

Audited Financial Statements  
and Other Supplementary Information

Charter Township of Oakland  
Oakland County, Michigan

*Year Ended December 31, 2024  
with Report of Independent Auditors*

Charter Township of Oakland  
Audited Financial Statements  
and Other Supplementary Information  
Year Ended December 31, 2024

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## Report of Independent Auditors

To the Township Board of Trustees  
Charter Township of Oakland

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Oakland, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Charter Township of Oakland's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Oakland as of December 31, 2024, 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.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township of Oakland's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Charter Township of Oakland's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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 Charter Township of Oakland's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Andrews Hooper Paulik PLC*

Bloomfield Hills, Michigan  
May 29, 2025

# Charter Township of Oakland

## Management's Discussion and Analysis

December 31, 2024

### Overview of the Financial Statements

The Charter Township of Oakland's 2024 annual report is presented in conformity with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. This annual report consists of four parts – management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Township and the notes to the financial statements. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

The analysis below compares the results for the year ended December 31, 2024, to the year ended December 31, 2023.

### Government-wide Statements

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

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

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

- **Governmental Activities** – Most of the Township's basic services are included here, such as public safety, public works, recreation and culture, and general administration. Property taxes, state-shared revenue, grants, and charges for services provide most of the funding.
- **Business-type Activities** – The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's water and sewer system and building inspection services are treated as business-type activities.

# Charter Township of Oakland

## Management's Discussion and Analysis

December 31, 2024

### **Fund Financial Statements**

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

- **Governmental Funds** – Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.
- **Proprietary Funds** – Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like government-wide statements, provide both long-term and short-term financial information.
- **Fiduciary Funds** – The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township's fiduciary activities are reported in separate statements. These activities are excluded from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The Township has a total net position of \$90.3 million, composed of \$57 million from governmental activities and \$33.3 million from business-type activities. The table below shows a condensed format comparison of net position as of the current date to the prior year.

# Charter Township of Oakland

## Management's Discussion and Analysis

December 31, 2024

### The Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
<b>Assets</b>						
Current and other assets	\$ 36,042,628	\$ 33,486,443	\$ 15,705,088	\$ 17,237,155	\$ 51,747,716	\$ 50,723,598
Capital assets	32,000,387	32,476,845	27,209,654	26,041,456	59,210,041	58,518,301
Total assets	68,043,015	65,963,288	42,914,742	43,278,611	110,957,757	109,241,899
<b>Deferred Outflows of Resources</b>						
	42,871	42,871	-	-	42,871	42,871
<b>Liabilities</b>						
Current liabilities	916,704	2,050,581	1,095,277	1,371,874	2,011,981	3,422,455
Noncurrent liabilities	487,784	75,912	8,519,992	7,337,045	9,007,776	7,412,957
Total liabilities	1,404,488	2,126,493	9,615,269	8,708,919	11,019,757	10,835,412
<b>Deferred Inflows of Resources</b>						
	9,706,876	9,085,981	-	-	9,706,876	9,085,981
<b>Net Position</b>						
Net investment in capital assets	31,862,777	32,476,845	18,723,871	18,469,053	50,586,648	50,945,898
Restricted	10,183,568	8,625,672	-	-	10,183,568	8,625,672
Unrestricted	14,928,177	13,691,168	14,575,602	16,100,639	29,503,779	29,791,807
Total net position	\$ 56,974,522	\$ 54,793,685	\$ 33,299,473	\$ 34,569,692	\$ 90,273,995	\$ 89,363,377

The Township experienced an increase of \$2.18 million in the net position of the governmental activities and decrease of \$1.27 million in net position of business-type activities.

# Charter Township of Oakland

## Management's Discussion and Analysis

December 31, 2024

### The Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 631,269	\$ 589,533	\$ 3,963,682	\$ 3,608,673	\$ 4,594,951	\$ 4,198,206
Operating grants	684,207	731,961	-	-	684,207	731,961
Capital grants	-	-	68,677	66,003	68,677	66,003
General revenue:						
Property taxes	9,040,553	9,484,412	-	-	9,040,553	9,484,412
Intergovernmental	2,237,228	2,316,973	-	-	2,237,228	2,316,973
Investment (losses) income	1,471,756	1,490,945	548,177	731,514	2,019,933	2,222,459
Other revenue	720,561	788,920	848,191	968,865	1,568,752	1,757,785
<b>Total revenues</b>	<b>14,785,574</b>	<b>15,402,744</b>	<b>5,428,727</b>	<b>5,375,055</b>	<b>20,214,301</b>	<b>20,777,799</b>
<b>Expenses</b>						
General government	1,962,649	1,781,184	-	-	1,962,649	1,781,184
Public safety	6,035,429	5,614,151	-	-	6,035,429	5,614,151
Public works	466,714	496,144	-	-	466,714	496,144
Community and economic development	173,595	178,838	-	-	173,595	178,838
Recreation and culture	3,966,350	3,994,412	-	-	3,966,350	3,994,412
Operating expenses other than depreciation	-	-	3,896,657	3,537,304	3,896,657	3,537,304
Depreciation	-	-	1,017,817	836,787	1,017,817	836,787
Interest expense	-	-	277,309	284,757	277,309	284,757
Other nonoperating expenses	-	-	1,507,163	1,414,173	1,507,163	1,414,173
<b>Total expenses</b>	<b>12,604,737</b>	<b>12,064,729</b>	<b>6,698,946</b>	<b>6,073,021</b>	<b>19,303,683</b>	<b>18,137,750</b>
<b>Change in net position</b>	<b>\$ 2,180,837</b>	<b>\$ 3,338,015</b>	<b>\$ (1,270,219)</b>	<b>\$ (697,966)</b>	<b>\$ 910,618</b>	<b>\$ 2,640,049</b>

Revenue for governmental activities totaled \$14.7 million for the year ended December 31, 2024. A total of \$9 million, or approximately 61% of all governmental activities revenue received by the Township was in the form of property taxes. The remaining \$5.7 million was the net results of grants, intergovernmental revenue, investment earnings/losses, charges for services, and other revenue.

Governmental activities revenue decreased by approximately \$.6 million primarily due to reducing the operating millage to zero for the taxes collected in 2024.

# Charter Township of Oakland

## Management's Discussion and Analysis

December 31, 2024

Governmental expenses increased in total by approximately \$.6 million due to increased public safety expenditures of \$.4 million and increased general operating costs of \$.2 million due to vendor contract and product cost increases.

Net position for the business-type activities decreased by approximately \$1.27 million from the prior year. The bulk of the net decrease was due to increased water and sewer operating expenses and increased depreciation expenses due to the capitalization of the South East Water Storage System. The Township also experienced a rainy summer season which resulted in lower water revenue as well.

### **Financial Analysis of Township Funds and Budgets**

The General Fund ended 2024 with a total fund balance of \$15.3 million, with \$13.3 million in unassigned fund balance. The total General Fund revenue was higher than the budgeted amount, by approximately \$224,000 or 5.2%, which relates to higher-than-expected investment income. Total expenditures before transfers were lower than the amended budget by approximately \$691,000 or 21%. Several public works and other capital expenditures were not started or completed as of December 31, 2024, contributing to favorable variances of approximately \$145,000 and \$287,000, respectively.

Besides the General Fund, the Township reports budgetary comparison schedules for each of its other major special revenue funds, those being the Fire Fund, Police Fund, Parks Fund, and Land Preservation Fund. The Fire, Police, Parks, and Land Preservation funds mostly reported favorable net budget variances of approximately \$(24,500), \$34,400, \$576,900, and \$1,014,000, respectively. The favorable variances are mainly due to capital projects not being started or completed by the conclusion of the fiscal period.

### **Capital Assets and Debt Administration**

At the end of 2024, the Township's governmental activities had approximately \$32.0 million of capital assets, net of depreciation, invested in buildings, land improvements, information technology, equipment, and vehicles. The governmental activities reported approximately \$329,000 of additions this year. The business-type activities reported approximately \$27.2 million in capital assets, net of depreciation, primarily invested in infrastructure assets. The business-type activities reported approximately \$6.8 million in additions for the year.

There is no general obligation debt issued by the Township as of December 31, 2024. Debt relating to the Oakland-Macomb Interceptor Drainage Sewer system totaling approximately \$3.2 million and the Oakland County-Oakland Township water system improvement bonds totaling approximately \$5 million are recorded as liabilities on the business-type activities statement of net position.

# Charter Township of Oakland

## Management's Discussion and Analysis

December 31, 2024

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

### **Current Economic Events**

The Township realized a \$133.4 million, or 7%, increase in taxable values for the fiscal year ended December 31, 2024, compared to the previous year. Accelerating property values, along with new housing starts, continue to provide the Township with a steady stream of revenue. With a healthy General Fund balance, minimal debt, and no legacy costs, the Township is in an excellent economic position to (1) maintain and improve services to its residents, (2) assess and meet its capital needs going forward, and (3) provide appropriate staffing levels within its departments. In recent years, these conditions have allowed the Township to lower its operating millage within the General Fund budget.

Aside from services provided through the General Fund millage, the Township, through additional voter-approved millages, provides fire (.9231), police (1.621), senior citizen (.3141), safety path trail system (.1612), parks (.6922), land preservation (.6105), library (.5729), and historic district preservation (.1075) services and activities. The Township is the premier location in southeast Michigan to live and enjoy the open spaces provided by its user-friendly park system. Building on the long tradition of conservative money management, the Township retains significant fund balances in all of its operating accounts. These fund balances allow the Township to maintain quality services, even during economic downturns. The fund balances also allow us to meet major capital needs without the need to incur debt. The current fiscal period from January 1, 2025, through December 31, 2025, will see continued attention to the road system and development of the water and sewer systems.

### **Requests for Further Information**

This financial report is intended to provide a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at Township Hall located at 4393 Collins Road, Rochester, Michigan 48306.

# Charter Township of Oakland

## Statement of Net Position

December 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 26,525,024	\$ 12,787,131	\$ 39,312,155
Receivables:			
Property taxes receivable	8,807,454	-	8,807,454
Receivables from sales to customers on account	-	1,077,933	1,077,933
Accrued interest receivable	117,805	263,362	381,167
Other receivables	89,280	-	89,280
Due from other governmental units	388,283	37,009	425,292
Prepaid expenses and other assets	114,782	4,335	119,117
Restricted assets	-	1,535,318	1,535,318
Capital assets:			
Assets not subject to depreciation	25,447,267	931,834	26,379,101
Assets subject to depreciation – net	6,553,120	26,277,820	32,830,940
Total assets	68,043,015	42,914,742	110,957,757
<b>Deferred Outflows of Resources</b>	42,871	-	42,871
<b>Liabilities</b>			
Accounts payable	458,677	258,801	717,478
Due to other governmental units	34,248	309,301	343,549
Refundable deposits, bonds, etc.	-	431,908	431,908
Accrued liabilities and other	356,882	95,267	452,149
Unearned revenue	66,897	-	66,897
Noncurrent liabilities:			
Due within one year	274,390	279,220	553,610
Due in more than one year	75,784	8,240,772	8,316,556
Lease liability - current	73,500	-	73,500
Lease liability - noncurrent	64,110	-	64,110
Total liabilities	1,404,488	9,615,269	11,019,757
<b>Deferred Inflows of Resources</b>			
Property taxes levied for the following year	9,706,876	-	9,706,876
Total deferred inflows of resources	9,706,876	-	9,706,876
<b>Net Position</b>			
Net investment in capital assets	31,862,777	18,723,871	50,586,648
Restricted:			
Police	2,456,217	-	2,456,217
Fire	484,226	-	484,226
Cable	101,311	-	101,311
Parks	1,984,761	-	1,984,761
Trails	2,300,375	-	2,300,375
Historic District Commission	484,799	-	484,799
Library	234,051	-	234,051
Land preservation	2,152,886	-	2,152,886
Older Persons' Commission	(15,165)	-	(15,165)
OPC Transportation	107	-	107
Unrestricted	14,928,177	14,575,602	29,503,779
Total net position	\$ 56,974,522	\$ 33,299,473	\$ 90,273,995

# Charter Township of Oakland

## Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities:							
General government	\$ 1,962,649	\$ 42,625	\$ 684,207	\$ -	\$ (1,235,817)	\$ -	\$ (1,235,817)
Public safety	6,035,429	511,790	-	-	(5,523,639)	-	(5,523,639)
Public works	466,714	-	-	-	(466,714)	-	(466,714)
Community and economic development	173,595	-	-	-	(173,595)	-	(173,595)
Recreation and culture	3,966,350	76,854	-	-	(3,889,496)	-	(3,889,496)
Total governmental activities	<u>12,604,737</u>	<u>631,269</u>	<u>684,207</u>	<u>-</u>	<u>(11,289,261)</u>	<u>-</u>	<u>(11,289,261)</u>
Business-type activities:							
Sewer fund	1,942,738	1,459,697	-	68,677	-	(414,364)	(414,364)
Water fund	4,065,943	1,975,704	-	-	-	(2,090,239)	(2,090,239)
Building fund	690,265	528,281	-	-	-	(161,984)	(161,984)
Total business-type activities	<u>6,698,946</u>	<u>3,963,682</u>	<u>-</u>	<u>68,677</u>	<u>-</u>	<u>(2,666,587)</u>	<u>(2,666,587)</u>
Total primary government	<u>\$ 19,303,683</u>	<u>\$ 4,594,951</u>	<u>\$ 684,207</u>	<u>\$ 68,677</u>	<u>(11,289,261)</u>	<u>(2,666,587)</u>	<u>(13,955,848)</u>
General Revenue:							
Property taxes					9,040,553	-	9,040,553
State-shared revenue					2,237,228	-	2,237,228
Investment income					1,471,756	548,177	2,019,933
Cable franchise fees					331,130	-	331,130
Sale of capital assets					20,369	-	20,369
Transfers					174,700	(174,700)	-
Other miscellaneous income					194,362	1,022,891	1,217,253
Total general revenue					<u>13,470,098</u>	<u>1,396,368</u>	<u>14,866,466</u>
Change in net position					2,180,837	(1,270,219)	910,618
Net position at beginning of year					54,793,685	34,569,692	89,363,377
Net position at end of year					<u>\$ 56,974,522</u>	<u>\$ 33,299,473</u>	<u>\$ 90,273,995</u>

See notes to financial statements.

# Charter Township of Oakland

## Governmental Funds Balance Sheet

December 31, 2024

	General Fund	Fire Fund	Police Fund	Parks Fund	Land Preservation Fund	Library Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>								
Cash and investments	\$ 14,885,464	\$ 669,160	\$ 3,302,505	\$ 2,137,166	\$ 2,293,873	\$ 352,660	\$ 2,884,196	\$ 26,525,024
Receivables:								
Property taxes receivable	-	1,625,380	2,854,229	1,218,816	1,074,960	1,008,755	1,025,314	8,807,454
Accrued interest receivable	102,513	-	380	7,456	-	-	7,456	117,805
Other receivables	89,280	-	-	-	-	-	-	89,280
Due from other governmental units	388,283	-	-	-	-	-	-	388,283
Prepaid expenses and other assets	71,980	9,796	31,082	777	388	-	759	114,782
<b>Total assets</b>	<b>15,537,520</b>	<b>2,304,336</b>	<b>6,188,196</b>	<b>3,364,215</b>	<b>3,369,221</b>	<b>1,361,415</b>	<b>3,917,725</b>	<b>36,042,628</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>42,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,871</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 15,537,520</b>	<b>\$ 2,347,207</b>	<b>\$ 6,188,196</b>	<b>\$ 3,364,215</b>	<b>\$ 3,369,221</b>	<b>\$ 1,361,415</b>	<b>\$ 3,917,725</b>	<b>\$ 36,085,499</b>
<b>Liabilities</b>								
Accounts payable	\$ 44,126	\$ 23,196	\$ 313,472	\$ 35,394	\$ 26,178	\$ 15,595	\$ 716	\$ 458,677
Due to other governmental units	20,637	-	-	-	-	-	13,611	34,248
Accrued liabilities and other	69,000	38,622	241,714	-	5,033	-	2,513	356,882
Unearned revenue	66,897	-	-	-	-	-	-	66,897
<b>Total liabilities</b>	<b>200,660</b>	<b>61,818</b>	<b>555,186</b>	<b>35,394</b>	<b>31,211</b>	<b>15,595</b>	<b>16,840</b>	<b>916,704</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue	28,832	-	-	-	-	-	-	28,832
Property taxes levied for the following year	-	1,791,367	3,145,711	1,343,283	1,184,736	1,111,769	1,130,010	9,706,876
<b>Fund Balances</b>								
Nonspendable – prepaid expenses	71,980	9,796	31,082	777	388	-	759	114,782
Restricted:								
Police	-	-	2,456,217	-	-	-	-	2,456,217
Fire	-	484,226	-	-	-	-	-	484,226
Cable	101,311	-	-	-	-	-	-	101,311
Parks	-	-	-	1,984,761	-	-	-	1,984,761
Trails	-	-	-	-	-	-	2,300,375	2,300,375
Historic District Commission	-	-	-	-	-	-	484,799	484,799
Library	-	-	-	-	-	234,051	-	234,051
Older Persons' Commission	-	-	-	-	-	-	(15,165)	(15,165)
OPC Transportation	-	-	-	-	-	-	107	107
Land preservation	-	-	-	-	2,152,886	-	-	2,152,886
Assigned:								
Subsequent year's budget	1,509,572	-	-	-	-	-	-	1,509,572
Roads	169,000	-	-	-	-	-	-	169,000
Beautification	135,742	-	-	-	-	-	-	135,742
Bike path	66,926	-	-	-	-	-	-	66,926
Unassigned	13,253,497	-	-	-	-	-	-	13,253,497
<b>Total fund balances</b>	<b>15,308,028</b>	<b>494,022</b>	<b>2,487,299</b>	<b>1,985,538</b>	<b>2,153,274</b>	<b>234,051</b>	<b>2,770,875</b>	<b>25,433,087</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,537,520</b>	<b>\$ 2,347,207</b>	<b>\$ 6,188,196</b>	<b>\$ 3,364,215</b>	<b>\$ 3,369,221</b>	<b>\$ 1,361,415</b>	<b>\$ 3,917,725</b>	<b>\$ 36,085,499</b>

Charter Township of Oakland

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2024

Fund Balances Reported in Governmental Funds	\$	25,433,087
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds		32,000,387
Certain receivables were earned during the current fiscal period but are not available to pay for current period expenditures		28,832
Lease liabilities are not due and payable in the current period and therefore not reported in the funds.		(137,610)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities – employee compensated absences		(350,174)
Net position of Governmental Activities	\$	<u><u>56,974,522</u></u>

# Charter Township of Oakland

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2024

	General Fund	Fire Fund	Police Fund	Parks Fund	Land Preservation Fund	Library Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>								
Property taxes	\$ 8,778	\$ 1,675,711	\$ 2,942,490	\$ 1,257,653	\$ 1,109,072	\$ 1,040,759	\$ 1,006,090	\$ 9,040,553
Intergovernmental:								
Federal grants	684,207	-	-	-	-	-	-	684,207
State sources	2,227,228	10,000	-	-	-	-	-	2,237,228
Charges for services	42,625	496,725	15,065	76,854	-	-	-	631,269
Fines and forfeitures	13,889	-	-	-	-	-	-	13,889
Licenses and permits:								
Cable and franchise fees	331,130	-	-	-	-	-	-	331,130
Other licenses and permits	1,042	-	-	-	-	-	-	1,042
Interest and rentals:								
Investment income	824,670	39,045	219,750	107,452	114,249	31,221	135,369	1,471,756
Rental income	5,700	-	-	13,318	-	-	-	19,018
Other revenue	140,259	27,251	2,229	13,919	1,885	-	3,702	189,245
<b>Total revenue</b>	<b>4,279,528</b>	<b>2,248,732</b>	<b>3,179,534</b>	<b>1,469,196</b>	<b>1,225,206</b>	<b>1,071,980</b>	<b>1,145,161</b>	<b>14,619,337</b>
<b>Expenditures</b>								
Current services:								
General government	1,834,581	-	-	-	-	-	-	1,834,581
Public safety	-	2,814,998	2,810,339	-	-	-	-	5,625,337
Public works	459,037	-	-	-	-	-	-	459,037
Community and economic development	173,595	-	-	-	-	-	-	173,595
Recreation and culture	-	-	-	1,100,999	419,744	1,074,044	761,648	3,356,435
Capital outlay	37,344	238,832	284,565	36,845	21,691	-	115,748	735,025
Debt service - payment of lease	-	-	45,720	-	-	-	-	45,720
<b>Total expenditures</b>	<b>2,504,557</b>	<b>3,053,830</b>	<b>3,140,624</b>	<b>1,137,844</b>	<b>441,435</b>	<b>1,074,044</b>	<b>877,396</b>	<b>12,229,730</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>1,774,971</b>	<b>(805,098)</b>	<b>38,910</b>	<b>331,352</b>	<b>783,771</b>	<b>(2,064)</b>	<b>267,765</b>	<b>2,389,607</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	174,700	780,633	-	-	-	-	-	955,333
Transfers out	(780,633)	-	-	-	-	-	-	(780,633)
Issuance of lease	-	-	183,390	-	-	-	-	183,390
Sale of capital assets	-	-	-	20,369	-	-	-	20,369
<b>Total other financing (uses) sources</b>	<b>(605,933)</b>	<b>780,633</b>	<b>183,390</b>	<b>20,369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378,459</b>
Net change in fund balances	1,169,038	(24,465)	222,300	351,721	783,771	(2,064)	267,765	2,768,066
Fund balances at beginning of period, as previously reported	14,138,990	518,487	2,264,999	1,633,817	1,369,503	-	2,739,225	22,665,021
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	236,115	(236,115)	-
Fund balances at beginning of period, as adjusted	14,138,990	518,487	2,264,999	1,633,817	1,369,503	236,115	2,503,110	22,665,021
<b>Fund balances at end of period</b>	<b>\$ 15,308,028</b>	<b>\$ 494,022</b>	<b>\$ 2,487,299</b>	<b>\$ 1,985,538</b>	<b>\$ 2,153,274</b>	<b>\$ 234,051</b>	<b>\$ 2,770,875</b>	<b>\$ 25,433,087</b>

*See notes to financial statements.*

Charter Township of Oakland

Governmental Funds

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

Year Ended December 31, 2024

Net change in fund balances reported in governmental funds \$ 2,768,066

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

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

Depreciation expense	(990,800)
Capital outlay	514,342

Governmental funds report an other financing source at the inception of a lease. In the statement of activities, these costs are allocated over the life of the lease.	(183,390)
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Governmental funds report repayments of lease liabilities as expenditures. However, in the statement of activities, these repayments are reported as reductions of the related liability balance	45,720
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Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	516
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Some employee costs (compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	26,383
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Change in net position of governmental activities	<u>\$ 2,180,837</u>
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# Charter Township of Oakland

## Proprietary Funds Statement of Net Position

December 31, 2024

	Enterprise Funds			
	Sewer Fund	Water Fund	Building Fund	Total
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 8,899,836	\$ 2,246,617	\$ 1,640,678	\$ 12,787,131
Receivables:				
Receivables from sales to customers on account	349,961	727,972	-	1,077,933
Accrued interest receivable	233,315	-	30,047	263,362
Due from other governmental units	15,516	21,493	-	37,009
Prepaid expenses and other assets	-	-	4,335	4,335
Total current assets	9,498,628	2,996,082	1,675,060	14,169,770
Noncurrent assets:				
Restricted assets	1,535,318	-	-	1,535,318
Capital assets:				
Assets not subject to depreciation	917,094	14,740	-	931,834
Assets subject to depreciation - net	7,681,970	18,469,966	125,884	26,277,820
Total noncurrent assets	10,134,382	18,484,706	125,884	28,744,972
Total assets	19,633,010	21,480,788	1,800,944	42,914,742
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	1,571	231,813	25,417	258,801
Due to other governmental units	64,606	244,695	-	309,301
Refundable deposits, bonds, etc.	-	180,500	251,408	431,908
Accrued liabilities and other	43,133	52,000	134	95,267
Compensated absences	-	-	24,205	24,205
Current portion of long-term debt	160,015	95,000	-	255,015
Total current liabilities	269,325	804,008	301,164	1,374,497
Noncurrent liabilities:				
Compensated absences	-	-	10,004	10,004
Long-term debt	3,141,637	5,089,131	-	8,230,768
Total noncurrent liabilities	3,141,637	5,089,131	10,004	8,240,772
Total liabilities	3,410,962	5,893,139	311,168	9,615,269
<b>Net Position</b>				
Net investment in capital assets	5,297,412	13,300,575	125,884	18,723,871
Unrestricted	10,924,636	2,287,074	1,363,892	14,575,602
Total net position	\$ 16,222,048	\$ 15,587,649	\$ 1,489,776	\$ 33,299,473

# Charter Township of Oakland

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

Year Ended December 31, 2024

	Enterprise Funds			
	Sewer Fund	Water Fund	Building Fund	Total
<b>Operating revenue</b>				
Sale of water	\$ -	\$ 1,780,778	\$ -	\$ 1,780,778
Sewage disposal charges	1,363,402	-	-	1,363,402
Permit revenue	-	-	514,911	514,911
Other operating revenue	96,295	194,926	13,370	304,591
Total operating revenue	<u>1,459,697</u>	<u>1,975,704</u>	<u>528,281</u>	<u>3,963,682</u>
<b>Operating expenses</b>				
Cost of water	-	1,509,342	-	1,509,342
Cost of sewage treatment	927,023	-	-	927,023
Other operation and maintenance	186,668	295,724	-	482,392
Billing and administrative costs	102,252	200,689	-	302,941
Other operating expense	19,344	-	-	19,344
Building inspections and related activity	-	-	655,615	655,615
Depreciation	303,439	679,728	34,650	1,017,817
Total operating expenses	<u>1,538,726</u>	<u>2,685,483</u>	<u>690,265</u>	<u>4,914,474</u>
Operating loss	(79,029)	(709,779)	(161,984)	(950,792)
<b>Nonoperating revenue (expense)</b>				
Investment income	401,472	67,950	78,755	548,177
Interest expense	(55,271)	(222,038)	-	(277,309)
Other nonoperating expenses	(348,741)	(1,158,422)	-	(1,507,163)
Other nonoperating revenue	174,937	847,954	-	1,022,891
Total nonoperating (expense) revenue	<u>172,397</u>	<u>(464,556)</u>	<u>78,755</u>	<u>(213,404)</u>
Income/(loss) before capital contributions and transfers	93,368	(1,174,335)	(83,229)	(1,164,196)
Capital contributions	68,677	-	-	68,677
Transfers	-	-	(174,700)	(174,700)
Change in net position	162,045	(1,174,335)	(257,929)	(1,270,219)
Net position at beginning of period	16,060,003	16,761,984	1,747,705	34,569,692
Net position at end of period	<u>\$ 16,222,048</u>	<u>\$ 15,587,649</u>	<u>\$ 1,489,776</u>	<u>\$ 33,299,473</u>

# Charter Township of Oakland

## Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2024

	Enterprise Funds			
	Sewer Fund	Water Fund	Building Fund	Total
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 1,424,790	\$ 1,813,702	\$ 390,549	\$ 3,629,041
Payments to suppliers	(1,238,823)	(1,829,550)	(320,629)	(3,389,002)
Payments to employees	-	-	(378,015)	(378,015)
Net cash and cash equivalents provided by (used in) operating activities	185,967	(15,848)	(308,095)	(137,976)
<b>Cash flows used in noncapital financing activities</b>				
Nonoperating items charged by the County	(1,304,484)	1,362,541	-	58,057
<b>Cash flows from capital and related financing activities</b>				
Receipt of capital charges	68,677	-	-	68,677
Purchase of capital assets	(154,146)	(1,963,176)	(68,693)	(2,186,015)
Issuance of new debt	1,169,048	-	-	1,169,048
Principal and interest paid on capital debt	(216,425)	(316,552)	-	(532,977)
Transfer to other funds	-	-	(174,700)	(174,700)
Net cash and cash equivalents (used in) provided by capital and related financing activities	867,154	(2,279,728)	(243,393)	(1,655,967)
<b>Cash flows from investing activities</b>				
Gain on investments	289,762	67,657	78,383	435,802
Purchases of investment securities	-	(653,621)	(99,285)	(752,906)
Proceeds from sale and maturities of investment securities	314,587	-	-	314,587
Net cash and cash equivalents (used in) provided by investing activities	604,349	(585,964)	(20,902)	(2,517)
Net (decrease) increase in cash and cash equivalents	352,986	(1,518,999)	(572,390)	(1,738,403)
Cash and cash equivalents at beginning of period	5,909,981	3,102,762	2,105,892	11,118,635
Cash and cash equivalents at end of period	\$ 6,262,967	\$ 1,583,763	\$ 1,533,502	\$ 9,380,232
<b>Classification of cash and cash equivalents</b>				
Cash and investments	\$ 8,899,836	\$ 2,246,617	\$ 1,640,678	\$ 12,787,131
Less amounts classified as investments	(2,636,869)	(662,854)	(107,176)	(3,406,899)
Total cash and cash equivalents	\$ 6,262,967	\$ 1,583,763	\$ 1,533,502	\$ 9,380,232

Charter Township of Oakland

Proprietary Funds  
Statement of Cash Flows

Year Ended December 31, 2024

	<b>Enterprise Funds</b>			
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Building Fund</b>	<b>Total</b>
<b>Reconciliation of operating loss to net cash from operating activities</b>				
Operating loss	\$ (79,029)	\$ (709,779)	\$ (161,984)	\$ (950,792)
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation	303,439	679,728	34,650	1,017,817
Changes in assets and liabilities:				
Receivables	(25,998)	(142,358)	-	(168,356)
Prepaid and other assets	(8,909)	(19,644)	(1,062)	(29,615)
Compensated absences	-	-	(2,977)	(2,977)
Accounts payable and other accrued liabilities	(3,536)	176,205	(176,722)	(4,053)
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 185,967</u>	<u>\$ (15,848)</u>	<u>\$ (308,095)</u>	<u>\$ (137,976)</u>

Charter Township of Oakland  
 Fiduciary Funds  
 Statement of Fiduciary Net Position

December 31, 2024

	<b>Total Custodial Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,780,013
Receivables	6,405
Total assets	1,786,418
<b>Liabilities</b>	
Due to other governmental units	1,718,574
Accrued liabilities and other	4,742
Total liabilities	1,723,316
<b>Deferred inflows of resources</b>	
Property taxes levied for the following year	8,400
Total liabilities and deferred inflows of resources	1,731,716
<b>Net Position</b>	
Restricted – lake improvements	\$ 54,702

Charter Township of Oakland

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2024

	<b>Total Custodial Funds</b>
<b>Additions</b>	
Lake improvement assessments	\$ 45,876
Property tax collections	1,718,574
<b>Deductions</b>	
Lake improvements	51,195
Property tax disbursements	1,718,574
Net decrease in fiduciary net position	(5,319)
Net position at beginning of period	60,021
Net position at end of period	<u>\$ 54,702</u>

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### **1. Significant Accounting Policies**

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

#### **Reporting Entity**

The Township is governed by an elected seven-member township board of trustees. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. The accompanying financial statements present the financial operations of the Township.

#### **Blended Component Unit**

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

#### **Jointly Governed Organizations**

The Paint Creek Trailways Commission (Commission), a joint venture agreement effective December 23, 1981, was entered into by the Charter Township of Oakland; the Charter Township of Orion; the City of Rochester Hills, Michigan; and the City of Rochester, Michigan for the purpose of establishing and providing for the powers and duties of the Paint Creek Trailways Commission, pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Commission is a separate legal entity for the purpose of owning, exercising right of dominion over, developing, providing, maintaining, and operating certain nonmotorized public trails for recreational use within the jurisdictions of member governmental units. The Township appoints two commissioners to the governing board, which is responsible for approving the annual budget. Pursuant to the agreement, each member shall be responsible for an equal share of the Commission's budget. For the year ended December 31, 2024, the Township provided \$0 to the Commission. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. The Paint Creek Trailways Commission is not considered a part of the reporting entity of the Township. Separate financial statements of the joint venture may be obtained at Paint Creek Trailways Commission, 4393 Collins Road, Rochester, MI 48306.

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### **1. Significant Accounting Policies (continued)**

#### **Jointly Governed Organizations (continued)**

The Older Persons' Commission, an interlocal agreement effective March 28, 1985 and amended on August 28, 1995, was entered into by the Charter Township of Oakland; the City of Rochester Hills, Michigan; and the City of Rochester, Michigan for the purpose of establishing an older persons' commission pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Older Persons' Commission is a separate legal entity for the purpose of providing activities and services for older persons, defined as those individuals 50 years of age or older residing in the governmental units that are parties to the agreement. The activities and services to be provided include, but are not limited to, the joint ownership and operation of an older persons' activity center and transportation. The Township appoints one member to the Older Persons' Commission. Pursuant to the agreement, each member shall be responsible for its pro rata share of the budget based upon its assessed valuation of the property. During the year ended December 31, 2024, the Township provided \$568,071 to the Older Persons' Commission. The Older Persons' Commission is not considered a part of the reporting entity of the Township. Separate financial statements of the Older Persons' Commission may be obtained at Older Persons' Commission, 650 Letica Drive, Rochester, MI 48307.

#### **Accounting and Reporting Principles**

The Township follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Township.

#### **Report Presentation**

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 1. Significant Accounting Policies (continued)

#### Report Presentation (continued)

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

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

#### Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the Township to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

#### Governmental Funds

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

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 1. Significant Accounting Policies (continued)

#### **Governmental Funds (continued)**

- The Police Fund accounts for the Township's police protection contracted with Oakland County, Michigan. The protection is funded through a special millage.
- The Parks Fund accounts for all revenue and expenditures for the Township's public parks. The activities are funded through a millage collection.
- The Land Preservation Fund accounts for all revenue and expenditures for the Township's activities related to the purchase and maintenance of property for future public use.
- The Library Fund accounts for all revenue and expenditures associated with the Township's agreement associated with operating Rochester Hills Public Library.

#### **Proprietary Funds**

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

- The Sewer Fund provides disposals of sanitary sewage in exchange for quarterly user charges.
- The Water Fund provides water to customers in exchange for quarterly user charges.
- The Building Fund accounts for all revenue and expenditures related to building permits and inspections. The activities are funded through fees collected for the inspections.

#### **Fiduciary Funds**

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 1. Significant Accounting Policies (continued)

#### **Interfund Activity**

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

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

#### **Basis of Accounting**

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

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

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 1. Significant Accounting Policies (continued)

#### **Basis of Accounting (continued)**

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

#### **Specific Balances and Transactions**

##### **Cash and Cash Equivalents**

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

##### **Receivables and Payables**

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

##### **Investments**

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

##### **Restricted Assets**

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

##### **Capital Assets**

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**1. Significant Accounting Policies (continued)**

**Specific Balances and Transactions (continued)**

**Capital Assets (continued)**

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

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

**Unearned Revenue**

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of December 31, 2024, the General Fund balance of unearned revenue includes \$66,897 of miscellaneous unearned revenue. Unearned amounts are reported as liabilities.

**Long-term Obligations**

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### **1. Significant Accounting Policies (continued)**

#### **Specific Balances and Transactions (continued)**

##### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from state-shared revenue and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

##### **Net Position**

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

##### **Net Position Flow Assumption**

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 1. Significant Accounting Policies (continued)

#### Specific Balances and Transactions (continued)

##### Fund Balance Flow Assumptions

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

##### Fund Balance Policies

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

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

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

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**1. Significant Accounting Policies (continued)**

**Specific Balances and Transactions (continued)**

**Property Tax Revenue**

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2023 property tax revenue was levied and collectible in December 2023 and was recognized as revenue in the year ended December 31, 2024, when the proceeds of the levy were budgeted and available for the financing of operations.

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

The 2023 taxable valuation of the Township totaled \$1.81 billion. Taxes were levied as follows:

<b>Purpose</b>	<b>Millage Rate</b>	<b>Revenue</b>
General operating	0.0000	\$ -
Library	0.5744	1,038,036
Parks	0.6941	1,254,353
Fire	0.9256	1,672,712
Police	1.6253	2,937,185
Land Preservation	0.6121	1,106,166
Older Persons' Commission	0.3150	569,257
Trails Improvement	0.1612	291,315
Historic District Commission	0.1078	194,812

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### **1. Significant Accounting Policies (continued)**

#### **Specific Balances and Transactions (continued)**

##### **Compensated Absences (Vacation and Sick Leave)**

It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the Township will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of period end. Generally, the funds that report each employee's compensation are used to liquidate the obligation.

##### **Proprietary Funds Operating Classification**

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

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

##### **Leases**

The Township is a lessee of security cameras. The Township recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term.

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 1. Significant Accounting Policies (continued)

#### Leases (continued)

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) lease payments. The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate is not provided, the Township generally uses its estimated incremental borrowing rate. The lease term includes the periods of the lease that are reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments. The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported separately on the statement of net position.

#### Adopted Accounting Pronouncements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhanced accounting and financial reporting requirements for accounting changes and error corrections by providing more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions affected the presentation of the Library fund throughout the Township's 2024 financial statements as the Library fund met the requirements and transitioned to being presented as a major fund for the year ended December 31, 2024.

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 2. Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investments by local units of government in Michigan.

The Township has designated twelve banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of state statutory authority, as listed above. The Township's deposits and investments are in accordance with statutory authority.

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

#### *Custodial Credit Risk of Bank Deposits.*

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At period end, the Township had bank deposits totaling \$10,576,935 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits.

#### *Interest Rate Risk*

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy further restricts the Township's government fund investments to instruments with a maturity of two years or less at the time of purchase. Commercial paper can only be purchased with a 270-day maturity.

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**2. Deposits and Investments (continued)**

At period end, the Township had the following investments:

<b>Investment</b>	<b>Fair Value</b>	<b>Weighted-Average Maturity (Years)</b>
<b>Primary Government</b>		
Michigan CLASS investment pool	\$ 22,578,142	0.23
Local Government investment pool	\$ 63,497	0.20

*Credit Risk*

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of December 31, 2024, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<b>Investment</b>	<b>Fair Value</b>	<b>Rating</b>	<b>Rating Organization</b>
<b>Primary Government</b>			
Michigan CLASS investment pool	\$ 22,578,142	AAAm	S&P
Local government investment pool	\$ 63,497	Not rated	N/A

*Concentration of Credit Risk*

The Township places no limit on the amount it may invest in any one issuer. Approximately 58% of the Township's cash and investments are in the Michigan CLASS investment pool and the Oakland County Local Government Investment Pool (LGIP). The LGIP is not registered with the Securities and Exchange Commission (SEC) and does not issue a separate report. The fair value position in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost.

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**2. Deposits and Investments (continued)**

*Fair Value Measurements*

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

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

The Township has the following recurring fair value measurements as of December 31, 2024:

The Township’s investments in the Oakland County LGIP (\$63,497) and the Michigan CLASS investment pool (\$22,578,142) are measured at net asset value.

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

*Investments in Entities that Calculate Net Asset Value per Share*

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

At December 31, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency, if Eligible</b>	<b>Redemption Notice Period</b>
Oakland County Local Government Pool	\$ 63,497	\$ -	No restrictions	None
Michigan CLASS investment pool	22,578,142	-	No restrictions	None
	<u>\$ 22,641,639</u>	<u>\$ -</u>		

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**2. Deposits and Investments (continued)**

*Investments in Entities that Calculate Net Asset Value per Share (continued)*

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

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

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 3. Capital Assets

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

#### Governmental Activities

	Balance December 31, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2024
Capital assets not being depreciated:					
Land	\$ 25,217,638	\$ -	\$ -	\$ -	\$ 25,217,638
Construction in progress	43,990	-	185,639	-	229,629
Subtotal	25,261,628	-	185,639	-	25,447,267
Capital assets being depreciated:					
Infrastructure	2,035,025	-	-	-	2,035,025
Buildings and improvements	11,940,007	-	-	-	11,940,007
Machinery and equipment	1,507,044	-	115,161	-	1,622,205
Vehicles	3,599,404	-	75,932	(34,595)	3,640,741
Office furnishings	472,664	-	-	-	472,664
Information technology	267,842	-	-	-	267,842
Right-to-use lease asset	-	-	137,610	-	137,610
Land improvements	5,870,066	-	-	-	5,870,066
Subtotal	25,692,052	-	328,703	(34,595)	25,986,160
Accumulated depreciation:					
Infrastructure	2,031,700	-	350	-	2,032,050
Buildings and improvements	7,648,716	-	290,970	-	7,939,686
Machinery and equipment	1,038,779	-	134,788	-	1,173,567
Vehicles	2,374,657	-	146,535	(34,595)	2,486,597
Office furnishings	464,793	-	2,296	-	467,089
Information technology	234,381	-	10,632	-	245,013
Right-to-use lease asset	-	-	-	-	-
Land improvements	4,683,809	-	405,229	-	5,089,038
Subtotal	18,476,835	-	990,800	(34,595)	19,433,040
Net capital assets being depreciated	7,215,217	-	(662,097)	-	6,553,120
Net governmental activities capital assets	\$ 32,476,845	\$ -	\$ (476,458)	\$ -	\$ 32,000,387

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**3. Capital Assets (continued)**

**Business-type Activities**

	Balance December 31, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2024
Capital assets not being depreciated:					
Construction in progress	\$ 5,496,366	\$ (5,150,708)	\$ 586,176	\$ -	\$ 931,834
Capital assets being depreciated:					
Sewer system	14,839,523	-	-	-	14,839,523
Water system	16,476,009	-	6,681,854	-	23,157,863
Buildings and improvements	70,467	-	-	-	70,467
Machinery and equipment	63,358	-	-	-	63,358
Vehicles	147,234	-	68,695	-	215,929
Information technology	48,541	-	-	-	48,541
Subtotal	31,645,132	-	6,750,549	-	38,395,681
Accumulated depreciation:					
Sewer system	6,854,118	-	303,439	-	7,157,557
Water system	4,008,169	-	679,728	-	4,687,897
Buildings and improvements	7,665	-	2,068	-	9,733
Machinery and equipment	58,848	-	4,364	-	63,212
Vehicles	135,625	-	25,348	-	160,973
Information technology	35,617	-	2,870	2	38,489
Subtotal	11,100,042	-	1,017,817	2	12,117,861
Net capital assets being depreciated	20,545,090	-	5,732,730	-	26,277,820
Net business-type activities capital assets	\$ 26,041,456	\$ (5,150,708)	\$ 6,318,906	\$ -	\$ 27,209,654

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**3. Capital Assets (continued)**

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

Governmental activities:	
General government	\$ 115,176
Public safety	321,187
Public works	7,677
Recreation and culture	546,760
Total governmental activities	<u>\$ 990,800</u>
Business-type activities:	
Water	\$ 679,728
Sewer	303,439
Building	34,650
Total business-type activities	<u>\$ 1,017,817</u>

**4. Interfund Receivables, Payables, and Transfers**

Interfund transfers reported in the fund financial statements are composed of a \$780,633 transfer from the General Fund to the Fire Fund, which represents the use of unrestricted resources to finance capital acquisitions and operations.

**5. Long-term Debt**

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

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**5. Long-term Debt (continued)**

Long-term debt activity for the year ended December 31, 2024 can be summarized as follows:

**Governmental Activities**

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 376,557	\$ 115,403	\$ (141,786)	\$ 350,174	\$ 274,390

**Business-type Activities**

	Interest Rate Ranges	Principal Maturity Ratings	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable – Direct borrowings and direct placements:							
Oakland-Macomb Interceptor Drainage District Drain Bonds – Series, 2010A – Amount of issue – \$525,666 Maturing through 2032	2.50%	\$28,424 – \$32,960	\$ 242,210	\$ -	\$ (27,719)	\$ 214,491	\$ 28,424
Oakland-Macomb Interceptor Drainage District Drain Bonds – Series, 2019A – Amount of issue – \$135,065 Maturing through 2031	1.85%	\$8,366 – \$10,080	63,199	-	(8,064)	55,135	8,366
Oakland-Macomb Interceptor Drainage District Drain Bonds – Series, 2011 – Amount of issue – \$631,878 Maturing through 2034	2.50%	\$32,423 – \$39,477	354,674	-	(31,681)	322,993	32,423
Oakland-Macomb Interceptor Drainage District Drain Bonds – Series, 2013A – Amount of issue – \$1,378,847 Maturing through 2035	2.00%	\$69,112 – \$82,659	825,318	-	(67,842)	757,476	69,112
Oakland-Macomb Interceptor Drainage District Drain Bonds – Series, 2020A – Amount of issue – \$1,370,000 Maturing through 2041	2.00% - 5.00%	\$21,690 – \$54,090	719,202	-	(20,680)	698,522	21,690
Oakland County – Water Supply System Improvement Bonds – Series 2022 – Amount of issue – \$5,215,000 Maturing through 2053	4.00% - 5.00%	\$95,000 – \$300,000	5,150,000	-	(90,000)	5,060,000	95,000
Clinton River – Water Resource Recovery Facility Drainage District Bonds – Series 2023 – Amount of issue – \$538,966 Maturing through 2046	1.88%	\$0 – \$32,020	-	538,966	-	538,966	-
Clinton River – Water Resource Recovery Facility Drainage District – Series 2024 – Amount of issue – \$630,082 Maturing through 2047	2.50%	\$0 – \$39,450	-	630,082	-	630,082	-
Total principal outstanding			7,354,603	1,169,048	(245,986)	8,277,665	255,015
Unamortized bond premium			217,800	-	(9,682)	208,118	-
Total bonds and contracts payable			7,572,403	1,169,048	(255,668)	8,485,783	255,015
Compensated absences			37,186	-	(2,977)	34,209	24,205
Total business-type activities long-term debt			\$ 7,609,589	\$ 1,169,048	\$ (258,645)	\$ 8,519,992	\$ 279,220

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**5. Long-term Debt (continued)**

**Debt Service Requirements to Maturity**

Total interest expense for the year ended December 31, 2024 was approximately \$277,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Business-type Activities – Direct Borrowings		
	Principal	Interest	Total
2025	\$ 255,015	\$ 272,472	\$ 527,487
2026	270,293	266,227	536,520
2027	302,662	259,618	562,280
2028	337,780	260,861	598,641
2029	354,239	249,278	603,517
2030 – 2034	1,762,526	1,065,238	2,827,764
2035 – 2039	1,359,257	810,710	2,169,967
2040 – 2044	1,371,989	583,409	1,955,398
2045 – 2049	1,403,904	323,312	1,727,216
2050 – 2054	860,000	55,887	915,887
Total	\$ 8,277,665	\$ 4,147,012	\$ 12,424,677

**6. Defined Contribution Pension Plan**

The Township provides pension benefits to its elected officials and other qualified employees through the Oakland Charter Township Governmental Non-ERISA Retirement Plan administered by MERS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one and one-half months from the date of employment. As established by board resolution, the Township contributes 13% of employees' gross earnings.

The Township's contributions for each employee are fully vested after one and one-half months of continuous service. Employees may contribute to the plan on a voluntary basis. In accordance with these requirements, the Township contributed approximately \$377,000 during the year ended December 31, 2024.

# Charter Township of Oakland

## Notes to Financial Statements

December 31, 2024

### 7. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for medical and dental claims and participates in the Michigan Municipal Risk Management Authority (Authority) risk pool for claims relating to property loss, torts, errors and omissions, and workers' compensation and is uninsured for unemployment compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

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

### 8. Library Agreement

The Charter Township of Oakland Public Library Board has an agreement with the Rochester Hills Public Library Board for library services. In consideration for library services, the Township remits the two voter-approved library millages, as reduced by the Headlee Amendment, calculated using the previous year's taxable valuation of the Township. For the fiscal year ended December 31, 2024, the library millages totaled 0.5744 mills (2023 tax roll). The Township remitted to the Rochester Hills Public Library approximately \$1,039,000 during the year ended December 31, 2024.

### 9. Leases

The Township leases security cameras from a third party. Annual payments are made on January 1, covering the use of the cameras through December 31. Lease asset activity of the Township is included in Note 3.

Lease liability activity for the year ended December 31, 2024 is summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Lease liability	\$ -	\$ 137,610	\$ -	\$ 137,610	73,500

Charter Township of Oakland

Notes to Financial Statements

December 31, 2024

**9. Leases (continued)**

Future principal and interest requirements related to the Township's lease liability at December 31, 2024 are as follows:

<b>Year Ended</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 73,500	\$ -	\$ 73,500
2026	64,110	2,890	67,000
	<u>\$ 137,610</u>	<u>\$ 2,890</u>	<u>\$ 140,500</u>

**10. Bond Issuance Subsequent to Yearend**

On February 19, 2025, the Township finalized the issuance of a bond through Oakland County for \$8,535,000 that will be used for water system infrastructure improvements related to the Crossings Water Storage Project. Payments for the bond commence on January 1, 2026 and issuance of the bonds are not reflected as a liability in the Township's financial statements for the year ended December 31, 2024.

Required Supplementary Information

Charter Township of Oakland  
General Fund  
Budgetary Comparison Schedule

Year Ended December 31, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 500	\$ 500	\$ 8,778	\$ 8,278
Intergovernmental:				
Federal grants	688,500	688,500	684,207	(4,293)
State sources	2,312,289	2,312,289	2,227,228	(85,061)
Charges for services	45,800	45,800	42,625	(3,175)
Fines and forfeitures	35,000	35,000	13,889	(21,111)
Licenses and permits:				
Cable franchise fees	374,000	374,000	331,130	(42,870)
Other licenses and permits	700	700	1,042	342
Interest and rentals:				
Investment income (losses)	373,600	487,500	824,670	337,170
Rental income	33,500	33,500	5,700	(27,800)
Other revenue	77,600	77,600	140,259	62,659
<b>Total revenue</b>	<b>3,941,489</b>	<b>4,055,389</b>	<b>4,279,528</b>	<b>224,139</b>
<b>Expenditures</b>				
Current services:				
General government:				
Township board	352,100	418,500	358,302	60,198
Township supervisor	19,200	19,200	16,849	2,351
Manager	213,400	219,900	182,260	37,640
Township treasurer	224,700	224,700	224,565	135
Assessor	144,200	144,200	144,161	39
Board of review	2,700	2,700	652	2,048
Township clerk	403,800	408,800	397,516	11,284
Buildings and grounds	413,500	448,800	386,544	62,256
Elections	122,000	134,000	121,732	12,268
Cemetery	4,000	4,000	2,000	2,000
Public works:				
Roads and projects	591,300	592,800	447,951	144,849
Street lighting	12,000	12,000	11,086	914
Community and economic development:				
Planning commission	110,400	132,400	99,209	33,191
Community programs and development	109,900	109,900	74,386	35,514
Capital outlay	322,000	324,000	37,344	286,656
<b>Total expenditures</b>	<b>3,045,200</b>	<b>3,195,900</b>	<b>2,504,557</b>	<b>691,343</b>
Excess of revenue (under) over expenditures	896,289	859,489	1,774,971	915,482
<b>Other financing sources (uses):</b>				
Transfers in	209,100	245,900	174,700	(71,200)
Transfers out	(1,426,400)	(1,426,400)	(780,633)	645,767
<b>Total other financing uses</b>	<b>(1,217,300)</b>	<b>(1,180,500)</b>	<b>(605,933)</b>	<b>574,567</b>
Net change in fund balance	(321,011)	(321,011)	1,169,038	1,490,049
Fund balance at beginning of period	14,138,990	14,138,990	14,138,990	-
Fund balance at end of period	<b>\$ 13,817,979</b>	<b>\$ 13,817,979</b>	<b>\$ 15,308,028</b>	<b>\$ 1,490,049</b>

See note to required supplementary information.

Charter Township of Oakland

Fire Fund

Budgetary Comparison Schedule – Major Special Revenue Funds

Year Ended December 31, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,674,800	\$ 1,674,800	\$ 1,675,711	\$ 911
State-shared revenue and grants	-	-	10,000	10,000
Charges for services	348,700	348,700	496,725	148,025
Interest income	29,000	29,000	39,045	10,045
Other revenue	500	500	27,251	26,751
Total revenue	2,053,000	2,053,000	2,248,732	195,732
<b>Expenditures</b>				
Current – public safety	2,768,500	2,919,800	2,814,998	104,802
Capital outlay	720,000	804,000	238,832	565,168
Total expenditures	3,488,500	3,723,800	3,053,830	669,970
Excess of revenue (under) over expenditures	(1,435,500)	(1,670,800)	(805,098)	865,702
<b>Other financing sources (uses):</b>				
Transfers in	1,435,500	1,670,800	780,633	(890,167)
Total other financing uses	\$ 1,435,500	\$ 1,670,800	\$ 780,633	\$ (890,167)
Net change in fund balance	-	-	(24,465)	(24,465)
Fund balance at beginning of period	518,487	518,487	518,487	-
Fund balance at end of period	\$ 518,487	\$ 518,487	\$ 494,022	\$ (24,465)

# Charter Township of Oakland

## Police Fund

### Budgetary Comparison Schedule – Major Special Revenue Funds

Year Ended December 31, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property tax	\$ 2,941,200	\$ 2,941,200	\$ 2,942,490	\$ 1,290
Charges for service	4,000	4,000	15,065	11,065
Interest income (loss)	124,900	124,900	219,750	94,850
Other revenue	-	-	2,229	2,229
Total revenue	<u>3,070,100</u>	<u>3,070,100</u>	<u>3,179,534</u>	<u>109,434</u>
<b>Expenditures</b>				
Current – public safety	2,849,712	2,849,712	2,810,339	39,373
Capital outlay	32,500	186,500	284,565	(98,065)
Debt service - payment of lease	-	-	45,720	(45,720)
Total expenditures	<u>2,882,212</u>	<u>3,036,212</u>	<u>3,140,624</u>	<u>(104,412)</u>
Excess of revenue (under) over expenditures	<u>187,888</u>	<u>33,888</u>	<u>38,910</u>	<u>5,022</u>
<b>Other financing sources (uses):</b>				
Issuance of lease	-	-	183,390	(183,390)
Use of fund balance	-	154,000	-	154,000
Total other financing sources (uses):	<u>-</u>	<u>154,000</u>	<u>183,390</u>	<u>(29,390)</u>
Net change in fund balance	187,888	187,888	222,300	34,412
Fund balance at beginning of period	2,264,999	2,264,999	2,264,999	-
Fund balance at end of period	<u>\$ 2,452,887</u>	<u>\$ 2,452,887</u>	<u>\$ 2,487,299</u>	<u>\$ 34,412</u>

Charter Township of Oakland

Parks Fund

Budgetary Comparison Schedule – Major Special Revenue Funds

Year Ended December 31, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,258,400	\$ 1,258,400	\$ 1,257,653	\$ (747)
Charges for services	99,700	99,700	76,854	(22,846)
Investment and rental income	52,400	52,400	120,770	68,370
Other revenue	-	-	13,919	13,919
Total revenue	1,410,500	1,410,500	1,469,196	58,696
<b>Expenditures</b>				
Current – recreation and culture	1,356,000	1,357,500	1,100,999	256,501
Capital outlay	309,900	374,000	36,845	337,155
Total expenditures	1,665,900	1,731,500	1,137,844	593,656
<b>Other financing sources</b>				
Sale of capital assets	30,200	30,200	20,369	(9,831)
Use of fund balance	-	65,600	-	65,600
Total other financing sources	30,200	95,800	20,369	55,769
Excess of revenue over (under) expenditures	(225,200)	(225,200)	351,721	576,921
Fund balance at beginning of period	1,633,817	1,633,817	1,633,817	-
Fund balance at end of period	\$ 1,408,617	\$ 1,408,617	\$ 1,985,538	\$ 576,921

# Charter Township of Oakland

## Land Preservation Fund Budgetary Comparison Schedule – Major Special Revenue Funds

Year Ended December 31, 2024

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 1,109,700	\$ 1,109,700	\$ 1,109,072	\$ (628)
Intergovernmental	410,000	410,000	-	(410,000)
Interest and rentals	49,100	49,100	114,249	65,149
Other revenue	56,300	56,300	1,885	(54,415)
Total revenue	<u>1,625,100</u>	<u>1,625,100</u>	<u>1,225,206</u>	<u>(399,894)</u>
<b>Expenditures</b>				
Current – recreation and culture	754,600	754,600	419,744	334,856
Capital outlay	1,125,300	1,128,100	21,691	1,106,409
Total expenditures	<u>1,879,900</u>	<u>1,882,700</u>	<u>441,435</u>	<u>1,441,265</u>
<b>Other financing sources</b>				
Sale of capital assets	25,000	25,000	-	(25,000)
Use of fund balance	-	2,800	-	2,800
Total other financing sources	<u>25,000</u>	<u>27,800</u>	<u>-</u>	<u>(22,200)</u>
Excess of revenue over expenditures	(229,800)	(229,800)	783,771	1,019,171
Fund balance at beginning of period	1,369,503	1,369,503	1,369,503	-
Fund balance at end of period	<u>\$ 1,139,703</u>	<u>\$ 1,139,703</u>	<u>\$ 2,153,274</u>	<u>\$ 1,013,571</u>

Charter Township of Oakland

Library Fund  
 Budgetary Comparison Schedule – Major Special Revenue Funds

Year Ended December 31, 2024

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 1,040,000	\$ 1,041,000	\$ 1,040,759	\$ (241)
Investment income	13,100	30,000	31,221	1,221
Total revenue	<u>1,053,100</u>	<u>1,071,000</u>	<u>1,071,980</u>	<u>980</u>
<b>Expenditures</b>				
Current – recreation and culture	1,046,100	1,091,000	1,074,044	16,956
Capital outlay	100,000	-	-	-
Total expenditures	<u>1,146,100</u>	<u>1,091,000</u>	<u>1,074,044</u>	<u>16,956</u>
<b>Other financing uses</b>				
Reserve	-	(73,000)	-	73,000
Excess of revenue over expenditures	(93,000)	(93,000)	(2,064)	90,936
Fund balance at beginning of period	236,115	236,115	236,115	-
Fund balance at end of period	<u>\$ 143,115</u>	<u>\$ 143,115</u>	<u>\$ 234,051</u>	<u>\$ 90,936</u>

# Charter Township of Oakland

## Note to Required Supplementary Information

December 31, 2024

### **Budgetary Information**

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

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

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

## Other Supplementary Information

Charter Township of Oakland

Nonmajor Governmental Funds  
Combining Balance Sheet

December 31, 2024

	<b>Trails Improvement</b>	<b>Older Persons' Commission</b>	<b>OPC Transportation</b>	<b>Historic District Commission</b>	<b>Total</b>
<b>Assets</b>					
Cash and investments	\$ 2,321,833	\$ 54,966	\$ 107	\$ 507,290	\$ 2,884,196
Receivables:					
Property taxes receivable	282,961	553,065	-	189,288	1,025,314
Accrued interest receivable	7,456	-	-	-	7,456
Prepaid expenses and other assets	-	-	-	759	759
Total assets	<u>\$ 2,612,250</u>	<u>\$ 608,031</u>	<u>\$ 107</u>	<u>\$ 697,337</u>	<u>\$ 3,917,725</u>
<b>Liabilities</b>					
Accounts payable	\$ 21	\$ 43	\$ -	\$ 652	\$ 716
Due to other governmental units	-	13,611	-	-	13,611
Accrued liabilities and other	-	-	-	2,513	2,513
Total liabilities	<u>21</u>	<u>13,654</u>	<u>-</u>	<u>3,165</u>	<u>16,840</u>
<b>Deferred inflows of Resources</b>					
Property taxes levied for the following year	311,854	609,542	-	208,614	1,130,010
Total liabilities and deferred inflows of resources	<u>311,875</u>	<u>623,196</u>	<u>-</u>	<u>211,779</u>	<u>1,146,850</u>
<b>Fund balances</b>					
Nonspendable – prepaid expenses	-	-	-	759	759
Restricted:					
Trails	2,300,375	-	-	-	2,300,375
Older Persons' Commission	-	(15,165)	-	-	(15,165)
OPC Transportation	-	-	107	-	107
Historic District Commission	-	-	-	484,799	484,799
Total fund balances	<u>2,300,375</u>	<u>(15,165)</u>	<u>107</u>	<u>485,558</u>	<u>2,770,875</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,612,250</u>	<u>\$ 608,031</u>	<u>\$ 107</u>	<u>\$ 697,337</u>	<u>\$ 3,917,725</u>

Charter Township of Oakland

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

Year Ended December 31, 2024

	Special Revenue Funds					Total
	Library	Trails Improvement	Older Persons' Commission	OPC Transportation	Historic District Commission	
<b>Revenue</b>						
Property taxes	\$ -	\$ 292,053	\$ 531,903	\$ 248	\$ 181,886	\$ 1,006,090
Investment and rental income	-	103,487	823	5	31,054	135,369
Other revenue	-	-	-	-	3,702	3,702
Total revenue	-	395,540	532,726	253	216,642	1,145,161
<b>Expenditures</b>						
Current services – recreation and culture	-	28,646	568,125	5,565	159,312	761,648
Capital outlay	-	-	-	-	115,748	115,748
Total expenditures	-	28,646	568,125	5,565	275,060	877,396
Excess of expenditures over revenue	-	366,894	(35,399)	(5,312)	(58,418)	267,765
Fund balances at beginning of period, as previously presented	236,115	1,933,481	20,234	5,419	543,976	2,739,225
Change within financial reporting entity	(236,115)	-	-	-	-	(236,115)
Fund balances at beginning of period, as adjusted	-	1,933,481	20,234	5,419	543,976	2,503,110
Fund balances at end of period	\$ -	\$ 2,300,375	\$ (15,165)	\$ 107	\$ 485,558	\$ 2,770,875

Charter Township of Oakland

Fiduciary Funds  
 Combining Statement of Fiduciary Net Position

December 31, 2024

	<b>Lake Improvement</b>	<b>Tax Collections</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 61,439	\$ 1,718,574	\$ 1,780,013
Receivables	6,405	-	6,405
Total assets	<u>67,844</u>	<u>1,718,574</u>	<u>1,786,418</u>
<b>Liabilities</b>			
Due to other governmental units	-	1,718,574	1,718,574
Accrued liabilities	4,742	-	4,742
Total liabilities	<u>4,742</u>	<u>1,718,574</u>	<u>1,723,316</u>
<b>Deferred inflows of Resources</b>			
Property taxes levied for the following year	8,400	-	8,400
Total liabilities and deferred inflows of resources	<u>13,142</u>	<u>1,718,574</u>	<u>1,731,716</u>
<b>Net position</b>			
Restricted – lake improvements	<u>\$ 54,702</u>	<u>\$ -</u>	<u>\$ 54,702</u>

Charter Township of Oakland

Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2024

	<b>Lake Improvement</b>	<b>Tax Collections</b>	<b>Total</b>
<b>Additions</b>			
Lake improvement assessments	\$ 45,876	\$ -	\$ 45,876
Property tax collections	-	1,718,574	1,718,574
<b>Deductions</b>			
Lake improvements	51,195	-	51,195
Property tax disbursements	-	1,718,574	1,718,574
Net decrease in fiduciary net position	(5,319)	-	(5,319)
Net position at beginning of period	60,021	-	60,021
Net position at end of period	<u>\$ 54,702</u>	<u>\$ -</u>	<u>\$ 54,702</u>