

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

**AUDITED FINANCIAL REPORT**

**For the Fiscal Year Ended  
December 31, 2014**



CHARTER TOWNSHIP OF OXFORD  
For the Year Ended December 31, 2014

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For the Year Ended December 31, 2014

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FINANCIAL SECTION





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## Independent Auditor's Report

June 22, 2015

To the Board of Trustees  
Charter Township of Oxford, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Oxford, Michigan, as of and for the year ended December 31, 2014, which collectively comprise the Township's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

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



**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Oxford as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

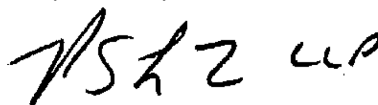
*Required Supplementary Information*

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

*Other Information*

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

Respectfully,



PSLZ LLP

Certified Public Accountants



## Management's Discussion and Analysis

As management of Charter Township of Oxford, we offer readers of Charter Township of Oxford's financial statements this narrative overview and analysis of the financial activities of Charter Township of Oxford for the fiscal year ended December 31, 2014.

### Financial Highlights

- The assets of Charter Township of Oxford exceeded its liabilities at the close of the most recent fiscal year by \$31,437,830 (*net position*). Of this amount, \$6,993,933 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Charter Township of Oxford's governmental funds reported combined ending fund balances of \$7,991,530, a decrease of \$822,880 in comparison with the prior year. Approximately 27 percent of this amount, \$2,154,481 is *available for spending* at the government's discretion (*unrestricted fund balance*).
- Charter Township of Oxford's total long-term debt increased by \$28,826 during the current fiscal year, which includes additional debt of \$1,654,151 of Oakland-Macomb Interceptor Debt (Sewer Fund) issued and a water bond refunding (Water Fund), less the annual debt service payments made during the current year.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

Charter Township of Oxford maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Police Contracting Fund, Parks and Recreation Fund, Advanced Life Support Fund, Fire & EMS Fund, Library Fund, and Fire/Library Debt Fund all of which are considered to be major funds. Data from the other governmental funds are combined into aggregated presentations by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

A budgetary comparison statement has been provided for the General, Police Contracting, Parks and Recreation, Advanced Life Support, Fire & EMS and Library Funds to demonstrate compliance with the annual appropriated budget.

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

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

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

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

**Other information.** The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 51-56 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Oxford, assets exceeded liabilities by \$31,437,830 at the close of the most recent fiscal year.

A significant portion of Charter Township of Oxford's net position (59 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Charter Township of Oxford used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Charter Township of Oxford's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Charter Township of Oxford's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 15,684,189	\$ 16,369,891	\$ 5,465,802	\$ 5,418,198	\$ 21,149,991	\$ 21,788,089
Capital Assets	12,547,772	11,554,337	17,965,579	16,399,850	30,513,351	27,954,187
Total Assets	<u>28,231,961</u>	<u>27,924,228</u>	<u>23,431,381</u>	<u>21,818,048</u>	<u>51,663,342</u>	<u>49,742,276</u>
Long-term Liabilities						
Outstanding	1,608,802	2,627,446	10,464,684	9,417,214	12,073,486	12,044,660
Other Liabilities	896,116	386,570	229,366	314,352	1,125,482	700,922
Deferred Inflows	6,796,543	7,168,911	230,000	-	7,026,543	7,168,911
Total Liabilities and Deferred Inflows	<u>9,301,461</u>	<u>10,182,927</u>	<u>10,924,050</u>	<u>9,731,566</u>	<u>20,225,511</u>	<u>19,914,493</u>
Net Position:						
Net Investment in						
Capital Assets	11,132,772	9,104,337	7,500,895	6,982,636	18,633,667	16,086,973
Restricted	5,810,230	5,625,121	-	-	5,810,230	5,625,121
Unrestricted	1,987,498	3,011,843	5,006,435	5,103,846	6,993,933	8,115,689
Total Net Position	<u>\$ 18,930,500</u>	<u>\$ 17,741,301</u>	<u>\$ 12,507,330</u>	<u>\$ 12,086,482</u>	<u>\$ 31,437,830</u>	<u>\$ 29,827,783</u>

An additional portion of Charter Township of Oxford's net position (18 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$6,993,933) may be used to meet the government's ongoing obligations to citizens and creditors.



At the end of the current fiscal year, Charter Township of Oxford is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The governmental net position increased by \$1,189,199 during the current fiscal year, as presented:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues:						
Charges for Services	\$ 1,781,364	\$ 1,540,367	\$ 2,429,624	\$ 1,670,323	\$ 4,210,988	\$ 3,210,690
Operating Grants & Contributions	44,992	32,777	-	-	44,992	32,777
Capital Grants & Contributions	247,917	-	732,560	558,639	980,477	558,639
General Revenues:						
Property Taxes	7,182,199	7,131,278	-	-	7,182,199	7,131,278
State Shared Revenues	1,318,011	1,290,500	-	-	1,318,011	1,290,500
Investment Earnings	88,468	48,664	76,023	46,363	164,491	95,027
Other	363,241	279,617	-	-	363,241	279,617
Total Revenues	<u>11,026,192</u>	<u>10,323,203</u>	<u>3,238,207</u>	<u>2,275,325</u>	<u>14,264,399</u>	<u>12,598,528</u>
Program Expenses:						
General Government	1,850,966	1,655,586	-	-	1,850,966	1,655,586
Public Safety	5,264,021	5,020,206	-	-	5,264,021	5,020,206
Planning and Zoning	56,482	61,816	-	-	56,482	61,816
Public Works	226,520	61,877	-	-	226,520	61,877
Recreation and Cultural	2,290,902	2,239,122	-	-	2,290,902	2,239,122
Other	103,290	82,829	-	-	103,290	82,829
Interest on Long-Term Debt	44,812	64,462	-	-	44,812	64,462
Water and Sewer	-	-	2,817,359	2,819,280	2,817,359	2,819,280
Total Expenses	<u>9,836,993</u>	<u>9,185,898</u>	<u>2,817,359</u>	<u>2,819,280</u>	<u>12,654,352</u>	<u>12,005,178</u>
Change in Net Position	<u>\$ 1,189,199</u>	<u>\$ 1,137,305</u>	<u>\$ 420,848</u>	<u>\$ (543,955)</u>	<u>\$ 1,610,047</u>	<u>\$ 593,350</u>

**Business-type activities.** Business-type activities increased Charter Township of Oxford's net position by \$420,848, as compared to a \$543,955 decrease in the prior year. Sewer revenues increased \$744,808 over the prior year due to a sewer rate increase effective October 1, 2013, which increased the quarterly billing rate from \$43 per quarter to \$86 per quarter. Rates were increased to keep up with the increasing sewer treatment costs paid to Oakland County Water Resources Commission. Also, water and sewer tap fee revenues increased \$173,921 over the prior year as a result of increased development activity within the Township.

## Financial Analysis of the Government's Funds

**Governmental funds.** The focus of Charter Township of Oxford's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Charter Township of Oxford's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Charter Township of Oxford's governmental funds reported combined ending fund balances of \$7,991,530, a decrease of \$822,880 in comparison with the prior year. The *unrestricted fund balance*, which is the amount available for spending at the government's discretion, represents 27% of the total fund balance. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed to uphold contracts or bond agreements.

The general fund is the chief operating fund of the Charter Township of Oxford. At the end of the current fiscal year, unrestricted fund balance was \$1,927,839. The fund balance of Charter Township of Oxford's general fund increased by \$8,899 during the current fiscal year, in comparison to a \$709,992 decrease in the prior year. General Fund operating revenues increased \$61,398 and operating expenditures increased \$231,893 over the prior year due to an approved step system wage increase for the employees and computer software upgrades. The General Fund also transferred a total of \$480,614 to other funds to accomplish projects within the Township such as the Township portion of Burdick Road repaving (\$55,614) and improvements to the Fire Station (\$425,000).

**Proprietary funds.** The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Funds totaled \$5,006,435 at the end of the year, which is a \$97,411 decrease in unrestricted net position. Other factors concerning the finances of this fund have already been addressed in the discussion of Charter Township of Oxford's business-type activities.

### General Fund Budgetary Highlights

The differences between the beginning and final budgets represent an increase in budgeted expenditures and operating transfers out of \$491,006, as a result of increasing \$55,614 for operating transfers out to the Road Fund for the Township's portion of the Burdick Street repaving project, and \$425,000 for operating transfer out to the Fire/EMS Fund for expansion of Fire Station No. 1.

**Capital assets.** Charter Township of Oxford's investment in capital assets for its governmental and business type activities as of December 31, 2014, amounts to \$30,513,351 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and the water and sewer systems. The investment in fixed assets increased by \$2,559,164 due to capital asset additions less annual depreciation expense. Capital asset additions during 2014 included purchase of an Fire Department airpaks (\$182,703), a Parks vehicle (\$29,299), library building and technology improvements (\$336,981), cable equipment (\$18,965), fire station building improvements (\$133,236), and the Township hall meeting room addition and sheriff substation and parking lot improvements (\$962,395). The Sewer Fund capital asset additions include the 2013A and the 2014 Oakland-Macomb Interceptor construction totaling \$1,892,726. The Water Fund additions include the Lapeer Road Water Main Extension costs of \$118,473.

**Long-term debt.** At the end of the current fiscal year, Charter Township of Oxford had total bonded debt outstanding of \$11,879,684. All of Charter Township of Oxford's debt represents general obligation debt backed by the full faith and credit of Charter Township of Oxford, subject to constitutional limit. The Township refunded the General Obligation Water Bonds with interest rates of 4.0-4.5% with bonds with interest rates of 2.0-4.0% resulting in a significant savings to the Township. The Sewer Fund reflects an increase in debt for the Oakland-Macomb Interceptor Project Series 2013A (Township's portion is \$1,654,151) and the Township paid the Series 2014 portion in full (\$238,575) in 2014.

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

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

The Township anticipates a slight increase in State shared revenue in 2015 as the economy in the State of Michigan appears to be getting better. The Township has been experiencing increased activity in the building department and that appears to be likely to continue through 2015. The Township has adopted a balanced budget in the General Fund for fiscal year 2015, and does not anticipate utilizing any General Fund fund balance in the upcoming year.

### **Requests for Information**

This financial report is designed to provide a general overview of Charter Township of Oxford's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Township Supervisor, 300 Dunlap Road, Oxford, MI 48371.



BASIC FINANCIAL STATEMENTS



**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Net Position**  
**December 31, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 8,491,841	\$ 4,706,374	\$ 13,198,215	\$ 70,660
Receivables (net of allowance for uncollectibles):				
Accounts	134,233	557,406	691,639	-
Taxes	6,796,543	-	6,796,543	-
Due from Other Units	234,753	202,022	436,775	-
Prepaid Expenditures	26,819	-	26,819	-
Capital Assets (net of Accumulated Depreciation)	12,547,772	17,965,579	30,513,351	45,751
Total Assets	<u>28,231,961</u>	<u>23,431,381</u>	<u>51,663,342</u>	<u>116,411</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	785,132	325,691	1,110,823	-
Accrued Liabilities	14,660	-	14,660	-
Advance from Other Funds	96,324	(96,324)	-	-
Noncurrent Liabilities:				
Other Postemployment Benefit Liability	78,646	-	78,646	-
Compensated Absences	115,156	-	115,156	-
Due within one year	1,060,000	530,582	1,590,582	-
Due in more than one year	355,000	9,934,102	10,289,102	-
Total Liabilities	<u>2,504,918</u>	<u>10,694,051</u>	<u>13,198,969</u>	<u>-</u>
<b><u>DEFERRED INFLOWS</u></b>				
Property Taxes Collected for the following year	6,796,543	-	6,796,543	-
Deferred Charge on Bond Refundings	-	230,000	230,000	-
Total Deferred Inflows	<u>6,796,543</u>	<u>230,000</u>	<u>7,026,543</u>	<u>-</u>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	11,132,772	7,500,895	18,633,667	45,751
Restricted	5,810,230	-	5,810,230	-
Unrestricted	1,987,498	5,006,435	6,993,933	70,660
Total Net Position	<u>\$ 18,930,500</u>	<u>\$ 12,507,330</u>	<u>\$ 31,437,830</u>	<u>\$ 116,411</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 1,850,966	\$ 121,110	\$ 16,934	\$ -
Public Safety	5,264,021	1,047,260	-	173,024
Planning and Zoning	56,482	38,540	-	-
Public Works	226,520	-	-	74,893
Health and Welfare	103,290	-	22,038	-
Recreation and Cultural	2,290,902	574,454	6,020	-
Interest on Long-Term Debt	44,812	-	-	-
Total Governmental Activities	9,836,993	1,781,364	44,992	247,917
Business-type Activities:				
Water	768,064	582,434	-	463,060
Sewer	2,049,295	1,847,190	-	269,500
Total Business-type Activities	2,817,359	2,429,624	-	732,560
Total Primary Government	\$ 12,654,352	\$ 4,210,988	\$ 44,992	\$ 980,477
Component Unit - Trailway	\$ 32,482	\$ -	\$ 39,244	\$ 25,000

General Revenues:  
Property Taxes  
State Shared Revenue  
Franchise Fees  
Unrestricted Investment Earnings  
Total General Revenues

Change in Net Position  
Net Position - Beginning

Net Position - Ending



Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (1,712,922)	\$ -	\$ (1,712,922)	\$ -
(4,043,737)	-	(4,043,737)	-
(17,942)	-	(17,942)	-
(151,627)	-	(151,627)	-
(81,252)	-	(81,252)	-
(1,710,428)	-	(1,710,428)	-
(44,812)	-	(44,812)	-
<u>(7,762,720)</u>	<u>-</u>	<u>(7,762,720)</u>	<u>-</u>
-	277,430	277,430	-
-	67,395	67,395	-
<u>-</u>	<u>344,825</u>	<u>344,825</u>	<u>-</u>
<u>(7,762,720)</u>	<u>344,825</u>	<u>(7,417,895)</u>	<u>-</u>
-	-	-	31,762
7,182,199	-	7,182,199	-
1,318,011	-	1,318,011	-
363,241	-	363,241	-
88,468	76,023	164,491	24
<u>8,951,919</u>	<u>76,023</u>	<u>9,027,942</u>	<u>24</u>
1,189,199	420,848	1,610,047	31,786
<u>17,741,301</u>	<u>12,086,482</u>	<u>29,827,783</u>	<u>84,625</u>
<u>\$ 18,930,500</u>	<u>\$ 12,507,330</u>	<u>\$ 31,437,830</u>	<u>\$ 116,411</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2014**

	<u>General</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Advanced Life Support</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 1,701,904	\$ 1,160,368	\$ 263,328	\$ 896,437
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Taxes	663,891	1,750,563	592,828	694,386
Due from Other Governmental Units	234,753	-	-	-
Prepaid Expenditures	<u>1,305</u>	<u>-</u>	<u>885</u>	<u>13,354</u>
Total Assets	<u>\$ 2,601,853</u>	<u>\$ 2,910,931</u>	<u>\$ 857,041</u>	<u>\$ 1,604,177</u>
 <b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	\$ 400	\$ 344,084	\$ 694	\$ 14,314
Accrued and Other Liabilities	8,418	-	-	-
Advance from Other Funds	-	-	96,324	-
Deferred Inflows:				
Deferred Tax Revenue	<u>663,891</u>	<u>1,750,563</u>	<u>592,828</u>	<u>694,386</u>
Total Liabilities and Deferred Inflows	<u>672,709</u>	<u>2,094,647</u>	<u>689,846</u>	<u>708,700</u>
Fund Balances:				
Nonspendable-Prepays	1,305	-	885	13,354
Restricted	-	816,284	166,310	882,123
Unrestricted:				
Committed for Capital Projects	-	-	-	-
Unassigned	<u>1,927,839</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,929,144</u>	<u>816,284</u>	<u>167,195</u>	<u>895,477</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 2,601,853</u>	<u>\$ 2,910,931</u>	<u>\$ 857,041</u>	<u>\$ 1,604,177</u>

Amounts reported for governmental activities in the statement of net position are different because:  
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  
Net Other Post Employment Benefit Liability  
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net Position of Governmental Activities

<u>Fire &amp; EMS</u>	<u>Library</u>	<u>Fire/Library Debt</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,234,429	\$ 1,185,155	\$ 24,617	\$ 2,025,603	\$ 8,491,841
-	-	-	134,233	134,233
1,041,559	970,111	1,083,205	-	6,796,543
-	-	-	-	234,753
<u>11,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,819</u>
<u>\$ 2,287,263</u>	<u>\$ 2,155,266</u>	<u>\$ 1,107,822</u>	<u>\$ 2,159,836</u>	<u>\$ 15,684,189</u>

\$ 109,997	\$ -	\$ -	\$ 315,643	\$ 785,132
6,242	-	-	-	14,660
-	-	-	-	96,324
<u>1,041,559</u>	<u>970,111</u>	<u>1,083,205</u>	<u>-</u>	<u>6,796,543</u>
<u>1,157,798</u>	<u>970,111</u>	<u>1,083,205</u>	<u>315,643</u>	<u>7,692,659</u>
11,275	-	-	-	26,819
1,118,190	1,185,155	24,617	1,617,551	5,810,230
-	-	-	226,642	226,642
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,927,839</u>
<u>1,129,465</u>	<u>1,185,155</u>	<u>24,617</u>	<u>1,844,193</u>	<u>7,991,530</u>
<u>\$ 2,287,263</u>	<u>\$ 2,155,266</u>	<u>\$ 1,107,822</u>	<u>\$ 2,159,836</u>	

12,547,772  
(78,646)

(1,530,156)

\$ 18,930,500

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2014**

	<u>General</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Advanced Life Support</u>
<u>Revenues</u>				
Property Taxes	\$ 650,725	\$ 2,271,122	\$ 574,734	\$ 673,198
Licenses and Permits	26,184	-	-	-
Intergovernmental:				
Federal, State and Local	1,338,507	8,723	-	-
Charges for Services	125,333	73,907	515,010	500,584
Fines and Forfeitures	-	29,106	-	-
Franchise Fees	-	-	-	-
Interest	17,203	3,434	8,081	4,033
Other	6,455	-	2,601	4,429
Total Revenues	<u>2,164,407</u>	<u>2,386,292</u>	<u>1,100,426</u>	<u>1,182,244</u>
 <u>Expenditures</u>				
Current:				
General Government	1,052,357	-	-	-
Public Safety	-	2,236,594	-	1,234,273
Planning and Zoning	56,482	-	-	-
Public Works	96,975	-	-	-
Health and Welfare	103,290	-	-	-
Recreation and Cultural	-	-	1,100,271	-
Other	365,790	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	11,580
Total Expenditures	<u>1,674,894</u>	<u>2,236,594</u>	<u>1,100,271</u>	<u>1,245,853</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>489,513</u>	<u>149,698</u>	<u>155</u>	<u>(63,609)</u>
 <u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	-
Transfers Out	(480,614)	-	-	(340,000)
Total Other Financing Sources (Uses)	<u>(480,614)</u>	<u>-</u>	<u>-</u>	<u>(340,000)</u>
Net Change in Fund Balances	8,899	149,698	155	(403,609)
Fund Balances - Beginning	<u>1,920,245</u>	<u>666,586</u>	<u>167,040</u>	<u>1,299,086</u>
Fund Balances - Ending	<u>\$ 1,929,144</u>	<u>\$ 816,284</u>	<u>\$ 167,195</u>	<u>\$ 895,477</u>

Fire & EMS	Library	Fire/Library Debt	Other Governmental Funds	Total Governmental Funds
\$ 1,009,773	\$ 941,205	\$ 1,061,442	\$ -	\$ 7,182,199
-	-	-	393,034	419,218
173,024	42,940	-	66,390	1,629,584
16,021	-	-	24,266	1,255,121
-	16,589	-	-	45,695
-	-	-	363,241	363,241
2,629	25,664	332	27,092	88,468
5,802	15,432	36	7,911	42,666
<u>1,207,249</u>	<u>1,041,830</u>	<u>1,061,810</u>	<u>881,934</u>	<u>11,026,192</u>
-	-	-	44,492	1,096,849
1,259,508	-	-	237,656	4,968,031
-	-	-	-	56,482
-	-	-	129,545	226,520
-	-	-	-	103,290
-	980,897	-	-	2,081,168
-	-	-	331,073	696,863
-	-	1,035,000	-	1,035,000
-	-	44,812	-	44,812
133,236	324,958	-	1,070,283	1,540,057
<u>1,392,744</u>	<u>1,305,855</u>	<u>1,079,812</u>	<u>1,813,049</u>	<u>11,849,072</u>
<u>(185,495)</u>	<u>(264,025)</u>	<u>(18,002)</u>	<u>(931,115)</u>	<u>(822,880)</u>
765,000	-	-	55,614	820,614
-	-	-	-	(820,614)
<u>765,000</u>	<u>-</u>	<u>-</u>	<u>55,614</u>	<u>-</u>
579,505	(264,025)	(18,002)	(875,501)	(822,880)
<u>549,960</u>	<u>1,449,180</u>	<u>42,619</u>	<u>2,719,694</u>	<u>8,814,410</u>
<u>\$ 1,129,465</u>	<u>\$ 1,185,155</u>	<u>\$ 24,617</u>	<u>\$ 1,844,193</u>	<u>\$ 7,991,530</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2014**

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

Net change in fund balances - total governmental funds	\$	(822,880)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	1,540,057
Capital Outlay - Departmental	156,391
Depreciation Expense	(703,013)

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

Principal Repayments	1,035,000
Increase in Compensated Absences	(5,858)

Change in Net Other Postemployment Benefit Liability		<u>(10,498)</u>
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Change in net position in governmental activities	\$	<u><u>1,189,199</u></u>
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**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2014**

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
<b><u>ASSETS</u></b>			
Current Assets:			
Cash	\$ 2,891,491	\$ 1,814,883	\$ 4,706,374
Accounts Receivable	557,406	-	557,406
Due from Other Units	58,200	143,822	202,022
Total Current Assets	3,507,097	1,958,705	5,465,802
Advance to Other Fund	96,324	-	96,324
Fixed Assets:			
Land	-	428,533	428,533
Water Mains	-	16,685,084	16,685,084
Sewer Mains	9,703,058	-	9,703,058
Accumulated Depreciation	(5,565,054)	(3,286,042)	(8,851,096)
Net Fixed Assets	4,138,004	13,827,575	17,965,579
Total Assets	7,741,425	15,786,280	23,527,705
 <b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable	\$ 245,428	\$ 80,263	\$ 325,691
Bonds Payable	100,582	430,000	530,582
Total Current Liabilities	346,010	510,263	856,273
Noncurrent Liabilities:			
Bonds Payable	2,249,102	7,685,000	9,934,102
Total Liabilities	2,595,112	8,195,263	10,790,375
 <b><u>DEFERRED INFLOWS</u></b>			
Deferred Charge on Refunding Bonds	-	230,000	230,000
 <b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	1,788,320	5,712,575	7,500,895
Unrestricted	3,357,993	1,648,442	5,006,435
Total Net Position	\$ 5,146,313	\$ 7,361,017	\$ 12,507,330

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2014**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 1,847,190	\$ 3,640	\$ 1,850,830
Operating Expenses:			
Operations & Maintenance	1,914,479	57,880	1,972,359
Depreciation Expense	109,093	336,377	445,470
Total Operating Expenses	<u>2,023,572</u>	<u>394,257</u>	<u>2,417,829</u>
Operating Income (Loss)	<u>(176,382)</u>	<u>(390,617)</u>	<u>(566,999)</u>
Nonoperating Revenues (Expenses):			
Debt Surcharge	-	578,794	578,794
Interest Income	50,657	25,366	76,023
Interest Expense	<u>(25,723)</u>	<u>(373,807)</u>	<u>(399,530)</u>
Total Nonoperating Revenues (Expenses)	<u>24,934</u>	<u>230,353</u>	<u>255,287</u>
Income (Loss) Before Contributions	(151,448)	(160,264)	(311,712)
Capital Contributions	<u>269,500</u>	<u>463,060</u>	<u>732,560</u>
Net Income (Loss)	118,052	302,796	420,848
Net Position - January 1	<u>5,028,261</u>	<u>7,058,221</u>	<u>12,086,482</u>
Net Position - December 31	<u>\$ 5,146,313</u>	<u>\$ 7,361,017</u>	<u>\$ 12,507,330</u>



**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2014**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers and users	\$ 1,825,876	\$ 3,640	\$ 1,829,516
Payments to suppliers	<u>(2,109,958)</u>	<u>(121,439)</u>	<u>(2,231,397)</u>
Net Cash Provided (Used) by Operating Activities	<u>(284,082)</u>	<u>(117,799)</u>	<u>(401,881)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Capital Contributions	269,500	463,060	732,560
Debt Surcharge	-	578,794	578,794
Acquisition and Construction of Capital Assets	(1,892,726)	(118,473)	(2,011,199)
Proceeds from Refunding Issue	-	7,755,000	7,755,000
Proceeds from Long Term Borrowings	1,892,726	-	1,892,726
Principal Paid on Debt	(270,256)	(8,100,000)	(8,370,256)
Interest Paid on Debt	<u>(25,723)</u>	<u>(373,807)</u>	<u>(399,530)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(26,479)</u>	<u>204,574</u>	<u>178,095</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest Earned	<u>50,657</u>	<u>25,366</u>	<u>76,023</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(259,904)	112,141	(147,763)
Cash and Cash Equivalents, Beginning	<u>3,151,395</u>	<u>1,702,742</u>	<u>4,854,137</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,891,491</u>	<u>\$ 1,814,883</u>	<u>\$ 4,706,374</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u></b>			
Operating Income (Loss)	\$ (176,382)	\$ (390,617)	\$ (566,999)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	109,093	336,377	445,470
(Increase) Decrease in Accounts Receivable	(82,816)	-	(82,816)
(Increase) Decrease in Due from Other Units	31,271	(143,822)	(112,551)
(Increase) Decrease in Advance to Other Fund	30,231	-	30,231
Increase (Decrease) in Accounts Payable	<u>(195,479)</u>	<u>80,263</u>	<u>(115,216)</u>
Net Cash Provided (Used) by Operating Activities:	<u>\$ (284,082)</u>	<u>\$ (117,799)</u>	<u>\$ (401,881)</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2014**

	Agency Funds	
	Current Tax Collection	Trust & Agency
<u>ASSETS</u>		
Cash	\$ 2,301,457	\$ 439,393
 <u>LIABILITIES</u>		
Due to Other	2,301,457	439,393
 NET POSITION	\$ -	\$ -

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Oxford Township became a Charter Township by resolution of the Township Board. The Township is operated under a Board of Trustees form of government and provides the following services as authorized by law: public safety (police and fire), library, recreation, public improvements, building, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Charter Township of Oxford and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations and so data from these units is combined with data of the primary government. The Oxford Public Library is a blended component unit which is included in the Township's financial statements, but does issue a separate report. Separate financial statements of the Library may be obtained at Oxford Public Library, 530 Pontiac Road, Oxford, Michigan 48371. The Library has a December 31 year end.

*Discretely Presented Component Unit*

The Polly Ann Trailway Management Council is a discretely presented component unit and is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Council was created for the purpose of owning or leasing, exercising right of dominion over, developing, providing, maintaining, and operating certain non-motorized public trails for recreational use within the jurisdiction of member units, Addison Township, Orion Township, Oxford Township, Village of Leonard, and Village of Oxford. The Polly Ann Trailway Management Council has a December 31 year end.

B. Jointly Governed Organizations

North Oakland Transportation Authority

The Authority provides transportation services for the following six entities, the Charter Township of Oxford, the Charter Township of Orion, the Township of Addison, the Village of Lake Orion, the Village of Leonard and the Village of Oxford. The Authority's board consists of twelve members of which the Charter Township of Oxford appoints two. For the fiscal year ended December 31, 2014, the Charter Township of Oxford provided \$67,357 to the Authority. The North Oakland Transportation Authority is not considered a part of the reporting entity of the Charter Township of Oxford. Separate financial statements of the joint venture may be obtained at North Oakland Transportation Authority, 467 East Jackson Street, Lake Orion, Michigan 48362.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Government-Wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

Governmental Funds

The Township reports the following major governmental funds:

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

The Police Contracting, Parks and Recreation, Fire & EMS, Advanced Life Support, and Library Funds are special revenue funds supported by voted operating tax levies. The Fire/Library Debt Service Fund accounts for the debt millage levied and the debt payments made for principal and interest.

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

- The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes.
- The capital project fund accounts for the construction of the new township administrative building.
- The permanent fund accounts for the perpetual care endowment of the Township cemetery.

Proprietary Funds

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

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

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Fiduciary Funds

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

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

Restricted Resources

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

Estimates

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

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

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

2. Receivables and Payables

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

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

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

	<u>Accounts Receivable Governmental</u>	<u>Accounts Receivable Enterprise</u>
Total	\$ 134,233	\$ 557,406
Less Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>
Net Realizable Value	<u>\$ 134,233</u>	<u>\$ 557,406</u>

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

3. Capital Assets – Continued

are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-25
Equipment	5-15
Infrastructure	15-50

4. Compensated Absences

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

5. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining



CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

5. Long-term Obligations – Continued

portion of such obligations is reported in the Statement of Net Position. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

6. Fund Equity

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

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

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

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

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

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

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

1. In accordance with State law, prior to December 15, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis.
2. Public hearings are conducted in September and October to obtain taxpayer comment.
3. Prior to December 15, the budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Proprietary Fund budgets are prepared on a non-GAAP method.
6. Budget appropriations lapse at year end.
7. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
8. Budgeted amounts are reported as originally adopted and as amended by the Township Board. The budget was amended during fiscal year 2014.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of December 31, 2014.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in the annual budget. During the year ended December 31, 2014, the Township did not incur expenditures in excess of the amount appropriated.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

Custodial Credit Risk is the risk that in the event of a bank failure, the Township's deposits may not be recovered. Neither State law nor the Township's investment policy requires consideration of custodial credit risk. As of December 31, 2014, the Township's book balance of its deposits was \$15,939,065. The bank balance was \$16,020,197 which was exposed to custodial credit risk, as follows:

	<u>Bank</u>
	<u>Balance</u>
Insured by F.D.I.C.	\$ 1,022,691
Uninsured and Uncollateralized	<u>14,997,506</u>
Total	<u>\$ 16,020,197</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

A reconciliation of cash to the accompanying financial statements follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$ 13,198,215
Agency Funds	<u>2,740,850</u>
Total	<u>\$ 15,939,065</u>

At December 31, 2014, the carrying amount and bank balance of the component unit of the Charter Township of Oxford, the Polly Ann Trailway Management Council, was \$70,660, all of which is FDIC insured.

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

Interest Rate Risk. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township's deposits and investments consisted of the following:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Deposits and Investments:		
Savings and Checking Accounts	\$ 7,313,584	Demand
Pooled Investments	\$ 8,643,575	Demand
Certificates of Deposit	\$ 63,038	506 Days

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not further limit its investment choices. As of year end, all deposits and investments consist of demand accounts, pooled investments, and certificates of deposit, all of which are not rated.

Concentration of Credit Risk. The Township's investment policy places no limit on the amount the Township may invest in any one issuer. The Township does not have more than 5% of its total investments in a single issuer.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not depreciated:				
Land	\$ 1,370,280	\$ -	\$ -	\$ 1,370,280
Capital Assets, being depreciated:				
Building and Land Improvements	12,443,702	1,102,567	-	13,546,269
Vehicles	3,341,390	29,299	-	3,370,689
Machinery and Equipment	1,864,668	564,582	(5,145)	2,424,105
Infrastructure	615,240	-	-	615,240
	<u>18,265,000</u>	<u>1,696,448</u>	<u>(5,145)</u>	<u>19,956,303</u>
Less: Accumulated Depreciation:				
Building and Land Improvements	(4,360,901)	(299,103)	-	(4,660,004)
Vehicles	(2,119,858)	(267,779)	-	(2,387,637)
Machinery and Equipment	(1,438,736)	(108,431)	5,145	(1,542,022)
Infrastructure	(161,448)	(27,700)	-	(189,148)
	<u>(8,080,943)</u>	<u>(703,013)</u>	<u>5,145</u>	<u>(8,778,811)</u>
Governmental Activities Capital Assets, net	<u>\$11,554,337</u>	<u>\$ 993,435</u>	<u>\$ -</u>	<u>\$12,547,772</u>

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

General Government	\$ 82,149
Public Safety	412,324
Recreation and Cultural	208,540
	<u>\$ 703,013</u>

Business-type Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not depreciated:				
Land	\$ 428,533	\$ -	\$ -	\$ 428,533
Capital Assets, being depreciated:				
Infrastructure	24,376,943	2,011,199	-	26,388,142
Less: Accumulated Depreciation:				
Infrastructure	(8,405,626)	(445,470)	-	(8,851,096)
Business-type Activities Capital Assets, net	<u>\$ 16,399,850</u>	<u>\$ 1,565,729</u>	<u>\$ -</u>	<u>\$ 17,965,579</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

<u>Component Unit-Polly Ann Trailway:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 3,314	\$ -	\$ -	\$ 3,314
Capital Assets, being depreciated:				
Restroom	27,296	-	-	27,296
Parking Lot	35,000	-	-	35,000
Trailway Improvements	26,906	-	-	26,906
Less: Accumulated Depreciation	<u>(41,524)</u>	<u>(5,241)</u>	<u>-</u>	<u>(46,765)</u>
Component Unit, Capital Assets, net	<u>\$ 50,992</u>	<u>\$ (5,241)</u>	<u>\$ -</u>	<u>\$ 45,751</u>

C. Interfund Receivables, Payables and Transfers

<u>Advance Receivable</u>	<u>Advance Payable</u>	
Sewer Fund	Parks and Recreation Fund	<u>\$ 96,324</u>
<u>Transfers In</u>	<u>Transfers Out</u>	
Fire/EMS Fund	General Fund	\$ 425,000
Fire/EMS Fund	Advanced Life Support Fund	340,000
Road Fund	General Fund	<u>55,614</u>
		<u>\$ 820,614</u>

The Sewer Fund advanced funds to the Park Fund for the purchase of property. The principal plus interest is to be repaid over 7 years.

Transfers from the General Fund to the other funds represent budgeted amounts to augment special projects.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended December 31, 2014:

	<u>Balance</u> <u>Jan 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec 31, 2014</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 2,450,000	\$ -	\$ 1,035,000	\$ 1,415,000	\$ 1,060,000
Compensated Absences	109,298	5,858	-	115,156	-
	<u>\$ 2,559,298</u>	<u>\$ 5,858</u>	<u>\$ 1,035,000</u>	<u>\$ 1,530,156</u>	<u>\$ 1,060,000</u>
Business Activities:					
General Obligation Bonds	\$ 8,690,000	\$ 7,755,000	\$ 8,330,000	\$ 8,115,000	\$ 430,000
Interceptor Drain 2010A	580,779	-	25,877	554,902	26,481
Interceptor Drain 2010B	146,435	-	5,804	140,631	6,046
Interceptor Drain 2013A	-	1,654,151	-	1,654,151	68,055
Interceptor Drain 2014	-	238,575	238,575	-	-
	<u>\$ 9,417,214</u>	<u>\$ 9,647,726</u>	<u>\$ 8,600,256</u>	<u>\$ 10,464,684</u>	<u>\$ 530,582</u>

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2014:

	<u>Number</u> <u>of Issues</u>	<u>Interest</u> <u>Rate</u>	<u>Maturing</u> <u>Through</u>	<u>Principal</u> <u>Outstanding</u>
Governmental Activities:				
General Obligation Bonds	1	1.50%-2.75%	2016	<u>\$ 1,415,000</u>
Business Activities:				
General Obligation Bonds	2	2.00%-4.00%	2030	\$ 8,115,000
Interceptor Drain Bonds	3	1.15%-5.90%	2034	2,349,684
				<u>\$ 10,464,684</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt – Continued

2014 Refunding Bonds

On November 26, 2014, the Township issued \$7,755,000 of limited tax general obligation refunding bonds with interest rates of 2.0 – 4.0% and annual maturities from October 2015 through October 2030. The net proceeds of \$7,755,000 were used to advance refund \$7,985,000 of 2005 Water Supply System Bonds with interest rates ranging from 4.0-4.50% and maturing through 2030. The refunding bond proceeds were placed in an irrevocable trust for the purpose of generating resources to pay the future debt service payments of the bonds. The bond premium of \$230,000 will be deferred and amortized over the remaining 15 years of the bond. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Township's liabilities. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and new bonds) of \$734,011.

The annual debt service requirements to maturity for debt outstanding as of December 31, 2014 are as follows:

Year Ended	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,060,000	\$ 21,687	\$ 530,582	\$ 313,615
2016	355,000	4,881	497,947	339,796
2017	-	-	510,312	325,622
2018	-	-	527,553	307,026
2019	-	-	550,039	287,743
2020-2024	-	-	3,050,832	1,135,761
2025-2029	-	-	3,579,834	595,868
2030-2034	-	-	1,217,585	57,325
	<u>\$ 1,415,000</u>	<u>\$ 26,568</u>	<u>\$ 10,464,684</u>	<u>\$ 3,362,756</u>

E. Deferred Inflows of Resources

Governmental funds report unearned revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. The deferred inflows in the governmental activities represents property taxes levied on December 1, 2014, but recognized revenue in the year ending December 31, 2015, when the proceeds of the levy are budgeted and available for financing operations. At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

Property taxes levied for 2015      \$6,796,543



CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Fund Balance Classifications

A detailed description of fund balance classifications (for all governmental fund types) at December 31, 2014, is presented below:

<u>Fund Balance</u>	<u>General Fund</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Advanced Life Support</u>	<u>Fire &amp; EMS</u>	<u>Library</u>	<u>Fire/Library Debt</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:									
Prepays	\$ 1,305	\$ -	\$ 885	\$ 13,354	\$ 11,275	\$ -	\$ -	\$ -	\$ 26,819
Restricted for:									
Police	-	816,284	-	-	-	-	-	-	816,284
Parks & Recreation	-	-	166,310	-	-	-	-	-	166,310
Adv. Life Support	-	-	-	882,123	-	-	-	-	882,123
Fire & EMS	-	-	-	-	1,118,190	-	-	-	1,118,190
Library	-	-	-	-	-	1,185,155	-	-	1,185,155
Building Dept.	-	-	-	-	-	-	-	452,849	452,849
Cable Television	-	-	-	-	-	-	-	554,062	554,062
Roads	-	-	-	-	-	-	-	38,883	38,883
Cemetery	-	-	-	-	-	-	-	132,784	132,784
Safety Path	-	-	-	-	-	-	-	437,743	437,743
Telecommunication	-	-	-	-	-	-	-	1,230	1,230
Debt Service	-	-	-	-	-	-	24,617	-	24,617
Total Restricted	-	816,284	166,310	882,123	1,118,190	1,185,155	24,617	1,617,551	5,810,230
Committed for									
Capital Projects	-	-	-	-	-	-	-	226,642	226,642
Unassigned	1,927,839	-	-	-	-	-	-	-	1,927,839
Total Fund Balance	\$ 1,929,144	\$ 816,284	\$ 167,195	\$ 895,477	\$ 1,129,465	\$ 1,185,155	\$ 24,617	\$ 1,844,193	\$ 7,991,530

G. Property Taxes

Property taxes are assessed as of each December 31. The Township tax levy is billed on December 1 of the following year, and payable through February. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levies for the Township are detailed below for the 2013 tax roll:

<u>Purpose</u>	<u>Authorization</u>	<u>Authorized Rate (Pre Rollback)*</u>	<u>Authorized Rate (Post Rollback)*</u>	<u>Rate Levied</u>
Operating	State Law	1.4100	.9536	.9500
Police Services	Voter Approved	2.9152	2.9152	2.9152
Library	Voter Approved	1.0000	.6764	.6764
Library	Voter Approved	.8500	.7218	.7218
Parks and Rec.	Voter Approved	.8538	.8538	.8538
Fire/EMS	Voter Approved	1.5000	1.5000	1.5000
ALS	Voter Approved	1.0000	1.0000	1.0000
Library/Fire Debt	Voter Approved	As Needed	-	1.6500

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

IV. OTHER INFORMATION

A. Defined Benefit Plan – Fire Department

1. Plan Description

The Township contributes to the Michigan Municipal Employees' Retirement System (MERS), which is an agent multiple employer retirement system that covers all full time fire and emergency medical employees of the Township. The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non duty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the date of termination of membership times the final average compensation (FAC). The most recent period for which actuarial data was available was for the actuarial valuation as of December 31, 2014.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Act No. 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, Michigan 48917.

2. Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the firefighters union contract and the fire department's personnel policy. The Township is required to contribute at an actuarially determined rate, and beginning January 1, 2012, the fire employees must contribute 2.50%; the current rate was a percentage of annual compensation at December 31, 2012 was 17.72%.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

3. Annual Pension Cost

During the fiscal year ended December 31, 2014, the Township's contributions totaling \$181,601 and \$25,616 of employee contributions were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2012. The employer contribution rate has been determined based on the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 30 years. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for the employee's projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 8% and annual salary increases of 4.5% based on an age-related scale to reflect merit, longevity, and promotional salary increases.

Three Year Trend Information

Year Ended <u>Dec. 31</u>	Valuation Date <u>Dec. 31</u>	Annual Pension Cost (APC) <u>Cost (APC)</u>	Percentage of APC Contributed <u>Contributed</u>	Net Pension Obligation <u>Obligation</u>
2012	2010	\$149,587	100%	\$ -0-
2013	2011	149,148	100%	-0-
2014	2012	181,601	100%	-0-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
12/31/05	2,646,753	3,438,419	791,666	77 %	235,226	337 %
12/31/06	2,629,865	3,577,449	947,584	74	545,323	174
12/31/07	2,777,484	3,546,666	769,182	78	770,031	100
12/31/08	2,788,012	3,690,650	902,638	76	922,416	98
12/31/09	2,782,000	3,762,875	980,875	74	988,040	99
12/31/10	2,790,499	3,764,496	973,997	74	851,839	114
12/31/11	2,798,987	3,949,057	1,150,070	71	887,100	130
12/31/12	2,799,163	4,124,324	1,325,161	68	945,091	140
12/31/13	2,889,249	4,303,339	1,414,090	67	917,312	154
12/31/14	2,987,145	4,656,803	1,669,658	64	1,014,816	165

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

3. Annual Pension Cost - Continued

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2014, the latest actual valuation, follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent
Remaining amortization period	27 years
Asset valuation method	10-year smoothed market
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases Includes inflation at 4.5%	4.50-12.90%
Cost of living adjustments	None

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
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IV. OTHER INFORMATION – Continued

B. Defined Contribution Plans

The Township maintains three separate defined contribution pension plans for its elected officials and other qualified employees of the Township, Parks and Recreation, and Library. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees of the different plans are eligible to participate at varying dates of employment. The plans were established by Township ordinance, which may be revised by amendment of the ordinance. Additional information for each plan follows:

	<u>General</u>	<u>Parks and Recreation</u>	<u>Library</u>
Plan Administrator	John Hancock	John Hancock	Various
Vesting	Immediate	Immediate	Immediate
Contribution Base	Base Compensation	Base Compensation	Base Compensation
Employer Contribution Rate	10-15%	15%	Discretionary
Employee Voluntary Contribution Rate	Up to 10%	Up to 10%	N/A
Numbered Participants	9	6	12
Employer Contribution	\$62,906	\$42,411	\$19,787
Employee Contribution	\$47,722	\$11,539	N/A

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

IV. OTHER INFORMATION – Continued

C. Post Retirement Health Care Benefits

Plan Description – The Township provides retiree healthcare benefits to eligible employees upon retirement in accordance with contractual agreements. These benefits are provided by contractual agreement and are paid by the General Fund. Currently, 3 individuals are receiving benefits. At the fund level, the expense is recognized by the Township as the payments to the employees are made. During the fiscal year 2014, this amounted to \$32,531.

Funding Policy – The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a “pay-as-you-go” basis).

Funding Progress – For the year ended December 31, 2014, the Township has estimated the cost of providing retiree healthcare benefits through use of the alternate calculation method as established under GASB 45. The alternate calculation method computes an annual required contribution that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The alternate calculation method uses actuarial techniques, although it was not performed by an actuary.

The computed contribution and actual funding are summarized as follows:

Annual Required Contribution (recommended)	\$ 42,916
Interest on the prior year's net OPEB obligation	113
Less adjustment to the annual required contribution	-
Annual OPEB Cost	<u>43,029</u>
Amounts Contributed:	
Payments of current premiums	(32,531)
Advance funding	-
Increase(Decrease) in net OPEB obligation	<u>10,498</u>
OPEB obligation - Beginning of Year	<u>68,148</u>
OPEB obligation - End of Year	<u><u>\$ 78,646</u></u>

The funding progress of the plan as of the most recent valuation date is as follows:

Valuation as of January 1, 2012:	
Actuarial Value of Assets	\$ 1,480
Actuarial Accrued Liability (AAL)	732,270
Unfunded AAL (UAAL)	730,790
Funded Ratio	0.20%
Ratio of UAAL to covered payroll	Not available

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

IV. OTHER INFORMATION – Continued

C. Post Retirement Health Care Benefits – Continued

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current year and the two preceding years are as follows:

<u>Fiscal Year</u> <u>Ended</u>	Actuarial <u>Valuation</u> <u>Date</u>	<u>Annual</u> <u>OPEB Costs</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/2012	1/1/2012	\$ 43,029	97%	\$ 63,922
12/31/2013	1/1/2012	\$ 43,029	90%	\$ 68,148
12/31/2014	1/1/2012	\$ 43,029	76%	\$ 78,646

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 calculation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.0 percent investment rate of return. The unfunded actuarial accrued liabilities were amortized as a level percent of active member payroll over a period of 30 years.

D. Risk Management

The Township is a member of the Michigan Township Participating Plan for its property and casualty insurance coverage and maintains commercial insurance coverage for workers compensation, and accidental death, dismemberment and disability liabilities. The Township believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this coverage in any of the past three fiscal years.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2014

IV. OTHER INFORMATION – Continued

E. Contingent Liabilities

1. Property Tax Appeals

The Township has various property tax assessment appeals pending. The Township attorney is unable to determine the probable results and therefore no adjustments have been reflected in the financial statements.

2. Debt Service

In 2005, the Township issued general obligation bonds through Oakland County in the amount of \$10,700,000 for water system improvements. A significant source of repayment of the bonds was expected to be generated from collection of capital charges and tap fee revenues commencing in fiscal year 2006 and continuing through fiscal year 2034. The Township does not expect revenues used in the repayment plan to occur in the short or near term, which raised some doubt about the Township's ability to meet future debt payments after approximately fiscal year 2016. The Township is currently developing a plan to mitigate any shortfalls in debt service payments.

3. Contingencies

The Township is a third party defendant in litigation regarding a subdivision within the Township which has a history of road drainage issues. The Township's insurance carrier is handling the case, and the Township may be required to purchase properties and easements and/or undertake road drainage improvements as part of this litigation. Estimated costs to the Township could be in the range of \$0 - \$1,000,000. The Township has obtained a grant commitment from the MDEQ in the amount of \$295,000 to defray potential costs in this matter.

F. Upcoming Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, which amends GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and GASB Statement No. 50, *Pension Disclosures*. This statement will require employers with defined benefit pension plans to recognize their unfunded pension benefit obligation as a liability on the government-wide and proprietary financial statements. These new standards will result in additional disclosures and required supplemental information, and will be effective beginning with the Township's fiscal year ending December 31, 2015.



REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF OXFORD**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 641,200	\$ 650,299	\$ 650,725	\$ 426
Licenses and Permits	13,150	27,344	26,184	(1,160)
Intergovernmental - Federal/CDBG	25,000	25,000	22,038	(2,962)
Intergovernmental - State	1,250,000	1,269,279	1,316,469	47,190
Charges for Services	129,170	131,760	125,333	(6,427)
Interest	16,600	20,183	17,203	(2,980)
Other	1,850	4,138	6,455	2,317
Total Revenues	<u>2,076,970</u>	<u>2,128,003</u>	<u>2,164,407</u>	<u>36,404</u>
Expenditures:				
General Government:				
Township Board	33,300	34,981	30,990	3,991
Township Supervisor	119,790	122,370	122,283	87
Elections	33,600	33,085	27,878	5,207
Assessor	157,205	157,205	137,284	19,921
Professional Fees	37,400	37,400	16,537	20,863
Township Clerk	145,651	147,285	147,187	98
Board of Review	4,160	2,854	2,757	97
Township Treasurer	142,380	143,586	142,903	683
Township Hall Building	59,921	68,663	52,626	16,037
Veterans Building	73,170	79,234	68,381	10,853
Cemetery	71,740	80,469	71,770	8,699
Other	237,520	276,919	231,761	45,158
Total General Government	<u>1,115,837</u>	<u>1,184,051</u>	<u>1,052,357</u>	<u>131,694</u>
Planning and Zoning:				
Planning Commission	90,125	89,328	53,902	35,426
Board of Appeals	11,050	4,175	2,580	1,595
Total Planning and Zoning	<u>101,175</u>	<u>93,503</u>	<u>56,482</u>	<u>37,021</u>
Public Works:				
Highways and Streets	18,200	139,155	38,155	101,000
Street Lighting	12,000	11,700	10,705	995
Engineering	27,500	69,479	48,115	21,364
Total Public Works	<u>57,700</u>	<u>220,334</u>	<u>96,975</u>	<u>123,359</u>
Health and Welfare:				
Citizen Programs/CDBG	25,000	25,000	24,813	187
Social Services	11,120	11,120	11,120	-
NOTA	86,420	92,857	67,357	25,500
Total Health and Welfare	<u>122,540</u>	<u>128,977</u>	<u>103,290</u>	<u>25,687</u>
Other Functions:				
Fringe Benefits	343,105	372,923	349,477	23,446
Insurance and Bonds	9,600	9,600	6,475	3,125
Contributions	10,000	9,838	9,838	-
Contingencies	317,013	68,136	-	68,136
Total Other Functions	<u>679,718</u>	<u>460,497</u>	<u>365,790</u>	<u>94,707</u>
Total Expenditures	<u>2,076,970</u>	<u>2,087,362</u>	<u>1,674,894</u>	<u>412,468</u>

(continued)

**CHARTER TOWNSHIP OF OXFORD**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ 40,641	\$ 489,513	\$ 448,872
Other Financing Uses: Operating Transfers Out	<u>-</u>	<u>(480,614)</u>	<u>(480,614)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (439,973)</u>	8,899	<u>\$ 448,872</u>
Fund Balance - January 1			<u>1,920,245</u>	
Fund Balance - December 31			<u>\$ 1,929,144</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Police Contracting Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 2,268,400	\$ 2,271,121	\$ 2,271,122	\$ 1
Intergovernmental-State	8,400	8,723	8,723	-
Charges for Services	2,900	73,915	73,907	(8)
Fines and Forfeitures	17,100	29,056	29,106	50
Interest	2,000	3,600	3,434	(166)
Total Revenues	<u>2,298,800</u>	<u>2,386,415</u>	<u>2,386,292</u>	<u>(123)</u>
Expenditures:				
Public Safety	<u>2,298,800</u>	<u>2,386,415</u>	<u>2,236,594</u>	<u>149,821</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	149,698	<u>\$ 149,698</u>
Fund Balance - January 1			<u>666,586</u>	
Fund Balance - December 31			<u>\$ 816,284</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Parks and Recreation Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 570,400	\$ 572,120	\$ 574,734	\$ 2,614
Charges for Services	475,750	489,526	515,010	25,484
Interest	-	6,742	8,081	1,339
Other	-	37	2,601	2,564
Total Revenues	<u>1,046,150</u>	<u>1,068,425</u>	<u>1,100,426</u>	<u>32,001</u>
Expenditures:				
Recreation	<u>1,046,150</u>	<u>1,103,576</u>	<u>1,100,271</u>	<u>3,305</u>
Total Expenditures	<u>1,046,150</u>	<u>1,103,576</u>	<u>1,100,271</u>	<u>3,305</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ <u>-</u>	\$ <u>(35,151)</u>	155	\$ <u>35,306</u>
Fund Balance - January 1			<u>167,040</u>	
Fund Balance - December 31			\$ <u><u>167,195</u></u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Advanced Life Support Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 673,106	\$ 673,198	\$ 673,198	\$ -
Charges for Services	450,000	450,000	500,584	50,584
Interest	3,000	3,042	4,033	991
Other	-	4,332	4,429	97
Total Revenues	<u>1,126,106</u>	<u>1,130,572</u>	<u>1,182,244</u>	<u>51,672</u>
Expenditures:				
Public Safety:				
Advance Life Support	1,214,096	1,272,560	1,234,273	38,287
Capital Outlay	12,000	12,000	11,580	420
Total Expenditures	<u>1,226,096</u>	<u>1,284,560</u>	<u>1,245,853</u>	<u>38,707</u>
Excess (Deficiency) of Revenue Over Expenditures	(99,990)	(153,988)	(63,609)	90,379
Other Financing Uses:				
Operating Transfers Out	-	(340,000)	(340,000)	-
Net Change in Fund Balance	<u>\$ (99,990)</u>	<u>\$ (493,988)</u>	(403,609)	<u>\$ 90,379</u>
Fund Balance - January 1			<u>1,299,086</u>	
Fund Balance - December 31			<u>\$ 895,477</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Fire & EMS Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,009,658	\$ 1,017,139	\$ 1,009,773	\$ (7,366)
Grants	-	164,433	173,024	8,591
Charges for Services	1,100	11,905	16,021	4,116
Interest	1,500	1,908	2,629	721
Other	-	5,653	5,802	149
Total Revenues	<u>1,012,258</u>	<u>1,201,038</u>	<u>1,207,249</u>	<u>6,211</u>
Expenditures:				
Public Safety:				
Fire Contract	836,083	1,367,473	970,685	396,788
EMS	287,136	353,903	288,823	65,080
Construction	-	765,000	133,236	631,764
Total Expenditures	<u>1,123,219</u>	<u>2,486,376</u>	<u>1,392,744</u>	<u>1,093,632</u>
Excess (Deficiency) of Revenue Over Expenditures	(110,961)	(1,285,338)	(185,495)	1,099,843
Other Financing Sources:				
Operating Transfers In	<u>-</u>	<u>850,000</u>	<u>765,000</u>	<u>(85,000)</u>
Net Change in Fund Balance	<u>\$ (110,961)</u>	<u>\$ (435,338)</u>	579,505	<u>\$ 1,014,843</u>
Fund Balance - January 1			<u>549,960</u>	
Fund Balance - December 31			<u>\$ 1,129,465</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Library Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 925,000	\$ 941,205	\$ 941,205	\$ -
Intergovernmental-State	10,200	12,098	12,098	-
Intergovernmental-Local	27,000	30,842	30,842	-
Fines	18,000	15,600	16,589	989
Grants	1,000	5,995	5,995	-
Interest	4,012	25,145	25,664	519
Other	9,005	8,160	9,437	1,277
Total Revenues	<u>994,217</u>	<u>1,039,045</u>	<u>1,041,830</u>	<u>2,785</u>
Expenditures:				
Operating	1,028,985	991,927	980,897	11,030
Capital Outlay	175,000	325,000	324,958	42
Total Expenditures	<u>1,203,985</u>	<u>1,316,927</u>	<u>1,305,855</u>	<u>11,072</u>
Net Change in Fund Balance	<u>\$ (209,768)</u>	<u>\$ (277,882)</u>	(264,025)	<u>\$ 13,857</u>
Fund Balance - January 1			<u>1,449,180</u>	
Fund Balance - December 31			<u>\$ 1,185,155</u>	



OTHER SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF OXFORD**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2014**

	<u>Special Revenue</u>	<u>Capital Projects- Building &amp; Site</u>	<u>Permanent Fund- Cemetery</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 1,495,579	\$ 502,024	\$ 28,000	\$ 2,025,603
Accounts Receivable	<u>134,233</u>	<u>-</u>	<u>-</u>	<u>134,233</u>
Total Assets	<u>\$ 1,629,812</u>	<u>\$ 502,024</u>	<u>\$ 28,000</u>	<u>\$ 2,159,836</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	<u>\$ 40,261</u>	<u>\$ 275,382</u>	<u>\$ -</u>	<u>\$ 315,643</u>
Fund Balance:				
Restricted	1,589,551	-	28,000	1,617,551
Committed for Capital Projects	<u>-</u>	<u>226,642</u>	<u>-</u>	<u>226,642</u>
Total Fund Balance	<u>1,589,551</u>	<u>226,642</u>	<u>28,000</u>	<u>1,844,193</u>
Total Liabilities and Fund Balance	<u>\$ 1,629,812</u>	<u>\$ 502,024</u>	<u>\$ 28,000</u>	<u>\$ 2,159,836</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2014**

	<u>Special Revenue</u>	<u>Capital Projects- Building &amp; Site</u>	<u>Permanent Fund- Cemetery</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues:</u>				
Licenses and Permits	\$ 393,034	\$ -	\$ -	\$ 393,034
Intergovernmental	66,390	-	-	66,390
Charges for Services	24,266	-	-	24,266
Franchise Fees	363,241	-	-	363,241
Interest	8,584	18,508	-	27,092
Other	7,911	-	-	7,911
Total Revenues	<u>863,426</u>	<u>18,508</u>	<u>-</u>	<u>881,934</u>
<u>Expenditures:</u>				
General Government	44,492	-	-	44,492
Public Safety	237,656	-	-	237,656
Public Works	129,545	-	-	129,545
Other	331,073	-	-	331,073
Capital Outlay	18,965	1,051,318	-	1,070,283
Total Expenditures	<u>761,731</u>	<u>1,051,318</u>	<u>-</u>	<u>1,813,049</u>
Excess (Deficiency) of Revenues Over Expenditures	101,695	(1,032,810)	-	(931,115)
<u>Other Financing Sources:</u>				
Operating Transfers In	55,614	-	-	55,614
Net Change in Fund Balances	157,309	(1,032,810)	-	(875,501)
Fund Balances - January 1	<u>1,432,242</u>	<u>1,259,452</u>	<u>28,000</u>	<u>2,719,694</u>
Fund Balances - December 31	<u>\$ 1,589,551</u>	<u>\$ 226,642</u>	<u>\$ 28,000</u>	<u>\$ 1,844,193</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**December 31, 2014**

<u>ASSETS</u>	<u>Building</u>	<u>Cable Television</u>	<u>Road</u>	<u>Cemetery Maintenance</u>
Cash	\$ 478,527	\$ 433,038	\$ 38,883	\$ 104,784
Accounts Receivable	<u>62</u>	<u>134,171</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 478,589</u>	<u>\$ 567,209</u>	<u>\$ 38,883</u>	<u>\$ 104,784</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 25,740	\$ 13,147	\$ -	\$ -
Fund Balance:				
Restricted	<u>452,849</u>	<u>554,062</u>	<u>38,883</u>	<u>104,784</u>
Total Liabilities and Fund Balance	<u>\$ 478,589</u>	<u>\$ 567,209</u>	<u>\$ 38,883</u>	<u>\$ 104,784</u>

<u>Safety Path</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ 439,117	\$ 1,230	\$ 1,495,579
<u>-</u>	<u>-</u>	<u>134,233</u>
<u>\$ 439,117</u>	<u>\$ 1,230</u>	<u>\$ 1,629,812</u>

\$ 1,374    \$ -    \$ 40,261

<u>437,743</u>	<u>1,230</u>	<u>1,589,551</u>
<u>\$ 439,117</u>	<u>\$ 1,230</u>	<u>\$ 1,629,812</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2014**

	<u>Building</u>	<u>Cable Television</u>	<u>Road</u>	<u>Cemetery Maintenance</u>
Revenues:				
Licenses and Permits	\$ 393,034	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	55,614	-
Charges for Services	24,266	-	-	-
Franchise Fees	-	363,241	-	-
Interest	484	6,728	44	102
Other	-	6,335	1	1,000
Total Revenues	<u>417,784</u>	<u>376,304</u>	<u>55,659</u>	<u>1,102</u>
Expenditures:				
Current:				
General Government	-	-	-	6,470
Public Safety	183,650	-	-	-
Public Works	-	-	129,545	-
Other	-	331,073	-	-
Capital Outlay	-	18,965	-	-
Total Expenditures	<u>183,650</u>	<u>350,038</u>	<u>129,545</u>	<u>6,470</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>234,134</u>	<u>26,266</u>	<u>(73,886)</u>	<u>(5,368)</u>
Other Financing Sources:				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>55,614</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	234,134	26,266	(18,272)	(5,368)
Fund Balance - January 1	<u>218,715</u>	<u>527,796</u>	<u>57,155</u>	<u>110,152</u>
Fund Balance - December 31	<u>\$ 452,849</u>	<u>\$ 554,062</u>	<u>\$ 38,883</u>	<u>\$ 104,784</u>

<u>Safety Path</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ -	\$ -	\$ 393,034
-	10,776	66,390
-	-	24,266
-	-	363,241
1,212	14	8,584
75	500	7,911
<u>1,287</u>	<u>11,290</u>	<u>863,426</u>
-	38,022	44,492
54,006	-	237,656
-	-	129,545
-	-	331,073
-	-	18,965
<u>54,006</u>	<u>38,022</u>	<u>761,731</u>
<u>(52,719)</u>	<u>(26,732)</u>	<u>101,695</u>
<u>-</u>	<u>-</u>	<u>55,614</u>
(52,719)	(26,732)	157,309
<u>490,462</u>	<u>27,962</u>	<u>1,432,242</u>
<u>\$ 437,743</u>	<u>\$ 1,230</u>	<u>\$ 1,589,551</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Component Unit - Polly Ann Trailway Management Council**  
**Balance Sheet**  
**December 31, 2014**

**Assets**

Cash	\$	<u>70,660</u>
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**Liabilities and Fund Balance**

Liabilities:

Accounts Payable	\$	-
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Fund Balance		<u>70,660</u>
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Total Liabilities and Fund Balance	\$	<u>70,660</u>
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**Reconciliation to Statement of Net Position (page 10):**

Fund Balance at December 31, 2014	\$	70,660
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Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		<u>45,751</u>
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Net Position of Governmental Activities-Component Unit	\$	<u>116,411</u>
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**CHARTER TOWNSHIP OF OXFORD**  
**Component Unit - Polly Ann Trailway Management Council**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b><u>Revenues</u></b>				
Contributions - Orion Township	\$ 13,643	\$ 13,643	\$ 13,643	\$ -
Contributions - Oxford Township	9,838	9,838	9,838	-
Contributions - Village of Oxford	2,093	2,093	2,093	-
Contributions - Addison Township	7,749	7,749	7,749	-
Grants	-	25,000	25,000	-
Donations	8,187	9,557	5,921	(3,636)
Interest Income	70	90	24	(66)
Total Revenues	41,580	67,970	64,268	(3,702)
<b><u>Expenditures</u></b>				
Contracted Services	22,000	22,000	13,468	8,532
Professional Services	1,200	4,000	3,375	625
Insurance	3,000	3,000	2,847	153
Telephone	550	550	277	273
Utilities	200	200	220	(20)
Grounds Maintenance	11,203	11,203	4,490	6,713
Advertising and Web	350	350	231	119
Miscellaneous	3,077	4,577	2,333	2,244
Contingency	-	22,090	-	22,090
Total Expenditures	41,580	67,970	27,241	40,729
Net Change in Fund Balance	\$ -	\$ -	37,027	\$ 37,027
Fund Balance - Beginning			33,633	
Fund Balance - Ending			\$ 70,660	
<b><u>Reconciliation to Statement of Activities (pages 11-12):</u></b>				
Net Change in Fund Balance at December 31, 2014			\$ 37,027	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents capital outlay in excess of depreciation in the current period.				
Depreciation Expense			(5,241)	
Change in Net Position-Component Unit			\$ 31,786	

