
Charter Township of Oakland

Oakland County, Michigan

Financial Report
with Supplementary Information
December 31, 2022

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Independent Auditor's Report

To the Township Board of Trustees
Charter Township of Oakland

Opinions

We have audited the 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 nine-month period ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 Township as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Township Board of Trustees
Charter Township of Oakland

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The other supplementary 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. Such 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. The 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.



July 19, 2023

Overview of the Financial Statements

The Charter Township of Oakland's (the "Township") 2022 annual report is presented in conformity with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. This annual report consists of four parts - management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Township and the notes to the financial statements. 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.

The analysis below compares the results for the nine-month period ended December 31, 2022 to the fiscal year ended March 31, 2022.

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, recreation and culture, 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.

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. The Township has three types of funds as follows:

- **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- 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 separate statements. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The Township has total net position of \$86.7 million, composed of \$51.5 million from governmental activities and \$35.3 million from business-type activities. The table below shows a condensed format comparison of net position as of the current date to the prior year.

The Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	12/31/2022	3/31/2022	12/31/2022	3/31/2022	12/31/2022	3/31/2022
Assets						
Current and other assets	\$ 30,964,582	\$ 25,294,998	\$ 20,327,877	\$ 16,158,264	\$ 51,292,459	\$ 41,453,262
Capital assets	33,224,540	34,445,573	23,535,945	23,082,075	56,760,485	57,527,648
Total assets	64,189,122	59,740,571	43,863,822	39,240,339	108,052,944	98,980,910
Liabilities						
Current liabilities	2,999,414	2,201,454	826,814	812,859	3,826,228	3,014,313
Noncurrent liabilities	327,853	285,895	7,769,350	2,569,891	8,097,203	2,855,786
Total liabilities	3,327,267	2,487,349	8,596,164	3,382,750	11,923,431	5,870,099
Deferred Inflows of Resources	9,406,185	-	-	-	9,406,185	-
Net Position						
Net investment in capital assets	33,224,540	34,445,573	20,584,814	21,041,159	53,809,354	55,486,732
Restricted	7,076,339	12,232,634	-	-	7,076,339	12,232,634
Unrestricted	11,154,791	10,575,015	14,682,844	14,816,430	25,837,635	25,391,445
Total net position	<u>\$ 51,455,670</u>	<u>\$ 57,253,222</u>	<u>\$ 35,267,658</u>	<u>\$ 35,857,589</u>	<u>\$ 86,723,328</u>	<u>\$ 93,110,811</u>

The Township experienced a decrease in net position of the governmental activities and business-type activities, as expenses exceeded revenue for both.

Charter Township of Oakland

Management's Discussion and Analysis (Continued)

The Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	12/31/2022	3/31/2022	12/31/2022	3/31/2022	12/31/2022	3/31/2022
Revenue						
Program revenue:						
Charges for services	\$ 425,257	\$ 610,169	\$ 3,112,746	\$ 3,873,709	\$ 3,538,003	\$ 4,483,878
Operating grants	853,961	527,661	-	-	853,961	527,661
Capital grants	-	2,717,198	68,283	105,746	68,283	2,822,944
General revenue:						
Property taxes	-	8,956,929	-	-	-	8,956,929
Intergovernmental	1,854,237	2,368,192	-	-	1,854,237	2,368,192
Investment (losses) income	(125,133)	166,588	(17,587)	79,710	(142,720)	246,298
Other revenue	379,244	1,114,696	822,717	839,914	1,201,961	1,954,610
Total revenue	3,387,566	16,461,433	3,986,159	4,899,079	7,373,725	21,360,512
Expenses						
General government	2,174,557	1,305,822	-	-	2,174,557	1,305,822
Public safety	3,920,190	4,198,655	-	-	3,920,190	4,198,655
Public works	85,741	309,404	-	-	85,741	309,404
Community and economic development	96,111	165,209	-	-	96,111	165,209
Recreation and culture	2,908,519	3,710,196	-	-	2,908,519	3,710,196
Operating expenses other than depreciation	-	-	2,856,552	3,665,829	2,856,552	3,665,829
Depreciation	-	-	846,512	884,307	846,512	884,307
Interest expense	-	-	146,476	37,164	146,476	37,164
Other nonoperating expenses	-	-	726,550	458,761	726,550	458,761
Total expenses	9,185,118	9,689,286	4,576,090	5,046,061	13,761,208	14,735,347
Change in Net Position	\$ (5,797,552)	\$ 6,772,147	\$ (589,931)	\$ (146,982)	\$ (6,387,483)	\$ 6,625,165

Revenue for governmental activities totaled \$3.4 million for the nine-month period ended December 31, 2022. A total of \$1.8 million, or approximately 55 percent, of all revenue received by the Township was in the form of intergovernmental revenue. The remaining \$1.6 million was the net results of grants, investment earnings/losses, charges for services, and other revenue. Revenue from property tax was not collected during the nine-month period ended December 31, 2022.

Governmental activities revenue decreased by approximately \$13.1 million primarily due to three factors: The shortened nine-month fiscal period caused approximately \$9 million of property tax revenue not to be recognized, which was responsible for 69 percent of the decrease. There were no capital grants received in the nine-month period, which accounted for \$2.7 million or approximately 21 percent of the decrease. Also, there were lower intergovernmental and lower other revenue, which made up the remaining \$1.4 million in difference. The shortened nine-month fiscal period was expected to produce lower revenue for this period, and the respective results were in line with expectations.

Governmental expenses decreased in total by approximately \$504,000 due almost entirely to the shortened nine-month fiscal period. Public safety expenses were approximately \$300,000 lower, and public works expenses were approximately \$200,000 lower. General government expenses increased but were offset by lowered expenses across community development and recreation departments.

Net position for the business-type activities decreased by approximately \$590,000 from the prior year, mainly due to the shortened nine-month fiscal year, which caused revenue to be lower as well as expenses.

Financial Analysis of Township Funds and Budgets

The General Fund ended 2022 with a total fund balance of \$11.6 million, with \$10.3 million in unassigned fund balance. The total General Fund amended budget for revenue was lower than the actual amount by approximately \$264,000 or 9.5 percent, which relates to higher than expected state-shared revenue. Total expenditures before transfers were lower than the amended budget by approximately \$587,000 or 25.4 percent. Several public works and other capital expenditures were not started or completed at December 31, 2022, contributing to favorable variances of approximately \$298,000 and \$135,000, respectively.

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, Parks Fund, Land Preservation Fund, and Library Fund. The Fire, Police, Parks, Land Preservation, and Library funds all reported neutral or favorable net budget variances of approximately \$239,000, \$96,000, \$216,000, \$125,000, and \$1,000, respectively. The favorable variances are mainly due to capital projects not being started or completed by the conclusion of the fiscal period.

Capital Assets and Debt Administration

At the end of 2022, the Township's governmental activities had approximately \$33.2 million of capital assets, net of depreciation, invested in buildings, land improvements, information technology, equipment, and vehicles. The governmental activities reported approximately \$686,000 of additions this year. Major acquisitions include land improvement at Paint Creek Junction and restroom buildings at Bear Creek and Marsh View Park. The business-type activities reported approximately \$24 million of capital assets, net of depreciation, primarily invested in infrastructure assets. The business-type activities reported approximately \$1.3 million of additions for the year.

There is no general obligation debt issued by the Township as of December 31, 2022. Debt relating to the Oakland Macomb Interceptor Drainage sewer system totaling approximately \$2.3 million and the Oakland County-Oakland Township water system improvement bonds totaling approximately \$5.2 million are recorded as liabilities on the business-type activities statement of net position.

The Township is currently planning for another water storage facility to be constructed in the coming years. The Water Fund will issue approximately \$12.3 million of debt to finance the planned project.

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

Current Economic Events

The Township realized a \$66 million, or 4.4 percent, increase in taxable values for the fiscal year ended March 31, 2022 compared to the previous year. For the fiscal period from April 1, 2022 through December 31, 2022, taxable values have increased by another \$89 million, or 5.6 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 lower its operating millage 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 southeast 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 period from January 1, 2023 through December 31, 2023 will see continued attention to our unpaved road system and development of our water and sewer systems in progress.

Requests for Further Information

This financial report is intended to provide a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

Charter Township of Oakland

Statement of Net Position

December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 2)	\$ 20,868,426	\$ 14,552,733	\$ 35,421,159
Receivables:			
Property taxes receivable	9,411,295	-	9,411,295
Receivables from sales to customers on account	-	937,727	937,727
Accrued interest receivable	28,992	41,164	70,156
Other receivables	147,099	8,725	155,824
Due from other governmental units	438,285	2,615	440,900
Prepaid expenses and other assets	70,485	3,507	73,992
Restricted assets (Note 1)	-	4,781,406	4,781,406
Capital assets: (Note 3)			
Assets not subject to depreciation	25,269,549	2,177,578	27,447,127
Assets subject to depreciation - Net	7,954,991	21,358,367	29,313,358
Total assets	64,189,122	43,863,822	108,052,944
Liabilities			
Accounts payable	1,293,107	194,262	1,487,369
Due to other governmental units	25,594	59,594	85,188
Refundable deposits, bonds, etc.	-	550,054	550,054
Accrued liabilities and other	250,922	22,904	273,826
Unearned revenue (Note 1)	1,429,791	-	1,429,791
Noncurrent liabilities: (Note 5)			
Due within one year	234,991	242,035	477,026
Due in more than one year	92,862	7,527,315	7,620,177
Total liabilities	3,327,267	8,596,164	11,923,431
Deferred Inflows of Resources - Property taxes levied for the following year	9,406,185	-	9,406,185
Net Position			
Net investment in capital assets	33,224,540	20,584,814	53,809,354
Restricted:			
Police	2,031,219	-	2,031,219
Fire	475,618	-	475,618
Cable	126,189	-	126,189
Parks	1,408,666	-	1,408,666
Trails	1,600,721	-	1,600,721
Historic District Commission	497,694	-	497,694
Library	200,142	-	200,142
Land preservation	736,090	-	736,090
Unrestricted	11,154,791	14,682,844	25,837,635
Total net position	\$ 51,455,670	\$ 35,267,658	\$ 86,723,328

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	\$ 2,174,557	\$ 79,515	\$ 700,000	\$ -
Public safety	3,920,190	226,344	-	-
Public works	85,741	-	-	-
Community and economic development	96,111	-	13,025	-
Recreation and culture	2,908,519	119,398	140,936	-
Total governmental activities	9,185,118	425,257	853,961	-
Business-type activities:				
Sewer Fund	1,406,527	1,156,584	-	68,283
Water Fund	2,497,650	1,545,759	-	-
Building Fund	671,913	410,403	-	-
Total business-type activities	4,576,090	3,112,746	-	68,283
Total primary government	\$ 13,761,208	\$ 3,538,003	\$ 853,961	\$ 68,283
General revenue:				
State-shared revenue				
Investment loss				
Cable franchise fees				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of period				
Net Position - End of period				

Statement of Activities

Nine-month Period Ended December 31, 2022

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,395,042)	\$ -	\$ (1,395,042)
(3,693,846)	-	(3,693,846)
(85,741)	-	(85,741)
(83,086)	-	(83,086)
(2,648,185)	-	(2,648,185)
(7,905,900)	-	(7,905,900)
-	(181,660)	(181,660)
-	(951,891)	(951,891)
-	(261,510)	(261,510)
-	(1,395,061)	(1,395,061)
(7,905,900)	(1,395,061)	(9,300,961)
1,854,237	-	1,854,237
(125,133)	(17,587)	(142,720)
282,797	-	282,797
96,447	822,717	919,164
2,108,348	805,130	2,913,478
(5,797,552)	(589,931)	(6,387,483)
57,253,222	35,857,589	93,110,811
\$ 51,455,670	\$ 35,267,658	\$ 86,723,328

Charter Township of Oakland

	General Fund	Fire Fund	Police Fund	Parks Fund
Assets				
Cash and investments (Note 2)	\$ 12,653,211	\$ 606,174	\$ 3,051,035	\$ 1,457,182
Receivables:				
Property taxes receivable	840,472	1,549,551	2,743,270	1,165,567
Accrued interest receivable	14,524	237	1,251	6,206
Other receivables	125,367	17,604	-	3,494
Due from other governmental units	412,450	196	-	25,599
Prepaid expenses and other assets	39,466	24,881	54	3,898
Total assets	\$ 14,085,490	\$ 2,198,643	\$ 5,795,610	\$ 2,661,946
Liabilities				
Accounts payable	\$ 93,727	\$ 65,178	\$ 1,021,801	\$ 63,768
Due to other governmental units	8,359	-	-	-
Accrued liabilities and other	107,053	108,681	-	24,234
Unearned revenue	1,429,791	-	-	-
Total liabilities	1,638,930	173,859	1,021,801	88,002
Deferred Inflows of Resources				
Unavailable revenue	32,733	-	-	22,840
Property taxes levied for the following year	837,727	1,549,166	2,742,590	1,165,278
Fund Balances				
Nonspendable - Prepaid expenses	39,466	24,881	54	3,898
Restricted:				
Police	-	-	2,031,165	-
Fire	-	450,737	-	-
Cable	126,189	-	-	-
Parks	-	-	-	1,381,928
Trails	-	-	-	-
Historic District Commission	-	-	-	-
Library	-	-	-	-
Land preservation	-	-	-	-
Assigned:				
Subsequent year's budget	726,900	-	-	-
Roads	169,000	-	-	-
Beautification	170,482	-	-	-
Bike path	66,926	-	-	-
Unassigned	10,277,137	-	-	-
Total fund balances	11,576,100	475,618	2,031,219	1,385,826
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,085,490	\$ 2,198,643	\$ 5,795,610	\$ 2,661,946

Governmental Funds
Balance Sheet

December 31, 2022

Land Preservation Fund	Library Fund	Nonmajor Funds	Total Governmental Funds
\$ 784,097	\$ 199,897	\$ 2,116,830	\$ 20,868,426
1,027,870	964,554	1,120,011	9,411,295
197	135	6,442	28,992
634	-	-	147,099
-	-	40	438,285
1,510	-	676	70,485
\$ 1,814,308	\$ 1,164,586	\$ 3,243,999	\$ 30,964,582
\$ 44,501	\$ 129	\$ 4,003	\$ 1,293,107
-	-	17,235	25,594
6,108	-	4,846	250,922
-	-	-	1,429,791
50,609	129	26,084	2,999,414
-	-	-	55,573
1,027,609	964,315	1,119,500	9,406,185
1,510	-	676	70,485
-	-	-	2,031,165
-	-	-	450,737
-	-	-	126,189
-	-	-	1,381,928
-	-	1,600,721	1,600,721
-	-	497,018	497,018
-	200,142	-	200,142
734,580	-	-	734,580
-	-	-	726,900
-	-	-	169,000
-	-	-	170,482
-	-	-	66,926
-	-	-	10,277,137
736,090	200,142	2,098,415	18,503,410
\$ 1,814,308	\$ 1,164,586	\$ 3,243,999	\$ 30,964,582

Charter Township of Oakland

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2022

Fund Balances Reported in Governmental Funds	\$ 18,503,410
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	33,224,540
Certain receivables were earned during the current fiscal period but are not available to pay for current period expenditures	55,573
Some employee fringe benefits 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 - Employee compensated absences	<u>(327,853)</u>
Net Position of Governmental Activities	<u><u>\$ 51,455,670</u></u>

Charter Township of Oakland

	General Fund	Fire Fund	Police Fund	Parks Fund
Revenue				
Intergovernmental:				
Federal grants	\$ 713,025	\$ -	\$ -	\$ -
State sources	1,970,272	-	-	115,834
Local grants and contributions	-	-	-	11,216
Charges for services	200,383	233,044	-	90,333
Fines and forfeitures	33,155	-	-	-
Licenses and permits:				
Cable franchise fees	282,797	-	-	-
Other licenses and permits	577	-	-	-
Interest and rentals:				
Investment losses	(70,501)	(8,950)	(23,287)	39
Rental income	23,625	-	-	-
Other revenue	56,405	12,013	-	2,367
Total revenue	3,209,738	236,107	(23,287)	219,789
Expenditures				
Current services:				
General government	1,350,119	-	-	-
Public safety	-	1,783,653	1,846,662	-
Public works	122,164	-	-	-
Community and economic development	96,111	-	-	-
Recreation and culture	-	-	-	735,106
Capital outlay	154,776	69,641	23,540	382,007
Total expenditures	1,723,170	1,853,294	1,870,202	1,117,113
Excess of Revenue Over (Under) Expenditures	1,486,568	(1,617,187)	(1,893,489)	(897,324)
Other Financing Sources (Uses)				
Transfers in (Note 4)	-	749,641	-	-
Transfers out (Note 4)	(749,641)	-	-	-
Sale of capital assets	-	-	-	2,800
Total other financing (uses) sources	(749,641)	749,641	-	2,800
Net Change in Fund Balances	736,927	(867,546)	(1,893,489)	(894,524)
Fund Balances - Beginning of period	10,839,173	1,343,164	3,924,708	2,280,350
Fund Balances - End of period	\$ 11,576,100	\$ 475,618	\$ 2,031,219	\$ 1,385,826

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Nine-month Period Ended December 31, 2022

Land Preservation Fund	Library Fund	Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 713,025
302,755	690	803	2,390,354
-	-	-	11,216
-	-	-	523,760
-	-	-	33,155
-	-	-	282,797
-	-	-	577
(8,884)	(4,892)	(8,658)	(125,133)
4,040	-	1,400	29,065
878	-	13,568	85,231
298,789	(4,202)	7,113	3,944,047
-	-	-	1,350,119
-	-	-	3,630,315
-	-	-	122,164
-	-	-	96,111
359,626	919,323	119,342	2,133,397
98,088	-	26,069	754,121
457,714	919,323	145,411	8,086,227
(158,925)	(923,525)	(138,298)	(4,142,180)
-	-	-	749,641
-	-	-	(749,641)
-	-	-	2,800
-	-	-	2,800
(158,925)	(923,525)	(138,298)	(4,139,380)
895,015	1,123,667	2,236,713	22,642,790
\$ 736,090	\$ 200,142	\$ 2,098,415	\$ 18,503,410

Charter Township of Oakland

Governmental Funds

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Nine-month Period Ended December 31, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ (4,139,380)
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:	
Depreciation expense	(1,164,189)
Net book value of disposals	(742,965)
Capital outlay	686,121
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(395,181)
Some employee costs (compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(41,958)
Change in Net Position of Governmental Activities	<u><u>\$ (5,797,552)</u></u>

Charter Township of Oakland

Proprietary Funds Statement of Net Position

December 31, 2022

	Enterprise Funds			
	Sewer Fund	Water Fund	Building Fund	Total
Assets				
Current assets:				
Cash and investments (Note 2)	\$ 8,844,404	\$ 3,386,055	\$ 2,322,274	\$ 14,552,733
Receivables:				
Receivables from sales to customers on account	313,341	624,386	-	937,727
Accrued interest receivable	27,604	-	13,560	41,164
Other receivables	1,048	3,019	4,658	8,725
Due from other governmental units	2,057	384	174	2,615
Prepaid expenses and other assets	-	-	3,507	3,507
Total current assets	9,188,454	4,013,844	2,344,173	15,546,471
Noncurrent assets:				
Restricted assets (Note 1)	494,561	4,286,845	-	4,781,406
Capital assets: (Note 3)				
Assets not subject to depreciation	442,016	1,735,562	-	2,177,578
Assets subject to depreciation - Net	8,288,847	12,980,519	89,001	21,358,367
Total noncurrent assets	9,225,424	19,002,926	89,001	28,317,351
Total assets	18,413,878	23,016,770	2,433,174	43,863,822
Liabilities				
Current liabilities:				
Accounts payable	6,630	157,515	30,117	194,262
Due to other governmental units	59,594	-	-	59,594
Refundable deposits, bonds, etc.	-	180,500	369,554	550,054
Accrued liabilities and other	10,368	-	12,536	22,904
Compensated absences	-	-	25,692	25,692
Current portion of long-term debt (Note 5)	151,343	65,000	-	216,343
Total current liabilities	227,935	403,015	437,899	1,068,849
Noncurrent liabilities:				
Compensated absences	-	-	11,121	11,121
Long-term debt (Note 5)	2,233,035	5,283,159	-	7,516,194
Total noncurrent liabilities	2,233,035	5,283,159	11,121	7,527,315
Total liabilities	2,460,970	5,686,174	449,020	8,596,164
Net Position				
Net investment in capital assets	6,841,046	13,654,767	89,001	20,584,814
Unrestricted	9,111,862	3,675,829	1,895,153	14,682,844
Total net position	\$ 15,952,908	\$ 17,330,596	\$ 1,984,154	\$ 35,267,658

Charter Township of Oakland

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

Nine-month Period Ended December 31, 2022

	Enterprise Funds			
	Sewer Fund	Water Fund	Building Fund	Total
Operating Revenue				
Sale of water	\$ -	\$ 1,419,200	\$ -	\$ 1,419,200
Sewage disposal charges	955,566	-	-	955,566
Permit revenue	-	-	407,315	407,315
Other operating revenue	66,115	126,559	3,088	195,762
Total operating revenue	1,021,681	1,545,759	410,403	2,977,843
Operating Expenses				
Cost of water	-	1,171,538	-	1,171,538
Cost of sewage treatment	609,445	-	-	609,445
Other operation and maintenance	76,350	-	-	76,350
Billing and administrative costs	79,925	148,831	-	228,756
Other operating expense	79,466	42,050	-	121,516
Building inspections and related activity	-	-	648,947	648,947
Depreciation	304,287	519,259	22,966	846,512
Total operating expenses	1,149,473	1,881,678	671,913	3,703,064
Operating Loss	(127,792)	(335,919)	(261,510)	(725,221)
Nonoperating Revenue (Expense)				
Investment income (loss)	3,877	(449)	(21,015)	(17,587)
Interest expense	(10,586)	(135,890)	-	(146,476)
Other nonoperating expenses	(246,468)	(480,082)	-	(726,550)
Debt service charges and other	134,903	-	-	134,903
Other nonoperating revenue	-	822,717	-	822,717
Total nonoperating (expense) revenue	(118,274)	206,296	(21,015)	67,007
Loss - Before capital contributions	(246,066)	(129,623)	(282,525)	(658,214)
Capital Contributions	68,283	-	-	68,283
Change in Net Position	(177,783)	(129,623)	(282,525)	(589,931)
Net Position - Beginning of period	16,130,691	17,460,219	2,266,679	35,857,589
Net Position - End of period	\$ 15,952,908	\$ 17,330,596	\$ 1,984,154	\$ 35,267,658

Charter Township of Oakland

Proprietary Funds Statement of Cash Flows

Nine-month Period Ended December 31, 2022

	Enterprise Funds			
	Sewer Fund	Water Fund	Building Fund	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 995,764	\$ 1,524,061	\$ 410,403	\$ 2,930,228
Payments to suppliers	(839,822)	(1,374,679)	(423,845)	(2,638,346)
Payments to employees	-	-	(267,848)	(267,848)
Net cash and cash equivalents provided by (used in) operating activities	155,942	149,382	(281,290)	24,034
Cash Flows Used in Noncapital Financing Activities - Nonoperating items charged by the County	(111,565)	(615,972)	-	(727,537)
Cash Flows from Capital and Related Financing Activities				
Receipt of capital charges	68,283	822,717	-	891,000
Purchase of capital assets	-	(84,990)	(56,948)	(141,938)
Principal and interest paid on capital debt	(177,491)	-	-	(177,491)
Net cash and cash equivalents (used in) provided by capital and related financing activities	(109,208)	737,727	(56,948)	571,571
Cash Flows from Investing Activities				
Loss on investments	(15,884)	(449)	(30,413)	(46,746)
Purchases of investment securities	(338,221)	-	-	(338,221)
Proceeds from sale and maturities of investment securities	-	19,879	435,760	455,639
Net cash and cash equivalents (used in) provided by investing activities	(354,105)	19,430	405,347	70,672
Net (Decrease) Increase in Cash and Cash Equivalents	(418,936)	290,567	67,109	(61,260)
Cash and Cash Equivalents - Beginning of period	6,542,262	2,650,204	1,440,776	10,633,242
Cash and Cash Equivalents - End of period	\$ 6,123,326	\$ 2,940,771	\$ 1,507,885	\$ 10,571,982
Classification of Cash and Cash Equivalents				
Cash and investments	\$ 8,844,404	\$ 3,386,055	\$ 2,322,274	\$ 14,552,733
Less amounts classified as investments	(2,721,078)	(445,284)	(814,389)	(3,980,751)
Total cash and cash equivalents	\$ 6,123,326	\$ 2,940,771	\$ 1,507,885	\$ 10,571,982

Charter Township of Oakland

**Proprietary Funds
Statement of Cash Flows (Continued)**

Nine-month Period Ended December 31, 2022

	Enterprise Funds			
	Sewer Fund	Water Fund	Building Fund	Total
Reconciliation of Operating Loss to Net Cash from Operating Activities				
Operating loss	\$ (127,792)	\$ (335,919)	\$ (261,510)	\$ (725,221)
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation	304,287	519,259	22,966	846,512
Changes in assets and liabilities:				
Receivables	(26,965)	(24,717)	-	(51,682)
Prepaid and other assets	2,789	7,200	14,502	24,491
Compensated absences	-	-	2,609	2,609
Accounts payable and other accrued liabilities	3,623	(16,441)	(59,857)	(72,675)
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 155,942</u>	<u>\$ 149,382</u>	<u>\$ (281,290)</u>	<u>\$ 24,034</u>

Noncash Capital and Related Financing Activities - During the nine-month period ended December 31, 2022, Oakland County, Michigan issued debt on behalf of the Township's Water Fund. Total proceeds were \$5,348,159. Of that amount, \$1,061,314 was spent during the period to construct capital assets, for which the Township reduced restricted assets held at the County and recorded construction in progress.

Charter Township of Oakland

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2022

	<u>Total Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 3,942,183
Receivables:	
Property taxes receivable	8,400
Due from other governmental units	<u>29,683,375</u>
Total assets	33,633,958
Liabilities	
Due to other governmental units	3,882,025
Accrued liabilities and other	<u>8,822</u>
Total liabilities	3,890,847
Deferred Inflows of Resources - Property taxes levied for the following year	<u>29,683,375</u>
Total liabilities and deferred inflows of resources	<u>33,574,222</u>
Net Position - Restricted - Lake improvements	<u><u>\$ 59,736</u></u>

Charter Township of Oakland

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Nine-month Period Ended December 31, 2022

	<u>Total Custodial Funds</u>
Additions	
Lake improvement assessments	\$ 25,076
Property tax collections	3,882,025
Deductions	
Lake improvements	40,769
Property tax disbursements	<u>3,882,025</u>
Net Decrease in Fiduciary Net Position	(15,693)
Net Position - Beginning of period	<u>75,429</u>
Net Position - End of period	<u><u>\$ 59,736</u></u>

December 31, 2022

Note 1 - 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 township board of trustees. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. The accompanying financial statements present the financial operations of the Township.

Blended Component Unit

The Parks and Recreation Commission is governed by seven popularly elected members. Although it is legally separate from the Township, the Parks and Recreation Commission is reported as if it were part of the primary government because its responsibilities include acquisition, planning, and management of the Township's parks, as well as providing recreational opportunities to the Township's citizens.

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, Michigan; and the City of Rochester, Michigan for the purpose of establishing and providing for the powers and duties of the Paint Creek Trailways Commission, pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Commission is a separate legal entity for the purpose of owning, exercising right of dominion over, developing, providing, maintaining, and operating certain nonmotorized public trails for recreational use within the jurisdictions of member governmental units. The Township appoints two commissioners to the governing board, which is responsible for approving the annual budget. Pursuant to the agreement, each member shall be responsible for an equal share of the Commission's budget. For the nine-month period ended December 31, 2022, the Charter Township of Oakland provided \$0 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, MI 48306.

The Older Persons' Commission, an interlocal agreement effective March 28, 1985 and amended on August 28, 1995, was entered into by the Charter Township of Oakland; the City of Rochester Hills, Michigan; and the City of Rochester, Michigan 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 50 years of age or older residing in the governmental units that 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 nine-month period ended December 31, 2022, the Charter Township of Oakland provided \$0 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, MI 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 (GASB). The following is a summary of the significant accounting policies used by the Township.

Note 1 - Significant Accounting Policies (Continued)

Report Presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue 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, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there 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, if any, 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 it spends certain resources; separate funds allow the Township to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent 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 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, Michigan. 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.
- The Land Preservation Fund accounts for all revenue and expenditures for the Township's activities related to the purchase and maintenance of property for future public use.

Note 1 - Significant Accounting Policies (Continued)

- The Library Fund accounts for the Township's revenue and expenditures related to library services. The activity is funded through a millage.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Township). The Township reports the following funds as major enterprise funds:

- The Sewer Fund provides disposals of sanitary sewage in exchange for quarterly user charges.
- The Water Fund provides water to customers 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

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Custodial funds account for assets held by the Township in a trustee capacity.

Interfund Activity

During the course of operations, the Township has activity between funds for various purposes. Any residual balances outstanding at period 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 and internal service 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 period 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.

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.

Note 1 - Significant Accounting Policies (Continued)

Revenue is not recognized until it is collected or collected soon enough after the end of the period that it is available to pay for obligations outstanding at the end of the period. For this purpose, the Township considers amounts collected within 60 days of period 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; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary 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 and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Receivables and Payables

In general, outstanding balances between funds are reported as due from/to other funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal period is referred to as advances to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Investments

Investments are reported at fair value. Pooled investment income generally is allocated to each fund using a weighted average.

Restricted Assets

Unspent bond proceeds and deposits held at Oakland County, Michigan for future construction are classified as restricted assets in the Sewer Fund and Water 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 acquisition value at the date of donation.

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

<u>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Infrastructure	10-50
Sewer lines	40-50
Buildings and improvements	15-39
Machinery and equipment	5-15
Land improvements	7
Intangible assets	30

Note 1 - Significant Accounting Policies (Continued)

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of December 31, 2022, the General Fund balance of unearned revenue includes \$1,356,894 related to the American Rescue Plan Act cash received in advance of eligibility criteria being met and \$72,897 of miscellaneous unearned revenue. Unearned amounts are reported as liabilities.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts.

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 future periods and 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 future periods and will not be recognized as an inflow of resources (revenue) until that time. 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.

Net Position

Net position of the Township is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position represents resources that are legally restricted to be spent for specific purposes; this includes any unused resources from the Township's special voted tax millages. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Township will sometimes 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. Property taxes levied for the following year also qualify for reporting in this category.

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

The Township will sometimes 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 government 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 government's highest level of decision-making authority. The Township's 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 period, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government 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 exist only 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 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2022 property tax revenue was levied and collectible in December 2021 and was recognized as revenue in the year ended March 31, 2022 when the proceeds of the levy were budgeted and available for the financing of operations; therefore, no property tax revenue is recognized in the nine-month period ended December 31, 2022.

The Township annually sells its delinquent real property taxes to Oakland County, Michigan (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. At the end of the tax reversion process (approximately three years), the County charges any uncollected taxes back to the Township. Historically, this amount has not been significant.

Note 1 - Significant Accounting Policies (Continued)

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. Sick pay is accrued for the estimated amount that the Township will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of period end. 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, Sewer, and Building funds is 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. The other nonoperating revenue and expenses are incurred at the County and reported to the Township as the County administers the activity in the Water and Sewer funds on behalf of the Township.

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.

Upcoming Accounting Pronouncements

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2023.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2023.

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2024.

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 that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that 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 nine 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 bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of state statutory authority, as listed above. The Township's deposits and investments are 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 period end, the Township had bank deposits totaling \$16,318,454 (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 Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits.

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 further restricts the Township's governmental fund investments to instruments with a maturity of two years or less at the time of purchase. Commercial paper can only be purchased with a 270-day maturity.

At period end, the Township had the following investments:

Investment	Fair Value	Weighted-average Maturity (Years)
Primary Government		
Michigan CLASS investment pool	\$ 7,041,819	0.20
Local Government Investment Pool	9,447,670	1.53

December 31, 2022

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 December 31, 2022, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Michigan CLASS investment pool	\$ 7,041,819	AAA	S&P
Local Government Investment Pool	9,447,670	Not rated	N/A

Concentration of Credit Risk

The Township places no limit on the amount it may invest in any one issuer. Approximately 18 and 24 percent of the Township's cash and investments are in the Michigan CLASS investment pool and the Oakland County Local Government Investment Pool (the "LGIP"), respectively. The LGIP is not registered with the Securities and Exchange Commission (SEC) and does not issue a separate report. The fair value position in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost.

Fair Value Measurements

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

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

The Township has the following recurring fair value measurements as of December 31, 2022:

The Township's investments in the Oakland County LGIP (\$9,447,670) and the Michigan CLASS investment pool (\$7,041,819) are measured at net asset value.

The valuation method for investments measured at net asset value per share (or its equivalent) is presented in the table below.

Investments in Entities that Calculate Net Asset Value per Share

The Township holds shares or interests in investment companies for which the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

December 31, 2022

Note 2 - Deposits and Investments (Continued)

At December 31, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Local Government Investment Pool	\$ 9,447,670	\$ -	No restrictions	None
Michigan CLASS investment pool	7,041,819	-	No restrictions	None
Total investments measured at NAV	<u>\$ 16,489,489</u>	<u>\$ -</u>		

The Oakland County LGIP invests assets in a manner that will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

December 31, 2022

Note 3 - Capital Assets

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

Governmental Activities

	Balance April 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated:					
Land	\$ 25,217,638	\$ -	\$ -	\$ -	\$ 25,217,638
Construction in progress	457,782	(752,992)	347,121	-	51,911
Subtotal	25,675,420	(752,992)	347,121	-	25,269,549
Capital assets being depreciated:					
Infrastructure	2,031,525	-	-	-	2,031,525
Buildings and improvements	11,434,311	298,138	135,620	(2,845)	11,865,224
Machinery and equipment	1,221,529	-	170,472	-	1,392,001
Vehicles	4,507,094	-	27,715	(742,336)	3,792,473
Office furnishings	478,428	-	5,193	(12,034)	471,587
Information technology	245,976	-	-	(3,982)	241,994
Land improvements	5,385,542	454,854	-	(8,744)	5,831,652
Subtotal	25,304,405	752,992	339,000	(769,941)	25,626,456
Accumulated depreciation:					
Infrastructure	2,031,525	-	-	-	2,031,525
Buildings and improvements	6,895,940	-	402,847	(845)	7,297,942
Machinery and equipment	810,832	-	104,152	-	914,984
Vehicles	2,393,886	-	126,533	(9,610)	2,510,809
Office furnishings	470,168	-	3,322	(12,030)	461,460
Information technology	203,740	-	17,886	(3,976)	217,650
Land improvements	3,728,161	-	509,449	(515)	4,237,095
Subtotal	16,534,252	-	1,164,189	(26,976)	17,671,465
Net capital assets being depreciated	8,770,153	752,992	(825,189)	(742,965)	7,954,991
Net governmental activities capital assets	\$ 34,445,573	\$ -	\$ (478,068)	\$ (742,965)	\$ 33,224,540

December 31, 2022

Note 3 - Capital Assets (Continued)

Business-type Activities

	Balance April 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated - Construction in progress	\$ 933,944	\$ -	\$ 1,243,634	\$ -	\$ 2,177,578
Capital assets being depreciated:					
Sewer system	14,839,723	-	2,569	(2,769)	14,839,523
Water system	16,476,009	-	-	-	16,476,009
Buildings and improvements	6,775	-	53,710	835	61,320
Machinery and equipment	47,723	-	7,205	8,430	63,358
Vehicles	103,300	-	-	-	103,300
Information technology	30,200	-	-	3,981	34,181
Subtotal	31,503,730	-	63,484	10,477	31,577,691
Accumulated depreciation:					
Sewer system	6,246,390	-	304,287	1	6,550,678
Water system	2,976,231	-	519,259	-	3,495,490
Buildings and improvements	3,614	-	1,140	844	5,598
Machinery and equipment	38,089	-	4,364	12,032	54,485
Vehicles	68,472	-	11,610	-	80,082
Information technology	22,803	-	5,852	4,336	32,991
Subtotal	9,355,599	-	846,512	17,213	10,219,324
Net capital assets being depreciated	22,148,131	-	(783,028)	(6,736)	21,358,367
Net business-type activities capital assets	<u>\$ 23,082,075</u>	<u>\$ -</u>	<u>\$ 460,606</u>	<u>\$ (6,736)</u>	<u>\$ 23,535,945</u>

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

Governmental activities:	
General government	\$ 117,781
Public safety	294,881
Public works	3,546
Recreation and culture	747,981
Total governmental activities	<u>\$ 1,164,189</u>
Business-type activities:	
Water	\$ 519,259
Sewer	304,287
Building	22,966
Total business-type activities	<u>\$ 846,512</u>

Construction Commitments

The Township had ongoing construction projects at the end of the period. For those projects, the Township has spent \$4,176 to date. The remaining commitments related to the construction projects total \$108,606 as of December 31, 2022.

December 31, 2022

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund transfers reported in the fund financial statements are composed of a \$749,641 transfer from the General Fund to the Fire Fund, which represents the use of unrestricted resources to finance capital acquisitions and operations.

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 for the nine-month period ended December 31, 2022 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 285,895	\$ 71,755	\$ (29,797)	\$ 327,853	\$ 234,991

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:							
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2010A - Amount of issue - \$525,666 Maturing through 2032	2.50%	\$27,013 - \$32,960	\$ 295,530	\$ -	\$ (26,307)	\$ 269,223	\$ 27,013
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2010B - Amount of issue - \$135,065 Maturing through 2031	1.15% - 5.90%	\$7,257 - \$10,484	77,110	-	(6,855)	70,255	7,257
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2011 - Amount of issue - \$631,878 Maturing through 2034	2.50%	\$30,938 - \$39,477	415,684	-	(30,072)	385,612	30,938
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2013A - Amount of issue - \$1,378,847 Maturing through 2035	2.00%	\$16,969 - \$81,071	891,289	-	(65,196)	826,093	66,466
Oakland-Macomb Interceptor Drainage District Drain Bonds - Series, 2020A - Amount of issue - \$770,800 Maturing through 2041	2.00% - 5.00%	\$19,669 - \$54,090	757,665	-	(18,793)	738,872	19,669
Oakland County - Water Supply System Improvement Bonds Series 2022 - Amount of issue - \$5,215,000 Maturing through 2053	4.00% - 5.00%	\$65,000 - \$300,000	-	5,215,000	-	5,215,000	65,000
Total principal outstanding			2,437,278	5,215,000	(147,223)	7,505,055	216,343
Unamortized bond premium			98,199	133,159	(3,876)	227,482	-
Total bonds and contracts payable			2,535,477	5,348,159	(151,099)	7,732,537	216,343
Compensated absences			34,414	7,514	(5,115)	36,813	25,692
Total business-type activities long-term debt			\$ 2,569,891	\$ 5,355,673	\$ (156,214)	\$ 7,769,350	\$ 242,035

Note 5 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the nine-month period was approximately \$147,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Business-type Activities - Direct Borrowings		
	Principal	Interest	Total
2023	\$ 216,343	\$ 288,058	\$ 504,401
2024	245,581	280,007	525,588
2025	254,712	271,059	525,771
2026	270,092	261,840	531,932
2027	280,228	251,798	532,026
2028-2032	1,522,163	1,093,119	2,615,282
2033-2037	1,131,764	830,194	1,961,958
2038-2042	1,079,172	631,096	1,710,268
2043-2047	1,125,000	416,500	1,541,500
2048-2052	1,380,000	151,299	1,531,299
Total	\$ 7,505,055	\$ 4,474,970	\$ 11,980,025

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 MERS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one and one-half months from the date of employment. As established by board resolution, the Township contributes 12 percent of employees' gross earnings.

The Township's contributions for each employee are fully vested after one and one-half months of continuous service. Employees may contribute to the plan on a voluntary basis. In accordance with these requirements, the Township contributed \$229,822 during the current period.

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 and participates in the Michigan Municipal Risk Management Authority (the "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 years.

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

December 31, 2022

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, 2022, the library millages totaled 0.5774 mills (2021 tax roll). The Township remitted to the Rochester Hills Public Library approximately \$965,000 during the Township's nine-month period ended December 31, 2022.

Required Supplementary Information

Charter Township of Oakland

Required Supplementary Information Budgetary Comparison Schedule General Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental:				
Federal grants	\$ 3,500	\$ 703,500	\$ 713,025	\$ 9,525
State sources	1,515,100	1,585,100	1,970,272	385,172
Charges for services	56,000	56,000	45,783	(10,217)
Fines and forfeitures	47,300	47,300	33,155	(14,145)
Licenses and permits:				
Cable franchise fees	281,800	281,800	282,797	997
Other licenses and permits	2,600	2,600	577	(2,023)
Interest and rentals:				
Investment income (losses)	40,000	40,000	(70,501)	(110,501)
Rental income	23,625	23,625	23,625	-
Other revenue	51,100	51,100	56,405	5,305
Total revenue	2,021,025	2,791,025	3,055,138	264,113
Expenditures				
Current services:				
General government:				
Township board	280,900	299,000	337,399	(38,399)
Township supervisor	15,100	15,100	11,256	3,844
Manager	180,900	185,900	183,158	2,742
Township treasurer	153,000	161,000	138,309	22,691
Assessor	104,000	104,000	103,890	110
Board of review	2,200	2,200	77	2,123
Township clerk	273,100	313,400	277,847	35,553
Buildings and grounds	258,600	296,000	240,978	55,022
Elections	9,800	41,800	54,705	(12,905)
Cemetery	4,000	4,000	2,500	1,500
Public works:				
Roads and projects	412,800	412,800	114,782	298,018
Street lighting	10,000	10,000	7,382	2,618
Community and economic development:				
Planning commission	90,400	90,400	53,869	36,531
Community programs and development	85,000	85,000	42,242	42,758
Capital outlay	290,000	290,000	154,776	135,224
Total expenditures	2,169,800	2,310,600	1,723,170	587,430
Excess of Revenue (Under) Over Expenditures	(148,775)	480,425	1,331,968	851,543
Other Financing Sources (Uses)				
Transfers in	154,600	154,600	154,600	-
Transfers out	(1,156,000)	(1,156,000)	(749,641)	406,359
Total other financing uses	(1,001,400)	(1,001,400)	(595,041)	406,359
Net Change in Fund Balance	(1,150,175)	(520,975)	736,927	1,257,902
Fund Balance - Beginning of period	10,839,173	10,839,173	10,839,173	-
Fund Balance - End of period	\$ 9,688,998	\$ 10,318,198	\$ 11,576,100	\$ 1,257,902

Charter Township of Oakland

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Fire Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 2,800	\$ 2,800	\$ -	\$ (2,800)
Charges for services	226,000	226,000	226,344	344
Interest income (loss)	2,600	2,600	(8,950)	(11,550)
Other revenue	-	-	12,013	12,013
Total revenue	231,400	231,400	229,407	(1,993)
Expenditures				
Current - Public safety	1,975,500	2,025,100	1,783,653	241,447
Capital outlay	476,000	476,000	69,641	406,359
Total expenditures	2,451,500	2,501,100	1,853,294	647,806
Excess of Expenditures Over Revenue	(2,220,100)	(2,269,700)	(1,623,887)	645,813
Other Financing Sources - Transfers in	1,162,700	1,162,700	756,341	(406,359)
Net Change in Fund Balance	(1,057,400)	(1,107,000)	(867,546)	239,454
Fund Balance - Beginning of period	1,343,164	1,343,164	1,343,164	-
Fund Balance - End of period	\$ 285,764	\$ 236,164	\$ 475,618	\$ 239,454

Charter Township of Oakland

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Police Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Investment income (loss)	15,400	15,400	(23,287)	(38,687)
Total revenue	19,400	19,400	(23,287)	(42,687)
Expenditures				
Current - Public safety	1,953,000	1,953,500	1,846,662	106,838
Capital outlay	54,950	54,950	23,540	31,410
Total expenditures	2,007,950	2,008,450	1,870,202	138,248
Net Change in Fund Balance - Excess of expenditures over revenue	(1,988,550)	(1,989,050)	(1,893,489)	95,561
Fund Balance - Beginning of period	3,924,708	3,924,708	3,924,708	-
Fund Balance - End of period	<u><u>\$ 1,936,158</u></u>	<u><u>\$ 1,935,658</u></u>	<u><u>\$ 2,031,219</u></u>	<u><u>\$ 95,561</u></u>

Charter Township of Oakland

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Parks Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 138,500	\$ 147,800	\$ 127,050	\$ (20,750)
Charges for services	84,100	84,100	90,333	6,233
Investment income	2,700	2,700	39	(2,661)
Other revenue	-	-	2,367	2,367
Total revenue	225,300	234,600	219,789	(14,811)
Expenditures				
Current - Recreation and culture	1,008,700	920,700	735,106	185,594
Capital outlay	548,600	427,100	382,007	45,093
Total expenditures	1,557,300	1,347,800	1,117,113	230,687
Other Financing Sources - Sale of capital assets	27,000	2,800	2,800	-
Net Change in Fund Balance - Excess of expenditures over revenue	(1,305,000)	(1,110,400)	(894,524)	215,876
Fund Balance - Beginning of period	2,280,350	2,280,350	2,280,350	-
Fund Balance - End of period	<u>\$ 975,350</u>	<u>\$ 1,169,950</u>	<u>\$ 1,385,826</u>	<u>\$ 215,876</u>

Charter Township of Oakland

Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Land Preservation Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental - State sources	\$ -	\$ 301,911	\$ 302,755	\$ 844
Interest and rentals	5,013	5,013	(4,844)	(9,857)
Other revenue	1,000	1,000	878	(122)
Total revenue	6,013	307,924	298,789	(9,135)
Expenditures				
Current services - Recreation and culture	505,200	478,308	359,626	118,682
Capital outlay	200,000	113,300	98,088	15,212
Total expenditures	705,200	591,608	457,714	133,894
Net Change in Fund Balance - Excess of expenditures over revenue	(699,187)	(283,684)	(158,925)	124,759
Fund Balance - Beginning of period	895,015	895,015	895,015	-
Fund Balance - End of period	<u>\$ 195,828</u>	<u>\$ 611,331</u>	<u>\$ 736,090</u>	<u>\$ 124,759</u>

Charter Township of Oakland

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Library Fund

Nine-month Period Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 690	\$ (810)
Interest and rentals	1,500	1,500	(4,892)	(6,392)
Total revenue	3,000	3,000	(4,202)	(7,202)
Expenditures - Current - Recreation and culture	928,000	928,000	919,323	8,677
Net Change in Fund Balance - Excess of expenditures over revenue	(925,000)	(925,000)	(923,525)	1,475
Fund Balance - Beginning of period	1,123,667	1,123,667	1,123,667	-
Fund Balance - End of period	<u>\$ 198,667</u>	<u>\$ 198,667</u>	<u>\$ 200,142</u>	<u>\$ 1,475</u>

December 31, 2022

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 period end. During the period, 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 supplementary 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.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at period end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of period end; the commitments will be reappropriated and honored during the subsequent period. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the period. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balances is as follows:

General Fund	Total Revenue	Total Expenditures	Other Financing (Uses) Sources
Amounts per operating statement	\$ 3,209,738	\$ 1,723,170	\$ (749,641)
Charges for services budgeted as operating transfers	(154,600)	-	154,600
Amounts per budget statement	<u>\$ 3,055,138</u>	<u>\$ 1,723,170</u>	<u>\$ (595,041)</u>
Fire Fund	Total Revenue	Total Expenditures	Other Financing Sources
Amounts per operating statement	\$ 236,107	\$ 1,853,294	\$ 749,641
Charges for services budgeted as operating transfers	(6,700)	-	6,700
Amounts per budget statement	<u>\$ 229,407</u>	<u>\$ 1,853,294</u>	<u>\$ 756,341</u>

During the nine-month period ended December 31, 2022, the Township's General Fund incurred significant expenditures that were in excess of the amounts budgeted, as follows:

	Budget	Actual	Variance
Township board	\$ 299,000	\$ 337,399	\$ (38,399)
Elections	41,800	54,705	(12,905)

Other Supplementary Information

Charter Township of Oakland

Other Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2022

	Special Revenue Funds				Total
	Trails Improvement	Older Persons' Commission	OPC Transportation	Historic District Commission	
Assets					
Cash and investments	\$ 1,595,081	\$ 13,323	\$ 3,523	\$ 504,903	\$ 2,116,830
Receivables:					
Property taxes receivable	270,661	529,112	139,246	180,992	1,120,011
Accrued interest receivable	6,289	-	-	153	6,442
Due from other governmental units	-	-	-	40	40
Prepaid expenses and other assets	-	-	-	676	676
Total assets	\$ 1,872,031	\$ 542,435	\$ 142,769	\$ 686,764	\$ 3,243,999
Liabilities					
Accounts payable	\$ 6	\$ 12	\$ 3	\$ 3,982	\$ 4,003
Due to other governmental units	-	13,611	3,624	-	17,235
Accrued liabilities and other	705	-	-	4,141	4,846
Total liabilities	711	13,623	3,627	8,123	26,084
Deferred Inflows of Resources - Property taxes levied for the following year	270,599	528,812	139,142	180,947	1,119,500
Total liabilities and deferred inflows of resources	271,310	542,435	142,769	189,070	1,145,584
Fund Balances					
Nonspendable - Prepaid expenses	-	-	-	676	676
Restricted:					
Trails	1,600,721	-	-	-	1,600,721
Historic District Commission	-	-	-	497,018	497,018
Total fund balances	1,600,721	-	-	497,694	2,098,415
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,872,031	\$ 542,435	\$ 142,769	\$ 686,764	\$ 3,243,999

Charter Township of Oakland

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund
Balances
Nonmajor Governmental Funds

Nine-month Period Ended December 31, 2022

	Special Revenue Funds				Total
	Trails Improvement	Older Persons' Commission	OPC Transportation	Historic District Commission	
Revenue					
Intergovernmental - State sources	\$ 194	\$ 379	\$ 100	\$ 130	\$ 803
Interest and rentals:					
Investment losses	(2,790)	-	-	(5,868)	(8,658)
Rental income	-	-	-	1,400	1,400
Other revenue	-	-	-	13,568	13,568
Total revenue	<u>(2,596)</u>	<u>379</u>	<u>100</u>	<u>9,230</u>	<u>7,113</u>
Expenditures					
Current services - Recreation and culture	12,871	379	100	105,992	119,342
Capital outlay	9,981	-	-	16,088	26,069
Total expenditures	<u>22,852</u>	<u>379</u>	<u>100</u>	<u>122,080</u>	<u>145,411</u>
Net Change in Fund Balances - Excess of expenditures over revenue	(25,448)	-	-	(112,850)	(138,298)
Fund Balances - Beginning of period	1,626,169	-	-	610,544	2,236,713
Fund Balances - End of period	<u><u>\$ 1,600,721</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 497,694</u></u>	<u><u>\$ 2,098,415</u></u>

Charter Township of Oakland

Other Supplementary Information Statement of Fiduciary Net Position Custodial Funds

December 31, 2022

	Lake Improvement	Tax Collections	Total
Assets			
Cash and cash equivalents	\$ 60,158	\$ 3,882,025	\$ 3,942,183
Receivables	8,400	29,683,375	29,691,775
Total assets	68,558	33,565,400	33,633,958
Liabilities			
Due to other governmental units	-	3,882,025	3,882,025
Accrued liabilities and other	8,822	-	8,822
Total liabilities	8,822	3,882,025	3,890,847
Deferred Inflows of Resources - Property taxes levied for the following year	-	29,683,375	29,683,375
Total liabilities and deferred inflows of resources	8,822	33,565,400	33,574,222
Net Position - Restricted - Lake improvements	\$ 59,736	\$ -	\$ 59,736

Charter Township of Oakland

**Other Supplementary Information
Statement of Changes in Fiduciary Net Position
Custodial Funds**

Nine-month Period Ended December 31, 2022

	Lake Improvement	Tax Collections	Total
Additions			
Lake improvement assessments	\$ 25,076	\$ -	\$ 25,076
Property tax collections	-	3,882,025	3,882,025
Deductions			
Lake improvements	40,769	-	40,769
Property tax disbursements	-	3,882,025	3,882,025
Net Decrease in Fiduciary Net Position	(15,693)	-	(15,693)
Net Position - Beginning of period	75,429	-	75,429
Net Position - End of period	<u>\$ 59,736</u>	<u>\$ -</u>	<u>\$ 59,736</u>