

**Charter Township of Oakland
Oakland County, Michigan**

**Financial Report
with Supplemental Information
March 31, 2014**

Charter Township of Oakland

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Oakland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Oakland (the "Township") as of and for the year ended March 31, 2014 and the related notes to the financial statements, which collectively comprise the Charter Township of Oakland'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 an opinion 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. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Oakland as of March 31, 2014 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.

To the Board of Trustees
Charter Township of Oakland

Emphasis of Matter

As discussed in Note 10 to the basic financial statements, the 2013 basic financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

As discussed in Note 9 to the basic financial statements, in 2014, the Township adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result, unavailable revenue is now classified as a deferred inflow rather than a liability on the modified accrual financial statements. Our opinion is not modified with respect to this matter.

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 budgetary comparison schedules, 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 an opinion on the financial statements that collectively comprise the Charter Township of Oakland's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

September 9, 2014

Charter Township of Oakland

Management's Discussion and Analysis

Overview of the Financial Statements

The Charter Township of Oakland's (the "Township") 2014 annual report is presented in conformity with the requirements of GASB No. 34. This annual report consists of four parts - management's discussion and analysis, the basic financial statements, required supplemental information, and other supplemental information, which presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Township. The first two statements are government-wide financial statements that provide both long- and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

Government-wide Statements

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid (full accrual).

The two government-wide statements report the Township's net position and how it has changed. Net position, the difference between the Township's assets and liabilities, is one way to measure the Township's financial health.

The government-wide financial statements of the Township are divided into two categories:

- **Governmental Activities** - Most of the Township's basic services are included here, such as public safety, public works, and general administration. Property taxes, state-shared revenue, and charges for services provide most of the funding.
- **Business-type Activities** - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's water and sewer system and building inspection services are treated as business-type activities. Not all water-related activity is recorded by the Township as the majority of the system is owned by Oakland County.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law and bond covenants. The Township board establishes other funds to control and manage money for particular purposes.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

The Township has three types of funds:

Governmental Funds - Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.

Proprietary Funds - Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information.

Fiduciary Funds - The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township's fiduciary activities are reported in a separate statement of net position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

Financial Overview

The Township has total net position of \$55.7 million, comprised of \$37.8 million from governmental activities and \$17.9 million from business-type activities. In a condensed format, the table below shows a comparison of the net position as of the current date to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
	(As restated)		(As restated)		(As restated)	
Assets						
Other assets	\$ 15,506,947	\$ 17,154,362	\$ 14,415,288	\$ 15,560,132	\$ 29,922,235	\$ 32,714,494
Capital assets	25,140,811	24,351,014	8,668,274	8,914,062	33,809,085	33,265,076
Total assets	40,647,758	41,505,376	23,083,562	24,474,194	63,731,320	65,979,570
Liabilities						
Current liabilities	691,215	693,757	5,346,870	5,309,469	6,038,085	6,003,226
Long-term liabilities	3,303,358	2,987,845	863,201	1,302,276	4,166,559	4,290,121
Total liabilities	3,994,573	3,681,602	6,210,071	6,611,745	10,204,644	10,293,347
Net Position						
Net investment in capital assets	21,935,811	21,531,014	7,708,679	7,611,786	29,644,490	29,142,800
Restricted	10,577,398	11,005,020	-	-	10,577,398	11,005,020
Unrestricted	4,139,976	5,287,740	9,164,812	10,250,663	13,304,788	15,538,403
Total net position	<u>\$ 36,653,185</u>	<u>\$ 37,823,774</u>	<u>\$ 16,873,491</u>	<u>\$ 17,862,449</u>	<u>\$ 53,526,676</u>	<u>\$ 55,686,223</u>

The Township experienced increases in the net position of the governmental activities and business-type activities as revenue exceeded expenses.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Governmental Activities

The following table shows the changes in net position compared to the prior year for the governmental activities:

	Governmental Activities			Percent
	2013 (As restated)	2014	Change	Change
Revenue				
Program revenue:				
Charges for services	\$ 294,661	\$ 363,659	\$ 68,998	23%
Operating grants	144,785	254,112	109,327	76%
General revenue:				
Property taxes	6,526,898	6,613,003	86,105	1%
State-shared revenue	1,229,778	1,539,509	309,731	25%
Investment income	50,724	105,056	54,332	107%
Cable franchise fees	304,193	323,038	18,845	6%
Other revenue	83,718	79,831	(3,887)	-5%
Total revenue	8,634,757	9,278,208	643,451	7%
Program Expenses				
General government	1,415,604	1,779,739	364,135	26%
Public safety	3,062,945	3,283,731	220,786	7%
Public works	361,464	327,924	(33,540)	-9%
Community and economic development	109,410	199,633	90,223	82%
Recreation and culture	2,155,881	2,365,235	209,354	10%
Interest on long-term debt	167,233	151,357	(15,876)	-9%
Total expenses	7,272,537	8,107,619	835,082	11.5%
Change in Net Position	\$ 1,362,220	\$ 1,170,589	\$ (191,631)	-14%

Revenue for governmental activities totaled \$9.3 million in 2014. A total of \$6.6 million, or approximately 71 percent, of all revenue received by the Township was in the form of property tax collections. Property taxes as a whole increased in 2014 because of the increase in taxable values. State-shared revenue had a one-time increase because the Township recognized additional revenues in this fiscal year in order to be consistent with the timing of the sales tax collections by the State.

While governmental activities revenue increased by approximately \$643,000, expenses increased by approximately \$835,000. General government expenses increased due to the disposal of capital assets no longer owned by the Township. Public safety expenditures increased due to greater depreciation expense on capital assets.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Business-type Activities

The following table shows the changes in net position compared to the prior year for the business-type activities:

	Business-type Activities			Percent
	2013	2014	Change	Change
	(As restated)			
Operating revenue	\$ 1,509,831	\$ 1,703,075	\$ 193,244	13%
Operating expenses, other than depreciation	1,088,776	1,112,474	23,698	2%
Depreciation and amortization	254,805	293,137	38,332	15%
Operating Gain	166,250	297,464	131,214	79%
Interest income	72,896	77,238	4,342	6%
Interest expense	(35,089)	(27,876)	7,213	-21%
Debt service charges and other nonoperating revenue	95,316	404,236	308,920	324%
Other nonoperating expenses	(107,236)	(85,850)	21,386	-20%
Capital contributions	218,196	323,746	105,550	48%
Change in Net Position	\$ 710,627	\$ 1,050,070	\$ 339,443	48%

The Township's operating revenue increased approximately 13 percent due to an increase in building permit revenue. Capital contributions increased 48 percent as a result of increased sewer capital charges. The increase in nonoperating revenue is a reflection of various adjustments made in the current year.

Current Economic Events

While much of southeastern Michigan is slowly climbing out of the historic slump in property values, Oakland Township has realized a \$54,821,690 increase in property values from 2013 to 2014. The increase in property values and a noticeable uptick in new home starts have provided the Township with an increase in tax revenues. In addition, the Township is expecting an increase from the state-shared revenues through the City, Village, and Township Revenue Sharing expanded program. With the combination of these increases in revenues and a healthy general fund balance, minimal debt level, and no legacy costs, the Township is in an excellent economic position to upgrade its services to the residents through advanced technology, provide appropriate staffing levels, and develop a five-year capital improvement plan. In the previous year, similar economic conditions allowed the Oakland Township board of trustees to advance refund a portion of its outstanding debt and lower its General Fund millage to essentially achieve revenue neutrality.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Aside from services provided through the General Fund millage, Oakland Township, through additional voter-approved millages, provides for fire, police, senior citizens, safety paths, trail system, parks, land preservation, library, and historic district preservation services and activities. The current economic outlook, combined with the excellent fiscal health of the Township, has once again earned the Township a "AAA" bond rating by Standard & Poor's credit rating agency, thus enabling the Township to maintain its exceptional quality of life for its residents.

Financial Analysis of Township Funds and Budgets

The General Fund ended 2014 with a fund balance of \$5.4 million, with nearly \$2 million committed to be spent in fiscal year 2015. Total General Fund revenue exceeded the amended budget by approximately \$251,000 largely due to the increased state-shared revenue recognized in the current year. Total expenditures were under the amended budget by \$495,000 due to public works expenses being under budget by approximately \$344,000. The Township had budgeted for excavation work that did not take place during the year. Total revenue of \$2,892,193 exceeded expenditures in the General Fund of \$1,865,274 by \$1,026,919. After transfers out of \$293,000, the General Fund increased fund balance by \$733,919.

The General Fund budget is amended throughout the year as deemed necessary. This is primarily done to prevent expenditures from exceeding the budget. With that in mind, the General Fund expenditures were 79 percent of budget.

Capital Assets and Debt

At the end of 2014, the governmental activities of the Township had approximately \$24.4 million, net of depreciation, invested in a broad range of capital assets including buildings, land improvements, information technology, fire and office equipment, and vehicles. Business-type activities reported approximately \$8.9 million, net of depreciation, primarily invested in infrastructure assets.

General obligation debt of \$2,820,000 is recorded as a liability on the governmental activities statement of net position. Debt relating to the Oakland Macomb Interceptor Drainage sewer system totaling \$1.3 million is recorded as a liability on the business-type activities statement of net position.

For more information on capital assets and debt, please see Notes 3 and 5, respectively.

Contact Us

This report is intended to aid our residents and other interested parties in understanding the Township's financial condition. Should you have further questions, we welcome you to contact the clerk's office.

Charter Township of Oakland

Statement of Net Position March 31, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 2)	\$ 16,620,088	\$ 15,360,179	\$ 31,980,267
Receivables:			
Property taxes receivable	204,799	-	204,799
Receivables from sales to customers on account	-	195,029	195,029
Other receivables	43,700	2,079	45,779
Due from other governmental units	285,775	2,845	288,620
Capital assets (Note 3):			
Assets not subject to depreciation	17,109,795	847,168	17,956,963
Assets subject to depreciation	7,241,219	8,066,894	15,308,113
Total assets	41,505,376	24,474,194	65,979,570
Liabilities			
Accounts payable	231,464	24,556	256,020
Refundable deposits, bonds, etc.	339,642	241,525	581,167
Accrued liabilities and other	122,651	5,043,388	5,166,039
Noncurrent liabilities (Note 5):			
Due within one year	440,949	51,158	492,107
Due in more than one year	2,546,896	1,251,118	3,798,014
Total liabilities	3,681,602	6,611,745	10,293,347
Net Position			
Net investment in capital assets	21,531,014	7,611,786	29,142,800
Restricted for:			
Lake assessments	27,660	-	27,660
Police	3,253,526	-	3,253,526
Fire	1,395,950	-	1,395,950
Debt service	32,762	-	32,762
Cable	110,447	-	110,447
Parks	2,238,897	-	2,238,897
Trails	1,432,330	-	1,432,330
Older Persons's Commission	15,662	-	15,662
Historic District Commission	489,889	-	489,889
Library	829,547	-	829,547
OPC transportation	6,028	-	6,028
Land preservation	1,172,322	-	1,172,322
Unrestricted	5,287,740	10,250,663	15,538,403
Total net position	\$ 37,823,774	\$ 17,862,449	\$ 55,686,223

Charter Township of Oakland

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,779,739	\$ 65,437	\$ -	\$ -
Public safety	3,283,731	207,857	5,456	-
Public works	327,924	-	65,724	-
Community and economic development	199,633	-	-	-
Recreation and culture	2,365,235	90,365	182,932	-
Interest on long-term debt	151,357	-	-	-
Total governmental activities	8,107,619	363,659	254,112	-
Business-type activities:				
Sewer Fund	937,257	918,860	-	323,746
Water Fund	78,879	-	-	-
Building	503,201	1,188,451	-	-
Total business-type activities	1,519,337	2,107,311	-	323,746
Total primary government	<u>\$ 9,626,956</u>	<u>\$ 2,470,970</u>	<u>\$ 254,112</u>	<u>\$ 323,746</u>

General revenue:

Property taxes
 State-shared revenue
 Investment income
 Cable franchise fees
 Other miscellaneous income

Total general revenues

Change in Net Position

Net Position - Beginning of year - As restated (Note 10)

Net Position - End of year

**Statement of Activities
Year Ended March 31, 2014**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,714,302)	\$ -	\$ (1,714,302)
(3,070,418)	-	(3,070,418)
(262,200)	-	(262,200)
(199,633)	-	(199,633)
(2,091,938)	-	(2,091,938)
(151,357)	-	(151,357)
(7,489,848)	-	(7,489,848)
-	305,349	305,349
-	(78,879)	(78,879)
-	685,250	685,250
-	911,720	911,720
(7,489,848)	911,720	(6,578,128)
6,613,003	-	6,613,003
1,539,509	-	1,539,509
105,056	77,238	182,294
323,038	-	323,038
79,831	-	79,831
8,660,437	77,238	8,737,675
1,170,589	988,958	2,159,547
36,653,185	16,873,491	53,526,676
\$ 37,823,774	\$ 17,862,449	\$ 55,686,223

Charter Township of Oakland

	General Fund	Fire Fund	Police Fund
Assets			
Cash and investments (Note 2)	\$ 5,553,460	\$ 1,570,747	\$ 3,347,177
Receivables:			
Property taxes receivable	25,227	32,320	57,031
Other receivables	-	43,700	-
Due from other governmental units	285,775	-	-
Total assets	<u>\$ 5,864,462</u>	<u>\$ 1,646,767</u>	<u>\$ 3,404,208</u>
Liabilities			
Accounts payable	\$ 43,153	\$ 21,598	\$ 150,682
Refundable deposits, bonds, etc.	339,642	-	-
Accrued liabilities and other	14,236	66,962	-
Total liabilities	397,031	88,560	150,682
Deferred Inflows of Resources -			
Unavailable revenue	104,231	-	-
Fund Balances			
Restricted:			
Lake assessments	27,660	-	-
Police	-	-	3,253,526
Fire	-	1,395,950	-
Debt service	-	-	-
Cable	110,447	-	-
Parks	-	-	-
Trails	-	-	-
Older Persons' Commission	-	-	-
Historic District Commission	-	-	-
Library	-	-	-
OPC transportation	-	-	-
Land preservation	-	-	-
Committed:			
Revenues for subsequent year	616,886	-	-
Fire	-	162,257	-
Assigned:			
Roads	169,000	-	-
Beautification	22,492	-	-
Bike path	181,109	-	-
Unassigned	4,235,606	-	-
Total fund balances	<u>5,363,200</u>	<u>1,558,207</u>	<u>3,253,526</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,864,462</u>	<u>\$ 1,646,767</u>	<u>\$ 3,404,208</u>

**Governmental Funds
Balance Sheet
March 31, 2014**

<u>Parks Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 2,232,790	\$ 3,915,914	\$ 16,620,088
24,239	65,982	204,799
-	-	43,700
-	-	285,775
<u>\$ 2,257,029</u>	<u>\$ 3,981,896</u>	<u>\$ 17,154,362</u>
\$ 13,559	\$ 2,472	\$ 231,464
-	-	339,642
4,573	884	86,655
18,132	3,356	657,761
-	-	104,231
-	-	27,660
-	-	3,253,526
-	-	1,395,950
-	32,762	32,762
-	-	110,447
2,238,897	-	2,238,897
-	1,432,330	1,432,330
-	15,662	15,662
-	489,889	489,889
-	829,547	829,547
-	6,028	6,028
-	1,172,322	1,172,322
-	-	616,886
-	-	162,257
-	-	169,000
-	-	22,492
-	-	181,109
-	-	4,235,606
<u>2,238,897</u>	<u>3,978,540</u>	<u>16,392,370</u>
<u>\$ 2,257,029</u>	<u>\$ 3,981,896</u>	<u>\$ 17,154,362</u>

Charter Township of Oakland

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position March 31, 2014

Fund Balance Reported in Governmental Funds	\$ 16,392,370
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	24,351,014
Certain receivables were earned during the current fiscal year but are not available to pay for current year expenditures	104,231
Bonds payable are not due and payable in the current period and are not reported in the funds	(2,820,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(35,996)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	<u>(167,845)</u>
Net Position of Governmental Activities	<u>\$ 37,823,774</u>

Charter Township of Oakland

	General Fund	Fire Fund	Police Fund
Revenue			
Property taxes	\$ 822,514	\$ 1,052,473	\$ 1,856,982
Licenses and permits	3,792	-	-
Federal grants	-	-	-
State-shared revenue and grants	1,450,311	-	-
Charges for services	62,522	207,757	-
Fines and forfeitures	24,223	-	-
Investment income	53,585	4,988	23,961
Rental income	22,000	-	-
Other revenue:			
Special assessments	65,724	-	-
Local donations	-	5,456	-
Cable franchise fees	323,038	-	-
Other miscellaneous income	64,484	-	-
Total revenue	2,892,193	1,270,674	1,880,943
Expenditures			
Current:			
General government	1,219,000	-	-
Public safety	-	1,188,907	1,845,717
Public works	124,772	-	-
Community and economic development	199,633	-	-
Recreation and culture	-	-	-
Other functions - Fringe benefits, insurance, and bonds	183,606	-	-
Capital outlay	138,263	212,510	3,411
Debt service	-	-	-
Total expenditures	1,865,274	1,401,417	1,849,128
Excess of Revenue Over (Under) Expenditures	1,026,919	(130,743)	31,815
Other Financing Sources (Uses)			
Transfers in (Note 4)	-	293,000	-
Transfers out (Note 4)	(293,000)	-	-
Net Change in Fund Balances	733,919	162,257	31,815
Fund Balances - Beginning of year	4,629,281	1,395,950	3,221,711
Fund Balances - End of year	\$ 5,363,200	\$ 1,558,207	\$ 3,253,526

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended March 31, 2014

Parks Fund	Nonmajor Funds	Total
\$ 789,254	\$ 2,091,780	\$ 6,613,003
-	-	3,792
-	24,507	24,507
65,485	92,940	1,608,736
65,425	-	335,704
-	-	24,223
11,059	11,463	105,056
-	2,940	24,940
-	-	65,724
-	-	5,456
-	-	323,038
50	264	64,798
931,273	2,223,894	9,198,977
-	-	1,219,000
-	-	3,034,624
-	-	124,772
-	-	199,633
655,748	1,264,635	1,920,383
-	-	183,606
48,303	37,473	439,960
81,550	418,811	500,361
785,601	1,720,919	7,622,339
145,672	502,975	1,576,638
-	-	293,000
-	-	(293,000)
145,672	502,975	1,576,638
2,093,225	3,475,565	14,815,732
\$ 2,238,897	\$ 3,978,540	\$ 16,392,370

Charter Township of Oakland

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended March 31, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 1,576,638

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	290,345
Depreciation expense	(877,537)
Net book value of assets disposed of	(202,605)

Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	104,231
--	---------

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	385,000
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Change in accrued interest payable and other	(35,996)
--	----------

Increase in accumulated employee sick and vacation pay reported in the statement of activities does not require the use of current resources, and therefore is not reported in the fund statements until it comes due for payment	<u>(69,487)</u>
---	-----------------

Change in Net Position of Governmental Activities \$ 1,170,589

Charter Township of Oakland

Proprietary Funds Statement of Net Position March 31, 2014

	Enterprise Funds			
	Water Fund	Sewer Fund	Building Fund	Total
Assets				
Current assets:				
Cash and investments (Note 2)	\$ 5,455,779	\$ 7,544,525	\$ 2,359,875	\$ 15,360,179
Receivables:				
Receivables from sales to customers on account	-	195,029	-	195,029
Other receivables	-	2,079	-	2,079
Due from other governmental units	-	2,845	-	2,845
Total current assets	5,455,779	7,744,478	2,359,875	15,560,132
Noncurrent assets - Capital assets (Note 3):				
Assets not subject to depreciation	-	847,168	-	847,168
Assets subject to depreciation	832,269	7,206,043	28,582	8,066,894
Total assets	6,288,048	15,797,689	2,388,457	24,474,194
Liabilities				
Current liabilities:				
Accounts payable	3,489	5,794	15,273	24,556
Refundable deposits, bonds, etc.	-	-	241,525	241,525
Accrued liabilities and other	5,010,190	30,873	2,325	5,043,388
Current portion of long-term debt (Note 5)	-	51,158	-	51,158
Total current liabilities	5,013,679	87,825	259,123	5,360,627
Noncurrent liabilities - Long-term debt (Note 5)				
	-	1,251,118	-	1,251,118
Total liabilities	5,013,679	1,338,943	259,123	6,611,745
Net Position				
Net investment in capital assets	832,269	6,750,935	28,582	7,611,786
Unrestricted	442,100	7,707,811	2,100,752	10,250,663
Total net position	<u>\$ 1,274,369</u>	<u>\$ 14,458,746</u>	<u>\$ 2,129,334</u>	17,862,449
Net Position of Business-type Activities				<u>\$ 17,862,449</u>

Charter Township of Oakland

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended March 31, 2014

	Enterprise Funds			
	Water Fund	Sewer Fund	Building Fund	Total
Operating Revenue				
Sewage disposal charges	\$ -	\$ 500,201	\$ -	\$ 500,201
Permit revenue	-	-	1,188,451	1,188,451
Other operating revenues	-	14,423	-	14,423
Total operating revenue	-	514,624	1,188,451	1,703,075
Operating Expenses				
Cost of sewage treatment	-	402,455	-	402,455
Other operation and maintenance	-	59,373	-	59,373
Billing and administrative costs	3,489	38,225	-	41,714
Other operating expense	48,323	64,554	-	112,877
Building inspections and related activity	-	-	496,055	496,055
Depreciation	25,905	260,086	7,146	293,137
Total operating expenses	77,717	824,693	503,201	1,405,611
Operating (Loss) Income	(77,717)	(310,069)	685,250	297,464
Nonoperating Revenue (Expenses)				
Investment income	30,469	37,656	9,113	77,238
Interest expense	-	(27,876)	-	(27,876)
Other nonoperating expenses	(1,162)	(84,688)	-	(85,850)
Debt service charges and other	-	404,236	-	404,236
Total nonoperating revenue	29,307	329,328	9,113	367,748
(Loss) Income - Before contributions	(48,410)	19,259	694,363	665,212
Capital Contributions - Other capital contributions	-	323,746	-	323,746
Change in Net Position	(48,410)	343,005	694,363	988,958
Net Position - Beginning of year - As restated (Note 10)	1,322,779	14,115,741	1,434,971	16,873,491
Net Position - End of year	<u>\$ 1,274,369</u>	<u>\$ 14,458,746</u>	<u>\$ 2,129,334</u>	<u>\$ 17,862,449</u>

Charter Township of Oakland

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2014

	Enterprise Funds			
	Water Fund	Sewer Fund	Building Fund	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ -	\$ 319,595	\$ 1,188,451	\$ 1,508,046
Payments to suppliers	(48,323)	(734,301)	(313,411)	(1,096,035)
Payments to employees	-	-	(162,636)	(162,636)
Net cash (used in) provided by operating activities	(48,323)	(414,706)	712,404	249,375
Cash Flows from Nonoperating Financing Activities				
Repayments of loans made to other funds	703,324	-	-	703,324
Repayments of loans from other funds	-	(703,324)	-	(703,324)
Net cash provided by (used in) noncapital financing activities	703,324	(703,324)	-	-
Cash Flows from Capital and Related Financing Activities				
Capital charges	250,000	-	-	250,000
Purchase of capital assets	-	-	(35,728)	(35,728)
Principal and interest paid on capital debt	-	69,388	-	69,388
Net cash provided by (used in) capital and related financing activities	250,000	69,388	(35,728)	283,660
Cash Flows from Investing Activities				
Interest received on investments	30,469	37,656	9,113	77,238
Proceeds from sale and maturities of investment securities	(925,965)	-	(426,988)	(1,352,953)
Investment fees	(1,162)	-	-	(1,162)
Net cash (used in) provided by investing activities	(896,658)	37,656	(417,875)	(1,276,877)
Net Increase (Decrease) in Cash and Cash Equivalents	8,343	(1,010,986)	258,801	(743,842)
Cash and Cash Equivalents - Beginning of year	1,136,959	8,074,242	1,674,086	10,885,287
Cash and Cash Equivalents - End of year	<u>\$ 1,145,302</u>	<u>\$ 7,063,256</u>	<u>\$ 1,932,887</u>	<u>\$ 10,141,445</u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 5,455,779	\$ 7,544,525	\$ 2,359,875	\$ 15,360,179
Less amounts classified as investments	(4,310,477)	(481,269)	(426,988)	(5,218,734)
Total cash and cash equivalents	<u>\$ 1,145,302</u>	<u>\$ 7,063,256</u>	<u>\$ 1,932,887</u>	<u>\$ 10,141,445</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities				
Operating (loss) income	\$ (77,717)	\$ (310,069)	\$ 685,250	\$ 297,464
Adjustments to reconcile operating (loss) income to net cash from operating activities:				
Depreciation	25,905	260,086	7,146	293,137
Changes in assets and liabilities:				
Receivables	-	(99,232)	-	(99,232)
Accounts payable and other accrued liabilities	3,489	(265,491)	22,413	(239,589)
Accrued and other liabilities	-	-	(2,405)	(2,405)
Net cash (used in) provided by operating activities	<u>\$ (48,323)</u>	<u>\$ (414,706)</u>	<u>\$ 712,404</u>	<u>\$ 249,375</u>

Noncash Capital and Related Financing Activities - During the year ended March 31, 2014, Oakland County constructed approximately \$400,000 of sewer lines for the Oakland-Macomb Interceptor project, for which the Township incurred long-term debt.

Charter Township of Oakland

Fiduciary Funds Statement of Fiduciary Net Position March 31, 2014

	<u>Agency Funds</u>
Assets - Cash and cash equivalents	<u>\$ 827</u>
Liabilities	
Accounts payable	\$ 186
Accrued liabilities and other	<u>641</u>
Total liabilities	<u>\$ 827</u>

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note I - Nature of Business and Significant Accounting Policies

The following is a summary of the significant accounting policies used by the Charter Township of Oakland (the "Township"):

Reporting Entity

The Charter Township of Oakland is governed by an elected seven-member board of trustees. The accompanying financial statements present the financial operations of the Township. There are no component units that should be included in the Township's financial statements.

Jointly Governed Organizations

The Paint Creek Trailways Commission (the "Commission"), a joint venture agreement, effective December 23, 1981, was entered into by the Charter Township of Oakland, the Charter Township of Orion, the City of Rochester Hills, and the City of Rochester for the purpose of establishing and providing for the powers and duties of the Trailways Commission, pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Commission is a separate legal entity for the purpose of owning, exercising right of dominion over, developing, providing, maintaining, and operating certain nonmotorized public trails for recreational use within the jurisdictions of member governmental units. The Township appoints two commissioners to the governing board which is responsible for approving the annual budget. Pursuant to the agreement, each member shall be responsible for an equal share of the Commission's budget. For the fiscal year ended March 31, 2014, the Charter Township of Oakland provided \$23,549 to the Commission. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. The Paint Creek Trailways Commission is not considered a part of the reporting entity of the Charter Township of Oakland. Separate financial statements of the joint venture may be obtained at Paint Creek Trailways Commission, 4393 Collins Road, Rochester, Michigan 48306.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The Older Persons' Commission, an interlocal agreement, effective March 28, 1985, and amended August 28, 1995, was entered into by the Charter Township of Oakland, City of Rochester Hills, and the City of Rochester for the purpose of establishing an Older Persons' Commission pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Older Persons' Commission is a separate legal entity for the purpose of providing activities and services for older persons, defined as those individuals 60 years of age or older residing in the governmental units, which are parties to the agreement. The activities and services to be provided include, but are not limited to, the joint ownership and operation of an older persons' activity center and transportation. The Township appoints one member to the Older Persons' Commission. Pursuant to the agreement, each member shall be responsible for its pro-rata share of the budget based upon its assessed valuation of the property. During the fiscal year ended March 31, 2014, the Charter Township of Oakland provided \$330,634 to the Older Persons' Commission. The Older Persons' Commission is not considered a part of the reporting entity of the Charter Township of Oakland. Separate financial statements of the Older Persons' Commission may be obtained at Older Persons' Commission, 650 Letica Drive, Rochester, Michigan 48307.

Accounting and Reporting Principles

The Township follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, and debt service funds. The Township reports the following funds as "major" governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Fire Fund accounts for all revenue and expenditures for the Township's fire operations, including millage collection.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

- The Police Fund accounts for the Township's police protection contracted with Oakland County. The protection is funded through a special millage.
- The Parks Fund accounts for all revenues and expenditures for the Township's public parks. The activities are funded through a millage collection.

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Township reports the following funds as "major" enterprise funds:

- The Water Fund accounts for tap-in and inspection fees. The majority of the water system is owned by Oakland County
- The Sewer Fund disposes of sanitary sewage in exchange for quarterly user charges
- The Building Fund accounts for all revenues and expenditures related to building permits and inspections. The activities are funded through fees collected for the inspections.

Fiduciary funds include agency funds, which account for assets held by the Township in a trustee capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

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

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note I - Nature of Business and Significant Accounting Policies (Continued)

Report Presentation

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

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

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Basis of Accounting

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

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period. Conversely, a portion of state-shared revenue will be collected after the period of availability; a receivable has been recorded for this, along with a "deferred inflow".

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

Specific Balances and Transactions

Cash, Cash Equivalents, 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.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, \$36,480 of interest expense was capitalized as part of the cost of assets under construction.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note I - Nature of Business and Significant Accounting Policies (Continued)

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset Class</u>	<u>Lives (in Years)</u>
Land improvements	7
Buildings	15-39
Equipment	5-15
Sewer lines	40-50
Infrastructure	10-50
Intangible assets	30

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. The Parks and Land Preservation Funds are generally used to liquidate governmental long-term debt.

Water Fund Accrued Liabilities - Several years ago, the Township adopted a resolution to collect certain water fees through the building permit process. The intention was to use the fees to connect to the Detroit water system; however, the Township recently decided to no longer pursue that connection and ceased collecting the fees. The fees collected to date totaled approximately \$5 million. The entire amount has been recorded as accrued liabilities in the Water Fund and has been the subject of litigation. Subsequent to March 31, 2014, approximately \$2 million was returned to developers. The remaining balance is the subject of an ongoing class action lawsuit. The Township expects to reach a settlement in which all remaining fees will be refunded.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has no items that qualify for reporting in this category.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note I - Nature of Business and Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial 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 (revenue) until that time. The Township has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in deferred inflows. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from state-shared revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Township itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Township's highest level of decision-making authority. The Township board is the highest level of decision-making authority for the Township that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The Township board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are due on February 28 of the following year and are considered delinquent on March 1, at which time penalties and interest are assessed.

The Township's 2013 tax is levied and collectible on December 1, 2013 and is recognized as revenue in the year ended March 31, 2014, when the proceeds of the levy are budgeted and available for the financing of operations.

The Township annually sells its delinquent real property taxes to Oakland County (the "County"), which then becomes responsible for collecting the taxes and taking any uncollected tax parcels through the tax reversion process. The County purchases these taxes at 100 percent of face value, and in return the County is allowed to retain all interest and penalties it collects. The estimated present value of future delinquent collections to the Township is less than the face value that has been received because of the time value of money; however, the net present value to the County is greater than this amount because of the statutory provision that allows the County to retain all penalties and interest. During the current year, the Township received \$208,158 from this sale. At the end of the tax reversion process (approximately three years), the County charges the Township back for any uncollected taxes. Historically, this amount has not been significant.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The 2013 taxable valuation of the Township totaled \$1.05 billion. Taxes were levied as follows:

<u>Purpose</u>	<u>Millage Rate</u>	<u>Revenue</u>
General operating	0.7774	\$ 823,884
Library	0.6212	654,660
Parks	0.7500	790,430
Fire	1.0000	1,054,014
Police	1.7646	1,859,728
Land acquisition	0.6916	728,855
Older Persons	0.2342	234,632
OPC transportation	0.0900	90,012
Trail system	0.2500	263,460
Historic District	0.1170	123,278

Compensated Absences (Vacation and Sick Leave) - It is the Township'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 and proprietary financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due for payment. All other accrued compensated absences are reported in the government-wide financial statements. Generally, the funds that report each employee's compensation are used to liquidate the obligation.

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Funds are charges to customers for sales and services. The Water and Sewer Funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 2 - Deposits and Investments

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 Township has designated 19 banks 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 accordance with statutory authority.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$17,387,630 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township 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 Township 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.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 2 - Deposits and Investments (Continued)

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. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity.

At year end, the Township had the following investments:

Investment	Fair Value	Weighted Average Maturity (Years)
Primary Government		
U.S. Government Agency Securities	\$ 250,000	.89
Government Investment Pool	<u>8,186,836</u>	2.19
Total	<u>\$ 8,436,836</u>	

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
U.S. Government Agency Securities	\$ 250,000	AAA	Moody's
Government Investment Pool	<u>8,186,836</u>	Not rated	N/A
Total	<u>\$ 8,436,836</u>		

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issuer. More than 26 percent of the Township's investments are in the Oakland County Local Government Investment Pool (the "LGIP"). The LGIP is not registered with the SEC and does not issue a separate report. The LGIP is managed as a 2(a)7 fund with its net asset value maintained at \$1. Fair value of the position in the pool is the same as the value of the pool shares.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 3 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance April 1, 2013 (As restated)	Additions	Disposals	Balance March 31, 2014
Governmental Activities				
Capital assets not being depreciated -				
Land	\$ 17,307,812	\$ -	\$ (198,017)	\$ 17,109,795
Capital assets being depreciated:				
Infrastructure	2,031,525	-	-	2,031,525
Buildings and improvements	10,230,863	10,869	(31,348)	10,210,384
Machinery and equipment	568,965	-	(900)	568,065
Vehicles	2,439,913	199,356	(1,744)	2,637,525
Office furnishings	461,957	-	(3,232)	458,725
Information technology	88,773	71,820	(1,620)	158,973
Land improvements	1,988,084	8,300	-	1,996,384
Subtotal	17,810,080	290,345	(38,844)	18,061,581
Accumulated depreciation:				
Infrastructure	1,548,689	203,153	-	1,751,842
Buildings and improvements	4,169,532	336,345	(26,760)	4,479,117
Machinery and equipment	533,214	7,233	(900)	539,547
Vehicles	1,874,286	167,669	(1,744)	2,040,211
Office furnishings	436,218	9,724	(3,232)	442,710
Information technology	82,417	7,016	(1,620)	87,813
Land improvements	1,332,725	146,397	-	1,479,122
Subtotal	9,977,081	877,537	(34,256)	10,820,362
Net capital assets being depreciated	7,832,999	(587,192)	(4,588)	7,241,219
Net capital assets	\$ 25,140,811	\$ (587,192)	\$ (202,605)	\$ 24,351,014
Business-type Activities				
Capital assets not being depreciated -				
Construction in progress	\$ 483,079	\$ 364,089	\$ -	\$ 847,168
Capital assets being depreciated:				
Sewer system	11,242,207	35,122	-	11,277,329
Water lines	1,036,189	-	-	1,036,189
Vehicles	-	35,728	-	35,728
Subtotal	12,278,396	70,850	-	12,349,246
Accumulated depreciation:				
Sewer system	3,915,186	156,100	-	4,071,286
Water lines	178,015	25,905	-	203,920
Vehicles	-	7,146	-	7,146
Subtotal	4,093,201	189,151	-	4,282,352
Net capital assets being depreciated	8,185,195	(118,301)	-	8,066,894
Net capital assets	\$ 8,668,274	\$ 245,788	\$ -	\$ 8,914,062

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 3 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 82,768
Public safety	232,542
Public works	203,153
Recreation and culture	359,074
Total governmental activities	<u>\$ 877,537</u>

Business-type activities:

Sewer	\$ 156,100
Water	25,905
Building Department	7,146
Total business-type activities	<u>\$ 189,151</u>

Note 4 - Interfund Transfers

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

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
General Fund	Fire Fund	<u>\$ 293,000</u>

The transfer from the General Fund to the Fire Fund represents the use of unrestricted resources to finance operations of the fire department.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 5 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. County contractual agreements and installment purchase agreements are also general obligations of the government.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General Obligation Limited Tax Bonds, Series 2008							
Amount of issue: \$4,100,000	3.5% -	\$320,000 -	\$ 3,205,000	\$ -	\$ 385,000	\$ 2,820,000	\$ 385,000
Maturing through 2022	4.0%	\$385,000					
Accumulated compensated absences			<u>98,358</u>	<u>102,273</u>	<u>32,786</u>	<u>167,845</u>	<u>55,949</u>
Total governmental activities			<u>\$ 3,303,358</u>	<u>\$ 102,273</u>	<u>\$ 417,786</u>	<u>\$ 2,987,845</u>	<u>\$ 440,949</u>
Business-type Activities							
Oakland Macomb Interceptor Drainage District Drain Bonds - Series, 2010A:							
Amount of issue - \$525,666		\$21,066 -	\$ 497,083	\$ 8,101	\$ 21,066	\$ 484,118	\$ 21,570
Maturing through 2032	2.50%	\$32,960					
Oakland Macomb Interceptor Drainage District Drain Bonds - Series, 2010B:							
Amount of issue - \$135,065	1.15% -	\$4,636 -	126,699	-	4,636	122,063	4,838
Maturing through 2031	5.90%	\$10,483					
Oakland Macomb Interceptor Drainage District Drain Bonds - Series, 2011							
Amount of issue - \$631,878		\$24,750 -	239,419	219,908	-	459,327	24,750
Maturing through 2034	2.50%	\$39,477					
Oakland Macomb Interceptor Drainage District Drain Bonds - Series, 2013A:							
Amount of issue - \$1,378,847		\$56,729 -	-	236,768	-	236,768	-
Maturing through 2035	2.00%	\$82,659					
Total bonds payable			<u>\$ 863,201</u>	<u>\$ 464,777</u>	<u>\$ 25,702</u>	<u>\$ 1,302,276</u>	<u>\$ 51,158</u>

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 5 - Long-term Debt (Continued)

Total interest expense for the year was approximately \$179,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Year Ending March 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 385,000	\$ 101,250	\$ 486,250	\$ 51,158	\$ 61,419	\$ 112,577
2016	385,000	87,294	472,294	109,212	60,109	169,321
2017	385,000	72,857	457,857	111,801	57,595	169,396
2018	385,000	58,419	443,419	114,391	55,009	169,400
2019	320,000	44,800	364,800	117,003	52,345	169,348
2020-2024	960,000	57,600	1,017,600	311,381	116,742	428,123
2025-2029	-	-	-	354,732	70,046	424,778
2030-2034	-	-	-	132,598	7,233	139,831
Total	\$ 2,820,000	\$ 422,220	\$ 3,242,220	\$ 1,302,276	\$ 480,498	\$ 1,782,774

During 2009, Macomb and Oakland counties jointly established the Oakland-Macomb Interceptor Drain - Drainage District (OMID), an intercounty drainage district, under Chapter 21 of the Drain Code. The OMID was created to acquire, operate, and maintain the Oakland-Macomb Interceptor (OMI); title to the OMI was transferred from the City of Detroit to the OMID as part of a settlement agreement with the City of Detroit reached in May 2009. The OMID apportioned the responsibility to pay the debt required to finance this project to the participating cities, townships, and villages located in the two counties. The Township has tentatively been advised that its assessments to pay the debt related to this project are \$660,731 for the Series 2010A and Series 2010B bonds, \$631,878 for the Series 2011 bonds, and \$1,378,847 for the Series 2013A bonds. To date, the Township has incurred \$1.46 million of debt and other liabilities related to the project. As the OMID project is not complete, future payment amounts for the Township's share of the Series 2011 and Series 2013A OMID debt are not yet finalized. The County commenced the fourth segment of the project during the year; however, no bonds have been issued as of March 31, 2014.

Note 6 - Defined Contribution Pension Plan

The Township provides pension benefits to its elected officials and other qualified employees through the Oakland Charter Township Governmental Non-ERISA Retirement Plan administered by John Hancock. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one and one-half months from the date of employment. As established by board resolution, the Township contributes 12 percent of employees' gross earnings.

The Township's contributions for each employee are fully vested after one and one-half months of continuous service. Employees may contribute to the plan on a voluntary basis. In accordance with these requirements, the Township contributed \$129,100 during the current year.

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 7 - Risk Management

The Township 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 Township has purchased commercial insurance for medical and dental claims, participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, errors and omissions, and workers' compensation, and is uninsured for unemployment compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority's State Pool program operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

Note 8 - Library Agreement

The Charter Township of Oakland Public Library Board has an agreement with the Rochester Hills Public Library Board for library services. In consideration for library services, the Township remits the two voter-approved library millages, as reduced by the Headlee Amendment, calculated using the previous year's taxable valuation of the Township. For the fiscal year ended March 31, 2014, the library millages totaled 0.6212 mills (2013 tax roll), which will be remitted to the Rochester Hills Public Library during the Township's 2014-2015 fiscal year, in the amount of approximately \$655,000.

Note 9 - Change in Accounting

During the current year, the Township adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources.

As a result of implementing this statement, the following liability has been reclassified, as indicated:

Item	Amount	Prior Reporting Classification/Treatment	New Classification After Adoption of GASB Statement No. 65
Revenue in governmental funds not collected within 60 days of year end	\$ 104,231	Liability - Modified accrual	Deferred inflow of resources - Modified accrual

Charter Township of Oakland

Notes to Financial Statements March 31, 2014

Note 10 - Reporting Change and Prior Period Adjustments

The financial statements for the year ended March 31, 2014 have been restated in order to correct errors related to capital assets in the governmental activities. The effect of these corrections was to reduce capital assets and beginning of the year net position by \$770,412.

The financial statements for the year ended March 31, 2014 have also been restated in order to correct errors related to various balance sheet amounts in the Sewer Fund. The effect of these corrections was to reduce long-term debt by \$400,560, increase capital assets by \$189,547, increase current assets by \$1,364,003, and increase current liabilities by \$141,147. The net impact on beginning of the year net position was an increase of \$1,812,963.

Additionally, the Township elected to present the Building Fund as an enterprise fund beginning this year.

The effects of these changes are as follows:

	Governmental Activities	Sewer Fund	Business-type Activities
Net position - March 31, 2013 - As previously reported	\$ 38,858,568	\$ 12,302,778	\$ 13,625,557
Adjustment for capital asset misstatements	(770,412)	-	-
Adjustments related to OMID	-	590,107	590,107
Adjustment for activity at Oakland County	-	1,222,856	1,222,856
Reclassification of Building Fund	(1,434,971)	-	1,434,971
Net position - March 31, 2013 - As restated	<u>\$ 36,653,185</u>	<u>\$ 14,115,741</u>	<u>\$ 16,873,491</u>

Required Supplemental Information

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 922,000	\$ 812,000	\$ 822,514	\$ 10,514
Licenses and permits	4,500	4,975	3,792	(1,183)
Federal grants	5,000	5,000	-	(5,000)
State-shared revenue and grants	1,253,000	1,309,000	1,450,311	141,311
Charges for services	18,500	43,500	62,522	19,022
Fines and forfeitures	35,000	35,000	24,223	(10,777)
Investment income	20,000	20,000	53,585	33,585
Rental income	12,000	12,000	22,000	10,000
Other revenue:				
Special assessments	76,000	76,000	65,724	(10,276)
Cable franchise fees	280,000	280,000	323,038	43,038
Other miscellaneous income	43,500	43,500	64,484	20,984
Total revenue	<u>2,669,500</u>	<u>2,640,975</u>	<u>2,892,193</u>	<u>251,218</u>
Expenditures				
Current:				
General government:				
Township Board	214,000	334,000	311,546	22,454
Township Supervisor	15,700	15,700	14,357	1,343
Manager	158,000	158,000	152,636	5,364
Township Treasurer	181,300	181,300	183,613	(2,313)
Assessor	123,000	123,000	118,945	4,055
Board of Review	4,000	4,000	2,145	1,855
Township Clerk	210,300	210,300	213,745	(3,445)
Elections	30,000	30,000	21,846	8,154
Buildings and grounds	205,000	216,000	197,767	18,233
Cemetery	5,000	5,000	2,400	2,600
Total general government	<u>1,146,300</u>	<u>1,277,300</u>	<u>1,219,000</u>	<u>58,300</u>
Public works:				
Roads and projects	457,000	462,000	118,992	343,008
Dumping	-	475	475	-
Street lighting	6,000	6,000	5,305	695
Total public works	<u>463,000</u>	<u>468,475</u>	<u>124,772</u>	<u>343,703</u>
Community and economic development:				
Planning Commission	70,000	70,000	49,799	20,201
Community programs and development	110,000	166,000	149,834	16,166
Total community and economic development	<u>180,000</u>	<u>236,000</u>	<u>199,633</u>	<u>36,367</u>
Other functions - Fringe benefits, insurance, and bonds				
	251,000	251,000	183,606	67,394
Capital outlay	84,000	127,000	138,263	(11,263)
Total expenditures	<u>2,124,300</u>	<u>2,359,775</u>	<u>1,865,274</u>	<u>494,501</u>
Excess of Revenue Over Expenditures	<u>545,200</u>	<u>281,200</u>	<u>1,026,919</u>	<u>745,719</u>
Other Financing Uses - Transfers out	<u>(246,709)</u>	<u>(246,709)</u>	<u>(293,000)</u>	<u>(46,291)</u>
Net Change in Fund Balance	<u>298,491</u>	<u>34,491</u>	<u>733,919</u>	<u>699,428</u>
Fund Balance - Beginning of year	<u>4,629,281</u>	<u>4,629,281</u>	<u>4,629,281</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 4,927,772</u>	<u>\$ 4,663,772</u>	<u>\$ 5,363,200</u>	<u>\$ 699,428</u>

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Fire Fund Year Ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,052,473	\$ 2,473
Federal grants	136,000	136,000	-	(136,000)
Charges for services	145,000	145,000	207,757	62,757
Investment income	5,000	5,000	4,988	(12)
Other revenue	-	4,547	5,456	909
Total revenue	1,336,000	1,340,547	1,270,674	(69,873)
Expenditures				
Current - Public safety	1,248,000	1,253,547	1,188,907	64,640
Capital outlay	303,000	560,000	212,510	347,490
Total expenditures	1,551,000	1,813,547	1,401,417	412,130
Excess of Expenditures Over Revenue	(215,000)	(473,000)	(130,743)	342,257
Other Financing Sources -				
Transfers in	75,000	293,000	293,000	-
Net Change in Fund Balance	(140,000)	(180,000)	162,257	342,257
Fund Balance - Beginning of year	1,395,950	1,395,950	1,395,950	-
Fund Balance - End of year	<u>\$ 1,255,950</u>	<u>\$ 1,215,950</u>	<u>\$ 1,558,207</u>	<u>\$ 342,257</u>

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Police Fund Year Ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,845,000	\$ 1,850,000	\$ 1,856,982	\$ 6,982
Investment income	5,000	5,000	23,961	18,961
Total revenue	1,850,000	1,855,000	1,880,943	25,943
Expenditures				
Current - Public safety	1,848,000	1,853,000	1,845,717	7,283
Capital outlay	2,000	4,000	3,411	589
Total expenditures	1,850,000	1,857,000	1,849,128	7,872
Net Change in Fund Balance	-	(2,000)	31,815	33,815
Fund Balance - Beginning of year	3,221,711	3,221,711	3,221,711	-
Fund Balance - End of year	<u>\$ 3,221,711</u>	<u>\$ 3,219,711</u>	<u>\$ 3,253,526</u>	<u>\$ 33,815</u>

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Parks Fund Year Ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 775,000	\$ 775,000	\$ 789,254	\$ 14,254
State-shared revenue and grants	6,000	65,525	65,485	(40)
Charges for services	66,910	66,910	65,425	(1,485)
Investment income	2,000	7,000	11,059	4,059
Other revenue	3,000	3,000	50	(2,950)
Total revenue	852,910	917,435	931,273	13,838
Expenditures				
Current - Recreation and culture	768,384	822,884	655,748	167,136
Capital outlay	173,600	283,600	48,303	235,297
Debt service	81,550	81,550	81,550	-
Total expenditures	1,023,534	1,188,034	785,601	402,433
Excess of Revenue (Under) Over Expenditures	(170,624)	(270,599)	145,672	416,271
Other Financing Sources -				
Transfers in	170,624	170,624	-	(170,624)
Net Change in Fund Balance	-	(99,975)	145,672	245,647
Fund Balance - Beginning of year	2,093,225	2,093,225	2,093,225	-
Fund Balance - End of year	<u>\$ 2,093,225</u>	<u>\$ 1,993,250</u>	<u>\$ 2,238,897</u>	<u>\$ 245,647</u>

Charter Township of Oakland

Note to Required Supplemental Information Year Ended March 31, 2014

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end. During the year, the budget was amended in a legally permissible manager.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level (i.e., the level at which expenditures may not legally exceed appropriations. A comparison of actual results of operations to the General Fund and major special revenue fund budget as adopted by the Township board is included in the required supplemental information. A comparison of the actual results of operations to the nonmajor special revenue funds budget as adopted by the Township board is available at the clerk's office.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the Township incurred expenditures that were in excess of the amounts budgeted, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund - Township treasurer	\$ 181,300	\$ 183,613	\$ (2,313)
General Fund - Township clerk	210,300	213,745	(3,445)
General Fund - Capital outlay	127,000	138,263	(11,263)
General Fund - Transfers out	246,709	293,000	(46,291)

Other Supplemental Information

Charter Township of Oakland

	Special Revenue Funds			
	Trails Improvement	Land Preservation	Older Persons Commission	OPC Transportation
Assets				
Cash and investments	\$ 1,424,251	\$ 1,151,430	\$ 8,094	\$ 3,120
Receivables - Property taxes receivable	8,079	22,352	7,568	2,908
Total assets	\$ 1,432,330	\$ 1,173,782	\$ 15,662	\$ 6,028
Liabilities				
Accounts payable	\$ -	\$ 576	\$ -	\$ -
Accrued liabilities and other	-	884	-	-
Total liabilities	-	1,460	-	-
Fund Balances - Restricted				
Debt service	-	-	-	-
Trails	1,432,330	-	-	-
Older Persons' Commission	-	-	15,662	-
Historic District Commission	-	-	-	-
Library	-	-	-	-
OPC Transportation	-	-	-	6,028
Land preservation	-	1,172,322	-	-
Total fund balances	1,432,330	1,172,322	15,662	6,028
Total liabilities and fund balances	\$ 1,432,330	\$ 1,173,782	\$ 15,662	\$ 6,028

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2014**

Special Revenue Funds		Debt Service Funds			Total Nonmajor Governmental Funds
Library	Historic District Commission	Debt Service OPC New Bldg.	Debt Service Park/Land Preservation 2008		
\$ 809,471	\$ 486,786	\$ 1,574	\$ 31,188	\$ 3,915,914	
20,076	4,999	-	-	65,982	
\$ 829,547	\$ 491,785	\$ 1,574	\$ 31,188	\$ 3,981,896	
-	1,896	-	-	2,472	
-	-	-	-	884	
-	1,896	-	-	3,356	
-	-	1,574	31,188	32,762	
-	-	-	-	1,432,330	
-	-	-	-	15,662	
-	489,889	-	-	489,889	
829,547	-	-	-	829,547	
-	-	-	-	6,028	
-	-	-	-	1,172,322	
829,547	489,889	1,574	31,188	3,978,540	
\$ 829,547	\$ 491,785	\$ 1,574	\$ 31,188	\$ 3,981,896	

Charter Township of Oakland

	Special Revenue Funds			
	Trails Improvement	Land Preservation	Older Persons Commission	OPC Transportation
Revenue				
Property taxes	\$ 263,067	\$ 727,787	\$ 234,271	\$ 89,863
Federal grants	-	24,507	-	-
State-shared revenue and grants	-	92,940	-	-
Investment income	5,558	1,846	26	10
Rental income	-	2,640	-	-
Other revenue	-	-	-	-
Total revenue	268,625	849,720	234,297	89,873
Expenditures				
Current - Recreation and culture	19,319	165,521	240,058	92,229
Capital outlay	4,230	25,623	-	-
Debt service	-	418,175	-	-
Total expenditures	23,549	609,319	240,058	92,229
Net Change in Fund Balances	245,076	240,401	(5,761)	(2,356)
Fund Balances - Beginning of year	1,187,254	931,921	21,423	8,384
Fund Balances - End of year	\$ 1,432,330	\$ 1,172,322	\$ 15,662	\$ 6,028

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended March 31, 2014

Special Revenue Funds		Debt Service Funds			Total Nonmajor Governmental Funds
Library	Historic District Commission	Debt Service OPC New Bldg.	Debt Service Park/Land Preservation 2008		
\$ 653,699	\$ 123,093	\$ -	\$ -	\$ 2,091,780	
-	-	-	-	24,507	
-	-	-	-	92,940	
1,533	2,211	159	120	11,463	
-	300	-	-	2,940	
-	264	-	-	264	
<u>655,232</u>	<u>125,868</u>	<u>159</u>	<u>120</u>	<u>2,223,894</u>	
640,194	107,314	-	-	1,264,635	
-	7,620	-	-	37,473	
-	-	636	-	418,811	
<u>640,194</u>	<u>114,934</u>	<u>636</u>	<u>-</u>	<u>1,720,919</u>	
15,038	10,934	(477)	120	502,975	
<u>814,509</u>	<u>478,955</u>	<u>2,051</u>	<u>31,068</u>	<u>3,475,565</u>	
<u>\$ 829,547</u>	<u>\$ 489,889</u>	<u>\$ 1,574</u>	<u>\$ 31,188</u>	<u>\$ 3,978,540</u>	