

**CHARTER TOWNSHIP OF OAKLAND  
Oakland County, Michigan**

**AUDITED FINANCIAL REPORT**

**For the Fiscal Year Ended  
March 31, 2013**



CHARTER TOWNSHIP OF OAKLAND  
For the Year Ended March 31, 2013

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For the Year Ended March 31, 2013

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FINANCIAL SECTION





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Deborah M. Cox, C.P.A.

## Independent Auditor's Report

September 20, 2013

To the Board of Trustees  
Charter Township of Oakland, Michigan

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, Michigan, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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



***Opinions***

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, Michigan, as of March 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Oakland, Michigan's basic financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling information directly to underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully,



PSLZ LLP  
Certified Public Accountants  
Plymouth, Michigan



## Management's Discussion and Analysis

As management of the Charter Township of Oakland, we offer readers of the Charter Township of Oakland's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Oakland for the fiscal year ended March 31, 2013.

### Financial Highlights

- The assets of the Charter Township of Oakland exceeded its liabilities at the close of the most recent fiscal year by \$52,484,125 (*net position*). Of this amount, \$10,646,962 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Charter Township of Oakland's governmental funds reported combined ending fund balances of \$16,250,703, a decrease of \$138,019 in comparison with the prior year.
- Charter Township of Oakland's total governmental long-term debt decreased by \$1,982,361 during the current fiscal year, as a result of annual debt service payments along with the early payoff of \$1,575,000 of general obligation bond principal.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Charter Township of Oakland's basic financial statements. The Charter Township of Oakland's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Charter Township of Oakland's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Charter Township of Oakland's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Charter Township of Oakland is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Charter Township of Oakland that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Charter Township of Oakland include general government, public safety, planning and zoning, public works, and recreation and culture. The business-type activities of Charter Township of Oakland include the water and sewer systems. The government-wide financial statements can be found on pages 10-12 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Charter Township of Oakland, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Charter Township of Oakland can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Charter Township of Oakland maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire, Police, and Park Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into aggregated presentations by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

A budgetary comparison statement has been provided for the General, Fire, Police and Park Funds to demonstrate compliance with the annual appropriated budget.

***Proprietary funds.*** Charter Township of Oakland maintains two proprietary funds which are classified as enterprise fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Charter Township of Oakland used an enterprise fund to account for its water system and sewer system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water system and sewer system, which are considered to be major funds of the Charter Township of Oakland.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Charter Township of Oakland's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 44-51 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Oakland, assets exceeded liabilities by \$52,484,125 at the close of the most recent fiscal year.

A significant portion of the Charter Township of Oakland's net position (57 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Charter Township of Oakland used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Charter Township of Oakland's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Charter Township of Oakland's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 17,181,131	\$ 17,198,605	\$ 11,377,101	\$ 10,653,755	\$ 28,558,232	\$ 27,852,360
Capital Assets	25,911,223	25,774,755	8,382,332	8,637,137	34,293,555	34,411,892
Total Assets	<u>43,092,354</u>	<u>42,973,360</u>	<u>19,759,433</u>	<u>19,290,892</u>	<u>62,851,787</u>	<u>62,264,252</u>
Long-term Liabilities						
Outstanding	3,303,358	5,285,719	1,263,761	1,288,779	4,567,119	6,574,498
Other Liabilities	930,428	809,883	4,870,115	4,263,240	5,800,543	5,073,123
Total Liabilities	<u>4,233,786</u>	<u>6,095,602</u>	<u>6,133,876</u>	<u>5,552,019</u>	<u>10,367,662</u>	<u>11,647,621</u>
Net Position:						
Invested in Capital Assets, net of related debt	22,706,223	20,609,755	7,118,571	7,348,358	29,824,794	27,958,113
Restricted	12,012,369	11,434,679	-	-	12,012,369	11,434,679
Unrestricted	4,139,976	4,833,324	6,506,986	6,203,015	10,646,962	11,036,339
Total Net Position	<u>\$ 38,858,568</u>	<u>\$ 36,877,758</u>	<u>\$ 13,625,557</u>	<u>\$ 13,551,373</u>	<u>\$ 52,484,125</u>	<u>\$ 50,429,131</u>

An additional portion of Charter Township of Oakland's net position (23 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$10,646,962) may be used to meet the government's ongoing obligations to citizens and creditors.



At the end of the current fiscal year, Charter Township of Oakland is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The governmental net position increased by \$1,980,810 during the current fiscal year, as presented:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>Restated 2012</u>	<u>2013</u>	<u>Restated 2012</u>
Program Revenues:						
Charges for Services	\$ 1,366,354	\$ 853,969	\$ 29,851	\$ 5,826	\$ 1,396,205	\$ 859,795
Operating Grants & Contributions	4,095	5,022	60,107	29,629	64,202	34,651
Capital Grants & Contributions	63,150	21,480	218,196	112,282	281,346	133,762
General Revenues:						
Property Taxes	6,564,401	6,691,479	-	-	6,564,401	6,691,479
State Shared Revenues	1,244,742	1,329,278	-	-	1,244,742	1,329,278
Unrestricted Investment Earnings	56,741	87,572	61,986	75,387	118,727	162,959
Other	304,192	279,031	-	-	304,192	279,031
Gain/(Loss) on Sale of Assets	(3,625)	-	-	-	(3,625)	-
Total Revenues	<u>9,600,050</u>	<u>9,267,831</u>	<u>370,140</u>	<u>223,124</u>	<u>9,970,190</u>	<u>9,490,955</u>
Program Expenses:						
General Government	1,413,744	1,428,915	-	-	1,413,744	1,428,915
Public Safety	3,411,510	3,298,962	-	-	3,411,510	3,298,962
Planning and Zoning	41,652	74,008	-	-	41,652	74,008
Public Works	361,464	308,814	-	-	361,464	308,814
Health and Welfare	67,757	73,102	-	-	67,757	73,102
Recreation and Cultural	2,155,881	2,042,582	-	-	2,155,881	2,042,582
Interest on Long-Term Debt	167,232	220,706	-	-	167,232	220,706
Water	-	-	26,536	25,905	26,536	25,905
Sewer	-	-	269,420	239,718	269,420	239,718
Total Expenses	<u>7,619,240</u>	<u>7,447,089</u>	<u>295,956</u>	<u>265,623</u>	<u>7,915,196</u>	<u>7,712,712</u>
Change in Net Position	<u>\$ 1,980,810</u>	<u>\$ 1,820,742</u>	<u>\$ 74,184</u>	<u>\$ (42,499)</u>	<u>\$ 2,054,994</u>	<u>\$ 1,778,243</u>

**Business-type activities.** Business-type activities increased the Charter Township of Oakland's net position by \$74,183 which is a result of capital contributions from water and sewer capital and lateral charges collected in the current year.

### Financial Analysis of the Government's Funds

As noted earlier, Charter Township of Oakland used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Charter Township of Oakland's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Charter Township of Oakland's financing requirements.

As of the end of the current fiscal year, Charter Township of Oakland's governmental funds reported combined ending fund balances of \$16,250,703 a decrease of \$138,019 in comparison with the prior year. The *unrestricted fund balance*, which is the amount available for spending at the government's discretion, represents 26% of the total fund balance. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it is restricted for a specific purpose.

The general fund is the chief operating fund of Charter Township of Oakland. At the end of the current fiscal year, unrestricted fund balance was \$4,238,334 and total fund balance was \$4,629,281. As a measure of the general fund's liquidity, it may be useful to compare fund balances to total fund expenditures. Unrestricted fund balance represents 263% of total general fund expenditures.

The fund balance of Charter Township of Oakland's general fund decreased by \$699,487 during the current fiscal year.

**Proprietary funds.** Charter Township of Oakland's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Funds totaled \$6,506,986 at the end of the year. Other factors concerning the finances of this fund have already been addressed in the discussion of Charter Township of Oakland's business-type activities.

#### **General Fund Budgetary Highlights**

The difference between the beginning and final budget was an increase of \$1,537,300 in other financing uses to reflect the advance payment of the 2002 general obligation bond principal of \$1,575,000 along with other minor departmental adjustments.

#### **Capital Asset and Debt Administration**

**Capital assets.** Charter Township of Oakland's investment in capital assets for its governmental and business type activities as of March 31, 2013, amounts to \$34,293,555 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, water lines and the sewer systems. The investment in fixed assets decreased by \$118,337 due primarily to annual depreciation expense, net of acquisitions.

**Long-term debt.** At the end of the current fiscal year, Charter Township of Oakland had total bonded debt outstanding of \$4,468,761, \$3,205,000 of general obligation debt backed by the full faith and credit of Charter Township of Oakland, and \$1,263,761 of Oakland-Macomb Drain Interceptor bonds through Oakland County.

Additional information on Charter Township of Oakland's long-term debt can be found in note III. D. on pages 34-35 of this report.

## **Economic Factors and Next Year's Budgets**

The State's budget woes are being addressed and taxable values have stabilized in Oakland Township. After several years of decreasing taxable values (totaling more than \$250 million), Oakland Township is one of the first municipalities in the State to turn the corner. This began in 2011 when the Township experienced a 1% increase in taxable value. There was a 3.5% increase in 2012. Oakland County Equalization is projecting a 3% to 4% increase in taxable value in 2013 for Oakland Township. The tax collection levy on property values lags by one year. The December 2013 tax levy for the 2013/2014 fiscal year is based upon adjusted property values as of December 31, 2012. The estimates of the taxable value as of December 31, 2013 are used for the budgeted tax revenues for the 2014/2015 fiscal year. Many southeast Michigan communities have not experienced this turnaround yet, and many do not have the capacity for new growth like Oakland Township. Interest in development has returned. There were 153 new home permits issued in the 2012 calendar year, with estimates of 175 to 225 new home permits for 2013. Projections are that property values in Oakland Township will continue their ascent as existing homes, vacant property and vacant platted subdivision lots are selling at or above market values. Even with the looming legislation exempting personal property tax, the impact for Oakland Township finances will be negligible. Only 0.3% of total taxable property would potentially be exempted in the future under the current plan. Additionally, as result of the 2010 census, there is an increase in the amount of constitutional State Shared Revenue that the Township received for the 2011-12 fiscal year. With that adjustment, and the increased payments, the 2011-12 revenue totaled approximately \$1,300,000, about \$400,000 more than the previous year. Projections are that those payments should stay in that range for the immediate future. Personnel and other cuts that have taken place in Police and Fire stabilized those funds. Those funds are projected to operate at a small surplus due to gains in tax revenue. As we have seen, values can slide down relatively quickly, but property value increases and the resultant tax revenue increases on existing property are statutorily limited to 5% or the CPI, whichever is less. This construction growth that the Township is experiencing will be required to sustain a substantial recovery. During the economic downturn adjustments were made in the Building Inspection fund to remove the operations cost burden from the fund, and staffing had been reduced to bare minimum. Additional clerical support and a contractual inspector have now been added to that operation because of the substantial increases in building activity which has helped that fund recover. The General Fund audited actual fund balance for 2012-2013 reflected approximately \$700,000 of expenditures over revenues due to the payoff of the 2001 General Obligation Unlimited Tax OPC bonds in 2012/2013 fiscal year using unassigned fund balance to pay off those bonds. This action served to permanently lower the Township millage rate by .2040 mils for the December 2012 tax bill and reduced taxpayer obligations by \$2,000,000 including \$400,000 savings in interest payments.

### **Requests for Information**

This financial report is designed to provide a general overview of the Charter Township of Oakland's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Township Manager, 4393 Collins Road, Rochester, Michigan, 48306.



BASIC FINANCIAL STATEMENTS



**CHARTER TOWNSHIP OF OAKLAND**  
**Statement of Net Position**  
**March 31, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 16,908,038	\$ 11,352,542	\$ 28,260,580
Receivables (net of allowance for uncollectibles):			
Accounts	273,093	5,434	278,527
Due from Other Units	-	19,125	19,125
Capital Assets:			
Land and Other Nondepreciated Assets	17,307,812	-	17,307,812
Capital Assets (net of Accumulated Depreciation)	8,603,411	8,382,332	16,985,743
Total Assets	43,092,354	19,759,433	62,851,787
<b><u>LIABILITIES</u></b>			
Accounts Payable	373,300	109,925	483,225
Accrued Liabilities	250,384	-	250,384
Due to Other Units	52,112	-	52,112
Deposits Payable	218,475	-	218,475
Deferred Revenue	36,157	4,760,190	4,796,347
Noncurrent Liabilities:			
Compensated Absences	98,358	-	98,358
Due within one year	385,000	25,702	410,702
Due in more than one year	2,820,000	1,238,059	4,058,059
Total Liabilities	4,233,786	6,133,876	10,367,662
<b><u>NET POSITION</u></b>			
Invested in Capital Assets, net of related debt	22,706,223	7,118,571	29,824,794
Restricted	12,012,369	-	12,012,369
Unrestricted	4,139,976	6,506,986	10,646,962
Total Net Position	\$ 38,858,568	\$ 13,625,557	\$ 52,484,125

**CHARTER TOWNSHIP OF OAKLAND**  
**Statement of Activities**  
**For the Year Ended March 31, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General Government	\$ 1,413,744	\$ 122,332	\$ 916	\$ 33,820
Public Safety	3,411,510	1,146,379	-	-
Planning and Zoning	41,652	435	-	-
Public Works	361,464	-	-	-
Health and Welfare	67,757	-	3,179	-
Recreation and Cultural	2,155,881	97,208	-	29,330
Interest on Long-Term Debt	167,232	-	-	-
<b>Total Governmental Activities</b>	<b><u>7,619,240</u></b>	<b><u>1,366,354</u></b>	<b><u>4,095</u></b>	<b><u>63,150</u></b>
<b>Business-type Activities:</b>				
Water	26,536	2,912	-	-
Sewer	269,420	26,939	60,107	218,196
<b>Total Business-type Activities</b>	<b><u>295,956</u></b>	<b><u>29,851</u></b>	<b><u>60,107</u></b>	<b><u>218,196</u></b>
<b>Total</b>	<b><u>\$ 7,915,196</u></b>	<b><u>\$ 1,396,205</u></b>	<b><u>\$ 64,202</u></b>	<b><u>\$ 281,346</u></b>

General Revenues:  
Property Taxes  
State Shared Revenue  
Franchise Fees  
Unrestricted Investment Earnings  
Loss on Sale of Assets  
    **Total General Revenues**

Change in Net Position  
Net Position - Beginning

Net Position - Ending



Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,256,676)	\$ -	\$ (1,256,676)
(2,265,131)	-	(2,265,131)
(41,217)	-	(41,217)
(361,464)	-	(361,464)
(64,578)	-	(64,578)
(2,029,343)	-	(2,029,343)
(167,232)	-	(167,232)
<u>(6,185,641)</u>	<u>-</u>	<u>(6,185,641)</u>
-	(23,624)	(23,624)
-	35,822	35,822
<u>-</u>	<u>12,198</u>	<u>12,198</u>
<u>(6,185,641)</u>	<u>12,198</u>	<u>(6,173,443)</u>
6,564,401	-	6,564,401
1,244,742	-	1,244,742
304,192	-	304,192
56,741	61,986	118,727
(3,625)	-	(3,625)
<u>8,166,451</u>	<u>61,986</u>	<u>8,228,437</u>
1,980,810	74,184	2,054,994
<u>36,877,758</u>	<u>13,551,373</u>	<u>50,429,131</u>
\$ <u><u>38,858,568</u></u>	\$ <u><u>13,625,557</u></u>	\$ <u><u>52,484,125</u></u>

**CHARTER TOWNSHIP OF OAKLAND**

**Balance Sheet**  
**Governmental Funds**  
**March 31, 2013**

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Park</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 4,868,749	\$ 1,472,906	\$ 3,431,266	\$ 2,071,778
Receivables (net of allowance for uncollectibles):				
Accounts	<u>34,720</u>	<u>39,552</u>	<u>69,819</u>	<u>34,730</u>
Total Assets	<u>\$ 4,903,469</u>	<u>\$ 1,512,458</u>	<u>\$ 3,501,085</u>	<u>\$ 2,106,508</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 36,470	\$ 24,627	\$ 279,374	\$ 9,650
Accrued and Other Liabilities	201,561	39,769	-	3,633
Due to Other Units	-	52,112	-	-
Deposits Payable	-	-	-	-
Deferred Revenue	36,157	-	-	-
Total Liabilities	<u>274,188</u>	<u>116,508</u>	<u>279,374</u>	<u>13,283</u>
Fund Balances:				
Restricted	390,947	1,395,950	3,221,711	2,093,225
Unrestricted:				
Assigned	191,492	-	-	-
Unassigned	<u>4,046,842</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,629,281</u>	<u>1,395,950</u>	<u>3,221,711</u>	<u>2,093,225</u>
Total Liabilities and Fund Balances	<u>\$ 4,903,469</u>	<u>\$ 1,512,458</u>	<u>\$ 3,501,085</u>	<u>\$ 2,106,508</u>

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net Position of Governmental Activities

Other Governmental Funds	Total Governmental Funds
\$ 5,063,339	\$ 16,908,038
<u>94,272</u>	<u>273,093</u>
<u>\$ 5,157,611</u>	<u>\$ 17,181,131</u>

\$ 23,179	\$ 373,300
5,421	250,384
-	52,112
218,475	218,475
-	36,157
<u>247,075</u>	<u>930,428</u>

4,910,536	12,012,369
-	191,492
-	4,046,842
<u>4,910,536</u>	<u>16,250,703</u>
<u>\$ 5,157,611</u>	

25,911,223
<u>(3,303,358)</u>
<u>\$ 38,858,568</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended March 31, 2013**

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Park</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 929,978	\$ 1,020,483	\$ 1,801,176	\$ 764,997
Licenses and Permits	2,485	-	-	-
Intergovernmental:				
Federal, State and Local	1,247,921	33,820	-	29,330
Charges for Services	74,650	157,082	-	69,055
Fines and Forfeitures	27,634	-	-	-
Franchise Fees	304,192	-	-	-
Interest	15,722	5,575	7,235	7,384
Other	58,548	-	-	8,832
Total Revenues	<u>2,661,130</u>	<u>1,216,960</u>	<u>1,808,411</u>	<u>879,598</u>
<b><u>Expenditures</u></b>				
Current:				
General Government	1,100,969	-	-	-
Public Safety	-	1,137,437	1,812,143	-
Planning and Zoning	41,652	-	-	-
Public Works	174,455	-	-	-
Health and Welfare	67,757	-	-	-
Recreation and Cultural	-	-	-	618,834
Other	198,042	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	30,745	86,551	-	377,202
Total Expenditures	<u>1,613,620</u>	<u>1,223,988</u>	<u>1,812,143</u>	<u>996,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,047,510</u>	<u>(7,028)</u>	<u>(3,732)</u>	<u>(116,438)</u>
Other Financing Sources (Uses):				
Transfers In	-	75,000	-	-
Transfers Out	<u>(1,746,997)</u>	<u>-</u>	<u>-</u>	<u>(84,000)</u>
Total Other Financing Sources (Uses)	<u>(1,746,997)</u>	<u>75,000</u>	<u>-</u>	<u>(84,000)</u>
Net Change in Fund Balances	(699,487)	67,972	(3,732)	(200,438)
Fund Balances - Beginning	<u>5,328,768</u>	<u>1,327,978</u>	<u>3,225,443</u>	<u>2,293,663</u>
Fund Balances - Ending	<u>\$ 4,629,281</u>	<u>\$ 1,395,950</u>	<u>\$ 3,221,711</u>	<u>\$ 2,093,225</u>

Other Governmental Funds	Total Governmental Funds
\$ 2,047,767	\$ 6,564,401
961,663	964,148
-	1,311,071
4,080	304,867
-	27,634
-	304,192
20,825	56,741
3,241	70,621
<u>3,037,576</u>	<u>9,603,675</u>
-	1,100,969
348,565	3,298,145
-	41,652
-	174,455
-	67,757
1,292,679	1,911,513
-	198,042
1,960,000	1,960,000
167,232	167,232
327,431	821,929
<u>4,095,907</u>	<u>9,741,694</u>
<u>(1,058,331)</u>	<u>(138,019)</u>
2,035,197	2,110,197
<u>(279,200)</u>	<u>(2,110,197)</u>
<u>1,755,997</u>	<u>-</u>
697,666	(138,019)
<u>4,212,870</u>	<u>16,388,722</u>
<u>\$ 4,910,536</u>	<u>\$ 16,250,703</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended March 31, 2013**

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

Net change in fund balances - total governmental funds	\$	(138,019)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	932,197
Depreciation	(792,104)
Loss on Sale of Assets	(3,625)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Paid on Debt	1,960,000
Decrease in Compensated Absences	<u>22,361</u>

Change in net position in governmental activities	\$	<u><u>1,980,810</u></u>
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**CHARTER TOWNSHIP OF OAKLAND**

**Balance Sheet**  
**Proprietary Funds**  
**March 31, 2013**

	<u>Business-type Activities</u>		<u>Total</u>
	<u>Water</u>	<u>Sewer</u>	
<b><u>ASSETS</u></b>			
Current Assets:			
Cash	\$ 4,473,149	\$ 6,879,393	\$ 11,352,542
Accounts Receivable	-	5,434	5,434
Due from Other Funds	703,324	-	703,324
Due from Other Units	-	19,125	19,125
Total Current Assets	<u>5,176,473</u>	<u>6,903,952</u>	<u>12,080,425</u>
Fixed Assets:			
Water Mains	1,036,188	-	1,036,188
Sewer Mains	-	11,584,561	11,584,561
Accumulated Depreciation	<u>(129,692)</u>	<u>(4,108,725)</u>	<u>(4,238,417)</u>
Net Fixed Assets	<u>906,496</u>	<u>7,475,836</u>	<u>8,382,332</u>
Total Assets	<u>\$ 6,082,969</u>	<u>\$ 14,379,788</u>	<u>\$ 20,462,757</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Current Liabilities:			
Accounts Payable	\$ -	\$ 109,925	\$ 109,925
Due to Other Funds	-	703,324	703,324
Bonds Payable	-	25,702	25,702
Total Current Liabilities	<u>-</u>	<u>838,951</u>	<u>838,951</u>
Noncurrent Liabilities:			
Deferred Revenue	4,760,190	-	4,760,190
Bonds Payable	-	1,238,059	1,238,059
Total Noncurrent Liabilities	<u>4,760,190</u>	<u>1,238,059</u>	<u>5,998,249</u>
Fund Equity:			
Invested in Capital Assets, net of related debt	906,496	6,212,075	7,118,571
Unrestricted	<u>416,283</u>	<u>6,090,703</u>	<u>6,506,986</u>
Total Fund Equity	<u>1,322,779</u>	<u>12,302,778</u>	<u>13,625,557</u>
Total Liabilities and Fund Equity	<u>\$ 6,082,969</u>	<u>\$ 14,379,788</u>	<u>\$ 20,462,757</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Statement of Revenues, Expenses and Changes in Fund Equity**  
**Proprietary Funds**  
**For the Year Ended March 31, 2013**

	Business-type Activities		Total
	Water	Sewer	
Operating Revenues:			
Charges for Services	\$ 2,912	\$ 26,939	\$ 29,851
Operating Expenses:			
Operations & Maintenance	631	5,431	6,062
Depreciation Expense	25,905	228,900	254,805
Total Operating Expenses	26,536	234,331	260,867
Operating Income (Loss)	(23,624)	(207,392)	(231,016)
Nonoperating Revenues (Expenses):			
Interest Income	28,617	33,369	61,986
Debt Charges from County	-	60,107	60,107
Interest Expense	-	(35,089)	(35,089)
Total Nonoperating Revenues (Expenses)	28,617	58,387	87,004
Income (Loss) Before Contributions	4,993	(149,005)	(144,012)
Contributions:			
Capital Contributions	-	218,196	218,196
Net Income (Loss)	4,993	69,191	74,184
Net Position, Restated - April 1	1,317,786	12,233,587	13,551,373
Net Position - March 31	\$ 1,322,779	\$ 12,302,778	\$ 13,625,557



**CHARTER TOWNSHIP OF OAKLAND**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended March 31, 2013**

	Business-type Activities		Total
	Water	Sewer	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers and users	\$ 2,912	\$ 17,439	\$ 20,351
Payments to suppliers	(631)	(6,056)	(6,687)
Quasi-External Transactions	(2,912)	422,912	420,000
Net Cash Provided (Used) by Operating Activities	(631)	434,295	433,664
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Debt Charges from County	-	60,107	60,107
Principal Paid	-	(25,018)	(25,018)
Interest Paid	-	(35,089)	(35,089)
Capital Contributions	-	218,196	218,196
Net Cash Provided (Used) by Capital and Related Financing Activities	-	218,196	218,196
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest Earned	28,617	33,369	61,986
Net Cash Provided (Used) by Investing Activities	28,617	33,369	61,986
Net Increase (Decrease) in Cash and Cash Equivalents	27,986	685,860	713,846
Cash and Cash Equivalents, Beginning	4,445,163	6,193,533	10,638,696
Cash and Cash Equivalents, Ending	\$ 4,473,149	\$ 6,879,393	\$ 11,352,542
<b><u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u></b>			
Operating Income (Loss)	\$ (23,624)	\$ (207,392)	\$ (231,016)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	25,905	228,900	254,805
(Increase) Decrease in Due from Other Funds	(422,912)	422,912	-
(Increase) Decrease in Due from Other Units	-	(9,500)	(9,500)
Increase (Decrease) in Accounts Payable	-	(625)	(625)
Increase (Decrease) in Deferred Revenue	420,000	-	420,000
Net Cash Provided (Used) by Operating Activities	\$ (631)	\$ 434,295	\$ 433,664

**CHARTER TOWNSHIP OF OAKLAND**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**March 31, 2013**

	Agency Funds		
	Current Tax Collection	Trust & Agency	Total
ASSETS			
Cash	\$ 3,850	\$ 19,163	\$ 23,013
LIABILITIES			
Due to Other	3,850	19,163	23,013
NET POSITION	\$ -	\$ -	\$ -

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Charter Township of Oakland was organized in 1827 under the Constitution of the State of Michigan and elected Charter status on August 30, 1988, under the provisions of Public Act 359 of 1947, as amended (Charter Township Act). The Township is operated under a Board of Trustees form of government and provides the following services as authorized by law: public safety (police, fire, and safety inspections), highways and streets, sanitation, library, recreation, public improvements, planning and zoning, community programs and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Charter Township of Oakland and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. All component units of the Charter Township of Oakland are blended component units and as such, all their financial data has been combined with the data of the primary government in these financial statements. The blended component units include the Building Authority, the Parks Commission, and the Library. Each component unit has a March 31 year end.

B. Joint Ventures

Paint Creek Trailways 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 non-motorized 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, 2013, the Charter Township of Oakland provided \$27,847 to the Commission. 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, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Joint Ventures – Continued

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 Commission is a separate legal entity for the purpose of providing activities and services for older persons, defined as those individuals sixty 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 property. During the fiscal year ended March 31, 2012, the Charter Township of Oakland provided \$325,663 to the 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 Commission may be obtained at Older Persons' Commission, 650 Letica Drive, Rochester, Michigan 48307.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Government-Wide and Fund Financial Statements – Continued

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.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Governmental Funds

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund, Police Fund and the Park Fund are special revenue funds supported by voted operating tax levies.

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Governmental Funds – Continued

In addition, the Township reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes.

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund type:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Township has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Township's enterprise funds are the Water and Sewer Funds, which are reported as major funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise fund, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity by the Township or as an agent on behalf of others. Fiduciary funds include the following fund types:

The Agency Funds are used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of allowances for uncollectible accounts, which are recorded as follows:

	<u>Governmental</u>	<u>Business-type</u>
Accounts Receivable	\$ 273,093	\$ 5,434
Less Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>
Net Realizable Value	<u>\$ 273,093</u>	<u>\$ 5,434</u>

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Assets, Liabilities and Net Assets or Equity – Continued

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	7
Buildings	15-39
Equipment	5-15
Sewer Lines	40-50
Infrastructure	10-50
Intangible Assets	30

Shared road improvements and shared trailways represent the Township's portion of road and trailway improvements for roads and trailways owned by others. The Township records these payments as intangible assets and amortizes the costs over the expected future periods to be benefited. The amortization periods are as follows:

4. Compensated Absences

In accordance with the Township's employee policy handbook, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due for payment. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Position.



CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Assets, Liabilities and Net Position or Equity – Continued

5. Long-term Obligations

In the government-wide financial statements, and 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

6. Fund Equity

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

Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by the Board for use for a specific purpose. Commitments are made and can be rescinded only via resolution of the Township Board.

Assigned – Intent to spend resources on specific purposes expressed by the Township Board.

Unassigned – This is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Township is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:

- a. Budgets must be adopted for the General and Special Revenue Funds.
- b. Budgets must be balanced.
- c. Budgets must be amended as necessary.
- d. Public hearings must be held prior to adoption.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget appropriation prior to being incurred.

The Township follows these procedures in establishing the budgetary data reflected in these financial statements:

1. In accordance with State law, the Township Manager submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis for the General Fund and the Special Revenue Funds.
2. Public hearings are conducted in January and February to obtain taxpayer comment.
3. The budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budget appropriations lapse at year end.
6. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
7. Budgeted amounts are reported as originally adopted and as amended by the Township Board. The budget was amended during fiscal year 2013.

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of March 31, 2013.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

In accordance with Public Act 2, of 1968, as amended, the Township may not expend amounts over the amounts appropriated in the approved annual budget. The Township did not expend amounts over the amounts appropriated in fiscal year 2012-2013.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the Township is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades.

The following information as required by the Governmental Accounting Standards Board Statement Number 40, is presented regarding the Township's deposits and investments:

Custodial Credit Risk. In the event of a bank failure, the Township's deposits may not be recovered. Neither State law nor the Township's investment policy requires consideration of custodial credit risk. As of March 31, 2013, the Township's book balance of its deposits was \$28,283,593. The bank balance was \$28,151,730 which was exposed to custodial credit risk, as follows:

	<u>Bank Balance</u>
Insured by F.D.I.C.	\$ 5,380,578
Uninsured and Uncollateralized	<u>22,771,152</u>
Total	<u>\$ 28,151,730</u>

A reconciliation of cash to the accompanying financial statements follows:

Statement of Net Assets:	
Cash and Cash Equivalents	\$ 28,260,580
Fiduciary Fund:	
Cash	<u>23,013</u>
Total	<u>\$ 28,283,593</u>

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not further limit its investment choices.

Interest Rate Risk. The Township's investment policy limits investment maturities to two years as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township's deposits and investments consisted of the following:

Deposits and Investments:	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Savings and Checking Accounts	\$ 771,476	Demand
Pooled Funds	\$18,941,102	Demand
Certificates of Deposit	\$ 6,312,056	399 Days
Commercial Paper	\$ 1,385,648	60 Days
U.S. Govt. Sponsored Agencies	<u>\$ 741,448</u>	9-17 months
Total	<u>\$28,151,730</u>	

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than U.S. government) are as follows:

Cash and Investments:	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Savings and Checking	\$ 771,476	Not Rated	-
Certificates of Deposit	6,312,056	Not Rated	-
Bank Investment Pools	18,653,008	Not Rated	-
U.S. Govt. Sponsored Agencies	741,448	AA+	S&P
MBIA Gov. Investment Pool	288,094	AAA/m	S&P
Commercial Paper	1,385,648	A-1+	S&P

Concentration of Credit Risk. The Township's investment policy places no limit on the amount the Township may deposit in any one issuer. The Township has more than 5% of its total investments in the following:

Flagstar Bank	52.69%
The Private Bank	13.20%
Oakland County Investment Pool	12.70%
Toyota Motor Credit Corp. Comm. Paper	5.00%

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended March 31, 2013 was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not depreciated:				
Land	\$ 16,726,051	\$ 349,761	\$ -	\$ 17,075,812
Land - Fire Dept.	232,000	-	-	232,000
Capital Assets, being depreciated:				
Land Improvements	1,982,022	207,734	-	2,189,756
Buildings	4,520,024	-	-	4,520,024
Building Improvements	2,455,905	262,155	-	2,718,060
Computer Equipment	72,995	1,524	(6,704)	67,815
Election Equipment	165,491	-	-	165,491
Office Furniture and Equipment	415,367	28,839	(15,865)	428,341
Vehicles	178,291	48,584	(17,175)	209,700
Fire-Buildings	2,992,770	-	-	2,992,770
Fire-Building Equipment	47,026	-	(3,883)	43,143
Fire-Furniture & Fixtures	61,842	-	(880)	60,962
Fire-Computer Equipment	20,958	-	-	20,958
Fire-Vehicles	2,230,213	-	-	2,230,213
Fire-Equipment	453,566	33,600	(18,483)	468,683
Intangible Assets	2,031,525	-	-	2,031,525
	<u>34,586,046</u>	<u>932,197</u>	<u>(62,990)</u>	<u>35,455,253</u>
Less: Accumulated Depreciation:				
Land Improvements	(1,289,227)	(128,695)	-	(1,417,922)
Buildings	(1,908,878)	(84,230)	-	(1,993,108)
Building Improvements	(782,825)	(204,831)	-	(987,656)
Computer Equipment	(65,988)	(1,774)	8,204	(59,558)
Election Equipment	(194,904)	-	29,413	(165,491)
Office Furniture and Equipment	(380,450)	(33,729)	-	(414,179)
Vehicles	(162,253)	(4,967)	21,748	(145,472)
Fire Dept.	(2,894,614)	(130,726)	-	(3,025,340)
Intangible Assets	(1,132,152)	(203,152)	-	(1,335,304)
	<u>(8,811,291)</u>	<u>(792,104)</u>	<u>59,365</u>	<u>(9,544,030)</u>
Governmental Activities Capital Assets, net	<u>\$ 25,774,755</u>	<u>\$ 140,093</u>	<u>\$ (3,625)</u>	<u>\$ 25,911,223</u>

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

Depreciation and amortization expense was charged to programs as follows:

General Government	\$ 219,733
Public Safety	130,726
Public Works	187,009
Recreation and Cultural	<u>254,636</u>
	<u>\$ 792,104</u>

<u>Business-type Activities:</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, being depreciated:				
Sewer System	\$ 11,584,561	\$ -	\$ -	\$ 11,584,561
Water Lines	<u>1,036,188</u>	<u>-</u>	<u>-</u>	<u>1,036,188</u>
	<u>12,620,749</u>	<u>-</u>	<u>-</u>	<u>12,620,749</u>
Less: Accumulated Depreciation:				
Sewer System	(3,879,825)	(228,900)	-	(4,108,725)
Water Lines	<u>(103,787)</u>	<u>(25,905)</u>	<u>-</u>	<u>(129,692)</u>
	<u>(3,983,612)</u>	<u>(254,805)</u>	<u>-</u>	<u>(4,238,417)</u>
Business-type Activities Capital Assets, net	<u>\$ 8,637,137</u>	<u>\$ (254,805)</u>	<u>\$ -</u>	<u>\$ 8,382,332</u>

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Inter-fund Receivables, Payables and Transfers

Receivable Fund	Payable Fund	Amount
Water Fund	Sewer Fund	\$ 703,324
Transfers In	Transfers Out	
Fire Fund	General Fund	\$ 75,000
2002 OPC GO Debt	General Fund	1,521,997
2008 Land Debt	Land Preservation Fund	429,200
2008 Land Debt	Park Fund	84,000
		\$ 2,110,197

Inter-Fund receivables and payables represent uncleared balances at year end, arising in the normal course of business.

Transfer from the General Fund to the OPC Debt Fund was made to pay off the remaining general obligation bond principal.

Transfers from the Land Preservation Fund and Park Fund were made to meet annual debt service obligations.

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended March 31, 2013:

	Balance April 1, 2012	Additions	Reductions	Balance March 31, 2013	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 5,165,000	\$ -	\$ 1,960,000	\$ 3,205,000	\$ 385,000
Compensated Absences	120,719	-	22,361	98,358	-
	\$ 5,285,719	\$ -	\$ 1,982,361	\$ 3,303,358	\$ 385,000
Business-type Activities:					
Oakland County Contract Debt:					
Interceptor Drain 2010A	\$ 525,666	\$ -	\$ 20,482	\$ 505,184	\$ 21,066
Interceptor Drain 2010B	131,235	-	4,536	126,699	4,636
Interceptor Drain 2011	631,878	-	-	631,878	-
	\$ 1,288,779	\$ -	\$ 25,018	\$ 1,263,761	\$ 25,702

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt – Continued

In June 2012, the Township Board approved exercising a call option for all outstanding Charter Township of Oakland Older Persons' Commission General Obligation Unlimited Tax Bonds, Series 2001, for redemption on October 1, 2012. The bonds had interest rates of 4.25 – 5.00% and mature in 2021. The outstanding principal paid was \$1,575,000, and the redemption saved the Township approximately \$371,870 in interest expense.

The following is a summary of general obligation debt outstanding of the Township as of March 31, 2013:

	<u>Number of Issues</u>	<u>Interest Rate</u>	<u>Maturing Through</u>	<u>Principal Outstanding</u>
Governmental Activities:				
General Obligation Bonds	1	3.50%-4.00%	2022	<u>\$ 3,205,000</u>
Business Activities:				
County Interceptor Drain Bonds	3	1.15%-5.90%	2034	<u>\$ 1,263,761</u>

The annual debt service requirements to maturity for debt outstanding as of March 31, 2013 is as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 385,000	\$ 114,725	\$ 25,702	\$ 34,485
2015	385,000	101,250	51,158	33,842
2016	385,000	87,293	52,483	32,531
2017	385,000	72,856	53,908	31,152
2018	385,000	58,419	55,334	29,723
2019-2023	1,280,000	102,400	300,086	125,101
2024-2028	-	-	345,026	80,071
2029-2033	-	-	340,587	28,100
2034	-	-	39,477	987
	<u>\$ 3,205,000</u>	<u>\$ 536,943</u>	<u>\$ 1,263,761</u>	<u>\$ 395,992</u>



CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

III. DETAILED NOTES ON ALL FUNDS – Continued

E. Fund Balance Classifications

A detailed description of fund balance classifications (for all governmental fund types) at March 31, 2013, is presented below:

<u>Fund Balance</u>	<u>General</u> <u>Fund</u>	<u>Fire</u>	<u>Police</u>	<u>Park</u>	<u>Other</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Restricted for:						
Fire	\$ -	\$ 1,395,950	\$ -	\$ -	\$ -	\$ 1,395,950
Police	-	-	3,221,711	-	-	3,221,711
Parks	-	-	-	2,093,225	-	2,093,225
Trails	-	-	-	-	1,187,254	1,187,254
Land Preservation	-	-	-	-	931,921	931,921
Building Dept.	-	-	-	-	1,434,971	1,434,971
Older Persons Comm	-	-	-	-	21,423	21,423
OPC Transportation	-	-	-	-	8,384	8,384
Library	-	-	-	-	814,509	814,509
Historic Dist Comm	-	-	-	-	478,955	478,955
Debt Service	-	-	-	-	33,119	33,119
Cranberry Lake	18,370	-	-	-	-	18,370
Indian Lake	66,724	-	-	-	-	66,724
Bike Path	181,109	-	-	-	-	181,109
Cable	124,744	-	-	-	-	124,744
Total Restricted	<u>390,947</u>	<u>1,395,950</u>	<u>3,221,711</u>	<u>2,093,225</u>	<u>4,910,536</u>	<u>12,012,369</u>
Assigned for:						
Roads	169,000	-	-	-	-	169,000
Beautification	22,492	-	-	-	-	22,492
Unassigned	<u>4,046,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,046,842</u>
Total Fund Balance	<u>\$ 4,629,281</u>	<u>\$ 1,395,950</u>	<u>\$ 3,221,711</u>	<u>\$ 2,093,225</u>	<u>\$ 4,910,536</u>	<u>\$ 16,250,703</u>

F. Restatement

In the prior year, the Water Enterprise Fund's capital charges of \$187,500 and lateral fees of \$2,912 were recorded as revenue in the Sewer Enterprise Fund as of March 31, 2012. The total amount of \$190,412 has been restated to reflect this correction as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>
Net Position, March 31, 2012	\$12,423,999	\$ 1,314,874
Restatement of Capital Charges	( 187,500)	-
Restatement of Lateral fees	<u>( 2,912)</u>	<u>2,912</u>
Net Position, March 31, 2012	<u>\$12,233,587</u>	<u>\$ 1,317,786</u>

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

III. DETAILED NOTES ON ALL FUNDS – Continued

G. Property Taxes

Property taxes are assessed as of each December 31. The Township tax levy is billed on December 1 of the following year, and payable through February. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levies for the Township’s 2012 tax roll are detailed below:

<u>Purpose</u>	<u>Authorization</u>	<u>Authorized Rate (Pre Rollback)*</u>	<u>Per \$1,000 State Equalized Value Authorized Rate (Post Rollback)*</u>	<u>Rate Levied</u>
Operating	State Law	1.4100	.8774	.8774
Older Persons	Voter Approved	.2500	.2342	.2342
Library	Voter Approved	.4971	.4971	.4971
Library	Voter Approved	.1241	.1241	.1241
Parks	Voter Approved	.7500	.7500	.7500
Fire	Voter Approved	1.0000	1.0000	1.0000
Police	Voter Approved	1.7646	1.7646	1.7646
Historic Preservation	Voter Approved	.1250	.1170	.1170
Land Acquisition	Voter Approved	.6916	.6916	.6916
Trail System	Voter Approved	.2500	.2500	.2500
OPC Transportation	Voter Approved	.0900	.0900	<u>.0900</u>
				<u>6.3960</u>

IV. OTHER INFORMATION

A. Risk Management

The Charter Township of Oakland is a member of the Michigan Municipal Risk Management Authority for its general liability insurance coverage and a member of the Accident Fund for its workers compensation coverage. The Township pays annual premiums to the pools. The pools are self-sustaining through member premiums, and each carries reinsurance through commercial companies for claims in excess of the pool loss reserve fund.

In the event that a single loss should exceed the amount of protection afforded by the pool loss reserve fund, reinsurance, or other insurance carried by the pools, or in the event that a series of losses should deplete or exhaust the loss reserve fund and reinsurance, the payment of valid losses shall be the obligation of the individual member or members of the respective pool against whom the claim was made. No such event has occurred with the Charter Township of Oakland and the pools to which it belongs in any of the past three fiscal years.

CHARTER TOWNSHIP OF OAKLAND  
Notes to Financial Statements  
March 31, 2013

IV. OTHER INFORMATION

B. Defined Contribution Plans

The Township maintains a defined contribution pension plan for its elected officials and other qualified employees of the Township. 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 a half months of employment, and are fully vested upon death, total disability, retirement or on termination of service. As established by Board resolution, the Township contributes 12% of employees' gross earnings annually to the plan. The plan may be amended by Board resolution. The Township's current year contribution was \$155,213.

C. Library Agreement

The Charter Township of Oakland Public Library Board has an agreement with the Rochester Hills Public Library Board in 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, 2013, the library millages totaled .6212 mills (2012 tax roll), which will be remitted to the Rochester Hills Public Library during the Township's 2013-2014 fiscal year, in the amount of \$632,570.

D. Upcoming Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) issued two new pronouncements in June 2012, GASB Statement No. 67, *Financial Reporting for Pension Plans*, which amends GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, and GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, which amends GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and GASB Statement No. 50, *Pension Disclosures*. These statements establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and measuring and recognizing liabilities and expenses. GASB No. 68 will require employers with defined benefit pension plans to recognize their unfunded pension benefit obligation as a liability on the government-wide and proprietary financial statements. These new standards will result in additional disclosures and required supplemental information, and will be effective beginning with the Township's fiscal year ending March 31, 2015.



REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF OAKLAND**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended March 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 899,000	\$ 899,000	\$ 929,978	\$ 30,978
Licenses and Permits	5,000	5,000	2,485	(2,515)
Intergovernmental - Federal/CDBG	5,000	5,000	3,179	(1,821)
Intergovernmental - State	1,218,000	1,218,000	1,244,742	26,742
Charges for Services	54,000	83,100	74,650	(8,450)
Fines and Forfeitures	40,000	32,900	27,634	(5,266)
Franchise Fees	270,000	280,000	304,192	24,192
Interest	30,000	30,000	15,722	(14,278)
Other	48,000	47,000	58,548	11,548
<b>Total Revenues</b>	<b>2,569,000</b>	<b>2,600,000</b>	<b>2,661,130</b>	<b>61,130</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
Township Board	266,400	233,400	190,475	42,925
Township Supervisor	16,200	16,200	14,786	1,414
Manager	173,300	173,300	167,472	5,828
Township Clerk	213,800	216,800	195,973	20,827
Board of Review	4,000	4,000	2,735	1,265
Township Treasurer	183,300	194,800	179,010	15,790
Assessor	125,000	125,000	118,657	6,343
Elections	60,000	60,000	40,711	19,289
Building & Grounds	223,000	229,000	188,850	40,150
Cemetery	5,000	5,000	2,300	2,700
<b>Total General Government</b>	<b>1,270,000</b>	<b>1,257,500</b>	<b>1,100,969</b>	<b>156,531</b>
<b>Planning and Zoning:</b>				
Planning Commission	115,000	77,600	37,484	40,116
Zoning Board of Appeals	16,000	9,000	4,168	4,832
<b>Total Planning and Zoning</b>	<b>131,000</b>	<b>86,600</b>	<b>41,652</b>	<b>44,948</b>
<b>Public Works:</b>				
Roads	169,000	146,000	129,484	16,516
Projects	100,000	60,000	26,000	34,000
Street Lighting	6,000	6,000	5,696	304
Dumping	30,000	13,500	13,275	225
<b>Total Public Works</b>	<b>305,000</b>	<b>225,500</b>	<b>174,455</b>	<b>51,045</b>
<b>Health and Welfare:</b>				
Community Programs	97,000	95,700	61,783	33,917
Community Development Block Grant	12,000	6,000	5,974	26
<b>Total Health and Welfare</b>	<b>109,000</b>	<b>101,700</b>	<b>67,757</b>	<b>33,943</b>
<b>Other Functions:</b>				
Fringe Benefits	239,000	210,000	179,376	30,624
Insurance and Bonds	30,000	30,000	18,666	11,334
<b>Total Other Functions</b>	<b>269,000</b>	<b>240,000</b>	<b>198,042</b>	<b>41,958</b>
Capital Outlay	110,000	95,000	30,745	64,255
<b>Total Expenditures</b>	<b>2,194,000</b>	<b>2,006,300</b>	<b>1,613,620</b>	<b>392,680</b>

(continued)

**CHARTER TOWNSHIP OF OAKLAND**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended March 31, 2013**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 375,000	\$ 593,700	\$ 1,047,510	\$ 453,810
Other Financing Uses: Operating Transfers Out	<u>(75,000)</u>	<u>(1,800,000)</u>	<u>(1,746,997)</u>	<u>53,003</u>
Net Change in Fund Balance	<u>\$ 300,000</u>	<u>\$ (1,206,300)</u>	(699,487)	<u>\$ 506,813</u>
Fund Balance - April 1			<u>5,328,768</u>	
Fund Balance - March 31			<u>\$ 4,629,281</u>	





**CHARTER TOWNSHIP OF OAKLAND**  
**Fire Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended March 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,020,483	\$ 20,483
Federal Grant	160,000	35,000	33,820	(1,180)
Charges for Services	160,000	160,000	157,082	(2,918)
Interest	5,000	5,000	5,575	575
Total Revenues	<u>1,325,000</u>	<u>1,200,000</u>	<u>1,216,960</u>	<u>16,960</u>
Expenditures:				
Public Safety	1,200,000	1,184,200	1,137,437	46,763
Capital Outlay	200,000	96,000	86,551	9,449
Total Expenditures	<u>1,400,000</u>	<u>1,280,200</u>	<u>1,223,988</u>	<u>56,212</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(75,000)</u>	<u>(80,200)</u>	<u>(7,028)</u>	<u>73,172</u>
Other Financing Sources:				
Operating Transfer In	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (5,200)</u>	67,972	<u>\$ 73,172</u>
Fund Balance - April 1			<u>1,327,978</u>	
Fund Balance - March 31			<u>\$ 1,395,950</u>	

**CHARTER TOWNSHIP OF OAKLAND**  
**Police Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended March 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,775,000	\$ 1,775,000	\$ 1,801,176	\$ 26,176
Interest	22,000	10,000	7,235	(2,765)
Total Revenues	<u>1,797,000</u>	<u>1,785,000</u>	<u>1,808,411</u>	<u>23,411</u>
Expenditures:				
Public Safety	1,791,000	1,831,100	1,812,143	18,957
Capital Outlay	6,000	2,000	-	2,000
Total Expenditures	<u>1,797,000</u>	<u>1,833,100</u>	<u>1,812,143</u>	<u>20,957</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ -</u>	<u>\$ (48,100)</u>	(3,732)	<u>\$ 44,368</u>
Fund Balance - April 1			<u>3,225,443</u>	
Fund Balance - March 31			<u>\$ 3,221,711</u>	

**CHARTER TOWNSHIP OF OAKLAND**  
**Park Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended March 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 735,000	\$ 735,000	\$ 764,997	\$ 29,997
Federal Grants	4,800	2,850	-	(2,850)
State Grants	91,960	85,000	29,330	(55,670)
Charges for Services	55,235	65,735	69,055	3,320
Interest	5,050	2,000	7,384	5,384
Other	3,000	9,500	8,832	(668)
Total Revenues	<u>895,045</u>	<u>900,085</u>	<u>879,598</u>	<u>(20,487)</u>
Expenditures:				
Recreation	680,350	692,088	618,834	73,254
Capital Outlay	337,700	401,500	377,202	24,298
Total Expenditures	<u>1,018,050</u>	<u>1,093,588</u>	<u>996,036</u>	<u>97,552</u>
Excess (Deficiency) of Revenue Over Expenditures	(123,005)	(193,503)	(116,438)	77,065
Other Financing Uses:				
Operating Transfer Out	<u>(84,000)</u>	<u>(84,000)</u>	<u>(84,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (207,005)</u>	<u>\$ (277,503)</u>	(200,438)	<u>\$ 77,065</u>
Fund Balance - April 1			<u>2,293,663</u>	
Fund Balance - March 31			<u>\$ 2,093,225</u>	



OTHER SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF OAKLAND**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**March 31, 2013**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 5,030,220	\$ 33,119	\$ 5,063,339
Accounts Receivable	<u>94,272</u>	<u>-</u>	<u>94,272</u>
Total Assets	<u>\$ 5,124,492</u>	<u>\$ 33,119</u>	<u>\$ 5,157,611</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Accounts Payable	\$ 23,179	\$ -	\$ 23,179
Accrued Liabilities	5,421	-	5,421
Deposits Payable	218,475	-	218,475
Total Liabilities	<u>247,075</u>	<u>-</u>	<u>247,075</u>
Fund Balance:			
Restricted	<u>4,877,417</u>	<u>33,119</u>	<u>4,910,536</u>
Total Liabilities and Fund Balance	<u>\$ 5,124,492</u>	<u>\$ 33,119</u>	<u>\$ 5,157,611</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended March 31, 2013**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues:</u>			
Property Taxes	\$ 2,047,339	\$ 428	\$ 2,047,767
Licenses and Permits	961,663	-	961,663
Charges for Services	4,080	-	4,080
Interest	20,635	190	20,825
Other	3,241	-	3,241
Total Revenues	<u>3,036,958</u>	<u>618</u>	<u>3,037,576</u>
<u>Expenditures:</u>			
Public Safety	348,565	-	348,565
Recreation and Cultural	1,292,679	-	1,292,679
Debt Service:			
Principal	-	1,960,000	1,960,000
Interest and Other Charges	-	167,232	167,232
Capital Outlay	327,431	-	327,431
Total Expenditures	<u>1,968,675</u>	<u>2,127,232</u>	<u>4,095,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,068,283</u>	<u>(2,126,614)</u>	<u>(1,058,331)</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	-	2,035,197	2,035,197
Operating Transfers Out	<u>(279,200)</u>	<u>-</u>	<u>(279,200)</u>
Total Other Financing Sources (Uses)	<u>(279,200)</u>	<u>2,035,197</u>	<u>1,755,997</u>
Net Change in Fund Balances	789,083	(91,417)	697,666
Fund Balances - April 1	<u>4,088,334</u>	<u>124,536</u>	<u>4,212,870</u>
Fund Balances - March 31	<u>\$ 4,877,417</u>	<u>\$ 33,119</u>	<u>\$ 4,910,536</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**March 31, 2013**

	<u>Trails Improvement</u>	<u>Land Preservation</u>	<u>Building</u>	<u>Older Persons' Commission</u>
<b><u>ASSETS</u></b>				
Cash	\$ 1,181,443	\$ 907,353	\$ 1,674,184	\$ 29
Accounts Receivable	<u>9,895</u>	<u>27,355</u>	<u>-</u>	<u>21,421</u>
Total Assets	<u>\$ 1,191,338</u>	<u>\$ 934,708</u>	<u>\$ 1,674,184</u>	<u>\$ 21,450</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	\$ 4,084	\$ 2,095	\$ 16,009	\$ 27
Accrued Liabilities	-	692	4,729	-
Deposits Payable	<u>-</u>	<u>-</u>	<u>218,475</u>	<u>-</u>
Total Liabilities	4,084	2,787	239,213	27
Fund Balance:				
Restricted	<u>1,187,254</u>	<u>931,921</u>	<u>1,434,971</u>	<u>21,423</u>
Total Liabilities and Fund Balance	<u>\$ 1,191,338</u>	<u>\$ 934,708</u>	<u>\$ 1,674,184</u>	<u>\$ 21,450</u>



<u>OPC Transportation</u>	<u>Library</u>	<u>Historic District Commission</u>	<u>Total</u>
\$ 3,205	\$ 790,009	\$ 473,997	\$ 5,030,220
<u>5,179</u>	<u>24,572</u>	<u>5,850</u>	<u>94,272</u>
<u>\$ 8,384</u>	<u>\$ 814,581</u>	<u>\$ 479,847</u>	<u>\$ 5,124,492</u>

\$ -	\$ 72	\$ 892	\$ 23,179
-	-	-	5,421
<u>-</u>	<u>-</u>	<u>-</u>	<u>218,475</u>
<u>-</u>	<u>72</u>	<u>892</u>	<u>247,075</u>

<u>8,384</u>	<u>814,509</u>	<u>478,955</u>	<u>4,877,417</u>
<u>\$ 8,384</u>	<u>\$ 814,581</u>	<u>\$ 479,847</u>	<u>\$ 5,124,492</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended March 31, 2013**

	<u>Trails Improvement</u>	<u>Land Preservation</u>	<u>Building</u>	<u>Older Persons' Commission</u>
Revenues:				
Property Taxes	\$ 254,225	\$ 705,906	\$ -	\$ 239,025
Licenses and Permits	-	-	961,663	-
Charges for Services	-	4,080	-	-
Interest	6,668	4,659	5,492	42
Other	2,000	1,241	-	-
Total Revenues	<u>262,893</u>	<u>715,886</u>	<u>967,155</u>	<u>239,067</u>
Expenditures:				
Current:				
Public Safety	-	-	348,565	-
Recreation and Cultural	128,422	133,928	-	232,105
Capital Outlay	-	302,081	-	-
Total Expenditures	<u>128,422</u>	<u>436,009</u>	<u>348,565</u>	<u>232,105</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>134,471</u>	<u>279,877</u>	<u>618,590</u>	<u>6,962</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>(429,200)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>(429,200)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	134,471	(149,323)	618,590	6,962
Fund Balance - April 1	<u>1,052,783</u>	<u>1,081,244</u>	<u>816,381</u>	<u>14,461</u>
Fund Balance - March 31	<u>\$ 1,187,254</u>	<u>\$ 931,921</u>	<u>\$ 1,434,971</u>	<u>\$ 21,423</u>

<u>OPC Transportation</u>	<u>Library</u>	<u>Historic District Commission</u>	<u>Total</u>
\$ 91,491	\$ 636,085	\$ 120,607	\$ 2,047,339
-	-	-	961,663
-	-	-	4,080
16	1,740	2,018	20,635
-	-	-	3,241
<u>91,507</u>	<u>637,825</u>	<u>122,625</u>	<u>3,036,958</u>
-	-	-	348,565
88,778	635,172	74,274	1,292,679
-	-	25,350	327,431
<u>88,778</u>	<u>635,172</u>	<u>99,624</u>	<u>1,968,675</u>
<u>2,729</u>	<u>2,653</u>	<u>23,001</u>	<u>1,068,283</u>
-	-	150,000	150,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>(429,200)</u>
<u>-</u>	<u>-</u>	<u>150,000</u>	<u>(279,200)</u>
2,729	2,653	173,001	789,083
<u>5,655</u>	<u>811,856</u>	<u>305,954</u>	<u>4,088,334</u>
<u>\$ 8,384</u>	<u>\$ 814,509</u>	<u>\$ 478,955</u>	<u>\$ 4,877,417</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Nonmajor Debt Service Funds**  
**Combining Balance Sheet**  
**March 31, 2013**

	<u>2002 GO Bond Debt</u>	<u>2008 GO Bond Debt</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ <u>2,051</u>	\$ <u>31,068</u>	\$ <u>33,119</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities	\$ -	\$ -	\$ -
Fund Balance:			
Restricted for Debt Service	<u>2,051</u>	<u>31,068</u>	<u>33,119</u>
Total Liabilities and Fund Balance	\$ <u>2,051</u>	\$ <u>31,068</u>	\$ <u>33,119</u>

**CHARTER TOWNSHIP OF OAKLAND**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended March 31, 2013**

	<u>2002 GO Bond Debt</u>	<u>2008 GO Bond Debt</u>	<u>Total</u>
Revenues:			
Property Taxes	\$ 428	\$ -	\$ 428
Interest	<u>39</u>	<u>151</u>	<u>190</u>
Total Revenues	<u>467</u>	<u>151</u>	<u>618</u>
Expenditures:			
Principal	1,575,000	385,000	1,960,000
Interest and Fees	<u>39,032</u>	<u>128,200</u>	<u>167,232</u>
Total Expenditures	<u>1,614,032</u>	<u>513,200</u>	<u>2,127,232</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,613,565)	(513,049)	(2,126,614)
Other Financing Sources:			
Operating Transfers In	<u>1,521,997</u>	<u>513,200</u>	<u>2,035,197</u>
Net Change in Fund Balance	(91,568)	151	(91,417)
Fund Balance - April 1	<u>93,619</u>	<u>30,917</u>	<u>124,536</u>
Fund Balance - March 31	<u>\$ 2,051</u>	<u>\$ 31,068</u>	<u>\$ 33,119</u>

