

Education in Oakland County



SECTION VIII
County Indebtedness



Oakland County is home to
14 of Michigan's institutions
of higher learning including
Oakland University,
Lawrence Technological University
and Oakland Community College.

**BOND AND INTEREST
REDEMPTION FUNDS**



L. Brooks Patterson, County Executive

OAKLAND COUNTY, MICHIGAN

FY 2004 - 2005 BIENNIAL BUDGET

BOND AND INTEREST REDEMPTION FUNDS

The following schedules depict the County's General Fund annual bond and interest redemption obligations for the period 2004 through 2005. Bond proceeds were utilized to finance several County facilities including:

- Lyon Oaks Park
- Computer Center
- Courthouse West Wing Extension
- Work Release Facility
- 52/3 District Court Rochester
- Rochester Hills Sheriff Substation
- New Office Building Renovation

Ownership of the facilities resides with the Oakland County Building Authority during the life of the bonds. Revenue to defray outstanding obligations is derived from rental charges to the General Fund and Delinquent Tax Revolving fund for interest and principal payments. Upon bond retirement, ownership is transferred to the County.

OAKLAND COUNTY, MICHIGAN
FY 2004/ FY 2005
BIENNIAL BUDGET
BOND AND INTEREST REDEMPTION FUNDS

<u>Lyon Oaks Park #307000</u>	<u>FY 2001</u> <u>Actual</u>	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Est. Actual</u>	<u>FY 2004</u> <u>Adopted Budget</u>	<u>FY 2005</u> <u>Adopted Budget</u>
Fund Balance - October 1	\$ 6	\$ 5	\$ 5	\$ 5	\$ 5
Revenue:					
Transfers In	\$ 577,867	\$ 562,775	\$ 572,100	\$ 580,306	\$ 562,869
Interest Income	7	-	-	-	-
Total Revenue	<u>\$ 577,874</u>	<u>\$ 562,775</u>	<u>\$ 572,100</u>	<u>\$ 580,306</u>	<u>\$ 562,869</u>
Expenditures:					
Principal Payments	\$ 400,000	\$ 400,000	\$ 425,000	\$ 450,000	\$ 450,000
Payment to Bond Escrow Agent	-	-	-	-	-
Interest Payments	177,575	162,475	146,800	130,006	112,569
Paying Agent Fees	300	300	300	300	300
Total Expenditures	<u>\$ 577,875</u>	<u>\$ 562,775</u>	<u>\$ 572,100</u>	<u>\$ 580,306</u>	<u>\$ 562,869</u>
Incr/(Decr) Fund Balance	\$ (1)	\$ -	\$ -	\$ -	\$ -
Fund Balance - September 30	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

<u>Computer Center #345000</u>	<u>FY 2001</u> <u>Actual</u>	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Est. Actual</u>	<u>FY 2004</u> <u>Adopted Budget</u>	<u>FY 2005</u> <u>Adopted Budget</u>
Fund Balance - October 1	\$ -	\$ 5	\$ 5	\$ 5	\$ 5
Revenue:					
Transfers In	\$ 109,942	\$ 109,938	\$ 109,938	\$ 109,938	\$ 109,938
Interest Income	-	-	-	-	-
Total Revenue	<u>\$ 109,942</u>	<u>\$ 109,938</u>	<u>\$ 109,938</u>	<u>\$ 109,938</u>	<u>\$ 109,938</u>
Expenditures:					
Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Payment to Bond Escrow Agent	-	-	-	-	-
Interest Payments	108,937	108,938	108,938	108,938	108,938
Paying Agent Fees	1,000	1,000	1,000	1,000	1,000
Total Expenditures	<u>\$ 109,937</u>	<u>\$ 109,938</u>	<u>\$ 109,938</u>	<u>\$ 109,938</u>	<u>\$ 109,938</u>
Incr/(Decr) Fund Balance	\$ 5	\$ -	\$ -	\$ -	\$ -
Fund Balance - September 30	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

<u>West Wing Extension</u> <u>1998 Refunding #347000</u>	<u>FY 2001</u> <u>Actual</u>	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Est. Actual</u>	<u>FY 2004</u> <u>Adopted Budget</u>	<u>FY 2005</u> <u>Adopted Budget</u>
Fund Balance - October 1	\$ -	\$ 5	\$ 5	\$ 5	\$ 5
Revenue:					
Transfers In	\$ 545,455	\$ 545,638	\$ 1,445,606	\$ 1,445,981	\$ 1,439,388
Interest Income	-	-	-	-	-
Total Revenue	<u>\$ 545,455</u>	<u>\$ 545,638</u>	<u>\$ 1,445,606</u>	<u>\$ 1,445,981</u>	<u>\$ 1,439,388</u>
Expenditures:					
Principal Payments	\$ 110,000	\$ 115,000	\$ 1,020,000	\$ 1,065,000	\$ 1,105,000
Payment to Bond Escrow Agent	-	-	-	-	-
Interest Payments	435,150	430,338	425,306	380,681	334,088
Paying Agent Fees	300	300	300	300	300
Total Expenditures	<u>\$ 545,450</u>	<u>\$ 545,638</u>	<u>\$ 1,445,606</u>	<u>\$ 1,445,981</u>	<u>\$ 1,439,388</u>
Incr/(Decr) Fund Balance	\$ 5	\$ -	\$ -	\$ -	\$ -
Fund Balance - September 30	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

OAKLAND COUNTY, MICHIGAN
 FY 2004/ FY 2005
 BIENNIAL BUDGET
 BOND AND INTEREST REDEMPTION FUNDS

<u>Work Release Facility #311000</u>	<u>FY 2001 Actual</u>	<u>FY 2002 Actual</u>	<u>FY 2003 Est. Actual</u>	<u>FY 2004 Adopted Budget</u>	<u>FY 2005 Adopted Budget</u>
Fund Balance - October 1	\$ -	\$ -	\$ 5	\$ 5	\$ 5
Revenue:					
Transfers In	\$ -	\$ 731,038	\$ 1,921,863	\$ 1,915,925	\$ 1,909,050
Interest Income	-	-	-	-	-
Total Revenue	\$ -	\$ 731,038	\$ 1,921,863	\$ 1,915,925	\$ 1,909,050
Expenditures:					
Principal Payments	\$ -	\$ -	\$ 825,000	\$ 850,000	\$ 875,000
Payment to Bond Escrow Agent	-	-	-	-	-
Interest Payments	-	730,575	1,095,863	1,064,925	1,033,050
Paying Agent Fees	-	458	1,000	1,000	1,000
Total Expenditures	\$ -	\$ 731,033	\$ 1,921,863	\$ 1,915,925	\$ 1,909,050
Incr/(Decr) Fund Balance	\$ -	\$ 5	\$ -	\$ -	\$ -
Fund Balance - September 30	\$ -	\$ 5	\$ 5	\$ 5	\$ 5

<u>Rochester (52-3) District Court #316523</u>	<u>FY 2001 Actual</u>	<u>FY 2002 Actual</u>	<u>FY 2003 Est. Actual</u>	<u>FY 2004 Adopted Budget</u>	<u>FY 2005 Adopted Budget</u>
Fund Balance - October 1	\$ -	\$ -	\$ 5	\$ 5	\$ 5
Revenue:					
Transfers In	\$ -	\$ 190,763	\$ 1,361,750	\$ 1,372,750	\$ 1,380,563
Interest Income	-	-	-	-	-
Total Revenue	\$ -	\$ 190,763	\$ 1,361,750	\$ 1,372,750	\$ 1,380,563
Expenditures:					
Principal Payments	\$ -	\$ -	\$ 600,000	\$ 625,000	\$ 650,000
Payment to Bond Escrow Agent	-	-	-	-	-
Interest Payments	-	190,437	761,750	746,750	729,563
Paying Agent Fees	-	321	-	1,000	1,000
Total Expenditures	\$ -	\$ 190,758	\$ 1,361,750	\$ 1,372,750	\$ 1,380,563
Incr/(Decr) Fund Balance	\$ -	\$ 5	\$ -	\$ -	\$ -
Fund Balance - September 30	\$ -	\$ 5	\$ 5	\$ 5	\$ 5

<u>Rochester Hills Sheriff Substation #316100</u>	<u>FY 2001 Actual</u>	<u>FY 2002 Actual</u>	<u>FY 2003 Est. Actual</u>	<u>FY 2004 Adopted Budget</u>	<u>FY 2005 Adopted Budget</u>
Fund Balance - October 1	\$ -	\$ -	\$ -	\$ 5	\$ 5
Revenue:					
Transfers from Municipalities	\$ -	\$ -	\$ 400,491	\$ 378,338	\$ 398,088
Interest Income	-	-	-	-	-
Total Revenue	\$ -	\$ -	\$ 400,491	\$ 378,338	\$ 398,088
Expenditures:					
Principal Payments	\$ -	\$ -	\$ 175,000	\$ 175,000	\$ 200,000
Payment to Bond Escrow Agent	-	-	-	-	-
Interest Payments	-	-	224,886	202,338	197,088
Paying Agent Fees	-	-	600	1,000	1,000
Total Expenditures	\$ -	\$ -	\$ 400,486	\$ 378,338	\$ 398,088
Incr/(Decr) Fund Balance	\$ -	\$ -	\$ 5	\$ -	\$ -
Fund Balance - September 30	\$ -	\$ -	\$ 5	\$ 5	\$ 5

OAKLAND COUNTY, MICHIGAN
 FY 2004/ FY 2005
 BIENNIAL BUDGET
 BOND AND INTEREST REDEMPTION FUNDS

<u>New Office Building Renovation #315000</u>	<u>FY 2001</u> <u>Actual</u>	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Est. Actual</u>	<u>FY 2004</u> <u>Adopted Budget</u>	<u>FY 2005</u> <u>Adopted Budget</u>
Fund Balance - October 1	\$ -	\$ -	\$ -	\$ 5	\$ 5
Revenue:					
Transfers In	\$ -	\$ -	\$ 169,516	\$ 565,733	\$ 560,233
Interest Income	-	-	-	-	-
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,516</u>	<u>\$ 565,733</u>	<u>\$ 560,233</u>
Expenditures:					
Principal Payments	\$ -	\$ -	\$ -	\$ 275,000	\$ 275,000
Payment to Bond Escrow Agent	-	-	-	-	-
Interest Payments	-	-	169,011	289,733	284,233
Paying Agent Fees	-	-	500	1,000	1,000
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,511</u>	<u>\$ 565,733</u>	<u>\$ 560,233</u>
Incr/(Decr) Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**SHARE OF COUNTY
INDEBTEDNESS**



L. Brooks Patterson, County Executive

FY 2004 - 2005 BIENNIAL BUDGET

**SHARE OF COUNTY INDEBTEDNESS
CURRENT PAYMENTS**

The following schedule provides a summary of overlapping debt obligations for the budget period, including annual principal and interest payments for 2004 and 2005. Except for Building Authority Bonds, for which the County is the primary obligor, the Drain Bonds derive their financing through Special Assessments with the local unit designated the primary obligor and the County in a secondary position.

The statutory limit for outstanding debt is ten (10%) percent of State Equalized Value or \$6,708,544,178.20. Current outstanding debt amounts to \$307,877,167.00 or 0.46%, leaving an available balance of \$6,400,667,011.20.

Oakland County's Administrative Policy is to purchase property, build facilities, enhance technology or make major capital purchases out of existing resources whenever possible; usually through the use of fund balance. In 2002 and 2003, the General Fund Balance was used to pay for cost saving technology enhancements such as Thin Client architecture, project costs to convert paper files to electronic data and for the purchase of Homeland Security equipment and supplies. The County attempts to retain an amount equal to at least 10% of the General Fund/General Purpose budget in fund balance. Should a project jeopardize this minimum level of fund balance, other sources of funding will be sought.

If fund balance is not available, and the project is not overly expensive, the County will borrow from the Delinquent Tax Revolving Fund (DTRF), with the approval of the County Treasurer and the Board of Commissioners. The DTRF is an Enterprise Fund, which generates income from the interest and penalties earned on delinquent real and personal property taxes. The DTRF pays local units their share of the delinquent tax, and retains the receivable. A repayment agreement is developed when funds are borrowed from the DTRF. This agreement includes a repayment schedule and the interest to be repaid, usually tied to the six-month Treasury Bill rate.

Only when a project is of sufficient size that the use of fund balance or borrowing from the DTRF is not a viable option, will the County sell bonds on the open market. As the attached schedule indicates, this method has been used for a number of building expansion projects. Because the County retains the highest municipal bond ratings (please see transmittal letter), all issues enjoy an excellent rate.

Even when the County sells bonds on the open market, Administration monitors the market for opportunities for either re-financing or defeasing the issue. The County has saved tens of millions of dollars over the last six years both through defeasance and re-financing.

OAKLAND COUNTY
2004-2005 BIENNIAL BUDGET
COUNTY SHARE OF CURRENT INDEBTEDNESS PAYMENTS
PERIOD ENDING: September 30, 2003

DEBT TYPE	YEAR 2004			YEAR 2005		
	Principal	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
DRAINS BONDS - LIMITED TAX						
Acacia Park CSO-Ser D	1,505.00	734.44	2,239.44	1,505.00	675.74	2,180.74
Bloomfield Twp CSO	29,100.00	22,599.06	51,699.06	29,100.00	21,216.81	50,316.81
King	4,860.00	1,295.79	6,155.79	4,860.00	1,067.99	5,927.99
Korzon	2,764.80	3,199.56	5,964.36	2,764.80	3,036.44	5,801.24
George Kuhn Series 2000	3,053.00	4,932.03	7,985.03	3,053.00	4,777.95	7,830.95
George Kuhn Series 2001	0.00	7,355.63	7,355.63	0.00	7,248.78	7,248.78
McIntyre	759.60	487.32	1,246.92	759.60	448.13	1,207.73
Robert Reid	75,040.00	83,069.28	158,109.28	75,040.00	79,317.28	154,357.28
Wolf	25,864.00	14,080.62	39,944.62	25,864.00	12,998.36	38,862.36
Total	142,946.40	137,753.73	280,700.13	142,946.40	130,787.48	273,733.88

REFUNDING DRAIN BONDS - LIMITED TAX						
Acacia Park CSO D.D. Ref., Ser. 2003	8,277.50	2,592.96	10,870.46	8,277.50	2,510.19	10,787.69
B'ham CSO D. D., Ser. 1999 Ref.	580.00	492.59	1,072.59	580.00	467.07	1,047.07
B'ham CSO D.D. Ref., Ser. 2001	1,363.00	1,059.80	2,422.80	1,363.00	1,006.65	2,369.65
Bldf. Vill. CSO D.D. Ref., Ser. 2001-A	63,810.00	57,993.54	121,803.54	63,810.00	55,600.67	119,410.67
Bldf. Vill. CSO D.D. Ref., Ser. 2001-B	27,473.75	16,571.10	44,044.85	27,473.75	15,678.21	43,151.96
Caddell D.D. Ref., Ser. 2003	10,421.04	3,676.95	14,097.99	10,421.04	3,520.64	13,941.68
Crake D.D. Ref., Ser. 2003	7,813.00	1,844.47	9,657.47	7,813.00	1,704.74	9,517.74
Edwards Relief Drain. Dist. Ref.	81,716.25	1,920.33	83,636.58	81,716.25	-	81,716.25
Ireland Drain. Dist., Ser. 1997 Ref.	3,425.00	1,209.71	4,634.71	3,425.00	1,047.23	4,472.23
Lueders D. D., Ser. 1999 Ref.	8,613.00	3,358.48	11,971.48	8,613.00	2,976.02	11,589.02
Minnow Pond D.D. Ref., Ser. 2001	16,185.78	6,326.67	22,512.45	16,185.78	5,660.22	21,846.00
Pebble Creek D.D. Ref., Ser. 2003	14,525.00	3,262.63	17,787.63	14,525.00	3,008.70	17,533.70
Total	244,203.32	100,309.23	344,512.55	244,203.32	93,180.34	337,383.66

Delinquent Tax Notes - Limited Taxable						
Delinquent Tax Notes, Ser.2003	25,000,000.00	181,250.00	25,181,250.00	-	-	-
Total	25,000,000.00	181,250.00	25,181,250.00	-	-	-

Michigan Bond Authority Drain Bonds						
Birmingham CSO	594.50	168.92	763.42	594.50	157.03	751.53
Bldf. Vill. CSO	25,701.25	7,462.22	33,163.47	25,701.25	6,948.20	32,649.45
George Kuhn, Series 2000	11,159.24	6,563.86	17,723.10	11,159.24	6,280.97	17,440.21
George Kuhn, Series 2001C	0.00	32,073.06	32,073.06	0.00	31,444.87	31,444.87
George Kuhn, Series 2001D	0.00	0.00	0.00	0.00	0.00	0.00
Total	37,454.99	46,268.06	83,723.05	37,454.99	44,831.07	82,286.06

BUILDING AUTHORITY BONDS - LIMITED TAX						
Computer Center	0.00	108,937.50	108,937.50	0.00	108,937.50	108,937.50
Lyon Oaks Project	450,000.00	130,006.25	580,006.25	450,000.00	112,568.75	562,568.75
Oakland Schools Bldg Renov., Ser. 2003	275,000.00	289,732.50	564,732.50	275,000.00	284,232.50	559,232.50
Rochester District Court, Series 2002	625,000.00	746,750.00	1,371,750.00	625,000.00	729,562.50	1,354,562.50
Rochester Hills Substation, Series 2002	175,000.00	202,337.50	377,337.50	175,000.00	197,087.50	372,087.50
Work Release Facility, Ser. 2002	850,000.00	1,064,925.00	1,914,925.00	850,000.00	1,033,050.00	1,883,050.00
Total	2,375,000.00	2,542,688.75	4,917,688.75	2,375,000.00	2,465,438.75	4,840,438.75

REFUNDING BUILDING AUTHORITY BONDS - LIMITED TAX						
Bldg Authority Bonds Ser 1998	1,065,000.00	380,681.25	1,445,681.25	1,065,000.00	334,087.50	1,399,087.50
Total	1,065,000.00	380,681.25	1,445,681.25	1,065,000.00	334,087.50	1,399,087.50

Grand Total	28,864,604.71	3,388,951.02	32,253,555.73	3,864,604.71	3,068,325.14	6,932,929.85
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Statutory Limit - 10% of Current State Equalized Value
Less: Outstanding Debt Credit (9-30-03)
Available Balance

\$ 6,708,544,178.20
307,877,167.00
\$ 6,400,667,011.20