

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

**Financial Report
with Supplemental Information
March 31, 2016**

Charter Township of Oakland

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Independent Auditor's Report

To the Township 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, 2016 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.

To the Township Board of Trustees
Charter Township of Oakland

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, 2016 and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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

July 15, 2016

Charter Township of Oakland

Management's Discussion and Analysis

Overview of the Financial Statements

The Charter Township of Oakland's (the "Township") 2016 annual report is presented in conformity with the requirements of GASB Statement 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 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 \$59.5 million, comprised of \$40.8 million from governmental activities and \$18.7 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	
	2015	2016	2015	2016	2015	2016
Assets						
Other assets	\$ 18,319,044	\$ 19,456,435	\$ 11,428,079	\$ 11,395,331	\$ 29,747,123	\$ 30,851,766
Capital assets	24,138,969	24,522,853	9,694,156	9,976,592	33,833,125	34,499,445
Total assets	42,458,013	43,979,288	21,122,235	21,371,923	63,580,248	65,351,211
Liabilities						
Current liabilities	864,833	930,656	723,861	317,928	1,588,694	1,248,584
Long-term liabilities	2,608,282	2,275,616	2,045,788	2,335,155	4,654,070	4,610,771
Total liabilities	3,473,115	3,206,272	2,769,649	2,653,083	6,242,764	5,859,355
Net Position						
Net investment in capital assets	21,703,969	22,472,853	7,648,368	7,641,437	29,352,337	30,114,290
Restricted	11,076,832	11,830,607	-	-	11,076,832	11,830,607
Unrestricted	6,204,097	6,469,556	10,704,218	11,077,403	16,908,315	17,546,959
Total net position	<u>\$ 38,984,898</u>	<u>\$ 40,773,016</u>	<u>\$ 18,352,586</u>	<u>\$ 18,718,840</u>	<u>\$ 57,337,484</u>	<u>\$ 59,491,856</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			
	2015	2016	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 394,855	\$ 430,104	\$ 35,249	9%
Operating grants	117,216	82,405	(34,811)	-30%
Capital grants	129,593	-	(129,593)	-100%
General revenue:				
Property taxes	6,805,281	7,124,858	319,577	5%
State-shared revenue	1,336,643	1,306,788	(29,855)	-2%
Investment income	115,326	124,894	9,568	8%
Cable franchise fees	438,717	376,602	(62,115)	-14%
Other revenue	59,188	140,493	81,305	137%
Gain on sale of capital assets	2,447	3,000	553	23%
Total revenue	<u>9,399,266</u>	<u>9,589,144</u>	<u>189,878</u>	<u>2%</u>
Program Expenses				
General government	1,380,232	1,383,659	3,427	0%
Public safety	3,663,656	3,850,348	186,692	5%
Public works	281,555	182,424	(99,131)	-35%
Community and economic development	266,290	217,485	(48,805)	-18%
Recreation and culture	2,557,598	2,084,628	(472,970)	-18%
Interest on long-term debt	96,811	82,482	(14,329)	-15%
Total expenses	<u>8,246,142</u>	<u>7,801,026</u>	<u>(445,116)</u>	<u>-5.4%</u>
Change in Net Position	<u>\$ 1,153,124</u>	<u>\$ 1,788,118</u>	<u>\$ 634,994</u>	55%

Revenue for governmental activities totaled \$9.6 million in 2016. A total of \$7.1 million, or approximately 74 percent, of all revenue received by the Township was in the form of property tax collections. Property taxes as a whole increased 5 percent in 2016 due to an increase in taxable values, despite a reduction in the general fund operating millage of approximately 16 percent. The decrease in cable franchise fees is the result of a prior year change in the method for accruing fiscal year-end revenue. Actual revenue received was consistent with the prior fiscal year.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

While governmental activities revenue increased by approximately \$190,000, expenses decreased by approximately \$445,000. The increase in public safety expenditures is primarily due to an increase in contracted police services from Oakland County. The decrease in recreation and culture is primarily due to a \$600,000 reduction in depreciation expense relative to a capital asset purchased in a prior fiscal year.

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
	2015	2016	Change	Change
Operating revenue	\$ 2,016,586	\$ 1,951,120	\$ (65,466)	-3%
Operating expenses other than depreciation	1,697,579	1,622,197	(75,382)	-4%
Depreciation and amortization	266,027	269,617	3,590	1%
Operating gain	52,980	59,306	6,326	12%
Interest income	117,133	85,851	(31,282)	-27%
Interest expense	(17,716)	(16,991)	725	-4%
Debt service charges and other nonoperating revenue	217,656	234,798	17,142	8%
Other nonoperating expenses	(117,182)	(169,264)	(52,082)	44%
Capital grants and contributions	237,266	172,554	(64,712)	-27%
Change in Net Position	\$ 490,137	\$ 366,254	\$ (123,883)	-25%

Net income for the business-type activities decreased by approximately \$124,000 from the prior year, mostly attributable to the building department activities. Building permit revenue was approximately \$179,000 lower in the current fiscal year, while expenses remained consistent with the prior fiscal year.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Current Economic Events

While much of southeastern Michigan is slowly climbing out of the historic slump in property values, the Township realized an \$83 million or 7.5 percent increase in taxable values in fiscal year 2016 as compared to the previous year. For fiscal year 2017, taxable values have increased another \$53 million or 4.4 percent. Accelerating property values, along with new housing starts, continue to provide the Township with a steady stream of revenue. With a healthy General Fund balance, minimal debt, and no legacy costs, the Township is in an excellent economic position to: 1) maintain and improve services to its residents; 2) assess and meet its capital needs going forward; and 3) provide appropriate staffing levels within its departments. In recent years, these conditions have allowed the Township to advance refund a portion of its debt and lower its operating millage to essentially achieve revenue neutrality within the General Fund budget.

Aside from services provided through the General Fund millage, the Township, through additional voter-approved millages, provides fire, police, senior citizen, safety path, trail system, parks, land preservation, library, and historic district preservation services and activities. The Township is the premier location in SE Michigan to live and enjoy the open spaces provided by our user friendly park system. Building on the long tradition of conservative money management, the Township retains significant fund balances in all of our operating accounts. These fund balances allow us to maintain quality services even during economic downturns. The fund balances also allow us to meet major capital needs without the need to incur debt. The current fiscal year (16/17) will see improvements in our Paint Creek Cider Mill facility, new township hall entrance improvements, and continued attention to our unpaved road system. High on the agenda for resolution this fiscal year is plan development for our water and sewer systems. This year we will also adopt an amended zoning ordinance and land master plan.

Financial Analysis of Township Funds and Budgets

The General Fund ended 2016 with a total fund balance of \$6.7 million, representing an increase of approximately \$724,000 from the previous year, with \$5.8 million being in unassigned fund balance. Total General Fund revenue exceeded the amended budget by approximately \$62,000 or 2.2 percent. Property taxes were approximately \$113,000 below budget due to the previously mentioned millage decrease. Total expenditures before transfers were under the amended budget by approximately \$819,000 or 28.3 percent. A number of public works and other capital expenditures were not started or completed at fiscal year end, contributing to favorable budget variances of approximately \$413,000 and \$130,000, respectively. Many of these items were subsequently reappropriated in the fiscal year 2017 budget.

Besides the General Fund, the Township reports budgetary comparison schedules for each of its other major special revenue funds, those being: the Fire Fund, Police Fund, and Parks Fund. Both the Fire and Police Funds were in line with their amended budgets. Similar to the General Fund, the Parks Fund reported a favorable budget variance of approximately \$933,000 due primarily to approximately \$755,000 of capital items not being started or completed by the conclusion of the fiscal year.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Capital Assets and Debt

At the end of 2016, the Township's governmental activities had approximately \$24.5 million of capital assets, net of depreciation, invested in buildings, land improvements, information technology, equipment, and vehicles. The governmental activities reported approximately \$645,000 of additions for the year. Major acquisitions were for the purchase of 12.6 acres of vacant land, potentially to meet future public safety needs, and the purchase of a parcel of land by the Parks Fund for a parking lot development. The business-type activities reported approximately \$10 million of capital assets, net of depreciation, primarily invested in infrastructure assets. The business-type activities report approximately \$552,000 of additions for the year, almost exclusively due to the ongoing Oakland Macomb Interceptor Drainage project.

General obligation debt of \$2,050,000 is recorded as a liability on the governmental activities statement of net position. Debt relating to the Oakland Macomb Interceptor Drainage sewer system totaling \$2.3 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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 2)	\$ 18,665,503	\$ 10,634,804	\$ 29,300,307
Receivables:			
Property taxes receivable	203,961	-	203,961
Receivables from sales to customers on account	-	304,250	304,250
Accrued interest receivable	34,589	48,099	82,688
Other receivables	140,850	-	140,850
Due from other governmental units	331,566	2,730	334,296
Prepaid expenses and other assets	79,966	12,257	92,223
Restricted assets (Note 1)	-	393,191	393,191
Capital assets (Note 3):			
Assets not subject to depreciation	17,543,795	2,355,321	19,899,116
Assets subject to depreciation	6,979,058	7,621,271	14,600,329
Total assets	43,979,288	21,371,923	65,351,211
Liabilities			
Accounts payable	600,583	26,199	626,782
Due to other governmental units	10,178	65,992	76,170
Refundable deposits, bonds, etc.	176,792	190,377	367,169
Accrued liabilities and other	143,103	35,360	178,463
Noncurrent liabilities (Note 5):			
Due within one year	477,686	111,801	589,487
Due in more than one year	1,797,930	2,223,354	4,021,284
Total liabilities	3,206,272	2,653,083	5,859,355
Net Position			
Net investment in capital assets	22,472,853	7,641,437	30,114,290
Restricted for:			
Lake assessments	35,459	-	35,459
Police	3,217,704	-	3,217,704
Fire	1,374,923	-	1,374,923
Cable	96,749	-	96,749
Parks	2,259,277	-	2,259,277
Trails	1,952,632	-	1,952,632
Historic District Commission	512,412	-	512,412
Library	906,364	-	906,364
Land preservation	1,475,087	-	1,475,087
Unrestricted	6,469,556	11,077,403	17,546,959
Total net position	\$ 40,773,016	\$ 18,718,840	\$ 59,491,856

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	\$ 1,383,659	\$ 109,051	\$ 1,520	\$ -
Public safety	3,850,348	206,897	-	-
Public works	182,424	-	65,266	-
Community and economic development	217,485	-	3,321	-
Recreation and culture	2,084,628	114,156	12,298	-
Interest on long-term debt	82,482	-	-	-
Total governmental activities	7,801,026	430,104	82,405	-
Business-type activities:				
Sewer Fund	1,373,928	1,451,375	-	172,554
Water Fund	44,355	-	-	-
Building	659,786	734,543	-	-
Total business-type activities	2,078,069	2,185,918	-	172,554
Total primary government	<u>\$ 9,879,095</u>	<u>\$ 2,616,022</u>	<u>\$ 82,405</u>	<u>\$ 172,554</u>

General revenue:
 Property taxes
 State-shared revenue
 Investment income
 Cable franchise fees
 Other miscellaneous income
 Gain on sale of capital assets

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

**Statement of Activities
Year Ended March 31, 2016**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,273,088)	\$ -	\$ (1,273,088)
(3,643,451)	-	(3,643,451)
(117,158)	-	(117,158)
(214,164)	-	(214,164)
(1,958,174)	-	(1,958,174)
(82,482)	-	(82,482)
(7,288,517)	-	(7,288,517)
-	250,001	250,001
-	(44,355)	(44,355)
-	74,757	74,757
-	280,403	280,403
(7,288,517)	280,403	(7,008,114)
7,124,858	-	7,124,858
1,306,788	-	1,306,788
124,894	85,851	210,745
376,602	-	376,602
140,493	-	140,493
3,000	-	3,000
9,076,635	85,851	9,162,486
1,788,118	366,254	2,154,372
38,984,898	18,352,586	57,337,484
<u>\$ 40,773,016</u>	<u>\$ 18,718,840</u>	<u>\$ 59,491,856</u>

Charter Township of Oakland

	General Fund	Fire Fund	Police Fund
Assets			
Cash and investments (Note 2)	\$ 6,733,740	\$ 1,328,874	\$ 3,513,747
Receivables:			
Property taxes receivable	39,196	29,888	52,738
Accrued interest receivable	20,272	-	4,465
Other receivables	109,660	31,190	-
Due from other governmental units	329,316	-	-
Prepaid expenses and other assets	30,059	39,061	57
	<u>\$ 7,262,243</u>	<u>\$ 1,429,013</u>	<u>\$ 3,571,007</u>
Liabilities			
Accounts payable	\$ 183,824	\$ 12,356	\$ 352,979
Due to other governmental units	249	-	-
Refundable deposits, bonds, etc.	176,417	-	-
Accrued liabilities and other	47,681	41,734	324
	<u>408,171</u>	<u>54,090</u>	<u>353,303</u>
Deferred Inflows of Resources -			
Unavailable revenue	127,658	-	-
Fund Balances			
Nonspendable - Prepaid expenses	30,059	39,061	57
Restricted:			
Lake assessments	35,459	-	-
Police	-	-	3,217,647
Fire	-	1,335,862	-
Cable	96,749	-	-
Parks	-	-	-
Trails	-	-	-
Historic District Commission	-	-	-
Library	-	-	-
Land preservation	-	-	-
Committed - Revenue for subsequent year	417,805	-	-
Assigned:			
Roads	169,000	-	-
Beautification	22,492	-	-
Bike path	181,109	-	-
Unassigned	5,773,741	-	-
	<u>6,726,414</u>	<u>1,374,923</u>	<u>3,217,704</u>
Total fund balances			
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,262,243</u>	<u>\$ 1,429,013</u>	<u>\$ 3,571,007</u>

**Governmental Funds
Balance Sheet
March 31, 2016**

<u>Parks Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 2,276,916	\$ 4,812,226	\$ 18,665,503
22,415	59,724	203,961
4,769	5,083	34,589
-	-	140,850
2,250	-	331,566
7,529	3,260	79,966
<u>\$ 2,313,879</u>	<u>\$ 4,880,293</u>	<u>\$ 19,456,435</u>
\$ 37,695	\$ 13,729	\$ 600,583
-	9,929	10,178
375	-	176,792
16,532	10,140	116,411
54,602	33,798	903,964
-	-	127,658
7,529	3,260	79,966
-	-	35,459
-	-	3,217,647
-	-	1,335,862
-	-	96,749
2,251,748	-	2,251,748
-	1,952,632	1,952,632
-	512,412	512,412
-	906,364	906,364
-	1,471,827	1,471,827
-	-	417,805
-	-	169,000
-	-	22,492
-	-	181,109
-	-	5,773,741
<u>2,259,277</u>	<u>4,846,495</u>	<u>18,424,813</u>
<u>\$ 2,313,879</u>	<u>\$ 4,880,293</u>	<u>\$ 19,456,435</u>

Charter Township of Oakland

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position March 31, 2016

Fund Balance Reported in Governmental Funds	\$ 18,424,813
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	24,522,853
Certain receivables were earned during the current fiscal year, but are not available to pay for current year expenditures	127,658
Bonds payable are not due and payable in the current period and are not reported in the funds	(2,050,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(26,692)
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>(225,616)</u>
Net Position of Governmental Activities	<u>\$ 40,773,016</u>

Charter Township of Oakland

	General Fund	Fire Fund	Police Fund
Revenue			
Property taxes	\$ 627,731	\$ 1,177,504	\$ 2,077,718
Licenses and permits	1,778	-	-
Federal grants	4,841	-	-
State-shared revenue and grants	1,325,079	-	-
Charges for services	191,306	214,897	-
Fines and forfeitures	60,967	-	-
Investment income	53,319	6,953	25,468
Rental income	24,000	-	-
Other revenue:			
Special assessments	65,266	-	-
Cable franchise fees	376,602	-	-
Other miscellaneous income	103,184	-	-
Total revenue	<u>2,834,073</u>	<u>1,399,354</u>	<u>2,103,186</u>
Expenditures			
Current:			
General government	1,164,780	-	-
Public safety	-	1,452,607	2,130,532
Public works	88,271	-	-
Community and economic development	217,485	-	-
Recreation and culture	-	-	-
Other functions - Fringe benefits, insurance, and bonds	187,156	-	-
Capital outlay	414,548	42,803	7,685
Debt service	-	-	-
Total expenditures	<u>2,072,240</u>	<u>1,495,410</u>	<u>2,138,217</u>
Excess of Revenue Over (Under) Expenditures	761,833	(96,056)	(35,031)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in (Note 4)	12,571	50,000	-
Transfers out (Note 4)	(50,000)	-	-
Total other financing (uses) sources	<u>(37,429)</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balances	724,404	(46,056)	(35,031)
Fund Balances - Beginning of year	<u>6,002,010</u>	<u>1,420,979</u>	<u>3,252,735</u>
Fund Balances - End of year	<u><u>\$ 6,726,414</u></u>	<u><u>\$ 1,374,923</u></u>	<u><u>\$ 3,217,704</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended March 31, 2016

Parks Fund	Nonmajor Funds	Total
\$ 883,090	\$ 2,358,815	\$ 7,124,858
-	-	1,778
-	40,700	45,541
2,250	2,500	1,329,829
87,316	-	493,519
-	-	60,967
15,019	24,135	124,894
-	2,840	26,840
-	-	65,266
-	-	376,602
2,467	1,784	107,435
990,142	2,430,774	9,757,529
-	-	1,164,780
-	-	3,583,139
-	-	88,271
-	-	217,485
759,080	1,509,211	2,268,291
-	-	187,156
189,731	39,205	693,972
-	472,294	472,294
948,811	2,020,710	8,675,388
41,331	410,064	1,082,141
3,000	-	3,000
-	472,294	534,865
(76,563)	(408,302)	(534,865)
(73,563)	63,992	3,000
(32,232)	474,056	1,085,141
2,291,509	4,372,439	17,339,672
\$ 2,259,277	\$ 4,846,495	\$ 18,424,813

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, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 1,085,141

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	679,144
Depreciation expense (including adjustments)	(295,114)
Net book value of assets disposed of	(146)

Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	(18,385)
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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	4,812
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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	(52,334)
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Change in Net Position of Governmental Activities \$ 1,788,118

Charter Township of Oakland

Proprietary Funds Statement of Net Position March 31, 2016

	Enterprise Funds			Total
	Sewer Fund	Building Fund	Nonmajor - Water Fund	
Assets				
Current assets:				
Cash and investments (Note 2)	\$ 7,496,071	\$ 2,640,500	\$ 498,233	\$ 10,634,804
Receivables:				
Receivables from sales to customers on account	304,250	-	-	304,250
Accrued interest receivable	38,426	9,673	-	48,099
Due from other governmental units	2,730	-	-	2,730
Prepaid expenses and other assets	-	12,257	-	12,257
Total current assets	7,841,477	2,662,430	498,233	11,002,140
Noncurrent assets:				
Restricted assets (Note 1)	393,191	-	-	393,191
Capital assets (Note 3):				
Assets not subject to depreciation	2,355,321	-	-	2,355,321
Assets subject to depreciation	6,797,242	43,570	780,459	7,621,271
Total noncurrent assets	9,545,754	43,570	780,459	10,369,783
Total assets	17,387,231	2,706,000	1,278,692	21,371,923
Liabilities				
Current liabilities:				
Accounts payable	8,378	16,209	1,612	26,199
Due to other governmental units	65,992	-	-	65,992
Refundable deposits, bonds, etc.	-	190,377	-	190,377
Accrued liabilities and other	28,988	6,372	-	35,360
Current portion of long-term debt (Note 5)	111,801	-	-	111,801
Total current liabilities	215,159	212,958	1,612	429,729
Noncurrent liabilities - Long-term debt (Note 5)	2,223,354	-	-	2,223,354
Total liabilities	2,438,513	212,958	1,612	2,653,083
Net Position				
Net investment in capital assets	7,210,599	43,570	780,459	8,034,628
Unrestricted	7,738,119	2,449,472	496,621	10,684,212
Total net position	<u>\$ 14,948,718</u>	<u>\$ 2,493,042</u>	<u>\$ 1,277,080</u>	<u>\$ 18,718,840</u>

Charter Township of Oakland

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended March 31, 2016

	Enterprise Funds			Total
	Sewer Fund	Building Fund	Nonmajor - Water Fund	
Operating Revenue				
Sewage disposal charges	\$ 1,175,621	\$ -	\$ -	\$ 1,175,621
Permit revenue	-	730,239	-	730,239
Other operating revenue	40,956	4,304	-	45,260
Total operating revenue	1,216,577	734,543	-	1,951,120
Operating Expenses				
Cost of sewage treatment	721,638	-	-	721,638
Other operation and maintenance	25,452	-	-	25,452
Billing and administrative costs	97,871	-	18,450	116,321
Other operating expense	110,676	-	-	110,676
Building inspections and related activity	-	648,110	-	648,110
Depreciation	232,036	11,676	25,905	269,617
Total operating expenses	1,187,673	659,786	44,355	1,891,814
Operating Income (Loss)	28,904	74,757	(44,355)	59,306
Nonoperating Revenue (Expenses)				
Investment income	61,197	21,581	3,073	85,851
Interest expense	(16,991)	-	-	(16,991)
Other nonoperating expenses	(169,264)	-	-	(169,264)
Debt service charges and other	234,798	-	-	234,798
Total nonoperating revenue	109,740	21,581	3,073	134,394
Income (Loss) - Before contributions	138,644	96,338	(41,282)	193,700
Capital Contributions - Other capital contributions	172,554	-	-	172,554
Change in Net Position	311,198	96,338	(41,282)	366,254
Net Position - Beginning of year	14,637,520	2,396,704	1,318,362	18,352,586
Net Position - End of year	\$ 14,948,718	\$ 2,493,042	\$ 1,277,080	\$ 18,718,840

Charter Township of Oakland

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2016

	Enterprise Funds			
	Sewer Fund	Building Fund	Nonmajor - Water Fund	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 751,981	\$ 734,543	\$ -	\$ 1,486,524
Payments to suppliers	(1,024,380)	(470,660)	(18,371)	(1,513,411)
Payments to employees	-	(239,651)	-	(239,651)
Claims paid	-	-	(277,500)	(277,500)
Other receipts	2,910	775	190,000	193,685
Net cash (used in) provided by operating activities	(269,489)	25,007	(105,871)	(350,353)
Cash Flows from Nonoperating Financing Activities -				
Nonoperating expenses charged by County	(169,264)	-	-	(169,264)
Cash Flows from Capital and Related Financing Activities				
Receipt of capital charges	142,241	-	-	142,241
Debt service charge	234,798	-	-	234,798
Purchase of capital assets	-	(25,000)	-	(25,000)
Principal and interest paid on capital debt	(127,450)	-	-	(127,450)
Net cash provided by (used in) capital and related financing activities	249,589	(25,000)	-	224,589
Cash Flows from Investing Activities				
Interest received on investments	37,038	15,348	3,073	55,459
Proceeds from sale and maturities of investment securities	(11,720)	(9,960)	(2,626)	(24,306)
Net cash provided by investing activities	25,318	5,388	447	31,153
Net (Decrease) Increase in Cash and Cash Equivalents	(163,846)	5,395	(105,424)	(263,875)
Cash and Cash Equivalents - Beginning of year	6,304,603	1,483,289	300,083	8,087,975
Cash and Cash Equivalents - End of year	<u>\$ 6,140,757</u>	<u>\$ 1,488,684</u>	<u>\$ 194,659</u>	<u>\$ 7,824,100</u>
Statement of Net Position Classification of Cash and Cash Equivalents				
Cash and investments	\$ 7,496,071	\$ 2,640,500	\$ 498,233	\$ 10,634,804
Less amounts classified as investments	(1,355,314)	(1,151,816)	(303,574)	(2,810,704)
Total cash and cash equivalents	<u>\$ 6,140,757</u>	<u>\$ 1,488,684</u>	<u>\$ 194,659</u>	<u>\$ 7,824,100</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 28,904	\$ 74,757	\$ (44,355)	\$ 59,306
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	232,036	11,676	25,905	269,617
Changes in assets and liabilities:				
Receivables	(461,686)	775	190,000	(270,911)
Prepaid and other assets	-	(3,679)	-	(3,679)
Accounts payable and other accrued liabilities	(68,743)	(60,277)	79	(128,941)
Claims paid	-	-	(277,500)	(277,500)
Accrued and other liabilities	-	1,755	-	1,755
Net cash (used in) provided by operating activities	<u>\$ (269,489)</u>	<u>\$ 25,007</u>	<u>\$ (105,871)</u>	<u>\$ (350,353)</u>

Noncash Capital and Related Financing Activities - During the year ended March 31, 2016, Oakland County constructed approximately \$527,000 of sewer lines for the Oakland-Macomb Interceptor project, for which the Township incurred long-term debt and reduced restricted assets held at the County.

Charter Township of Oakland

Fiduciary Funds Statement of Fiduciary Net Position March 31, 2016

	<u>Agency Funds</u>
Assets - Cash and cash equivalents	<u>\$ 1,563</u>
Liabilities - Accrued liabilities and other	<u>\$ 1,563</u>

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

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 Paint Creek Trailways Commission (the "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, 2016, the Charter Township of Oakland provided \$25,186 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, 2016

Note I - 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, the 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, 2016, the Charter Township of Oakland provided \$381,251 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.

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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues includes: 1) charges to customers or applicants 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 revenue 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 revenue reported for the various functions concerned.

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

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 for which specific revenue was used. 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.
- 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 revenue and expenditures for the Township's public parks. The activities are funded through a millage collection.

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

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

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 Sewer Fund disposes of sanitary sewage in exchange for quarterly user charges.
- The Building Fund accounts for all revenue 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.

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

Basis of Accounting

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

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

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.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the 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, grant 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.

Restricted Assets - Unspent bond proceeds held at Oakland County for future construction are classified as restricted assets in the Sewer Fund.

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, \$41,871 of interest expense was capitalized as part of the cost of assets under construction.

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net 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 revenue from state-shared revenue and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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, except for transfers in for specific purposes, which are considered to be spent first if spent on the intended purpose. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund 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).

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.

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

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

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 2015 tax is levied and collectible on December 1, 2015 and is recognized as revenue in the year ended March 31, 2016, 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 \$201,207 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, 2016

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

The 2015 taxable valuation of the Township totaled \$1.19 billion. Taxes were levied as follows:

<u>Purpose</u>	<u>Millage Rate</u>	<u>Revenue</u>
General operating	0.5252	\$ 626,707
Library	0.6120	730,290
Parks	0.7391	881,963
Fire	0.9855	1,176,002
Police	1.7389	2,075,066
Land acquisition	0.6815	813,227
Older persons	0.2307	275,190
OPC transportation	0.0886	105,665
Trail system	0.2463	293,885
Historic district	0.1152	137,437

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 revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of 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 revenue and expenses not meeting this definition are reported as nonoperating revenue 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, 2016

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 15 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 \$13,708,477 of bank deposits (certificates of deposit and 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.

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 investment:

Investment	Fair Value	Weighted Average Maturity (Years)
Primary Government		
Government Investment Pool	\$ 8,386,935	1.37

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

Note 2 - Deposits and Investments (Continued)

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			
Government Investment Pool	\$ 8,386,935	Not rated	N/A

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issuer. Approximately 30 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 LGIP is the same as the value of the LGIP's shares.

Note 3 - Capital Assets

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

	Balance April 1, 2015	Adjustments	Additions	Disposals	Balance March 31, 2016
Governmental Activities					
Capital assets not being depreciated -					
Land	\$ 17,109,795	\$ -	\$ 434,000	\$ -	\$ 17,543,795
Capital assets being depreciated:					
Infrastructure	2,031,525	-	-	-	2,031,525
Buildings and improvements	10,401,565	-	58,091	-	10,459,656
Machinery and equipment	748,867	-	43,949	-	792,816
Vehicles	2,775,232	-	72,060	(21,614)	2,825,678
Office furnishings	468,429	-	29,643	(4,757)	493,315
Information technology	206,612	-	6,901	(3,347)	210,166
Land improvements	2,012,085	34,500	-	(1,211)	2,045,374
Subtotal	18,644,315	34,500	210,644	(30,929)	18,858,530
Accumulated depreciation:					
Infrastructure	1,883,230	-	94,152	-	1,977,382
Buildings and improvements	4,825,173	(596,539)	362,043	-	4,590,677
Machinery and equipment	572,369	-	38,377	-	610,746
Vehicles	2,144,560	-	178,106	(21,614)	2,301,052
Office furnishings	453,820	-	11,136	(4,611)	460,345
Information technology	108,080	-	28,454	(3,347)	133,187
Land improvements	1,627,909	26,700	152,685	(1,211)	1,806,083
Subtotal	11,615,141	(569,839)	864,953	(30,783)	11,879,472
Net capital assets being depreciated	7,029,174	604,339	(654,309)	(146)	6,979,058
Net capital assets	\$ 24,138,969	\$ 604,339	\$ (220,309)	\$ (146)	\$ 24,522,853

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

Note 3 - Capital Assets (Continued)

Business-type Activities	Balance April 1, 2015	Additions	Disposals	Balance March 31, 2016
Capital assets not being depreciated - Construction in progress	\$ 1,829,035	\$ 526,286	\$ -	\$ 2,355,321
Capital assets being depreciated:				
Sewer system	11,331,817	767	-	11,332,584
Water lines	1,036,189	-	-	1,036,189
Buildings and improvements	6,775	-	-	6,775
Machinery and equipment	1,628	25,000	-	26,628
Vehicles	35,728	-	-	35,728
Information technology	1,363	-	-	1,363
Subtotal	12,413,500	25,767	-	12,439,267
Accumulated depreciation:				
Sewer system	4,303,306	232,036	-	4,535,342
Water lines	229,825	25,905	-	255,730
Buildings and improvements	452	452	-	904
Machinery and equipment	232	3,805	-	4,037
Vehicles	14,291	7,147	-	21,438
Information technology	273	272	-	545
Subtotal	4,548,379	269,617	-	4,817,996
Net capital assets being depreciated	7,865,121	(243,850)	-	7,621,271
Net capital assets	\$ 9,694,156	\$ 282,436	\$ -	\$ 9,976,592

During the fiscal year, the Township identified an error related to accumulated depreciation on five parks and recreation buildings. As a result, an adjustment was made to accumulated depreciation and depreciation expense.

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

Governmental activities:

General government	\$ 101,994
Public safety	269,173
Public works	94,153
Recreation and culture	399,633
Total governmental activities	\$ 864,953

Business-type activities:

Sewer	\$ 232,036
Water	25,905
Building department	11,676
Total business-type activities	\$ 269,617

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

Note 4 - Interfund Transfers

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

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Fire Fund	\$ 50,000
Parks Fund	Other governmental funds	76,563
Other governmental funds	General Fund	12,571
	Other governmental funds	<u>395,731</u>
	Total received from other governmental funds	<u>\$ 408,302</u>

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

The transfers from the Parks Fund and other governmental funds to the other governmental funds represent transfers for debt service.

The transfer from the other governmental funds to the General Fund represents the removal of excess unrestricted fund balance from those funds.

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 -					
Maturing through 2022	4.0%	\$385,000	\$ 2,435,000	\$ -	\$ 385,000	\$ 2,050,000	\$ 385,000
Accumulated compensated absences			<u>173,282</u>	<u>110,095</u>	<u>57,761</u>	<u>225,616</u>	<u>92,686</u>
Total governmental activities			<u>\$ 2,608,282</u>	<u>\$ 110,095</u>	<u>\$ 442,761</u>	<u>\$ 2,275,616</u>	<u>\$ 477,686</u>

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

Note 5 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2010A: Amount of issue - \$525,666		\$21,066 -					
Maturing through 2032	2.50%	\$32,960	\$ 462,548	\$ -	\$ 22,074	\$ 440,474	\$ 22,679
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2010B: Amount of issue - \$135,065	1.15% -	\$4,636-					
Maturing through 2031	5.90%	\$10,483	117,225	-	5,040	112,185	5,241
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2011: Amount of issue - \$631,878		\$24,750 -					
Maturing through 2034	2.50%	\$39,477	525,943	81,185	25,369	581,759	25,988
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2013A: Amount of issue - \$1,378,847		\$56,729 -					
Maturing through 2035	2.00%	\$82,659	940,072	317,394	56,729	1,200,737	57,893
Total bonds payable			<u>\$ 2,045,788</u>	<u>\$ 398,579</u>	<u>\$ 109,212</u>	<u>\$ 2,335,155</u>	<u>\$ 111,801</u>

Total interest expense for the year was approximately \$99,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending March 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
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	117,002	52,345	169,347
2020	320,000	32,000	352,000	119,693	49,593	169,286
2021	320,000	19,200	339,200	122,713	46,753	169,466
2022-2026	320,000	6,400	326,400	658,661	188,112	846,773
2027-2031	-	-	-	742,497	103,370	845,867
2032-2036	-	-	-	348,397	19,167	367,564
Total	<u>\$ 2,050,000</u>	<u>\$ 233,676</u>	<u>\$ 2,283,676</u>	<u>\$ 2,335,155</u>	<u>\$ 571,944</u>	<u>\$ 2,907,099</u>

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

Note 5 - Long-term Debt (Continued)

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 \$2.6 million of debt and other liabilities related to the project. The Township prefunded the Series 2014 obligation; therefore, the Township will not have a share of the related debt. 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.

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 month of continuous service. Employees may contribute to the plan on a voluntary basis. In accordance with these requirements, the Township contributed \$204,820 during the current year.

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.

Charter Township of Oakland

Notes to Financial Statements March 31, 2016

Note 7 - Risk Management (Continued)

The Michigan Municipal Risk Management Authority's (the "Authority") 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, 2016, the library millages totaled 0.6120 mills (2015 tax roll), which will be remitted to the Rochester Hills Public Library during the Township's 2016-2017 fiscal year in the amount of approximately \$730,000.

Note 9 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2016-2017 fiscal year.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2016-2017 fiscal year.

Required Supplemental Information

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 740,412	\$ 740,412	\$ 627,731	\$ (112,681)
Licenses and permits	2,200	2,200	1,778	(422)
Federal grants	3,000	3,000	4,841	1,841
State-shared revenue and grants	1,331,857	1,331,857	1,325,079	(6,778)
Charges for services	25,200	25,200	46,306	21,106
Fines and forfeitures	25,000	25,000	60,967	35,967
Investment income	15,000	15,000	53,319	38,319
Rental income	24,000	24,000	24,000	-
Other revenue:				
Special assessments	78,300	78,300	65,266	(13,034)
Cable franchise fees	324,000	324,000	376,602	52,602
Other miscellaneous income	38,500	58,500	103,184	44,684
Total revenue	2,607,469	2,627,469	2,689,073	61,604
Expenditures				
Current:				
General government:				
Township board	319,450	329,450	263,849	65,601
Township supervisor	16,574	17,274	15,960	1,314
Manager	160,560	165,060	153,350	11,710
Township treasurer	150,693	150,693	133,646	17,047
Assessor	120,004	120,004	120,004	-
Board of review	3,000	3,000	1,590	1,410
Township clerk	202,531	212,531	210,308	2,223
Elections	49,000	72,000	55,893	16,107
Buildings and grounds	244,865	244,865	207,270	37,595
Cemetery	5,000	5,000	2,910	2,090
Total general government	1,271,677	1,319,877	1,164,780	155,097
Public works:				
Roads and projects	496,000	496,000	82,800	413,200
Street lighting	5,800	5,800	5,471	329
Total public works	501,800	501,800	88,271	413,529
Community and economic development:				
Planning commission	139,950	139,950	118,326	21,624
Community programs and development	100,100	110,100	99,159	10,941
Total community and economic development	240,050	250,050	217,485	32,565
Other functions - Fringe benefits, insurance, and bonds				
	261,980	275,480	187,156	88,324
Capital outlay	184,120	544,120	414,548	129,572
Total expenditures	2,459,627	2,891,327	2,072,240	819,087
Excess of Revenue Over (Under) Expenditures	147,842	(263,858)	616,833	880,691
Other Financing Sources (Uses)				
Transfers in	145,000	145,000	157,571	12,571
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing uses	95,000	95,000	107,571	12,571
Net Change in Fund Balance	242,842	(168,858)	724,404	893,262
Fund Balance - Beginning of year	6,002,010	6,002,010	6,002,010	-
Fund Balance - End of year	\$ 6,244,852	\$ 5,833,152	\$ 6,726,414	\$ 893,262

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Fire Fund Year Ended March 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,181,320	\$ 1,181,320	\$ 1,177,504	\$ (3,816)
Charges for services	200,000	200,000	206,897	6,897
Investment income	8,500	8,500	6,953	(1,547)
Total revenue	1,389,820	1,389,820	1,391,354	1,534
Expenditures				
Current - Public safety	1,412,073	1,555,876	1,452,607	103,269
Capital outlay	32,000	42,803	42,803	-
Total expenditures	1,444,073	1,598,679	1,495,410	103,269
Excess of Expenditures Over Revenue	(54,253)	(208,859)	(104,056)	104,803
Other Financing Sources -				
Transfers in	58,000	58,000	58,000	-
Net Change in Fund Balance	3,747	(150,859)	(46,056)	104,803
Fund Balance - Beginning of year	1,420,979	1,420,979	1,420,979	-
Fund Balance - End of year	<u>\$ 1,424,726</u>	<u>\$ 1,270,120</u>	<u>\$ 1,374,923</u>	<u>\$ 104,803</u>

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Police Fund Year Ended March 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 2,084,452	\$ 2,084,452	\$ 2,077,718	\$ (6,734)
Investment income	25,000	25,000	25,468	468
Total revenue	2,109,452	2,109,452	2,103,186	(6,266)
Expenditures				
Current - Public safety	2,116,303	2,156,732	2,130,532	26,200
Capital outlay	6,020	14,020	7,685	6,335
Total expenditures	2,122,323	2,170,752	2,138,217	32,535
Net Change in Fund Balance	(12,871)	(61,300)	(35,031)	26,269
Fund Balance - Beginning of year	3,252,735	3,252,735	3,252,735	-
Fund Balance - End of year	<u>\$ 3,239,864</u>	<u>\$ 3,191,435</u>	<u>\$ 3,217,704</u>	<u>\$ 26,269</u>

Charter Township of Oakland

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Parks Fund Year Ended March 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 885,960	\$ 885,960	\$ 883,090	\$ (2,870)
State-shared revenue and grants	-	-	2,250	2,250
Charges for services	79,800	83,140	87,316	4,176
Investment income	10,000	10,000	15,019	5,019
Other revenue	-	-	2,467	2,467
Total revenue	<u>975,760</u>	<u>979,100</u>	<u>990,142</u>	<u>11,042</u>
Expenditures				
Current - Recreation and culture	924,300	928,040	759,080	168,960
Capital outlay	<u>864,840</u>	<u>944,840</u>	<u>189,731</u>	<u>755,109</u>
Total expenditures	<u>1,789,140</u>	<u>1,872,880</u>	<u>948,811</u>	<u>924,069</u>
Excess of Revenue (Under) Over Expenditures	(813,380)	(893,780)	41,331	935,111
Other Financing Sources -				
Proceeds from sale of capital assets	5,000	5,000	3,000	(2,000)
Transfers out	<u>(76,563)</u>	<u>(76,563)</u>	<u>(76,563)</u>	<u>-</u>
Net Change in Fund Balance	(884,943)	(965,343)	(32,232)	933,111
Fund Balance - Beginning of year	<u>2,291,509</u>	<u>2,291,509</u>	<u>2,291,509</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 1,406,566</u></u>	<u><u>\$ 1,326,166</u></u>	<u><u>\$ 2,259,277</u></u>	<u><u>\$ 933,111</u></u>

Charter Township of Oakland

Note to Required Supplemental Information Year Ended March 31, 2016

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, with the exception of certain charges for services between funds that are budgeted as transfers. All annual appropriations lapse at fiscal year end. During the year, the budget was amended in a legally permissible manner.

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 funds 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.

Reconciliations of the budgetary comparison schedules to the fund-based statement of changes in fund balance for the General Fund and Fire Fund are as follows:

	<u>Total Revenue</u>	<u>Total Expenditures</u>
General Fund		
Amounts per operating statement	\$ 2,834,073	\$ 2,072,240
Charges for services budgeted as operating transfers	<u>(145,000)</u>	<u>-</u>
Amounts per budget statement	<u>\$ 2,689,073</u>	<u>\$ 2,072,240</u>
	<u>Total Revenue</u>	<u>Total Expenditures</u>
Fire Fund		
Amounts per operating statement	\$ 1,399,354	\$ 1,495,410
Charges for services budgeted as operating transfers	<u>(8,000)</u>	<u>-</u>
Amounts per budget statement	<u>\$ 1,391,354</u>	<u>\$ 1,495,410</u>

Other Supplemental Information

Charter Township of Oakland

	Special Revenue Funds			
	Trails Improvement	Land Preservation	Older Persons' Commission	OPC Transportation
Assets				
Cash and investments	\$ 1,945,582	\$ 1,462,930	\$ 288	\$ 108
Receivables:				
Property taxes receivable:	7,469	20,668	6,888	2,645
Accrued interest receivable	5,083	-	-	-
Prepaid expenses and other assets	-	3,260	-	-
Total assets	\$ 1,958,134	\$ 1,486,858	\$ 7,176	\$ 2,753
Liabilities				
Accounts payable	\$ 4,034	\$ 6,659	\$ -	\$ -
Due to other governmental units	-	-	7,176	2,753
Accrued liabilities and other	1,468	5,112	-	-
Total liabilities	5,502	11,771	7,176	2,753
Fund Balances				
Nonspendable - Prepaid expenses	-	3,260	-	-
Restricted:				
Trails	1,952,632	-	-	-
Historic District Commission	-	-	-	-
Library	-	-	-	-
Land preservation	-	1,471,827	-	-
Total fund balances	1,952,632	1,475,087	-	-
Total liabilities and fund balances	\$ 1,958,134	\$ 1,486,858	\$ 7,176	\$ 2,753

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2016**

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		
\$ 887,803	\$ 515,515	\$ -	\$ -	\$ 4,812,226	
18,561	3,493	-	-	59,724	
-	-	-	-	5,083	
-	-	-	-	3,260	
\$ 906,364	\$ 519,008	\$ -	\$ -	\$ 4,880,293	
\$ -	\$ 3,036	\$ -	\$ -	\$ 13,729	
-	-	-	-	9,929	
-	3,560	-	-	10,140	
-	6,596	-	-	33,798	
-	-	-	-	3,260	
-	-	-	-	1,952,632	
-	512,412	-	-	512,412	
906,364	-	-	-	906,364	
-	-	-	-	1,471,827	
906,364	512,412	-	-	4,846,495	
\$ 906,364	\$ 519,008	\$ -	\$ -	\$ 4,880,293	

Charter Township of Oakland

	Special Revenue Funds			
	Trails Improvement	Land Preservation	Older Persons' Commission	OPC Transportation
Revenue				
Property taxes	\$ 294,261	\$ 814,266	\$ 275,621	\$ 105,830
Federal grants	-	40,700	-	-
State-shared revenue and grants	-	-	-	-
Investment income	12,267	5,616	11	2
Rental income	-	1,440	-	-
Other revenue	-	747	-	-
Total revenue	306,528	862,769	275,632	105,832
Expenditures				
Current - Recreation and culture	55,020	252,536	275,633	105,832
Capital outlay	500	27,650	-	-
Debt service	-	-	-	-
Total expenditures	55,520	280,186	275,633	105,832
Excess of Revenue Over (Under) Expenditures	251,008	582,583	(1)	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(395,731)	(7,935)	(3,059)
Total other financing (uses) sources	-	(395,731)	(7,935)	(3,059)
Net Change in Fund Balances	251,008	186,852	(7,936)	(3,059)
Fund Balances - Beginning of year	1,701,624	1,288,235	7,936	3,059
Fund Balances - End of year	\$ 1,952,632	\$ 1,475,087	\$ -	\$ -

**Other Supplemental Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended March 31, 2016**

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		
\$ 731,224	\$ 137,613	\$ -	\$ -	\$ 2,358,815	
-	-	-	-	40,700	
-	2,500	-	-	2,500	
3,062	3,176	1	-	24,135	
-	1,400	-	-	2,840	
-	1,037	-	-	1,784	
<u>734,286</u>	<u>145,726</u>	<u>1</u>	<u>-</u>	<u>2,430,774</u>	
692,366	127,824	-	-	1,509,211	
-	11,055	-	-	39,205	
-	-	-	472,294	472,294	
<u>692,366</u>	<u>138,879</u>	<u>-</u>	<u>472,294</u>	<u>2,020,710</u>	
41,920	6,847	1	(472,294)	410,064	
-	-	-	472,294	472,294	
-	-	(1,577)	-	(408,302)	
<u>-</u>	<u>-</u>	<u>(1,577)</u>	<u>472,294</u>	<u>63,992</u>	
41,920	6,847	(1,576)	-	474,056	
864,444	505,565	1,576	-	4,372,439	
<u>\$ 906,364</u>	<u>\$ 512,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,846,495</u>	