of investments	-	-	-	-	-
Proceeds on sale of investments	-	-	-	-	-
Interest on investments	412,798	3,216,973	336,234	1,862,619	370,932
Net cash provided by investing activities	412,798	3,216,973	336,234	1,862,619	370,932
Net increase (decrease) in cash and cash equivalents	(1,455,212)	(773,862)	267,773	12,437,198	2,685,720
Pooled cash and investments					
October 1, 2019	20,771,417	145,249,483	16,600,322	86,494,917	18,209,268
September 30, 2020	$ 19,316,205	$ 144,475,621	$ 16,868,095	$ 98,932,115	$ 20,894,988
Classificattion of cash and cash equivalents					
Pooled cash and investments	$ 19,316,205	$ 144,475,621	$ 16,868,095	$ 98,932,115	$ 20,677,530
Restricted cash	-	-	-	-	217,458
Total cash and cash equivalents	$ 19,316,205	$ 144,475,621	$ 16,868,095	$ 98,932,115	$ 20,894,988

(continued)

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

County of Oakland
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	S.O.C.S.D.S.	Clinton-Oakland S.D.S.	Non-Major Funds	Totals September 30, 2020	Governmental Activities - Internal Service Funds
Operating revenues					
Charges for services	$ 53,964,049	$ 38,877,220	$ 26,611,438	$ 292,510,664	$ 281,956,623
Other	229	299	602	610,246	37,933
Total operating revenues	53,964,278	38,877,519	26,612,040	293,120,910	281,994,556
Operating expenses					
Salaries	-	-	3,288,601	13,336,086	46,816,870
Fringe benefits	-	-	1,673,300	6,086,677	25,837,736
Fringe benefits - pension	-	-	-	-	2,992,001
Fringe benefits - OPEB	-	-	-	-	(66,771,651)
Contractual services	57,451,592	29,028,024	16,046,340	195,433,448	159,669,501
Commodities	176,176	26,252	1,008,951	3,834,443	6,251,498
Depreciation	113,099	899,502	4,138,851	13,869,986	6,261,969
Internal services	2,074,552	1,159,157	2,372,437	35,361,678	9,056,829
Intergovernmental	-	6,709,713	-	21,037,026	-
Total operating expenses	59,815,419	37,822,648	28,528,480	288,959,344	190,114,753
Operating income (loss)	(5,851,141)	1,054,871	(1,916,440)	4,161,566	91,879,803
Nonoperating revenues (expenses)					
Property taxes	-	-	-	13,735,450	-
Local community stabilization share	-	-	-	301,929	-
Contributions	-	535,493	-	1,098,302	-
Interest recovery - federal grants	-	-	-	41,432	-
Investment income	560,295	307,380	876,850	7,475,187	4,148,170
Interest expense	-	-	(159,627)	(1,125,136)	(8,342,978)
Insurance recoveries	-	-	-	-	44,361
Gain on sale of property and equipment	-	-	125	3,250	432,430
Total nonoperating revenues (expenses)	560,295	842,873	717,348	21,530,414	(3,718,017)
Income (loss) before transfers and contributions	(5,290,846)	1,897,744	(1,199,092)	25,691,980	88,161,786
Transfers and contributions					
Capital contributions	-	-	12,114,445	12,912,831	15,241,478
Transfers in	-	-	2,502,144	2,718,244	11,471,046
Transfers out	-	-	(286,000)	(10,781,298)	(112,877)
Total transfers and contributions	-	-	14,330,589	4,849,777	26,599,647
Special items					
Transfer of water system to Oxford Township	-	-	-	(3,344,522)	-
Change in net position	(5,290,846)	1,897,744	13,131,497	27,197,235	114,761,433
Net position					
October 1, 2019	46,531,265	44,788,864 #	62,731,056	779,078,557	264,569,177
September 30, 2020	$ 41,240,419	$ 46,686,608	$ 75,862,553	$ 806,275,792	$ 379,330,610

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

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust	Evergreen-Farmington SDS
Operating (loss) income	$ (16,681,579)	$11,441,245	$(2,259,777)	$ 14,150,088	$ 4,224,299
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities					
Depreciation expense	3,235,801	-	2,692,986	1,935,102	854,645
(Increase) decrease in current portion of due from other governmental units	(9,550)	198,861	300	(1,055,358)	(1,251,125)
(Increase) decrease in due from component units	-	-	-	-	(12,215)
(Increase) decrease in accounts receivable	(105,555)	(1,250,026)	183,121	(1,199,057)	-
(Increase) decrease in due from other funds	(83,548)	-	-	163,949	-
(Increase) decrease in inventories and supplies	284	-	-	-	-
(Increase) decrease in prepayments and other assets	3,290	-	(59,204)	(22,205)	31,768
(Increase) decrease in due from other governmental units	-	-	-	-	201,843
(Increase) decrease in net pension asset	-	-	-	-	-
(Increase) decrease in net OPEB asset	-	-	-	-	-
(Increase) decrease in deferred outflows related to pension	-	-	-	-	-
(Increase) decrease in deferred outflows related to OPEB	-	-	-	-	-
Increase (decrease) in vouchers payable	(172,571)	250,444	(369,271)	2,094,517	3,029,449
Increase (decrease) in accrued payroll	151,335	2,130	22,587	1,012	-
Increase (decrease) in due to other governmental units	(1,802)	(1,431,073)	-	(53,233)	(31,580)
Increase (decrease) in due to component units	-	-	-	-	-
Increase (decrease) in due to other funds	66,676	-	-	(414,001)	(1,580)
Increase (decrease) in unearned revenue	(12,652)	-	(61,415)	-	-
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	-
Increase (decrease) in other accrued liabilities	(162,176)	72,810	21,745	724,251	(395,671)
Increase (decrease) in net pension liability	-	-	-	-	-
Increase (decrease) in other long-term liabilties	-	-	-	-	-
Increase (decrease) in deferred inflows related to pensions	-	-	-	-	-
Increase (decrease) in deferred inflows related to OPEB	-	-	-	-	-
Net cash provided by (used in) operating activities	$ (13,772,047)	$ 9,284,391	$ 171,072	$ 16,325,065	$ 6,649,833

(continued)

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

County of Oakland
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major				
	S.O.C.S.D.S.	Clinton-Oakland S.D.S.	Non-Major Funds	Totals September 30, 2020	Governmental Activities - Internal Service Funds
Cash flows from operating activities					
Cash received from users	$ 52,275,580	$ 38,334,576	$ 25,818,924	$ 284,695,907	$ 275,746,525
Cash paid to suppliers	(47,349,444)	(34,905,442)	(20,483,771)	(242,476,749)	(196,776,832)
Cash paid to employees	-	-	(3,232,905)	(13,103,326)	(46,014,243)
Net cash provided by (used in) operating activities	4,926,136	3,429,134	2,102,248	29,115,832	32,955,450
Cash flows from noncapital financing actvities					
Transfers from other funds	-	-	2,502,144	2,718,244	11,076,237
Transfers to other funds	-	-	(286,000)	(10,781,298)	(112,877)
Local community stabilization share	-	-	-	301,929	-
Contributions	-	535,493	-	1,098,302	-
Interest recovery - federal grants	-	-	-	41,432	-
Principal paid on debt	-	-	-	-	(25,660,000)
Interest paid on debt	-	-	-	-	(8,342,648)
Purchase of delinquent property taxes	-	-	-	(66,201,221)	-
Delinquent property taxes collected	-	-	-	63,192,543	-
Repayments received on advances	-	-	-	25,766	-
Property taxes	-	-	-	13,735,450	-
Net cash provided by (used in) noncapital financing activities	-	535,493	2,216,144	4,131,147	(23,039,288)
Cash flows from capital and related financing activities					
Contributions for capital acquisitions	-	-	10,000,000	10,000,000	-
Proceeds from sale of bonds	-	-	18,495,851	26,203,638	-
Transfers from other funds	-	-	-	-	394,809
Insurance recoveries	-	-	-	-	44,361
Proceeds from sale of capital assets	-	-	125	3,250	479,672
Acquisition of capital assets	(5,832,681)	(3,885,864)	(15,213,592)	(38,977,505)	(4,685,982)
Principal paid on debt	-	-	-	(5,806,800)	-
Interest paid on debt	-	-	-	(934,507)	-
Amount paid on advances	-	-	-	-	(25,766)
Interest paid on advances	-	-	-	-	(330)
Net cash provided by (used in) capital and related financing activities	(5,832,681)	(3,885,864)	13,282,384	(9,511,924)	(3,793,236)
Cash flows from investing activities					
Purchase of investments	-	-	-	-	(4,122,778)
Proceeds on sale of investments	-	-	-	-	2,487,614
Interest on investments	614,007	328,690	922,948	8,065,201	4,365,932
Net cash provided by investing activities	614,007	328,690	922,948	8,065,201	2,730,768
Net increase (decrease) in cash and cash equivalents	(292,538)	407,453	18,523,724	31,800,256	8,853,694
Pooled cash and investments					
October 1, 2019	38,763,588	14,034,884	46,426,552	386,550,431	133,674,199
September 30, 2020	$ 38,471,050	$ 14,442,337	$ 64,950,276	$ 418,350,687	$ 142,527,893
Classificattion of cash and cash equivalents					
Pooled cash and investments	$ 38,471,050	$ 14,442,337	$ 46,548,060	$ 399,731,013	$ 142,527,893
Restricted cash	-	-	18,402,216	18,619,674	-
Total cash and cash equivalents	$ 38,471,050	$ 14,442,337	$ 64,950,276	$ 418,350,687	$ 142,527,893

(continued)

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

Noncash transactions

Enterprise Funds

Major funds:

Noncash and capital related financing activities included contribution of capital assets in the amount of $2,923, $22,106 and $773,357 in the Parks and Recreation, County Airports, and Evergreen-Farmington S.D.S. funds, respectively; the transfer of $3,344,522 of capital assets ($7,838,305 less accumulated depreciation of $4,493,783) to Oxford Township (Special item) in the Water & Sewer Trust fund; acquisition of capital assets reported in the Vouchers Payable liability account in the amount of $54,810, and amortization of premiums of $19,818 in the County Airports fund.

Noncash and non-capital related financing activities included the recording of Contracts Receivable and Unearned Revenue of $1,941,542 in the County Airports fund.

Non-Major funds:

Contribution of capital assets in the amount of $2,114,445 in the CLEMIS fund, and amortization of premiums in the amount of $93,635 in the Radio Communications fund.

Internal Service Funds

Noncash and non-capital related financing activities included the recording of pension expense of $2,992,001 and a reduction of OPEB expense of ($66,771,651) in the Fringe Benefits fund.

Noncash and capital related financing activities included contribution of capital assets in the amount of $15,241,478, and write-off of capital assets in the amount of $7,615 ($184,807 less accumulated depreciation of $177,192) in the Information Technology fund.

	Business-Type Activities - Enterprise Funds				
	Major				
	S.O.C.S.D.S.	Clinton-Oakland S.D.S.	Non-Major Funds	Totals September 30, 2020	Governmental Activities - Internal Service Funds
Operating income (loss)	$ (5,851,141)	$ 1,054,871	$ (1,916,440)	$ 4,161,566	$ 91,879,803
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	113,099	899,502	4,138,851	13,869,986	6,261,969
(Increase) decrease in current portion of due from other governmental units	(1,683,221)	(542,943)	(842,546)	(5,185,582)	(16,805)
(Increase) decrease in due from component units				(12,215)	(27,447)
(Increase) decrease in accounts receivable	(5,477)	-	11,515	(2,365,479)	(2,098,886)
(Increase) decrease in due from other funds	-	-	1,930	82,331	(4,105,946)
(Increase) decrease in inventories and supplies	-	-	23,905	24,189	(322,458)
(Increase) decrease in prepayments and other assets	(11,939)	31,267	149,730	- 122,707	(2,595,152)
(Increase) decrease in due from other governmental units	-	-	-	201,843	-
(Increase) decrease in net OPEB asset	-	-	-	-	(2,221,976)
(Increase) decrease in deferred outflows related to pension	-	-	-	-	(17,252,370)
(Increase) decrease in deferred outflows related to OPEB	-	-	-	-	(13,212,199)
Increase (decrease) in vouchers payable	3,834,634	(24,379)	(515,655)	8,127,168	533,249
Increase (decrease) in accrued payroll	-	-	55,696	232,760	802,627
Increase (decrease) in due to other governmental units	(5,005)	(22,326)	164,157	(1,380,862)	361,350
Increase (decrease) in due to component units	-	(3,666)	-	(3,666)	-
Increase (decrease) in due to other funds	21,002	(282)	(182,160)	(510,345)	1,264,833
Increase (decrease) in unearned revenue	-	-	35,985	(38,082)	1,053
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	975,633
Increase (decrease) in other accrued liabilities	8,514,184	2,037,090	977,280	11,789,513	555,292
Increase (decrease) in net pension liability	-	-	-	-	20,244,371
Increase (decrease) in other long-term liabilities	-	-	-	-	3,265,985
Increase (decrease) in deferred inflows related to OPEB	-	-	-	-	(51,337,476)
Net cash provided by (used in) operating activities	$ 4,926,136	$ 3,429,134	$ 2,102,248	$ 29,115,832	$ 32,955,450

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

County of Oakland
Statement of Net Position
Fiduciary Funds
September 30, 2020

	Pension (and Other Post-employment Benefits) Trust Funds	Investment Trust Funds	Agency Funds
Assets			
Pooled cash and investments	$ 3,408,253	$ 797,411,720	$ 271,507,412
Cash and cash equivalents	35,492,178	-	575,749
Investments, at fair value			
Common stock	426,945,675	-	-
Preferred Stock	1,286,190		
Government agencies	72,429,376	-	-
Corporate bonds	224,743,247	-	-
Municipal bonds	912,504	-	-
Hedge funds	102,353,931	-	-
Partnerships	136,724,295	-	-
Asset-backed fixed income	19,211,916	-	-
Government bonds	105,189,119	-	-
Government mortgage-backed securities	64,577,726	-	-
Government issued commercial mortgage-backed securities	46,004	-	-
Non-government backed CMOs	1,131,038	-	-
Commercial mortgage-backed securities	19,834,625	-	-
Bank loans	3,584,318	-	-
Exchange traded funds	972,441	-	-
International common stock	614,105,086	-	-
Index linked government bonds	24,104,254	-	-
Real estate	188,044,118	-	-
Other fixed income	10,624,954	-	-
Other	1,321,938	-	-
Total investments	2,018,142,755	-	-
Receivables - interest and dividends	4,211,952	1,695,569	220,963
Receivables -other	5,042,804	-	-
Prepaid expenses	36,949	-	-
Total assets	2,066,334,891	799,107,289	272,304,124
Liabilities			
Vouchers payable	1,813,080	-	75,121
Due to other governmental units	-	-	257,593,699
Other accrued liabilities	9,246,850	-	14,635,304
Total liabilities	11,059,930	-	272,304,124
Net position restricted for			
Pension	717,768,650	-	-
OPEB	1,337,506,311	-	-
Pool participants	-	799,107,289	-
	$ 2,055,274,961	$ 799,107,289	$ -

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

Fiduciary Fund Financial Statements

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

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

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

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

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

Component Unit Financial Statements

Component Units

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

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

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

County of Oakland
Statement of Changes in Net Position
Fiduciary Funds
Year Ended September 30, 2020

	Pension (and Other Post-employment Benefits) Trust Funds	Investment Trust Funds
Additions		
Contributions		
Pool participants	$ -	$ 1,189,992,875
Plan members	445,350	-
Total contributions	445,350	1,189,992,875
Investment income		
Interest and dividends	27,576,721	10,947,419
Net increase in fair value of investments	73,855,361	-
Total investment income	101,432,082	10,947,419
Less investment expense	4,817,835	-
Net investment income	96,614,247	10,947,419
Other revenue	4,770,018	-
Total additions	101,829,615	1,200,940,294
Deductions		
Benefits	98,406,168	-
Administrative expenses	921,430	-
Distribution to pool participants	-	844,832,222
Total deductions	99,327,598	844,832,222
Net increase (decrease)	2,502,017	356,108,072
Net position restricted for pension and other postemployment healthcare benefits, and pool participants		
October 1, 2019	2,052,772,944	442,999,217
September 30, 2020	$ 2,055,274,961	$ 799,107,289

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

County of Oakland
Statement of Net Position
Component Units
September 30, 2020

	Drainage Districts	Road Commission	Total Component Units
Assets			
Current assets			
Pooled cash and investments	$ 60,421,533	$ -	$ 60,421,533
Cash and cash equivalents		71,357,871	71,357,871
Receivables, net			
Special assessments	-	10,899,548	10,899,548
Due from other governmental units	4,841,539	-	4,841,539
Due from primary government	95	-	95
Accrued interest receivable	286,219	-	286,219
Accounts receivable	853,502	22,123,923	22,977,425
Inventories and supplies	-	4,778,003	4,778,003
Prepayments and other assets	392,560	2,737,932	3,130,492
Total current assets	66,795,448	111,897,277	178,692,725
Noncurrent assets			
Restricted cash	64,130,588	-	64,130,588
Special assessments receivable	225,817,684	-	225,817,684
Capital assets, net			
Land and other nondepreciable assets	161,288,300	234,918,936	396,207,236
Land improvements, net	-	521,274	521,274
Buildings and improvements, net	55,348,695	9,230,226	64,578,921
Equipment and vehicles, net	760,196	20,388,832	21,149,028
Infrastructure, net	455,655,233	714,132,790	1,169,788,023
Total capital assets, net	673,052,424	979,192,058	1,652,244,482
Total noncurrent assets	963,000,696	979,192,058	1,942,192,754
Total assets	1,029,796,144	1,091,089,335	2,120,885,479
Deferred Outflows of Resources			
Deferred outflows related to pension	-	4,585,119	4,585,119
Deferred outflows related to OPEB	-	20,515,624	20,515,624
Total deferred outflows of resources	-	25,100,743	25,100,743
Liabilities			
Current liabilities			
Vouchers payable	9,629,465	14,861,581	24,491,046
Due to other governmental units	1,094,436	-	1,094,436
Due to primary government	717,998	57,388	775,386
Unearned revenue and advances	86,437,324	11,326,217	97,763,541
Current portion of long-term debt	22,355,100	-	22,355,100
Current portion of long-term liabilities	-	711,123	711,123
Other accrued liabilities	7,684,447	5,517,591	13,202,038
Total current liabilities	127,918,770	32,473,900	160,392,670
Bonds and notes payable	258,167,669	-	258,167,669
Unamortized bonds premiums	7,640,486		7,640,486
Accrued compensated absences	-	3,783,997	3,783,997
Claims and judgments	-	794,818	794,818
Net pension liability	-	36,882,420	36,882,420
Net OPEB obligation	-	126,288,932	126,288,932
Total liabilities	393,726,925	200,224,067	593,950,992
Deferred Inflows of Resources			
Deferred inflows related to pension	-	6,309,492	6,309,492
Deferred inflows related to OPEB	-	12,486,40	12,486,405
Total deferred inflows of resources	-	$8,795,897	18,795,897
Net position			
Net investment in capital assets	456,660,243	979,192,058	1,435,852,301
Restricted for			
Public works	26,295,068	-	26,295,068
Debt service	151,614,790	-	151,614,790
Unrestricted	1,499,118	(82,021,944)	(80,522,826)
Total net position	$ 636,069,219	$ 897,170,114	$ 1,533,239,333

The accompanying notes are an integral part of the financial statements

County of Oakland
Statement of Activities
Component Units
Year Ended September 30, 2020

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Drainage Districts	Road Commission	Total Component Units
					Net Revenue (Expense) and Changes in Net Position		
Functions/Programs							
Drainage Districts	$ 110,383,482	$ 102,979,082	$ 122,924	$ 10,041,108	$ 2,759,632	$ -	$ 2,759,632
Road Commission	133,068,151	18,799,197	103,608,028	61,623,457	-	50,962,531	50,962,531
Total component units	$ 243,451,633	$ 121,778,279	$ 103,730,952	$ 71,664,565	2,759,632	50,962,531	53,722,163
General Revenue							
Gain (loss) on sale of capital assets					-	270,731	270,731
Unrestricted investment earnings					1,102,836	1,290,345	2,393,181
Change in net position					3,862,468	52,523,607	56,386,075
Net position							
Beginning					632,206,751	844,646,507	1,476,853,258
Ending					$ 636,069,219	$ 897,170,114	$ 1,533,239,333

The accompanying notes are an integral part of the financial statements

1. Summary of Significant Accounting Policies

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

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

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

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

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

  Separate financial statements for the Authority are not published.

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

- ***Road Commission for Oakland County (Road Commission)* –** The Road Commission is governed by three appointees of the County Board of Commissioners who are not County Board members. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges, and is principally funded by State-collected vehicle fuel and registration taxes under Michigan Public Act 51 of 1951. The County has budgetary control and appropriation authority over its activities; however, such has not been exercised. The Road Commission's primary activities, which are as of and for the year ended September 30, 2020, 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, 2019, is not reported in the financial statements of Oakland County.

- Complete financial statements of the Road Commission, which include the Road Commission Retirement System and its separately issued statements, can be obtained from its administrative offices as follows:

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

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

- The financial activities of the Drainage Districts as of and for the year ended September 30, 2020 are reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit, although financial information for the specific drainage districts may be obtained from:

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

Basic (Government-wide) and Fund Financial Statements – GASB Statement No. 34
GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that net position be classified for accounting and reporting purposes into the following three categories:

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.

- **Restricted net position** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often is designated to indicate that management does not consider them to be available for general operations. Unrestricted net position often has constraints on resources which are imposed by management, but can be removed or modified.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide Statement of Activities reflects the degree to which direct expenses that are clearly identifiable with a given functional category (General Government, Public Safety, Justice Administration, Citizen Services, Public Works, Recreation and Leisure, and Commerce and Community Development) are offset by program revenues. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or category, restricted investment earnings, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

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

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

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise funds:

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

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

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

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

The Evergreen-Farmington S.D.S. (Sewage Disposal System) Fund was established to record the operations and maintenance of the system, which is used to move sewage to the Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities serviced.

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

The Clinton-Oakland S.D.S. (Sewage Disposal System) Fund was established to record the operations and maintenance of the system, which is used to move sewage to the Great Lakes Water Authority for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

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

Fiduciary Fund Types
Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Oakland County's fiduciary funds include Pension (and other post-employment benefits) Trust funds to account for retirees' retirement and medical benefits; Investment Trust funds, which report funds deposited by and invested for local units of government; and Agency funds, which account for assets held in a custodial capacity by the County for others. These funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the programs of Oakland County.

Basis of Accounting
- ***Primary government*** – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, except for certain miscellaneous receivables and special assessments, and current liabilities are included on the balance sheet. Governmental funds are used to account for all or most of the County's general activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt.
- Proprietary, Pension Trust, and Investment Trust Funds are accounted for on a flow-of-economic-resources measurement focus. All assets and liabilities are included on the Statement of Net Position with the balance classified as net position. Proprietary funds account

for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

- The financial statements have been prepared in conformity with generally accepted accounting principles. Governmental funds use the modified accrual basis of accounting, which recognizes revenue in the accounting period in which they become susceptible to accrual, generally when they become both measurable and available. Property taxes are levied on December 1 and July 1 of each year (see Note 4) and are recognized as revenue in the fiscal year during which they are levied, and interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenues of the current period. Other revenue is considered to be available when anticipated to be collected within 60 days of the end of the fiscal period. Expenditures are recorded when the related fund liability is incurred, except debt service expenditures, which are recorded when paid.

- Proprietary, Pension Trust, and Investment Trust Funds use the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred. Agency funds, which report only a Statement of Net Position, use the accrual basis of accounting.

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

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

Budgets
Budgets and budgetary accounting are on the modified accrual basis, which is consistent with generally accepted accounting principles (GAAP basis) in that property tax revenue is recognized when made available by Board resolution. The budget was legally adopted by the Board of Commissioners prior to September 30, 2019 and presented in a separate document. Appropriation budgets were adopted for the General Fund and the following Special Revenue funds: Child Care and Social Welfare-Foster Care. Appropriations lapse at the end of the year. Project-length financial plans are budgeted for the remainder of the Special Revenue funds and for all Debt Service and Capital Projects funds. Budget and actual comparisons for such funds are not reported in the financial statements because annual budgets are not prepared.

Encumbrances are recorded at the time that purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Unliquidated encumbrances at the end of the year are set aside as assigned within fund balance. In the succeeding year, the encumbrances are re-appropriated by the Board of Commissioners to cover the unliquidated encumbrances included in fund equity. As of September 30, 2020 there were no significant encumbrances.

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

Cash overdrafts occurring in funds participating in pooled cash accounts at September 30, 2020 have been reclassified as a "due to other funds," and a corresponding "due from other funds" was established in the General Fund. Similarly, negative accrued interest receivable caused by negative cash balances is also reclassified at year end as an inter-fund liability.

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

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

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

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

Prepayments
Payments made for services that will benefit periods beyond September 30, 2020 are recorded as prepayments using the consumption method.

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

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

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

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

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

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

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

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

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

Net Pension Liability/(Asset)
The government-wide statements now include a liability/(asset) for our unfunded/overfunded legacy costs related to the County's pension plan. The net pension liability/(asset) is the difference between the total pension liability and the plan's fiduciary net position. The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience. The net pension liability/(asset) is recorded on the government-wide, internal service

and discretely presented component unit statements. This change does not impact the General Fund or any other governmental fund. Refer to the pension footnotes for further details.

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

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

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

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

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

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be

financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the County's financial statements for the year ending September 30, 2022.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the County's financial statements for the September 30, 2022 fiscal year.

Subsequent Events

It is important to note that subsequent to year-end, the American Rescue Plan Act of 2021 was passed by congress and signed in to law by the President. Oakland County is slated to receive approximately $244 million of funding under the American Rescue Plan Act. While the Act includes some information as to allowable uses and the time period for the funding, the additional administrative guidance has not been issued by the United State Treasury as of this document publication. Oakland County will be identifying strategic opportunities to most effectively support economic recovery for residents and businesses as well as potential infrastructure projects that meet eligibility requirements.

2. Legal Compliance - Budgets

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

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

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

(a) Transfers may be made from the non-departmental overtime reserve account and fringe benefit adjustment account to the appropriate departmental budget as specific overtime requests are reviewed and approved by the Fiscal Officer. Additionally, overtime

recognized as an outflow of resources (expense/expenditure) until then. The County recognizes deferred outflows related to/from the net difference between projected and actual earnings on Retirement and OPEB Plan investments, and changes in assumptions related to the OPEB Plans. The Road Commission component unit reports deferred outflows from contributions to the plan subsequent to the measurement date for both the pension and OPEB plans, and changes in assumptions in relation to the OPEB plan.

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

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2019 through September 30, 2020) and are reported as revenues in the financial statements. Amounts not collected within 60 days of the end of the fiscal year are considered unavailable for the current period, and are reported as deferred inflows.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, September 30, 2020. These estimates and assumptions also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The County is currently evaluating the impact this standard will have on the financial statements for the year ending September 30, 2021.

In June 2017, the GASB issued Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are appropriations may be transferred between divisions within a department at the request of the department head, if authorized by the Fiscal Officer or designee.

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

(c) Transfers may be made from the non-departmental appropriation reserve accounts, emergency salaries, and summer help as specific requests for these items are reviewed and approved by the Director of the Human Resources Department.

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

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

3. Deposits and Investments

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

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

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

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

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

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

As of September 30, 2020, the bank balance of the County's deposits was $1,572,512,810. Insured deposits were $4,750,000, and the remaining $1,567,762,810 was uninsured, uncollateralized, and held in the County's name.

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

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

At September 30, 2020, the Road Commission component unit had $22,423,908 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The Road Commission believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Road Commission evaluates each financial institution with which it deposits funds and assesses the level of risk for each institution; only those institutions with an acceptable estimated risk level are used as depositories.

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

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

As of September 30, 2020, the County had the following deposit and investment types in its internal investment pool.

Deposit and Investment Type	Market Value	Weighted Average Maturity (days)
Certificates of Deposit (1)	$ 978,403,365	267
Deposit Accounts (1)	594,109,446	1
Money Market Investment Pools	372,842,175	1
Amortizing Commercial Paper Disc.	24,999,356	8
Negotiable CD's	93,384,934	490
Municipal Bonds	40,772,120	2,373
Government Agencies	135,862,227	729
Total Fair Value of Internal Investment Pool	**$ 2,240,373,623**	
Weighted Average Maturity of Internal Investment Pool (in days)		**218**

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

Credit Risk – At September 30, 2020, the County had $135,862,227 invested in U.S. government securities which are rated AA by Standard & Poor's and Aaa by Moody's, and $40,772,120 invested in AAA (S&P) and Aaa (Moody's) Municipal Bonds. State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization (NRSROs). It is the County's policy to further limit its investments in commercial paper to only the top rating as issued by NRSRO's. At September 30, 2020, the County had $24,999,356 invested in A1+ (S&P) and P1+ (Moody's) commercial paper. The money market investment pool had 372,842,175 invested with a rating of AAAm (S&P). The County's investment policy is silent on the use of rated versus unrated money market funds. In addition, there is no rating level requirement for rated money market funds.

Custodial Credit Risk – Investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of another side party. The County's investment policy requires that all investment transactions (including collateral for repurchase agreements) be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian, as designated by the County Treasurer, and shall be evidenced by a safekeeping receipt. As of September 30, 2020, $295,018,637 in investments, at fair value, was held in third-party safekeeping in the County's name.

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

Concentration of Credit Risk – Investments. On September 30, 2020, the County had no investments of 5% or more of the total portfolio with U.S. agency issuers.

Interest Rate Risk – To limit its exposure to fair value losses from rising interest rates, the County's Investment Policy states the County will not directly invest in securities that mature more than three years from date of purchase; however, securities exceeding the three-year limitation may be

purchased provided maturity dates coincide with the expected use of the funds. As of September 30, 2020, the internal investment pool had a weighted average maturity of 218 days and the longest investment maturity in the portfolio was 2,373 days (6.5 years).

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

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

The County has the following recurring fair value measurements as of September 30, 2020:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurement Using		
Investment Type	**Total Value**	**Level 1**	**Level 2**	**Level 3**
Government Agencies	$ 135,862,227	$ -	$ 135,862,227	$ -
Municipal Bonds	40,772,120		40,772,120	
Amortizing Commercial Paper Disc.	24,999,356		24,999,356	
Negotiable CD's	93,384,934	-	93,384,934	
Total Investments by Fair Value	$ 295,018,637	$ -	$ 295,018,637	$ -
Investments measured at the Net Asset Value (NAV)				
Money Market Investment Pools	372,842,175			
Total Investments measured fair value	$ 667,860,812			

The fair value of Amort. Commercial Paper Disc., Negotiable CD's, Government Agencies and Municipal Bonds at September 30, 2020 was determined primarily based on level 2 inputs, and are valued using quoted prices for identical securities in markets that are not active. The Money Market Investment Pools is valued at published fair value per share (unit) for the fund.

Investments – Pension Trust Funds and Superseding Trust

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

As of September 30, 2020, debt obligation investments held in the retirement system had the following ratings:

		Ratings	
Fair Value	Percentage	S&P	Moody's
$15,611,649	2.30 %	AAA	Aaa
36,305,314	5.34	AA	Aa
84,176,965	12.39	A	A
101,645,115	14.96	BBB	Baa
14,041,252	2.07	BB	Ba
4,325,946	0.64	B	B
113,197	0.02	CCC	Caa
172,665,979	25.42	NR	NR
250,447,702	36.86	US Gov't Guaranteed	
$679,333,119	100.00 %		

Custodial Credit Risk is the risk associated that in the event of the failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of another side party. The Retirement System's Statement of Investment Goals and Objectives (SIGO) requires that all investment transactions shall be conducted through a custodian that will act as the system's third party. Securities shall be held by the custodian, as designated by the Retirement Boards, and shall be evidenced by a custodial report. As of September 30, 2020, $2,070,126,739 in investments was held in third-party safekeeping in the County's name.

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

For equities, holdings of all securities of an industry group should not exceed 25% of the portfolio at cost. ADRs should not exceed a maximum of 10% of the portfolio at cost and shall be further limited to Canadian securities and non-U.S. domiciled corporations issuing U.S. securities. As of September 30, 2020, as reported by the system's investment managers, no holdings exceed any of the Board's adopted limits.

Interest Rate Risk - The Board's adopted Statement of Investment Goals and Objectives (SIGO) places no limitation on the system's fixed-income managers on the length to maturity for fixed-income investments. As the schedule on page 84 indicates, the system's fixed-income investments had average durations of between .01 years and 14.09 years which is reasonable given the long-term nature of the system. Having reasonable durations will reduce the retirement system's risk exposure to rapidly adjusting interest rates.

Pension investments are made through the use of Investment Advisors which are selected and retained by the Retirement (PERS, VEBA and ST) and Deferred Compensation Boards. The advisors serve at the leisure of the Board as provided by investment agreements. At September 30, 2020, the Primary Government's Pension Trust fund had 30 investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement Systems' name.

As of September 30, 2020, the County had the following investment types in its Retirement System and Other Postemployment Benefits Trust funds and the Superseding Trust fund:

Investment Type	Fair Value	Percentage	Average Duration (InYears)
Common Stock	$1,051,451,465	50.70%	N/A
Preferred Stock	1,286,190	0.06%	N/A
Convertible Equity	1,321,938	0.06%	N/A
Exchange Traded Funds	972,441	0.05%	N/A
Government Bonds	106,297,678	5.13%	1.94
Government Agencies	72,553,697	3.50%	0.35
Municipal Bonds	912,504	0.04%	14.09
Corporate Bonds	227,233,997	10.96%	7.07
Bank Loans	3,584,318	0.17%	0.01
Government Mortgage-Backed Securities	65,589,062	3.16%	0.30
Gov't Issued Commercial Mortgage-Backed	46,004	0.00%	0.00
Commercial Mortgage-Backed Securities	20,047,524	0.97%	0.15
Asset-Backed Securities	19,462,334	0.94%	0.05
Non-government Backed CMOs	1,131,038	0.05%	0.59
Index Linked Government Bonds	24,442,843	1.18%	0.34
Other Fixed Income	11,189,184	0.54%	0.06
Real Estate	188,044,118	9.07%	N/A
Partnerships	136,724,295	6.59%	N/A
Hedge Funds	102,353,931	4.94%	N/A
Cash and Cash Equivalents	39,185,038	1.89%	0.00
Total	$2,073,829,599	100.00%	

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

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 9.0 years to 49.2 years and are backed by investments in various assets, including mortgages. As of September 30, 2020, the market value was $21,178,562

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, 2020, the County's CMO portfolio had an effective duration of .59 years.

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

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

The County has the following recurring fair value measurements as of September 30, 2020:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurement Using		
Investments by fair value level	Balance at September 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Signifcant Other Obsevable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities:				
Common Stock	$ 614,105,086	$ 614,105,086	$ -	$ -
Preferred Stock	1,286,190	1,286,190		
Convertible Equity	1,321,938	1,321,938		
Exchange Traded Funds	972,441	972,441	-	-
Equity Mutual Funds	22,379,498	22,379,498	-	-
Total equity securities	640,065,153	640,065,153	-	-
Debt securities:				
Government Bonds	106,297,678	-	106,277,166	20,512
Government Agencies	32,259,875	-	32,259,875	-
Municipal/Provincial Bonds	912,504	-	912,504	-
Corporate Bonds	227,233,997	-	227,032,996	201,001
Government Mortgage-Backed Securities	65,589,062	-	65,589,062	-
Government Issued Commercial		-	-	-
Mortgaage-Backed Securities	46,004		46,004	
Commercial Mortgage-Backed Securities	20,047,524	-	20,047,524	-
Non-Government Backed C.M.O.	1,131,038	-	1,131,038	-
Asset Backed Securities	19,462,334	-	19,462,334	-
Index Linked Government Bonds	24,442,843	-	24,442,843	-
Bank Loans	3,584,318	-	3,584,318	-
Other Fixed Income	11,189,184	-	11,189,184	-
Total debt securities	512,196,361	-	511,974,848	221,513
Total investments by fair value level	$ 1,152,261,514	$ 640,065,153	$ 511,974,848	$ 221,513
Investments measured at the Net Asset Value (NAV)				
International Equity	173,504,444			
Global Fixed Income	95,985,703			
Private Fixed Income	81,032,414			
Index Funds	241,462,437			
Hedged Equity Long/Short Funds	102,353,931			
Real Estate	188,044,118			
Total investments measured at the NAV	882,383,047			
Total investments measured at fair value	$ 2,034,644,561			

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

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

Disclosures regarding redemption only upon liquidation
The investments in the Private Real Estate, Real Estate and Real Estate International can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next one to ten years.

4. Property Taxes – Receivables

Receivables – In accordance with Michigan Public Act 357 of 2004, the County Operating Tax is levied on July 1 on the taxable value of real and personal property as established the preceding December 31. Taxes become a lien on the property on July 1 and are due and payable on that date through February 28 of the following year, after which unpaid taxes became delinquent and subject to penalty. Taxable value is determined by using such factors as State equalized, assessed, and capped values, along with a value change multiplier. Equalized values for the 2020 summer levy amounted to $81,195,394,914 with taxable values of $62,997,945,070. The operating tax rate for the 2020 levy was 4.02 mills, with an additional 0.2329 mills voted for Parks and Recreation (winter levy only). The amount unpaid at fiscal year-end is reported as current property taxes receivable in the County's General Fund. These receivables (current and delinquent) for the County operating tax levy amounted to $24,420,556 at September 30, 2020.

5. Allowances for Uncollectible Receivables

At September 30, 2020, the allowances for uncollectible receivables were as follows:

General Fund	$ 25,000
Enterprise Funds	
Parks and Recreation	140,377
Total	$ 165,377

The allowance in the General Fund is for accounts receivable, for the Parks and Recreation fund the allowance for uncollectible receivables consists of allowance for taxes receivable in the amount of $39,672 and for accounts receivable of $100,705.

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

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

At the year ended September 30, 2020, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if eligible	Redemption Notice Period
International Equity	$ 173,504,444	$ -	Monthly	10 Days
Global Fixed Income	95,985,703	-	Daily	3 Days
Private Fixed Income	81,032,414	4,122,372	Daily	3 Days
Index Funds	241,462,437	-	Daily	3 Days
Hedged Equity Long/Short Funds	102,353,931	-	Quarterly	90 Days
Real Estate	188,044,118	23,207,835	-	-
Total investments measured at the NAV	$ 882,383,047	$ 27,330,207		

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

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

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

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

The Hedged Equity Long/Short Fund is comprised of hedge funds that invest in global equity markets using long/short strategies both from a bottom-up (stock-pickers) orientation and a top-down (macro) orientation, including emerging markets.

7. Capital Assets

An analysis of property and equipment as reported in the Statement of Net Position, and related accumulated depreciation, at September 30, 2020, for governmental activities follows:

	Balance October 1, 2019	Additions	Disposals and Adjustments	Balance September 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	$ 7,365,551	$ -	$ -	$ 7,365,551
Construction in progress	24,530,289	18,742,293	(3,857,162)	39,415,420
Total capital assets not being depreciated	31,895,840	18,742,293	(3,857,162)	46,780,971
Capital assets being depreciated				
Land improvements	1,475,941	-	200,000	1,675,941
Buildings and improvements	279,836,864	41,400	964,159	280,842,423
Equipment and vehicles	143,995,557	5,137,991	(1,774,654)	147,358,894
Infrastructure	35,133,335	-	3,137,648	38,270,983
Total capital assets being depreciated	460,441,697	5,179,391	2,527,153	468,148,241
Less: Accumulated depreciation				
Land improvements	1,198,175	31,861	-	1,230,036
Buildings and improvements	132,235,646	6,785,300	166,964	139,187,910
Equipment and vehicles	116,637,554	7,986,022	(1,449,673)	123,173,903
Infrastructure	20,638,272	710,869	-	21,349,141
Total accumulated depreciation	270,709,647	15,514,052	(1,282,709)	284,940,990
Total capital assets being depreciated, net	189,732,050	(10,334,661)	3,809,862	183,207,251
Governmental activities capital assets, net	$ 221,627,890	$ 8,407,632	$ (47,300)	$ 229,988,222

Depreciation expense was charged to functions as follows:	
Public safety	$ 3,976,618
Justice administration	1,051,595
Citizens services	690,178
Public infrastructure	216,618
Commerce and Community Development	29,669
Unallocated depreciation	3,287,405
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	6,261,969
Total depreciation expense - governmental activities	$ 15,514,052

6. Investment Income – Pension and Other Postemployment Trust Funds

The following is a breakdown of the investment income for Pension and Other Postemployment Trust funds of the primary government for the year ended September 30, 2020:

	Employees' Retirement	VEBA Trust
Interest and dividends	$ 9,821,555	$ 17,755,166
Unrealized/Realized gain (loss) on investments	25,336,661	48,518,700
Total	$ 35,158,216	$ 66,273,866

A summary of business-type property and equipment at September 30, 2020 follows:

	Balance October 1, 2019	Additions	Disposals and Adjustments	Balance September 30, 2020
Business-type Activities				
Capital assets not being depreciated				
Land	$ 68,438,067	$ 54,810	$ -	$ 68,492,877
Construction in progress	120,035,697	39,289,214	(10,720,927)	148,603,984
Other	12,000	-	-	12,000
Total capital assets not being depreciated	188,485,764	39,344,024	(10,720,927)	217,108,861
Capital assets being depreciated				
Land improvements	45,139,104	-	-	45,139,104
Buildings and improvements	104,894,591	282,397	(30,385)	105,146,603
Equipment and vehicles	81,702,001	9,838,497	(317,778)	91,222,720
Infrastructure	330,174,606	3,201,155	(7,522,874)	325,852,887
Total capital assets being depreciated	561,910,302	13,322,049	(7,871,037)	567,361,314
Less: Accumulated depreciation				
Land improvements	31,225,755	1,420,178	-	32,645,933
Buildings and improvements	52,040,027	3,183,897	(6,583)	55,217,341
Equipment and vehicles	65,897,096	3,769,758	(57,714)	69,609,140
Infrastructure	262,352,843	5,496,153	(4,462,218)	263,386,778
Total accumulated depreciation	411,515,721	13,869,986	(4,526,515)	420,859,192
Total capital assets being depreciated, net	150,394,581	(547,937)	(3,344,522)	146,502,122
Business-type activities capital assets, net	$ 338,880,345	$ 38,796,087	$ (14,065,449)	$ 363,610,983

Depreciation expense was charged to functions as follows:

Airports	$ 2,692,986
Community safety support	4,066,386
Community water and sewer	1,935,102
Recreation and leisure	3,235,801
Sewage disposal systems	1,939,711
Total depreciation expense - business-type activities	$ 13,869,986

On September 5, 2019, the County approved a transfer of assets comprising the Oxford Township Water Supply System to grant the Township of Oxford control over the system. As a result of the transfer, the County recognized a loss of $3.3 million on the disposal of the assets as a special item in the Water & Sewer Trust enterprise fund. After the transfer, the Township entered into an agreement with the County to operate and maintain the water system on their behalf.

An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2020, for component units follows:

	Balance October 1, 2019	Additions	Disposals and Adjustments	Balance September 30, 2020
Component Units				
Drainage Districts				
Capital assets not being depreciated				
Construction in progress	$ 145,966,963	$ 19,723,974	$ (4,728,601)	$ 160,962,336
Land	325,964	-	-	325,964
Total capital assets not being depreciated	146,292,927	19,723,974	(4,728,601)	161,288,300
Capital assets being depreciated				
Buildings	69,870,049	-	-	69,870,049
Equipment	907,247	168,467	-	1,075,714
Infrastructure	586,045,808	-	4,728,601	590,774,409
Total capital assets being depreciated	656,823,104	168,467	4,728,601	661,720,172
Less: Accumulated depreciation				
Buildings	12,371,196	2,150,158	-	14,521,354
Equipment	246,475	69,043	-	315,518
Infrastructure	127,462,708	7,656,468		135,119,176
Total accumulated depreciation	140,080,379	9,875,669	-	149,956,048
Total capital assets being depreciated, net	516,742,725	(9,707,202)	4,728,601	511,764,124
Governmental activity capital assets, net	$ 663,035,652	$ 10,016,772	$ -	$ 673,052,424
Road Commission				
Capital assets not being depreciated				
Land and other	$ 227,808,413	$ 6,599,396	$ -	$ 234,407,809
Construction in progress	1,961,640	502,739	(1,953,252)	511,127
Total capital assets not being depreciated	229,770,053	7,102,135	(1,953,252)	234,918,936
Capital assets being depreciated				
Buildings and storage bins	22,664,942	489,095	529,249	23,683,286
Road equipment	69,843,136	10,963,155	760,953	81,567,244
Other equipment	6,475,423	885,432	641,124	8,001,979
Infrastructure	1,164,105,220	99,942,102	(26,987,432)	1,237,059,890
Brine wells and gravel pits	2,489,608	-	-	2,489,608
Total capital assets being depreciated	1,265,578,329	112,279,784	(25,056,106)	1,352,802,007
Less: Accumulated depreciation				
Buildings and storage bins	13,987,044	466,928	(912)	14,453,060
Road equipment	57,421,895	6,038,366	-	63,460,261
Other equipment	5,512,582	212,048	(4,500)	5,720,130
Infrastructure	500,834,295	49,080,237	(26,987,432)	522,927,100
Brine wells and gravel pits	1,858,276	110,058	-	1,968,334
Total accumulated depreciation	579,614,092	55,907,637	(26,992,844)	608,528,885
Total capital assets being depreciated, net	685,964,237	56,372,147	1,936,738	744,273,122
Governmental activity capital assets, net	$ 915,734,290	$ 63,474,282	$ (16,514)	$ 979,192,058

8. Long-term Debt - The County issues bonds and notes authorized by various State acts. Each act provides specific covenants for specific purposes.

Primary Government	Interest rate	October 1, 2019	Additions	Reductions	September 30, 2020	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Governmental activities									
Debt with limited taxing authority									
Direct borrowings									
Retirees Health Care Bonds	3.62%	$ 200,750,000	$ -	$ (25,660,000)	$ 175,090,000	$ 26,605,000	$ 148,485,000	$ 175,090,000	$ -
Water supply - Act 342	3.34%	165,000	-	(20,000)	145,000	20,000	125,000	-	145,000
Michigan Bond Authority -									
Sewage Disposal Bonds	1.62%-2.50%	31,246,076	2,633	(1,655,000)	29,593,709	1,690,000	27,903,709	-	29,593,709
Total direct borrowings		232,161,076	2,633	(27,335,000)	204,828,709	28,315,000	176,513,709	175,090,000	29,738,709
Other borrowings									
Building authority - Act 31	2.00%-3.375%	32,660,000	-	(13,340,000)	19,320,000	2,705,000	16,615,000	19,320,000	-
Building authority refunding	2.00%-5.00%	17,705,000	18,775,000	(15,290,000)	21,190,000	5,060,000	16,130,000	11,320,000	9,870,000
Retirees Health Care Bonds	4.52%	34,000,000	-	-	34,000,000	-	34,000,000	34,000,000	-
Lake levels - Act 451	2.00%	-	468,000	-	468,000	46,800	421,200	-	468,000
Water supply - Act 342	2.00%-4.72%	12,775,000	-	(1,440,000)	11,335,000	770,000	10,565,000	-	11,335,000
Sewage disposal - Act 342	1.70%-3.25%	9,880,000	-	(625,000)	9,255,000	645,000	8,610,000	-	9,255,000
Water and sewer refunding bonds	1.50%-2.75%	595,000	721,000	(220,000)	1,096,000	215,000	881,000	-	1,096,000
Total other borrowings		107,615,000	19,964,000	(30,915,000)	96,664,000	9,441,800	87,222,200	64,640,000	32,024,000
Total bonds - governmental activities		$ 339,776,076	$ 19,966,633	$ (58,250,000)	$ 301,492,709	$ 37,756,800	$ 263,735,909	$ 239,730,000	$ 61,762,709
Unamortized bond premiums			2,028,965	(115,400)	1,913,565	346,197	1,567,368	450,436	1,463,129
Business-type activities									
Direct borrowings									
Michigan Bond Authority -									
Water & Sewage Disposal Bonds	2.5%-6.00%	$ 18,462,915	$ 173,797	$ (1,206,800)	$ 17,429,912	$ 1,239,900	$ 16,190,012	$ 17,429,912	$ -
Other borrowings									
BA - Act 31 - County Airport	1.00%-5.90%	3,550,000	-	(3,550,000)	-	-	-	-	-
BA refunding - County Airport	2.00%-2.25%	2,075,000	2,970,000	(395,000)	4,650,000	620,000	4,030,000	4,650,000	-
BA - Act 31 - Radio	2.00%	-	15,125,000	-	15,125,000	985,000	14,140,000	15,125,000	-
Sewage disposal - Act 34	2.50%-3.125%	7,880,000	3,910,000	(455,000)	11,335,000	865,000	10,470,000	11,335,000	-
Sewage disposal refunding	2.00%-3.00%	2,870,000	-	(200,000)	2,670,000	205,000	2,465,000	2,670,000	-
Total other borrowings		16,375,000	22,005,000	(4,600,000)	33,780,000	2,675,000	31,105,000	33,780,000	-
Total bonds - business type		34,837,915	22,178,797	(5,806,800)	51,209,912	3,914,900	47,295,012	51,209,912	-
Unamortized bond premiums		-	4,024,842	(113,453)	3,911,389	340,358	3,571,031	3,911,389	-
Total bonds - primary government		$ 374,613,991	$ 42,145,430	$ (64,056,800)	$ 352,702,621	$ 41,671,700	$ 311,030,921	$ 290,939,912	$ 61,762,709

Component Units

Drainage Districts	Interest rate	October 1, 2019	Additions	Reductions	September 30, 2020	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Debt with limited taxing authority									
Direct borrowings									
Drain bonds - Act 40	1.00%-2.45%	$ 600,000	$ -	$ (80,000)	$ 520,000	$ 80,000	$ 440,000	$ 187,564	$ 332,436
Michigan Bond Authority-Drain Bonds	1.625%-6.00%	168,894,273	2,746,696	(14,308,200)	157,332,769	14,645,100	142,687,669	15,909,331	141,423,438
Total direct borrowings		169,494,273	2,746,696	(14,388,200)	157,852,769	14,725,100	143,127,669	16,096,895	141,755,874
Other borrowings									
Drain bonds - Act 40	1.00%-7.00%	59,065,000	62,420,000	(10,245,000)	111,240,000	5,685,000	105,555,000	42,259,617	68,980,383
Drain refunding bonds	1.85%-3.00%	8,735,000	4,510,000	(1,815,000)	11,430,000	1,945,000	9,485,000	1,419,691	10,010,309
Total other borrowings		67,800,000	66,930,000	(12,060,000)	122,670,000	7,630,000	115,040,000	43,679,308	78,990,692
Total Drainage Districts		237,294,273	69,676,696	(26,448,200)	280,522,769	22,355,100	258,167,669	59,776,203	220,746,566
Unamortized bond premiums		-	7,672,725	(32,239)	7,640,486	386,860	7,253,626	-	7,640,486
Total County Debt		$ 611,908,264	$ 111,822,126	$ (90,505,000)	$ 633,225,390	$ 64,026,800	$ 569,198,590	$ 350,716,115	$ 282,509,275
Road Commission									
Compensated absences	--	$ 2,645,605	$ 1,138,392	$ -	$ 3,783,997	$ -	$ 3,783,997	$ -	$ 3,783,997
Self-insured losses	--	1,474,219	887,361	(855,639)	1,505,941	711,123	794,818	-	1,505,941
Net OPEB liability	--	124,658,295	33,789,988	(32,159,351)	126,288,932	-	126,288,932	-	126,288,932
Net pension liability	--	54,277,231	19,721,920	(37,116,731)	36,882,420	-	36,882,420	-	36,882,420
Total Road Commission		$ 183,055,350	$ 55,537,661	$ (70,131,721)	$ 168,461,290	$ 711,123	$ 167,750,167	$ -	$ 168,461,290
Total reporting entity		$ 794,963,614	$ 167,359,787	$ (160,636,721)	$ 801,686,680	$ 64,737,923	$ 736,948,757	$ 350,716,115	$ 450,970,565

The annual requirements to pay principal and interest on debt outstanding at September 30, 2020 (excluding the liabilities for compensated absences, other postemployment benefits, pension liability and uninsured losses for the Road Commission component unit) were as follows:

	Governmental Activities limited taxing authority				Business-type Bonds limited taxing authority				Total primary government	
	Direct		Other		Direct		Other			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 28,315,000	$ 6,595,270	$ 9,441,800	$ 3,495,018	$ 1,239,900	$ 428,249	$ 2,675,000	$ 1,175,186	$ 41,671,700	$ 11,693,723
2022	29,335,000	5,572,380	9,622,800	3,204,180	1,267,600	397,155	2,725,000	1,133,102	42,950,400	10,306,817
2023	30,400,000	4,512,298	6,983,800	2,882,183	1,300,700	365,239	2,845,000	1,038,422	41,529,500	8,798,142
2024	31,495,000	3,413,533	4,536,800	2,677,946	1,336,100	332,529	2,935,000	938,436	40,302,900	7,362,444
2025	32,630,000	2,274,944	3,130,800	2,545,018	1,361,500	298,934	2,615,000	833,468	39,737,300	5,952,364
2026-2030	41,600,727	2,688,103	49,638,000	5,755,931	6,991,971	966,395	14,170,000	2,581,738	112,400,698	11,992,167
2031-2035	10,715,000	858,998	11,160,000	1,187,266	3,932,141	217,608	5,815,000	242,997	31,622,141	2,506,869
2036-2040	337,982	8,449	2,150,000	56,122	-	-	-	-	2,487,982	64,571
2041-2045	-	-	-	-	-	-	-	-	-	-
Totals	$ 204,828,709	$ 25,923,975	$ 96,664,000	$ 21,803,664	$ 17,429,912	$ 3,006,109	$ 33,780,000	$ 7,943,349	$ 352,702,621	$ 58,677,097

	Drainage Districts				Total reporting entity	
	Direct		Other			
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 14,725,100	$ 3,588,005	$ 7,630,000	$ 3,647,233	$ 64,026,800	$ 18,928,961
2022	15,082,400	3,234,313	7,605,000	3,777,634	65,637,800	17,318,764
2023	14,299,300	2,886,297	6,850,000	3,563,530	62,678,800	15,247,969
2024	14,641,576	2,544,151	7,030,000	3,351,009	61,974,476	13,257,604
2025	9,578,500	2,261,122	6,755,000	3,130,571	56,070,800	11,344,057
2026-2030	49,852,546	7,901,958	34,540,000	11,854,970	196,793,244	31,749,095
2031-2035	36,154,510	2,489,786	32,955,000	4,831,625	100,731,651	9,828,280
2036-2040	3,518,837	97,350	19,305,000	1,173,800	25,311,819	1,335,721
2041-2045	-	-	-	-	-	-
Totals	$ 157,852,769	$ 25,002,982	$ 122,670,000	$ 35,330,372	$ 633,225,390	$ 119,010,451

The County has pledged its full faith and credit on debt totaling $633,225,390. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2020, the debt limit was $8,119,539,491. 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, 2020, there were two issues outstanding, totaling $19,320,000, maturing in the years 2021-2035, which represents debt originally issued in the years 2012-2015 totaling $34,775,000.

Retirees Health Care Bonds
In September 2013, the County issued refunding bonds in the amount of $350,000,000, in order to refinance and redeem the 2007 Certificates of Participation debt. This enabled the County to fully fund the VEBA Trust Fund as of September 30, 2014. The County thereafter entered into a Superseding Contract with a new Superseding Trust which was created by the County, under which contract the County is now obligated to maintain the funding in the VEBA Trust in future years pursuant to the terms of that contract under a Superseding Plan which has superseded and supplanted the obligation of the County to maintain retiree health services by keeping the VEBA Trust at full funding. As of September 30, 2020, there were two issues outstanding totaling $209,090,000 maturing in the years 2021-2027. The debt is recorded in the Fringe Benefits Fund, an Internal Service Fund of the County.

Sewage Disposal, Water and Sewer, and Water Supply Bonds – Act 342
Act 342, Michigan Public Acts of 1939 provides for a contract between the County and local municipalities which defines a schedule of annual payments to be made by the municipality to meet principal and interest obligations. Such contractual payments may be funded by revenue produced by utility or tax revenue. The County is obligated upon the default of the local municipality, and therefore, such obligation is shown as "with governmental commitment." Assessments are shown in their entirety with the corresponding deferred inflows in the Debt Service funds for each act. At September 30, 2020, there were eight issues outstanding, totaling $20,735,000, maturing in the years 2021-2037. This represents debt originally issued in the amount of $28,050,000 issued in the years 2010-2018.

Refunding Bonds
Michigan Public Act 31 of 1948 and Act 34 of 2001 provide for the refunding of bonds based on covenants contained in the acts. The bonds will be repaid from assessments levied against the benefiting municipalities for water and sewer debt, or leases for Building Authority debt. At September 30, 2020, there were ten issues outstanding, totaling $22,286,000, maturing in the years 2021-2040. This represents debt originally issued in the years 2010-2020 totaling $40,136,000.

In February 2018, the County issued $3,065,000 of refunding bonds for a current refunding of a general obligation limited tax bond issue for the Evergreen-Farmington Sewage Disposal System pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. The amount outstanding as of September 20, 2020 was $2,670,000, which matures in the years 2021-2031.

In September 2018 and March 2020, the County issued $8,300,000 and $3,910,000, respectively, of general obligation limited tax sewage disposal bonds for the Evergreen-Farmington Sewage Disposal System pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. The amount outstanding as of September 30, 2020 was $11,335,000, which matures in the years 2021-2033.

In May 2020, the County issued $15,125,000 of general obligation limited tax bonds for the Radio Communications project pursuant to authorization contained in Michigan Public Act 31 of 1948 and Act 34 of 2001. The amount outstanding as of September 30, 2020 was $15,125,000 which matures in the years 2021-2036.

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, 2020, there were 13 issues outstanding, totaling $111,240,000, maturing in the years 2021-2040. This represents original debt issued for $138,890,000 in the years 2003-2020.

Drain Refunding Bonds (Component Unit)
Act 202 of 1943 and Act 34 of 2001 provide for the refunding of bonds based on covenants contained in the acts. The County initiates the refunding of various drain bonds issued under Act 40 on behalf of the drainage district's component unit. Bonds will be repaid from assessments levied against the benefiting municipalities. At September 30, 2020, there were five issues outstanding, totaling $11,430,000, maturing in the years 2021-2031. This represents debt originally issued in the years 2013-2019 in the amount of $18,380,000.

Michigan Bond Authority Drain Bonds (Component Unit)
The County authorized the issuance of bonds for $17,880,000 in October 2000 from the Michigan Municipal Bond Authority Revolving Loan fund for the George W. Kuhn Drainage District. Further, in 2001, the County authorized an additional $82,200,000 for the George W. Kuhn Drainage District Segment II, with successive authorizations in the years 2005 through 2008 amounting to $13,246,822. In February 2010, Oakland County, Macomb County, and their underlying municipalities under the authority of Chapter 21 of Public Act 40, Public Acts of Michigan of 1956 were permitted to issue bonds in the amount of $26,076,000 for the Oakland-Macomb Interceptor Drainage District with successive authorizations for Segments II, III & IV in the years 2012, 2013 & 2015, respectively, amounting to $99,160,000. In August 2012, in conjunction with the transfer of operations of the City of Pontiac waste-water treatment system to the County, the County's Drainage District assumed the debt obligations initiated by the City of Pontiac for two Clean Water/Water Quality projects. The total authorized loan amount was $13,322,810. Further, in October 2014, the County authorized an additional $9,840,000 with $1,000,000 principal forgiveness for the Pontiac Waste-Water Treatment Drain District. In June 2017, the County authorized the issuance of bonds for Clinton River Water Resource Recovery

Lake Levels
Act 451 of Michigan Public Acts of 1994 permits the issuance of debt for providing lake level control. Bonds are to be repaid through special assessments levied against benefiting property owners. In March 2020, the County authorized the issuance of bonds in the amount of $468,000 for the Upper Straits Lake Level. This debt issued matures in the year 2030.

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, 2020 for this issue is $700,727, which matures in the years 2021-2027.

In September 2014, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to $36,855,000 for the Evergreen and Farmington Sewage Disposal Systems Middlebelt Transport and Storage Tunnel project. As of September 30, 2020, $1,967,018 remains undrawn from the State Revolving Loan fund. The amount outstanding at September 30, 2020 for this issue is $28,892,982, which matures in the years 2021-2036.

Business Type
Two Building Authority refunding bond issues for the County Airport fund consist of the Airport T-Hangar Refunding in the amount outstanding as of September 30, 2020 of $1,680,000 maturing in the years 2021-2024 and the Airport Terminal Building in the amount outstanding as of September 30, 2020 of $2,970,000 maturing in the years 2021-2030. These represent original refunding debt issued in the amount of $4,585,000 in 2012 for the Airport T-Hangar and $2,970,000 in 2020 for the Airport Terminal Building.

In March 2012, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to $2,415,000 for the Evergreen-Farmington Sewage Disposal System 8 Mile Pumping Station Septage Facility (enterprise fund type). The amount outstanding for this issue at September 30, 2020 was $1,590,000 which matures in the years 2021-2032.

In August 2012, in conjunction with the transfer of operations of the City of Pontiac water and sewer system to the County, the County's Water and Sewer Trust fund assumed the debt obligations initiated by the City of Pontiac for four Clean Water/Water Quality projects. The total authorized loan amount is $8,220,720. In addition, in October 2014 the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for City of Pontiac Water Supply System Improvements for $6,890,000. Further, in October 2015 the County authorized the issuance of two additional bonds from the Michigan Municipal Bond Authority Revolving Loan fund for the City of Pontiac Water Supply System; one for up to $6,850,000 with $1,762,500 principal forgiveness, as of September 30, 2020, $888,867 remains undrawn and one for up to $720,000, as of September 30, 2020, $178,012 is undrawn. Additionally, in October 2016, the County authorized the issuance of bonds for the City of Pontiac Water Supply System for $5,165,000, with $1,000,000 principal forgiveness, as of September 30, 2020, $2,289,629 is undrawn. The debt obligation recorded as of September 30, 2020 amounted to $15,839,912 maturing in the years 2021 through 2035.

Facility Drainage District for $31,995,000, with $2,500,000 principal forgiveness and as of September 30, 2020, $2,431,163 remains undrawn. At September 30, 2020, there were 14 issues outstanding, totaling $157,332,769, maturing in the years 2021-2037.

Current Refunding of General Obligation Limited Tax Bonds

In May 2020, the County issued two refunding bonds, $19,010,000 (Series 2020A) and $2,735,000 (Series 2020B) for current refundings of six general obligation limited tax bond issues pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax bonds were issued for the payment of future debt service payments of the refunded debt. The debt refunded amounted to $24,035,000 of Building Authority and Building Authority Refunding Bonds, Series 2010 thru 2012, maturing in the years 2020 through 2040. The refundings were undertaken to reduce the debt service payments over the next 21 years by $2,197,338 and to obtain an economic (present value) gain of $1,958,807.

In August 2020, the County issued $721,000 of refunding bonds for a current refunding of a general obligation limited tax bond issue pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding bonds were issued for the payment of future debt service payment of the refunded debt. The debt refunded amounted to $700,000 of Highland Township Water Supply System Bonds, Series 2010 maturing in the years 2020 through 2030. The refunding was undertaken to reduce the debt service payment over the next 11 years by $121,343 and to obtain an economic (present value) gain of $111,537.

In December 2019, the County issued $4,510,000 of refunding bonds for a current refunding of general obligation limited tax refunding bond issue on behalf of the Drainage Districts' component unit, pursuant to authorization contained in Act 34, Publics Acts of Michigan of 2001. General obligation limited tax refunding drain bonds were issued for the payment of future debt service obligations of the refunded debt. The debt refunded amounted to $4,460,000 for the Oakland-Macomb Interceptor Drainage District, Series 2010B maturing in the years 2020 through 2030. The refunding was undertaken to reduce the debt service payments over the next 11 years by $324,369 and obtain an economic (present value) gain to the benefiting municipalities of $297,566.

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 $7,754,689.

Changes in Other Long-term Liabilities

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

Amounts reported for the fiscal year ended September 30, 2020 are as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities					
Accrued compensated absences	$ 13,032,780	$ 4,818,719	$ (1,303,278)	$ 16,548,221	$ 1,654,822
Claims and judgments					
Accrued unreported health costs	5,124,900	2,170,623	(1,708,300)	5,587,223	1,862,407
Accrued workers' compensation	7,625,944	1,085,125	(1,906,581)	6,804,488	1,602,063
Building and liability insurance	6,735,474	2,860,810	(1,775,500)	7,820,784	2,550,000
Net pension liability	2,253,194	20,244,371	-	22,497,565	-
Governmental activity long-term liabilities	$ 34,772,292	$ 31,179,648	$ 31,179,648	$ 59,258,281	$ 7,669,292

9. Interfund Balances

Interfund receivables and payables at September 30, 2020 were as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	
General	Water Sewer Act 342	$ 633
	Nonmajor Governmental	20,861,805
	Internal Service	31,379
	Total	20,893,817
Water Sewer Act 342	Water and Sewer Trust	22,590
Nonmajor governmental	General	15,948,780
	Nonmajor governmental	466,135
	S.O.C.S.D.S.	22,901
	Nonmajor enterprise	7,663
	Internal Service	1,445,093
	Total	17,890,572
Parks and Recreation	General	98,100
Water and Sewer Trust	Water Sewer Act 342	138
Nonmajor enterprise	General	99
	Nonmajor Governmental	7,588
	Total	7,687
Internal service	General	7,023,626
	Nonmajor governmental	1,731
	Parks and Recreation	66,676
	Total	7,092,033
	Total	$ 46,004,937

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 $19,418,897 to cover various funds with deficit cash balances at year end. The receivable in the Nonmajor governmental fund primarily consists of $12,733,248 to cover the Grant Match of the Michigan Small Business Relief Grant. Other inter-fund receivables/payables include charges from the Drain Commissioner Revolving Fund for amounts due from various drains and lake level funds, the Drain Equipment and Information Technology funds for charges for services and/or supplies.

Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2020 were as follows:

Primary Government	Component Unit	
Due from Component Unit	**Due to Primary Government**	
General	Drainage Districts	$ 44,876
	Road Commission	284
	Total	45,160
Nonmajor governmental	Drainage Districts	570,328
	Road Commission	55
	Total	570,383
Evergreen Farmington SDS	Drainage Districts	102,489
Internal Service	Drainage Districts	305
	Road Commission	57,049
	Total	57,354
	Total	$ 775,386

Component Unit	Primary Government	
Due from Primary Government	**Due to Component Unit**	
Drainage Districts	Internal Service	$ 95

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

Advances to/from other funds (including current and long-term portions) at September 30, 2020 were as follows:

Receivable Fund	Payable Fund	
Nonmajor governmental	Nonmajor governmental	$ 899,163

Advances distinguish long-term internal borrowings from receivables and payables that arise in connection with routine borrowings and short-term loans (due to/due from other funds). These include the balance of a 15-year advance to the Drain Equipment Fund for purchase of a storage building, and advances from the Long-Term Revolving Fund to two Chapter 4 Drains and two Lake Level projects.

Interfund transfers between the funds within the Primary Government recorded in the accompanying financial statements as operating transfers in/out for the year ended September 30, 2020 were as follows:

Transfers In	Transfers Out	Amount
General	Nonmajor governmental	$ 566,608
	Delinquent Tax Revolving	5,612,819
	Total	6,179,427
Nonmajor governmental	General	44,598,027
	Water and Sewer Act 342	875
	Nonmajor Governmental	4,341,693
	Delinquent Tax Revolving	4,679,495
	Water and Sewer Trust	98,407
	Total	53,718,497
Parks & Recreation	General	216,100
Nonmajor enterprise	General	2,370,317
	Nonmajor governmental	131,827
		2,502,144
Internal Service	General	10,921,234
	Nonmajor governmental	46,358
	Parks and Recreation	104,577
	Nonmajor enterprise	286,000
	Internal service	112,877
	Total	11,471,046
	Total transfers	$ 74,087,214

The transfers to and from the various funds are made to account for budgetary authorizations and/or providing funding for operations as needed. Major transfer amounts consist of: the Delinquent Tax Revolving Fund annually makes a transfer to the General Fund for operations and to Building Authority Debt Service funds for debt service obligations amounting to $5,612,819 and $4,679,495, respectively in 2020. The General Fund records transfers to various Special Revenue funds for cash deficits at year-end in the amount of $19,418,897; to fund operations of the Child Care Fund in the amount of $14,639,432; Building Improvement and other capital projects in the amount of $5,718,785; various grant fund operations in the amount of $9,162,362; debt service payments of $2,230,500 for the Building Authority Debt Fund; $9,173,682 to the Information Technology Fund for operations.

Nonspendable, restricted, committed, assigned, and unassigned fund balances of the primary government at September 30, 2020 were as follows:

		Spendable			
	Nonspendable	Restricted	Committed	Assigned	Unassigned
Primary Government					
General Fund					
Prepaids	$ 229,996	$ -	$ -	$ -	$ -
Inventories	261,038	-	-	-	-
Budget Stabilization Reserve	-	-	-	44,500,000	-
Property Tax Forfeiture Activities	-	-	-	35,007,529	-
Protection and Advancement	-	-	-	29,000,000	-
Invest in Oakland Economy	-	-	-	25,000,000	-
Improving Government Service	-	-	-	20,000,000	-
Future Technology Replacement	-	-	-	19,640,845	-
Carryforwards	-	-	-	14,074,942	-
Capital Reserve	-	-	-	13,500,000	-
Headlee Rollback-State Tax Exempt	-	-	-	10,000,000	-
Unfunded Mandates	-	-	-	9,300,047	-
Catastrophic Claims	-	-	-	8,454,500	-
Future operating requirements 2021 and beyond	-	-	-	6,378,495	-
Tri-Party Supplemental	-	-	-	5,319,430	-
HR Comp/Workforce Planning	-	-	-	5,000,000	-
Local Road Improvement Match Program	-	-	-	2,087,943	-
Emergency Salaries	-	-	-	2,000,000	-
Revolving Fund-Local Sustainability Efforts	-	-	-	2,000,000	-
Youth Talent Development	-	-	-	2,000,000	-
Pandemic Response	-	-	-	1,500,000	-
Data Privacy and Security	-	-	-	1,175,000	-
Comm public Safety Partners	-	-	-	1,000,000	-
Public Safety Facility Plan	-	-	-	1,000,000	-
Business Continuity Recovery	-	-	-	1,000,000	-
WRC Long-Term Revolving Fund	-	-	-	1,000,000	-
MI SCAO Interpreter Costs	-	-	-	750,000	-
Department Operations	-	-	-	560,337	-
High School Apprenticeship Program	-	-	-	500,000	-
Human Resources Legal	-	-	-	500,000	-
Priority Enviro Remed Proj	-	-	-	400,000	-
BOC-High School Hydration Stations	-	-	-	300,000	-
Board of Commissioners Projects	-	-	-	292,204	-
Community Partnerships	-	-	-	238,654	-
Quality of Life Initiatives	-	-	-	200,000	-
Buy Local	-	-	-	150,000	-
Health - Preventative Care	-	-	-	141,816	-
Landlord Mitigation Program	-	-	-	105,000	-
BOC-Targeted Health Services	-	-	-	100,000	-
Rx Discount Card Program	-	-	-	40,580	-
Unassigned	-	-	-	-	2,317,556
Total	$ 491,034	$ -	$ -	$ 264,217,322	$ 2,317,556

10. Fund Equities

At September 30, 2020, a deficit existed in the following funds:

Special Revenue Fund	
Water & Sewer Act 342	$ 291,120
Capital Projects Funds	
Drain Chapter 4 Construction	641,231

In the Special Revenue fund, the negative unassigned fund balance in the Water & Sewer Act 342 fund is primarily related to the Evergreen Farmington Sewage Disposal System Middlebelt Transport and Tunnel project. This project is reporting a deficit of $4,540,192 as of September 30, 2020. The project fund is currently in case evaluation for settlement and the deficit reflects an accrued liability of approximately $4.9 million for potential costs associated with the project. The case evaluation is expected to be completed by the end of calendar year 2020 or shortly thereafter. The project was financed by a single bond issue, a S2 grant, insurance reimbursements and a State Revolving Fund (SRF) loan. There is still almost $2,000,000 in SRF draws that can be requested for the project, but the timing of the draws will be subsequent to FY 2020 and is dependent on actual project disbursements. Should the project go beyond the available funding resources, from remaining cash and SRF drawing capacity, another bond issue will be sought and apportioned to the benefiting communities in order to complete the project and resolve the deficit.

In the Capital Projects fund, the negative unassigned fund balance in the Drain Chapter 4 Construction Fund reflects costs that are related to the Lower Pettibone Lake Sanitary Chapter 4 Drain Construction project in the amount of $544,446 and the Bald Eagle Lake Chapter 4 Drain Construction project in the amount of $86,785.

Lower Pettibone Lake Sanitary Chapter 4 Drain Construction Project - A loan from the Long-Term Revolving Fund was approved by the Oakland County Board of Commissioners via Miscellaneous Resolution #14136 adopted June 11, 2014 to provide up to $1,200,000 in funding for this project. A 20- year assessment against each of the benefiting properties in the District has been approved to repay the loan with the first payment due December 2014. The construction of the sewer was completed and became operational as of January 2015 and the deficit for this specific project will be eliminated when the long-term assessment roll collection is completed. The long-term receivable is on the balance sheet to track the collection. Collection of the special assessment has reduced the deficit by $50,472 from the FY 2019 deficit of $594,918 to the FY 2020 deficit of $544,446. The Bald Eagle Lake Chapter 4 Drain Construction Project was initiated after concerns from property owners in Brandon Township prompted an investigation of the drainage issues. Repairs were started and it was determined that it would be more cost effective to replace the infrastructure. Also, it was determined that a new drainage district be established to perform necessary updates to the system. The plan to hold a public hearing in FY 2020 to redistrict the drain was delayed due to the COVID pandemic and is now planned to occur in FY 2021. Once the district is updated and the project design is complete, the replacement project will commence. Estimated project costs of $850,000 will be financed by the sale of bonds or a loan. The loan will be repaid by an assessment roll over a ten-year period. The financing for the project is planned for around May 2021.

	Nonspendable	Restricted	Committed	Assigned	Unassigned
		Spendable			
Primary Government					
Special Revenue Funds					
Grants (Deficit)	$ -	$ -	$ -	$ -	$ (4,867,934)
Specific programs	-	16,701,220	-	-	-
Total	$ -	$ 16,701,220	$ -	$ -	$ (4,867,934)
Debt Service Funds					
Debt service-general obligations	$ -	$ 5,638,628	$ -	$ -	$ -
Capital Projects Funds					
Loan programs	$ -	$ -	$ 4,316,000	$ -	$ -
Work projects	-	-	28,499,999	-	(641,231)
Total	$ -	$ -	$ 32,815,999	$ -	$ (641,231)

11. Employee Benefits

Primary Government
The County provides various benefits to its employees. Expenditures in 2020 for these benefits totaled the following: medical insurance, $45,167,057; prescription coverage, $13,249,830; dental insurance, $2,893,470; optical insurance, $243,945; group life insurance, $1,000,817; disability, $3,710,673; tuition reimbursement, $284,562; Social Security, $19,411,585; workers' compensation, $800,568; and unemployment claims, $635,009.

12. Defined Benefit Pension Plan

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

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

- Oakland County Board of Commissioners chairperson or designee.
- BOC Finance Committee chairperson or designee.
- County Treasurer or designee.
- County Executive or designee.
- Three (3) elected employee members.
- One (1) elected retiree member.
- One (1) citizen member appointed by the Board and confirmed by the Oakland County Board of Commissioners.

Plan Membership
The County PERS covers the majority of full-time employees of the County hired prior to July 1, 1994. The plans' membership consists of the following at September 30, 2019, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,991
Terminated plan members entitled to, but not yet receiving benefits	61
Active plan members	161
Total	2,213

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

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

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

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

Funding Policy/Contributions
The County policy is to fund normal costs of the plan by contributions which are based on actuarially determined rates, expressed as percentages of annual covered payroll, and which are sufficient to accumulate assets to pay benefits when due. For fiscal year 2020, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2018.

Sheriff's deputies contribute at a rate of 3 percent of their annual pay for the first 14 years of service and 5 percent thereafter. Command officers contribute 5 percent. General County Option A members who have elected improved benefits, contribute 1 percent of their pay after 14 years of service. Contributions received from these employees for the years ended September 30, 2020 and September 30, 2019 amounted to $165,953 and $232,357, respectively.

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

Since the County does not issue a stand-alone report for its County PERS, following are condensed financial statements for the period as of and including September 30, 2020:

Statement of Net Position

Cash and investments	$ 718,774,757
Other assets	6,542,689
Total assets	725,317,446
Liabilities	7,548,796
Net position	$ 717,768,650

Statement of Changes in Net Position

Additions:	
Contributions	$ 165,953
Investment income	33,216,391
Other revenue	-
Total additions	33,382,344
Deductions:	
Benefit payments	60,628,743
Other expenses	179,361
Total deductions	60,808,104
Change in net position	(27,425,760)
Net position held in trust, beginning of year	745,194,410
Net position held in trust, end of year	$ 717,768,650

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

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

Actuarial Methods and Assumptions
The annual required contribution was determined as part of the actuarial valuation as of September 30, 2018, using the individual entry age cost method. Significant actuarial assumptions used include (a) 7.25 investment rate of return, (b) projected salary increases of 3.25 to 9.25 percent per year and (c) 1.5 percent per year cost of living adjustments. Both (a) and (b) include an wage inflation component of 3.25 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period.

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

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

Rate of Return
For the year ended September 30, 2020, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.79 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Position Restricted for Employees' Pension Benefits
Net position restricted for employees' pension benefits include legally required reserves. Net position as of September 30, 2020 consists of the following reserves:

Annuity reserve	$ 431,667
Pension reserve	118,550,222
Pension accumulated reserve	598,786,761
Total fund balance	$ 717,768,650

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

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

Net Pension Liability
The County has chosen to use September 30, 2020 as its measurement date for the net pension liability. The September 30, 2020 reported net pension liability was determined using a measure of the total pension liability, less the amount of the pension plan's fiduciary net position. The September 30, 2020 total pension liability was determined by an actuarial valuation performed as of September 30, 2019, which used updated procedures to roll forward the estimated liability to September 30, 2020.

The components of the net pension liability of the County at September 30, 2020 were as follows:

Total pension liability	$ 740,266,215
Plan fiduciary net position	(717,768,650)
Net Pension Liability (Asset)	$ 22,497,565
Plan fiduciary net position as a percentage of the total pension liability	96.96%

The net pension liability of $22,497,565 has been recorded in the Fringe Benefit Fund, an internal service fund that is used to account for the County's employee fringe benefits.

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

	Increase/(Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at 9/30/2019	$ 747,447,604	$ 745,194,410	$ 2,253,194
Changes for the year:			
Service Cost	1,338,793	-	1,338,793
Interest	52,040,691	-	52,040,691
Difference between expected and actual experience	67,870	-	67,870
Assumption changes	-	-	-
Contributions - employer	-	-	-
Contributions - member	-	165,953	(165,953)
Net investment income	-	33,216,391	(33,216,391)
Benefit payments, including refunds of member contributions	(60,628,743)	(60,628,743)	-
Administrative expenses	-	(179,361)	179,361
Net changes	(7,181,389)	(27,425,760)	20,244,371
Balances at 9/30/2020	$ 740,266,215	$ 717,768,650	$ 22,497,565

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended September 30, 2020, the County reported a pension expense of $2,992,001. At September 30, 2020 the County reported deferred outflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 26,980,166
Total	$ 26,980,166

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

Fiscal Year Ending September 30	Net Deferred Outflows of Resources
2021	$ 4,079,171
2022	10,116,232
2023	9,062,378
2024	3,722,385
Total	$ 26,980,166

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of September 30, 2019, which used updated procedures to roll forward the estimated liability to September 30, 2020. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Discount Rate
The discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s). For each major asset class that is included in the pension plans target asset allocation as of September 30, 2019, these best estimates are summarized in the following table.

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

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

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability/(Asset)	$ 91,466,255	$ 22,497,565	$ (36,689,011)

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, 2018, the date of the most recent actuarial valuation, membership consisted of 605 inactive plan members or beneficiaries currently receiving benefits, 57 inactive plan members entitled to but not yet receiving benefits, and 412 active plan members. The Road Commission's net pension liability as of December 31, 2019 was $368,882,420. The Road Commission has chosen to use December 31, 2019 as its measurement date for the net pension liability. The September 30, 2020 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2019. The December 31, 2019 total pension liability was determined by an actuarial valuation performed as of December 31,

2018. For the year ended September 30, 2020, the Road Commission recognized pension expense of $8,012,013. At September 30, 2020, the Road Commission reported total deferred outflows of resources of $4,585,119 and deferred inflows of resources of $6,309,492, leaving a net pension liability at September 30, 2020 of $36,882,420

13. Defined Contribution Plans

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

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

Total membership in the OPRS as of September 30, 2020 was 3,418, which includes 274 employees who elected to transfer from the PERS in 1995 through 2000 and 3,144 current employees hired since July 1, 1994.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2020 was $243,424,592 and the County's total payroll was $275,096,452.41. The required contributions, which matched those actually made, were $9,670,938 by employees and $20,229,423, by the County, representing 4% and 8.3% of covered payroll, respectively.

In 2008, the County offered a voluntary defined contribution plan for part-time non-eligible employees. The plan qualifies under the Omnibus Budget Reconciliation Act of 1990 (OBRA) and IRS Section 3121 (b) (&) (F) which allows for a defined contribution plan in lieu of Social Security. With the implementation of this plan, the County contributes 1.3% and the employee contributes 6.2% of their earnings into a defined contribution plan. The employee would be immediately 100% vested in both the employer and employee contributions but cannot access the money invested in the plan until they are separated from County employment. During fiscal year 2020, the County contributed $185,499 to the plan.

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

14. Postemployment Benefits

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

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

- Oakland County Board of Commissioners chairperson or designee.
- BOC Finance Committee chairperson or designee.
- County Treasurer or designee.
- County Executive or designee.
- Three (3) elected employee members.
- One (1) elected retiree member.
- One (1) citizen member appointed by the Board and confirmed by the Oakland County Board of Commissioners.

Plan Membership
The Oakland County VEBA covers the majority of full-time employees of the County hired prior to September 21, 1985 having eight or more years of service, or hired between September 20, 1985 and January 1, 1995 and had 15 years of service (for family coverage) or 8-14 years of service (for retired members only). The plans' membership consists of the following at September 30, 2019, the date of the latest actuarial valuation:

Retirees and Beneficiaries	2,634
Inactive, Nonretired Members	198
Active Members	1,673
Total	4,505

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

Benefits
In 2020, the County provided 2,800 retirees medical insurance and reimbursed 1,770 of them for Medicare premiums under the Trust. In 2020, the County disbursed $37,777,425 for this purpose.

Postemployment benefits are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions. The plan covers the following classes of employees: General, Command Officers, and Deputies. The plan in all classes is now closed to new hires. The County has established a "Retirement Health Savings Plan" beginning January 1, 2007. For General members hired on and after 1/1/95 (5/27/95 for Command Officers and Sheriff's deputies), the portion of health care costs paid by the Trust will be based on years of service at retirement. If a member has less than 15 years of service, there is no County paid retiree health coverage. If a member has 15 years of service at retirement, 60 percent of the health care premium will be paid by the Health Care Trust. The percent increases 4.0 percent per

year of service over 15 with a 100 percent maximum coverage after 25 years of service. New employees are required to join the County's retiree health saving plan effective 1/1/06 for General Non-Union employees, 3/5/09 for Sheriff Command Officers, 1/1/10 for Sheriff Corrections Deputies, and 2/9/12 for Sheriff Road Patrol Deputies. Employees will receive a cash payment upon retirement from which they can purchase their own health insurance.

Funding Policy/Contributions
In 2013, the County contributed an additional $236,000,000 in order to fully fund the VEBA. The County contributions are based on a 10 - year open amortization of the unfunded actuarial accrued liabilities (UAL) for the over funded divisions. For fiscal year 2020, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2018, given the VEBA was fully funded.

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

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

In the September 30, 2018 actuarial valuation, the individual entry age actuarial cost method was used to calculate the required annual contribution. The actuarial assumptions included a 7.25 percent investment rate of return (net of administrative expenses), which consists of a real rate of return of 5.75 percent per year plus a long-term rate of inflation of 3.25 percent per year and an annual healthcare cost trend rate of 9.00 percent initially, reduced by decrements to an ultimate rate of 3.25 percent after 10 years. Both rates included a 3.25 percent inflation assumption. The actuarial value of assets is equal to the reported market value of assets at the valuation date. The UAAL for the groups was amortized over a 10-year open level dollar method for the over-funded divisions. Active member payroll was assumed to increase 3.25 percent per year for the purpose of determining the level percent contributions.

Investment Policy

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

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

Rate of Return

For the year ended September 30, 2020, the annual money weighted rate of return on VEBA plan investments, net of VEBA plan investment expense, was 5.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The County has chosen to use September 30, 2020 as its measurement date for the net OPEB liability. The September 30, 2020 reported net OPEB liability was determined using a measure of the total OPEB liability, less the amount of the VEBA plan's fiduciary net position. The September 30, 2020 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2019, which used updated procedures to roll forward the estimated liability to September 30, 2020.

The components of the net pension liability of the County at September 30, 2020 were as follows:

Total OPEB liability	$ 953,168,072
Plan fiduciary net position	(1,337,506,311)
Net OPEB Liability (Asset)	$ (384,338,239)
Plan fiduciary net position as a percentage of the total OPEB liability	140.32%

The net OPEB Liability (asset) has been recorded in the Fringe Benefit Fund, an internal service fund that is used to account for the County's employee fringe benefits.

County of Oakland
Notes to Basic Financial Statements
September 30, 2020

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

	Increase/(Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at 9/30/2019	$ 925,462,271	$ 1,307,578,534	(382,116,263)
Changes for the year:			
Service Cost	9,220,055	-	9,220,055
Interest	66,070,507	-	66,070,507
Difference between expected and actual experience	(17,653,479)	-	(17,653,479)
Assumption changes	7,578,642	-	7,578,642
Contributions - employer	-		-
Contributions - member	-	279,397	(279,397)
Net investment income	-	63,070,473	(63,070,473)
Benefit payments, including refunds of member contributions	(37,509,924)	(37,789,321)	279,397
Administrative expenses	-	(399,973)	399,973
Other	-	4,767,201	(4,767,201)
Net changes	27,705,801	29,927,777	(2,221,976)
Balances at 9/30/2020	$ 953,168,072	$ 1,337,506,311	$ (384,338,239)

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

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

For the year ended September 30, 2020, the County recognized a reduction of OPEB expense of ($66,771,651). At September 30, 2020 the County reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resouces
Difference between expected and actual experience	$ -	$ (30,574,783)
Net difference between projected and actual earnings on OPEB plan investments	43,332,138	-
Changes in assumptions related to economic and demographic factors	22,020,660	(647,145)
Total	$ 65,352,798	$ (31,221,928)

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

Fiscal Year Ending September 30	Net Deferred Outflows and Inflows of Resources
2021	$ (760,504)
2022	13,511,686
2023	15,274,179
2024	6,105,509
Total	$ 34,130,870

Actuarial Assumptions
The total OPEB liability was determined by an actuarial valuation as of September 30, 2019, which used updated procedures to roll forward the estimated liability to September 30, 2020. The valuations used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%	
Healthcare cost trend rate	8.00%	decreasing to 3.50% in year 10
Salary increases	3.25 – 9.25%	average, including inflation and step increases
Investment rate of return	7.25%	net of pension investment expense, including inflation

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

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

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

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

For each major asset class that is included in the OPEB plans' target asset allocation as of September 30, 2020, these best estimates are summarized in the following table.

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

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

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Net OPEB Liability/(Asset)	$ (267,282,364)	$ (384,338,239)	$ (482,156,105)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate
The following table presents the net OPEB liability, calculated using the healthcare cost trend rate of 8.00 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.0 percentage point lower (7.00 percent, decreasing to 2.50%) or 1.0 percentage point higher (9.00 percent, decreasing to 4.50%) than the current rate.

	1 Percent Decrease (7.00% decreasing to 2.50%)	Current Healthcare Cost Trend Rate (8.00% decreasing to 3.50%)	1 Percent Increase (9.00% decreasing to 4.50%)
Net OPEB Liability/(Asset)	$ (494,780,900)	$ (384,338,239)	$ (251,237,581)

Since the County does not issue a stand-alone report for its VEBA trust, the following are condensed financial statements for the VEBA Trust as of September 30, 2020:

Statement of Net Position

Cash and investments	$ 1,338,268,429
Other assets	2,749,016
Total assets	1,341,017,445
Liabilities	3,511,134
Net position	$ 1,337,506,311

Statement of Changes in Net Position

Additions:	
Contributions	$ 279,397
Investment income	63,097,219
Other revenue	4,770,018
Total additions	68,146,634
Deductions:	
Benefits	37,777,425
Other expenses	441,432
Total deductions	38,218,857
Change in net position	29,927,777
Net position held in trust, beginning of year	1,307,578,534
Net position held in trust, end of year	$ 1,337,506,311

The Road Commission contributes to the Road Commission for Oakland County Retiree Health Care Trust (the "Trust"). The Trust provides for future payment of medical benefits for eligible retirees, their spouses and their dependents. The obligation to provide benefits to employees was established by negotiation with various collective bargaining units or other actions of the Oakland County Board of Road Commissioners. At December 31, 2018, the date of the most recent actuarial valuation, membership consisted of 416 inactive plan members or beneficiaries currently receiving benefits and 262 active plan members. For the year ended September 30, 2020, the Road Commission recognized OPEB expense of $10,163,579, deferred outflows of resources of $20,515,624, deferred inflows of resources of 12,486,405, and payments for postemployment health benefit premiums of $7,223,333, leaving a net OPEB liability of $126,288,932 at September 30, 2020.

15. Deferred Compensation Plan

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

16. Risk Management

The County is exposed to various risks of loss related to property, employee injuries, general liability claims, and torts, as well as medical benefits provided to employees. The County has purchased a commercial property policy for its building and contents, electronic data processing equipment, boats and motors, ATV/snowmobiles and automobile catastrophe physical damage coverage. The policy is subject to a maximum per occurrence catastrophic loss limit of $350,000,000. Policy limits (subject to the maximum $350,000,000 per occurrence catastrophic loss limit) are: building and contents in the amount of $654,612,581, electronic data processing equipment in the amount of $42,181,639, boats and motors in the amount of $569,000, ATV/snowmobiles in the amount of $66,000, automobile catastrophe physical damage in the amount of $2,000,000, flood coverage in the amount of $50,000,000 (subject to limitations 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 $1,000,000 each occurrence, self-insured retention and employers' liability in the amount of $1,000,000, Parks Facility Rental liability in the amount of $1,000,000, Excess Liability with limits of $15,000,000 over Auto Liability and $17,000,000 over a $3,000,000 SIR/deductible; Cyber Liability with limits of $10,000,000; Liquor Liability insurance in the total amount of $5,000,000 for Parks & Recreation facilities at Springfield Oaks, and Lyon Oaks; and $3,000,000 at White Lake Oaks. Water Resource Commission CVT Maintenance Agreement liability coverage in the amount of $10,000,000. 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, 2020, including both those claims that have been reported, as well as those that have not yet been reported, and estimates of both future payments of losses and related claim adjustment expenses. Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses.

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

	September 30 2020	September 30 2019
Primary Government		
Beginning-of-period liability	$ 21,222,616	$ 19,752,031
Estimated claims incurred, claim adjustment expenses and changes in estimates		
Provisions for current-year events	57,409,486	56,203,572
Increase (decrease) in provisions for prior-year events	(1,246,382)	1,183,685
Total incurred claims, claim adjustment expenses and changes in estimates	56,163,104	57,387,257
Claim payments and claim adjustment expenses		
Related to current-year events	(53,834,710)	(53,048,598)
Related to prior-year events	(1,602,217)	(2,868,074)
Total claim payments and claim adjustment expenses	(55,436,927)	(55,916,672)
End-of-period liability	$ 21,948,793	$ 21,222,616
Road Commission - Component Unit		
Beginning-of-year liability	$ 2,374,219	$ 1,875,135
Estimated claims incurred and changes in estimates	26,338,640	13,660,825
Claim payments	(26,306,918)	(13,161,741)
End-of-year liability	$ 2,405,941	$ 2,374,219

17. Leases and Contracts Receivable

The County (primary government) leases certain office facilities and other equipment under non-cancelable operating leases. Total costs for such leases for the County for the year ended September 30, 2020 were $1,087,756. The future minimum lease payments as of September 30, 2020 are as follows:

Fiscal year	Primary government
2021	$ 1,005,990
2022	756,510
2023	623,418
2024	618,798
2025	627,663
2026-2030	1,194,486
2031-2035	858,172
Total	$ 5,685,037

Additionally, the County leases portions of certain buildings to various governmental agencies. The amount received from these leases for the fiscal year ended September 30, 2020 totaled $115,417, recorded in the Facilities Maintenance & Operations fund, an internal service fund type.

The County has also "loaned" its AAA bond rating to assist local communities in the ability to finance local projects by pledging full faith and credit on the debt issued through the Oakland County Building Authority. Debt is to be paid from payments from the benefiting community over the life of the debt issues, with the structures being collateral. A contract, or lease, receivable with a corresponding deferred revenue is shown in the Debt Service Fund financial statements of the County. Debt and receivables are reported for Community Mental Health Authority Housing Project in the amount of $5,500,000 in 2007 (refunded for $2,875,000 in 2014), Keego Harbor City Hall and DPW Building in the amount of $1,120,000 in 2010 (refunded for $835,000 in 2020), City of Oak Park in the amount of $2,500,000 in 2012 (refunded for $1,700,000 in 2020), and Community Mental Health Authority Project in the amount of $14,500,000 in 2012 (refunded for $6,075,000 in 2020). The future minimum lease payments to be received as of September 30, 2020 are as follows:

Fiscal year	Primary government
2021	$ 1,289,674
2022	1,313,538
2023	1,295,562
2024	1,314,688
2025	1,065,912
2026 - 2030	4,569,437
2031 - 2035	927,162
2036 - 2040	529,569
	$ 12,305,542

As of September 30, 2020, the County has a contract receivable of approximately $53,079,000 reported in the General Fund for law enforcement contracts. The various contracts are for the County's Sheriff Department to provide law enforcement services from January 1, 2019 to December 31, 2021 for townships, villages and cities within the County. The contract receivable at year-end includes future services to be provided over the length of the contract. On the General Fund statements and full accrual governmental activities statements, approximately $48,573,000 of the contract receivable was recorded as unearned revenue, as the services were not performed prior to year-end.

18. Commitments and Contingencies

The County, the Drainage Districts, and the Road Commission are involved in legal actions in which plaintiffs seek damages of indeterminable amounts which may exceed insurance coverage where applicable. Litigation is subject to many uncertainties, and the outcome of individual matters cannot be predicted. Accordingly, a reasonable range of liability to the County, the Drainage Districts, or Road Commission pertaining to these matters cannot be determined. Management has taken steps to protect the County and believes any liability resulting from cases in which it is involved will not materially affect its financial position. At 9/30/2020 the County recorded an estimated liability in the amount of $9.6 million in the County's general fund for the pending court case, Rafaeli, LLC v Oakland County.

The County, the Drainage Districts, and the Road Commission received funds from various federal and state units to finance specific activities. The final determination of revenues is subject to the acceptance of project costs by the granting agency, usually after a compliance audit. To the extent that costs are disallowed by the granting agency, the County, the Drainage Districts, and Road

Commission resources would be required to reimburse the grant funds. Management believes that disallowed costs, if any, would be immaterial.

The County has outstanding construction commitments (contracts) under the jurisdiction of the Water Resources Commissioner, and has contracts for Act 342 projects at September 30, 2020 as follows: Evergreen-Farmington S.D.S – Middlebelt Road Tunnel Project with a cost of $35,338,985 with a remaining balance of $4,445,063; Southern Oakland County Sewage Disposal System - Dequindre Pump Station Rehabilitation with a cost of $5,906,296 and a remaining balance of $1,043,241. There is one outstanding contract under the direction of the Facilities Management Department for Jail MIDC Rooms Renovation with a cost of $3,655,030 and a remaining balance of $538,399 as of September 30, 2020.

There are six contracts for Information Technology projects at September 30, 2020 as follows: Imaging System Replacement with a cost of $2,621,193 with a remaining balance of $228,200; Network Equipment Replacement with a cost of $8,867,072 with a remaining balance of $1,234,650; Oblique Imagery Project with a cost of $1,310,000 with a remaining balance of $451,970; and the New Financial Human Capital Management Program with a cost of $14,015,122 with a remaining balance of $7,396,531; Identity and Access Management with a cost of $2,000,001 with a remaining balance of $964,747, and the P25 Radio Replacement Project with a cost of $49,849,046 with a remaining balance of $33,289,172.

The Drainage Districts' component unit has a construction contract for Clinton River Water Resource Recovery Facility – Bio-solids Handling & Septage Receiving Facility Project with a cost of $33,668,133 with a remaining balance of $1,727,817; Clinton River Water Resource Recovery Facility Drainage District Administrative Building Renovation with a cost of $2,603,081 with a balance of $264,331; a contract for construction, assessment and inspection for the Oakland Macomb Interceptor Drainage District Project with a total cost of $42,154,947, with a remaining balance of $7,112,289; a contract for north east sanitary pump station odor/corrosion control for the Oakland Macomb Interceptor Drainage District Project with a total cost of $4,211,097 with a remaining balance of $355,091 as of September 30, 2020.

The Road Commission for Oakland County component unit reports construction projects in progress at September 30, 2020 in the amount of $151 million with remaining commitments of $43 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 $11 million.

19. Statement of Net Position – Reconciliation of Internal Balances

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

Governmental Activities	
Governmental Funds	
Due from other funds	$ 38,806,979
Advances receivable	899,163
Due to other funds	(44,408,635)
Advances payable	(899,163)
Internal Service Funds	
Due from other funds	7,092,033
Due to other funds	(1,476,472)
Governmental activities, internal balances	$ 13,905
Business-Type Activities	
Proprietary Funds	
Due from other funds	$ 105,925
Due to other funds	(119,830)
Business-type activities, internal balances	$ (13,905)

20. Tax Abatements

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

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development District Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in building of new facilities and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at both 100% and 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to $610,837 for the County General Fund and $35,402 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 $621,990 for the County General Fund and $36,035 for the County Parks and Recreation Fund for the year.

The County also receives reduced property tax revenue as a result of the Personal Property Tax (act 328 of 1998, as amended by PA 20 of 1999) granted by cities, villages, and townships with the County. Personal Property Tax exemptions are intended to promote purchase of new equipment. The abatements amounted to $666,785 for the County General Fund and $38,630 for the County Parks and Recreation Fund for the year.

Finally, various local governments within Oakland County use Payment in Lieu of Taxes (PILOT) Programs that are designed to provide tax abatements primarily for owners of low to moderate income multi-family housing units. Under this program the local governments establish ordinances and enter into agreements that allow the low to moderate multi-family housing unit property owners to make payments at lower amounts then 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 $324,388 for the year.

21. Restricted Cash

The County has unspent bond proceeds remaining from the 2020 Building Authority Refunding of $18,402,216 for a Radio Project; and unspent proceeds of $217,458 for Evergreen Farmington Sewage and Disposal System. In addition, there is $64,130,588 unspent bond proceeds from the 2020 General Obligation Debt for the OMI Drainage District.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year						
	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	$ 1,338,793	$ 1,665,384	$ 2,128,819	$ 2,483,176	$ 2,864,098	$ 3,705,776	$ 4,196,269
Interest	52,040,691	52,604,818	53,272,144	53,389,706	53,131,461	50,740,081	50,492,624
Difference between expected and actual experience	67,870	(1,895,454)	(5,905,800)	(607,861)	2,639,268	2,621,256	-
Assumption changes	-	-	-	-	-	29,334,529	-
Benefit payments, including refunds of member contributions	(60,628,743)	(59,356,307)	(57,579,562)	(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)
Net change in total pension liability (asset)	(7,181,389)	(6,981,559)	(8,084,399)	(574,196)	4,709,302	34,334,676	4,694,970
Total pension liability - beginning of year	747,447,604	754,429,163	762,513,562	763,087,758	758,378,456	724,043,780	719,348,810
Total pension liability - end of year (a)	740,266,215	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	165,953	232,357	301,807	372,273	443,238	473,247	560,091
Net investment income	33,216,391	27,485,137	49,559,010	83,094,349	65,710,783	5,099,460	70,247,939
Benefit payments, including refunds of member contributions	(60,628,743)	(59,356,307)	(57,579,562)	(55,839,217)	(53,925,525)	(52,066,966)	(49,993,923)
Administrative expenses	(179,361)	(218,956)	(240,203)	(259,250)	(245,352)	(296,825)	(2,959,649)
Net change in plan fiduciary net position	(27,425,760)	(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	745,194,410	777,052,179	785,011,127	757,642,972	745,659,828	787,896,080	764,270,787
Plan fiduciary net position - end of year (b)	717,768,650	745,194,410	777,052,179	785,011,127	757,642,972	745,659,828	787,896,080
Net pension liability (asset) - end of year (a) - (b)	$ 22,497,565	$ 2,253,194	$ (22,623,016)	$ (22,497,565)	$ 5,444,786	$ 12,718,628	$ (63,852,300)
Plan fiduciary net position as a percentage of the total pension liability	96.96%	99.70%	103.00%	102.95%	99.29%	98.32%	108.82%
Covered payroll	$ 10,576,095	$ 13,385,938	$ 16,019,655	$ 18,631,927	$ 21,834,812	$ 24,707,298	$ 29,901,825
Net pension liability (asset) as a percentage of covered payroll	212.72%	16.83%	(141.22%)	(120.75%)	24.94%	51.48%	(213.54%)

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

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

	Fiscal Year									
	2020 *	2019 *	2018 *	2017 *	2016 *	2015	2014	2013	2012 *	2011 *
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ 4,554,832	$ 5,770,835	$ 5,400,095	$ -	$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	4,554,832	5,770,835	5,400,095	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 10,576,095	$ 13,385,938	$ 16,019,655	$ 18,631,927	$ 21,834,812	$ 24,707,298	$ 29,901,825	$ 33,706,963	$ 38,275,780	$ 42,686,155
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	18.44%	19.30%	16.02%	0.00%	0.00%

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level Dollar
Remaining Amortization Period	10 years, open if over 100% funded
Asset valuation method	5-year smoothed market
Price Inflation	2.75%
Projected salary increases*	3.25% wage inflation
Investment rate of return*	7.25% net of investment and administrative expenses
Cost-of-living adjustments	1.5% non-compounding annually
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the 2-dimensional MP-2014 improvement scales.

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

	Fiscal Year			
	2020	2019	2018	2017
Total OPEB liability				
Service cost	$ 9,220,055	$ 8,876,381	$ 9,742,233	$ 11,009,857
Interest on the total OPEB liability	66,070,507	63,749,998	70,351,546	67,692,444
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	(17,653,479)	(53,355,110)	(82,048,924)	(6,799,845)
Change in assumptions	7,578,642	50,056,376	(51,205,346)	-
Employer-financed benefit payments	(37,509,924)	(37,474,992)	(37,449,853)	(31,732,905)
Net change in total OPEB liability	27,705,801	31,852,653	(90,610,344)	40,169,551
Total OPEB liability - beginning of year	925,462,271	893,609,618	984,219,962	944,050,411
Total OPEB liability - end of year (a)	953,168,072	925,462,271	893,609,618	984,219,962
Plan fiduciary net position				
Contributions - employer	$ -	$ -	$ -	$ -
Contributions - member	279,397	290,718	234,284	218,517
OPEB Plan net investment income	63,070,473	46,821,806	84,162,823	134,380,948
Employer-financed benefit payments	(37,509,924)	(37,474,992)	(37,449,853)	(31,732,905)
Member-financed benefit payments	(279,397)	(290,718)	(234,284)	(218,517)
OPEB Plan administrative expenses	(399,973)	(251,109)	(234,935)	(204,215)
Other	4,767,201	2,959,477	3,465,258	3,332,028
Net change in plan fiduciary net position	29,927,777	12,055,182	49,943,293	105,775,856
Plan fiduciary net position - beginning of year	1,307,578,534	1,295,523,352	1,245,580,059	1,139,804,203
Plan fiduciary net position - end of year (b)	1,337,506,311	1,307,578,534	1,295,523,352	1,245,580,059
Net OPEB liability (asset) - end of year (a) - (b)	$ (384,338,239)	$ (382,116,263)	$ (401,913,734)	$ (261,360,097)
Plan fiduciary net position as a percentage of the total OPEB liability	140.32%	141.29%	144.98%	126.56%
Covered employee payroll	N/A	N/A	N/A	N/A
Net OPEB liability (asset) as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

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

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

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

Fiscal Year	Rate of Return
2014	8.74%
2015	0.35%
2016	9.20%
2017	11.58%
2018	6.43%
2019	3.79%
2020	4.79%

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

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

	Fiscal Year									
	2020 *	2019 *	2018 *	2017 *	2016 *	2015 *	2014 *	2013 *	2012 *	2011 *
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ 800,184	$ 818,930	$ 35,236,330	$ 36,969,985	$ 37,268,761	$ 47,592,273
Contributions in relation to the actuarially determined contribtuion	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ 800,184	$ 818,930	$ 35,236,330	$ 36,969,985	$ 37,268,761	$ 47,592,273
Covered-employee payroll	N/A	N/A	N/A	N/A	$ 141,464,508	$ 144,715,626	$ 146,473,723	$ 154,128,944	$ 162,819,440	$ 173,903,452
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level Dollar, open if over 100% funded
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Price Inflation	2.50%
Projected salary increases*	3.25% wage inflation
Investment rate of return*	7.25% net of investment and administrative expenses
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	The RP-2014 Healthy Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the 2 dimensional MP-2014 improvement scales.
Health Care Trend Rates	Medical, Prescription Drug, Medicare Part B: 9.00% trend, gradually decreasing to 3.25% in year 12. Dental and vision: 3.25% trend for all years
Aging factors	Based on 2013 SOA Study "Health Care Costs - From Birth to Death

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

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

Fiscal Year	Rate of Return
2017	12.10%
2018	6.50%
2019	3.72%
2020	5.20%

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

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2020

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Expenditures				
County Executive				
Administration				
Personnel	$ 6,883,321	$ 7,117,308	$ 6,520,770	$ 596,538
Operating	597,969	837,219	485,649	351,570
Internal Support	932,346	1,312,016	1,310,575	1,441
Total Administration	8,413,636	9,266,543	8,316,994	949,549
Management and Budget				
Personnel	17,609,764	17,409,764	16,044,853	1,364,911
Operating	819,021	1,053,971	692,834	361,137
Internal Support	2,251,812	2,681,966	2,565,693	116,273
Total Management and Budget	20,680,597	21,145,701	19,303,380	1,842,321
Central Services				
Personnel	1,522,133	1,522,133	1,483,579	38,554
Operating	386,898	386,898	287,099	99,799
Internal Support	800,976	821,391	821,369	22
Total Central Services	2,710,007	2,730,422	2,592,047	138,375
Facilities Management				
Personnel	1,098,315	1,098,315	1,027,403	70,912
Operating	341,714	369,379	259,125	110,254
Internal Support	187,429	188,940	162,594	26,346
Total Facilities Management	1,627,458	1,656,634	1,449,122	207,512
Human Resources				
Personnel	3,066,570	2,990,067	2,757,262	232,805
Operating	708,907	1,188,117	363,608	824,509
Internal Support	616,702	708,759	707,734	1,025
Total Human Resources	4,392,179	4,886,943	3,828,604	1,058,339
Human Services				
Personnel	29,305,194	29,718,502	29,317,320	401,182
Operating	5,153,902	9,865,701	5,239,944	4,625,757
Internal Support	3,672,355	4,669,781	4,659,648	10,133
Total Human Services	38,131,451	44,253,984	39,216,912	5,037,072
Public Services				
Personnel	12,760,675	12,824,335	12,360,959	463,376
Operating	2,162,970	2,180,002	1,669,692	510,310
Internal Support	4,319,204	4,677,053	4,639,489	37,564
Total Public Services	19,242,849	19,681,390	18,670,140	1,011,250

(continued)

County of Oakland
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2020

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Revenues				
Taxes				
Current property taxes	$ 245,990,837	$ 245,990,837	$ 247,077,935	$ 1,087,098
Delinquent taxes - prior years	98,500	98,500	338,588	240,088
Trailer tax	80,000	80,000	95,667	15,667
Total	246,169,337	246,169,337	247,512,190	1,342,853
Other intergovernmental revenues				
Circuit judges' salaries	914,480	914,480	916,842	2,362
Probate judges' salaries	622,464	622,464	600,861	(21,603)
District judges' salaries	457,240	457,240	502,964	45,724
State court fund - P.A. 189	4,500,000	4,500,000	4,221,071	(278,929)
Local comm stabilization share	2,250,000	2,250,000	3,655,810	1,405,810
Revenue sharing	26,686,846	20,953,645	20,953,995	350
Convention facility/Liquor tax	9,600,000	9,702,758	9,702,758	-
Other	291,850	342,350	209,426	(132,924)
Total	45,322,880	39,742,937	40,763,727	1,020,790
Charges for services				
County Executive	265,690	265,690	317,464	51,774
Management and Budget	3,821,427	3,821,427	3,883,358	61,931
Central Services	322,000	322,000	294,269	(27,731)
Human Resources	-	-	-	-
Human Services	4,776,449	4,776,449	4,115,906	(660,543)
Public Services	1,662,064	1,666,564	1,303,647	(362,917)
Community and Economic Development	392,037	392,037	257,087	(134,950)
Clerk/Register of Deeds	13,990,300	13,990,300	18,403,444	4,413,144
Treasurer	4,776,600	4,776,600	3,592,494	(1,184,106)
Circuit Court	2,147,500	3,262,700	2,957,045	(305,655)
District Court	11,115,154	11,592,154	9,209,118	(2,383,036)
Probate Court	561,600	561,600	488,648	(72,952)
Prosecuting Attorney	815,549	815,549	872,700	57,151
Sheriff	62,559,163	61,152,276	58,497,728	(2,654,548)
Legislative	22,500	22,500	5,240	(17,260)
Water Resources Commissioner	3,305,861	3,305,861	3,482,376	176,515
Non-Departmental	1,168,024	1,168,024	1,297,840	129,816
Total	111,701,918	111,891,731	108,978,364	(2,913,367)
Investment income	1,954,700	2,329,700	6,575,597	4,245,897
Indirect cost recovery	9,050,000	9,243,200	9,372,744	129,544
Federal grants	730,571	105,460,838	105,909,329	448,491
State grants	5,323,355	6,686,433	6,666,072	(20,361)
Contributions	-	278,000	332,047	54,047
Other revenues	434,000	434,000	150,045	(283,955)
Total revenues	420,686,761	522,236,176	526,260,115	4,023,939

(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2020

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Expenditures (continued)				
Law Enforcement				
Prosecuting Attorney				
Personnel	$ 17,927,362	$ 17,927,362	$ 17,066,618	$ 860,744
Operating	560,166	560,166	484,364	75,802
Internal Support	2,187,875	2,268,543	2,262,023	6,520
Total Prosecuting Attorney	20,675,403	20,756,071	19,813,005	943,066
Sheriff				
Personnel	131,584,797	136,630,260	136,628,638	1,622
Operating	12,253,086	13,945,390	12,219,270	1,726,120
Internal Support	19,019,634	19,634,187	18,773,285	860,902
Total Sheriff	162,857,517	170,209,837	167,621,193	2,588,644
Total Law Enforcement	183,532,920	190,965,908	187,434,198	3,531,710
Legislative				
Board of Commissioners				
Personnel	3,272,155	3,272,155	2,935,949	336,206
Operating	972,722	2,115,152	1,108,855	1,006,297
Internal Support	535,130	667,813	667,752	61
Total Legislative	4,780,007	6,055,120	4,712,556	1,342,564
Water Resources Commissioner				
Personnel	229,501	229,501	220,346	9,155
Operating	487,975	488,599	421,474	67,125
Internal Support	7,127,379	7,595,679	7,595,279	400
Total Water Resources Commissioner	7,844,855	8,313,779	8,237,099	76,680
Non-departmental				
Operating	24,659,021	68,332,900	50,817,489	17,515,411
Internal Support	11,265,905	3,337,186	2,454,405	882,781
Total non-departmental	35,924,926	71,670,086	53,271,894	18,398,192
Total expenditures	413,803,617	511,444,871	467,042,730	44,402,141
Excess of revenues (under) over expenditures	6,883,144	10,791,305	59,217,385	48,426,080

(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2020

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Expenditures (continued)				
County Executive (continued)				
Community and Economic Development				
Personnel	$ 5,741,350	$ 5,688,350	$ 5,366,803	$ 321,547
Operating	1,826,220	34,602,149	32,113,271	2,488,878
Internal Support	963,936	1,027,194	1,026,905	289
Total Community and Economic Development	8,531,506	41,317,693	38,506,979	2,810,714
Total County Executive	103,729,683	144,939,310	131,884,178	13,055,132
Clerk/Register of Deeds				
Personnel	8,168,131	8,174,461	6,184,376	1,990,085
Operating	1,632,883	2,725,031	2,719,178	5,853
Internal Support	1,310,921	1,670,050	1,662,740	7,310
Total Clerk/Register of Deeds	11,111,935	12,569,542	10,566,294	2,003,248
Treasurer				
Personnel	3,576,383	3,576,383	3,222,314	354,069
Operating	4,058,770	12,093,770	12,087,336	6,434
Internal Support	925,577	1,384,099	1,268,769	115,330
Total Treasurer	8,560,730	17,054,252	16,578,419	475,833
Justice Administration				
Circuit Court				
Personnel	24,252,679	24,378,162	22,226,881	2,151,281
Operating	4,464,161	4,680,863	2,478,625	2,202,238
Internal Support	4,933,019	5,774,693	5,773,106	1,587
Total Circuit Court	33,649,859	34,833,718	30,478,612	4,355,106
District Court				
Personnel	13,695,705	13,695,705	13,344,885	350,820
Operating	2,246,093	2,306,719	1,904,259	402,460
Internal Support	1,731,967	1,908,638	1,907,546	1,092
Total District Court	17,673,765	17,911,062	17,156,690	754,372
Probate Court				
Personnel	4,921,196	4,921,196	4,642,921	278,275
Operating	1,030,424	1,072,224	941,778	130,446
Internal Support	1,043,317	1,138,674	1,138,091	583
Total Probate Court	6,994,937	7,132,094	6,722,790	409,304
Total Justice Administration	58,318,561	59,876,874	54,358,092	5,518,782

(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2020

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Other Financing Sources (Uses)				
Transfers in				
Special Revenue Funds				
Restricted Funds	$ -	$ 555,119	$ 555,118	$ (1)
Total special revenue funds	-	555,119	555,118	(1)
Capital Project Funds				
Project Work Orders	-	-	11,490	11,490
Total capital project funds	-	-	11,490	11,490
Enterprise Funds				
Delinquent Tax Revolving	5,500,000	5,500,000	5,612,819	112,819
Total enterprise funds	5,500,000	5,500,000	5,612,819	112,819
Total Transfers In	5,500,000	6,055,119	6,179,427	124,308
Transfers out				
Special Revenue Funds				
Mandated Indigent Defense	-	(1,868,991)	(1,868,991)	-
Child Care	(20,768,388)	(20,443,848)	(14,639,432)	5,804,416
Social Welfare Foster Care	(1,000)	(1,000)	-	1,000
Oakland Enhancement	-	-	-	-
Drains-Act 40 Chapters 4 & 18 Maintenance	(56,165)	(56,165)	(52,941)	3,224
Friend of the Court Grant	(6,073,660)	(6,073,660)	(5,680,447)	393,213
Other Grants		(13,850,000)	(12,856,947)	993,053
Law Enforcement Grants	(1,436,818)	(1,715,864)	(1,559,984)	155,880
Housing & Community Development	(495,018)	(589,161)	-	589,161
Total special revenue funds	(28,831,049)	(44,598,689)	(36,658,742)	7,939,947

(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2020

	General Fund			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Other Financing Sources (Uses) (continued)				
Transfers Out (continued)				
Debt Service Funds				
Building Authority Debt Act 31	$ (2,220,500)	$ (2,220,500)	$ (2,220,500)	$ -
Total debt service funds	(2,220,500)	(2,220,500)	(2,220,500)	-
Capital Projects Funds				
Building Improvement	(5,500,000)	(4,506,948)	(3,000,000)	1,506,948
Project Work Orders	(620,000)	(2,252,562)	(2,067,811)	184,751
Major Dept Support Projects	(41,184)	(650,974)	(650,974)	-
Total capital projects funds	(6,161,184)	(7,410,484)	(5,718,785)	1,691,699
Internal Service Funds				
Facilities, Maint. and Operations	-	(858,658)	(858,658)	-
Information Technology	(3,620,676)	(9,173,682)	(9,173,682)	
Drain Equipment		(265,206)	(265,206)	
Motor Pool		(177,355)	(177,355)	
Telephone Communications		(71,334)	(71,334)	
Building and Liability Insurance	-	(375,000)	(375,000)	-
Total internal service funds	(3,620,676)	(10,921,235)	(10,921,235)	-
Enterprise Funds				
Parks and Recreation	-	(216,105)	(216,100)	5
Fire Records Management	(507,699)	(507,699)	(489,531)	18,168
CLEMIS	(1,644,186)	(1,644,286)	(1,644,285)	1
Radio Communications	(4,288)	(240,000)	(236,500)	3,500
Total enterprise funds	(2,156,173)	(2,608,090)	(2,586,416)	21,674
Total transfers out	(42,989,582)	(67,758,998)	(58,105,678)	9,653,320
Total other financing sources (uses)	(37,489,582)	(61,703,879)	(51,926,251)	9,777,628
Net change in fund balance	(30,606,438)	(50,912,574)	7,291,134	58,203,708
Fund balance				
October 1, 2019	259,734,778	259,734,778	259,734,778	-
September 30, 2020	$ 229,128,340	$ 208,822,204	$ 267,025,912	$ 58,203,708

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

Budgetary Comparisons

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

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

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

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

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds – By Fund Type
Year Ended September 30, 2020

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2020
Revenues				
Special assessments	$ 2,167,328	$ 1,763,096	$ 300,668	$ 4,231,092
Federal grants	38,542,844	-	-	38,542,844
State grants	24,388,755	-	-	24,388,755
Other intergovernmental revenue	9,973,070	-	-	9,973,070
Charges for services	12,181,961	1,350	17,531	12,200,842
Contributions	283,315	-	-	283,315
Investment income	389,011	100,042	20,452	509,505
Other	32,598	-	-	32,598
Total revenues	87,958,882	1,864,488	338,651	90,162,021
Expenditures				
Current operations				
County Executive	87,244,380	132,298	-	87,376,678
Clerk/Register of Deeds	2,186,884	-	-	2,186,884
Justice administration	27,166,769	-	-	27,166,769
Law enforcement	7,924,596	-	-	7,924,596
Legislative	-	-	-	-
Water Resource Commissioner	2,415,965	-	-	2,415,965
Non-departmental	112,383	-	-	112,383
Total current operations	127,050,977	132,298	-	127,183,275
Capital outlay	458,147	-	16,230,936	16,689,083
Intergovernmental	-	-	-	-
Debt service				
Principal payments	-	28,850,000	-	28,850,000
Interest and fiscal charges	-	1,605,793	500	1,606,293
Total expenditures	127,509,124	30,588,091	16,231,436	174,328,651
Deficiency of revenues under expenditures	(39,550,242)	(28,723,603)	(15,892,785)	(84,166,630)
Other financing sources (uses)				
Transfers in	36,833,106	6,904,574	9,980,817	53,718,497
Transfers out	(1,778,120)	(3,704)	(3,304,662)	(5,086,486)
Issuance of bonds	2,633	-	468,000	470,633
Issuance of refunding bonds	-	18,775,000	-	18,775,000
Insurance recoveries	-	-	-	-
Premiums on bonds sold	-	2,028,965	-	2,028,965
Total other financing sources (uses)	35,057,619	27,704,835	7,144,155	69,906,609
Net change in fund balances	(4,492,623)	(1,018,768)	(8,748,630)	(14,260,021)
Fund balances				
October 1, 2019	16,325,909	6,635,006	40,923,398	63,884,313
September 30, 2020	$ 11,833,286	$ 5,616,238	$ 32,174,768	$ 49,624,292

County of Oakland
Balance Sheet
Non-Major Governmental Funds – By Fund Type
September 30, 2020

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2020
Assets				
Pooled cash and investments	$ 34,733,686	$ 4,764,676	$ 30,515,673	$ 70,014,035
Due from other governmental units	14,908,073	91,633	-	14,999,706
Due from component units	55	-	570,328	570,383
Accrued interest receivable	140,512	24,410	41,190	206,112
Accounts receivable (net of allowance for uncollectibles where applicable)	213,151	647,553	-	860,704
Special assessments receivable	53,648	1,564,000	576,824	2,194,472
Contracts receivable	-	9,350,000	88,800	9,438,800
Due from other funds	15,506,373	95,250	2,288,949	17,890,572
Advances	-	-	899,163	899,163
Other assets	1,964,799	-	-	1,964,799
Total assets	$ 67,520,297	$ 16,537,522	$ 34,980,927	$ 119,038,746
Liabilities				
Vouchers payable	$ 3,692,045	$ 4,888	$ 178,257	$ 3,875,190
Accrued payroll	738,676	-	2,345	741,021
Due to other governmental units	3,249	-	-	3,249
Due to other funds	21,262,535	2,396	72,328	21,337,259
Advances	107,826	-	791,337	899,163
Unearned revenue	9,463,446	-	-	9,463,446
Other accrued liabilities	11,816,935	-	1,185,068	13,002,003
Total liabilities	47,084,712	7,284	2,229,335	49,321,331
Deferred Inflows of Resources				
Unavailable revenue - special assessments	53,648	1,564,000	576,824	2,194,472
Unavailable revenue - grants	5,940,479	-	-	5,940,479
Unavailable revenue - contracts receivable	-	9,350,000	-	9,350,000
Unavailable revenue - other	2,608,172	-	-	2,608,172
Total deferred inflows of resources	8,602,299	10,914,000	576,824	20,093,123
Fund Balances				
Spendable:				
Restricted	16,701,220	5,616,238	-	22,317,458
Committed	-	-	32,815,999	32,815,999
Unassigned	(4,867,934)	-	(641,231)	(5,509,165)
Total fund balances	11,833,286	5,616,238	32,174,768	49,624,292
Total liabilities, deferred inflows of resources, and fund balances	$ 67,520,297	$ 16,537,522	$ 34,980,927	$ 119,038,746

The Drains Act 40 Chapters 4 & 18 Maintenance Fund - is used to record expenditures for the operations and maintenance of drainage districts created under Chapters 4 and 18 of Public Act 40 of 1956. Revenue is provided from special assessments against the benefiting properties within the district.

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

The Friend of the Court Fund - is used to account for costs of the operation of this division of the Circuit Court, responsible for providing services to individuals involved in court actions relating to case initiation, establishment, collections, and enforcement of child support orders as directed by the State of Michigan Child Support Enforcement System. Revenue sources include federal and state funding and charges for services.

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

- Community Corrections, which utilizes State funds to increase utilization of community-based sanctions and services for nonviolent offenders.
- Juvenile Accountability Block Grant, which utilizes federal and County funds to develop programs to promote greater accountability in the juvenile justice system.
- Byrne Formula Justice Assistance Grants (JAG) replaces the Local Law Enforcement Block Grant (LLEBG) programs. JAG provides federal funds to support a broad range of activities to prevent and control crime, and to improve the criminal justice system.

The Workforce Development Grants Fund - accounts for costs involved in providing employment services to individuals who are unemployed, physically or economically disadvantaged, or transitioning from school to employment. Costs include training, education and transportation, funded through state and federal grants.

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

The Housing and Community Development Fund - accounts for block grants received from the U.S. Department of Housing and Urban Development for the use of low to moderate income home improvement loans, municipal projects, and homeless-assistance projects, including counseling.

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

The Other Grants Fund - consists of grants where the function does not relate specifically to one of the other areas:

- Clerk/Register of Deeds Survey/Remonumentation, which utilizes state funds to locate, verify, replace, or reposition corners within the County, per Public Act 345 of 1990.
- Tornado Siren, which utilizes County and municipal funds in the procurement and installation of tornado siren units used in the tornado warning system.
- Great Lakes Water Authority, a cost reimbursement agreement for due diligence examination of business issues related to the research, creation, and implementation of the Authority.
- Grants for programs such as Domestic Preparedness Equipment, Homeland Security grants, MI Financial Empowerment, Holly Dispatch Consolidation, AAA Safety, DTE Energy Tree Planting, Friend of the Court Access and Visitation, Two Seven Oh, and MEDC Region 10.

County of Oakland
Non-Major Special Revenue Funds

Special Revenue Funds
These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes such as special assessment revenue, non-capital grants, and other earmarked revenues not included within other fund categories.

The Mandated Indigent Defense Fund – accounts for funding to assist with the Compliance Plan and Costs Analysis approved by the Michigan Indigent Defense Commission for the provision of Oakland County to provide indigent criminal defense services specified in Standards 1-4. This includes continuing legal education, counsel at first appearance, obtaining experts and investigators for indigent defense.

The Child Care Fund - (formerly the Juvenile Maintenance Fund) is used to account for revenues earmarked for the placement of children to foster care homes and for the detention of children in the Children's Village, as ordered by Probate Court.

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

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

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

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

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

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

The Water and Sewer Act 342 Fund - is used to account for the construction, under contractual arrangement, of water and sewer systems under Public Act 342 of 1939. Upon completion of the projects, these systems are turned over to the respective municipalities for operations and maintenance.

The Lake Levels Act 146 Fund - is used to account for funds from special assessments to finance the cost of maintaining lake levels in the County, created under Public Act 146 of 1961.

County of Oakland
Non-Major Special Revenue Funds

- For fiscal year 2020, this fund was used to record inflows and outflows of resources for the CARES Act.

The Judicial Grants Fund - accounts for drug court programs through Oakland County Circuit and 52nd Division District Courts.

The Oakland Brownfield Initiative Fund - is used to account for grant revenues and administration/management costs incurred in assisting the redevelopment of tax-reverted properties through Brownfield Cleanup Revolving Loan Fund programs. The Brownfield Consortium Assessment program consists of Oakland County plus cities to perform environmental investigations on parcels throughout the County with special focus on the cities comprised in this Consortium.

The Concealed Pistol Licensing Fund – created under State of Michigan Public Act 3 of 2015, accounts for the deposit of concealed pistol licensing fees collected by the County Clerk/Register of Deeds, and the allowable expenditures related to the cost of administering this act.

County of Oakland
Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2020

	Mandated Indigent Defense	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management
Assets						
Pooled cash and investments	$ 2,352,479	$ 438,886	$ 6,036,076	$ 27,746	$ 3,278,977	$ 3,961,350
Due from other governmental units	-	3,396,884	-	-	-	-
Due from component units	-	-	55	-	-	-
Accrued interest receivable	-	-	32,972	606	10,214	2,891
Accounts receivable (net of allowance for uncollectibles where applicable)	-	54,659	255	22,422	15,569	-
Special assessments receivable	-	-	-	-	-	-
Due from other funds	7,663	4,952	-	-	108,519	-
Prepayments and other assets	-	-	-	-	-	-
Total assets	$ 2,360,142	$ 3,895,381	$ 6,069,358	$ 50,774	$ 3,413,279	$ 3,964,241
Liabilities						
Vouchers payable	$ 203,166	$ 185,892	$ 13,781	$ -	$ -	$ 1,036,603
Accrued payroll	10,523	338,888	4,928	5,096	-	-
Due to other governmental units	-	-	40	-	-	-
Due to other funds	12,662	724,779	-	-	2,537	-
Advances payable	-	-	-	-	-	-
Unearned revenue	2,060,808	-	-	-	-	-
Other accrued liabilities	72,983	26,076	-	-	-	1,889,543
Total liabilities	2,360,142	1,275,635	18,749	5,096	2,537	2,926,146
Deferred Inflows of Resources						
Unavailable revenue - special assessments	-	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-	-
Unavailable revenue - other	-	2,608,172	-	-	-	-
Total deferred inflows of resources	-	2,608,172	-	-	-	-
Fund Balances (deficits)						
Restricted	-	11,574	6,050,609	45,678	3,410,742	1,038,095
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	-	11,574	6,050,609	45,678	3,410,742	1,038,095
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 2,360,142	$ 3,895,381	$ 6,069,358	$ 50,774	$ 3,413,279	$ 3,964,241

(continued)

County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2020

	Water & Sewer Act 342	Lake Levels Act 146	Drains-Act 40 Maintenance Chapters 4 & 18	Lake Improvements Act 345	Friend of the Court
Assets					
Pooled cash and investments	$ 4,678,481	$ 334,300	$ 2,997,749	$ 52	$ -
Due from other governmental units	-	28,853	164,184	-	2,519,456
Due from component units	-	-	-	-	-
Accrued interest receivable	28,559	582	36,882	-	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	9,674	-	29,795
Special assessments receivable	-	-	53,648	-	-
Due from other funds	-	1	166	-	2,131,527
Prepayments and other assets	-	-	-	-	1,725
Total assets	$ 4,707,040	$ 363,736	$ 3,262,303	$ 52	$ 4,682,503
Liabilities					
Vouchers payable	$ 107,065	$ 17,221	$ 50,045	$ -	$ 20,927
Accrued payroll	-	-	-	-	175,692
Due to other governmental units	-	-	270	-	1,170
Due to other funds	-	52,467	186,035	-	4,478,475
Advances payable	-	-	107,826	-	-
Unearned revenue	-	-	-	-	-
Other accrued liabilities	4,891,095	7,912	1,466,020	-	6,239
Total liabilities	4,998,160	77,600	1,810,196	-	4,682,503
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	53,648	-	-
Unavailable revenue - grants	-	-	-	-	2,519,456
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	-	-	53,648	-	2,519,456
Fund Balances (deficits)					
Restricted	-	286,136	1,398,459	52	-
Unassigned	(291,120)	-	-	-	(2,519,456)
Total fund balances (deficits)	(291,120)	286,136	1,398,459	52	(2,519,456)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 4,707,040	$ 363,736	$ 3,262,303	$ 52	$ 4,682,503

(continued)

County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2020

	Multi-Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants
Assets					
Pooled cash and investments	$ -	$ 27,145	$ -	$ 5,196,117	$ 2,694,633
Due from other governmental units	368,133	1,223,183	1,462,763	4,044,618	838,112
Due from component units	-	-	-	-	-
Accrued interest receivable	-	-	-	23,665	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	-	80,777
Special assessments receivable	-	-	-	-	-
Due from other funds	-	7,143	362,291	25,671	1,493
Prepayments and other assets	-	1,958,939	4,135	-	-
Total assets	$ 368,133	$ 3,216,410	$ 1,829,189	$ 9,290,071	$ 3,615,015
Liabilities					
Vouchers payable	$ 43,335	$ 1,179,321	$ 127,935	$ 29,684	$ 153,164
Accrued payroll	18,990	10,269	85,023	24,807	53,346
Due to other governmental units	-	-	-	1,760	-
Due to other funds	299,714	210,262	1,458,847	25,671	689,093
Advances payable	-	-	-	-	-
Unearned revenue	-	-	-	7,372,496	-
Other accrued liabilities	6,094	1,816,558	113,125	1,464,264	13,631
Total liabilities	368,133	3,216,410	1,784,930	8,918,682	909,234
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - grants	-	-	955,259	814,577	845,475
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	-	-	955,259	814,577	845,475
Fund Balances (deficits)					
Restricted	-	-	-	-	1,860,306
Unassigned	-	-	(911,000)	(443,188)	-
Total fund balances (deficits)	-	-	(911,000)	(443,188)	1,860,306
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 368,133	$ 3,216,410	$ 1,829,189	$ 9,290,071	$ 3,615,015

(continued)

County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2020

	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Totals September 30, 2020
Assets					
Pooled cash and investments	$ -	$ -	$ 706,812	$ 2,002,883	$ 34,733,686
Due from other governmental units	678,635	183,252	-	-	14,908,073
Due from component units	-	-	-	-	55
Accrued interest receivable	-	-	-	4,141	140,512
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	-	213,151
Special assessments receivable	-	-	-	-	53,648
Due from other funds	12,856,947	-	-	-	15,506,373
Prepayments and other assets	-	-	-	-	1,964,799
Total assets	$ 13,535,582	$ 183,252	$ 706,812	$ 2,007,024	$ 67,520,297
Liabilities					
Vouchers payable	$ 406,321	$ 5,128	$ -	$ 112,457	$ 3,692,045
Accrued payroll	3,865	5,448	-	1,801	738,676
Due to other governmental units	-	-	-	9	3,249
Due to other funds	12,961,855	160,138	-	-	21,262,535
Advances payable	-	-	-	-	107,826
Unearned revenue	30,142	-	-	-	9,463,446
Other accrued liabilities	35,655	7,740	-	-	11,816,935
Total liabilities	13,437,838	178,454	-	114,267	47,084,712
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	53,648
Unavailable revenue - grants	666,935	138,777	-	-	5,940,479
Unavailable revenue - other	-	-	-	-	2,608,172
Total deferred inflows of resources	666,935	138,777	-	-	8,602,299
Fund Balances (deficits)					
Restricted	-	-	706,812	1,892,757	16,701,220
Unassigned	(569,191)	(133,979)	-	-	(4,867,934)
Total fund balances (deficits)	(569,191)	(133,979)	706,812	1,892,757	11,833,286
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 13,535,582	$ 183,252	$ 706,812	$ 2,007,024	$ 67,520,297

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2020

	Mandated Indigent Defense	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	Waste Resource Management
Revenues						
Special assessments	$ -	$ -	$ -	$ -	$ -	$ -
Federal grants	-	263,128	-	-	-	-
State grants	3,401,055	11,922,005	-	-	-	-
Other intergovernmental revenue	-	-	-	-	-	-
Charges for services	194,123	5,078,942	1,268,465	447,451	1,004,926	95,421
Contributions	-	-	-	-	83,637	-
Investment income	-	-	116,891	1,615	49,944	34,642
Other	-	3,367	-	-	-	-
Total revenues	3,595,178	17,267,442	1,385,356	449,066	1,138,507	130,063
Expenditures						
Salaries	473,986	13,322,639	225,302	282,158	-	-
Fringe benefits	328,576	7,559,738	133,483	163,423	-	-
Contractual services	3,382,030	7,527,267	993,228	20,560	21,073	37,438
Commodities	9,032	675,903	-	-	-	-
Capital outlay	31,845	9,522	-	-	-	-
Internal services	91,417	2,886,165	281,188	1,359	-	-
Total expenditures	4,316,886	31,981,234	1,633,201	467,500	21,073	37,438
Excess (deficiency) of revenues over (under) expenditures	(721,708)	(14,713,792)	(247,845)	(18,434)	1,117,434	92,625
Other financing sources (uses)						
Transfers in	1,868,991	14,640,302	-	-	237	-
Transfers out	(1,147,283)	-	-	-	(630,837)	-
Issuance of bonds	-	-	-	-	-	-
Total other financing sources (uses)	721,708	14,640,302	-	-	(630,600)	-
Net change in fund balances	-	(73,490)	(247,845)	(18,434)	486,834	92,625
Fund balances (deficit)						
October 1, 2019	-	85,064	6,298,454	64,112	2,923,908	945,470
September 30, 2020	$ -	$ 11,574	$ 6,050,609	$ 45,678	$ 3,410,742	$ 1,038,095

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2020

	Water & Sewer Act 342	Lake Levels Act 146	Drains-Act 40 Maintenance Chapters 4 & 18	Lake Improvements Act 345	Friend of the Court
Revenues					
Special assessments	$ -	$ 817,861	$ 1,349,467	$ -	$ -
Federal grants	-	-	-	-	-
State grants	-	-	-	-	-
Other intergovernmental revenue	-	-	-	-	8,638,154
Charges for services	-	500	46,990	-	1,240,178
Contributions	-	-	-	-	-
Investment income	94,769	5,479	56,026	-	-
Other	-	43	-	-	-
Total revenues	94,769	823,883	1,452,483	-	9,878,332
Expenditures					
Salaries	-	-	-	-	9,340,131
Fringe benefits	-	-	-	-	5,404,874
Contractual services	724,494	313,379	620,454	-	1,339,380
Commodities	1,172	1,394	9,605	-	83,453
Capital outlay	-	-	-	-	-
Internal services	53,822	291,788	399,858	-	1,910,397
Total expenditures	779,488	606,561	1,029,917	-	18,078,235
Excess (deficiency) of revenues over (under) expenditures	(684,719)	217,322	422,566	-	(8,199,903)
Other financing sources (uses)					
Transfers in	-	-	151,348	-	5,680,447
Transfers out	-	-	-	-	-
Issuance of bonds	2,633	-	-	-	-
Total other financing sources (uses)	2,633	-	151,348	-	5,680,447
Net change in fund balances	(682,086)	217,322	573,914	-	(2,519,456)
Fund balances (deficit)					
October 1, 2019	390,966	68,814	824,545	52	-
September 30, 2020	$ (291,120)	$ 286,136	$ 1,398,459	$ 52	$ (2,519,456)

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2020

	Multi-Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants
Revenues					
Special assessments	$ -	$ -	$ -	$ -	$ -
Federal grants	275,069	13,161,599	464,822	7,408,968	5,574,043
State grants	1,692,129	1,804,497	1,668,148	7,424	1,697,979
Other intergovernmental revenue	-	-	1,334,916	-	-
Charges for services	-	-	4,480	2,093,461	-
Contributions	-	-	-	-	-
Investment income	-	-	-	-	-
Other	-	-	7,356	21,474	-
Total revenues	1,967,198	14,966,096	3,479,722	9,531,327	7,272,022
Expenditures					
Salaries	967,722	629,508	2,895,034	1,495,187	3,062,356
Fringe benefits	530,109	323,703	1,642,392	811,316	1,713,090
Contractual services	250,297	13,922,365	783,559	7,632,850	2,431,471
Commodities	98,695	1,800	157,309	18,998	442,875
Capital outlay	90,318	-	247,450	-	-
Internal services	30,057	88,720	332,051	157,989	443,543
Total expenditures	1,967,198	14,966,096	6,057,795	10,116,340	8,093,335
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,578,073)	(585,013)	(821,313)
Other financing sources (uses)					
Transfers in	-	-	1,634,833	-	-
Transfers out	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Total other financing sources (uses)	-	-	1,634,833	-	-
Net change in fund balances	-	-	(943,240)	(585,013)	(821,313)
Fund balances (deficit)					
October 1, 2019	-	-	32,240	141,825	2,681,619
September 30, 2020	$ -	$ -	$ (911,000)	$ (443,188)	$ 1,860,306

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2020

	Other Grants	Judicial Grants	Oakland Brownfield Initiative	Concealed Pistol Licensing	Totals September 30, 2020
Revenues					
Special assessments	$ -	$ -	$ -	$ -	$ 2,167,328
Federal grants	11,243,748	-	151,467	-	38,542,844
State grants	1,547,564	647,954	-	-	24,388,755
Other intergovernmental revenue	-	-	-	-	9,973,070
Charges for services	-	-	-	707,024	12,181,961
Contributions	199,678	-	-	-	283,315
Investment income	-	-	-	29,645	389,011
Other	-	358	-	-	32,598
Total revenues	12,990,990	648,312	151,467	736,669	87,958,882
Expenditures					
Salaries	181,294	296,004	-	98,983	33,270,304
Fringe benefits	95,547	179,024	-	71,008	18,956,283
Contractual services	25,636,066	149,583	151,467	2,265	65,939,226
Commodities	326,361	11,826	-	42,003	1,880,426
Capital outlay	79,012	-	-	-	458,147
Internal services	6,895	-	-	29,489	7,004,738
Total expenditures	26,325,175	636,437	151,467	243,748	127,509,124
Excess (deficiency) of revenues over (under) expenditures	(13,334,185)	11,875	-	492,921	(39,550,242)
Other financing sources (uses)					
Transfers in	12,856,948	-	-	-	36,833,106
Transfers out	-	-	-	-	(1,778,120)
Issuance of bonds	-	-	-	-	2,633
Total other financing sources (uses)	12,856,948	-	-	-	35,057,619
Net change in fund balances	(477,237)	11,875	-	492,921	(4,492,623)
Fund balances (deficit)					
October 1, 2019	(91,954)	(145,854)	706,812	1,399,836	16,325,909
September 30, 2020	$ (569,191)	$ (133,979)	$ 706,812	$ 1,892,757	$ 11,833,286

143

County of Oakland
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Non-Major Special Revenue Funds
Year Ended September 30, 2020

	Child Care		
	Final Amended Budget (Unaudited)	Actual	Variance with Final Amended Budget
Revenues			
Federal grants	$ 300,000	$ 263,128	$ (36,872)
State grants	14,166,359	11,922,005	(2,244,354)
Charges for services	4,994,697	5,078,942	84,245
Other	-	3,367	3,367
Total revenues	19,461,056	17,267,442	(2,193,614)
Expenditures			
Current operations			
County Executive			
Human Services			
Personnel	19,038,887	18,804,428	234,459
Operating	7,820,358	4,378,917	3,441,441
Internal Support	2,875,447	2,875,398	49
Total Human Services	29,734,692	26,058,743	3,675,949
Total County Executive	29,734,692	26,058,743	3,675,949
Justice administration			
Circuit Court			
Personnel	2,078,518	2,077,949	569
Operating	7,694,875	3,833,775	3,861,100
Internal Support	10,846	10,767	79
Total Circuit Court	9,784,239	5,922,491	3,861,748
Total Justice administration	9,784,239	5,922,491	3,861,748
Non-departmental			
Operating	474,277	-	474,277
Total Non-departmental	474,277	-	474,277
Total expenditures	39,993,208	31,981,234	8,011,974
Deficiency of revenues under expenditures	(20,532,152)	(14,713,792)	5,818,360
Other financing sources (uses)			
Transfers in	20,447,088	14,640,302	(5,806,786)
Total other financing sources (uses)	20,447,088	14,640,302	(5,806,786)
Net change in fund balance	(85,064)	(73,490)	11,574
Fund balance			
October 1, 2019	85,064	85,064	-
September 30, 2020	$ -	$ 11,574	$ 11,574

144

County of Oakland
Non-Major Debt Service Funds

Debt Service Funds
These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

The Building Authority Debt Refunding Fund - was established to accumulate resources for the payment of bonded debt issued for the refinancing of debt obligations under Public Act 202 of 1943, or Act 34 of 2001 for various Building Authority funds. Also includes refunding debt issued as assistance in obtaining favorable lending rates for other units of government within Oakland County.

The Lake Level Debt 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.

The Water and Sewer Debt Refunding Fund - was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the refinancing of debt obligations for construction of various water and sewer systems.

County of Oakland
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Non-Major Special Revenue Funds (Continued)
Year Ended September 30, 2020

	Social Welfare Foster Care		
	Final Amended Budget (Unaudited)	**Actual**	**Variance with Final Amended Budget**
Revenues			
State grants	$ 1,000	$ -	$ (1,000)
Total revenues	1,000	-	(1,000)
Expenditures			
Current operations			
County Executive			
Human Services			
Operating	2,000	-	2,000
Deficiency of revenues under expenditures	(1,000)	-	1,000
Other financing sources			
Transfers in	1,000	-	(1,000)
Net change in fund balance	-	-	-
Fund balance			
October 1, 2019	-	-	-
September 30, 2020	$ -	$ -	$ -

County of Oakland
Combining Balance Sheet
Non-Major Debt Service Funds
September 30, 2020

	Building Authority Debt Act 31	Building Authority Debt Refunding	Lake Level Debt Act 451	Water and Sewer Debt Refunding	Totals September 30, 2020
Assets					
Pooled cash and investments	$ 4,711,409	$ 46,240	$ -	$ 7,027	$ 4,764,676
Due from other governmental units	-	91,633	-	-	91,633
Accrued interest receivable	24,410	-	-	-	24,410
Accounts receeivable	-	647,553	-	-	647,553
Special assessments receivable	-	-	468,000	1,096,000	1,564,000
Contracts receivable	-	9,350,000	-	-	9,350,000
Due from other funds	95,250	-	-	-	95,250
Total assets	$ 4,831,069	$ 10,135,426	$ 468,000	$ 1,103,027	$ 16,537,522
Liabilities					
Vouchers payable	$ -	$ -	$ -	$ 4,888	$ 4,888
Due to other funds	-	2,186	-	210	2,396
Total liabilities	-	2,186	-	5,098	7,284
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	468,000	1,096,000	1,564,000
Unavailable revenue - contracts	-	9,350,000	-	-	9,350,000
Total deferred inflows of resources	-	9,350,000	468,000	1,096,000	10,914,000
Fund Balances - restricted for debt service	4,831,069	783,240	-	1,929	5,616,238
Total liabilities, deferred inflows of resources, and fund balances	$ 4,831,069	$ 10,135,426	$ 468,000	$ 1,103,027	$ 16,537,522

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Debt Service Funds
Year Ended September 30, 2020

	Building Authority Debt Act 31	Building Authority Debt Refunding	Lake Level Debt Act 451	Water and Sewer Debt Refunding	Totals September 30, 2020
Revenues					
Special assessments	$ 161,618	$ 1,369,228	$ -	$ 232,250	$ 1,763,096
Charges for services	600	750	-	-	1,350
Investment income	98,164	1,687	-	191	100,042
Total revenues	260,382	1,371,665	-	232,441	1,864,488
Expenditures					
Principal payments	13,340,000	15,290,000	-	220,000	28,850,000
Interest	997,458	593,985	-	12,250	1,603,693
Paying agent fees	800	1,050	-	250	2,100
Contractual services	61,904	70,394	-	-	132,298
Total expenditures	14,400,162	15,955,429	-	232,500	30,588,091
Excess (deficiency) of revenues over (under) expenditures	(14,139,780)	(14,583,764)	-	(59)	(28,723,603)
Other financing sources (uses)					
Transfers in	2,220,500	4,683,199	-	875	6,904,574
Transfers out	(3,694)	(10)	-	-	(3,704)
Issuance of refunding bonds	8,610,000	10,165,000	-	-	18,775,000
Premiums on bonds sold	1,511,585	517,380	-	-	2,028,965
Total other financing sources (uses)	12,338,391	15,365,569	-	875	27,704,835
Net change in fund balances	(1,801,389)	781,805	-	816	(1,018,768)
Fund balances					
October 1, 2019	6,632,458	1,435	-	1,113	6,635,006
September 30, 2020	$ 4,831,069	$ 783,240	$ -	$ 1,929	$ 5,616,238

County of Oakland
Non-Major Capital Projects Funds

Capital Projects Funds
These funds account for the purchase or construction of major capital facilities which are not financed by Proprietary funds.

The Building Improvement Fund - was established as a holding account for monies transferred from the County's General Fund for future funding of major County building programs.

The Project Work Orders Fund - was established to account for the costs of various improvement projects for County facilities.

The Facilities Management Infrastructure and IT Projects Fund - was established to account for the costs of various capital improvements of County infrastructure administered by Facilities Management and capital improvement projects for Information Technology.

The Animal Control and Pet Adoption Center Construction Fund - was established to account for the costs of construction of a new facility for the Animal Control division and the related pet adoption center. Construction is financed by the issuance of general obligation bonds.

The Major Departmental Support Projects Fund - was established to account for the costs of departmental support projects with estimated aggregated expenditures over $5 million, which are funded by current available resources rather than bond issues.

The Lake Levels Act 146 Fund - is to account for the costs of construction or reconstruction of various dam structures for purposes of lake level control and augmentation wells under P.A. 146 of 1961.

The Lake Improvements Act 345 Fund - is used to account for the costs of construction of augmentation wells for purposes of lake level control. Financing is provided by special assessment rolls as permitted under P.A. 345 of 1966.

The Chapter 4 Drain Construction Fund - is used to account for the costs of construction of drains under Chapter 4 of Public Act 40 of 1956 (Drain Code). Revenue is provided from special assessments against the benefiting properties within the district.

The Drain Commissioner Revolving Fund - was established to provide funds for preliminary costs of various drains (including component unit drainage districts), lake level projects, and lake improvements.

The Long-term Revolving Fund - was established to provide preliminary financing for specific capital projects as approved by the Oakland County Board of Commissioners. Funds advanced are recovered through special assessments, or contracts with municipalities, in the individual projects.

County of Oakland
Combining Balance Sheet
Non-Major Capital Projects Funds
September 30, 2020

	Building Improvement	Project Work Orders	Facilities Infrastructure & IT Projects	Animal Control and Pet Adoption Center	Major Dept. Support Projects
Assets					
Pooled cash and investments	$ 8,218,434	$ 12,156,823	$ 2,779	$ 493,251	$ 6,866,155
Accrued interest receivable	-	-	13,611	26,398	-
Special assessments receivable	-	-	-	-	-
Contracts receivable	-	-	-	-	-
Due from component units	-	-	-	-	-
Due from other funds	-	510,865	-	-	1,444,926
Advances	-	-	-	-	-
Total assets	$ 8,218,434	$ 12,667,688	$ 16,390	$ 519,649	$ 8,311,081
Liabilities					
Vouchers payable	$ -	$ 134,879	$ -	$ -	$ 43,133
Accrrued payroll	-	2,345			
Due to other funds	-	-	-	-	-
Advances	-	-	-	-	-
Other accrued liabilities	-	333,786	2,779	-	813,503
Total liabilities	-	471,010	2,779	-	856,636
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (deficits)					
Committed	8,218,434	12,196,678	13,611	519,649	7,454,445
Unassigned	-	-	-	-	-
Total fund balances (deficits)	8,218,434	12,196,678	13,611	519,649	7,454,445
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 8,218,434	$ 12,667,688	$ 16,390	$ 519,649	$ 8,311,081

(continued)

County of Oakland
Combining Balance Sheet (Continued)
Non-Major Capital Project Funds
September 30, 2020

	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2020
Assets						
Pooled cash and investments	$ 161,976	$ 9,622	$ 182,082	$ 921,514	$ 1,503,037	$ 30,515,673
Accrued interest receivable	-	-	1,181	-	-	41,190
Special assessments receivable	5,201	-	571,623	-	-	576,824
Contracts receivable	-	-	-	-	88,800	88,800
Due from component units	-	-	-	570,328	-	570,328
Due from other funds	-	-	-	333,158	-	2,288,949
Advances	-	-	-	-	899,163	899,163
Total assets	$ 167,177	$ 9,622	$ 754,886	$ 1,825,000	$ 2,491,000	$ 34,980,927
Liabilities						
Vouchers payable	$ 245	$ -	$ -	$ -	$ -	$ 178,257
Accrued payroll	-	-	-	-	-	2,345
Due to other funds	334	-	71,994	-	-	72,328
Advances	38,837	-	752,500	-	-	791,337
Other accrued liabilities	35,000	-	-	-	-	1,185,068
Total liabilities	74,416	-	824,494	-	-	2,229,335
Deferred Inflows of Resources						
Unavailable revenue - special assessments	5,201	-	571,623	-	-	576,824
Total deferred inflows of resources	5,201	-	571,623	-	-	576,824
Fund Balances (deficits)						
Committed	87,560	9,622	-	1,825,000	2,491,000	32,815,999
Unassigned	-	-	(641,231)	-	-	(641,231)
Total fund balances (deficits)	87,560	9,622	(641,231)	1,825,000	2,491,000	32,174,768
Total liabilities, deferred inflows from resources, and fund balances (deficits)	$ 167,177	$ 9,622	$ 754,886	$ 1,825,000	$ 2,491,000	$ 34,980,927

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended September 30, 2020

	Building Improvement	Project Work Orders	Facilities Infrastructure & IT Projects	Animal Control and Pet Adoption Center	Major Dept. Support Projects
Revenues					
Special assessments	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	-
Investment income	-	-	1,456	11,024	-
Total revenues	-	-	1,456	11,024	-
Expenditures					
Capital outlay	-	6,145,450	43,569	133,085	9,322,815
Total expenditures	-	6,145,450	43,569	133,085	9,322,815
Excess (deficiency) of revenues over (under) expenditures	-	(6,145,450)	(42,113)	(122,061)	(9,322,815)
Other financing sources (uses)					
Transfers in	3,101,774	6,228,069	-	-	650,974
Transfers out	(3,144,802)	(159,860)	-	-	-
Issuance of bonds	-	-	-	-	-
Total other financing sources (uses)	(43,028)	6,068,209	-	-	650,974
Net change in fund balances	(43,028)	(77,241)	(42,113)	(122,061)	(8,671,841)
Fund balances (deficit)					
October 1, 2019	8,261,462	12,273,919	55,724	641,710	16,126,286
September 30, 2020	$ 8,218,434	$ 12,196,678	$ 13,611	$ 519,649	$ 7,454,445

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Capital Project Funds
Year Ended September 30, 2020

	Lake Levels Act 146	Lake Improvements Act 345	Drain Chapter 4 Construction	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2020
Revenues						
Special assessments	$ 257,406	$ -	$ 43,262	$ -	$ -	$ 300,668
Charges for services	112	-	17,419	-	-	17,531
Investment income	3,647	-	4,325	-	-	20,452
Total revenues	261,165	-	65,006	-	-	338,651
Expenditures						
Capital outlay	545,889	-	40,628	-	-	16,231,436
Total expenditures	545,889	-	40,628	-	-	16,231,436
Excess (deficiency) of revenues over (under) expenditures	(284,724)	-	24,378	-	-	(15,892,785)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	9,980,817
Transfers out	-	-	-	-	-	(3,304,662)
Issuance of bonds	468,000	-	-	-	-	468,000
Total other financing sources (uses)	468,000	-	-	-	-	7,144,155
Net change in fund balances	183,276	-	24,378	-	-	(8,748,630)
Fund balances (deficit)						
October 1, 2019	(95,716)	9,622	(665,609)	1,825,000	2,491,000	40,923,398
September 30, 2020	$ 87,560	$ 9,622	$ (641,231)	$ 1,825,000	$ 2,491,000	$ 32,174,768

County of Oakland
Internal Service Funds

Internal Service Funds
These funds account for the financing of goods or services provided by one County department or agency to other departments or agencies on a cost-reimbursement basis.

The Facilities Maintenance and Operations Fund - accumulates the costs of operating and maintaining the County's buildings, grounds, and utilities. The fund recovers costs by developing rates and billing user departments.

The Information Technology Fund - accounts for the operations of the Department of Information Technology, a service bureau that provides services to other County departments and divisions, local governmental units, private sector and @access Oakland customers. Costs include the program and system support, maintenance, enhancements, and new development for all major systems applications.

The Drain Equipment Fund - accounts for the cost of vehicles and other equipment used for the construction and maintenance of various drains and lake level projects. The fund is reimbursed as the accumulated costs are distributed to specific projects or funds.

The Motor Pool Fund - accumulates the costs of purchasing, servicing, and operating County-owned vehicles. The fund recovers these costs by developing rates and billing user departments.

The Telephone Communications Fund - accumulates the costs of operating the County telephone system. The fund is reimbursed for the accumulated costs by distributing the charges to the specific fund or department.

The Building and Liability Insurance Fund - was established to accumulate monies, which are available to settle claims against the County when no insurance coverage exists and to make insurance premium payments. The fund is reimbursed by the user departments for insurance premiums paid and monies accumulated for self-insurance.

The Fringe Benefits Fund - is used to account for the County's employee fringe benefits. Monies are accumulated in this fund as a result of payroll allocations made on a departmental and/or bargaining unit basis. This fund also accumulates and disburses monies related to workers' compensation and unemployment compensation claims, and performs as the debt service fund for the County's Retiree Healthcare Refunding debt including the reporting of keeping the VEBA Trust at full funding through assets of the Superseding Trust Fund. Due to the nature of the fund serving as the mechanism for employee benefits, the entire Net Pension and Net OPEB liability/(asset) is also recorded in the Fringe Benefit fund.

County of Oakland
Combining Statement of Net Position
Internal Service Funds
September 30, 2020

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Assets				
Current assets				
Pooled cash and investments	$ 9,095,125	$ 4,302,305	$ 17,657,498	$ 5,272,935
Investments, at fair value	-	-	-	-
Due from other governmental units	1,676	24,308	14,177	8,802
Due from component units	7,343	41,188	8,823	-
Accrued interest receivable	62,025	64,043	42,935	20,621
Accounts receivable (net of allowance for uncollectibles where applicable)	77,797	87,589	318,505	242
Due from other funds	858,658	5,426,277	265,445	93,803
Inventories and supplies	267,280	23,774	1,146,972	262,214
Prepayments and other assets	-	6,066,731	-	3,655
Total current assets	10,369,904	16,036,215	19,454,355	5,662,272
Noncurrent assets				
Net OPEB asset	-	-	-	-
Capital assets, at cost				
Land	-	-	130,000	-
Buildings and improvements	525,283	-	2,465,545	424,860
Equipment and vehicles	2,738,441	66,210,054	9,560,359	22,937,668
Infrastructure	3,169,683	-	86,153	-
Construction in progress	-	18,742,867	6,075,673	-
	6,433,407	84,952,921	18,317,730	23,362,528
Less: Accumulated depreciation	5,362,415	61,916,847	7,344,680	17,497,140
Capital assets, net	1,070,992	23,036,074	10,973,050	5,865,388
Total noncurrent assets	1,070,992	23,036,074	10,973,050	5,865,388
Total assets	11,440,896	39,072,289	30,427,405	11,527,660
Deferred Outflows of Resources				
Deferred outflows related to pension	-	-	-	-
Deferred outflows related to OPEB	-	-	-	-
Total deferred outflows of resources	-	-	-	-

(continued)

County of Oakland
Combining Statement of Net Position (Continued)
Internal Service Funds
September 30, 2020

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2020
Assets				
Current assets				
Pooled cash and investments	$ 2,335,282	$ 5,627,648	$ 98,237,100	$ 142,527,893
Investments, at fair value	-	-	16,501,806	16,501,806
Due from other governmental units	3,043	-	-	52,006
Due from component units	-	-	-	57,354
Accrued interest receivable	24,837	171,137	866,195	1,251,793
Accounts receivable (net of allowance for uncollectibles where applicable)	1,086	348	1,987,147	2,472,714
Due from other funds	72,825	375,025	-	7,092,033
Inventories and supplies	-	-	-	1,700,240
Prepayments and other assets	81,817	1,750,404	1,600,199	9,502,806
Total current assets	2,518,890	7,924,562	119,192,447	181,158,645
Noncurrent assets				
Net OPEB asset	-	-	384,338,239	384,338,239
Capital assets, at cost			-	
Land	-	-	-	130,000
Buildings and improvements	-	-	-	3,415,688
Equipment and vehicles	4,902,181	-	-	106,348,703
Infrastructure	-	-	-	3,255,836
Construction in progress	-	-	-	24,818,540
	4,902,181	-	-	137,968,767
Less: Accumulated depreciation	4,884,268	-	-	97,005,350
Capital assets, net	17,913	-	-	40,963,417
Total noncurrent assets	17,913	-	384,338,239	425,301,656
Total assets	$ 2,536,803	$ 7,924,562	$ 503,530,686	$ 606,460,301
Deferred Outflows of Resources				
Deferred outflows related to pension	-	-	26,980,166	26,980,166
Deferred outflows related to OPEB	-	-	65,352,798	65,352,798
Total deferred inflows of resources	-	-	92,332,964	92,332,964

(continued)

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Liabilities				
Current liabilities				
Vouchers payable	$ 756,811	$ 1,919,422	$ 121,576	$ 12,605
Accrued payroll	162,266	187,129	396,857	16,258
Due to other governmental units	-	-	-	-
Due to component units	-	-	95	-
Due to other funds	-	1,458,155	18,317	-
Unearned revenue	1,303	4,562	-	-
Current portion of bonds payable	-	-	-	-
Current portion of compensated absences	-	-	-	-
Current portion of claims and judgments	-	-	-	-
Other accrued liabilities	333,108	798,144	472,342	10,393
Total current liabilities	1,253,488	4,367,412	1,009,187	39,256
Noncurrent liabilities				
Bonds payable	-	-	-	-
Net pension liability	-	-	-	-
Accrued compensated absences	-	-	-	-
Claims and judgments	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	1,253,488	4,367,412	1,009,187	39,256
Deferred Inflows of Resources				
Deferred inflows related to OPEB	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Net Position				
Net investment in capital assets	1,070,992	23,036,074	10,973,050	5,865,388
Restricted for OPEB	-	-	-	-
Unrestricted	9,116,416	11,668,803	18,445,168	5,623,016
Total net position	$ 10,187,408	$ 34,704,877	$ 29,418,218	$ 11,488,404

(continued)

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2020
Liabilities				
Current liabilities				
Vouchers payable	$ 21,092	$ 35,106	$ 5,974,467	$ 8,841,079
Accrued payroll	4,456	8,253	27,408	802,627
Due to other governmental units	-	-	562,494	562,494
Due to component units	-	-	-	95
Due to other funds	-	-	-	1,476,472
Unearned revenue	-	-	-	5,865
Current portion of bonds payable	-	-	26,605,000	26,605,000
Current portion of compensated absences	-	-	1,654,822	1,654,822
Current portion of claims and judgments	-	2,550,000	5,200,768	7,750,768
Other accrued liabilities	47,904	4,999	4,800,626	6,467,516
Total current liabilities	73,452	2,598,358	44,825,585	54,166,738
Noncurrent liabilities				
Bonds payable	-	-	182,485,000	182,485,000
Net pension liability	-	-	22,497,565	22,497,565
Accrued compensated absences	-	-	14,893,399	14,893,399
Claims and judgments	-	5,270,784	8,927,241	14,198,025
Total noncurrent liabilities	-	5,270,784	228,803,205	234,073,989
Total liabilities	73,452	7,869,142	273,628,790	288,240,727
Deferred Inflows of Resources				
Deferred inflows related to OPEB	-	-	31,221,928	31,221,928
Total deferred inflows of resources	-	-	31,221,928	31,221,928
Net Position				
Net investment in capital assets	17,913	-	-	40,963,417
Restricted for OPEB	-	-	16,744,693	16,744,693
Unrestricted	2,445,438	55,420	274,268,239	321,622,500
Total net position	$ 2,463,351	$ 55,420	$ 291,012,932	$ 379,330,610

County of Oakland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended September 30, 2020

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Operating revenues				
Charges for services	$ 26,608,683	$ 34,312,357	$ 46,935,392	$ 7,897,834
Other	16	19,980	9,597	4,915
Total operating revenues	26,608,699	34,332,337	46,944,989	7,902,749
Operating expenses				
Salaries	9,742,826	11,161,489	22,516,083	918,658
Fringe benefits	5,733,409	5,600,079	12,739,955	490,877
Fringe benefits - pension	-	-	-	-
Fringe benefits - OPEB	-	-	-	-
Contractual services	8,991,928	19,980,881	1,507,458	1,581,782
Commodities	1,925,897	652,463	1,009,786	2,370,993
Depreciation	211,872	2,616,487	523,391	2,897,575
Internal services	1,250,643	1,263,462	5,132,203	203,158
Total operating expenses	27,856,575	41,274,861	43,428,876	8,463,043
Operating income (loss)	(1,247,876)	(6,942,524)	3,516,113	(560,294)
Nonoperating revenues (expenses)				
Investment income	178,587	606	271,458	91,835
Interest expense	-	-	(330)	-
Insurance recoveries	44,361	-	-	-
Gain on sale of property and equipment	-	(7,594)	-	440,024
Net nonoperating revenues (expenses)	222,948	(6,988)	271,128	531,859
Income (loss) before transfers and contributions	(1,024,928)	(6,949,512)	3,787,241	(28,435)
Capital contributions	-	15,241,478	-	-
Transfers in	905,015	9,459,682	265,206	394,809
Transfers out	-	-	(112,877)	-
Change in net position	(119,913)	17,751,648	3,939,570	366,374
Net position				
October 1, 2019	10,307,321	16,953,229	25,478,648	11,122,030
September 30, 2020	$ 10,187,408	$ 34,704,877	$ 29,418,218	$ 11,488,404

(continued)

County of Oakland
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
Internal Service Funds
Year Ended September 30, 2020

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2020
Operating revenues				
Charges for services	$ 3,206,271	$ 4,384,059	$ 158,612,027	$ 281,956,623
Other	293	-	3,132	37,933
Total operating revenues	3,206,564	4,384,059	158,615,159	281,994,556
Operating expenses				
Salaries	258,685	560,654	1,658,475	46,816,870
Fringe benefits	142,143	252,999	878,274	25,837,736
Fringe benefits - pension	-	-	2,992,001	2,992,001
Fringe benefits - OPEB	-	-	(66,771,651)	(66,771,651)
Contractual services	2,194,132	5,601,167	119,812,153	159,669,501
Commodities	178,805	86,425	27,129	6,251,498
Depreciation	12,644	-	-	6,261,969
Internal services	540,685	127,082	539,596	9,056,829
Total operating expenses	3,327,094	6,628,327	59,135,977	190,114,753
Operating income (loss)	(120,530)	(2,244,268)	99,479,182	91,879,803
Nonoperating revenues (expenses)				
Investment income	42,869	113,625	3,449,190	4,148,170
Interest expense	-	-	(8,342,648)	(8,342,978)
Insurance recoveries	-	-	-	44,361
Gain on sale of property and equipment	-	-	-	432,430
Net nonoperating revenues (expenses)	42,869	113,625	(4,893,458)	(3,718,017)
Income (loss) before transfers and contributions	(77,661)	(2,130,643)	94,585,724	88,161,786
Capital contributions	-	-	-	15,241,478
Transfers in	71,334	375,000	-	11,471,046
Transfers out	-	-	-	(112,877)
Change in net position	(6,327)	(1,755,643)	94,585,724	114,761,433
Net position				
October 1, 2019	2,469,678	1,811,063	196,427,208	264,569,177
September 30, 2020	$ 2,463,351	$ 55,420	$ 291,012,932	$ 379,330,610

County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2020

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Cash flows from operating activities				
Cash received from users	$ 25,801,269	$ 31,368,883	$ 46,977,143	$ 7,829,178
Cash paid to suppliers	(17,916,052)	(27,735,164)	(20,997,850)	(4,664,912)
Cash paid to employees	(9,580,560)	(10,974,360)	(22,119,226)	(902,400)
Net cash provided by (used in) operating activities	(1,695,343)	(7,340,641)	3,860,067	2,261,866
Cash flows from noncapital financing activities				
Transfers from other funds	905,015	9,459,682	265,206	-
Transfers to other funds	-	-	(112,877)	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Net cash provided by (used in) noncapital financing activities	905,015	9,459,682	152,329	-
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	394,809
Insurance recoveries	44,361	-	-	-
Proceeds from sale of capital assets	-	21	-	479,651
Acquisition of capital assets	(300,379)	(240,268)	(1,311,881)	(2,833,454)
Amount paid on advances	-	-	(25,766)	-
Interest paid on advances	-	-	(330)	-
Net cash provided by (used in) capital and related financing activities	(256,018)	(240,247)	(1,337,977)	(1,958,994)
Cash flows from investing activities				
Purchase of investments	-	-	-	-
Proceeds on sale of investments	-	-	-	-
Interest on investments	197,812	-	292,173	97,844
Net cash provided by investing activities	197,812	-	292,173	97,844
Net increase (decrease) in cash and cash equivalents	(848,534)	1,878,794	2,966,592	400,716
Pooled cash and investments				
October 1, 2019	9,943,659	2,423,511	14,690,906	4,872,219
September 30, 2020	$ 9,095,125	$ 4,302,305	$ 17,657,498	$ 5,272,935

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2020

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2020
Cash flows from operating activities				
Cash received from users	$ 3,130,379	$ 4,008,686	$ 156,630,987	$ 275,746,525
Cash paid to suppliers	(3,105,963)	(5,219,156)	(117,137,735)	(196,776,832)
Cash paid to employees	(254,229)	(552,401)	(1,631,067)	(46,014,243)
Net cash provided by (used in) operating activities	(229,813)	(1,762,871)	37,862,185	32,955,450
Cash flows from noncapital financing activities				
Transfers from other funds	71,334	375,000	-	11,076,237
Transfers to other funds	-	-	-	(112,877)
Principal paid on debt	-	-	(25,660,000)	(25,660,000)
Interest paid on debt	-	-	(8,342,648)	(8,342,648)
Net cash provided by (used in) noncapital financing activities	71,334	375,000	(34,002,648)	(23,039,288)
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	394,809
Insurance recoveries	-	-	-	44,361
Proceeds from sale of capital assets	-	-	-	479,672
Acquisition of capital assets	-	-	-	(4,685,982)
Amount paid on advances	-	-	-	(25,766)
Interest paid on advances	-	-	-	(330)
Net cash provided by (used in) capital and related financing activities	-	-	-	(3,793,236)
Cash flows from investing activities				
Purchase of investments	-	-	(4,122,778)	(4,122,778)
Proceeds on sale of investments	-	-	2,487,614	2,487,614
Interest on investments	46,537	124,391	3,607,175	4,365,932
Net cash provided by investing activities	46,537	124,391	1,972,011	2,730,768
Net increase (decrease) in cash and cash equivalents	(111,942)	(1,263,480)	5,831,548	8,853,694
Pooled cash and investments				
October 1, 2019	2,447,224	6,891,128	92,405,552	133,674,199
September 30, 2020	$ 2,335,282	$ 5,627,648	$ 98,237,100	$ 142,527,893

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2020

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool
Operating income (loss)	$ (1,247,876)	$ (6,942,524)	$ 3,516,113	$ (560,294)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	211,872	2,616,487	523,391	2,897,575
(Increase) decrease in due from other governmental units	(1,035)	(9,828)	(13,595)	8,594
(Increase) decrease in due from component units	(7,343)	(25,891)	5,787	-
(Increase) decrease in accounts receivable	43,749	(35,481)	(118,953)	(242)
(Increase) decrease in due from other funds	(844,104)	(2,892,004)	158,915	(81,923)
(Increase) decrease in inventories and supplies	(49,675)	(3,361)	(272,137)	2,715
(Increase) decrease in prepayments and other assets	9,256	(2,226,069)	9,167	277
(Increase) decrease in net OPEB asset	-	-	-	-
(Increase) decrease in deferred outflows related to pension	-	-	-	-
(Increase) decrease in deferred outflows related to OPEB	-	-	-	-
Increase (decrease) in vouchers payable	103,247	663,095	(216,766)	(26,162)
Increase (decrease) in accrued payroll	162,266	187,129	396,857	16,258
Increase (decrease) in due to other governmental units	-	(162)	-	-
Increase (decrease) in due to other funds	-	1,410,771	(145,938)	-
Increase (decrease) in unearned revenue	1,303	(250)	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) increase in other accrued liabilities	(77,003)	(82,553)	17,226	5,068
Increase (decrease) increase in net pension liability	-	-	-	-
Increase (decrease) in accrued compensated absences	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in deferred inflows related to OPEB	-	-	-	-
Net cash provided by (used in) operating activities	$ (1,695,343)	$ (7,340,641)	$ 3,860,067	$ 2,261,866

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2020

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2020
Operating (loss) income	$ (120,530)	$ (2,244,268)	$ 99,479,182	$ 91,879,803
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	12,644	-	-	6,261,969
(Increase) decrease in due from other governmental units	(2,701)	-	1,760	(16,805)
(Increase) decrease in due from component units	-	-	-	(27,447)
(Increase) decrease in accounts receivable	(659)	(348)	(1,986,952)	(2,098,886)
(Increase) decrease in due from other funds	(72,825)	(375,025)	1,020	(4,105,946)
(Increase) decrease in inventories and supplies	-	-	-	(322,458)
(Increase) decrease in prepayments and other assets	37,799	(141,453)	(284,129)	(2,595,152)
(Increase) decrease in net OPEB asset	-	-	(2,221,976)	(2,221,976)
(Increase) decrease in deferred outflows related to pension	-	-	(17,252,370)	(17,252,370)
(Increase) decrease in deferred outflows related to OPEB	-	-	(13,212,199)	(13,212,199)
Increase (decrease) in vouchers payable	(81,535)	(15,964)	107,334	533,249
Increase (decrease) in accrued payroll	4,456	8,253	27,408	802,627
Increase (decrease) in due to other governmental units	-	-	361,512	361,350
Increase (decrease) in due to other funds	-	-	-	1,264,833
Increase (decrease) in unearned revenue	-	-	-	1,053
Increase (decrease) in current portion of compensated absences	-	-	351,544	351,544
Increase (decrease) in current portion of claims and judgments	-	774,500	(150,411)	624,089
Increase (decrease) in other accrued liabilities	(6,462)	(79,376)	778,392	555,292
Increase (decrease) in net pension liability			20,244,371	20,244,371
Increase (decrease) in accrued compensated absences	-	-	3,163,897	3,163,897
Increase (decrease) in claims and judgments	-	310,810	(208,722)	102,088
Increase (decrease) in deferred inflows related to OPEB	-	-	(51,337,476)	(51,337,476)
Net cash provided by (used in) operating activities	$ (229,813)	$ (1,762,871)	$ 37,862,185	$ 32,955,450

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2020

Noncash transactions:
Non-cash and non-capital related financing activities included recording a pension expense of $2,992,001 and a reduction of OPEB expense of ($66,771,651) in the Fringe Benefits fund.

Non-cash and capital related financing activities included contribution of capital assets in the amount of $15,241,478 and write-off of capital assets in the amount of $7,615 ($184,807 less accumulated depreciation of $177,192) in the Information Technology fund.

County of Oakland
Combining Schedule of Net Position
Fringe Benefits Internal Service Fund
September 30, 2020

	Fringe Benefits	Superseding Trust	Totals September 30, 2020
Assets			
Current assets:			
Pooled cash and investments	$ 97,988,493	248,607	98,237,100
Investments, at fair value	-	16,501,806	16,501,806
Accrued interest receivable	863,237	2,958	866,195
Accounts receivable (net of allowance for uncollectibles where applicable)	1,987,147	-	1,987,147
Prepayments and other assets	1,600,199	-	1,600,199
Total current assets	102,439,076	16,753,371	119,192,447
Noncurrent assets:			
Net OPEB asset	384,338,239	-	384,338,239
Total noncurrent assets	384,338,239	-	384,338,239
Total assets	486,777,315	16,753,371	503,530,686
Deferred Outflows of Resources			
Deferred outflows related to pension	26,980,166	-	26,980,166
Deferred outflows related to OPEB	65,352,798	-	65,352,798
Total deferred inflows of resources	$ 92,332,964	-	92,332,964
Liabilities			
Current liabilities:			
Vouchers payable	$ 5,971,866	2,601	5,974,467
Accrued payroll	27,408	-	27,408
Due to other governmental units	562,494	-	562,494
Current portion of bonds payable	26,605,000		26,605,000
Current portion of compensated absences	1,654,822	-	1,654,822
Current portion of claims and judgments	5,200,768	-	5,200,768
Other accrued liabilities	4,794,549	6,077	4,800,626
Total current liabilities	44,816,907	8,678	44,825,585
Noncurrent liabilities:			
Bonds payable	182,485,000	-	182,485,000
Net pension liability	22,497,565		22,497,565
Accrued compensated absences	14,893,399	-	14,893,399
Claims and judgments	8,927,241	-	8,927,241
Total noncurrent liabilities	228,803,205	-	228,803,205
Total liabilities	273,620,112	8,678	273,628,790
Deferred Inflows of Resources			
Deferred inflows related to OPEB	31,221,928	-	31,221,928
Total deferred inflows of resources	31,221,928	-	31,221,928
Net Position			
Restricted for programs	-	16,744,693	16,744,693
Unrestricted	274,268,239	-	274,268,239
Total net position	$ 274,268,239	16,744,693	291,012,932

County of Oakland
Non-Major Enterprise Funds

Enterprise Funds
These funds account for operations and services provided for County residents and are financed primarily through user charges.

The Delinquent Personal Property Tax Administration Fund - is used to account for the collection of delinquent personal property taxes and their subsequent disbursement to various municipalities, school districts, and other governmental units. Cost-related activities involving the collection of taxes are also recorded in this fund. Per State of Michigan statutes, money collected in excess of costs shall be intermittently transferred to the County General Fund.

The Fire Records Management Fund - was established to accumulate revenues and costs associated with providing a centralized Fire Records Management System (FRMS). The system will aid in uniform reporting and data sharing for participating local fire departments.

The CLEMIS (Courts and Law Enforcement Management Information System) Fund - was established to accumulate revenues and costs associated with providing law enforcement units with immediate access to criminal and vehicle information throughout the United States and Canada. This includes the costs of purchasing, servicing, and operating mobile data terminals and base stations.

The Radio Communications Fund - accumulates the costs of purchasing, servicing and operating the County radio system. The fund recovers costs by developing rates and billing users, and also receives revenue from the 911 surcharge.

The Huron-Rouge S.D.S. (Sewage Disposal System) Fund - was established to record the operations and maintenance of the system, which is used to move sewage to Wayne County for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

County of Oakland
Combining Schedule of Changes in Net Position
Fringe Benefits Internal Service Fund
Year Ended September 30, 2020

	Fringe Benefits	Superseding Trust	Totals September 30, 2020
Operating revenues			
Charges for services	$ 158,612,027	-	158,612,027
Other	3,132	-	3,132
Total operating revenues	158,615,159	-	158,615,159
Operating expenses			
Salaries	1,658,475	-	1,658,475
Fringe benefits	878,274	-	878,274
Fringe benefits-pension	2,992,001	-	2,992,001
Fringe benefits-OPEB	(66,771,651)	-	(66,771,651)
Contractual services	119,790,579	21,574	119,812,153
Commodities	27,129	-	27,129
Internal services	539,596	-	539,596
Total operating expenses	59,114,403	21,574	59,135,977
Operating income (loss)	99,500,756	(21,574)	99,479,182
Nonoperating revenues (expenses)			
Investment income	1,668,518	1,780,672	3,449,190
Interest expense	(8,342,648)	-	(8,342,648)
Net nonoperating revenues (expenses)	(6,674,130)	1,780,672	(4,893,458)
Change in net position	92,826,626	1,759,098	94,585,724
Net position			
October 1, 2019	181,441,613	14,985,595	196,427,208
September 30, 2020	$ 274,268,239	16,744,693	291,012,932

County of Oakland
Combining Statement of Net Position
Non-Major Enterprise Funds
September 30, 2020

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron-Rouge S.D.S.	Totals September 30, 2020
Assets						
Current assets						
Pooled cash and investments	$ 849,466	$ 535,184	$ 9,809,052	$ 19,304,925	$ 16,049,433	$ 46,548,060
Due from other governmental units	-	76,088	1,028,441	20,182	1,616,288	2,740,999
Accrued interest receivable	59,946	4,685	65,251	232,702	57,425	420,009
Accounts receivable (net of allowances for uncollectibles where applicable)	-	4,224	183,191	789,035	-	976,450
Due from other funds	-	-	7,687	-	-	7,687
Inventories and supplies	-	-	-	164,859	-	164,859
Prepayments and other assets	-	-	759,304	1,051,506	-	1,810,810
Total current assets	909,412	620,181	11,852,926	21,563,209	17,723,146	52,668,874
Noncurrent assets						
Restricted cash	-	-	-	18,402,216	-	18,402,216
Capital assets, at cost						
Land	-	-	-	-	19,749	19,749
Buildings and improvements	-	-	-	12,944,791	348,504	13,293,295
Equipment and vehicles	-	1,739,525	24,100,004	28,909,186	-	54,748,715
Infrastructure	-	-	-	8,585,770	3,274,693	11,860,463
Construction in progress	-	60,022	1,489,894	16,579,483	2,817,081	20,946,480
	-	1,799,547	25,589,898	67,019,230	6,460,027	100,868,702
Less: Accumulated depreciation	-	715,116	21,428,126	48,592,262	3,182,609	73,918,113
Capital assets, net	-	1,084,431	4,161,772	18,426,968	3,277,418	26,950,589
Total assets	909,412	1,704,612	16,014,698	58,392,393	21,000,564	98,021,679
Liabilities						
Current liabilities						
Vouchers payable	4,619	648	352,346	247,691	636,674	1,241,978
Accrued payroll	2,112	4,984	37,244	11,356	-	55,696
Due to other governmental units	-	-	508,237	5,339	-	513,576
Due to other funds	-	-	7,663	-	-	7,663
Unearned revenue	-	1,256	385,186	-	-	386,442
Current portion of bonds payable	-	-	-	985,000	-	985,000
Accrued interest payable	-	-	-	253,262	-	253,262
Other accrued liabilities	2,120	26,921	698,304	34,749	536,199	1,298,293
Total current liabilities	8,851	33,809	1,988,980	1,537,397	1,172,873	4,741,910
Noncurrent liabilities						
Bonds payable	-	-	-	14,140,000	-	14,140,000
Unamortized premiums on bonds	-	-	-	3,277,216	-	3,277,216
Total liabilities	8,851	33,809	1,988,980	18,954,613	1,172,873	22,159,126
Net Position						
Net investment in capital assets	-	1,084,431	4,161,772	18,426,968	3,277,418	26,950,589
Restricted for programs	-	-	-	-	15,023,176	15,023,176
Unrestricted	900,561	586,372	9,863,946	21,010,812	1,527,097	33,888,788
Total net position	$ 900,561	$ 1,670,803	$ 14,025,718	$ 39,437,780	$ 19,827,691	$ 75,862,553

County of Oakland
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
Year Ended September 30, 2020

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron-Rouge S.D.S.	Totals September 30, 2020
Operating revenues						
Charges for services	$ 410,143	$ 292,490	$ 7,029,907	$ 9,743,376	$ 9,135,522	$ 26,611,438
Other	-	-	250	352	-	602
Total operating revenues	410,143	292,490	7,030,157	9,743,728	9,135,522	26,612,040
Operating expenses						
Salaries	165,614	295,663	2,079,673	747,651	-	3,288,601
Fringe benefits	85,056	158,426	1,051,235	378,583	-	1,673,300
Contractual services	120,777	38,571	5,101,463	2,363,526	8,422,003	16,046,340
Commodities	3,639	-	629,115	375,482	715	1,008,951
Depreciation	-	180,778	1,240,549	2,645,059	72,465	4,138,851
Internal services	21,375	76,207	637,358	1,519,145	118,352	2,372,437
Total operating expenses	396,461	749,645	10,739,393	8,029,446	8,613,535	28,528,480
Operating income (loss)	13,682	(457,155)	(3,709,236)	1,714,282	521,987	(1,916,440)
Nonoperating revenues (expenses)						
Investment income	14,564	7,349	187,788	508,404	158,745	876,850
Interest expense	-	-	-	(159,627)	-	(159,627)
Gain (loss) on sale of property and equipment	-	-	125	-	-	125
Total nonoperating revenues (expenses)	14,564	7,349	187,913	348,777	158,745	717,348
Income (loss) before contributions and transfers	28,246	(449,806)	(3,521,323)	2,063,059	680,732	(1,199,092)
Capital contributions	-	-	2,114,445	-	10,000,000	12,114,445
Transfers in	-	489,532	1,776,112	236,500	-	2,502,144
Transfers out	-	-	-	(286,000)	-	(286,000)
Change in net position	28,246	39,726	369,234	2,013,559	10,680,732	13,131,497
Net position						
October 1, 2019	872,315	1,631,077	13,656,484	37,424,221	9,146,959	62,731,056
September 30, 2020	$ 900,561	$ 1,670,803	$ 14,025,718	$ 39,437,780	$ 19,827,691	$ 75,862,553

County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2020

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron-Rouge S.D.S.	Totals September 30, 2020
Cash flows from operating activities						
Cash received from users	$ 410,143	$ 302,317	$ 6,934,793	$ 9,788,114	$ 8,383,557	$ 25,818,924
Cash paid to suppliers	(234,529)	(261,808)	(6,868,720)	(4,322,799)	(8,795,915)	(20,483,771)
Cash paid to employees	(163,502)	(290,679)	(2,042,429)	(736,295)	-	(3,232,905)
Net cash provided by (used in) operating activities	12,112	(250,170)	(1,976,356)	4,729,020	(412,358)	2,102,248
Cash flows from noncapital financing activities						
Transfers from other funds	-	489,532	1,776,112	236,500	-	2,502,144
Transfers to other funds	-	-	-	(286,000)	-	(286,000)
Net cash provided by (used in) noncapital financing activities	-	489,532	1,776,112	(49,500)	-	2,216,144
Cash flows from capital and related financing activities						
Contributions for capital acquisitions	-	-	-	-	10,000,000	10,000,000
Proceeds from sale of bonds	-	-	-	18,495,851	-	18,495,851
Proceeds from sale of capital assets	-	-	125	-	-	125
Acquisition of capital assets	-	(126,890)	(979,452)	(12,540,746)	(1,566,504)	(15,213,592)
Net cash provided by (used in) capital and related financing activities	-	(126,890)	(979,327)	5,955,105	8,433,496	13,282,384
Cash flows from investing activities						
Interest on investments	15,686	7,760	205,382	533,229	160,891	922,948
Net cash provided by investing activities	15,686	7,760	205,382	533,229	160,891	922,948
Net increase (decrease) in cash and cash equivalents	27,798	120,232	(974,189)	11,167,854	8,182,029	18,523,724
Pooled cash and investments						
October 1, 2019	821,668	414,952	10,783,241	26,539,287	7,867,404	46,426,552
September 30, 2020	$ 849,466	$ 535,184	$ 9,809,052	$ 37,707,141	$ 16,049,433	$ 64,950,276
Classification of cash and cash equivalents						
Pooled cash and investments	$ 849,466	$ 535,184	$ 9,809,052	$ 19,304,925	$ 16,049,433	$ 46,548,060
Restricted cash	-	-	-	18,402,216	-	18,402,216
Total Cash and cash equivalents	$ 849,466	$ 535,184	$ 9,809,052	$ 37,707,141	$ 16,049,433	$ 64,950,276

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
Year Ended September 30, 2020

	Delinquent Personal Property Tax Administration	Fire Records Management	CLEMIS	Radio Communications	Huron-Rouge S.D.S.	Totals September 30, 2020
Operating income (loss)	$ 13,682	$ (457,155)	$ (3,709,236)	$ 1,714,282	$ 521,987	$ (1,916,440)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	-	180,778	1,240,549	2,645,059	72,465	4,138,851
(Increase) decrease in due from other governmental units	-	8,435	(106,273)	7,657	(752,365)	(842,546)
(Increase) decrease in accounts receivable	-	136	(25,750)	36,729	400	11,515
(Increase) decrease in due from other funds	-	-	1,930	-	-	1,930
(Increase) decrease in inventories and supplies	-	131	-	23,774	-	23,905
(Increase) decrease in prepayments and other assets	-	-	5,983	143,747	-	149,730
Increase (decrease) in vouchers payable	(1,838)	(2,388)	30,124	153,352	(694,905)	(515,655)
Increase (decrease) in accrued payroll	2,112	4,984	37,244	11,356	-	55,696
Increase (decrease) in due to other governmental units	-	-	164,157	-	-	164,157
Increase (decrease) in due to other funds	-	-	(176,758)	(5,181)	(221)	(182,160)
Increase (decrease) in unearned revenue	-	1,256	34,729	-	-	35,985
Increase (decrease) in other accrued liabilities	(1,844)	13,653	526,945	(1,755)	440,281	977,280
Net cash provided by (used in) operating activities	$ 12,112	$ (250,170)	$ (1,976,356)	$ 4,729,020	$ (412,358)	$ 2,102,248

Noncash Transactions:
Noncash and capital related financing activities included contribution of capital assets in the amount of $2,114,445 in the CLEMIS fund, and amortization of premiums in the amount of $93,635 in the Radio Communications fund.

County of Oakland
Combining Statement of Net Position
Pension (and Other Postemployment Benefits) Trust Funds
September 30, 2020

	Oakland County Employees' Retirement	VEBA Trust	Totals September 30, 2020
Assets			
Pooled cash and investments	$ 411,054	$ 2,997,199	$ 3,408,253
Cash and cash equivalents	10,317,139	25,175,039	35,492,178
	10,728,193	28,172,238	38,900,431
Investments, at fair value:			
Common stock	151,456,097	275,489,578	426,945,675
Preferred Stock	454,955	831,235	1,286,190
Government agencies	21,472,919	50,956,457	72,429,376
Corporate bonds	76,754,103	147,989,144	224,743,247
Municipal bonds	190,598	721,906	912,504
Hedge funds	48,301,387	54,052,544	102,353,931
Partnerships	49,234,130	87,490,165	136,724,295
Asset-backed fixed income	5,782,927	13,428,989	19,211,916
Government bonds	36,315,671	68,873,448	105,189,119
Government mortgage-backed securities	20,943,449	43,634,277	64,577,726
Government issued commercial mortgage backed	28,779	17,225	46,004
Non-Government backed CMOs	492,330	638,708	1,131,038
Commercial mortgage-backed securities	7,136,574	12,698,051	19,834,625
Bank loans	1,543,004	2,041,314	3,584,318
Exchange traded funds	336,828	635,613	972,441
International common stock	199,893,656	414,211,430	614,105,086
Index linked government bonds	7,788,241	16,316,013	24,104,254
Real estate	70,883,017	117,161,101	188,044,118
Other fixed income	8,570,313	2,054,641	10,624,954
Other	467,586	854,352	1,321,938
Total investments	708,046,564	1,310,096,191	2,018,142,755
Receivables - interest and dividends	1,692,127	2,519,825	4,211,952
Receivables - other	4,847,305	195,499	5,042,804
Prepaid expenses	3,257	33,692	36,949
Total assets	725,317,446	1,341,017,445	2,066,334,891
Liabilities			
Vouchers payable	258,364	1,554,716	1,813,080
Other accrued liabilities	7,290,432	1,956,418	9,246,850
Total liabilities	7,548,796	3,511,134	11,059,930
Net position			
Restricted for employees' pension and other postemployment healthcare benefits	$ 717,768,650	$ 1,337,506,311	$ 2,055,274,961

County of Oakland
Pension (and Other Postemployment Benefits) Trust Funds
September 30, 2020

Pension Trust Funds
Employee Pension Trust funds accept payments made by the County, invests fund resources, and calculates and pays pensions and retirees healthcare to beneficiaries.

The Oakland County Employees' Retirement Fund - is used to account for the financial operations of the Oakland County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system.

The OPEB (Other Postemployment Benefits) Trust Plan is funded through:

The VEBA (Voluntary Employees' Beneficiary Association) Trust Fund - was established as a trust under Internal Revenue Code Section 501(c)(9) to account for funding on an actuarial basis including contributions by Oakland County, and subsequent disbursement for postemployment medical benefits.

County of Oakland
Investment Trust Funds

Investment Trust Funds
Investment Trust funds account for resources of external units of government which are pooled in an investment portfolio for the benefit of the participants.

The Local Governmental Investment Pool Fund - was established as a trust with cities, townships and villages of Oakland County whereby the County Treasurer, under contractual arrangement, pools resources of the participants. Interest earnings net of fees accrue to the benefit of the participants in the pool.

County of Oakland
Combining Statement of Changes in Net Position
Pension (and Other Postemployment Benefits) Trust Funds
Year Ended September 30, 2020

	Oakland County Employees' Retirement	VEBA Trust	Totals September 30, 2020
Additions			
Contributions			
Plan members	$ 165,953	$ 279,397	$ 445,350
Investment income			
Interest and dividends	9,821,555	17,755,166	27,576,721
Net increase in fair value of investments	25,336,661	48,518,700	73,855,361
Total investment income	35,158,216	66,273,866	101,432,082
Less investment expense	1,641,188	3,176,647	4,817,835
Net investment income	33,517,028	63,097,219	96,614,247
Other revenue	-	4,770,018	4,770,018
Total additions	33,682,981	68,146,634	101,829,615
Deductions			
Benefits	60,628,743	37,777,425	98,406,168
Administrative expenses	479,998	441,432	921,430
Total deductions	61,108,741	38,218,857	99,327,598
Net increase (decrease)	(27,425,760)	29,927,777	2,502,017
Net position restricted for employees' pension and other postemployment healthcare benefits			
October 1, 2019	745,194,410	1,307,578,534	2,052,772,944
September 30, 2020	$ 717,768,650	$ 1,337,506,311	$ 2,055,274,961

County of Oakland
Statement of Changes in Net Position
Investment Trust Funds
Year Ended September 30, 2020

	Local Government Investment Pool
Additions	
Contributions from pool participants	$ 1,189,992,875
Investment income	10,947,419
Total additions	1,200,940,294
Deductions	
Distribution to pool participants	844,832,222
Net increase (decrease)	356,108,072
Net position held in trust for pool participants	
October 1, 2019	442,999,217
September 30, 2020	$ 799,107,289

County of Oakland
Statement of Net Position
Investment Trust Funds
September 30, 2020

	Local Government Investment Pool
Assets	
Pooled cash and investments	$ 797,411,720
Receivables - interest and dividends	1,695,569
Total assets	$ 799,107,289
Net position	
Held in trust for investment pool participants	$ 799,107,289

County of Oakland
Agency Funds

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

The District Court Investments Fund - is used to account for excess monies in the four District Court Trust Accounts, turned over to the Oakland County Treasurer for investing. Interest earned is recorded in the County's General Fund to help offset bank service fee costs.

The Undistributed Taxes Fund - is a conglomerate of various current year tax funds that receive tax monies and disburse them to municipalities, school districts, and other governmental units.

The Register of Deeds Trust Fund - is used to account for redemption monies received from the sale of real estate by the Sheriff's Department and their subsequent disbursement.

The Sheriff's NET (Narcotics Enforcement Team) Forfeiture Fund - is used to account for money seized, or the sale of confiscated property at auction, under authorization of Michigan state law. The money is held until the court case has been resolved, and at least yearly any forfeited monies are distributed to local, state or federal police agencies that participate in the NET program.

The Circuit Court Trust Fund - is used to account for monies received and disbursed by the Clerk's Office per Circuit Court order.

The Escheats Trust Fund - is used to account for monies that have not been claimed. This includes payroll, retirement and other checks issued by the County, and monies from the Legatee Trust and Special Trust funds. All monies go to the State of Michigan after a prescribed length of time.

The Legatee Trust Fund - is used to account for estate assets that remain unclaimed. After five years, these monies are transferred to the Oakland County Escheats Trust Fund.

The Special Trust Fund - is used to account for monies deposited with the County Treasurer that are released at a later date. Juvenile Court bonds, Transient Merchant License bonds, and overbids on Sheriff land sales are included.

The Contractor's Retainage Fund - is used to account for a portion of those monies due to a particular contractor who is involved with an Oakland County project. Disbursement, including interest earnings, is made to the contractor upon completion of the project.

The Public Library Trust Fund - is used to account for monies received by District and Circuit Courts for court fines and disbursed to public libraries, based on a percentage of the current census.

The District Court Trust Account - is used to account for appearance bonds and other trust monies in the four divisions of the County's District Court system.

The Jail Inmate Trust Account - is used to hold monies collected from and for inmates of the Oakland County Jail. Checks are written to cover bond payments, commissary purchases of other personal needs, and to return account balances upon inmate release or transfer to another facility. Individual accounts are tracked in the Jail Management System (JAMS).

County of Oakland
Combining Statement of Net Position
Agency Funds
September 30, 2020

	District Court Investments	Undistributed Taxes	Register of Deeds Trust	Sheriff NET Forfeiture	Circuit Court Trust	Escheats Trust	Legatee Trust
Assets							
Pooled cash and investments	$ 110,000	$ 257,511,247	$ 157,455	$ 775,294	$ 4,642,624	$ 82,452	$ 756,534
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	1,387	-	-	24,174	108,967	-	-
Total assets	$ 111,387	$ 257,511,247	$ 157,455	$ 799,468	$ 4,751,591	$ 82,452	$ 756,534
Liabilities							
Vouchers payable	$ -	$ -	$ -	$ -	$ 75,121	$ -	$ -
Due to other governmental units	-	257,511,247	-	-	-	82,452	-
Other accrued liabilities	111,387	-	157,455	799,468	4,676,470	-	756,534
Total liabilities	$ 111,387	$ 257,511,247	$ 157,455	$ 799,468	$ 4,751,591	$ 82,452	$ 756,534

(continued)

County of Oakland
Combining Statement of Net Position (Continued)
Agency Funds
September 30, 2020

	Special Trust	Contractor's Retainage	Public Library Trust	District Court Trust Accounts	Jail Inmate Trust Account	Totals September 30, 2020
Assets						
Pooled cash and investments	$ 3,457,779	$ 3,400,165	$ 613,862	$ -	$ -	$ 271,507,412
Cash and cash equivalents	-	-	-	290,172	285,577	575,749
Accrued interest receivable	34,755	40,598	11,082	-	-	220,963
Total assets	$ 3,492,534	$ 3,440,763	$ 624,944	$ 290,172	$ 285,577	$ 272,304,124
Liabilities						
Vouchers payable	$ -	$ -	$ -	$ -	$ -	75,121
Due to other governmental units	-	-	-	-	-	257,593,699
Other accrued liabilities	3,492,534	3,440,763	624,944	290,172	285,577	14,635,304
Total liabilities	$ 3,492,534	$ 3,440,763	$ 624,944	$ 290,172	$ 285,577	$ 272,304,124

County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
District Court Investments				
Assets				
Pooled cash and investments	$ 150,000	$ 3,095	$ 43,095	$ 110,000
Accrued interest receivable	1,564	409	586	1,387
Total	$ 151,564	$ 3,504	$ 43,681	$ 111,387
Liabilities				
Vouchers payable	$ -	$ 40,000	$ 40,000	$ -
Other accrued liabilities	151,564	3,430	43,607	111,387
Total	$ 151,564	$ 43,430	$ 83,607	$ 111,387
Undistributed Taxes				
Assets				
Pooled cash and investments	$ 240,560,544	$ 1,002,490,286	$ 985,539,583	$ 257,511,247
Liabilities				
Vouchers payable	$ -	$ 637,148,314	$ 637,148,314	$ -
Due to other governmental units	240,560,544	225,527,934	208,577,231	257,511,247
Total	$ 240,560,544	$ 862,676,248	$ 845,725,545	$ 257,511,247
Register of Deeds Trust				
Assets				
Pooled cash and investments	$ 129,174	$ 3,275,525	$ 3,247,244	$ 157,455
Liabilities				
Vouchers payable	$ -	$ 3,247,244	$ 3,247,244	$ -
Other accrued liabilities	129,174	3,612,544	3,584,263	157,455
Total	$ 129,174	$ 6,859,788	$ 6,831,507	$ 157,455
Sheriff NET Forfeiture				
Assets				
Pooled cash and investments	$ 1,033,014	$ 952,787	$ 1,210,507	$ 775,294
Accrued interest receivable	25,627	1,168	2,621	24,174
Total	$ 1,058,641	$ 953,955	$ 1,213,128	$ 799,468
Liabilities				
Vouchers payable	$ -	$ 918,864	$ 918,864	$ -
Other accrued liabilities	1,058,641	869,979	1,129,152	799,468
Total	$ 1,058,641	$ 1,788,843	$ 2,048,016	$ 799,468

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
Circuit Court Trust				
Assets				
Pooled cash and investments	$ 2,832,490	$ 5,387,124	$ 3,576,990	$ 4,642,624
Accrued interest receivable	112,869	10,654	14,556	108,967
Total	$ 2,945,359	$ 5,397,778	$ 3,591,546	$ 4,751,591
Liabilities				
Vouchers payable	$ -	$ 3,476,793	$ 3,401,672	$ 75,121
Other accrued liabilities	2,945,359	5,392,796	3,661,685	4,676,470
Total	$ 2,945,359	$ 8,869,589	$ 7,063,357	$ 4,751,591
Escheats Trust				
Assets				
Pooled cash and investments	$ 128,965	$ 29,599	$ 76,111	$ 82,453
Liabilities				
Vouchers payable	$ -	$ 54,571	$ 54,571	$ -
Due to other governmental units	128,965	29,599	76,111	82,453
Total	$ 128,965	$ 84,170	$ 130,682	$ 82,453
Legatee Trust				
Assets				
Pooled cash and investments	$ 1,160,503	$ 124,348	$ 528,317	$ 756,534
Accrued interest receivable	-	4,249	4,249	-
Total	$ 1,160,503	$ 128,597	$ 532,566	$ 756,534
Liabilities				
Vouchers payable	$ -	$ 496,906	$ 496,906	$ -
Other accrued liabilities	1,160,503	126,833	530,802	756,534
Total	$ 1,160,503	$ 623,739	$ 1,027,708	$ 756,534
Special Trust				
Assets				
Pooled cash and investments	$ 3,019,623	$ 2,554,469	$ 2,116,313	$ 3,457,779
Accrued interest receivable	39,404	10,507	15,156	34,755
Total	$ 3,059,027	$ 2,564,976	$ 2,131,469	$ 3,492,534
Liabilities				
Vouchers payable	$ -	$ 1,132,006	$ 1,132,006	$ -
Other accrued liabilities	3,059,027	2,522,483	2,088,976	3,492,534
Total	$ 3,059,027	$ 3,654,489	$ 3,220,982	$ 3,492,534

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
Contractor's Retainage				
Assets				
Pooled cash and investments	$ 3,445,900	$ 1,451,386	$ 1,497,121	$ 3,400,165
Accrued interest receivable	45,636	9,865	14,903	40,598
Total	$ 3,491,536	$ 1,461,251	$ 1,512,024	$ 3,440,763
Liabilities				
Vouchers payable	$ -	$ 500,571	$ 500,571	$ -
Other accrued liabilities	3,491,536	1,461,251	1,512,024	3,440,763
Total	$ 3,491,536	$ 1,961,822	$ 2,012,595	$ 3,440,763
Public Library Trust				
Assets				
Pooled cash and investments	$ 749,096	$ 2,018,263	$ 2,153,497	$ 613,862
Accrued interest receivable	11,916	4,028	4,862	11,082
Total	$ 761,012	$ 2,022,291	$ 2,158,359	$ 624,944
Liabilities				
Vouchers payable	$ -	$ 2,070,688	$ 2,070,688	$ -
Other accrued liabilities	761,012	1,970,128	2,106,196	624,944
Total	$ 761,012	$ 4,040,816	$ 4,176,884	$ 624,944
District Court Trust Accounts				
Assets				
Cash and cash equivalents	$ 437,927	$ 1,845,442	$ 1,993,197	$ 290,172
Liabilities				
Other accrued liabilities	$ 437,927	$ 1,845,442	$ 1,993,197	$ 290,172
Jail Inmate Trust Account				
Assets				
Cash and cash equivalents	$ 370,845	$ 2,090,038	$ 2,175,306	$ 285,577
Liabilities				
Other accrued liabilities	$ 370,845	$ 2,090,038	$ 2,175,306	$ 285,577

(continued)

County of Oakland
Governmental Funds – Component Unit – Drainage Districts

Drainage Districts

This component unit consists of many individual districts created pursuant to Michigan Public Act 40 of 1956, Chapters 20 and 21 for the purpose of alleviating drainage problems. Separate funds and fund types are established to account for the resources and cost associated with the construction, maintenance, and financing of the individual drainage districts.

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
Total All Agency Funds				
Assets				
Pooled cash and investments	$ 253,209,309	$ 1,018,286,882	$ 999,988,778	$ 271,507,413
Cash and cash equivalents	808,772	3,935,480	4,168,503	575,749
Accrued interest receivable	237,016	40,880	56,933	220,963
Total	$ 254,255,097	$ 1,022,263,242	$ 1,004,214,214	$ 272,304,125
Liabilities				
Vouchers payable	$ -	$ 649,045,957	$ 648,970,836	$ 75,121
Due to other governmental units	240,689,509	225,557,533	208,653,342	257,593,700
Other accrued liabilities	13,565,588	19,934,924	18,865,208	14,635,304
Total	$ 254,255,097	$ 894,538,414	$ 876,489,386	$ 272,304,125

County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
Component Unit – Drainage Districts
September 30, 2020

Total fund balances of governmental funds		$ 92,681,254
Amounts reported for governmental activities in the Statement of Net Position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land and other nondepreciable assets	$ 161,288,300	
Buildings, net of $14,521,354 depreciation	55,348,695	
Equipment, net of $315,518 depreciation	760,196	
Infrastructure, net of $135,119,176 depreciation	455,655,233	
		673,052,424
Long-term receivables such as special assessments are expected to be collected over several years and are deferred in the governmental funds and are not available to pay for current year expenditures		158,498,796
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the net effect of these balances on the statement.		
Bonds and notes payable		(280,522,769)
Unamortized bond premiums		(7,640,486)
Net position of governmental activities		$ 636,069,219

County of Oakland
Combining Balance Sheet
Governmental Funds – Component Unit – Drainage Districts
September 30, 2020

	Drainage Districts			
	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2020
Assets				
Pooled cash and investments	$ 36,037,164	$ 3,634,394	$ 20,749,975	$ 60,421,533
Receivables (net of allowance for uncollectibles where applicable)				
Accounts receivable	508,502	345,000	-	853,502
Special assessments receivable	20,862	225,796,822	-	225,817,684
Due from other governmental units	4,834,398	7,141	-	4,841,539
Due from primary government	95	-		95
Accrued interest receivable	204,432	32,450	49,337	286,219
Due from other funds	-	245,138	-	245,138
Other assets	244,502	500	147,558	392,560
Restricted cash	-	-	64,130,588	64,130,588
Total assets	41,849,955	230,061,445	85,077,458	356,988,858
Liabilities				
Vouchers payable	$ 6,074,544	$ 3,196,757	$ 358,164	$ 9,629,465
Due to other governmental units	1,053,870	40,566	-	1,094,436
Due to primary government	628,424	-	89,574	717,998
Due to other funds	-	245,138	-	245,138
Unearned revenue	121,913	67,318,888	18,996,523	86,437,324
Other accrued liabilities	7,676,136	4,820	3,491	7,684,447
Total liabilities	15,554,887	70,806,169	19,447,752	105,808,808
Deferred Inflow of Resources				
Unavailable revenue - special assessments	20,862	158,477,934	-	158,498,796
Fund Balances				
Restricted	26,274,206	777,342	64,130,588	91,182,136
Committed	-	-	1,499,118	1,499,118
Total fund balances	26,274,206	777,342	65,629,706	92,681,254
Total liabilities, deferred inflows of resources, and fund balances	$ 41,849,955	$ 230,061,445	$ 85,077,458	$ 356,988,858

County of Oakland
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities
Component Unit – Drainage Districts
Year Ended September 30, 2020

Net change in fund balance - total governmental funds		$ 62,775,385
Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Construction in progress	$ 14,995,373	
Equipment	168,467	
Infrastructure	4,728,601	
Depreciation expense	(9,875,669)	
		10,016,772
Revenue from special assessments reported in the Statement of Activities in previous years that provided current financial resources in the governmental funds		(26,448,200)
Current year special assessments will be reported in the Statement of Activities because they did not provide current year financial resources in the governmental funds		8,387,493
Premiums on the sale of bonds provide current financial resources in governmental funds, but increases long-term liabilities in the Statement of Net Position. Amortization of premiums reduces long-term liabilities in the Statement of Net Position.		
Current year premiums on bonds	(7,672,725)	
Amortization of current year bond premiums	32,239	
		(7,640,486)
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Position. This is the amount that proceeds exceed repayments		
Bond proceeds	(69,676,696)	
Repayment of debt	26,448,200	
		(43,228,496)
Change in net position of governmental activities		$ 3,862,468

County of Oakland
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds – Component Unit – Drainage Districts
Year Ended September 30, 2020

	Drainage Districts			
	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2020
Revenues				
Special assessments	$20,240,119	$28,078,854	$ -	$ 48,318,973
State grants	122,924	-	-	122,924
Charges for services	80,319,365	4,589	-	80,323,954
Investment income	554,560	50,367	497,909	1,102,836
Other	1,683,055	-	30	1,683,085
Total revenues	102,920,023	28,133,810	497,939	131,551,772
Expenditures				
Salaries	438	-	62	500
Contractual services	98,807,863	47,256	7,945,148	106,800,267
Commodities	1,237,502	-	13,511	1,251,013
Principal payments	-	26,448,200	-	26,448,200
Interest	-	6,153,218	-	6,153,218
Paying agent fees	-	4,325	-	4,325
Intergovernmental	227	75,778	-	76,005
Internal services	5,640,058	-	507,107	6,147,165
Total expenditures	105,686,088	32,728,777	8,465,828	146,880,693
Excess (deficiency) of revenues over (under) expenditures	(2,766,065)	(4,594,967)	(7,967,889)	(15,328,921)
Other financing sources (uses)				
Transfers in	1,500,000	-	3,754	1,503,754
Transfers out	(1,503,754)	-	-	(1,503,754)
Insurance recovery	731,924	-	-	731,924
Issuance of bonds	5,205,000	-	59,961,696	65,166,696
Issuance of refunding bonds	-	4,510,000	-	4,510,000
Federal grant interest recovery	-	22,961	-	22,961
Premiums on bonds sold	-	-	7,672,725	7,672,725
Total other financing sources (uses)	5,933,170	4,532,961	67,638,175	78,104,306
Net change in fund balances	3,167,105	(62,006)	59,670,286	62,775,385
Fund balances				
October 1, 2019	23,107,101	839,348	5,959,420	29,905,869
September 30, 2020	$26,274,206	$ 777,342	$65,629,706	$ 92,681,254

III. STATISTICAL SECTION – UNAUDITED

Statistical Section
This part of the County's Comprehensive Annual Financial Report presents detailed information to assist in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial condition of Oakland County.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial position and performance have changed over time. The schedules are:
- Net Position by Component - Last Ten Fiscal Years
- Changes in Net Position - Last Ten Fiscal Years
- Fund Balances, Governmental Funds - Last Ten Fiscal Years
- Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years

Revenue Capacity - These schedules contain information to help the reader assess the factors affecting the County's ability to generate its main income source - property taxes. The schedules are:
- Assessed, Equalized and Taxable Value of Property - Last Ten Fiscal Years
- Direct and Overlapping Property Tax Rates - Last Ten Years
- Principal Taxpayers - Current Year and Nine Years Ago
- County Operating Property Tax Levies and Collections - Last Ten Fiscal Years

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the ability to issue additional debt in the future. The schedules are:
- Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years
- Net County Direct and Overlapping Debt - Current Year
- Legal Debt Margin - Last Ten Years

Demographic and Economic Information - These schedules present various demographic and economic indicators to help the reader understand the environment within the County that affects the County's financial activities. The schedules are:
- Demographic and Economic Statistics (Population and Personal Income) - Last Ten Years
- Principal Employers - Current Year and Nine Years Ago

Operating Information - These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. The schedules are:
- County Employees by Function/Program - Last Ten Fiscal Years
- Operating Indicators by Function/Program - Last Ten Fiscal Years
- Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
- Building Authority Data - Detail on Debt Issues

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

	Fiscal Year 2020	2019	2018	2017	2016 (1)	2015	2014	2013	2012	2011
Governmental activities:										
Net invested in capital assets	$ 199,348,222	$ 183,757,890	$ 181,610,977	$ 168,617,536	$ 147,744,764	$ 156,456,894	$ 145,910,667	$ 137,512,571	$ 148,709,168	$ 150,330,717
Restricted	52,511,443	51,872,513	43,329,877	40,952,520	35,931,987	39,591,712	53,896,914	72,467,130	92,918,321	98,366,070
Unrestricted	625,617,223	522,810,577	432,498,567	336,663,951	304,822,163	228,425,269	180,545,856	191,318,485	157,152,392	149,221,428
Total governmental activities net position	$ 877,476,888	$ 758,440,980	$ 657,439,421	$ 546,234,007	$ 488,498,914	$ 424,473,875	$ 380,353,437	$ 401,298,186	$ 398,779,881	$ 397,918,215
Business-type activities:										
Net invested in capital assets	$ 327,109,356	$ 304,042,430	$ 293,504,939	$ 298,608,145	$ 299,224,229	$ 284,732,715	$ 268,982,184	$ 264,682,840	$ 289,004,302	$ 247,997,936
Restricted	122,316,499	111,130,441	97,172,136	96,499,021	98,337,169	89,643,864	78,286,471	73,813,076	77,418,640	77,825,011
Unrestricted	356,849,937	363,905,686	365,217,051	351,717,949	345,130,207	333,831,563	354,280,212	367,673,527	337,479,877	324,574,011
Total business-type activities net position	$ 806,275,792	$ 779,078,557	$ 755,894,126	$ 746,825,115	$ 742,691,605	$ 708,208,142	$ 701,548,867	$ 706,169,443	$ 703,902,819	$ 650,396,958
Primary government:										
Net invested in capital assets	$ 526,457,578	$ 487,800,320	$ 475,115,916	$ 467,225,681	$ 446,968,993	$ 441,189,609	$ 414,892,851	$ 402,195,411	$ 437,713,470	$ 398,328,653
Restricted	174,827,942	163,002,954	140,502,013	137,451,541	134,269,156	129,235,576	132,183,385	146,280,206	170,336,961	176,161,081
Unrestricted	982,467,160	886,716,263	797,715,618	688,381,900	649,952,370	562,256,832	534,826,068	558,992,012	494,632,269	473,795,439
Total primary government net position	$ 1,683,752,680	$ 1,537,519,537	$ 1,413,333,547	$ 1,293,059,122	$ 1,231,190,519	$ 1,132,682,017	$ 1,081,902,304	$ 1,107,467,629	$ 1,102,682,700	$ 1,048,285,173

(1) Implementation of GASB Statement No. 75 resulted in restatement of Net Position as of September 30, 2016.

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

	Fiscal Year 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government, administrative	$ 45,235,354	$ 35,091,684	$ 35,548,340	$ 7,210,199	$ 36,922,795	$ 69,539,633	$ 23,850,091	$ 24,802,464	$ 24,883,201	$ 36,769,153
Public safety	181,218,780	175,918,304	169,208,509	198,159,722	186,368,098	186,050,353	201,580,810	195,275,037	203,647,570	169,055,162
Justice administration	83,420,779	82,205,431	78,025,038	91,193,006	88,190,032	86,238,778	93,496,165	90,873,460	91,355,151	82,995,986
Citizen services	166,218,189	75,939,004	73,510,309	80,436,567	77,513,361	83,738,255	87,214,484	82,502,384	83,141,703	78,697,492
Public works	12,162,537	26,120,398	27,336,927	44,539,179	53,585,849	38,300,439	42,267,177	29,008,606	29,173,892	23,972,731
Recreation and leisure	958,837	1,097,813	1,294,311	1,368,297	1,346,384	1,322,395	1,448,875	1,551,035	1,747,878	1,393,680
Commerce and community development	38,828,613	40,338,245	40,532,530	42,558,106	42,667,769	44,364,348	48,411,360	48,895,303	53,775,460	61,663,939
Unallocated depreciation	3,287,405	3,791,283	3,557,676	3,825,781	3,527,266	3,164,143	2,083,460	1,911,473	1,912,755	1,976,521
Interest on debt	3,089,502	3,295,856	3,609,194	3,568,860	3,222,007	3,273,505	3,244,225	2,626,856	4,041,393	13,447,625
Total governmental activities expenses	534,419,996	443,798,018	432,622,834	472,859,717	493,343,561	515,991,849	503,596,647	477,446,618	493,679,003	469,972,289
Business-type activities:										
Airports	7,101,012	6,557,528	6,316,381	6,587,495	6,630,136	7,023,922	6,910,625	6,653,186	9,016,461	5,957,174
Community safety support	19,678,111	18,374,698	18,114,764	19,648,350	20,772,663	21,312,944	21,277,821	17,084,677	17,370,233	16,303,359
Community tax financing	838,789	1,126,127	1,423,477	970,801	988,159	1,230,707	1,278,589	1,399,607	1,615,467	1,746,776
Community water and sewer	90,362,472	89,291,813	100,192,304	85,734,595	82,330,145	81,572,797	77,684,287	77,371,824	53,137,399	48,504,467
Recreation and leisure	23,046,773	26,267,157	26,891,978	25,050,628	23,460,676	23,741,356	22,860,691	21,181,725	20,108,609	20,061,315
Sewage disposal systems	149,057,323	138,973,982	138,558,969	138,073,377	132,107,791	129,927,356	128,252,681	126,797,005	121,129,202	111,655,907
Total business-type activities expenses	290,084,480	280,591,305	291,497,873	276,065,246	266,289,570	264,809,082	258,264,694	250,488,024	222,377,371	204,228,998
Total primary government expenses	$ 824,504,476	$ 724,389,323	$ 724,120,707	$ 748,924,963	$ 759,633,131	$ 780,800,931	$ 761,861,341	$ 727,934,642	$ 716,056,374	$ 674,201,287
Program Revenues										
Governmental activities:										
Charges for services:										
General government, administrative	$ 20,723,525	$ 23,675,763	$ 27,513,139	$ 28,420,204	$ 23,078,190	$ 24,225,570	$ 25,879,090	$ 28,230,087	$ 24,431,514	$ 27,107,546
Public safety	69,317,706	71,255,942	69,089,611	65,792,333	64,274,890	64,625,234	63,007,666	60,741,916	60,028,240	50,912,265
Justice administration	25,999,629	31,330,523	31,538,861	31,447,605	32,064,235	31,830,801	31,711,482	31,730,104	31,950,808	31,017,405
Citizen services	7,678,391	11,072,215	9,710,756	9,315,993	9,488,715	8,414,435	7,310,429	6,448,453	5,829,293	6,682,817
Public works	16,194,572	16,102,696	16,873,895	30,265,391	34,566,771	12,855,569	19,090,066	22,030,824	16,293,669	3,988,963
Recreation and leisure	3,968	11,085	14,527	16,046	15,468	14,686	39,934	38,154	79,342	91,273
Commerce and community development	21,372,375	21,319,207	20,968,785	21,023,719	18,361,879	17,646,879	17,158,997	18,967,967	14,240,342	12,231,135
Operating grants and contributions:										
General government, administrative	772,768	675,071	722,999	614,012	600,500	4,448,510	786,094	812,900	1,972,545	1,019,348
Public safety	18,573,921	20,709,746	21,820,828	18,934,764	18,302,689	17,630,677	17,770,136	23,147,123	28,147,900	21,723,458
Justice administration	5,784,960	2,559,438	571,023	854,996	680,004	741,357	508,391	456,013	662,382	675,133
Citizen services	140,807,013	18,311,577	16,820,290	15,028,275	15,731,575	14,728,273	23,545,171	21,776,402	20,364,604	21,940,379
Public works	-	-	1,000	400,203	1,069,022	362,098	261,174	930,304	2,635,398	836,666
Recreation and leisure	-	-	-	7,004	8,000	-	14,965	72,414	254,812	7,700
Commerce and community development	18,118,102	20,338,952	20,652,246	19,855,509	20,163,033	22,065,499	23,443,405	24,638,978	30,484,781	41,374,879
Capital grants and contributions:										
General government, administrative	-	-	23,273	161,669	-	-	-	-	-	-
Public safety	47,165	71,241	45,046	-	282,049	163,231	193,234	965,065	618,415	1,869,849
Justice administration	1,176,908	119,100	-	-	39,190	-	-	-	-	-
Citizen services	512,800	13,054	-	-	-	-	-	-	-	-
Public works	-	-	2,187,532	2,158,419	1,207,474	5,761,319	3,557,413	-	1,961,591	1,992,056
Total governmental activities program revenues	347,083,803	237,565,610	238,553,811	244,296,142	239,933,684	225,514,138	234,277,647	240,986,704	239,955,636	223,470,872

(Continued)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues (Continued)										
Business-type activities:										
Charges for services:										
Airports	$ 4,622,299	$ 4,972,876	$ 4,711,066	$ 4,671,073	$ 4,624,215	$ 4,421,496	$ 4,294,902	$ 4,381,999	$ 4,502,884	$ 4,510,925
Community safety support	17,066,500	15,168,426	14,601,037	13,775,015	14,293,818	12,833,963	13,085,553	11,417,222	13,242,926	12,266,838
Community tax financing	12,293,716	11,712,916	12,723,395	13,613,000	15,872,925	16,657,070	18,306,142	21,845,093	21,965,251	27,731,753
Community water and sewer	104,098,318	95,637,473	98,234,422	95,595,194	92,591,784	80,058,849	80,597,277	80,223,019	59,090,782	50,721,103
Recreation and leisure	6,365,194	10,375,407	10,424,470	10,022,384	9,981,419	9,978,385	8,525,094	8,430,978	8,751,064	8,029,370
Sewage disposal systems	148,678,133	145,549,376	142,048,906	138,190,001	133,611,778	137,441,935	126,670,775	121,781,246	118,951,504	110,808,669
Operating grants and contributions:										
Airports	297,432	87,823	92,761	96,254	-	287,991	-	-	-	-
Community water and sewer	32,458	575,779	50,227	339,060	1,398,631	807,591	48,319	-	13,301,375	-
Recreation and leisure	274,351	159,458	660,093	80,928	77,079	69,032	92,689	96,241	25,385	31,579
Sewage disposal systems	535,493	772,439	1,212,675	1,197,809	727,072	518,864	-	21,783	-	300,000
Capital grants and contributions:										
Airports	22,106	7,713,316	-	995,851	915,522	485,207	1,252,591	778,548	17,054,233	3,510,611
Community safety support	2,114,445	-	-	-	77,563	761,013	2,255,765	2,189,506	786,768	6,710,663
Community water and sewer	-	-	772,916	227,084	1,057,973	1,294,332	1,206,737	-	-	-
Recreation and leisure	2,923	53,810	68,469	82,700	-	308,000	-	288,141	38,796	1,506,000
Sewage disposal systems	10,773,357	834,483	8,809,512	14,654,105	27,520,966	8,219,302	93,399	1,476,762	103,635	136,314
Total business-type activities program revenues	307,176,725	293,613,582	294,409,949	293,540,458	302,750,745	274,143,030	256,429,243	252,930,538	257,814,603	226,263,825
Total primary government program revenues	$ 654,260,528	$ 531,179,192	$ 532,963,760	$ 537,836,600	$ 542,684,429	$ 499,657,168	$ 490,706,890	$ 493,917,242	$ 497,770,239	$ 449,734,697
Net (Expenses)/Revenues										
Governmental activities	$ (187,336,193)	$ (206,232,408)	$ (194,069,023)	$ (228,563,575)	$ (253,409,877)	$ (290,477,711)	$ (269,319,000)	$ (236,459,914)	$ (253,723,367)	$ (246,501,417)
Business-type activities	17,092,245	13,022,277	2,912,076	17,475,212	36,461,175	9,333,948	(1,835,451)	2,442,514	35,437,232	22,034,827
Total primary government net expenses	$ (170,243,948)	$ (193,210,131)	$ (191,156,947)	$ (211,088,363)	$ (216,948,702)	$ (281,143,763)	$ (271,154,451)	$ (234,017,400)	$ (218,286,135)	$ (224,466,590)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 247,883,604	$ 238,804,207	$ 227,384,489	$ 221,228,539	$ 210,219,877	$ 204,218,641	$ 206,256,326	$ 199,808,014	$ 200,634,390	$ 208,006,331
State-shared revenue (unrestricted)	38,533,633	44,691,290	45,299,918	44,185,407	42,849,430	39,238,141	14,066,100	12,789,988	11,128,237	8,976,908
Unrestricted investment earnings	11,238,804	12,661,175	5,743,583	3,417,064	3,894,824	3,589,453	4,917,507	2,553,617	2,955,907	4,865,609
Gain on sale of capital assets	432,430	472,207	478,887	407,829	435,178	135,786	205,284	270,885	213,451	331,629
Other revenues	220,576	1,503,877	1,543,368	1,808,840	3,765,977	5,623,075	3,397,021	3,752,043	6,513,306	3,514,883
Transfers in (out)	8,063,054	9,101,211	12,156,434	15,250,989	17,841,687	17,940,753	19,532,013	19,803,672	33,139,742	34,901,063
Total governmental activities	306,372,101	307,233,967	292,606,679	286,298,668	279,006,973	270,745,849	248,374,251	238,978,219	254,585,033	260,596,423

(Continued)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position (Continued)										
Business-type activities:										
Property taxes	$ 13,735,450	$ 13,197,395	$ 12,707,412	$ 12,393,806	$ 12,246,824	$ 11,832,814	$ 11,567,251	$ 11,398,103	$ 11,664,549	$ 12,696,436
State-shared revenue (unrestricted)	301,929	296,449	323,212	271,123	-	-	-	-	-	-
Unrestricted investment earnings	7,475,187	10,939,806	5,282,745	4,440,196	3,617,151	2,914,365	5,179,637	1,758,041	2,050,923	3,015,229
Special items	(3,344,522)	(5,170,285)	-	(15,195,838)	-	-	-	6,471,638	37,492,899	-
Transfers in (out)	(8,063,054)	(9,101,211)	(12,156,434)	(15,250,989)	(17,841,687)	(17,940,753)	(19,532,013)	(19,803,672)	(33,139,742)	(34,901,063)
Total business-type activities	10,104,990	10,162,154	6,156,935	(13,341,702)	(1,977,712)	(3,193,574)	(2,785,125)	(175,890)	18,068,629	(19,189,398)
Total primary government	$ 316,477,091	$ 317,396,121	$ 298,763,614	$ 272,956,966	$ 277,029,261	$ 267,552,275	$ 245,589,126	$ 238,802,329	$ 272,653,662	$ 241,407,025
Change in Net Position										
Governmental activities	$ 119,035,908	$ 101,001,559	$ 98,537,656	$ 57,735,093	$ 25,597,096	$ (19,731,862)	$ (20,944,749)	$ 2,518,305	$ 861,666	$ 14,095,006
Business-type activities	27,197,235	23,184,431	9,069,011	4,133,510	34,483,463	6,140,374	(4,620,576)	2,266,624	53,505,861	2,845,429
Total primary government	$ 146,233,143	$ 124,185,990	$ 107,606,667	$ 61,868,603	$ 60,080,559	$ (13,591,488)	$ (25,565,325)	$ 4,784,929	$ 54,367,527	$ 16,940,435

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

	Fiscal Year 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	$ 491,034	$ 246,786	$ 306,104	$ 353,124	$ 534,766	$ 490,499	$ 221,975	$ 258,647	$ 1,100,141	$ 292,698
Restricted	-	9,795,577	12,860,936	10,401,084	5,884,980	15,190,786	28,453,511	20,201,133	11,555,148	5,287,071
Assigned	264,217,322	248,479,921	230,412,909	251,021,647	245,859,255	242,777,177	222,979,095	221,222,041	209,683,648	194,082,115
Unassigned	2,317,556	1,212,494	1,464,988	3,004,232	2,962,467	1,745,931	2,329,993	1,091,218	1,090,503	1,500,000
Total General Fund	$ 267,025,912	$ 259,734,778	$ 245,044,937	$ 264,780,087	$ 255,241,468	$ 260,204,393	$ 253,984,574	$ 242,773,039	$ 223,429,440	$ 201,161,884
All Other Governmental Funds:										
Nonspendable	-	-	$ -	$ 1,150,421	$ 1,102,916	$ 1,176,207	$ 991,206	$ 441,135	$ 547,459	$ 445,125
Restricted	22,239,848	23,218,412	24,737,155	26,218,607	25,721,135	19,294,296	25,443,403	51,418,485	81,363,173	97,920,945
Committed	32,815,999	41,684,723	44,273,743	33,562,352	51,423,615	27,813,859	39,973,683	46,332,071	18,432,389	16,530,640
Assigned	-	-	-	-	-	-	-	-	7,732	17,254
Unassigned	(5,509,165)	(999,133)	(3,492,780)	(3,294,277)	(3,010,629)	(4,080,095)	(2,708,371)	(606,542)	(462,247)	(366,963)
Total all other governmental funds	$ 49,546,682	$ 63,904,002	$ 65,518,118	$ 57,637,103	$ 75,237,037	$ 44,204,267	$ 63,699,921	$ 97,585,149	$ 99,888,506	$ 114,547,001

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

	Fiscal Year 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property taxes	$ 247,512,190	$ 239,485,107	$ 228,013,169	$ 216,562,738	$ 214,229,960	$ 206,368,131	$ 207,034,582	$ 200,842,221	$ 200,943,790	$ 209,290,437
Special assessments	8,656,068	8,931,750	8,128,190	10,020,057	5,384,564	19,429,154	5,712,490	24,639,181	8,873,964	7,915,855
Federal grants	144,452,173	30,791,227	31,027,408	28,522,404	29,637,348	32,135,507	37,110,198	43,875,848	58,364,646	61,433,127
State grants	31,054,827	32,438,244	28,546,713	26,808,928	26,846,548	27,853,475	28,778,014	28,716,151	27,523,160	28,874,320
Other intergovernmental revenue	50,736,797	61,536,812	59,860,852	58,545,962	56,868,569	53,124,504	26,659,052	26,724,815	25,341,493	22,790,048
Charges for services	121,181,006	132,380,869	131,851,162	131,191,772	123,644,292	120,992,621	117,882,404	121,147,370	112,904,076	99,927,910
Contributions	615,362	116,386	127,213	149,441	221,578	276,151	373,184	207,200	718,965	443,866
Investment income	7,090,634	8,400,757	2,803,018	2,230,403	2,772,483	2,580,784	3,604,765	1,862,818	2,223,477	3,824,350
Indirect cost recovery	9,372,744	9,027,123	9,145,652	8,216,061	7,846,289	7,946,958	8,415,107	7,610,932	8,275,669	8,770,800
Other	182,643	1,187,006	872,212	1,395,893	930,308	1,019,667	2,498,909	3,637,920	6,364,199	1,067,822
Total revenues	620,854,444	524,295,281	500,375,589	483,643,659	468,381,939	471,726,952	438,068,705	459,264,456	451,533,439	444,338,535
Expenditures										
County Executive	219,190,171	160,675,873	162,066,148	154,409,494	150,905,047	152,940,829	177,990,015	177,867,738	174,957,912	181,369,381
Clerk/Register of Deeds	11,778,970	10,287,033	10,661,568	10,884,241	10,844,437	10,688,410	11,478,209	11,504,787	12,078,679	10,643,080
Treasurer	16,578,419	7,566,638	7,643,131	8,103,102	8,286,497	8,897,706	8,715,059	8,371,074	8,322,889	8,003,249
Justice administration	81,524,860	83,938,183	80,614,403	77,509,465	75,811,521	75,627,179	76,112,761	74,360,297	78,443,609	78,704,797
Law enforcement	194,939,665	183,331,101	180,920,178	172,460,663	164,741,810	159,354,251	159,070,684	154,364,056	160,228,557	146,921,316
Legislative	4,712,556	4,531,874	4,944,629	4,172,103	3,960,835	3,864,960	3,955,467	4,073,210	4,478,413	4,223,183
Water resource commissioner	10,675,269	11,005,656	14,866,155	24,420,433	35,142,209	14,748,645	15,737,892	12,362,273	10,755,550	9,088,423
Non-departmental	50,330,260	23,187,856	21,825,031	21,568,122	21,079,507	29,905,627	18,528,670	18,778,041	17,164,651	16,674,594
Capital outlay	18,153,107	16,532,348	24,264,758	28,082,057	13,469,248	16,394,718	1,668,488	3,154,872	8,124,757	13,125,733
Intergovernmental	3,054,017	220,675	1,834	12,500	4,508	13,592	24,718	107,184	14,363	3,035
Debt service:										
Principal payments	32,590,000	10,880,000	11,225,000	10,685,000	8,610,000	19,730,000	11,215,000	24,095,000	22,275,000	8,535,000
Interest and fiscal charges	2,993,819	3,337,262	3,649,126	3,626,631	3,070,416	3,301,677	3,406,901	4,096,185	4,176,896	4,917,688
Total expenditures	646,521,113	515,494,499	522,681,961	515,933,811	495,926,035	495,467,594	487,903,864	493,134,717	501,021,276	482,209,479
Excess of revenues over (under) expenditures	(25,666,669)	8,800,782	(22,306,372)	(32,290,152)	(27,544,096)	(23,740,642)	(49,835,159)	(33,870,261)	(49,487,837)	(37,870,944)

(Continued)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Financing Sources (Uses)										
Transfers in	$ 59,897,924	$ 57,258,755	$ 82,037,565	$ 60,850,931	$ 75,470,868	$ 67,778,233	$ 88,060,822	$ 79,499,398	$ 93,460,173	$ 91,581,408
Transfers out	(63,193,039)	(53,244,682)	(75,031,735)	(52,137,819)	(62,329,852)	(59,866,546)	(75,126,053)	(64,468,826)	(59,410,852)	(58,902,434)
Insurance recoveries	-	130,000	857,096	765,010	-	222,022	183,718			
Payment to bond escrow agent	-	-	-	-	-	-	-	(348,800,000)		(29,840,000)
Issuance of bonds	470,633	130,870	2,589,311	14,732,205	40,475,488	2,331,098	10,126,377	33,825,000	9,300,000	1,200,000
Issuance of refunding bonds	19,496,000	-	-	-	-	-	2,875,000	350,000,000	13,620,000	28,485,000
Premiums on bonds sold	2,028,965	-	-	18,510	20,870	-	206,732	1,702,443	203,846	1,488,907
Discount on bonds sold	-	-	-	-	(23,433)	-	(12,642)	-	(76,269)	(17,993)
Total other financing sources (uses)	18,700,483	4,274,943	10,452,237	24,228,837	53,613,941	10,464,807	26,313,954	51,758,015	57,096,898	33,994,888
Net change in fund balances	$ (6,966,186)	$ 13,075,725	$ (11,854,135)	$ (8,061,315)	$ 26,069,845	$ (13,275,835)	$ (23,521,205)	$ 17,887,754	$ 7,609,061	$ (3,876,056)
Debt service as a percentage of noncapital expenditures (1)	5.54%	2.79%	2.93%	2.89%	2.40%	4.72%	3.05%	5.73%	5.30%	2.82%

(1) Noncapital expenditures are total governmental expenditures less capital expenditures (Reconcilation of the Statement of Revenues, Expenditures and Changes in Fund Balances).

County of Oakland
Assessed, Equalized, and Taxable Value of Property – Unaudited   Table 5
Last Ten Years

	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
2011	$ 35,954,354,243	$ 35,166,132,285	$ 10,795,035,520	$ 10,054,370,362	$ 1,928,636,700	$ 1,842,489,880	$ 88,804,690	$ 50,723,170
2012	35,547,089,465	34,593,300,582	9,790,228,900	9,237,144,077	1,713,799,360	1,651,432,130	80,814,920	48,663,123
2013	36,689,706,285	35,101,766,037	9,272,424,780	8,747,850,059	1,607,003,900	1,555,458,630	70,288,210	44,390,050
2014	40,589,040,038	36,222,002,217	9,183,062,325	8,592,084,460	1,596,788,260	1,543,801,500	64,213,910	40,619,450
2015	45,768,414,870	37,726,099,014	9,416,529,950	8,668,179,912	1,670,792,580	1,575,950,217	67,583,600	42,908,710
2016	49,933,653,218	38,997,799,934	9,867,734,909	8,731,176,989	1,806,943,546	1,606,675,259	67,420,325	42,597,045
2017	53,043,295,649	40,609,322,089	10,486,445,800	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

	Personal Property		Total Property		Total
Fiscal Year	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Direct Tax Rate (3)
2011	$ 3,686,629,190	$ 3,684,824,560	$ 52,453,460,343	$ 50,798,540,257	4.4315
2012	3,707,092,321	3,705,414,081	50,839,024,966	49,235,953,993	4.4315
2013	3,790,500,640	3,785,645,530	51,429,923,815	49,235,110,306	4.4315
2014	3,651,502,760	3,650,142,460	55,084,607,293	50,048,650,087	4.4315
2015	3,882,782,774	3,882,203,584	60,806,103,774	51,895,341,437	4.3315
2016	3,409,099,116	3,407,953,246	65,084,851,114	52,786,202,473	4.2810
2017	3,453,780,010	3,451,947,290	69,008,352,209	54,723,743,027	4.2792
2018	3,409,823,960	3,409,219,510	71,871,358,847	57,302,006,431	4.2768
2019	3,531,580,300	3,531,464,890	76,716,002,295	60,306,168,847	4.2749
2020	3,603,125,954	3,603,140,154	81,195,394,914	62,997,745,070	4.2529

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

County of Oakland
Direct and Overlapping Property Tax Rates – Unaudited Table 6
Last Ten Years
(Rates per $1,000 of taxable value)

	Year Taxes Are Payable									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
County direct rates										
County operating	4.0200	4.0400	4.0400	4.0400	4.0400	4.0900	4.1900	4.1900	4.1900	4.1900
Parks and Recreation	0.2329	0.2349	0.2368	0.2392	0.2410	0.2415	0.2415	0.2415	0.2415	0.2415
Total rate	4.2529	4.2749	4.2768	4.2792	4.2810	4.3315	4.4315	4.4315	4.4315	4.4315
Overlapping rates										
Huron-Clinton Metro Authority (a)	0.2117	0.2129	0.2140	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Intermediate school districts (5)										
Median rate	3.7457	3.2539	3.2813	3.3079	3.3398	3.3633	3.3690	3.3690	3.3690	3.3690
Low range	2.8573	2.8744	2.8798	2.8915	2.9115	2.9295	2.9295	2.9295	2.9295	2.9295
High range	5.4643	5.4643	5.4643	5.4643	5.4643	3.5341	3.5341	3.5341	3.5341	3.5341
Community colleges (3)										
Median rate	2.2877	2.2700	1.7662	1.7766	1.7880	1.7967	1.7967	1.7967	1.7967	1.7967
Low range	1.5184	1.5303	1.5431	1.5555	1.5707	1.5819	1.5844	1.5844	1.5844	1.5844
High range	2.7605	2.8019	2.8047	2.8096	2.8096	2.8596	2.8596	2.8596	2.8596	2.8596
Cities (31)										
Median rate	18.0833	18.4133	17.1311	17.2076	16.8995	17.5854	17.5856	16.7929	16.0541	16.1905
Low range	8.3189	8.3212	8.3229	7.8270	7.8332	7.8600	7.8600	7.3600	8.8200	9.7060
High range	37.4707	38.3265	39.0343	39.2861	39.1859	39.2669	38.1191	37.4634	30.4298	29.1461
Villages (11)										
Median rate	14.5747	15.0275	15.1381	15.3816	15.4412	15.6106	15.9168	15.2286	14.4597	14.6508
Low range	9.6658	9.9927	10.0000	9.9863	7.8250	8.8020	9.5000	8.8900	8.8900	8.5900
High range	19.5172	18.7295	19.3535	18.4043	18.4744	18.4701	18.5025	17.9756	20.0210	18.3610
Townships (21)										
Median rate	7.9030	7.9721	8.0064	8.0907	8.1787	7.6106	7.9168	7.2786	7.2685	6.7444
Low range	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
High range	14.0669	14.0745	14.6784	14.6799	14.6987	14.6712	15.1064	13.8002	13.8002	13.8002
School districts (35) (b)										
Homestead:										
Median rate	14.1670	14.1984	14.9991	15.0000	15.3000	15.4086	14.3880	13.9513	13.9513	13.7550
Low range	9.2700	9.2700	9.2700	8.8700	8.8700	6.0000	9.8700	9.8700	9.0500	8.2500
High range	24.6808	24.5077	26.6868	26.1868	26.2618	26.2068	26.8868	26.8868	26.4868	26.4868
Non-Homestead:										
Median rate	30.1038	30.2779	30.9693	30.2450	31.0000	31.0000	31.0000	31.0000	30.7000	30.5400
Low range	26.6500	25.6103	25.6165	25.6665	25.6739	24.0000	25.6974	26.4420	26.4420	26.1800
High range	41.8741	41.9463	40.9516	40.5603	40.8512	41.0000	37.4500	35.3610	34.8500	34.8500
DDAs (10)										
Median rate	1.7853	1.8411	1.8525	1.7142	1.8046	1.8787	1.8978	1.8978	1.8978	1.8008
Low range	1.2958	1.2958	1.3072	1.3326	1.3549	1.3794	1.3794	1.3794	1.3794	1.3794
High range	1.9510	1.9510	1.9685	1.9514	1.9516	1.9732	1.9734	1.9734	1.9734	1.9734
Public Transportation Authority (c)	0.9927	1.0000	0.9863	0.9941	0.9998	1.0000	1.0000	0.5900	0.5900	0.5900
Zoological Authority	0.0973	0.0982	0.0980	0.0990	0.0998	0.1000	0.1000	0.1000	0.1000	0.1000
Art Institute Authority (d)	0.1929	0.1945	0.1961	0.1981	0.1996	0.2000	0.2000	0.2000	0.2000	-

Notes

The County's maximum allowable operating millage levy for 2020 was 4.0468.

(a) Tax rate is recommended by this parks authority, and is approved by the Oakland County Board of Commissioners. The rate is included in the "County Combined Rate" on tax statements, but is not recorded as revenue on the County's financial statements.

(b) Includes State of Michigan levy of 6.0000 mills for State Education Tax.

(c) Special voted tax, levied in 18 cities, 3 villages, and 3 townships only. Included in CVT rates above.

(d) Art Institute Authority added FY 2012

Source: Oakland County Department of Management & Budget, Equalization Division yearly "Apportionment of Local Tax Rages" document.

County of Oakland
Principal Taxpayers – Unaudited Table 7
Current Year and Nine Years Ago

	Fiscal Year 2020			Fiscal Year 2011		
Taxpayer	Taxable Valuation*	Rank	Percentage County Taxable Valuation	Taxable Valuation*	Rank	Percentage County Taxable Valuation
Detroit Edison Company/DTE	$ 697,564,750	1	1.11%	$ 469,175,850	1	0.92%
Consumers Energy	465,579,380	2	0.74%	231,068,350	4	0.45%
FCA Auburn Hills Owner LLC (formerly Chrysler)	167,647,670	3	0.27%	283,153,120	2	0.56%
International Transmission (ITC)	147,148,960	4	0.23%	104,660,090	7	0.21%
Taubman/Great Lakes/12 Oaks Mall	136,241,530	5	0.22%	132,464,880	5	0.26%
Enbridge Energy	118,763,470	6	0.19%	-	-	-
SighCidermill Village	105,263,050	7	0.17%	-	-	-
General Motors	104,608,350	8	0.17%	266,707,770	3	0.53%
Edward Rose/Occidental Dev	100,122,000	9	0.16%	-	-	-
Comcast	86,235,120	10	0.16%	82,965,900	9	0.16%
SL Town Etal (Bre Southfield, Town Centre)	78,392,250	11	0.14%	77,899,530	11	0.15%
Meijer/Goodwill Co	73,711,370	12	0.12%	63,308,850	12	0.12%
Redico	72,875,760	13	0.12%	-	-	0.00%
Ramco Lion Venture	69,420,860	14	0.11%	97,080,140	8	0.19%
Oakland Management	68,818,010	15	0.11%	-	-	0.00%
Redwood-ERC Novi LLC	67,953,120	16	0.11%	47,633,490	15	0.09%
Somerset Collection LTD PTN (Frankel/Forbes/Cohn)	58,558,600	17	0.09%	130,576,260	6	0.26%
Kroger	55,873,450	18	0.09%	34,016,750	19	0.07%
Hartman & Tyner	47,635,280	19	0.08%	-	-	-
VHS Huron Valley-Sinai Hospital	43,929,190	20	0.07%	-	-	-
Total	$ 2,766,342,170		4.43%	$ 2,020,710,980		3.97%

* Note: The Taxable Values have been compiled from a number of sources/reports and may include estimated figures.

Source: Oakland County Department of Management & Budget, Equalization Division

County of Oakland
County Operating Property Tax Levies and Collections – Unaudited Table 8
Last Ten Fiscal Years

Fiscal Year	Tax Levy (1)	Collected within the Fiscal Year of the Levy (2) Amount	Percentage of Levy	Collections in Subsequent Years	Total Collections to Date Amount	Percentage of Levy
2011	$ 206,524,166	$ 187,107,837	90.60 %	$ 19,414,859	$ 206,522,696	100.00 %
2012	200,442,426	179,242,176	89.42 %	21,196,981	200,439,157	100.00 %
2013	201,089,193	179,700,449	89.36 %	21,383,113	201,083,562	100.00 %
2014	204,966,211	181,910,042	88.75 %	22,974,723	204,884,765	99.96 %
2015	207,429,739	186,742,691	90.03 %	20,588,841	207,331,532	99.95 %
2016	208,735,308	186,750,930	89.47 %	21,872,087	208,623,017	99.95 %
2017	216,149,261	196,045,294	90.70 %	19,835,189	215,880,483	99.88 %
2018	226,289,005	201,249,308	88.93 %	24,195,451	225,444,759	99.63 %
2019	237,559,852	215,492,770	90.71 %	19,706,957	235,199,727	99.01 %
2020	246,908,469	223,110,366	90.36 %	-	223,110,366	90.36 %

Source: Oakland County Treasurer

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

(2) Tax levy is dated July 1, collections for the current fiscal year reflect only a three month period.

193

County of Oakland
Ratio of General Bonded Debt Outstanding – Unaudited Table 9
Last Ten Fiscal Years

Year	Governmental Activities Debt (1) General Obligation Bonds	Percentage of Taxable Property Values (a)	Per Capita (b)	Special Assessment Bonds (c)	Business-Type Activities Bonds	Total Primary Government	Percentage of Personal Income (b)	Per Capita (b)
2011	$ 538,995,000	1.06 %	$ 444.48	$ 48,375,727	$ 4,060,000	$ 591,430,727	9.02 %	$ 487.72
2012	515,605,000	1.05 %	421.38	52,865,727	19,589,279	588,060,006	8.32 %	480.60
2013	428,985,000	0.87 %	347.22	46,625,727	34,705,962	510,316,689	7.16 %	413.06
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

Notes:
(1) The County does not hold any funds restricted for the repayment of debt principal.
(a) Taxable values can be found in Table 5.
(b) Population and personal income data can be found in Table 12.
(c) See Notes to Basic Financial Statements, Note 8 - Debt. Special Assessment debt is shown with governmental commitment.

Source: Oakland County Department of Management & Budget, Fiscal Services Division

County of Oakland
Legal Debt Margin – Unaudited Table 11
Last Ten Years

Year	State Equalized Valuation	Debt Limit 10% of SEV	Amount of Debt Applicable to Limit	Legal Debt Margin	Debt Applicable to Limit as a Percentage of Debt Limit
2011	$ 52,453,460,343	$ 5,245,346,034	$ 798,634,635	$ 4,446,711,399	15.23%
2012	50,839,024,966	5,083,902,496	823,206,612	4,260,695,884	16.19%
2013	51,429,923,815	5,142,992,382	1,168,123,578	3,974,868,804	22.71%
2014	55,084,607,293	5,508,460,729	737,931,143	4,770,529,586	13.40%
2015	60,806,103,774	6,080,610,377	727,915,288	5,352,695,089	11.97%
2016	65,084,851,114	6,508,485,111	743,347,532	5,765,137,579	11.42%
2017	69,008,352,209	6,900,835,221	711,202,791	6,189,632,430	10.31%
2018	71,871,358,847	7,187,135,885	674,306,686	6,512,829,199	9.38%
2019	76,716,002,295	7,671,600,230	611,908,264	7,059,691,966	7.98%
2020	81,195,394,914	8,119,539,491	633,225,390	7,486,314,101	7.80%

Sources:
Equalized Valuations = Oakland County Department of Management & Budget, Equalization Division
Debt = See Notes to Financal Statements, Notes No. 4 & 8

County of Oakland
Net County Direct and Overlapping Debt – Unaudited Table 10
September 30, 2020

	Net Amount Outstanding
Direct debt	
Building Authority bonds	$ 40,510,000
Water & sewer special assessment debt	51,424,709
Lake Levels special assessment debt	468,000
Retirees Health Care bonds	209,090,000
Total direct debt	301,492,709
Overlapping debt	
Cities	832,429,638
Townships	401,376,574
Villages	31,306,862
School districts	2,891,021,017
Intermediate school districts	42,309,468
Community colleges	4,076,268
Libraries	2,796,560
Net overlapping debt	4,205,316,387
Net direct and overlapping debt	$ 4,506,809,096

Overlapping Debt:
Property in the County is currently taxed for a proportionate share of outstanding debt obligations of overlapping governmental entities including school districts, cities, villages and townships within the County. The table above shows the County's outstanding tax supported overlapping debt as of FY end.

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

County of Oakland
Principal Employers – Unaudited   Table 13
Current Year and Nine Years Ago

Employer	Fiscal Year 2020 Employees	Rank	Percentage of Total County Employment	Fiscal Year 2011 Employees	Rank	Percentage of Total County Employment
Beaumont Health System	17,071	1	2.89%	11,235	1	2.12%
FCA US LLC (formerly Chrysler)	13,156	2	2.22%	8,194	2	1.55%
General Motors Corporation	7,604	3	1.29%	7,729	3	1.46%
United Wholesale Mortgage	6,241	4	1.05%	n/a	n/a	n/a
Ascension Michigan (formerly St John Providence Hospital)	5,699	5	0.96%	4,484	5	0.85%
Henry Ford Health System	5,454	6	0.92%	3,425	9	0.65%
U.S. Postal Service	4,880	7	0.82%	3,431	8	0.65%
Oakland County Government	3,583	8	0.61%	3,243	10	0.61%
Magna International of America Inc.	2,389	9	0.40%	n/a	n/a	n/a
Trinity Health (formerly St. Joseph Mercy)	2,357	10	0.40%	5,378	4	1.02%
Blue Cross Blue Shield of Michigan	n/a	n/a	n/a	3,515	7	0.66%
Botsford Health Care	n/a	n/a	n/a	3,525	6	0.67%
	68,434		11.57%	54,159		10.24%

Source

Oakland County Department of Planning & Economic Development

County of Oakland
Demographic and Economic Statistics – Unaudited   Table 12
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2011	1,212,643	$ 65,557,083	$ 54,061	7.90 %
2012	1,223,598	70,716,825	57,794	7.70 %
2013	1,235,468	71,318,194	57,726	6.60 %
2014	1,242,853	75,826,473	61,010	5.00 %
2015	1,244,602	80,606,246	64,765	3.70 %
2016	1,251,027	82,949,297	66,305	3.60 %
2017	1,256,016	86,345,403	68,745	3.40 %
2018	1,256,694	89,660,752	71,347	3.20 %
2019	1,257,584	92,144,604	73,271	2.90 %
2020	1,257,584 (a)	92,144,604 (a)	73,271 (a)	6.80 %

(a) Current data not available at the time of publication.

Sources:
Population and Personal Income = Michigan Bureau of Economic Analysis
Unemployment Rate = Michigan Department of Technology, Management & Budget

County of Oakland
County Employees by Function/Program – Unaudited Table 14
Last Ten Fiscal Years

Functions/Programs	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	Employees as of September 30 (1)									
General government										
County Executive Administration	64	63	62	62	60	60	60	47	47	47
Management & Budget	197	188	188	188	188	188	189	204	203	205
Central Services	64	62	61	61	61	60	59	59	58	66
Human Resources	58	56	50	49	48	48	46	46	47	49
Board of Commissioners	36	33	31	30	30	30	30	34	34	34
Clerk/Register of Deeds	112	112	112	112	112	112	112	112	116	118
County Treasurer	46	46	46	46	46	47	47	46	46	44
Public Safety										
Sheriff	1,257	1,239	1,205	1,200	1,169	1,117	1,107	1,088	1,119	1,024
Community Corrections	72	61	60	60	59	59	59	60	58	59
Animal Control	57	34	37	37	38	37	36	36	33	26
Justice Administration										
Circuit Court	433	420	420	417	415	412	410	410	409	431
District Court	217	191	189	189	190	188	186	188	185	184
Probate Court	54	53	53	53	52	51	49	49	49	54
Prosecuting Attorney	176	169	169	169	169	170	171	170	172	175
Medical Examiner	26	26	26	26	26	26	26	26	26	26
Citizens Services										
Administration	2	2	2	2	2	2	2	2	2	2
Health	375	351	347	357	365	366	369	370	373	378
Homeland Security	11	11	11	11	11	11	12	12	16	13
Children's Village	224	214	211	206	203	201	192	192	189	185
Veterans' Services	16	16	16	16	16	16	16	16	16	16
MSU Extension-Oakland County	14	13	13	13	13	13	15	15	15	15
Public Works										
Water Resources Commissioner	385	382	378	376	370	314	266	263	263	264
Facilities Management	189	189	199	197	194	190	189	187	188	189
Information Technology	177	173	173	173	166	160	159	161	161	164
Recreation and Leisure										
Library Board	5	6	6	6	6	7	7	7	10	10
Parks and Recreation	511	497	484	440	441	425	421	378	379	376
Commerce and Community Development										
Administration	17	15	14	14	14	12	12	12	12	12
Planning and Economic Development Services	46	48	49	48	48	49	48	46	46	47
Community and Home Improvement	22	22	22	22	22	22	22	23	23	23
Workforce Development	10	9	9	9	9	9	9	9	9	9
Totals	4,873	4,701	4,643	4,589	4,543	4,402	4,326	4,268	4,304	4,245

(1) Employee count reflects authorized, budgeted positions

Source
Oakland County Human Resources Department

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

Functions/Programs	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	Fiscal Year									
Law Enforcement										
Dispatched Calls	379,498	405,609	389,998	375,492	333,680	292,131	286,235	272,066	197,767	168,685
Arrests	7,240	12,452	13,404	13,200	13,727	11,355	11,943	11,525	12,126	10,999
Inmate bookings	9,554	16,554	17,351	18,124	18,236	18,789	19,317	19,913	19,796	19,889
Judicial										
Circuit Court civil/criminal cases disposed	9,518	12,495	11,319	10,889	11,132	10,981	11,742	12,442	13,147	14,212
District Court cases filed	77,576	120,682	124,569	118,358	119,077	122,934	119,347	118,307	119,643	123,860
Citizen Services										
Veteran benefits claims filed	3,222	4,435	4,645	5,114	5,544	5,697	5,461	6,202	6,805	6,848
Deeds/Mortgages	128,702	98,804	92,210	101,409	107,252	101,807	90,969	119,116	109,403	86,034
Jobs retained and created	2,978	6,235	10,108	33,804	19,053	10,057	11,332	8,866	9,269	8,365
Immunizations	25,014	43,350	55,105	45,951	51,086	59,156	54,600	61,141	62,309	80,741
Community Development										
BFC/EDC Loans	11	5	20	20	13	26	34	40	28	26
Applications for home improvement	300	512	440	560	519	393	533	500	387	384
Single family homes rehabilitated	172	272	244	207	183	206	198	183	163	165
Parks and Recreation										
Participants-Parks/County Market	989,184	1,119,711	1,317,042	1,285,490	999,654	913,524	1,147,845	1,358,617	1,221,658	942,019
Participants-Golf Courses	116,552	147,047	140,452	147,388	160,895	164,067	104,492	95,531	130,281	116,804
Participants-Recreation Facilities	197,858	606,342	577,786	500,395	456,053	492,530	485,981	437,407	411,068	390,106
Participants-Banquet Facilities	27,820	60,671	67,515	71,488	75,449	89,888	87,436	90,915	125,008	109,420
Airports										
Takeoffs and landings	123,332	140,028	130,762	131,294	125,132	126,070	111,672	117,981	128,766	119,347
Public Works										
Water and sewer customers	124,040	122,747	118,415	120,989	119,630	78,432	79,312	78,096	77,280	76,784
Water main breaks	129	148	165	114	133	156	123	128	79	85
Water permits issued	214	278	596	849	734	884	921	902	626	337

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

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

	Fiscal Year									
Functions/Programs	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Justice and Law Enforcement										
Correction facilities capacities	1,664	1,664	1,664	1,508	1,653	1,653	1,653	1,653	1,653	1,666
Substations	13	13	13	13	13	13	13	13	14	14
Parks and Recreation										
Number of county parks	14	13	13	13	13	13	13	13	14	13
Park acreage	6,849	6,747	6,743	6,743	6,743	6,756	6,756	6,756	6,643	6,643
Airport										
Number of runways	5	5	5	5	5	5	5	5	5	5
Number of T-Hangars	644	646	646	646	646	646	646	650	738	738
Facilities										
Buildings	41	41	41	40	40	40	40	40	40	40
County facilities square footage	1,922,091	1,922,091	1,922,091	1,885,019	1,891,804	1,888,888	1,890,262	1,936,042	1,913,681	1,881,125
Public Works										
Combined Sewer Overflow Retention Treatment Facilities	4	4	4	4	4	4	4	4	4	4
Water mains (miles)	313.08	312.83	364.52	362.93	441.61	439.71	515.79	160.63	136.41	133.03
Water storage capacity (millions of gallons)	15.00	15.00	16.50	17.50	15.07	15.07	15.07	3.07	3.07	3.07
Sewers (miles)	144.31	144.54	144.48	144.35	144.93	138.34	138.41	138.42	138.29	137.32
Permitted Sewer treatment capacity (millions of gallons)	15,576.88	15,566.91	15,566.91	15,566.91	15,566.91	15,579.69	15,579.69	15,567.62	15,594.90	15,594.90

Sources

Various County departments

County of Oakland
Building Authority Data (1) – Unaudited Table 17
September 30, 2020

	City of Oak Park Project	Facilities Infrastructure & IT Projects	CMHA Building Renovation	Animal Control & Pet Adoption Center Debt	City of Keego Harbor Debt	CMHA Housing Proj Refunding	52/3 District Court Bldg. Refunding	Work Release JailMgt/Video Refunding
Cash	$ -	$ -	$ -	$ 4,806,654	$ -	$ 14	$ 5	$ -
Lease receivable	-	-	-	-	-	1,305,000	-	-
Other assets	-	95,250	-	24,410	-	206	-	-
Deferred inflows - contracts	-	-	-	-	-	1,305,000	-	-
Other liabilities	-	95,245	-	-	-	-	-	-
Current year activity:								
Transfers in	-	2,220,500	-	-	-	-	1,297,300	85,500
Leases and other income	37,053	-	110,513	93,941	18,875	341,473	-	374
Issuance of refunding bonds, incl. premiums	1,933,246	-	7,269,244	-	919,095	-	-	4,359,573
Debt service:								
Principal	1,990,000	2,000,000	7,815,000	640,000	895,000	290,000	1,120,000	4,275,000
Interest	83,539	220,500	261,025	395,606	36,788	51,350	177,000	142,500
Fiscal charges	300	-	-	500	-	500	300	-
Contractual services	11,620	-	43,917	500	5,867	-	-	27,947
Transfers out	1,135	-	2,390	-	169	-	-	5
Principal and interest requirements:								
2021	-	2,209,750	-	1,037,656	-	322,150	1,311,000	-
2022	-	2,222,125	-	1,034,457	-	338,375	1,291,500	-
2023	-	2,207,625	-	1,032,606	-	322,800	-	-
2024	-	-	-	1,031,906	-	330,400	-	-
2025	-	-	-	1,025,681	-	102,000	-	-
Thereafter	-	-	-	11,343,598	-	-	-	-
	$ -	$ 6,639,500	$ -	$ 16,505,904	$ -	$ 1,415,725	$ 2,602,500	$ -

(continued)

(1) Excludes debt reported in Proprietary Funds

County of Oakland
Building Authority Data (1) – Unaudited Table 17 (Continued)
September 30, 2020

	Office Bldg. Renovation Refunding	Sheriff Substation Refunding	City of Keego Harbor Refunding	WkRel-Jail Mgt Video Refunding	City of Oak Park Refunding	CMHA Bldg Reno. Refund Refunding	Office Bldg. Reno Refund Refunding	Totals
Cash	$ -	$ 118	$ 41,968	$ 305	$ 1,135	$ 2,390	$ 305	$ 4,852,894
Lease receivable	-	-	790,000	-	1,700,000	5,555,000	-	9,350,000
Other assets	-	108	16	-	91,633	647,553	-	859,176
Deferred inflows - contracts	-	-	790,000	-	1,700,000	5,555,000	-	9,350,000
Other liabilities	-	-	-	-	794	1,722	-	97,761
Current year activity:								
Transfers in	592,047	-	168	1,432,747	1,135	2,390	1,271,911	6,903,698
Leases and other income	542	203,786	87,100	-	90,839	647,552	-	1,632,048
Issuance of refunding bonds, incl. premiums	6,322,806	-	-	-	-	-	-	20,803,964
Debt service:								
Principal	6,670,000	200,000	45,000	1,425,000	-	-	1,265,000	28,630,000
Interest	202,949	4,131	285	7,442	-	1,722	6,606	1,591,443
Fiscal charges	-	250	-	-	-	-	-	1,850
Contractual services	42,446	-	-	-	-	-	-	132,297
Transfers out	5	-	-	-	-	-	-	3,704
Principal and interest requirements:								
2021	499,094	-	55,123	1,500,460	123,588	788,813	1,288,672	9,136,306
2022	499,694	-	50,763	1,445,250	129,900	794,500	1,284,625	9,091,189
2023	485,093	-	49,512	-	126,400	797,250	1,271,750	6,293,036
2024	-	-	53,138	-	127,775	803,375	1,276,125	3,622,719
2025	-	-	51,638	-	128,900	783,375	-	2,091,594
Thereafter	-	-	787,793	-	1,585,000	3,653,375	-	17,369,766
	$ 1,483,881	$ -	$ 1,047,967	$ 2,945,710	$ 2,221,563	$ 7,620,688	$ 5,121,172	$ 47,604,610

(1) Excludes debt reported in Proprietary Funds

OAKLAND COUNTY, MICHIGAN

WHERE PEOPLE AND TECHNOLOGY PROSPER

ADVANTAGEOAKLAND.COM | OAKGOV.COM | OAKLANDCOUNTYPROSPER.COM

Contents

Oakland County, Michigan

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

September 30, 2020

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, 2020 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 24, 2021.

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 deficiency in internal control, described in the accompanying schedule of findings and responses as Finding 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

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

The County's Response to the Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

To Management and the Board of Commissioners
Oakland County, Michigan

Purpose of This Report

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

Plante & Moran, PLLC

March 24, 2021

March 24, 2021

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, 2020 and have issued our report thereon dated March 24, 2021. 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 November 4, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Our audit of Oakland County, Michigan's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of Oakland County, Michigan, including compliance with certain provisions of laws, regulations, contracts, 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 24, 2021 regarding our consideration of Oakland County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on October 21, 2020.

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.

Financial Statement Audit Findings

Reference Number	Finding
2020-001	**Finding Type** - Material weakness

Criteria - The County should have a process in place to ensure year-end journal entries are properly recorded in accordance with generally accepted accounting principles (GAAP) prior to the commencement of the audit.

Condition - Year-end journal entries necessary to state the financial statements in accordance with GAAP were identified as part of the audit.

Context - The following material year-end journal entries were proposed by the auditors and posted by the County in order to ensure the financial statements were stated in accordance with GAAP:

- Adjustments of approximately $0.2 million, $18.4 million, and $64.1 million to reclassify noncurrent restricted cash for unspent bond proceeds within the Evergreen-Farmington SDS Fund, nonmajor enterprise funds, and the Drainage District component unit, respectively.
- Adjustment of approximately $83.8 million to record unearned revenue in the Drainage District component unit for special assessment receivables and prepayments that were not earned as of year end.

Cause - Processes were not in place to ensure year-end closing entries were properly recorded in the general ledger prior to the commencement of the audit.

Effect - If the year-end journal entries identified above had not been recorded, the financial statements would have been materially misstated.

Recommendation - The County should continue to work with all applicable departments to ensure their control procedures properly identify and record all year-end journal entries.

Views of Responsible Officials and Planned Corrective Actions - Oakland County, Michigan agrees with the finding and will ensure processes for reviewing similar transactions take place and are properly recorded in future years.

The bonds issued in FY 2020 were more significant than in prior years, and it is not common to have the significant level of unspent bond proceeds remaining at the end of the fiscal year that was experienced in FY 2020. There have been several staffing changes and competing projects in FY 2020 that had a significant impact on staff workload, thereby limiting the more thorough review for some of the transactions. Oakland County, Michigan did make the adjustments for the FY 2020 financial statements and again will ensure processes to properly record similar transactions in the future.

No new accounting policies were adopted, and the application of existing policies was not changed during 2020.

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

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

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

- Estimated accounts receivable related to unbilled water and sewer fees - The County estimates water and sewer usage as of September 30, 2020 based on historical data and subsequent billings. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated receivable balance, we concluded that the estimate was reasonable.

- The liability for accrued workers' compensation claims, including claims incurred but not reported - The County uses a third-party administrator to track reported claims and to estimate the required reserves for the reported claims. In addition, the County's insurance and safety coordinator estimates an amount for claims incurred but not reported based on a 10-year history of reported claims. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.

- The liability for general liability claims and judgments, including claims incurred but not reported - The County's risk management department tracks reported claims and estimates the required reserves for the reported claims. In addition, the County uses a third-party actuarial company to estimate an amount for claims incurred but not reported based on a history of reported claims. Litigation proceedings continue in a class action lawsuit where the Michigan Supreme Court ruled that the retention of surplus auction proceeds on foreclosed properties constituted an unconstitutional taking under the Michigan Constitution. The County awaits the circuit court's decision as to whether the matter will be resolved retroactively or prospectively. The range for a potential outcome spans from $0 to approximately $40 million. The County has estimated a liability based on the County's determination of the probability of an unfavorable outcome requiring retroactive application. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.

- The liability for incurred but not reported health costs - The County uses a third-party administrator to estimate the required reserves for claims incurred but not reported. The third-party administrator estimates the liability based on a history of reported claims. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded the estimate was reasonable.

- The liability for property tax refunds - The County's equalization department and fiscal services department have estimated possible property tax refunds based on a review of current properties under appeal with the Michigan Tax Tribunal. Based on our review of supporting documentation and our understanding of the methodology used in arriving at the estimated liability, we concluded that the estimate was reasonable.

- The liability for defined pension benefits and retiree health care - The County uses an independent actuary to estimate and value the County's obligations for the defined pension benefits and retiree health care costs. The actuary estimates the liabilities based on projected pension payments and assumptions for the defined pension and actual historical claims along with assumptions for retiree health care. Based on our review of the report, we concluded that the estimate was reasonable.

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

- Note 3 - Deposits and Investments
- Note 12 - Defined Benefit Pension Plan
- Note 13 - Defined Contribution Plans
- Note 14 - Postemployment Benefits
- Note 18 - Commitments and Contingencies

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The following material misstatements detected as a result of audit procedures were corrected by management: (1) an adjustment to record restricted cash for unspent bond proceeds in the amounts of $18.4 million, $64 million, and $0.2 million for the Radio Communications fund, Drainage District component unit, and Evergreen-Farmington SDS fund, respectively, and (2) an adjustment to record unearned revenue and reduce revenue within the Drainage District component unit for special assessment receivables and prepayments not earned by year end by $83.8 million.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Significant Findings or Issues

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 24, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the 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.

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

March 24, 2021

Other Information in Documents Containing Audited Financial Statements

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

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

This report is intended solely for the use of 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.

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

Very truly yours,

Plante & Moran, PLLC

Stacey Reeves

Timothy St. Andrew

Attachment

Client: **Oakland County, Michigan**
Opinion Unit: **General Fund**
Y/E: **9/30/2020**

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 deferred revenue on property taxes based on actual collections within 60 days after year-end	$ -	$ -	$ -	$ -	$ -	$ (4,875,662)	$ -	$ 4,875,662	$ -	$ 4,875,662
	Total	$ -	$ -	$ -	$ -	$ -	$ (4,875,662)	$ -	$ 4,875,662	$ -	$ 4,875,662

PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES

D1 None
D2

APPENDIX C

City of Pontiac
General Description and Statistical Information

Appendix C
CITY OF PONTIAC
COUNTY OF OAKLAND, STATE OF MICHIGAN
General Description and Statistical Information

LOCATION AND DESCRIPTION

The City of Pontiac (the "City") is located in central Oakland County in southeast Michigan. The City encompasses about 20 square miles.

POPULATION

The U.S. Census and American Community Survey reported estimated populations for the City are as follows:

Source	Year	Estimated Population
American Community Survey	2019	59,955
American Community Survey	2018	60,116
American Community Survey	2017	60,039
American Community Survey	2016	59,920
American Community Survey	2015	59,928
U.S. Census	2010	59,515

Source: U.S. Census Bureau

FISCAL YEAR

The City's fiscal year begins July 1st and ends on June 30th.

PROPERTY VALUATIONS

The laws governing the taxation of real and personal property in the State of Michigan, has been established by The General Property Tax Act, being Public Act 206 of 1893, as amended. Section 211.1 states: "That all property, real and personal, within the jurisdiction of the state, not expressly exempted, shall be subject to taxation."

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

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

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Beginning in 1995, taxable property will have two valuations - State equalized valuation ("SEV") and Taxable Value. Property taxes will be levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediate preceding year, adjusted for losses, multiplied by the lesser of the net percentage change in the property's SEV, or the inflation rate, or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore Taxable Value of property may be different from the same property's SEV.

This constitutional amendment and the implementing legislation base the Taxable Value of existing property for the year 1995 on the SEV of that property in 1994 and for the years 1996 and thereafter on the Taxable Value of the property in the preceding year. Beginning with the taxes levied in 1995, an increase, if any, in Taxable Value of the property is limited to the lesser of the percentage net change in SEV from the preceding year to the current year, 5% or the inflation rate. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

The State Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

History of Valuations

A history of the property valuations in the City is shown below:

	STATE EQUALIZED VALUATION ("SEV")	SEV % Change	TAXABLE VALUATION ("TV")	TV % Change
2020	$1,046,101,100	11.21%	$796,243,960	6.29%
2019	940,617,690	9.45%	749,141,530	4.61%
2018	859,435,950	5.31%	716,149,510	4.36%
2017	816,106,780	7.75%	686,237,450	3.55%
2016	757,414,310	2.26%	662,679,370	-2.55%

Valuation Composition

2020 SEV Breakdown by Use		
Residential	$ 548,958,090	52.48%
Personal	118,789,470	11.36%
Commercial	317,973,350	30.40%
Industrial	60,380,190	5.77%
Total	$ 1,046,101,100	100.00%

2020 TV Breakdown by Use		
Residential	$ 352,697,760	44.30%
Personal	118,789,470	14.92%
Commercial	272,880,640	34.27%
Industrial	51,876,090	6.52%
Total	$ 796,243,960	100.00%

2020 SEV Breakdown by Class		
Real	$ 927,311,630	88.64%
Personal	118,789,470	11.36%
Total	$ 1,046,101,100	100.00%

2020 TV Breakdown by Class		
Real	$ 677,454,490	85.08%
Personal	118,789,470	14.92%
Total	$ 796,243,960	100.00%

Source: City of Pontiac

INDUSTRIAL FACILITY TAX ABATEMENTS

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 taxable value is frozen at previous levels. New plant and equipment are taxed at roughly one-half the current millage rate. It must be emphasized, however, that ad valorem property taxes on land and inventory are specifically excluded under Act 198. Abatements under Act 198 have been granted to properties in the City with a total 2020 Equalized Value of $22,905,110.

Source: Oakland County Equalization

MICHIGAN PROPERTY TAX REFORM

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

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

To replace personal property tax revenues lost by local governments the PPT Reform Acts divided the existing state use tax into two components, a "state share tax" and a "local community stabilization share tax," and established the Local Community Stabilization Authority (the "LCSA") to administer distribution of the local community stabilization share. The Michigan Department of Treasury collects the local community stabilization share tax on behalf of the LCSA. The local community stabilization share tax revenues are not subject to the annual appropriations process and are provided to the LCSA for distribution pursuant to a statutory formula. The statutory formula is anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions.

The 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 City.

MAJOR TAXPAYERS

The ten largest private taxpayers in the City and their 2020 Taxable valuations are:

Ten Largest Taxpayers	2020 Taxable Valuation
DTE ELECTRIC COMPANY	$ 27,189,340
GENERAL MOTORS LLC	19,759,820
BLOOMFIELD VILLAGE OWNER, LLC	16,644,490
CONSUMERS ENERGY COMPANY	13,318,320
SSH MI M PROP	11,748,090
INTERNATIONAL TRANSMISSION	11,739,910
MENARD'S INC	9,179,750
RACER PROPERTIES	8,926,370
SHORE MORTGAGE	8,762,580
WILLIAMS INTERNATIONAL COMPANY	6,054,550
TOTAL	$ 133,323,220
Ten Largest Taxpayers percent of 2020 TV	16.74%

Source: City of Pontiac

CONSTITUTIONAL ROLLBACK AND ASSESSMENT CAPS

Article IX, Section 31 of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be reduced through a Millage Reduction Fraction unless reversed by a vote of the electorate of the local taxing unit.

TAX RATES – (per $1,000 of Valuation)

The following table provides tax rates for the City:

Purpose	Authorized	2020 Millage	Expiration Date of Levy
City Operating	12.0000	11.1699	n/a
Capital Improvements	1.5000	1.3961	n/a
Community Center	1.5000	1.4862	12/31/2026
Library	1.0000	0.9908	12/31/2026
Seniors	0.5000	0.4954	12/31/2026
Solid Waste/Sanitation	3.0000	2.7923	n/a
TOTAL	19.5000	18.3307	

Source: City of Pontiac

TAX LEVIES AND COLLECTIONS

The City's property taxes are due and payable and a lien created upon the assessed property on July 1 each year. Taxes are due without penalty on or before August 31. Taxes remaining unpaid on the following March 1st are turned over to the Oakland County Treasurer for collection. Oakland County (the "County") pays the City 100% of the uncollected real property taxes shortly after the date delinquent taxes are returned to the County for collection. Uncollected personal property taxes are ineligible.

A history of tax levies and collections for the City is as follows:

Fiscal Year ended June 30,	Total Operating Tax Levy	Total Collections to March 1 of the following year	%	Collections plus Funding to July 1 of each year %
2020	$7,586,554	$6,750,642	88.98	100%
2019	7,098,392	6,164,383	86.84	100%
2018	6,791,563	5,925,596	87.25	100%
2017	6,529,240	5,656,057	86.63	100%
2016	6,287,360	5,334,982	84.85	100%
2015	6,341,271	5,263,208	83.00	100%

Source: City of Pontiac

REVENUES FROM THE STATE OF MICHIGAN

The City receives revenue sharing payments from the State of Michigan under the State Constitution and the State Revenue Sharing Act of 1971, as amended. The revenue sharing payments are composed of two components – a constitutional distribution and a statutory distribution.

The constitutional distribution is mandated by the State Constitution and distributed on a per capita basis to townships, cities and villages. The amount of the constitutionally mandated revenue sharing component distributed to the City can vary depending on the population of the City and the receipt of sales tax revenues by the State.

The statutory distribution is authorized by legislative action, and distribution is subject to annual State appropriation by the State Legislature. Statutory distributions may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature's appropriations committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

On September 30, 2020, Governor Whitmer signed into law the budget for fiscal year 2021. The budget includes a constitutional revenue sharing distribution to cities, villages and townships of approximately $851.8 million. The budget continues the incentive-based revenue sharing program known as the City, Village, and Township Revenue Sharing (or "CVTRS") program commenced in fiscal year 2015 that distributes revenue sharing to cities, villages and townships that meet requirements for accountability and transparency, including making a citizen's guide to its finances, a performance dashboard, a debt service report and a two-year budget projection available for public viewing.

The CVTRS program is funded at $261.0 million for fiscal year 2021, and each City, village and township that received a CVTRS distribution in fiscal year 2020 is eligible to receive a payment equal to 100.00% of its 2020 distribution. Each City, village or township that is determined to have a retirement pension benefit system in underfunded status under section 5 of Act 202, Public Acts of Michigan, 2017, must allocate the 2021 incremental increase to its unfunded pension liability. The fiscal year 2021 budget continues funding for the revenue sharing grant program for financially distressed communities at the 2020 level of $2.5 million.

Any portion of the CVTRS payment that the City would be eligible to receive would be subject to certain benchmarks that the City would need to meet, and there can be no assurance what amount, if any, the City would receive under the CVTRS program. The City received CVTRS payments of $4,206,080 in fiscal year 2020 and anticipates meeting the requirements to receive $5,047,298 in CVTRS payments for fiscal year 2021.

Purchasers of the Bonds should be alerted to further modifications to revenue sharing payments to Michigan local governmental units, to potential consequent impact on the City'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 City from the State.

The following table sets forth the annual revenue sharing payments and other moneys received by the City during the State of Michigan's fiscal years ended September 30, 2016 through September 30, 2020 and projected for fiscal year end September 30, 2021.

State's Fiscal Year Ended Sept. 30	Constitutional Payments	CVTRS and Supplemental Payments	Revenue Sharing Payments
2021*	$ 5,323,133	$ 5,047,298	10,370,431
2020	5,074,474	4,206,080	9,280,554
2019	5,079,412	4,933,820	10,013,232
2018	4,857,865	4,934,058	9,791,923
2017	4,732,857	4,886,323	9,619,180
2016	4,474,943	4,886,323	9,361,266

*Projected

Source: Michigan Department of Treasury
https://www.michigan.gov/treasury/0,4679,7-121-1751_2197_58826---,00.html

LABOR FORCE

A breakdown of the number of employees of the City and their affiliation with organized groups is as follows:

As of Fiscal Year End 2020

Labor Group	Number of Employees	Expiration of Contract
Michgan Association of Public Employees*	15	6/30/2020
Total Union Represented Employees	15	

*Labor Contract is in negotiations

Source: City of Pontiac

PENSION FUND

(Please see Note 11 of the City's 2020 Annual Report for additional details)

Defined Benefit Plan – General Employee

The General Employees' Retirement System is a single-employer defined benefit pension plan that is administered by the City of Pontiac General Employees' Retirement System; this plan covers substantially all employees of the City, except police and fire employees. The system provides retirement benefits, as well as death and disability benefits. Employees may receive a cost-of-living adjustment as a percentage of their base amount, pursuant to the collective bargaining agreement in effect at their date of retirement.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	1,105
Inactive employees entitled to but not yet receiving benefits	113
Active employees	27
Total membership	1,245

Changes in the Net Pension Asset. The components of the change in the net pension asset are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at December 31, 2018	$ 262,188,735	$ 454,173,920	$ (191,985,185)
Changes for the year:			
Service cost	233,616	-	233,616
Interest	17,384,038	-	17,384,038
Changes in benefit terms	3,402,001	-	3,402,001
Differences between expected and actual experience	1,139,898	-	1,139,898
Benefit payments, including refunds of employee contributions	(28,114,053)	(28,114,053)	-
Net investment income	-	87,393,680	(87,393,680)
Administrative expense	-	(691,928)	691,928
Miscellaneous other charges/revenue	-	55,649	(55,649)
Net changes	(5,954,500)	58,643,348	(64,597,848)
Balances at December 31, 2019	$ 256,234,235	$ 512,817,268	$ (256,583,033)

Defined Benefit Plan – Police and Fire

The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City of Pontiac Police and Fire Retirement System; this plan covers all police and fire employees of the City. The system provides retirement benefits, as well as death and disability benefits. Employees may receive a cost of living adjustment as a percentage of their base amount, pursuant to the collective bargaining agreement in effect at their date of retirement.

Partial Termination and Plan Closure.

In 2011, a partial termination of the pension plan for police and fire employees was deemed to have occurred when the City contracted with the Oakland County sheriff for policing services. This resulted from the termination of active employee positions at the City under the executive orders issued by the Emergency Manager. As of March 1, 2012, the City contracted with Waterford Township to provide fire services and the plan no longer had any active employees. As a result, for purposes of computing the actuarial determined contribution to the System from the City, the actuary is expressing the amount as a level dollar amount amortized on a closed basis, rather than as a level percent of payroll.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	425
Inactive employees entitled to but not yet receiving benefits	133
Total membership	558

Changes in the Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	$ 243,941,564	$ 206,638,261	$ 37,303,303
Changes for the year:			
Interest	17,523,601	-	17,523,601
Changes in benefit terms	666,543	-	666,543
Differences between expected and actual experience	(181,582)	-	(181,582)
Employer contributions	-	2,133,428	(2,133,428)
Changes of assumptions	(556,186)	-	(556,186)
Benefit payments, including refunds of employee contributions	(20,587,103)	(20,587,103)	-
Net investment income	-	33,045,584	(33,045,584)
Administrative expense	-	(297,302)	297,302
Other	-	3,583	(3,583)
Net changes	(3,134,727)	14,298,190	(17,432,917)
Balances at December 31, 2019	$ 240,806,837	$ 220,936,451	$ 19,870,386

Defined Contribution Pension Plan

Beginning January 1, 2002, the City began providing pension benefits to its full-time nonunion employees and elected officials through a 401(a) defined contribution plan. Nonunion employees and elected officials were given the option to participate in the defined contribution plan or the defined benefit plan. Effective July 1, 2005, SAEA members were also given the option to participate in the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment.

The City's total payroll during the 2020 fiscal year was $5,361,037. The current year contribution was calculated based on covered payroll of $2,185,160, resulting in employer contributions of $77,027 and employee contributions of $138,392. As of June 30, 2020, there were 33 plan participants in the City's Michigan Employee MERS defined contribution plan, and one employee participating in the City's 401A defined contribution plan.

Source: City of Pontiac Annual Report

OTHER POSTEMPLOYMENT BENEFITS

Police and Fire Retirement System VEBA

The Police and Fire Retiree Prefunded Group Health and Insurance Trust (the "Trust") was established as an irrevocable prefunded group health and insurance trust fund for health, optical, dental, and life insurance benefits for retirees who are members of the Police and Fire Retirement System of the City of Pontiac, and who retired on or after August 22, 1996. The Trust was created as an Internal Revenue Code 501(c)(9) Trust (VEBA).

Contributions that were scheduled to be made to the Trust for the years ended December 31, 2011 and 2010 in the amount of $2,635,156 and $2,104,382, respectively, were not remitted to the Trust by the City in those years. During 2011, the Trust filed a lawsuit against the plan sponsor to compel payment on past-due contributions. In March 2013, a settlement agreement was reached between the Trust and the plan sponsor, and the City remitted a payment for past-due contributions in the amount of $3,243,923. Contributions for 2012 were also the subject of a separate lawsuit. On July 31, 2019, a court judgment was entered in favor of the Trust in the amount of $4,073,975. To satisfy the judgment, the Trust is suspending its reimbursement made to the City each month for health care premium expenses until the judgment is fully satisfied. As of December 31, 2019, the remaining amount of $1,148,731 has been reflected in the Trust's 2019 financial statements as a contribution receivable given these contributions are now due pursuant to legal requirements.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	177
Inactive employees entitled to but not yet receiving benefits	56
Other retirees who could elect	80
Total membership	313

Changes in the Net OPEB (Asset) Liability. The components of the change in the net OPEB (asset) liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balances at December 31, 2018	$ 42,703,920	$ 39,846,194	$ 2,857,726
Changes for the year:			
Interest	2,857,872	-	2,857,872
Differences between expected and actual experience	(1,140,426)	-	(1,140,426)
Changes of assumptions	(3,059,994)	-	(3,059,994)
Benefit payments, including refunds of employee contributions	(2,614,513)	(2,614,513)	-
Net investment income	-	6,263,203	(6,263,203)
Administrative expense	-	(49,079)	49,079
Other	-	3,081	(3,081)
Net changes	(3,957,061)	3,602,692	(7,559,753)
Balances at December 31, 2019	$ 38,746,859	$ 43,448,886	$ (4,702,027)

City of Pontiac Retiree Health Care Plan – New VEBA

On April 4, 2017, the City announced that a tentative settlement had been reached with regard to retiree health care for general employees and police & fire. On November 19, 2018, the federal judge in the case approved the tentative settlement. The plan for the new VEBA that was called for by the settlement agreement was approved by the Internal Revenue Service (IRS) on March 18, 2021. This settlement agreement will provide health care funding via the creation the new VEBA by utilizing certain overfunded assets from the City of Pontiac General Employees' Retirement System and the Police and Fire VEBA. It is expected that these assets will cover the funding needs for the new VEBA associated to pay the costs of the retiree healthcare benefits. The City's funding responsibilities for any unfunded liabilities with the new VEBA are capped at $1.5 million per year.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	722
Inactive employees entitled to but not yet receiving benefits	10
Total membership	732

Changes in the Total OPEB Liability. The components of the change in the total OPEB liability are summarized as follows:

	Total OPEB Liability (a)
Balances at December 31, 2018	$ 64,647,418
Changes for the year:	
Interest	2,574,801
Differences between expected and actual experience	(1,308,160)
Changes of assumptions	7,449,434
Benefit payments, including refunds of employee contributions	(4,041,063)
Net changes	4,675,012
Balances at December 31, 2019	$ 69,322,430

Source: City of Pontiac Annual Report

GENERAL FUND REVENUES AND EXPENDITURES

	Fiscal Year ended June 30,				
	2020	**2019**	**2018**	**2017**	**2016**
Revenues	$ 37,838,508	$ 37,329,582	$ 35,241,739	$ 34,574,871	$ 32,473,514
Expenses	32,877,020	34,897,265	30,230,057	29,347,514	27,044,503
Excess (deficiency) of revenues over expenditures	4,961,488	2,432,317	5,011,682	5,227,357	5,429,011
Other financing sources (uses)					
Transfers in	296,752	248,585	200,000	211,977	248,303
Transfers out	(8,189,524)	(1,518,041)	(4,926,255)	(2,483,496)	(2,318,043)
Total other financing sources (uses)	(7,892,772)	(1,269,456)	(4,726,255)	(2,271,519)	(2,069,740)
Net change in fund balance	(2,931,284)	1,162,861	285,427	2,955,838	3,359,271
Reclassification of fund balance	-	62,948	-	-	-
Beginning General Fund Balance	18,585,011	17,422,150	17,073,775	14,117,937	10,758,666
Ending General Fund Balance	$ 15,653,727	$ 18,585,011	$ 17,359,202	$ 17,073,775	$ 14,117,937

Source: City of Pontiac Annual Report

DEBT STATEMENT

Including the Refunding Bonds described herein.

As of April 28, 2021

City Direct Debt

Dated	Description	Amount
12/19/2007	2007C TIFA Bonds (Michigan Municipal Bond Authority)	$18,380,000
	Net Direct Debt	$18,380,000
	Per Capita	$306.56
	Percent of TV	2.31%

City Indirect Debt

Dated	Description	Amount
Various	Share of County Issued Drain Bonds	$93,582,895
	Net Indirect Debt	$93,582,895
	Per Capita	$1,560.89
	Percent of TV	11.75%
	Net Direct & Indirect Debt	$111,962,895
	Per Capita	$1,867.45
	Percent of TV	14.06%

City Overlapping Debt

As of April 28, 2021

%	Municipality	Net Tax Supported Debt	Share
School District			
28.78%	Pontiac	116,547,135	33,542,265
		School District Total	33,542,265
County			
1.26%	Oakland County	280,906,912	3,539,427
ISD			
1.26%	Oakland Intermediate I/S/D	42,970,000	541,422
Community College			
1.27%	Oakland Com. College	-	-
		Net Overlapping Debt:	$ 37,623,115
		Net Direct, Indirect, & Overlapping Debt:	$ 149,586,010
		Per Capita	$2,494.97
		Percent of TV	18.79%

Source: City of Pontiac and Municipal Advisory Council of Michigan

SCHEDULE OF BONDS WITH CITY CREDIT PLEDGED

As of April 28, 2021

Year	TIFA Refunding Bonds, Series 2007
2021	1,470,000
2022	1,860,000
2023	1,985,000
2024	1,715,000
2025	1,520,000
2026	1,630,000
2027	1,745,000
2028	1,565,000
2029	1,570,000
2030	1,675,000
2031	1,645,000
TOTAL	$ 18,380,000

Source: City of Pontiac

LEGAL DEBT MARGIN

As of April 28, 2021 - Including the Refunding Bonds described herein.

2020 State Equalized Valuation		$ 1,046,101,100
Plus: Assessed Value Equivalent of Act 198 Property		11,569,396
Plus: for Revenue Sharing (1)		840,979,418
Plus: LCSA/PPT (2)		16,460,032
Total Valuation		$ 1,915,109,946
Legal Debt Limit - 10% of Total Equivalent Valuation (3)		$ 191,510,995
Total Direct and Indirect Debt Outstanding	$ 111,962,895	
Debt Subject to Legal Debt Limit		111,962,895
Legal Debt Margin Available		**$ 79,548,100**

(1) City FY2021 estimated Constitutional and CVTRS State Revenue Sharing payments totaling $9,393,656 divided by the City's 2020 operating millage rate of 11.1699.
(2) The Local Community Stabilization Authority ("LCSA") was established to administer distribution of the replacement of personal property tax revenues lost by local government. Eligible reimbursements for LCSA equals 2020 Total Reimbursement less Total 2020 Qualified Loss Reimbursement divided by the City's eligible millage totaling 11.1699.
(3) 10% of City's Total 2020 SEV Value.

Source: City of Pontiac and Municipal Advisory Council of Michigan

DEBT HISTORY

The City has no record of default on its obligations.

FUTURE FINANCING

The City does not have plans for additional capital financing within the next six months.

GENERAL FUND BUDGET SUMMARY

City of Pontiac
Fiscal Year 2020-2021 Adopted Budget

	2020/2021
Estimated Revenues	
Property Taxes	$ 8,478,935
Income Taxes	13,541,775
Licenses and Permits	178,900
Federal Grants	20,000
State Grants	10,630,785
Charges for Services	1,048,900
Fines and Forfeits	8,000
Interest and Rents	751,800
Other revenues	1,837,482
Transfers In and Other Uses	62,723
Total Estimated Revenues	36,559,300
Appropriations	
General Government	6,888,487
Public Safety	21,825,652
Public Works	2,594,021
Community and Economic Development	1,973,792
Recreation and Culture	3,754,861
Other Functions	2,258,844
Transfers Out and Other Uses	2,919,503
Total Appropriations	42,215,160
Revenues minus Appropriations	(5,655,860)
Estimated Beginning Fund Balance	13,924,754
Estimated Ending Fund Balance	$ 8,268,894

APPENDIX D
City of Pontiac
Financial Statements

The auditor was not requested to examine or review and therefore has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Refunding Bonds and accordingly has not conducted any post-audit review procedures and will not express any opinion with respect to the accuracy or completeness of such financial documents, statements or materials. The City's Financial Statements for June 30, 2020, are included in this Appendix D. Additionally, the Financial Statements for June 30, 2020, 2019, and 2018, are available at the following links:

June 30, 2020 Financial Statements

June 30, 2019 Financial Statements

June 30, 2018 Financial Statements

This page intentionally left blank.

City of Pontiac, Michigan

Year Ended
June 30, 2020

Financial
Statements

Rehmann

CITY OF PONTIAC, MICHIGAN

Table of Contents

CITY OF PONTIAC, MICHIGAN

Table of Contents

■ ■ ■ ■ ■

Rehmann

INDEPENDENT AUDITORS' REPORT

December 23, 2020

The Honorable Mayor and City Council
City of Pontiac
Pontiac, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***City of Pontiac, Michigan*** (the "City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the fiduciary component unit financial statements of the General City Employees' Retirement System, the Police and Fire Retirement System VEBA, and Police and Fire Retirement System which represent 100%, 100% and 86%, respectively, of the assets, net position, and additions of the fiduciary funds. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the General City Employees' Retirement System, the Police and Fire Retirement System, and the Police and Fire Retirement System VEBA are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the General City Employees' Retirement System, the Police and Fire Retirement System, and the Police and Fire Retirement System VEBA were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pontiac, Michigan, as of June 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 84

As described in Note 21, the City implemented the provisions of GASB Statement No. 84, *Fiduciary Activities,* in the current year. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparisons for the General Fund and each major special revenue fund, and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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 and other auditors' 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City's internal control over financial reporting and compliance.

Rehmann Robson LLC

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Pontiac (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here and contact City Administration at 248-758-3322 if you have any questions.

Financial Highlights

·	Total net position	$ 289,605,575
·	Change in total net position	11,647,365
·	Fund balances, governmental funds	38,006,929
·	Change in fund balances, governmental funds	(999,186)
·	Unassigned fund balance, general fund	10,319,848
·	Change in fund balance, general fund	(2,931,284)
·	Long-term debt outstanding	7,611,524
·	Change in long-term debt	(1,195,956)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned and unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, community and human services, and recreation and culture. The business-type activities of the City include the Phoenix Center (parking fund).

The government-wide financial statements include not only the City itself (known as the primary government), but also two legally separate Tax Increment Finance Authorities and a legally separate Brownfield Redevelopment Authority, known as component units, for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Management's Discussion and Analysis

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Information is presented separately for each major fund (general, major streets, sanitation, and district court) and combined for the nonmajor funds in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance. Individual fund data for the nonmajor funds is found in the supplementary information.

In compliance with the City's budget ordinance, the City prepared a three-year budget for fiscal years 2019-20, 2020-21, and 2021-22. The City Council of the City of Pontiac adopted the 2019-20 fiscal year budget by function. This allows City officials responsible for the expenditures authorized in the budget to expend City funds up to, but not to exceed, the total appropriation authorized for each function. A budgetary comparison schedule has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The City has received the Government Finance Officers Association (the "GFOA") award for Distinguished Budget Presentation for fiscal years 2017-18 and 2018-19. The City has applied for the award again in fiscal year 2020 and 2021, though due to delays at the GFOA, the applications have not yet been processed.

Proprietary funds are used by the City to provide the same type of information as the government-wide financial statements, only in more detail. Two types of proprietary funds are used. Enterprise funds are used to report the same functions as presented as business-type activities in the government–wide financial statements. The parking fund is the City's only enterprise fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for costs related to workers' compensation, insurance, and accrued employee time off in the workers' compensation fund, the insurance fund, and the employee sick and vacation fund, respectively. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Phoenix Center which is the City's only enterprise fund. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the other supplemental information section of this report.

Fiduciary funds are used to account for resources held by the government for the benefit of outside parties. Fiduciary funds are not reported in the government-wide financial statement because the fund's resources are not available to support the programs of the City. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Management's Discussion and Analysis

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This is limited to this management's discussion and analysis and the schedules for the pension and other postemployment benefit plans and budgetary information for the City's general fund and major special revenue funds.

The combining statements referred to earlier in connection with the nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Overall Financial Analysis

The following table shows, in a condensed format, the net position as of the current and prior years:

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	$ 314,984,272	$ 248,202,241	$ 11,386,668	$ 4,243,230	$ 326,370,940	$ 252,445,471
Capital assets, net	91,529,542	91,319,437	9,145,300	9,292,755	100,674,842	100,612,192
Total assets	406,513,814	339,521,678	20,531,968	13,535,985	427,045,782	353,057,663
Deferred outflows of resources	2,025,975	50,890,759	-	391,169	2,025,975	51,281,928
Liabilities						
Current and other liabilities	98,970,507	115,918,067	637,811	468,961	99,608,318	116,387,028
Long-term debt outstanding	7,611,524	8,807,480	-	-	7,611,524	8,807,480
Total liabilities	106,582,031	124,725,547	637,811	468,961	107,219,842	125,194,508
Deferred inflows of resources	31,915,843	1,165,954	330,497	20,919	32,246,340	1,186,873
Net position:						
Investment in capital assets	91,529,542	91,319,437	9,145,300	9,292,755	100,674,842	100,612,192
Restricted	253,239,847	239,473,682	2,313,708	2,219,753	255,553,555	241,693,435
Unrestricted (deficit)	(74,727,474)	(66,272,183)	8,104,652	1,924,766	(66,622,822)	(64,347,417)
Total net position	$ 270,041,915	$ 264,520,936	$ 19,563,660	$ 13,437,274	$ 289,605,575	$ 277,958,210

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $289,605,575 at the close of the most recent fiscal year. $100,674,842 of the City's net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure). The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the City's net position, $255,553,555, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $(66,622,822) is unrestricted and could be used to meet the government's ongoing obligations to its citizens and creditors.

The City's overall net position increased by $11,647,365 from the prior fiscal year. The reasons for the overall increase are discussed in the following sections for governmental activities and business-type activities.

Management's Discussion and Analysis

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance serves as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the Pontiac City Council.

At June 30, 2020, the City's governmental funds reported combined fund balances of $38,006,929 a decrease of $999,186 in comparison with the prior year. Approximately 27% of this amount, $10,319,848, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in a spendable form ($86,806), 2) restricted for particular purposes ($22,300,275), 3) committed for particular purposes ($3,200,000), or 4) assigned for particular purposes ($2,100,000).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $10,319,848, while total fund balance decreased to $15,653,727. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 31% of the total general fund expenditures, while total fund balance represents approximately 48% of that same amount.

The fund balance of the City's general fund for fiscal year 2020 was $15,653,727, a decrease of $2,931,284 from the prior fiscal year. The decrease was mainly due to an increase in the amounts due to other funds, as well as a transfer to the parking fund to purchase the Ottawa Towers buildings subsequent to year end.

The major street fund, a major fund, had a $1,426,183 increase in fund balance during the current fiscal year which increased the overall fund balance to $3,919,151. This increase was largely due to the COVID-19 pandemic causing delays in planned street construction projects.

The sanitation fund, a major fund, had a $377,260 increase in fund balance during the current fiscal year which increased the overall fund balance to $6,554,871. The increase in fund balance was due to an increase in the charges for services in the current year.

The district court fund, a major fund, had a $242 decrease in fund balance during the current fiscal year which decreased the fund balance to $1,245. This decrease was due to utilization of fund balance to cover the cost of operating expenditures during the year.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the parking fund at the end of the fiscal year was $19,563,660. The total increase in net position for the proprietary fund was $6,126,386 (parking fund is the only propriety fund of the City). This was primarily caused by a transfer of $7,000,000 from the general fund to the parking fund to purchase the Ottawa Towers buildings subsequent to year end.

Management's Discussion and Analysis

Governmental activities. During the current fiscal year, net position for governmental activities, increased $5,520,979 from the prior fiscal year for an ending balance of $270,041,915. This increase is primarily due to an increase in the City's GERS net pension asset and a decrease in the City's Police and Fire net pension liability and related deferred inflows and outflows of both plans by a net total of $5,174,472.

Business-type activities. The City's business-type activities consists of the parking fund. The City owns the Phoenix Center parking structure, which was the subject of litigation that was settled in November of 2018. As a result of the settlement, the City is obligated to repair the structure and provide routine maintenance. During the current fiscal year, net position for business-type activities increased by $6,126,386 from the prior fiscal year for an ending balance of $19,563,660. This is the result of a transfer of $7,000,000 from the general fund to the parking fund to purchase the Ottawa Towers buildings subsequent to year-end.

The following table shows the changes of the net position during the current year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	$ 5,509,728	$ 4,313,235	$ -	$ 520	$ 5,509,728	$ 4,313,755
Operating grants	15,233,133	12,928,077	-	-	15,233,133	12,928,077
Capital grants	295,281	1,130,030	-	-	295,281	1,130,030
General revenues:						
Property taxes	12,784,448	12,429,041	-	-	12,784,448	12,429,041
Income taxes	15,011,968	14,537,062	-	-	15,011,968	14,537,062
Unrestricted state shared revenues	9,280,554	10,013,232	-	-	9,280,554	10,013,232
Unrestricted investment earnings	982,416	871,598	46,453	47,975	1,028,869	919,573
Cable franchise fees	522,626	547,547	-	-	522,626	547,547
Other general revenues	-	266,744	-	-	-	266,744
State revenue	430,978	471,724	-	-	430,978	471,724
Total revenues	60,051,132	57,508,290	46,453	48,495	60,097,585	57,556,785
Expenses:						
General government	4,533,370	5,626,651	-	-	4,533,370	5,626,651
Public safety	24,391,148	16,650,436	-	-	24,391,148	16,650,436
Public works	15,913,176	10,098,286	-	-	15,913,176	10,098,286
Community development	1,027,548	(1,530,006)	-	-	1,027,548	(1,530,006)
Community and human services	397,735	348,277	-	-	397,735	348,277
Recreation and culture	1,266,612	1,635,114	-	-	1,266,612	1,635,114
Parking	-	-	920,631	359,468	920,631	359,468
Total expenses	47,529,589	32,828,758	920,631	359,468	48,450,220	33,188,226
Change in net position	5,520,979	24,679,532	6,126,386	(310,973)	11,647,365	24,368,559
Net position beginning of year	264,520,936	239,841,404	13,437,274	13,748,247	277,958,210	253,589,651
End of year	$ 270,041,915	$ 264,520,936	$ 19,563,660	$ 13,437,274	$ 289,605,575	$ 277,958,210

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the City had total indebtedness of $7,611,524.

The City's total indebtedness decreased by $1,195,956 during the current fiscal year primarily due to a $412,058 reduction in the TIFA financial guarantee and due to a $700,000 reduction in the Phoenix Center Settlement.

Presently, the City does not have any debt that is rated by any of the debt rating agencies related to governmental activities and business-type activities.

State statute limits the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the City is approximately $74 million.

Additional information on the City's long-term debt can be found in Note 7 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

- In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. As of the date of these financial statements, the outbreak has negatively impacted economic markets, business operations and the provision of many governmental services. Management anticipates the pandemic will have a negative impact on the City with respect to financial operations and investment results; however, the extent of the impact is uncertain and cannot be reasonably predicted at this time.

- The City's largest source of revenue is local income tax. Income tax revenue continues to outpace budget assumptions. The City's second largest source of revenue is from City, Village, and Township revenue sharing. City property tax collections are the third largest source of revenue for Pontiac.

- Significant new construction projects are in the process of being developed in the City, mainly funded by the gas and weight tax and a prior year transfer from the general fund's accumulated fund balance.

- Because of improving economic conditions, sales prices in the housing market are steadily increasing.

- The City is significantly reducing the number of dilapidated housing units in the City through a strong demolition program of dangerous structures.

Effective September 1, 2013, the City received permission from the State Treasurer to temporarily modify collective bargaining agreements by eliminating the City's responsibility to provide and fund health insurance, life insurance, optical insurance, hearing insurance, and dental insurance benefits for its retirees for two years or the period of receivership, whichever is longer. A group of retirees sued the City and sought a temporary restraining order, which was denied by the federal District Court, but later remanded after a hearing by the full 6th Circuit Court of Appeals. In addition, the City received permission from the State Treasurer to temporarily suspend contributions to the Police and Fire Retiree Prefunded Group Health and Insurance Trust during the period of receivership. This action is also subject of litigation (see Note 17).

As of November 2018, the City and the Retirees Association (CPREA) have entered into a tentative settlement agreement (that was approved by the Pontiac City Council and District Court). If approved by the IRS, the settlement will resolve the City's obligation to provide health insurance to those retirees through a creation of a new VEBA utilizing a portion of assets from the General Employees Retirement system and all assets of the Police and Fire VEBA system. The City's initial contribution to the new VEBA created by this settlement will be $4,250,000 less any awards against the City in the Board of Trustees Police and Fire VEBA vs City of Pontiac litigation.

Management's Discussion and Analysis

General Fund Budgetary Highlights

Original budget compared to final budget. Over the course of the year, the City amended the budget to take into account events during the year. The significant portion of which was for the use of unused appropriations for capital outlay from the previous fiscal year, and to amend the budget to purchase the Ottawa Towers buildings.

Final budget compared to actual results. The most significant differences between estimated and actual amounts were as follows:

- Total revenues exceeded the final budget by $960,848 which is mostly due to property tax collections exceeding the final budget estimates by $363,352 and income tax collections, net of refunds, exceeding final budget estimates by $613,367. Additionally, interest and rental revenue exceeded the final budget estimates by $725,305 as a result of increased City equipment rentals and increased investment income. Finally, State Shared Revenue came in $1,084,560 under budget due to the elimination of the June City, Village, and Township Revenue Sharing (CVTRS) distribution, which was replaced by the CARES Act funding in July 2020.

- Total expenditures came in $5,252,684 less than budgeted. Significant savings resulted from less than anticipated expenditures for the following:
  - The general government function other services and charges expenditures were less than anticipated. Expenditures were about $939k less than budget mainly due to the COVID-19 pandemic, as well as delays in medical marijuana application processing.
  - Public safety function came in about $263k less than budget mainly due to decreased public safety costs from Oakland County.
  - Public works function was about $242k less than budget, mainly due to a decrease in drain maintenance costs from Oakland County.
  - Community and economic development function was about $590k under budget at the end of the fiscal year. This decrease was due to a combination of factors. Due to the COVID-19 pandemic, certain projects were delayed and salaries and wages came in under budget. Additionally, TIFA contributions from the general fund were less than budgeted due to higher than anticipated property tax captures.
  - Recreation and culture function was about $3.2M less than budget, mainly due to the City not purchasing the Pontiac Youth Recreation Center that was budgeted for.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to $100,674,842 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery and equipment, vehicles, and infrastructure.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 25,105,058	$ 25,105,058	$ 3,042,537	$ 3,042,537	$ 28,147,595	$ 28,147,595
Construction in progress	2,965,883	3,232,385	417,405	-	3,383,288	3,232,385
Streets and bridges	61,574,953	61,084,399	-	-	61,574,953	61,084,399
Buildings and improvements	637,135	740,269	5,685,358	6,250,218	6,322,493	6,990,487
Machinery and equipment	830,043	645,391	-	-	830,043	645,391
Vehicles	248,719	326,624	-	-	248,719	326,624
Land improvements	167,751	185,311	-	-	167,751	185,311
Total	$ 91,529,542	$ 91,319,437	$ 9,145,300	$ 9,292,755	$ 100,674,842	$ 100,612,192

Additional information on the City's capital assets can be found in Note 5 of the financial statements.

Management's Discussion and Analysis

On July 31, 2019, a judgement was entered regarding the FY 2012 annual contribution of $3,473,923 in the Board of Trustees Police and Fire VEBA vs City of Pontiac litigation. The City was directed to pay the FY 2012 contribution of $3,473,923 plus interest of $600,052 for a total award of $4,073,975 to the VEBA. The City and the VEBA entered into a settlement on October 31, 2019 which would offset the receivables owed from the VEBA to the City as of October 31, 2019 against the award of $4,073,975 and prospectively monies the VEBA will be indebted to the City relating to insurance premium payments until the $4,073,975 was paid in full. In addition, the award in the VEBA case of $4,073,975 would offset the initial contribution of $4,250,000 mandated in the settlement of the Retired Employees Association vs City of Pontiac case, with the difference of $176,025 owed at the time of the creation of the new VEBA if approved by the IRS. As of June 30, 2020, the entire amount of $4,073,975 has been applied toward insurance premiums. The creation of the new VEBA is still pending IRS approval.

Requests for Information

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Finance Director at Pontiac City Hall, 47450 Woodward Ave., Pontiac, Michigan, 48342.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
Assets				
Cash and investments	$ 39,737,169	$ 6,323,548	$ 46,060,717	$ 422,048
Receivables, net	11,452,460	1,516	11,453,976	144,013
Internal balances	(2,417,399)	2,417,399	-	-
Other assets	5,519,896	-	5,519,896	-
Restricted assets	2,051,291	-	2,051,291	-
Capital assets not being depreciated	28,070,941	3,459,942	31,530,883	-
Capital assets being depreciated, net	63,458,601	5,685,358	69,143,959	-
Net pension asset	253,938,828	2,644,205	256,583,033	-
Net other postemployment benefit asset	4,702,027	-	4,702,027	-
Total assets	406,513,814	20,531,968	427,045,782	566,061
Deferred outflows of resources				
Deferred charge on refunding	-	-	-	469,064
Deferred pension amounts	1,835,294	-	1,835,294	-
Deferred other postemployment benefit amounts	190,681	-	190,681	-
Total deferred outflows of resources	2,025,975	-	2,025,975	469,064
Liabilities				
Accounts payable and accrued liabilities	9,784,023	239,406	10,023,429	145,340
Unearned revenue	392,073	-	392,073	
Long-term liabilities:				
Due within one year	1,516,102	-	1,516,102	1,470,000
Due in more than one year	6,095,422	-	6,095,422	16,910,000
Financial guarantee	-	-	-	5,275,807
Net pension liability (due in more than one year)	19,870,386	-	19,870,386	-
Net other postemployment benefit liability (due in more than one year)	68,924,025	398,405	69,322,430	-
Total liabilities	106,582,031	637,811	107,219,842	23,801,147
Deferred inflows of resources				
Deferred pension amounts	31,915,843	330,497	32,246,340	-
Net position				
Investment in capital assets	91,529,542	9,145,300	100,674,842	-
Restricted for:				
Roads	7,642,223	-	7,642,223	-
Drug enforcement	212,052	-	212,052	-
Capital projects	2,293,058	-	2,293,058	-
Sanitation	4,473,337	-	4,473,337	-
Senior activities	1,005,379	-	1,005,379	-
Community development	30,335	-	30,335	-
Home buyers assistance	3,638	-	3,638	-
Youth recreation	444,378	-	444,378	-
Cable television	1,210,822	-	1,210,822	-
Telecommunications	30,972	-	30,972	-
Building inspection	3,082,769	-	3,082,769	-
Pension benefits	227,918,176	2,313,708	230,231,884	-
Other postemployment benefits	4,892,708	-	4,892,708	-
Unrestricted (deficit)	(74,727,474)	8,104,652	(66,622,822)	(22,766,022)
Total net position (deficit)	$ 270,041,915	$ 19,563,660	$ 289,605,575	$ (22,766,022)

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

Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	$ 4,533,370	$ 1,346,905	$ 2,676,714	$ -	$ (509,751)
Public safety	24,391,148	399,268	4,402,796	-	(19,589,084)
Public works	15,913,176	3,593,914	7,872,447	295,281	(4,151,534)
Community development	1,027,548	131,143	274,909	-	(621,496)
Community and human services	397,735	-	-	-	(397,735)
Recreation and culture	1,266,612	38,498	6,267	-	(1,221,847)
Total governmental activities	47,529,589	5,509,728	15,233,133	295,281	(26,491,447)
Business-type activities - Parking fund	920,631	-	-	-	(920,631)
Total primary government	$ 48,450,220	$ 5,509,728	$ 15,233,133	$ 295,281	$ (27,412,078)
Component units					
Tax Increment Financing Authority	$ 1,585,011	$ 50,000	$ 622,500	$ -	$ (912,511)

continued...

This page intentionally left blank.

CITY OF PONTIAC, MICHIGAN

Statement of Activities
For the Year Ended June 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
Changes in net position				
Net expense	$ (26,491,447)	$ (920,631)	$ (27,412,078)	$ (912,511)
General revenues				
Property taxes	12,784,448	-	12,784,448	1,452,433
Income taxes	15,011,968	-	15,011,968	-
State-shared revenue (unrestricted)	9,280,554	-	9,280,554	-
Unrestricted investment earnings	982,416	46,453	1,028,869	-
Cable franchise fees	522,626	-	522,626	-
State revenue	430,978	-	430,978	236,599
Transfers	(7,000,564)	7,000,564	-	-
Total general revenues and transfers	32,012,426	7,047,017	39,059,443	1,689,032
Change in net position	5,520,979	6,126,386	11,647,365	776,521
Net position, beginning of year	264,520,936	13,437,274	277,958,210	(23,542,543)
Net position, end of year	$ 270,041,915	$ 19,563,660	$ 289,605,575	$ (22,766,022)

concluded.

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

Balance Sheet
Governmental Funds
June 30, 2020

	General	Major Streets	Sanitation
Assets			
Cash and investments	$ 16,350,507	$ 3,835,869	$ 4,277,096
Accounts receivable, net	425,477	165,226	111,168
Taxes receivable, net	6,302,492	-	394,975
Interest receivable	271,346	385	14,611
Due from other governments	744,032	750,998	-
Due from other funds	3,899,663	-	-
Prepaids	33,879	-	-
Restricted assets	-	-	2,051,291
Total assets	$ 28,027,396	$ 4,752,478	$ 6,849,141
Liabilities			
Accounts payable	$ 3,192,878	$ 667,888	$ 253,825
Accrued wages	140,610	14,815	1,070
Unearned revenue	-	-	-
Due to other governments	713,364	-	28,228
Due to other funds	2,417,399	-	-
Deposits payable	2,713,861	-	-
Total liabilities	9,178,112	682,703	283,123
Deferred inflows of resources			
Unavailable revenue - taxes and due from other governments	3,195,557	150,624	11,147
Fund balances			
Nonspendable	33,879	-	-
Restricted	-	3,919,151	6,554,871
Committed	3,200,000	-	-
Assigned	2,100,000	-	-
Unassigned	10,319,848	-	-
Total fund balances	15,653,727	3,919,151	6,554,871
Total liabilities, deferred inflows of resources and fund balances	$ 28,027,396	$ 4,752,478	$ 6,849,141

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

FUND FINANCIAL STATEMENTS

This page intentionally left blank.

District Court	Nonmajor Governmental Funds	Totals
$ 532,651	$ 12,794,036	$ 37,790,159
-	35,259	737,130
-	270,405	6,967,872
-	9,731	296,073
-	228,669	1,723,699
-	-	3,899,663
1,245	51,682	86,806
-	-	2,051,291
$ 533,896	$ 13,389,782	$ 53,552,693
$ 9,779	$ 1,071,844	$ 5,196,214
77,716	23,563	257,774
-	392,073	392,073
-	15,280	756,872
369,579	-	2,786,978
75,577	1,171	2,790,609
532,651	1,503,931	12,180,520
-	7,916	3,365,244
1,245	51,682	86,806
-	11,826,253	22,300,275
-	-	3,200,000
-	-	2,100,000
-	-	10,319,848
1,245	11,877,935	38,006,929
$ 533,896	$ 13,389,782	$ 53,552,693

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds
For the Year Ended June 30, 2020

	General	Major Streets	Sanitation
Revenues			
Property taxes and special assessments	$ 8,619,087	$ -	$ 1,904,314
Income taxes	14,801,727	-	-
Federal revenue	26,687	-	-
State revenue	9,610,145	6,055,457	84,511
Charges for services	1,102,369	-	1,906,687
Fines and forfeitures	8,000	-	-
Licenses and permits	696,781	-	-
Interest and rental revenue	1,142,077	25,842	85,849
Other revenue	1,831,635	28,398	300
Total revenues	37,838,508	6,109,697	3,981,661
Expenditures			
Current:			
General government	5,945,107	-	-
District court	-	-	-
Public safety	20,843,177	-	-
Public works	2,315,942	4,683,514	3,604,401
Community and economic development	1,465,772	-	-
Community and human services	-	-	-
Recreation and culture	460,911	-	-
Retiree fringe benefits	1,846,111	-	-
Capital outlay	-	-	-
Total expenditures	32,877,020	4,683,514	3,604,401
Revenues over (under) expenditures	4,961,488	1,426,183	377,260
Other financing sources (uses)			
Transfers in	296,752	-	-
Transfers out	(8,189,524)	-	-
Total other financing sources (uses)	(7,892,772)	-	-
Net changes in fund balances	(2,931,284)	1,426,183	377,260
Fund balances, beginning of year	18,585,011	2,492,968	6,177,611
Fund balances, end of year	$ 15,653,727	$ 3,919,151	$ 6,554,871

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

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2020

Fund balances - total governmental funds	$ 38,006,929
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	28,070,941
Capital assets being depreciated, net	63,458,601
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows in the governmental funds and, therefore, are not included in fund balance.	3,365,244
Certain pension and other postemployment benefit-related amounts, such as the net pension and other postemployment benefit assets/liabilities and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(19,870,386)
Net pension asset	253,938,828
Net other postemployment benefit liability	(68,924,025)
Net other postemployment benefit asset	4,702,027
Deferred outflows related to the net pension asset and liability	1,835,294
Deferred inflows related to the net pension asset and liability	(31,915,843)
Deferred outflows related to the net other postemployment benefit asset	190,681
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,394,555
Certain liabilities are not due and payable in the current period, and therefore are not recorded in the funds.	
Financial guarantee	(3,018,250)
Lawsuit settlement	(2,100,000)
Landfill closure and postclosure costs	(2,092,681)
Net position of governmental activities	$ 270,041,915

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

This page intentionally left blank.

	District Court	Nonmajor Governmental Funds	Totals
	$ -	$ 2,260,092	$ 12,783,493
	-	-	14,801,727
	-	-	26,687
	182,896	2,128,011	18,061,020
	662,623	216,178	3,887,857
	934,452	37,213	979,665
	-	4,109,956	4,806,737
	1,585	166,353	1,421,706
	-	764,675	2,625,008
	1,781,556	9,682,478	59,393,900
	-	774,101	6,719,208
	2,930,983	-	2,930,983
	-	2,229,112	23,072,289
	-	3,280,487	13,884,344
	-	-	1,465,772
	-	397,735	397,735
	-	860,218	1,321,129
	-	-	1,846,111
	-	1,754,951	1,754,951
	2,930,983	9,296,604	53,392,522
	(1,149,427)	385,874	6,001,378
	1,188,960	18,023	1,503,735
	(39,775)	(275,000)	(8,504,299)
	1,149,185	(256,977)	(7,000,564)
	(242)	128,897	(999,186)
	1,487	11,749,038	39,006,115
	$ 1,245	$ 11,877,935	$ 38,006,929

Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities	Governmental Activities
	Parking Enterprise Fund	Internal Service Funds
Assets		
Current assets:		
Cash and investments	$ 6,323,548	$ 1,947,010
Accounts receivable	-	1,727,686
Due from other funds	2,417,399	-
Interest receivable	1,516	-
Prepaids	-	5,433,090
Total current assets	8,742,463	9,107,786
Noncurrent assets:		
Capital assets not being depreciated	3,459,942	-
Capital assets being depreciated, net	5,685,358	-
Net pension asset	2,644,205	-
Total noncurrent assets	11,789,505	-
Total assets	20,531,968	9,107,786
Liabilities		
Current liabilities:		
Accounts payable	239,406	40,284
Accrued liabilities	-	742,270
Due to other funds	-	3,530,084
Current portion of compensated absences	-	249,633
Total current liabilities	239,406	4,562,271
Noncurrent liabilities:		
Net other postemployment benefit liability	398,405	-
Compensated absences	-	150,960
Total noncurrent liabilities	398,405	150,960
Total liabilities	637,811	4,713,231
Deferred inflows of resources		
Deferred pension amounts	330,497	-
Net position		
Investment in capital assets	9,145,300	-
Restricted for pension benefits	2,313,708	-
Unrestricted	8,104,652	4,394,555
Total net position	$ 19,563,660	$ 4,394,555

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

Reconciliation
Net Changes in Fund Balances of Governmental Funds
to Changes in Net Position of Governmental Activities
For the Year Ended June 30, 2020

Net changes in fund balances - total governmental funds	$ (999,186)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital assets purchased/constructed	4,870,295
Depreciation expense	(5,525,270)
Revenues recorded in the statement of activities in the prior year that did not provide current financial resources are reported as revenues in the funds in the current year.	497,998
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in net other postemployment benefit asset/liability and related deferred amounts	(634,147)
Change in net pension asset/liability and related deferred amounts	5,174,472
Change in financial guarantee	412,058
Change in landfill closure and postclosure liability	83,707
Change in accrual for lawsuit settlement	700,000
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The change in the net position of the internal service funds is reported with governmental activities.	941,052
Change in net position of governmental activities	$ 5,520,979

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

This page intentionally left blank.

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities	Governmental Activities
	Parking Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for services	$ -	$ 4,816,680
Other revenue	-	622,894
Total revenues	-	5,439,574
Operating expenses		
Insurance	-	4,388,890
Operating and maintenance costs	321,577	-
Reduction in other post employment benefit obligation liability	34,194	-
Workers' compensation expense	-	128,145
Depreciation	564,860	-
Miscellaneous expense	-	3,206
Total operating expenses	920,631	4,520,241
Operating income (loss)	(920,631)	919,333
Nonoperating revenues		
Interest income	46,453	21,719
Income (loss) before transfers	(874,178)	941,052
Other financing sources		
Transfers in	7,000,564	-
Change in net position	6,126,386	941,052
Net position, beginning of year	13,437,274	3,453,503
Net position, end of year	$ 19,563,660	$ 4,394,555

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities: Parking Enterprise Fund	Governmental Activities: Internal Service Funds
Cash flows from operating activities		
Cash payments to suppliers	$ (2,698,275)	$ (6,112,877)
Cash payments to employees	-	(2,122)
Cash received from interfund services	-	5,300,530
Net cash used by operating activities	(2,698,275)	(814,469)
Cash flows from noncapital financing activities		
Transfers in	7,000,564	-
Cash flows from investing activities		
Interest income received	47,969	21,719
Cash flows from capital and related financing activities		
Purchase of capital assets	(417,405)	-
Net change in cash and investments	3,932,853	(792,750)
Cash and investments, beginning of year	2,390,695	2,739,760
Cash and investments, end of year	$ 6,323,548	$ 1,947,010
Reconciliation of operating income (loss) to net cash used by operating activities		
Operating income (loss)	$ (920,631)	$ 919,333
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation expense	564,860	-
Change in:		
Accounts receivable	-	(235,119)
Due from other governments	-	99,281
Due from other funds	(2,417,399)	-
Prepaids	-	(637,719)
Net pension asset	(794,702)	-
Deferred outflows of resources related to the pension asset	391,169	-
Accounts payable	134,656	(4,103,415)
Accrued liabilities	-	(384,792)
Accrued wages	-	(1,931)
Due to other funds	-	3,530,084
Net other postemployment benefit liability	34,194	-
Compensated absences	-	(191)
Deferred inflows of resources related to the pension asset	309,578	-
Net cash used by operating activities	$ (2,698,275)	$ (814,469)

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

Statement of Fiduciary Net Position
Fiduciary Funds

	December 31, 2019: Fiduciary Component Units	June 30, 2020: Custodial Funds
Assets		
Cash and cash equivalents	$ 3,604,582	$ 52,995
Investments at fair value:		
U.S. government obligations and agencies	1,122,881	-
Government agency notes and debentures	59,059,718	-
Mortgage-backed securities	1,782,482	-
Collateralized mortgage obligations	303,714	-
U.S government securities	15,474,573	
U.S government mortgage-backed securities	31,033,914	-
Commercial mortgage pools	1,402,287	-
Asset-backed securities	700,568	-
Corporate and other bonds	53,775,513	-
Foreign bonds and notes	122,316	-
Limited partnerships	94,507,816	-
Domestic stock	132,787,793	-
Short-term investments	21,773,547	-
Equities	26,442,603	-
Domestic equities	260,285,906	-
Private equities	11,310,245	-
Foreign equities	40,585,162	-
Real estate	18,201,983	-
Real estate investment trusts	1,295,289	-
Accrued interest and dividends receivable	1,596,544	-
Contributions receivable	1,148,731	-
Other receivables	13,846	-
Due from other governments	-	684
Due from Police and Fire Retirement System VEBA	87,798	-
Total assets	778,419,811	53,679

continued...

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

	December 31, 2019 Fiduciary Component Units	June 30, 2020 Custodial Funds
Additions		
Investment income:		
Interest and dividend income	$ 13,335,881	$ -
Net increase in fair value	116,701,713	-
Less investment expenses	(3,335,127)	-
Net investment loss	126,702,467	-
Contributions -		
Employer	2,133,428	-
Taxes collected for other governments	-	20,338,659
Court collections	-	904,303
Miscellaneous and litigation revenue	62,313	-
Total additions	128,898,208	21,242,962
Deductions		
Retirees' pension benefits	48,701,156	-
Retiree health benefit payments	2,614,513	-
Administrative expenses	1,038,309	-
Payments of taxes to other governments	-	20,338,659
Court distributions	-	904,303
Total deductions	52,353,978	21,242,962
Change in net position	76,544,230	-
Net position, beginning of year	700,658,375	-
Net position, end of year	$ 777,202,605	$ -

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

Statement of Fiduciary Net Position

Fiduciary Funds

	December 31, 2019 Fiduciary Component Units	June 30, 2020 Custodial Funds
Liabilities		
Due to City of Pontiac	$ 72,778	$ -
Due to Police and Fire Retirement System	87,798	-
Due to brokers	66,691	-
Accounts payable and other	989,939	-
Due to other governments	-	3,419
Deposits payable	-	50,260
Total liabilities	1,217,206	53,679
Net position restricted for		
Pension benefits	733,753,719	-
Other postemployment benefits	43,448,886	-
Total net position	$ 777,202,605	$ -

concluded.

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

CITY OF PONTIAC, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended June 30, 2020

	Tax Increment Finance Authority	Brownfield Redevelopment Authority	Totals
Expenses			
Commercial and industrial development	$ 1,200	$ -	$ 1,200
Financial guarantee	622,500	-	622,500
Interest on long-term debt	961,311	-	961,311
Total expenses	1,585,011	-	1,585,011
Program revenues			
Charges for services	50,000	-	50,000
Operating grants and contributions	622,500	-	622,500
Total program revenues	672,500	-	672,500
Net program expense	(912,511)	-	(912,511)
General revenues			
Property taxes	1,414,632	37,801	1,452,433
State revenue	236,599	-	236,599
Total general revenues	1,651,231	37,801	1,689,032
Change in net position	738,720	37,801	776,521
Net position (deficit), beginning of year	(23,809,761)	267,218	(23,542,543)
Net position (deficit), end of year	$ (23,071,041)	$ 305,019	$ (22,766,022)

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

CITY OF PONTIAC, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units
June 30, 2020

	Tax Increment Finance Authority	Brownfield Redevelopment Authority	Totals
Assets			
Cash and investments	$ 149,775	$ 272,273	$ 422,048
Receivables, net	111,235	32,778	144,013
Total assets	261,010	305,051	566,061
Deferred outflows of resources			
Deferred charge on refunding	469,064	-	469,064
Liabilities			
Accounts payable and accrued liabilities	145,308	32	145,340
Long-term liabilities:			
Due within one year	1,470,000	-	1,470,000
Due in more than one year	16,910,000	-	16,910,000
Financial guarantee	5,275,807	-	5,275,807
Total liabilities	23,801,115	32	23,801,147
Net position			
Unrestricted (deficit)	$ (23,071,041)	$ 305,019	$ (22,766,022)

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

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Pontiac, Michigan (the "City") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the 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). Following is a summary of the significant policies:

Reporting Entity

The City of Pontiac, Michigan was incorporated on March 15, 1861 and operated under a council-strong mayor form of government until March 19, 2009 when an Emergency Financial Manager was appointed. Starting in early 2000's, the City's general fund began having a structural deficit that eventually prompted a preliminary review of the City's financial condition by the State of Michigan on July 31, 2007 in accordance with Section 12(1) of Public Act 72 of 1990. The State concluded from the review that a serious financial problem did exist and ultimately appointed an Emergency Manager to run the City on March 19, 2009. This Emergency Manager served until June 30, 2010. A second Emergency Manager was appointed and served from July 4, 2010 to September 8, 2011. A third Emergency Manager was appointed on September 12, 2011. On August 19, 2013, the Emergency Manager appointed a City Administrator to manage the day-to-day operations of the City (Order S-332), issued a final order, (Order S-334), (which was later amended), and submitted his resignation to the governor who appointed a Receivership Transition Advisory Board (RTAB) in accordance with Public Act 436 of 2012 to monitor the operations of the City. As of April 30, 2016, the City Administrator position was eliminated and the State relinquished most of the control to the local officials. The State of Michigan, through the RTAB, retained control and final say over major litigation cases and contracts in excess of $500,000 as well as all budget amendments. On August 1, 2017, the State's Treasury Department announced that the Pontiac Receivership Transition Advisory Board would be dissolved and that effective immediately, city officials would once again have full power over Pontiac's internal operations and finances. Currently, the City directly manages and staffs treasury, city clerk, human resources, finance, executive offices, purchasing operations, and parts of DPW operations while other major functions and responsibilities of the City have been subcontracted with other government agencies or private service providers. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

Discretely Presented Component Units

The Tax Increment Financing Authority (TIFA) was created to promote economic growth and business development within the community. The TIFA's governing body consists of not less than 7 or more than 13 persons appointed by the mayor, subject to the approval of the City Council. A member shall hold office until the member's successor is appointed. An appointment to fill a vacancy shall be made by the mayor for the unexpired term only. Internally prepared financial statements for the TIFA can be obtained from the City of Pontiac finance department at 47450 Woodward, Pontiac, Michigan 48342.

The Brownfield Redevelopment Authority was created to remediate contaminated properties located within the City of Pontiac and to promote economic growth for these properties through the use of captured property taxes. The properties included are listed as contaminated by the Environmental Protection Agency. Each authority shall be under the supervision and control of a board chosen by the governing body (City Council). The governing body may by majority vote designate the trustees of the board of the Tax Increment Financing Authority as the Brownfield Redevelopment Board, which City Council did by resolution on December 18, 1997. Internally prepared financial statements for the Brownfield Redevelopment Authority can be obtained from the City of Pontiac finance department at 47450 Woodward, Pontiac, Michigan 48342.

NOTES TO FINANCIAL STATEMENTS

Fiduciary Component Units

The following pension and other postemployment benefit plans are legally separate from the City and are included as fiduciary component units either because the City is financially accountable (GERS) or because it would be misleading to exclude the plans (PFRS and PFVEBA). Since these component units are fiduciary in nature, they are included only in the fund financial statements and are excluded from the government-wide financial statements.

The *General City Employees' Retirement System* (GERS) (the System) is a single-employer defined benefit pension plan that covers substantially all employees of the City, except police and fire employees. The system provides retirement benefits, as well as death and disability benefits.

The *Police and Fire Retirement System* (PFRS) is a single-employer defined benefit pension plan that covers all police and fire employees of the City. PFRS provides retirement benefits, as well as death and disability benefits.

The *Police and Fire Retirement System VEBA* (PFVEBA) was established as an irrevocable prefunded group health and insurance trust fund for health, optical, dental, and life insurance benefits for retirees who are members of the Police and Fire Retirement System of the City of Pontiac, and who retired on or after August 22, 1996.

All funds are shown for the year ended June 30, 2020, except for the fiduciary component units, which are shown for the year ended December 31, 2019.

Government-wide and Fund Financial Statements

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. For the most part, the effect of interfund activity has been removed from these financial statements. *Governmental activities,* normally supported by taxes and intergovernmental revenue, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 revenues* includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenues.*

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 are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, fiduciary funds, and component unit financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, some property taxes and income taxes will be collected after the period of availability; receivables have been recorded for these, along with an “unavailable revenue” deferred inflows of resources.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The City reports the following major governmental funds:

General fund. The general fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

Major streets special revenue fund. The major streets fund receives allocations of State collected gasoline taxes and license fees to be used for the maintenance, repair, and construction of streets and bridges within the City.

Sanitation special revenue fund. Under authority of State law, the City levies a special property tax levy earmarked to support the cost of operating a weekly rubbish collection and disposal service. This fund accounts for the tax levy proceeds, household rubbish fees, and host fees. It also records the expenditures for rubbish collection, hauling and disposal, recycling, composting, and trash cleanup.

District court special revenue fund. The district court fund accounts for receipts and disbursements directly related to the operations of the district court. The financial resources of this fund are committed for district court operations.

The City reports the following major proprietary fund:

Parking fund. The parking fund accounts for the activities of City-owned parking structures and lots. Funding was provided mostly through user charges in prior years. The City is currently rehabilitating the parking structure, so there were no user fees in the current year, rather a transfer from the General Fund.

Notes to Financial Statements

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is generally allocated to each fund using a weighted average method.

Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that result from the allocation of available cash balances at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The City has set cash aside for the future closure and post-closure care for the landfill. These assets have been classified as restricted assets in the sanitation fund.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than $50,000 for buildings and building improvements, $25,000 for land improvements, $20,000 for vehicles and $10,000 for all other assets when valued individually and have an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

Buildings, land improvements, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Years
Streets and bridges	20-50
Land improvements	10-45
Building and improvements	5-50
Machinery and equipment	5-20
Vehicles	6
Furniture and fixtures	5-10
Water and sewer systems	25-100
Street and traffic signs	10

Notes to Financial Statements

Additionally, the City reports the following fund types:

Special revenue funds. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital project funds. Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Internal service funds. Internal service funds account for risk management services and insurance benefits provided to other departments of the City on a cost-reimbursement basis and accrued sick and vacation time.

Custodial funds. The custodial funds account for assets held by the City in a custodial capacity for other governments and entities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

Property Tax Revenue

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31 and are payable in two installments. Summer taxes are considered delinquent on September 1, at which time penalties and interest are assessed. Winter taxes are considered delinquent on February 15 of the following year, at which time a 3 percent penalty is assessed. Summer and winter taxes (including any penalty and interest) are turned over to Oakland County for collection.

The City of Pontiac 2019 tax is levied and collectible on July 1, 2019 and is recognized as revenue in the year ended June 30, 2020, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2019 taxable valuation of the City of Pontiac totaled approximately $731 million (a portion of which is abated and a portion of which is captured by the TIFA and Brownfield), on which taxes levied consisted of 11.1699 mills for operating purposes, 2.7923 mills for refuse collection and disposal, 1.3961 mills for capital improvement, 1.4862 for youth recreation, and .4954 mill for senior activities. This resulted in $7.47 million for operating, $1.87 million for refuse collection and disposal, $0.94 million for capital improvement, $0.99 million for youth recreation, and $0.33 million for senior activities. These amounts are recognized in the respective general fund, special revenue funds, and capital projects fund financial statements as property tax revenue.

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for its pension and postemployment benefit plans as well as for the deferred charge on refunding. A deferred refunding charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. The City funded the liability in the sick and vacation internal service fund through contributions from the general fund and court fund in the prior year.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources related to pension. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A resolution by the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has delegated the authority to assign fund balance to the Finance Department. Unassigned fund balance is the residual classification for the general fund.

Notes to Financial Statements

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the 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.

Use of Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Construction Code Fees

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. The City accounts for construction code activity in the building inspection special revenue fund.

3. DEPOSITS AND INVESTMENTS

The following is a reconciliation of deposits and investment balances for the primary government and the component units of as June 30, 2020:

	Primary Government	Component Units	Total
Statement of net position			
Cash and investments	$ 46,060,717	$ 422,048	$ 46,482,765
Restricted assets	2,051,291	-	2,051,291
Statement of fiduciary net position			
Cash and cash equivalents	3,657,577	-	3,657,577
Investments	771,968,310	-	771,968,310
Total	$ 823,737,895	$ 422,048	$ 824,159,943

Bank deposits (demand accounts and certificates of deposit)	$ 34,177,262
Investments in securities, mutual funds and similar vehicles:	
Oakland County Local Government Investment Pool (LGIP)	13,015,433
Money markets	1,389,803
General Employees' Retirement System	512,246,216
Police and Fire Retirement System	220,814,726
Police and Fire Retirement System VEBA	42,511,950
Cash on hand	4,553
	$ 824,159,943

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the State of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension and other employee benefit fiduciary component units are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed $250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated 10 banks for the deposit of its funds. The City's deposits and investment policies are in accordance with statutory authority.

The General Employees' Retirement System (GERS) has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all allowable investments under Michigan Public Act 347 of 2012, as amended. The GERS's deposits and investment policies are in accordance with statutory authority.

The Police and Fire Retirement System (PFRS) has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all allowable investments under Michigan Public Act 314 of 1965. The PFRS's deposits and investment policies are in accordance with statutory authority.

The Police and Fire Retirement System VEBA (PFVEBA) has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in mutual or commingled funds, but not the remainder of state statutory authority as listed above. The PFVEBA's deposits and investment policies are in accordance with statutory authority.

The City and the pension and other employee benefit fiduciary component units' cash and investments are subject to several types of risk, which are examined in more detail below. The following information includes the General Employees' Retirement System, Police and Fire Retirement System, and Police and Fire Retirement System VEBA balances as of December 31, 2019 because these funds are maintained on a calendar year basis.

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

City - State law does not require and the City does not have a deposit policy for custodial credit risk. At year end, the City had $34,596,346 of bank deposits (certificates of deposit, checking, and savings accounts) of which $1,705,097 was covered by federal deposit insurance and $2,051,291 was collateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

General Employees' Retirement System - The GERS does not have a deposit policy for custodial credit risk. At year end, the GERS had no bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The GERS continues to evaluate each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Police and Fire Retirement System - The PFRS does not have a deposit policy for custodial credit risk. At year end, the PFRS had $771,155 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The PFRS believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the PFRS evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Police and Fire Retirement System VEBA - The PFVEBA does not have a deposit policy for custodial credit risk. At year end, the PFVEBA had $1,913,310 of bank deposits (checking account) that were uninsured and uncollateralized.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

City - The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2020, none of the City's investments were exposed to risk since the securities are held in the City's name by the counterparty.

Notes to Financial Statements

Police and Fire Retirement System VEBA - The PFVEBA's investment policy does not restrict investment maturities. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity (years)
Corporate:		
Asset-backed	$ 700,568	8.32
Bonds	1,369,779	6.17
Collateralized mortgage obligations	303,714	27.12
Foreign bonds	122,316	2.72
U.S. government:		
Mortgage-backed	1,782,482	26.10
Treasuries, notes and bonds	1,122,881	6.78

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations.

City - The City has no investment policy that would further limit its investment choices. As of year end, the credit quality rating of debt securities and money market funds are as follows:

Investment	Fair Value	Rating	Rating Organization
Oakland County LGIP	$ 13,015,433	Not rated	n/a
Money markets	1,389,803	Not rated	n/a

Notes to Financial Statements

Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates.

City - The City's investment policy states that no more than 25 percent of the portfolio be invested beyond 12 months, and the weighted average maturity of the portfolio shall never exceed one year. The total portfolio, including cash, is in compliance with the City policy. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity (years)
Oakland County LGIP	$ 13,015,433	0.92

General Employees' Retirement System - The GERS's investment policy does not restrict investment maturities. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity (years)
Asset-backed securities	$ 31,133	2.62
Commercial mortgage pools	1,376,847	26.18
Corporate bonds	30,336,279	7.95
Government agencies	5,657,061	9.50
Government bonds	43,672,045	6.78
Government mortgage-backed securities	30,387,801	21.61
Municipal/provincial bonds	9,699,479	2.93
Nongovernment-backed CMOs	25,441	15.41

Police and Fire Retirement System - The PFRS's investment policy restricts the average duration of an actively managed portfolio to not differ from the benchmark duration by more than 25 percent. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity (years)
U.S. government agencies	$ 5,593,631	0.99
U.S. government mortgage-backed securities	646,113	14.01
U.S. government treasury bonds	9,880,942	7.31
Corporate bonds	22,069,455	4.52

Notes to Financial Statements

Police and Fire Retirement System VEBA - The PFVEBA has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
Corporate:			
Asset-backed securities	$ 245,312	Aaa	Moody
Asset-backed securities	136,071	Aa1	Moody
Asset-backed securities	319,185	Not rated	n/a
Bonds	15,101	Aa1	Moody
Bonds	14,860	Aa2	Moody
Bonds	26,085	A1	Moody
Bonds	105,741	A2	Moody
Bonds	265,841	A3	Moody
Bonds	865,035	Baa1 and below	Moody
Bonds	77,116	Not rated	n/a
Collateralized mortgage obligations	154,316	Aaa	Moody
Collateralized mortgage obligations	34,735	Aa1	Moody
Collateralized mortgage obligations	73,356	Aa2	Moody
Collateralized mortgage obligations	41,307	Aa3	Moody
Foreign bonds	31,484	Aa2	Moody
Foreign bonds	30,203	Aa3	Moody
Foreign bonds	30,372	A2	Moody
Foreign bonds	30,257	Baa1 and below	Moody

Concentration of Credit Risk

City - The City's investment policy states that no more than 25 percent of the overall cash and investment portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury. At year end, there were no individual investments with a fair value that represent 25% or more of the City's investments.

General Employees' Retirement System - At year end, there were no individual investments with a fair value that represent 5% or more of the System's investments.

Police and Fire Retirement System - At year end, there were no individual investments with a fair value that represent 5% or more of the System's investments.

Police and Fire Retirement System VEBA - At year end, there were no individual investments with a fair value that represent 5% or more of the Trust's investments.

Notes to Financial Statements

General Employees' Retirement System - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The System's investment policy limits investments in domestic fixed-income securities; the overall quality rating of each high-grade portfolio must be BBB or an equivalent rating; for domestic equity investments, the securities must be the equivalent of Standard & Poor's A1 or Moody's P-1. As of year end, the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
Asset-backed securities	$ 16,721	Aaa	Moody's
Asset-backed securities	14,412	Unrated	n/a
Commercial mortgage-backed securities	1,024,646	Aaa	Moody's
Commercial mortgage-backed securities	90,628	Aa	Moody's
Commercial mortgage-backed securities	261,573	A	Moody's
Corporate bonds	199,589	Aaa	Moody's
Corporate bonds	665,754	Aa	Moody's
Corporate bonds	12,274,854	A	Moody's
Corporate bonds	16,371,463	Baa	Moody's
Corporate bonds	824,619	Unrated	n/a
Governmental agencies	5,202,792	Aaa	Moody's
Governmental agencies	454,269	Aa	Moody's
Government bonds	41,464,776	Aaa	Moody's
Short-term investment funds	14,732,011	Unrated	n/a
Municipal/Provincial bonds	1,363,081	Aaa	Moody's
Municipal/Provincial bonds	3,501,904	Aa	Moody's
Municipal/Provincial bonds	4,834,494	Unrated	n/a
Nongovernment-backed CMOs	25,441	Unrated	n/a

Police and Fire Retirement System - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The PFRS's investment policy limits investments rated in the top four major grades as determined by Standard & Poor's or Moody's. As of year end, the credit quality rating of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
Corporate bonds	$ 2,281,511	AA	S&P
Corporate bonds	14,014,907	A	S&P
Corporate bonds	5,773,037	BBB	S&P
Government agencies	5,593,631	AA	S&P

The Oakland County Local Government Investment Pool (LGIP) invests assets in a manner which will seek the highest investment return consistent with preservation of principal and meet the daily liquidity needs of participants. The Oakland County (LGIP) is not registered with the SEC and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool shares, since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost.

General Employees' Retirement System - The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System had the following recurring fair value measurements as of December 31, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2019
Debt securities:				
U.S. treasury securities	$ -	$ 43,672,045	$ -	$ 43,672,045
U.S. agencies	-	5,657,061	-	5,657,061
Municipal/provincial	-	9,699,479	-	9,699,479
Commercial mortgage backed	-	1,402,288	-	1,402,288
Residential mortgage backed	-	30,387,801	-	30,387,801
Corporate bonds	-	30,336,279	-	30,336,279
Asset backed	-	31,133	-	31,133
Equity securities:				
Common stock	245,349,970	-	-	245,349,970
Exchange-traded funds	427,282	-	-	427,282
Private equity funds	-	-	11,310,245	11,310,245
Total investments at fair value	$ 245,777,252	$ 121,186,086	$ 11,310,245	378,273,583
Investments measured at NAV				
International equities fund				40,721,353
Domestic equities fund				31,421,261
Real estate fund				46,358,376
Total investments at NAV				118,500,990
Total investments				$ 496,774,573

The fair value of Level 1 equity securities as of December 31, 2019 is valued using prices quoted in active markets for those securities. The fair value of short-term investment funds as of December 31, 2019 is valued at cost, which estimates fair value.

The fair value of debt securities at December 31, 2019 was determined primarily based on Level 2 inputs. The fair value of these investments is based on prices that have been evaluated by independent pricing services. Such evaluated prices (which is the value of the bond less accrued interest) may be determined by using inputs such as interest rates and yield curves that are observable at commonly quoted intervals, maturities, call features, and ratings, among other factors.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates.

City - The City does not have any securities subject to foreign currency risk.

General Employees' Retirement System - The pension system restricts the amount of investments in foreign currency-denominated investments to 10 percent of total pension system investments. At December 31, 2019, the only type of investments which were subject to foreign currency risk were equity investments. The total amount of equity investments which were subject to foreign currency risk at year end was $10,468,720. At year end, the System had a total foreign currency translation loss of $145,286 related to equity investments.

Security	Fair Value
Australian Dollar	$ 849,819
British Pound	1,691,752
Canadian Dollar	229,526
Danish Krone	495,950
European Euro	2,727,328
Hong Kong Dollar	1,174,899
Japanese Yen	501,512
Mexican Peso	377,519
Swedish Krona	461,999
Swiss Franc	1,958,416

Fair Value Measurements

City - The City categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the management's review of the type and substance of investments held by the City.

Investments in Entities that Calculate Net Asset Value per Share

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

At the year ended June 30, 2020, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County LGIP	$ 13,015,433	$ -	No restrictions	None

Notes to Financial Statements

Police and Fire Retirement System - The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Trust had the following recurring fair value measurements as of December 31, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2019
Debt securities:				
U.S. government securities	$ -	$ 15,474,573	$ -	$ 15,474,573
U.S. government mortgage-backed securities	-	646,113	-	646,113
Corporate bonds	-	22,069,455	-	22,069,455
Equity securities - common stock	69,827,358	-	-	69,827,358
Total investments at fair value	$ 69,827,358	$ 38,190,141	$ -	108,017,499
Investments measured at NAV				
Equities funds				62,960,435
Bond fund				8,351,002
Real estate funds				22,144,444
Limited partnerships				12,334,484
Total investments at NAV				105,790,365
Total investments				$ 213,807,864

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of debt securities at December 31, 2019 was determined primarily based on level 2 inputs. The fair value of these investments is based on prices that have been evaluated by independent pricing services. Such evaluated prices may be determined by using inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The Trust did not have any investments valued based on Level 3 inputs.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Equities fund	$ 62,960,435	$ -	Monthly	Up to 30 days
Bond fund	8,351,002	-	Monthly	15 days
Real estate funds	22,144,444	600,000	Quarterly	10 days
Limited partnership funds	12,334,484	778,795	Quarterly	10 days
	$ 105,790,365	$ 1,378,795		

Notes to Financial Statements

The fair value of private equity investments at December 31, 2019 was determined primarily based on Level 3 inputs. The System estimates the fair value of these investments based on a review of an independent auditor's report for each fund and each fund's General Partner's assessment of fair value. The General Partner's estimates may include the use of pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the underlying assets. Currently, there remains $5.9 million in unfunded commitments to these funds.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
International equities fund	$ 40,721,353	$ -	Daily/monthly	10 days
Domestic equities fund	31,421,261	-	Daily	10 days
Real estate fund	46,358,376	-	Monthly/ quarterly	10-180 days
	$ 118,500,990	$ -		

The international equities fund includes investments in mainly non-U.S. publicly traded equities and other assets. The fair values of the investments in this fund have been estimated using the net asset value per share of the investments.

The domestic equities fund includes investments in investment grade fixed-income securities issued by U.S. and non-U.S. agencies and other governments, corporate, and other issuers. The fair values of the investments in this fund have been estimated using the net asset value per share of the investments.

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

Notes to Financial Statements

The fair value of debt securities at December 31, 2019 was determined primarily based on Level 2 inputs. The fair value of these investments is based on prices that have been evaluated by independent pricing services. Such evaluated prices may be determined by using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The Trust did not have any investments determined primarily based on Level 3 inputs at December 31, 2019.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Bond fund	$ 3,789,308	$ -	Monthly	15 days
Limited partnerships	2,683,387	292,048	Quarterly	10 days
	$ 6,472,695	$ 292,048		

The bond fund is an investment in a fund that invest predominantly in U.S. and foreign government securities. The fair values of the investments in this fund have been estimated using the net asset value per share of the investments.

The limited partnership class includes investments predominantly in private debt. The fair values of the investments in these funds have been estimated using the net asset value per share of the investments.

In addition, the Trust has an investment for approximately $988,134 reported at amortized cost in accordance with GASB Statement No. 79. This investment is not subject to any limitations or restrictions on withdrawals.

4. RECEIVABLES

Receivables as of year end for the City's governmental and business-type activities in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Taxes	$ 23,126,297	$ -
Accounts	2,483,002	-
Intergovernmental	1,723,699	-
Interest receivable	296,073	1,516
Less allowance for doubtful accounts	(16,176,611)	-
Net receivables	$ 11,452,460	$ 1,516

Notes to Financial Statements

The equities fund includes investments in U.S. and non U.S. publicly traded equities. The fair values of the investments in this fund have been estimated using the net asset value per share of the investments.

The bond fund includes investments predominantly in U.S. and foreign government securities. The fair values of the investments in this fund have been estimated using the net asset value per share of the investments.

The limited partnership class includes investments predominantly in private debt. The fair values of the investments in these funds have been estimated using net asset value per share of the investments.

The equity real estate class includes investments in funds whose objective is to acquire, develop, own, and operate a diversified portfolio of real estate investments. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

Police and Fire Retirement System VEBA - The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Trust had the following recurring fair value measurements as of December 31, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2019
Debt securities:				
U.S. government obligations and agencies	$ -	$ 1,122,881	$ -	$ 1,122,881
Mortgage-backed securities	-	1,782,482	-	1,782,482
Collateralized mortgage obligations	-	303,714	-	303,714
Asset-backed securities	-	700,568	-	700,568
Corporate bonds	-	1,369,779	-	1,369,779
Foreign bonds and notes	-	122,316	-	122,316
Equity securities:				
Common stock	26,442,603	-	-	26,442,603
Real estate investment trusts	1,295,289	-	-	1,295,289
Total investments at fair value	$ 27,737,892	$ 5,401,740	$ -	33,139,632
Investments measured at NAV				
Bond fund				3,789,308
Limited partnerships				2,683,387
Total investments at NAV				6,472,695
Total investments				$ 39,612,327

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Transfers	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 25,105,058	$ -	$ -	$ 25,105,058
Construction in progress	3,232,385	1,958,692	(2,225,194)	2,965,883
Total capital assets not being depreciated	28,337,443	1,958,692	(2,225,194)	28,070,941
Capital assets being depreciated:				
Streets and bridges	302,669,685	3,460,219	2,225,194	308,355,098
Buildings and improvements	40,805,767	-	-	40,805,767
Machinery and equipment	1,132,997	316,464	-	1,449,461
Vehicles	1,044,566	-	-	1,044,566
Land improvements	374,952	-	-	374,952
Total capital assets being depreciated	346,027,967	3,776,683	2,225,194	352,029,844
Less accumulated depreciation for:				
Streets and bridges	(241,585,286)	(5,194,859)	-	(246,780,145)
Buildings and improvements	(40,065,498)	(103,134)	-	(40,168,632)
Machinery and equipment	(487,606)	(131,812)	-	(619,418)
Vehicles	(717,942)	(77,905)	-	(795,847)
Land improvements	(189,641)	(17,560)	-	(207,201)
Total accumulated depreciation	(283,045,973)	(5,525,270)	-	(288,571,243)
Total capital assets being depreciated, net	62,981,994	(1,748,587)	2,225,194	63,458,601
Governmental activities capital assets, net	$ 91,319,437	$ 210,105	$ -	$ 91,529,542

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities				
Parking fund				
Capital assets not being depreciated:				
Land	$ 3,042,537	$ -	$ -	$ 3,042,537
Construction in progress	-	417,405	-	417,405
Total capital assets not being depreciated	3,042,537	417,405	-	3,459,942
Capital assets being depreciated:				
Buildings and improvements	33,573,313	-	-	33,573,313
Traffic signs	57,182	-	-	57,182
Total capital assets being depreciated	33,630,495	-	-	33,630,495
Less accumulated depreciation for:				
Buildings and improvements	(27,323,095)	(564,860)	-	(27,887,955)
Traffic signs	(57,182)	-	-	(57,182)
Total accumulated depreciation	(27,380,277)	(564,860)	-	(27,945,137)
Total capital assets being depreciated, net	6,250,218	(564,860)	-	5,685,358
Parking fund capital assets, net	$ 9,292,755	$ (147,455)	$ -	$ 9,145,300

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

Depreciation of governmental activities by function	
General government	$ 144,029
Public safety	5,115
Public works	5,331,997
Community and human services	44,129
Total depreciation expense - governmental activities	$ 5,525,270
Depreciation of business-type activities by function	
Parking	$ 564,860

Construction Commitments - At year end, the City's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Governmental activities	$ 1,381,683	$ 332,865
Business-type activities	417,405	241,595
	$ 1,799,088	$ 574,460

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2020, the composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Insurance fund	$ 3,530,084
General fund	District court fund	369,579
Parking fund	General fund	2,417,399
		$ 6,317,062

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

For the year ended June 30, 2020, interfund transfers reported in the fund financial statements are comprised of the following:

Fund Transferred from	Fund Transferred To	Amount
General fund	District court fund (1)	$ 1,188,960
	Parking fund (4)	7,000,564
District court	General fund (2)	21,752
	MIDC grant fund (5)	18,023
PA-48 telecommunication allocation	General fund (3)	275,000
	Total	$ 8,504,299

During the fiscal year, transfers were used to: (1) move funds to the district court fund for the subsidy of operations, (2) transfer parking fine collections, (3) move funds for allowable expenditures under the Metro Act, (4) move funds for parking structure repairs, and (5) to move funds for the City's match on the MIDC grant.

7. LONG-TERM DEBT

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Other long-term obligations:					
2007C TIFA Bond Financial Guarantee	$ 3,430,308	$ -	$ (412,058)	$ 3,018,250	$ 566,469
Compensated absences	400,784	26,469	(26,660)	400,593	249,633
Landfill closure and postclosure costs	2,176,388	-	(83,707)	2,092,681	-
Phoenix Center Settlement	2,800,000	-	(700,000)	2,100,000	700,000
Total governmental activities	$ 8,807,480	$ 26,469	$ (1,222,425)	$ 7,611,524	$ 1,516,102

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component units					
Direct Borrowings and Direct Placements:					
$31,080,000 2007 C TIFA Bonds, due in annual installments of $590,000 to $1,985,000 through the year 2031; interest at 3.50% to 5.00%	$ 19,790,000	$ -	$ (1,410,000)	$ 18,380,000	$ 1,470,000
Other long-term obligation:					
Financial guarantee	4,653,307	622,500	-	5,275,807	-
Total component units	$ 24,443,307	$ 622,500	$ (1,410,000)	$ 23,655,807	$ 1,470,000

Annual debt service requirements to maturity for the obligations are as follows:

	Governmental Activities		Component Units	
	Other long-term obligations		Direct Borrowings and Direct Placements	
Year Ended June 30,	Principal	Interest	Principal	Interest
2021	$ 1,266,469	-	$ 1,470,000	$ 870,200
2022	1,504,522	-	1,860,000	796,700
2023	1,469,193	-	1,985,000	703,700
2024	391,111	-	1,715,000	604,450
2025	172,578	-	1,520,000	522,988
2026-2030	314,377	-	8,185,000	1,484,075
2031	-	-	1,645,000	74,025
	$ 5,118,250	$ -	$ 18,380,000	$ 5,056,138

Compensated absences and separation accruals in governmental activities of $400,593 are payable upon retirement or termination of eligible employees; therefore, specific payment dates are not determinable. Also, the landfill closure and postclosure cost accrual of $2,092,681 has no fixed maturity dates; therefore; it has been excluded from the above summary.

The compensated absences liability attributable to the governmental activities is recorded in the employee sick and vacation internal service fund. The landfill closure and postclosure costs represent the cumulative amount of closure and postclosure are costs reported to date based on the use of 100 percent of the estimated capacity of the landfill. The City has established a sick and vacation internal service fund for the liquidation of the compensated absences liability. The sanitation fund would be used to liquidate the landfill closure and post closure costs.

Financial Guarantee

In 2007, the City guaranteed the 10-year, $1.315 million TIFA 2 2007C series, the 17-year, $3.28 million TIFA 2 2007C series, and the 24-year, $24.45 million TIFA 3 2007C series revenue bond issuances of the Tax Increment Finance Authority (TIFA), a legally separate authority located within the City, in accordance with a resolution adopted by the City. The bonds mature annually through May 1, 2017, May 1, 2024 and May 1, 2031, respectively, with semiannual interest payments. In the event that the TIFA is unable to make a payment, the City is required to make that payment. As a result of declining revenues that occurred in 2014 and prior, the City determined in fiscal year 2014 that it was more likely than not that the City would be required to pay a percentage of the remaining portion of the TIFA's debt service payments based on this guarantee. During fiscal year 2020, total TIFA debt service amounted to $2,338,363 of which $622,500 was paid by the City and $1,715,863 was paid by the TIFA. The amount of the remaining financial guarantee liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee.

The agreement also provides for the TIFA to reimburse the City for any debt service amounts paid for by the City. Accordingly, the TIFA has a liability recorded in the amount of $5,275,807 at June 30, 2020. This liability has been recorded as a long-term liability in the combining statement of net position for the discretely presented component units as funds to reimburse the general fund are not expected to be available until all TIFA debt service has been paid in full.

Phoenix Center Settlement

The City settled litigation with Ottawa Towers regarding demolition of the Phoenix Center Parking Garage on November 13, 2018. The settlement agreement requires that the City retain ownership of the Phoenix Center and perform $6 million of repairs on the Phoenix Center over a period of ten years from the time of settlement. Additionally, the City is required to pay annual installments of $700,000 to Ottawa Towers through November 2022.

Subsequent to year end, the City has signed a letter of interest to purchase the adjacent Ottowa Towers, and subsequently to sell the Ottowa Towers and the Phoenix Center Parking Garage to a developer. Once this agreement is finalized, the City will be relieved of the $1,400,000 due.

8. RESTRICTED ASSETS

The balance of the restricted asset accounts are as follows:

	Governmental Activities
Cash and investments -	
Landfill closure and postclosure costs	$ 2,051,291

9. LANDFILL - CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of the closure and postclosure care costs as an expense in the government-wide statements in each period based on the acres of the entire permitted site used as of each balance sheet date. The $2,092,681 reported as landfill closure and postclosure liability at June 30, 2020 represents the cumulative amount reported to date based on the closure and postclosure costs related to the acres of the permitted site that have been used.

These amounts are based on what it would cost to perform all closure and postclosure care in current dollars. Effective October 15, 2006, the City closed the landfill. The Michigan Department of Environmental Quality is in the process of examining closure/postclosure costs. On a volume basis versus site acreage basis, approximately 100 percent of landfill capacity is used as of June 30, 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care. The City is in compliance with these requirements and, at June 30, 2020, investments and deposits held in trust of $2,051,291 are held for these purposes. These are reported as restricted assets on the balance sheet. The total fund balance in the sanitation special revenue fund has been restricted as well. The City expects that future inflation costs will be paid from interest earnings on these contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by future tax revenue.

Approximately 25 percent of the System's assets are not publicly traded, and therefore do not have a readily determinable market value. Because these investments are not readily marketable, their estimated value is subject to uncertainty, and therefore may differ significantly from the values that would have been used had a ready market for these securities existed. The difference could be material.

Investment Policy. The System's policy in regard to the allocation of invested assets is established and may be amended by the board of trustees by a majority vote of its members. It is the policy of the board of trustees to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The System's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Benefits Provided. The System provides retirement benefits as well as death and disability benefits. Employees may receive cost-of-living adjustments as a percentage of their retirement allowance, pursuant to the collective bargaining agreement or employment agreement in effect at their date of retirement. The obligation to contribute to and maintain the System was established by City ordinance and negotiations with the employees' collective bargaining units.

Contributions. Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the board of trustees retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established by the board of trustees in accordance with the city ordinance, union contracts, and plan provisions. For the year ended December 31, 2019, the active members were not required to contribute to the System. The City is required to contribute at an actuarially determined rate. In accordance with the actuary recommendation, the City did not have to make a contribution to the System in the current year. Administrative costs are financed through investment earnings.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	1,105
Inactive employees entitled to but not yet receiving benefits	113
Active employees	27
Total membership	1,245

The plan is closed to all new hires after April 1, 2013, except for those new hires that are hired under the Michigan Association of Public Employees (representing the 50th District Court employees) collective bargaining agreement.

Reserves. In accordance with state law, the City establishes reserves for various purposes. The balance of the reserve accounts at December 31, 2019 are as follows:

Reserve / Group	Balance
Retiree reserve	$ 236,546,713
Employee reserve	293,555

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical and dental, workers' compensation, and general liability expense claims and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City. The City estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported.

For medical, dental and workers' compensation, the City was fully insured in the last three fiscal years. However, for prior years in which the City was not fully insured, a liability is estimated for workers' compensation claims that have been reported as well as those that have not yet been reported. As of June 30, 2020, reported claims related to medical and dental for prior years have been paid and no additional claims are expected to be reported.

These liabilities are recorded in internal service funds. Changes in the estimated liability for the past two fiscal years were as follow:

	General Liability		Workers' Compensation	
	2020	2019	2020	2019
Unpaid claims -				
Beginning of year	$ 143,327	$ 492,720	$ 983,735	$ 1,055,669
Incurred claims (adjustments)	365,025	890,415	9,682	83,759
Claim payments	(58,609)	(1,239,808)	(700,890)	(155,693)
Unpaid claims -				
End of year	$ 449,743	$ 143,327	$ 292,527	$ 983,735

11. DEFINED BENEFIT PENSION PLAN - GENERAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description. The General Employees' Retirement System is a single-employer defined benefit pension plan that is administered by the City of Pontiac General Employees' Retirement System; this plan covers substantially all employees of the City, except police and fire employees. The system provides retirement benefits, as well as death and disability benefits. Employees may receive a cost-of-living adjustment as a percentage of their base amount, pursuant to the collective bargaining agreement in effect at their date of retirement. The plan issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 47450 Woodward, Pontiac, Michigan 48342.

Method Used to Value Investments. Investments held by the System are reported at estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market value are reported at estimated fair value, as determined by the System's management. These estimates are determined using audited financial statements issued by the private equity companies or limited partnerships in which such investments are held, adjusted by management as deemed appropriate based on known circumstances.

Net Pension Asset. The City's net pension asset was measured as of December 31, 2019.

Actuarial Assumptions. The total pension asset was determined by an actuarial valuation as of December 31, 2019. The valuation used the following actuarial assumptions applied to all periods included in the measurement.

Inflation	2.25%
Salary increases	3.6 - 7.4%, average, including wage inflation of 2.5%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation

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

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges 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 for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity - All Cap	14.00%	5.01%
Domestic equity - Large Cap	10.00%	4.76%
Domestic equity - Mid Cap	15.00%	5.25%
Domestic equity - Small Cap	11.00%	5.25%
International equity	5.00%	5.41%
Emerging markets equity	5.00%	6.38%
Fixed income - Core	25.00%	2.01%
Real estate	10.00%	4.53%
Private equity	5.00%	7.81%
	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rates. 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.

Changes in the Net Pension Asset. The components of the change in the net pension asset are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at December 31, 2018	$ 262,188,735	$ 454,173,920	$ (191,985,185)
Changes for the year:			
Service cost	233,616	-	233,616
Interest	17,384,038	-	17,384,038
Changes in benefit terms	3,402,001	-	3,402,001
Differences between expected and actual experience	1,139,898	-	1,139,898
Benefit payments, including refunds of employee contributions	(28,114,053)	(28,114,053)	-
Net investment income	-	87,393,680	(87,393,680)
Administrative expense	-	(691,928)	691,928
Miscellaneous other charges/revenue	-	55,649	(55,649)
Net changes	(5,954,500)	58,643,348	(64,597,848)
Balances at December 31, 2019	$ 256,234,235	$ 512,817,268	$ (256,583,033)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following presents the net pension asset of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's net pension asset	$ (232,924,091)	$ (256,583,033)	$ (276,749,453)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is provided in Note 16.

Method Used to Value Investments. Investments are reported at estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Securities not traded on a national or international exchange are based upon quoted prices for comparable instruments with similar yields and risk in active and inactive markets. Investments that do not have an established market value are valued at net asset value (NAV) as a practical expedient to estimate fair value.

Investment Policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments was 17.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Benefits Provided. The Retirement System provides retirement, disability, and death benefits. Employees may receive cost of living adjustments as a percentage of their base amounts, pursuant to the collective bargaining agreement or employment agreement in effect at their date of retirement. The benefit terms and the obligation to contribute to and maintain the Retirement System were established by City ordinance and negotiation with the employees' collective bargaining units.

Contributions. State law requires public employers to make pension contributions in accordance with an actuarial valuation. The Retirement System hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to make pension contributions based on the city ordinance, union contracts, and plan provisions; however, given that the plan is now closed, there are no longer any active members of the plan. The Retirement System's required contribution is determined after consideration of the required contribution rate of employees. For the year ended December 31, 2019, the City's required and actual contribution was $2,133,428. There were no contributions due from members during fiscal year 2019.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	425
Inactive employees entitled to but not yet receiving benefits	133
Total membership	558

Reserves. As of December 31, 2019, the Plan's legally required reserves have been fully funded as follows:

The *retiree reserve* is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The *employee reserve* is credited as employees make contributions; the Plan maintains a record of the amount contributed by each employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2020, the City recognized pension expense of $(7,637,078). At June 30, 2020, the City reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ -	$ 916,577	$ (916,577)
Net difference between projected and actual earnings on pension plan investments	-	25,434,572	(25,434,572)
Total	$ -	$ 26,351,149	$ (26,351,149)

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

Year Ended June 30,	Amount
2021	$ (7,546,145)
2022	(7,306,494)
2023	(59,750)
2024	(11,438,760)
Total	$ (26,351,149)

12. DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM

Plan Description. The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City of Pontiac Police and Fire Retirement System; this plan covers all police and fire employees of the City. The system provides retirement benefits, as well as death and disability benefits. Employees may receive a cost of living adjustment as a percentage of their base amount, pursuant to the collective bargaining agreement in effect at their date of retirement. The plan issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 47450 Woodward, Pontiac, Michigan 48342.

Partial Termination and Plan Closure. In 2011, a partial termination of the pension plan for police and fire employees was deemed to have occurred when the City contracted with the Oakland County sheriff for policing services. This resulted from the termination of active employee positions at the City under the executive orders issued by the Emergency Manager. As of March 1, 2012, the City contracted with Waterford Township to provide fire services and the plan no longer had any active employees. As a result, for purposes of computing the actuarial determined contribution to the System from the City, the actuary is expressing the amount as a level dollar amount amortized on a closed basis, rather than as a level percent of payroll.

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that City's contributions will be made at actuarially determined rates. 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 and deferred 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.

Changes in the Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	$ 243,941,564	$ 206,638,261	$ 37,303,303
Changes for the year:			
Interest	17,523,601	-	17,523,601
Changes in benefit terms	666,543	-	666,543
Differences between expected and actual experience	(181,582)	-	(181,582)
Employer contributions	-	2,133,428	(2,133,428)
Changes of assumptions	(556,186)	-	(556,186)
Benefit payments, including refunds of employee contributions	(20,587,103)	(20,587,103)	-
Net investment income	-	33,045,584	(33,045,584)
Administrative expense	-	(297,302)	297,302
Other	-	3,583	(3,583)
Net changes	(3,134,727)	14,298,190	(17,432,917)
Balances at December 31, 2019	$ 240,806,837	$ 220,936,451	$ 19,870,386

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension (asset) liability	$ 44,271,957	$ 19,870,386	$ (653,516)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is provided in Note 16.

The balances of the reserve accounts (required and actual reserves) at December 31, 2019 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	$ 240,806,837	$ 219,769,988
Employer reserve	1,166,463	1,166,463

Net Pension Liability. The City's net pension liability was measured as of December 31, 2019.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2019. The valuation used the following actuarial assumptions, applied to all periods included in the measurement (there are no assumptions related to inflation and salary increases as there was a partial termination and plan closure in 2011):

Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Cost of living adjustments	2.0%, per year up to 24 years

As the plan is not large enough to have credible experience, the actuary has set the mortality assumptions to reflect general population trends. For healthy annuitants, the plan has utilized the RP-2014 Blue Collar Mortality Table with generational improvements using scale MP-2019. For disabled annuitants, the plan is using the RP-2014 Disabled Mortality Table with generational improvements using scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges 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 for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00%	5.78%
International equity	12.00%	7.06%
Domestic bonds	18.00%	2.03%
International bonds	5.00%	3.04%
Real estate	10.00%	3.62%
Other assets	10.00%	5.42%
	100.00%	

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2020, the City recognized pension expense of $4,203,944. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 5,895,191	$ (5,895,191)
Contributions subsequent to measurement date	1,835,294	-	1,835,294
Total	$ 1,835,294	$ 5,895,191	$ (4,059,897)

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2021	$ (1,905,766)
2022	(1,457,251)
2023	1,117,974
2024	(3,650,148)
Total	$ (5,895,191)

13. DEFINED CONTRIBUTION PENSION PLAN

Defined Contribution Plan. Beginning January 1, 2002, the City began providing pension benefits to its full-time nonunion employees and elected officials through a 401(a) defined contribution plan. Nonunion employees and elected officials were given the option to participate in the defined contribution plan or the defined benefit plan. Effective July 1, 2005, SAEA members were also given the option to participate in the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by City Council, the City contributes nine percent of the employees' gross earnings and employees are required to contribute three percent.

The City of Pontiac entered into a Defined Contribution Plan agreement with the Municipal Employees' Retirement System of Michigan (MERS). The Agreement is to provide retirement benefits effective August 1, 2015 for all full-time employees of the City and 50th District Court hired as full time after January 1, 2011 and not a member of GERS. The Employer/Employee contribution are listed below. Vesting is immediate. Employer contributions for each employee plus interest allocated to the employees' account are immediately vested.

Employee contribution	Employer contribution
0.67%	0.33%
1.00%	0.50%
2.00%	1.00%
4.00%	2.00%
5.00%	2.50%
6.00%	3.00%
8.00%	4.00%
10.00%	5.00%
12.00%	6.00%
14.00%	7.00%

The City's total payroll during the current year was $5,361,037. The current year contribution was calculated based on covered payroll of $2,185,160, resulting in employer contributions of $77,027 and employee contributions of $138,392. As of June 30, 2020, there were 33 plan participants in the City's Michigan Employee MERS defined contribution plan, and one employee participating in the City's 401A defined contribution plan.

Deferred Compensation Plan. The City offers to all its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

14. OTHER POSTEMPLOYMENT BENEFITS - POLICE AND FIRE RETIREMENT SYSTEM VEBA

Plan Description. The Police and Fire Retiree Prefunded Group Health and Insurance Trust (the "Trust") was established as an irrevocable prefunded group health and insurance trust fund for health, optical, dental, and life insurance benefits for retirees who are members of the Police and Fire Retirement System of the City of Pontiac, and who retired on or after August 22, 1996. The Trust was created as an Internal Revenue Code 501(c)(9) Trust (VEBA). The Trust issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the Trust at 700 Tower Drive, Suite 300, Troy, Michigan 48098.

Contributions that were scheduled to be made to the Trust for the years ended December 31, 2011 and 2010 in the amount of $2,635,156 and $2,104,382, respectively, were not remitted to the Trust by the City in those years. During 2011, the Trust filed a lawsuit against the plan sponsor to compel payment on past-due contributions. In March 2013, a settlement agreement was reached between the Trust and the plan sponsor, and the City remitted a payment for past-due contributions in the amount of $3,243,923. Contributions for 2012 were also the subject of a separate lawsuit. On July 31, 2019, a court judgment was entered in favor of the Trust in the amount of $4,073,975. To satisfy the judgment, the Trust is suspending its reimbursement made to the City each month for health care premium expenses until the judgment is fully satisfied. As of December 31, 2019, the remaining amount of $1,148,731 has been reflected in the Trust's 2019 financial statements as a contribution receivable given these contributions are now due pursuant to legal requirements.

On April 4, 2017, the City announced that a tentative settlement had been reached with regard to retiree health care. On November 19, 2018, the federal judge in the case approved the tentative settlement. This settlement agreement must yet be approved by various parties, including the Michigan Association of Public Employees (MAPE) and the Internal Revenue Service (IRS) among others. If fully approved by all parties, the settlement agreement would provide health care funding via the creation of a new VEBA by utilizing certain overfunded assets from the City of Pontiac General Employees' Retirement System and this Trust. The settlement agreement requires the City to apply for approval of this settlement with the IRS. As of the date of this report, the IRS letter was submitted and received qualification as tax exempt under Section 501(a).

Method Used to Value Investments. Investments are reported at estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates. Securities not traded on a national or international exchange are based upon quoted prices for comparable instruments with similar yields and risk in active and inactive markets. Investments that do not have an established market value are valued at net asset value (NAV) as a practical expedient to estimate fair value.

Investment Policy. The Trust's policy in regard to the allocation of invested assets is established and may be amended by the Trust's board by a majority vote of its members. It is the policy of the Trust's board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Trust's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on OPEB plan investments was 18.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Benefits Provided. The Trust provides health, optical, dental, and life insurance benefits for retirees who are members of the Police and Fire Retirement System of the City of Pontiac and retired on or after August 22, 1996. During 2013, the board of trustees passed a resolution to expand membership to retirees who retired prior to August 22, 1996. The pre-August 22, 1996 retirees were covered by the Trust effective September 1, 2013 through April 1, 2014. All such benefits are paid out of the Trust.

Contributions. Historically, the Trust has been funded primarily by employer contributions. The trustees voted to implement funding at the actuarial recommended rate beginning on July 1, 2006. However, scheduled contributions were not paid to the Trust by the City. In the prior year, the Trust recorded a contribution receivable and corresponding revenue in the amount of $4,073,975 related to a court judgment against the City in favor of the Trust. No contribution revenue was recorded in the current year.

Certain retirees are required to contribute toward the premiums paid on their behalf. Benefit expense for the year ended December 31, 2019 was $2,614,513, which is net of $650,064 in retiree contributions toward premiums.

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	177
Inactive employees entitled to but not yet receiving benefits	56
Other retirees who could elect	80
Total membership	313

Net OPEB Asset. The City's net OPEB asset was measured as of December 31, 2019.

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019. The valuation used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Healthcare cost trend rate	8.00% decreasing 0.5% per year to an ultimate rate of 5% for 2026 and later years
Mortality	General retirees and deferred vested employees: SOA Pub-2010 Headcount-weighted Public Safety Mortality Table fully generational using Scale MP-2019
	Disabled retirees: SOA Pub-2010 Headcount-weighted Disabled Public Safety Mortality Table fully generational using Scale MP-2019
	Surviving spouses: SOA Pub-2010 Headcount-weighted Contingent Survivor Mortality Table fully generational using Scale MP-2019
Investment rate of return	7.50% net of OPEB plan investment expense, including inflation

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate. The following presents the net OPEB (asset) liability of the City, calculated using the discount rate of 7.5%, as well as what the City's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net OPEB (asset) liability	$ 814,285	$ (4,702,027)	$ (9,181,378)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend. The following presents the net OPEB (asset) liability of the City, calculated using the healthcare cost trend rate of 8.0%, as well as what the City's net OPEB (asset) liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Healthcare Cost Trend Rate (8.0%)	1% Increase (9.0%)
City's net OPEB (asset) liability	$ (9,171,135)	$ (4,702,027)	$ 719,801

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is provided in Note 16.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2030, the City recognized OPEB expense of ($4,006,669). At June 30, 2030, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	$ 190,681	$ -	$ 190,681

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

Year Ended June 30,	Amount
2021	$ 175,377
2022	175,377
2023	515,468
2024	(675,541)
Total	$ 190,681

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates 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 ranges 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 for each major asset class included in the OPEB plan's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	52.50%	5.78%
International equity	12.50%	7.06%
Domestic bonds	15.00%	2.03%
International bonds	5.00%	3.04%
Alternative assets	15.00%	5.58%
	100.00%	

Discount Rate. The discount rate used to measure the total OPEB liability at December 31, 2019 was 7.50 percent; however, the discount rate used to measure the total OPEB liability at the beginning of the year was 6.90 percent.

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.

Changes in the Net OPEB (Asset) Liability. The components of the change in the net OPEB (asset) liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balances at December 31, 2018	$ 42,703,920	$ 39,846,194	$ 2,857,726
Changes for the year:			
Interest	2,857,872	-	2,857,872
Differences between expected and actual experience	(1,140,426)	-	(1,140,426)
Changes of assumptions	(3,059,994)	-	(3,059,994)
Benefit payments, including refunds of employee contributions	(2,614,513)	(2,614,513)	-
Net investment income	-	6,263,203	(6,263,203)
Administrative expense	-	(49,079)	49,079
Other	-	3,081	(3,081)
Net changes	(3,957,061)	3,602,692	(7,559,753)
Balances at December 31, 2019	$ 38,746,859	$ 43,448,886	$ (4,702,027)

15. OTHER POSTEMPLOYMENT BENEFITS - CITY OF PONTIAC RETIREE HEALTH CARE PLAN

Plan Description and Benefits Provided. The City provides medical, prescription, and core dental benefits for General retirees and Police and Fire retirees not eligible for the Police and Fire Retiree Prefunded Group Health and Insurance Trust noted above. This is a single-employer defined benefit plan administered by the City. The benefits are provided under collective bargaining agreements.

Contributions. The collective bargaining agreements do not require employee contributions. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis).

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	722
Inactive employees entitled to but not yet receiving benefits	10
Total membership	732

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Healthcare cost trend rate	8.50% decreasing 0.50% per year to an ultimate rate of 4.50% for 2027 and later years
Mortality	Healthy general retirees: SOA Pub.H-2010 General Mortality Table fully generational using Scale MP-2020 Healthy police and fire retirees: SOA Pub.H-2010 Public Safety Mortality Table fully generational using Scale MP-2020 Disabled general retirees: SOA Pub.H-2010 Disabled General Mortality Table fully generational using Scale MP-2020 Disabled police and fire retirees: SOA Pub.H-2010 Disabled Public Safety Mortality Table fully generational using Scale MP-2020 Beneficiaries: SOA Pub.H-2010 Contingent Survivor Mortality Table fully generational using Scale MP-2020

Discount Rate. Because the OPEB plan does not have a dedicated trust, there are no assets projected to make projected future benefit payments. Therefore, the discount rate incorporates a municipal bond rate which was 3.26% at December 31, 2019. The source of that bond rate was the Bond Buyer GO 20-Bond Municipal Bond Index.

Changes in the Total OPEB Liability. The components of the change in the total OPEB liability are summarized as follows:

	Total OPEB Liability (a)
Balances at December 31, 2018	$ 64,647,418
Changes for the year:	
Interest	2,574,801
Differences between expected and actual experience	(1,308,160)
Changes of assumptions	7,449,434
Benefit payments, including refunds of employee contributions	(4,041,063)
Net changes	4,675,012
Balances at December 31, 2019	$ 69,322,430

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, calculated using the discount rate of 3.26%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.26%) or 1% higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
City's total OPEB liability	$ 76,605,855	$ 69,322,430	$ 59,926,395

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (7.0% Decreasing to 3.5%)	Healthcare Cost Trend Rate (8.0% Decreasing to 4.5%)	1% Increase (9.0% Decreasing to 5.5%)
City's total OPEB liability	$ 59,668,984	$ 69,322,430	$ 76,739,566

OPEB Expense. For the year ended June 30, 2030, the City recognized OPEB expense of $8,716,075.

For the governmental activities, the total OPEB liability is generally liquidated by the general fund.

16. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT COMPONENT UNITS

	Plan Net Position as of December 31, 2019			
	General City Employees' Retirement System	Police and Fire Retirement System	Police and Fire Retirement System VEBA	Total
Assets				
Cash and cash equivalents	$ 739,633	$ 953,460	$ 1,911,489	$ 3,604,582
Investments at fair value:				
U.S. government obligations and agencies	-	-	1,122,881	1,122,881
Government agency notes and debentures	59,059,718	-	-	59,059,718
Mortgage-backed securities	-	-	1,782,482	1,782,482
Collateralized mortgage obligations	-	-	303,714	303,714
U.S. government securities	-	15,474,573	-	15,474,573
U.S. government mortgage-backed securities	30,387,801	646,113	-	31,033,914
Commercial mortgage pools	1,402,287	-	-	1,402,287
Asset-backed securities	-	-	700,568	700,568
Corporate and other bonds	30,336,279	22,069,455	1,369,779	53,775,513
Foreign bonds and notes	-	-	122,316	122,316
Limited partnerships	63,407,174	24,627,947	6,472,695	94,507,816
Domestic stock	-	132,787,793	-	132,787,793
Short-term investments	14,732,011	6,053,402	988,134	21,773,547
Equities	-	-	26,442,603	26,442,603
Domestic equities	260,285,906	-	-	260,285,906
Private equities	11,310,245	-	-	11,310,245
Foreign equities	40,585,162	-	-	40,585,162
Real estate	-	18,201,983	-	18,201,983
Real estate investment trusts	-	-	1,295,289	1,295,289
Accrued interest and dividends receivable	1,314,670	229,103	52,771	1,596,544
Contributions receivable	-	-	1,148,731	1,148,731
Other receivables	13,846	-	-	13,846
Due from Police and Fire Retirement System VEBA	-	87,798	-	87,798
Total assets	513,574,732	221,131,627	43,713,452	778,419,811
Liabilities				
Due to City of Pontiac	-	-	72,778	72,778
Due to Police and Fire Retirement System	-	-	87,798	87,798
Due to brokers	-	-	66,691	66,691
Accounts payable and other	757,464	195,176	37,299	989,939
Total liabilities	757,464	195,176	264,566	1,217,206
Net position restricted for pension and other employee benefits	$ 512,817,268	$ 220,936,451	$ 43,448,886	$ 777,202,605

	Changes in Plan Net Position for the Year Ended December 31, 2019			
	General City Employees' Retirement System	Police and Fire Retirement System	Police and Fire Retirement System VEBA	Total
Additions				
Investment income:				
Interest and dividend income	$ 8,680,087	$ 3,885,166	$ 770,628	$ 13,335,881
Net increase in fair value	81,211,603	29,842,206	5,647,904	116,701,713
Less investment related expenses	(2,498,010)	(681,788)	(155,329)	(3,335,127)
Net investment income	87,393,680	33,045,584	6,263,203	126,702,467
Contributions - Employer	-	2,133,428	-	2,133,428
Miscellaneous and litigation revenue	55,649	3,583	3,081	62,313
Total additions	87,449,329	35,182,595	6,266,284	128,898,208
Deductions				
Retirees' pension benefits	28,114,053	20,587,103	-	48,701,156
Retiree health benefit payments	-	-	2,614,513	2,614,513
Administrative expenses	691,928	297,302	49,079	1,038,309
Total deductions	28,805,981	20,884,405	2,663,592	52,353,978
Change in net position	58,643,348	14,298,190	3,602,692	76,544,230
Net position:				
Beginning of year	454,173,920	206,638,261	39,846,194	700,658,375
End of year	$ 512,817,268	$ 220,936,451	$ 43,448,886	$ 777,202,605

Notes to Financial Statements

18. TAX ABATEMENTS

The City received reduced property tax revenues during the year as a result of industrial facilities tax exemptions (IFT's), brownfield redevelopment agreements and other agreements entered into by cities, villages, townships, and authorities within the City.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements amounted to $134,578 in reduced City tax revenues for the 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 $22,493 in reduced City tax revenues for the year.

The City also has entered into agreements under the State Housing Development Authority Act, PA 346 of 1966. Under this act, a municipality may allow a payment of a service charge in lieu of taxes to provide housing to elderly persons of low to moderate income. The abatements amounted to $566,784 in reduced City tax revenues for the year.

Finally, the City entered into agreements under the New Personal Property Tax Exemption Act, PA 328 of 1998, as amended. This act affords a 100% property tax exemption for specific businesses located within eligible distressed communities. The abatements amounted to $1,670,845 in reduced City tax revenues for the year.

Notes to Financial Statements

17. CONTINGENT LIABILITIES

Cost Settlements - The City receives grants from the State of Michigan and various federal agencies to fund specific projects. Final determination of grant amounts is subject to audit by the responsible agencies. The City does not believe that disallowed costs will exceed amounts provided for disallowances by an amount material to the financial statements.

Litigation - There are various claims and legal actions pending against the City and its various operating units, many of which are either partially or fully covered by insurance. The City is defending against these actions. In the opinion of City management, the ultimate amount of loss, if any, resulting from these claims and legal actions will not be material to the financial position of the City, except for the following matter:

Retired Employees Association vs City of Pontiac. On April 4, 2017, the City announced that a tentative agreement had been reached regarding retiree healthcare in this case. A final settlement was agreed upon in November 2018. As of the date of this report, the settlement has been approved by the plaintiffs and the City. The settlement is still pending approval by the U.S. District Court and Internal Revenue Service.

Once fully approved, the settlement agreement will provide healthcare funding for all Pontiac retirees via the creation of a new VEBA by utilizing a portion of assets from the City of Pontiac General Employees' Retirement System and all assets from the Police and Fire VEBA trust. Per the agreement, the City's initial contribution to the new VEBA will be $4,250,000 less any awards against the City in the Board of Trustees Police and Fire VEBA vs City of Pontiac litigation.

Board of Trustees Police and Fire VEBA vs. City of Pontiac. The City has been in litigation with the Police and Fire VEBA Board of Trustees relating to a prior Emergency Manager order allowing the City to not make the annual contribution to the VEBA Trust for the period ending June 30, 2012 for the amount of $3,473,923.

On July 31, 2019, a judgement was entered regarding the Board of Trustees and Fire VEBA FY 2012 annual contribution of $3,473,923. The City was directed to pay the fiscal year 2012 contribution of $3,473,923 plus interest of $600,052 for a total award of $4,073,975 to the VEBA. The City and the VEBA entered into a settlement on October 31, 2019 which would offset the receivables owed from the VEBA to the City as of October 31, 2019 and prospectively monies the VEBA will be indebted to the City relating to insurance premium payments until the $4,073,975 was paid in full. In addition, the award in the VEBA case of $4,073,975 would offset the initial contribution of $4,250,000 mandated in the settlement of the Retired Employees Association vs City of Pontiac case. The entire $4,073,975 was applied toward insurance premium payments in the current year, relieving the liability.

19. DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS

Fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, is as follows:

	General	Major Streets	Sanitation	District Court	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Prepaid items	$ 33,879	$ -	$ -	$ 1,245	$ 51,682	$ 86,806
Restricted						
Roads	-	3,919,151	-	-	3,572,448	7,491,599
Drug enforcement	-	-	-	-	212,052	212,052
Capital projects	-	-	-	-	2,289,290	2,289,290
Sanitation	-	-	6,554,871	-	-	6,554,871
Senior activities	-	-	-	-	1,002,918	1,002,918
Community development	-	-	-	-	30,335	30,335
Home buyers assistance	-	-	-	-	3,638	3,638
Cable television	-	-	-	-	1,210,822	1,210,822
Youth recreation	-	-	-	-	391,009	391,009
Telecommunications	-	-	-	-	30,972	30,972
Building inspection	-	-	-	-	3,082,769	3,082,769
Total restricted	-	3,919,151	6,554,871	-	11,826,253	22,300,275
Committed						
Youth recreation	3,200,000	-	-	-	-	3,200,000
Assigned						
Phoenix Center Settlement	2,100,000	-	-	-	-	2,100,000
Unassigned	10,319,848	-	-	-	-	10,319,848
Total fund balances	$ 15,653,727	$ 3,919,151	$ 6,554,871	$ 1,245	$ 11,877,935	$ 38,006,929

20. OPERATING LEASE

The City entered into leases for buildings under non-cancelable operating lease agreements. The total lease expense for the year ending June 30, 2020 was $382,000. The future minimum lease payments for these leases are as follows:

Year Ended June 30,	Amount
2021	$ 382,000
2022	70,000
	$ 452,000

21. IMPLEMENTATION OF GASB STATEMENT NO. 84

The City adopted the provisions of GASB Statement No. 84, *Fiduciary Activities,* in the current year. As a result of this change, the GERS, PFRS, and the PFVEBA are now considered fiduciary component units as described in Note 1. Custodial funds are now used to report fiduciary activities that are not required to be reported in pension (or other employee benefit) trust funds, investment trust funds, or private purpose trust funds. No restatements were required as a result of implementing this new standard.

22. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the City for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

23. SUBSEQUENT EVENT

Subsequent to year end, the City entered into discussions related to purchasing the Ottawa Towers property. In October 2020, the City signed a letter of intent to purchase Ottawa Towers and adjacent vacant lots for $19.9 million. The City deposited $7 million into an escrow account as an earnest money deposit, with the remaining to be paid upon closing in January 2021. When finalized, the City will be relieved of all provisions of the Phoenix Center settlement agreement and the remaining liability of $1.4 million currently recorded in long-term debt will be relieved.

■■■■■

Required Supplementary Information

General Employees' Retirement System

Schedule of Changes in City's Net Pension Liability (Asset) and Related Ratios

	Fiscal Year Ended June 30,		
	2020	2019	2018
Total pension liability			
Service cost	$ 233,616	$ 147,521	$ 350,549
Interest	17,384,038	17,725,816	17,598,425
Changes in benefit terms	3,402,001	3,470,936	10,658,814
Differences between expected and actual experience	1,139,898	1,839,373	871,705
Changes in assumptions	-	-	-
Benefit payments, including refunds of member contributions	(28,114,053)	(28,199,311)	(26,916,912)
Net change in total pension liability	(5,954,500)	(5,015,665)	2,562,581
Total pension liability, beginning of year	262,188,735	267,204,400	264,641,819
Total pension liability, end of year	256,234,235	262,188,735	267,204,400
Plan fiduciary net position			
Net investment income (loss)	87,393,680	(23,328,559)	67,868,606
Benefit payments, including refunds of member contributions	(28,114,053)	(28,199,310)	(26,916,912)
Administrative expense	(691,928)	(770,714)	(696,340)
Other	55,649	35,826	29,291
Net change in plan fiduciary net position	58,643,348	(52,262,757)	40,284,645
Plan fiduciary net position, beginning of year	454,173,920	506,436,677	466,152,032
Plan fiduciary net position, end of year	512,817,268	454,173,920	506,436,677
City's net pension asset	$ (256,583,033)	$ (191,985,185)	$ (239,232,277)
Plan fiduciary net position as a percentage of the total pension liability	200.1%	173.2%	189.5%
Covered payroll	$ 1,391,765	$ 1,427,628	$ 1,450,352
City's net pension asset as a percentage of covered payroll	18435.8%	13447.8%	16494.8%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption Changes. In fiscal year 2016, the mortality tables were updated from the 1983 Group Annuity Mortality table to RP-2014 Blue Collar tables. In fiscal year 2017, changes included a decrease in the discount rate from 7.50% to 7.00%, and the mortality tables were updated from RP-2014 Blue Collar tables to RP-2014 Healthy Annuitant Mortality table (unadjusted) projected to 2021 using static projection based on the two-dimensional MP-2014 improvement scales.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PONTIAC, MICHIGAN

Required Supplementary Information
General Employees' Retirement System
Schedule of Net Pension Asset

Fiscal Year Ended June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Asset as Percentage of Payroll
2020	$ 256,234,235	$ 512,817,268	$ (256,583,033)	200.14%	1,391,765	18435.8%
2019	262,188,735	454,173,920	(191,985,185)	173.22%	1,427,628	13447.8%
2018	267,204,400	506,436,677	(239,232,277)	189.53%	1,450,352	16494.8%
2017	264,641,819	466,152,032	(201,510,213)	176.14%	1,540,472	13081.1%
2016	252,615,769	459,342,354	(206,726,585)	181.83%	1,528,731	13522.8%
2015	270,139,151	491,726,796	(221,587,645)	182.03%	1,478,241	14990.0%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Fiscal Year Ended June 30,		
2017	2016	2015
$ 324,671	$ 314,272	$ 279,187
17,944,933	19,232,034	19,973,828
-	5,407,365	-
5,189,027	(23,548,600)	(2,538,358)
15,686,953	9,124,140	-
(27,119,534)	(28,052,593)	(27,507,232)
12,026,050	(17,523,382)	(9,792,575)
252,615,769	270,139,151	279,931,726
264,641,819	252,615,769	270,139,151
34,606,547	(3,414,613)	29,460,854
(27,119,534)	(28,052,593)	(27,507,232)
(683,083)	(954,593)	(699,715)
5,748	37,357	-
6,809,678	(32,384,442)	1,253,907
459,342,354	491,726,796	490,472,889
466,152,032	459,342,354	491,726,796
$ (201,510,213)	$ (206,726,585)	$ (221,587,645)
176.1%	181.8%	182.0%
$ 1,540,472	$ 1,528,731	$ 1,478,241
13081.1%	13522.8%	14990.0%

Required Supplementary Information
Police and Fire Retirement System
Schedule of Changes in City's Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30, 2020	2019	2018
Total pension liability			
Interest	$ 17,523,601	$ 17,768,283	$ 18,015,944
Changes in benefit terms	666,543	464,793	765,616
Differences between expected and actual experience	(181,582)	(451,296)	(575,621)
Changes in assumptions	(556,186)	(434,944)	(606,903)
Benefit payments, including refunds of member contributions	(20,587,103)	(20,631,416)	(21,170,946)
Net change in total pension liability	(3,134,727)	(3,284,580)	(3,571,910)
Total pension liability, beginning of year	243,941,564	247,226,144	250,798,054
Total pension liability, end of year	240,806,837	243,941,564	247,226,144
Plan fiduciary net position			
Employer contributions	2,133,428	2,412,557	1,773,627
Net investment income (loss)	33,045,584	(7,116,516)	28,866,568
Benefit payments, including refunds of member contributions	(20,587,103)	(20,631,416)	(21,170,946)
Administrative expense	(297,302)	(257,590)	(310,593)
Other	3,583	10,085	5,188
Net change in plan fiduciary net position	14,298,190	(25,582,880)	9,163,844
Plan fiduciary net position, beginning of year	206,638,261	232,221,141	223,057,297
Plan fiduciary net position, end of year	220,936,451	206,638,261	232,221,141
City's net pension liability	$ 19,870,386	$ 37,303,303	$ 15,005,003
Plan fiduciary net position as a percentage of the total pension liability	91.7%	84.7%	93.9%
Covered payroll	$ -	$ -	$ -
City's net pension liability as a percentage of covered payroll	0.0%	0.0%	0.0%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption Changes. In fiscal year 2017, the RP-2014 Blue Collar Mortality Table with generational improvements using scale MP-2016 was used, as compared to the RP-2014 Blue Collar Mortality Table with generational improvements using scale MP-2015 used in fiscal year 2016. In fiscal year 2018, the RP-2014 Blue Collar Table with generational improvements using scale MP-2017 was used. In fiscal year 2019, the RP-2014 Blue Collar Table with generational improvements using scale MP-2018 was used. In fiscal year 2020, the RP-2014 Blue Collar Table with generational improvements using scale MP-2019 was used.

Required Supplementary Information
General Employees' Retirement System
Schedule of Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2020	$ -	$ -	$ -	$ 1,391,765	0.0%
2019	-	-	-	1,427,628	0.0%
2018	-	-	-	1,450,352	0.0%
2017	-	-	-	1,540,472	0.0%
2016	-	-	-	1,528,731	0.0%
2015	-	-	-	1,478,241	0.0%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Notes to Schedule of Contributions

Valuation date: Actuarially determined contribution rates are calculated as of June 30, two years and a half years prior to the end of the fiscal year in which the contributions are reported. The most recent valuation is as of December 31, 2019.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.6 - 7.4% (includes inflation)
Investment rate of return	7.0%
Retirement age	Age-based table of rates are specific to the type of eligibility condition
Mortality rates	The RP-2014 Health Annuitant Mortality Table (unadjusted) projected to 2021 using a static projection based on the two-dimensional MP-2014 improvement scales

CITY OF PONTIAC, MICHIGAN

Required Supplementary Information
Police and Fire Retirement System
Schedule of Net Pension Liability

Fiscal Year Ended June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2020	$ 240,806,837	$ 220,936,451	$ 19,870,386	91.75%	$ -	0.00%
2019	243,941,564	206,638,261	37,303,303	84.71%	-	0.00%
2018	247,226,144	232,221,141	15,005,003	93.93%	-	0.00%
2017	250,798,054	223,057,297	27,740,757	88.94%	-	0.00%
2016	252,746,884	224,635,362	28,111,522	88.88%	-	0.00%
2015	245,437,446	240,784,930	4,652,516	98.10%	-	0.00%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Fiscal Year Ended June 30,		
2017	2016	2015
$ 18,142,691	$ 17,667,136	$ 17,801,885
780,417	1,179,108	-
2,964,382	4,777,253	67,662
(2,147,637)	3,437,195	-
(21,688,683)	(19,751,254)	(19,581,140)
(1,948,830)	7,309,438	(1,711,593)
252,746,884	245,437,446	247,149,039
250,798,054	252,746,884	245,437,446
2,041,923	2,327,949	901,797
18,343,180	1,600,942	15,235,786
(21,688,683)	(19,751,254)	(19,581,140)
(300,220)	(328,225)	(332,389)
25,735	1,020	40,671
(1,578,065)	(16,149,568)	(3,735,275)
224,635,362	240,784,930	244,520,205
223,057,297	224,635,362	240,784,930
$ 27,740,757	$ 28,111,522	$ 4,652,516
88.9%	88.9%	98.1%
$ -	$ -	$ -
0.0%	0.0%	0.0%

Required Supplementary Information

Police and Fire Retirement System VEBA

Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios

	Fiscal Year Ended June 30,		
	2020	2019	2018
Total OPEB liability			
Interest on total OPEB liability	$ 2,857,872	$ 2,983,381	$ 2,890,913
Difference between expected and actual experience	(1,140,426)	(2,597,547)	3,832,503
Changes of assumptions	(3,059,994)	(2,409,464)	551,988
Benefit payments	(2,614,513)	(2,304,955)	(1,887,615)
Net change in total OPEB liability	(3,957,061)	(4,328,585)	5,387,789
Total OPEB liability, beginning of year	42,703,920	47,032,505	41,644,716
Total OPEB liability, end of year	38,746,859	42,703,920	47,032,505
Plan fiduciary net position			
Employer contributions	-	4,073,975	-
Benefit payments, including refunds	(2,614,513)	(2,304,955)	(1,887,615)
OPEB plan net investment income (loss)	6,263,203	(2,848,439)	4,508,528
Administrative expense	(49,079)	(55,482)	(95,449)
Other	3,081	29,049	845
Net change in plan fiduciary net position	3,602,692	(1,105,852)	2,526,309
Plan fiduciary net position, beginning of year	39,846,194	40,952,046	38,425,737
Plan fiduciary net position, end of year	43,448,886	39,846,194	40,952,046
Net OPEB (asset) liability	$ (4,702,027)	$ 2,857,726	$ 6,080,459
Plan fiduciary net position as a percentage of total OPEB liability	112.1%	93.3%	87.1%

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

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information

Police and Fire Retirement System

Schedule of Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2020	$ 2,133,428	$ 2,133,428	$ -	$ -	0.0%
2019	2,412,557	2,412,557	-	-	0.0%
2018	1,773,627	1,773,627	-	-	0.0%
2017	2,041,923	2,041,923	-	-	0.0%
2016	2,327,949	2,327,949	-	-	0.0%
2015	901,797	901,797	-	-	0.0%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Notes to Schedule of Contributions

Valuation date — Actuarially determined contribution rates are calculated as of June 30, two and a half years prior to the end of the fiscal year in which the contributions are reported. The most recent valuation is as of December 31, 2019.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	20% write-up
Inflation	0.0%
Salary increases	N/A
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Experience-based table of rates to the type of eligibility condition
Mortality rates	RP-2014 Blue Collar, with general improvements using MP-2019 scale
Other information	Cost-of-living adjustments are 2.0% of original pension amounts at retirement for certain plan members and applied to years of retirement

Required Supplementary Information

Police and Fire Retirement System VEBA
Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2020	$ -	$ 2,925,244	$ (2,925,244)	n/a	n/a
2019	82,480	-	82,480	n/a	n/a
2018	287,012	-	287,012	n/a	n/a

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Note: The amount shown as contributions for 2020 relate to the court judgment against the City for 2012 contributions, which was partially received in 2020.

Notes to Schedule of Contributions

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

Methods and assumptions used to determine rates:

Actuarial cost method	Entry-age normal, level % of salary
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	Market value
Inflation	2.25%
Health care trend rates	8.00% decreasing 0.50% per year to an ultimate rate of 5.0% for 2026 and later years
Investment rate of return	7.50%, net of OPEB plan investment expense, including inflation
Mortality	Various SOA Pub-2010 headcount-weighted tables fully generational using Scale MP-2019

Required Supplementary Information

Police and Fire Retirement System VEBA
Schedule of Net OPEB (Asset) Liability

Fiscal Year Ending June 30,	Total OPEB Liability	Plan Net Position	Net OPEB (Asset) Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB (Asset) Liability as Percentage of Covered Payroll
2020	$ 38,746,859	$ 43,448,886	$ (4,702,027)	112.1%	n/a	n/a
2019	42,703,920	39,846,194	2,857,726	93.3%	n/a	n/a
2018	47,032,505	40,952,046	6,080,459	87.1%	n/a	n/a

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CITY OF PONTIAC, MICHIGAN

Required Supplementary Information
Retiree Health Care Plan
Schedule of the Total OPEB Liability

Fiscal Year Ending June 30,	Total OPEB Liability	Covered Payroll	Total OPEB Liability as Percentage of Covered Payroll
2020	$ 69,322,430	n/a	n/a
2019	64,647,418	n/a	n/a
2018	80,432,528	n/a	n/a

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CITY OF PONTIAC, MICHIGAN

Required Supplementary Information
Retiree Health Care Plan
Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year Ended June 30,		
	2020	**2019**	**2018**
Total OPEB liability			
Interest on total OPEB liability	$ 2,574,801	$ 2,693,118	$ 3,237,511
Changes in benefit terms	-	-	(6,518,093)
Difference between expected and actual experience	(1,308,160)	(8,545,849)	391,102
Changes of assumptions	7,449,434	(5,607,379)	(4,610,100)
Benefit payments	(4,041,063)	(4,325,000)	-
Net change in total OPEB liability	4,675,012	(15,785,110)	(7,499,580)
Total OPEB liability, beginning of year	64,647,418	80,432,528	87,932,108
Total OPEB liability, end of year	$ 69,322,430	$ 64,647,418	$ 80,432,528
Covered-employee payroll	n/a	n/a	n/a
Total OPEB liability as a percentage of covered-employee payroll	n/a	n/a	n/a

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

Assumption Changes: In fiscal year 2020, the mortality tables changed from SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale SS-2017 for all plan participants to the following: SOA Pub.H-2010 Public Safety Mortality Table fully generational using Scale MP-2020 for police and fire retirees, SOA Pub.H-2010 General Mortality Table fully generational using Scale MP-2020 for general retirees, SOA Pub.H-2010 Disabled Public Safety Mortality Table fully generational using Scale MP-2020 for disabled police and fire retirees, SOA Pub.H-2010 Disabled General Mortality Table fully generational using Scale MP-2020 for disabled general retirees, and SOA Pub.H-2010 Contingent Survivor Mortality Table fully generational using Scale MP-2020 for beneficiaries. Additionally, healthcare trend rates reset to an initial rate of 8.0% for pre-Medicare and 6.5% for Medicare, decreasing by 0.5% annually to an ultimate rate of 4.5% for pre-Medicare and 4.0% for Medicare.

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CITY OF PONTIAC, MICHIGAN

Budgetary Comparison Schedule
Major Streets Special Revenue Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State revenue	$ 5,592,400	$ 5,592,400	$ 6,055,457	$ 463,057
Interest	26,680	26,680	25,842	(838)
Other revenue	-	-	28,398	28,398
Total revenues	5,619,080	5,619,080	6,109,697	490,617
Expenditures				
Public works	6,647,877	7,146,897	4,683,514	(2,463,383)
Revenues over (under) expenditures	(1,028,797)	(1,527,817)	1,426,183	2,954,000
Other financing sources				
Transfers in	600,000	600,000	-	(600,000)
Net change in fund balance	(428,797)	(927,817)	1,426,183	2,354,000
Fund balance, beginning of year	2,492,968	2,492,968	2,492,968	-
Fund balance, end of year	$ 2,064,171	$ 1,565,151	$ 3,919,151	$ 2,354,000

CITY OF PONTIAC, MICHIGAN

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes and special assessments	$ 8,255,735	$ 8,255,735	$ 8,619,087	$ 363,352
Income taxes	14,188,360	14,188,360	14,801,727	613,367
Federal revenue	20,000	20,000	26,687	6,687
State revenue	10,694,705	10,694,705	9,610,145	(1,084,560)
Charges for services	997,020	997,020	1,102,369	105,349
Fines and forfeitures	8,000	8,000	8,000	-
Licenses and permits	275,000	275,000	696,781	421,781
Interest and rental revenue	416,772	416,772	1,142,077	725,305
Other revenue	2,022,068	2,022,068	1,831,635	(190,433)
Total revenues	36,877,660	36,877,660	37,838,508	960,848
Expenditures				
Current:				
General government	6,916,882	6,884,335	5,945,107	(939,228)
Public safety	20,753,383	21,105,965	20,843,177	(262,788)
Public works	2,558,206	2,558,206	2,315,942	(242,264)
Community and economic development	2,055,964	2,055,964	1,465,772	(590,192)
Recreation and culture	3,689,940	3,689,940	460,911	(3,229,029)
Retiree fringe benefits	1,835,294	1,835,294	1,846,111	10,817
Total expenditures	37,809,669	38,129,704	32,877,020	(5,252,684)
Revenues over (under) expenditures	(932,009)	(1,252,044)	4,961,488	6,213,532
Other financing sources (uses)				
Transfers in	989,053	989,053	296,752	(692,301)
Transfers out	(2,528,376)	(9,528,376)	(8,189,524)	(1,338,852)
Total other financing sources (uses)	(1,539,323)	(8,539,323)	(7,892,772)	646,551
Net change in fund balance	(2,471,332)	(9,791,367)	(2,931,284)	6,860,083
Fund balance, beginning of year	18,585,011	18,585,011	18,585,011	-
Fund balance, end of year	$ 16,113,679	$ 8,793,644	$ 15,653,727	$ 6,860,083

CITY OF PONTIAC, MICHIGAN

Budgetary Comparison Schedule
District Court Special Revenue Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State revenue	$ 182,896	$ 182,896	$ 182,896	$ -
Charges for services	773,700	773,700	662,623	(111,077)
Fines and forfeitures	1,022,000	1,022,000	934,452	(87,548)
Interest	1,800	1,800	1,585	(215)
Total revenues	1,980,396	1,980,396	1,781,556	(198,840)
Expenditures				
District court	3,776,167	3,776,132	2,930,983	(845,149)
Revenues under expenditures	(1,795,771)	(1,795,736)	(1,149,427)	646,309
Other financing sources (uses)				
Transfers in	1,834,759	1,834,759	1,188,960	(645,799)
Transfers out	(38,988)	(39,023)	(39,775)	752
Total other financing sources (uses)	1,795,771	1,795,736	1,149,185	(646,551)
Net change in fund balance	-	-	(242)	(242)
Fund balance, beginning of year	1,487	1,487	1,487	-
Fund balance, end of year	$ 1,487	$ 1,487	$ 1,245	$ (242)

CITY OF PONTIAC, MICHIGAN

Budgetary Comparison Schedule
Sanitation Special Revenue Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes and special assessments	$ 1,778,236	$ 1,778,236	$ 1,904,314	$ 126,078
State revenue	53,777	53,777	84,511	30,734
Charges for services	1,985,566	1,985,566	1,906,687	(78,879)
Interest	33,608	33,608	85,849	52,241
Other revenue	625,000	625,000	300	(624,700)
Total revenues	4,476,187	4,476,187	3,981,661	(494,526)
Expenditures				
Public works	4,476,187	4,476,187	3,604,401	(871,786)
Net change in fund balance	-	-	377,260	377,260
Fund balance, beginning of year	6,177,611	6,177,611	6,177,611	-
Fund balance, end of year	$ 6,177,611	$ 6,177,611	$ 6,554,871	$ 377,260

Note to Required Supplementary Information

1. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and all special revenue funds.

Budget requests are reviewed by the budget department, finance department and executive office. The final budget is adopted by June 30 each year. City Council adopted the final budget for the June 30, 2020 year end.

City officials responsible for the expenditures authorized in the budget may expend City funds up to, but not to exceed, the total appropriated authorized for each function.

All annual appropriations lapse at year end except those approved for carryforward through encumbrances. Encumbrances (e.g., purchase orders, contracts) do not constitute expenditures or liabilities because the goods and services have not been received as of year-end; the commitments will be reappropriated and honored during the subsequent year.

During the year ended June 30, 2020, the City incurred expenditures in excess of the amounts appropriated as follows:

	Amended Budget	Actual	Over Budget
General fund			
Retiree fringe benefits	$ 1,835,294	$ 1,846,111	$ 10,817
District court special revenue fund			
Transfers out	39,023	39,775	752

■ ■ ■ ■ ■

This page intentionally left blank.

CITY OF PONTIAC, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				
	Youth Recreation	PA-48 Tele-communication Allocation	Community Development Block Grant	Home Buyers Assistance	Local Streets
Assets					
Cash and investments	$ 298,111	$ 30,972	$ 30,335	$ 3,638	$ 3,925,097
Accounts receivable	-	-	-	-	-
Taxes receivable, net	117,074	-	-	-	-
Interest receivable	-	-	-	-	3,465
Due from other governments	-	-	-	-	228,669
Prepaids	51,171	-	-	-	-
Total assets	$ 466,356	$ 30,972	$ 30,335	$ 3,638	$ 4,157,231
Liabilities					
Accounts payable	$ 15,031	$ -	$ -	$ -	$ 580,046
Accrued wages	3,611	-	-	-	4,737
Unearned revenue	-	-	-	-	-
Due to other governments	3,336	-	-	-	-
Deposits payable	-	-	-	-	-
Total liabilities	21,978	-	-	-	584,783
Deferred inflows of resources					
Unavailable revenue	2,198	-	-	-	-
Fund balances					
Nonspendable	51,171	-	-	-	-
Restricted	391,009	30,972	30,335	3,638	3,572,448
Total fund balances	442,180	30,972	30,335	3,638	3,572,448
Total liabilities, deferred inflows of resources and fund balances	$ 466,356	$ 30,972	$ 30,335	$ 3,638	$ 4,157,231

OTHER SUPPLEMENTAL INFORMATION

CITY OF PONTIAC, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds					Special Revenue Funds					Capital Projects	
	Youth Recreation	PA-48 Tele-communication Allocation	Community Development Block Grant	Home Buyers Assistance	Local Streets	Senior Activities	Drug Enforcement Fund	Cable Fund	Building Inspection Fund	MIDC Grant Fund	Capital Improvement	Total
Revenues						$ 989,736	$ 214,812	$ 1,180,485	$ 3,304,009	$ 419,726	$ 2,397,115	$ 12,794,036
Property taxes and special						-	-	35,259	-	-	-	35,259
assessments	$ 985,033	$ -	$ -	$ -	$ -	40,226	-	-	-	-	113,105	270,405
State revenue	44,981	248,222	-	-	1,777,560	184	339	222	258	-	5,263	9,731
Charges for services	-	-	-	-	-	-	-	-	-	-	-	228,669
Fines and forfeitures	-	-	-	-	-	511	-	-	-	-	-	51,682
Licenses and permits	-	-	-	-	-							
Interest and rental revenue	-	-	-	-	76,551	$ 1,030,657	$ 215,151	$ 1,215,966	$ 3,304,267	$ 419,726	$ 2,515,483	$ 13,389,782
Other revenue	-	-	-	-	10,732							
Total revenues	1,030,014	248,222	-	-	1,864,843	$ 14,375	$ 3,099	$ 573	$ 220,727	$ 24,368	$ 213,625	$ 1,071,844
						7,359	-	4,571	-	3,285	-	23,563
Expenditures						-	-	-	-	392,073	-	392,073
Current expenditures:						3,144	-	-	-	-	8,800	15,280
General government	-	-	-	-	-	400	-	-	771	-	-	1,171
Public safety	-	-	-	-	-							
Public works	-	-	-	-	3,280,487	25,278	3,099	5,144	221,498	419,726	222,425	1,503,931
Community and human services	-	-	-	-	-							
Recreation and culture	860,218	-	-	-	-							
Capital outlay	-	-	-	-	-	1,950	-	-	-	-	3,768	7,916
Total expenditures	860,218	-	-	-	3,280,487							
						511	-	-	-	-	-	51,682
Revenues over (under) expenditures	169,796	248,222	-	-	(1,415,644)	1,002,918	212,052	1,210,822	3,082,769	-	2,289,290	11,826,253
Other financing sources (uses)						1,003,429	212,052	1,210,822	3,082,769	-	2,289,290	11,877,935
Transfers in	-	-	-	-	-							
Transfers out	-	(275,000)	-	-	-							
						$ 1,030,657	$ 215,151	$ 1,215,966	$ 3,304,267	$ 419,726	$ 2,515,483	$ 13,389,782
Total other financing sources (uses)	-	(275,000)	-	-	-							
Net change in fund balances	169,796	(26,778)	-	-	(1,415,644)							
Fund balances, beginning of year	272,384	57,750	30,335	3,638	4,988,092							
Fund balances, end of year	$ 442,180	$ 30,972	$ 30,335	$ 3,638	$ 3,572,448							

Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Self-insurance Workers' Compensation	Insurance	Employee Sick and Vacation	Total
Assets				
Current assets:				
Cash and investments	$ 1,546,417	$ -	$ 400,593	$ 1,947,010
Accounts receivable	415	1,727,271	-	1,727,686
Prepaids	59,654	5,373,436	-	5,433,090
Total assets	1,606,486	7,100,707	400,593	9,107,786
Liabilities				
Current liabilities:				
Accounts payable	26,749	13,535	-	40,284
Accrued liabilities	292,527	449,743	-	742,270
Due to other funds	-	3,530,084	-	3,530,084
Current portion of compensated absences	-	-	249,633	249,633
Total current liabilities	319,276	3,993,362	249,633	4,562,271
Noncurrent liabilities - Compensated absences	-	-	150,960	150,960
Total liabilities	319,276	3,993,362	400,593	4,713,231
Net position				
Unrestricted	$ 1,287,210	$ 3,107,345	$ -	$ 4,394,555

Special Revenue Funds					Capital Projects	
Senior Activities	Drug Enforcement Fund	Cable Fund	Building Inspection Fund	MIDC Grant Fund	Capital Improvement	Total
$ 333,530	$ -	$ -	$ -	$ -	$ 941,529	$ 2,260,092
14,993	-	-	-	-	42,255	2,128,011
-	-	-	216,178	-	-	216,178
-	37,213	-	-	-	-	37,213
-	-	-	4,109,956	-	-	4,109,956
20,851	1,214	12,479	7,746	-	47,512	166,353
-	-	144,407	8	609,528	-	764,675
369,374	38,427	156,886	4,333,888	609,528	1,031,296	9,682,478
-	-	146,550	-	627,551	-	774,101
-	53,815	-	2,175,297	-	-	2,229,112
-	-	-	-	-	-	3,280,487
397,735	-	-	-	-	-	397,735
-	-	-	-	-	-	860,218
-	-	-	-	-	1,754,951	1,754,951
397,735	53,815	146,550	2,175,297	627,551	1,754,951	9,296,604
(28,361)	(15,388)	10,336	2,158,591	(18,023)	(723,655)	385,874
-	-	-	-	18,023	-	18,023
-	-	-	-	-	-	(275,000)
-	-	-	-	18,023	-	(256,977)
(28,361)	(15,388)	10,336	2,158,591	-	(723,655)	128,897
1,031,790	227,440	1,200,486	924,178	-	3,012,945	11,749,038
$ 1,003,429	$ 212,052	$ 1,210,822	$ 3,082,769	$ -	$ 2,289,290	$ 11,877,935

CITY OF PONTIAC, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds
For the Year Ended June 30, 2020

	Self-insurance Workers' Compensation	Insurance	Employee Sick and Vacation	Total
Operating revenues				
Charges for services	$ 188,906	$ 4,627,774	$ -	$ 4,816,680
Other revenue	-	622,894	-	622,894
Total operating revenues	188,906	5,250,668	-	5,439,574
Operating expenses				
Insurance	-	4,388,890	-	4,388,890
Workers' compensation expense - net of change in liability	128,145	-	-	128,145
Miscellaneous expense	-	-	3,206	3,206
Total operating expenses	128,145	4,388,890	3,206	4,520,241
Operating income (loss)	60,761	861,778	(3,206)	919,333
Nonoperating revenue				
Interest income	18,513	-	3,206	21,719
Change in net position	79,274	861,778	-	941,052
Net position, beginning of year	1,207,936	2,245,567	-	3,453,503
Net position, end of year	$ 1,287,210	$ 3,107,345	$ -	$ 4,394,555

CITY OF PONTIAC, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended June 30, 2020

	Self-insurance Workers' Compensation	Insurance	Employee Sick and Vacation	Total
Cash flows from operating activities				
Cash payments to suppliers	$ (850,189)	$ (5,262,688)	$ -	$ (6,112,877)
Cash payments to employees	-	(1,931)	(191)	(2,122)
Cash received from interfund services	249,570	5,054,166	(3,206)	5,300,530
Net cash used by operating activities	(600,619)	(210,453)	(3,397)	(814,469)
Cash flows from investing activities				
Interest income received	18,513	-	3,206	21,719
Net change in cash and investments	(582,106)	(210,453)	(191)	(792,750)
Cash and investments, beginning of year	2,128,523	210,453	400,784	2,739,760
Cash and investments, end of year	$ 1,546,417	$ -	$ 400,593	$ 1,947,010
Reconciliation of operating income (loss) to net cash used by operating activities				
Operating income (loss)	$ 60,761	$ 861,778	$ (3,206)	$ 919,333
Adjustments to reconcile operating income (loss) to net cash used by operating activities				
Change in:				
Accounts receivable	697	(235,816)	-	(235,119)
Due from other governments	59,967	39,314	-	99,281
Prepaids	(5,343)	(632,376)	-	(637,719)
Accounts payable	(25,493)	(4,077,922)	-	(4,103,415)
Accrued liabilities	(691,208)	306,416	-	(384,792)
Accrued wages	-	(1,931)	-	(1,931)
Due to other funds	-	3,530,084	-	3,530,084
Compensated absences	-	-	(191)	(191)
Net cash used by operating activities	$ (600,619)	$ (210,453)	$ (3,397)	$ (814,469)

CITY OF PONTIAC, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2020

	District Court	Current Tax Collection	Total
Additions			
Taxes collected for other governments	$ -	$ 20,338,659	$ 20,338,659
Court collections	904,303	-	904,303
Total additions	904,303	20,338,659	21,242,962
Deductions			
Payments of taxes to other governments	-	20,338,659	20,338,659
Court distributions	904,303	-	904,303
Total deductions	904,303	20,338,659	21,242,962
Change in net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	$ -	$ -	$ -

CITY OF PONTIAC, MICHIGAN

Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2020

	District Court	Current Tax Collection	Total
Assets			
Cash and cash equivalents	$ 50,260	$ 2,735	$ 52,995
Due from other governments	-	684	684
Total assets	50,260	3,419	53,679
Liabilities			
Due to other governments	-	3,419	3,419
Deposits payable	50,260	-	50,260
Total liabilities	50,260	3,419	53,679
Net position			
Restricted for individuals, organizations, and other governments	$ -	$ -	$ -

Reconciliation
Fund Balances of Governmental Funds
to Net Position of Governmental Activities
Component Units
For the Year Ended June 30, 2020

	Tax Increment Finance Authority			Brownfield Redevelopment Authority	
	District 2	District 3	Total		Total
Fund balances (deficits) for component units	$ (2,968,122)	$ (2,060,692)	$ (5,028,814)	$ 305,019	$ (4,723,795)
Amounts reported for *component units* in the statement of net position are different because:					
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.					
Unavailable property taxes receivable	770	12,971	13,741	-	13,741
Deferred charges on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net position.	-	469,064	469,064	-	469,064
Certain liabilities, such as bonds payable, property tax settlements and compensated absences are not due and payable in the current period, and therefore are not reported in the funds.					
Accrued interest on bonds	(10,122)	(134,910)	(145,032)	-	(145,032)
Bonds payable	(1,230,000)	(17,150,000)	(18,380,000)	-	(18,380,000)
Net position for component units	$ (4,207,474)	$ (18,863,567)	$ (23,071,041)	$ 305,019	$ (22,766,022)

Combining Balance Sheet
Component Units
June 30, 2020

	Tax Increment Finance Authority			Brownfield Redevelopment Authority	
	District 2	District 3	Total		Total
Assets					
Cash and investments	$ 18	$ 149,757	$ 149,775	$ 272,273	$ 422,048
Property taxes receivable - net	770	110,465	111,235	32,778	144,013
Total assets	$ 788	$ 260,222	$ 261,010	$ 305,051	$ 566,061
Liabilities					
Due to other governments	$ 15	$ 261	$ 276	$ 32	$ 308
Financial guarantee	2,968,125	2,307,682	5,275,807	-	5,275,807
Total liabilities	2,968,140	2,307,943	5,276,083	32	5,276,115
Deferred inflows of resources					
Unavailable revenue	770	12,971	13,741	-	13,741
Fund balances					
Unassigned (deficit)	(2,968,122)	(2,060,692)	(5,028,814)	305,019	(4,723,795)
Total liabilities, deferred inflows of resources and fund balances	$ 788	$ 260,222	$ 261,010	$ 305,051	$ 566,061

CITY OF PONTIAC, MICHIGAN

Reconciliation
Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
Component Units
June 30, 2020

	Tax Increment Finance Authority			Brownfield Redevelopment Authority	Total
	District 2	District 3	Total		
Net change in fund balances - component units	$ (307,564)	$ (314,938)	$ (622,502)	$ 37,801	$ (584,701)
Amounts reported for *component units* in the statement of activities are different because:					
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	(20)	(15,810)	(15,830)	-	(15,830)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.					
Principal payments on long-term liabilities	305,000	1,105,000	1,410,000	-	1,410,000
Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds.					
Change in accrued interest on bonds	2,098	7,597	9,695	-	9,695
Change in deferred charge on refunding	-	(42,643)	(42,643)	-	(42,643)
Change in net position of component units	$ (486)	$ 739,206	$ 738,720	$ 37,801	$ 776,521

CITY OF PONTIAC, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Component Units
For the Year Ended June 30, 2020

	Tax Increment Finance Authority			Brownfield Redevelopment Authority	Total
	District 2	District 3	Total		
Revenues					
Taxes	$ 3,755	$ 1,426,707	$ 1,430,462	$ 37,801	$ 1,468,263
State revenue	17,600	218,999	236,599	-	236,599
Charges for services	50,000	-	50,000	-	50,000
Contributions from primary government	307,563	314,937	622,500	-	622,500
Total revenues	378,918	1,960,643	2,339,561	37,801	2,377,362
Expenditures					
Commercial and industrial development	600	600	1,200	-	1,200
Financial guarantee	307,563	314,937	622,500	-	622,500
Debt service:					
Principal	305,000	1,105,000	1,410,000	-	1,410,000
Interest and fiscal charges	73,319	855,044	928,363	-	928,363
Total expenditures	686,482	2,275,581	2,962,063	-	2,962,063
Net change in fund balances	(307,564)	(314,938)	(622,502)	37,801	(584,701)
Fund balances (deficit), beginning of year	(2,660,558)	(1,745,754)	(4,406,312)	267,218	(4,139,094)
Fund balances (deficit), end of year	$ (2,968,122)	$ (2,060,692)	$ (5,028,814)	$ 305,019	$ (4,723,795)

Rehmann

INDEPENDENT AUDITORS' 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*

December 23, 2020

The Mayor and City Council
City of Pontiac, Michigan
Pontiac, Michigan

We have audited, in accordance with the 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 the ***City of Pontiac, Michigan*** (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2020. Our report includes a reference to other auditors who audited the fiduciary component unit financial statements of the General City Employees' Retirement System, the Police and Fire Retirement System, and the Police and Fire Retirement System VEBA, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the General City Employees' Retirement System, the Police and Fire Retirement System, and the Police and Fire Retirement System VEBA were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity'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.

Rehmann is an independent member of Nexia International. A member of Nexia International

1500 W Big Beaver, 2nd Floor, Troy, MI 48084 248.952.5000

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

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 City'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rehmann Robson LLC

Rehmann

INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

December 23, 2020

The Honorable Mayor and City Council
City of Pontiac
Pontiac, Michigan

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 the ***City of Pontiac, Michigan*** (the "City") as of and for the year ended June 30, 2020, and have issued our report thereon dated December 23, 2020. Our report includes a reference to other auditors who audited the fiduciary component unit financial statements of the General City Employees' Retirement System, the Police and Fire Retirement System, and the Police and Fire Retirement System VEBA, as described in our report on the City's financial statements. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 21, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also 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 for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated December 23, 2020.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on October 2, 2020.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements.

As described in Note 21 to the financial statements, the City changed accounting policies related to the reporting of fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.

The schedule of adjustments passed is included with management's written representations in Attachment B to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment B to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment A to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the ***City of Pontiac, Michigan,*** and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Robson LLC

Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2020 Audit

GASB 93 ■ Replacement of Interbank Offered Rates
Effective 06/15/2022 (your FY 2022)

This standard provides guidance to governments with agreements with variable payments tied to LIBOR, and how to transition them to a new reference rate. We do not expect this standard to have any significant effect on the City.

GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements
Effective 06/15/2023 (your FY 2023)

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the City.

GASB 96 ■ Subscription-Based Information Technology Arrangements
Effective 06/15/2023 (your FY 2023)

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

GASB 97 ■ Certain Component Unit Criteria and IRC Section 457 Deferred Compensation Plans
Effective 06/15/2022 (your FY 2022)

This standard amends the requirements for when to report defined contribution pension plans (such as 401k and 403b plans) as fiduciary component units, and how to account for Section 457 deferred compensation plans.

■ ■ ■ ■ ■

Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2020 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 87 ■ Leases
Effective 06/15/2022 (your FY 2022)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period
Effective 12/15/2021 (your FY 2022)

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the City.

GASB 91 ■ Conduit Debt Obligations
Effective 12/15/2022 (your FY 2023)

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the City.

GASB 92 ■ Omnibus 2020
Effective 06/15/2022 (your FY 2022)

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the City.

DR. DEIRDRE WATERMAN
MAYOR
CITY OF PONTIAC

December 23, 2020

Rehmann Robson
1500 W. Big Beaver Road
2nd Floor
Troy, Michigan 48084

This representation letter is provided in connection with your audit of 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 the ***City of Pontiac, Michigan*** (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the general fund and each major special revenue fund of the City in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 23, 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 21, 2020, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.

47450 Woodward Avenue • Pontiac, Michigan 48342
Direct: (248) 758-3181 • Appointments: (248) 758-3326 • Fax: (248) 758-3292
E-mail: DWaterman@pontiac.mi.us • www.pontiac.mi.us
https://www.facebook.com/pontiacmayor/

CITY OF PONTIAC, MICHIGAN

Attachment B – Management Representations
For the June 30, 2020 Audit

The following pages contain the written representations that we requested from management.

15. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
16. All components of net position and fund balance classifications have been properly reported.
17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Special items and extraordinary items have been properly classified and reported.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
25. In response to the novel coronavirus outbreak (COVID-19), the Governor issued various temporary Executive Orders that, among other stipulations, effectively prohibited in-person work activities for most businesses and industries including non-essential government services, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the City's normal activities. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the City for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Information Provided

26. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
    a. Made all management decisions and performed all management functions;
    b. Assigned a competent individual to oversee the services;
    c. Evaluated the adequacy of the services performed;
    d. Evaluated and accepted responsibility for the result of the service performed; and
    e. Established and maintained internal controls, including monitoring ongoing activities.
5. We acknowledge our responsibility 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.
6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. With regard to items reported at fair value:
    a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14. All funds and activities are properly classified.

27. All transactions have been recorded in the accounting records and are reflected in the financial statements.
28. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
30. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
31. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
32. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
33. We have a process to track the status of audit findings and recommendations.
34. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
35. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
36. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
37. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
38. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
39. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
40. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
41. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
42. There are no:
    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

    b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
    c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
43. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
44. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
45. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

46. With respect to the supplementary information accompanying the financial statements:
    a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
    b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
    c. The methods of measurement or presentation have not changed from those used in the prior period.
    d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

47. With respect to the required supplementary information accompanying the financial statements:
    a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
    b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
    c. The methods of measurement or presentation have not changed from those used in the prior period.
    d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

CITY OF PONTIAC, MICHIGAN

Schedule of Adjustments Passed (SOAP)
For the June 30, 2020 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
Governmental Activities / Special Revenue - District Court					
Open bond listing variance	$ -	$ (19,514)	$ -	$ -	$ (19,514)
Misstatement as a percentage of total expenditures - governmental activities	0.00%	-0.67%	0.00%	0.00%	-0.67%

B2

Deirdre Waterman

Deirdre Waterman, Mayor

Darin Carrington

Darin Carrington, Director of Finance

APPENDIX E

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

May 19, 2021

City of Pontiac Wastewater Treatment
Facility Drainage District
Oakland County, Michigan

We have acted as bond counsel to the City of Pontiac Wastewater Treatment Facility Drainage District, Oakland County, Michigan (the "Drainage District") in connection with the issuance by the Drainage District of $38,010,000 Drain Refunding Bonds, Series 2021 (Taxable), dated the date hereof (the "Bonds"). We have examined the law and such certified copies of the 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 Drainage District payable from the collection of the several installments of a special assessment against the City of Pontiac (the "City") on the 2021 Refunding Bonds Special Assessment Roll for the City of Pontiac Wastewater Treatment Facility, as supplemented by a Supplemental Order of the Chairperson of the Drainage Board for the City of Pontiac Wastewater Treatment Facility.

2. The full faith and credit of the Drainage District and the County of Oakland (the "County") have been pledged for the payment of the principal of and interest on the Bonds when due.

3. The tax levying officials of the public corporation assessed are obligated to levy sufficient taxes to pay assessment installments and interest as the same become due, unless there have been set aside moneys sufficient therefor. In addition, by reason of its pledge of full faith and credit as recited in the Bonds, the County is authorized and obligated to levy ad valorem taxes upon all taxable property within its limits in amounts sufficient to provide funds to advance to the Drainage District in the event the City shall fail or neglect to pay any special assessment installment and interest when due. Taxes levied by the City are subject to constitutional, statutory and charter tax limitations and taxes levied by the County are subject to constitutional and statutory tax limitations.

4. The interest on the Bonds is not excluded from gross income for federal and State of Michigan income tax purposes.

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,

EAM/LMB
4821-2152-3681 v2 [9007-440]

APPENDIX F

Form of Continuing Disclosure Certificates

CONTINUING DISCLOSURE CERTIFICATE

COUNTY OF OAKLAND

$38,010,000

CITY OF PONTIAC WASTEWATER TREATMENT FACILITY DRAINAGE DISTRICT DRAIN REFUNDING BONDS, SERIES 2021 (TAXABLE)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Oakland, Michigan (the "County") in connection with the issuance by the City of Pontiac Wastewater Treatment Facility Drainage District (the "Issuer") of its Drain Refunding Bonds, Series 2021 (Taxable) (the "Bonds"). The County covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the County for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating 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 County and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the County shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

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

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

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

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

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

"Dissemination Agent" shall mean the County or any successor Dissemination Agent appointed in writing by the County and which has filed with the County a written acceptance of such 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 April 28, 2021.

"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 County shall provide, or shall cause the Dissemination Agent to provide, not later than the date seven (7) months after the end of the County's fiscal year, commencing with the County's Annual Report for its fiscal year ending September 30, 2021, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days (or such lesser number of days as is acceptable to the Dissemination Agent) prior to said date, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). Currently, the County'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 County are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for the County shall be included in the Annual Report.

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

(c) If the County's fiscal year changes, the County 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 County, the Dissemination Agent shall file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

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

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

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

(b) An update of the financial information and operating data relating to the County of the same nature as that contained in the following portions of Appendix A to the Official Statement

(1) History of State Equalized Valuation (SEV);

(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, 2011-2020;

(5) Collection Record of County Wide Tax Levy, 2011-2020,

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

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

Section 5. Reporting of Significant Events.

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

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Tender offers;

(13) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(14) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(15) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(16) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

(c) If the County 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 County 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 County shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

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

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

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

Section 6. Mandatory Electronic Filing with EMMA.

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

Section 7. Termination of Reporting Obligation.

(a) The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or the prior redemption or payment in full of all of the Bonds. If the County'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 County, and the County shall have no further responsibility hereunder.

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

Section 8. Dissemination Agent. The County, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such 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 County) shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate.

Section 9. Amendment; Waiver.

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

(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 County, or type of business conducted by the County;

(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 County 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 County or the Dissemination Agent (if other than the County) at the written direction of the County with the MSRB.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this 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 County or the Dissemination Agent (if other than the County) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the County or the Dissemination Agent (if other than the County) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages 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 County 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 County 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 County, 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 County or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the County or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

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

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

COUNTY OF OAKLAND, MICHIGAN

By: ______________________________

ANDREW E. MEISNER
Its: Treasurer

Dated: May 19, 2021

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person:	County of Oakland, Michigan
Name of Bond Issue:	$38,010,000 City of Pontiac Wastewater Treatment Facility Drainage District, Drain Refunding Bonds, Series 2021 (Taxable)
Date of Bonds:	May 19, 2021

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. County of Oakland anticipates that the Annual Report will be filed by ___________________.

COUNTY OF OAKLAND, MICHIGAN

By: ______________________________________

Its ______________________________________

Dated: ___________________

EXHIBIT B

NOTICE OF CHANGE IN COUNTY'S FISCAL YEAR

Name of Obligated Person:	County of Oakland, Michigan
Name of Bond Issue:	$38,010,000 City of Pontiac Wastewater Treatment Facility Drainage District, Drain Refunding Bonds, Series 2021 (Taxable)
Date of Bonds:	May 19, 2021

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: ______________________________

Issuer's Six-Digit CUSIP Number(s): ______________________________

or Nine-Digit CUSIP Number(s) to which the attached Annual Report relates: ______________

Number of pages of the attached Annual Report or portion thereof: ______________

Name of Bond Issue to which the attached Annual Report relates: ______________

Date of such Bonds: ______________________________

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

Signature: ______________________________

Name: ______________________________

Title: ______________________________
Employer: ______________________________
Address: ______________________________
City, State, Zip Code: ______________________________
Voice Telephone Number: ______________________________

EXHIBIT D

EVENT NOTICE COVER SHEET

This cover sheet and the attached Event Notice should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at http://www.emma.msrb.org pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: ____________________
Issuer's Six-Digit CUSIP Number(s): ____________________
____
or Nine-Digit CUSIP Number(s) to which the attached Event Notice relates: ____________________
____
Number of pages of the attached Event Notice: ____________________
Description of the attached Event Notice (Check One):

1. _________ Principal and interest payment delinquencies
2. _________ Non-Payment related defaults
3. _________ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _________ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _________ Substitution of credit or liquidity providers, or their failure to perform
6. _________ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. _________ Modifications to rights of securities holders
8. _________ Bond calls
9. _________ Defeasances
10. _________ Release, substitution, or sale of property securing repayment of the securities
11. _________ Rating changes
12. _________ Tender offers
13. _________ Bankruptcy, insolvency, receivership or similar event of an obligated person
14. _________ The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms
15. _________ Appointment of a successor or additional trustee, or the change of name of a trustee
16. _________ Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material
17. _________ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.
18. _________ Failure to provide annual financial information as required
19. _________ Other material event notice (specify) ____________________

I hereby represent that I am authorized by the Issuer 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.

CONTINUING DISCLOSURE CERTIFICATE

CITY OF PONTIAC

$38,010,000
CITY OF PONTIAC WASTEWATER TREATMENT FACILITY DRAINAGE DISTRICT DRAIN REFUNDING BONDS, SERIES 2021 (TAXABLE)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Pontiac, Michigan (the "City") in connection with the issuance by the City of Pontiac Wastewater Treatment Facility Drainage District (the "Issuer") of its $38,010,000 Drain Refunding Bonds, Series 2021 (Taxable). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the City 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 City 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 City 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 City provided by the City 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 City or any successor Dissemination Agent appointed in writing by the City and which has filed with the City 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 April 28, 2021.

"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 City shall provide, or shall cause the Dissemination Agent to provide, not later than the date seven (7) months after the first day of the City's fiscal year, commencing with the City's Annual Report for its fiscal year ended June 30, 2021, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days (or such lesser number of days as is acceptable to the Dissemination Agent) prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). Currently, the City's fiscal year commences on July 1. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the City 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 City shall be included in the Annual Report.

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

(c) If the City's fiscal year changes, the City 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 City, the Dissemination Agent shall file a report with the City 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 City) 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 City's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City 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 City of the same nature as that contained in the following sections in Exhibit C to the Official Statement:

(1) Population;

(2) Major Taxpayers;

(3) City Tax Rates & Levies;

(4) Labor Contracts;

(5) Tax Collection Record;

(6) State Equalized Valuation;

(7) Taxable Valuation;

(8) General Fund Revenues and Expenses;

(9) City of Pontiac Debt Statement; and

(10) City of Pontiac Bonds With Credit Pledged.

The City'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 City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

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

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Tender offers;

(13) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(14) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(15) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(16) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

(c) If the City 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 City 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 City 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 City), 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 City 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 City is liable.

(f) The City 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 City 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 City'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 City'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 City, and the City shall have no further responsibility hereunder.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the City (i) receives an opinion of Securities Counsel, addressed to the City, 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 City, 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 City) shall not be responsible in any manner for the content of any notice or report prepared by the City 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 City, or type of business conducted by the City;

(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 City 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 City or the Dissemination Agent (if other than the City) at the written direction of the City with the MSRB.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City 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 City 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 City 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 City or the Dissemination Agent (if other than the City) 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 City or the Dissemination Agent (if other than the City) 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 City 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 City 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 City, 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 City or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the City 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 City 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 City, 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 City 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.

[SIGNATURE PAGE FOLLOWS]

CITY OF PONTIAC, MICHIGAN

By:____
Darin Carrington
Its: Finance Director

Dated: May 19, 2021

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person:	City of Pontiac, Michigan
Name of Bond Issue:	$38,010,000 City of Pontiac Wastewater Treatment Facility Drainage District, Drain Refunding Bonds, Series 2021 (Taxable)
Date of Bonds:	May 19, 2021

NOTICE IS HEREBY GIVEN that the City of Pontiac 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 City of Pontiac anticipates that the Annual Report will be filed by ___________________.

CITY OF PONTIAC, MICHIGAN

By: ______________________________________
Its ______________________________________

Dated: ___________________

Exhibit A

EXHIBIT B

NOTICE OF CHANGE IN CITY'S FISCAL YEAR

Name of Obligated Person:	City of Pontiac, Michigan
Name of Bond Issue:	$38,010,000 City of Pontiac Wastewater Treatment Facility Drainage District, Drain Refunding Bonds, Series 2021 (Taxable)
Date of Bonds:	May 19, 2021

NOTICE IS HEREBY GIVEN that the City of Pontiac's fiscal year has changed. Previously, the City of Pontiac's fiscal year ended on _____________. It now ends on __________________.

CITY OF PONTIAC, MICHIGAN

By: ______________________________________
Its ______________________________________

Dated: ___________________

EXHIBIT C

ANNUAL REPORT COVER SHEET

This cover sheet and the attached Annual Report or portion thereof should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at http://www.emma.msrb.org pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(A) and (B).

Issuer's /Other Obligated Person's Name: City of Pontiac, 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: City of Pontiac Wastewater Treatment Facility Drainage District Drain Refunding Bonds, Series 2021 (Taxable)

Date of such Bonds: May 19, 2021 ______________________________

I hereby represent that I am authorized by the Issuer/Other Obligated Person or its agent to distribute this information publicly:

Signature: ______________________________

Name: ______________________________

Title: ______________________________
Employer: ______________________________
Address: ______________________________
City, State, Zip Code: ______________________________
Voice Telephone Number: ______________________________

Exhibit C

EXHIBIT D

MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and the attached Material Event Notice should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at http://www.emma.msrb.org pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: City of Pontiac, Michigan
Issuer's Six-Digit CUSIP Number(s): ______________________________

____

or Nine-Digit CUSIP Number(s) to which the attached Material Event Notice relates: ______________________________

____

Number of pages of the attached Material Notice: ______________________________
Description of the attached Event Notice (Check One):

1.	_________	Principal and interest payment delinquencies
2.	_________	Non-Payment related defaults
3.	_________	Unscheduled draws on debt service reserves reflecting financial difficulties
4.	_________	Unscheduled draws on credit enhancements reflecting financial difficulties
5.	_________	Substitution of credit or liquidity providers, or their failure to perform
6.	_________	Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7.	_________	Modifications to rights of securities holders, if material
8.	_________	Bond calls, if material
9.	_________	Defeasances
10.	_________	Release, substitution, or sale of property securing repayment of the securities, if material
11.	_________	Rating changes
12.	_________	Tender offers
13.	_________	Bankruptcy, insolvency, receivership or similar event of an obligated person
14.	_________	The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
15.	_________	Appointment of a successor or additional trustee, or the change of name of a trustee
16.	_________	Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material
17.	________	Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.
18.	________	Failure to provide annual financial information as required
19.	_________	Other material event notice (specify) ______________________________

I hereby represent that I am authorized by the Issuer/Other Obligated Person or its agent to distribute this information publicly:

Signature: ______________________________
Name: ______________________________ Title: ______________________________
Employer: ______________________________
Address: ______________________________
City, State, Zip Code: ______________________________
Voice Telephone Number: ______________________________

Please format the Event Notice attached to this cover sheet in 10 point type or larger. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.

Exhibit D

$ 38,010,000
CITY OF PONTIAC WASTEWATER TREATMENT FACILITY DRAINAGE DISTRICT
COUNTY OF OAKLAND, STATE OF MICHIGAN
DRAIN REFUNDING BONDS, SERIES 2021 (TAXABLE)