

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Charter Township of Oakland	County Oakland
Fiscal Year End March 31, 2007	Opinion Date July 19, 2007	Date Audit Report Submitted to State September 25, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

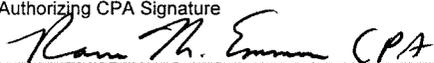
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1. All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. The local unit has adopted a budget for all required funds.
5. A public hearing on the budget was held in accordance with State statute.
6. The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. The local unit only holds deposits/investments that comply with statutory requirements.
9. The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. The local unit is free of repeated comments from previous years.
12. The audit opinion is UNQUALIFIED.
13. The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. The board or council approves all invoices prior to payment as required by charter or statute.
15. To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Post, Smythe, Lutz and Ziel of Plymouth LLP		Telephone Number 248-644-9125	
Street Address 3707 W. Maple Road, Suite 101		City Bloomfield Hills	State MI
Authorizing CPA Signature 		Printed Name Rana M. Emmons, CPA	Zip 48301
		License Number 1101022716	

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

AUDITED FINANCIAL REPORT

**For the Fiscal Year Ended
March 31, 2007**

CHARTER TOWNSHIP OF OAKLAND
For the Year Ended March 31, 2007

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For the Year Ended March 31, 2007

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FINANCIAL SECTION

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Independent Auditor's Report

July 19, 2007

To the Board of Trustees
Charter Township of Oakland
Oakland County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Oakland, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Oakland's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Oakland as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Trustees
Charter Township of Oakland, Michigan
July 19, 2007

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully,

A handwritten signature in black ink that reads "Post, Smythe, Lutz + Ziel of Plymouth". The signature is written in a cursive, slightly slanted style.

Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants

Management's Discussion and Analysis

As management of the Charter Township of Oakland, we offer readers of the Charter Township of Oakland's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Oakland for the fiscal year ended March 31, 2007.

Financial Highlights

- The assets of the Charter Township of Oakland exceeded its liabilities at the close of the most recent fiscal year by \$41,551,695 (*net assets*). Of this amount, \$19,533,237 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Charter Township of Oakland's governmental funds reported combined ending fund balances of \$15,086,677, an increase of \$1,843,908 in comparison with the prior year.
- Charter Township of Oakland's total long-term debt decreased by \$690,000 during the current fiscal year, which represents the principal portion of annual debt service payments.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The Charter Township of Oakland maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire, and Police Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into aggregated presentations by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

Other information. The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 40-47 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Oakland, assets exceeded liabilities by \$41,551,695 at the close of the most recent fiscal year.

A significant portion of the Charter Township of Oakland's net assets (52 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Charter Township of Oakland used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Charter Township of Oakland's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Charter Township of Oakland's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 15,770,431	\$ 14,187,025	\$ 9,506,636	\$ 9,012,768	\$ 25,277,067	\$ 23,199,793
Capital Assets	20,900,914	21,194,139	8,345,325	7,877,882	29,246,239	29,072,021
Total Assets	36,671,345	35,381,164	17,851,961	16,890,650	54,523,306	52,271,814
Long-term Liabilities						
Outstanding	7,828,932	8,506,590	-	-	7,828,932	8,506,590
Other Liabilities	683,754	944,256	4,458,925	4,268,961	5,142,679	5,213,217
Total Liabilities	8,512,686	9,450,846	4,458,925	4,268,961	12,971,611	13,719,807
Net Assets:						
Invested in Capital Assets, net of related debt	13,071,982	12,687,549	8,345,325	7,877,882	21,417,307	20,565,431
Restricted	601,151	958,211	-	-	601,151	958,211
Unrestricted	14,485,526	12,284,558	5,047,711	4,743,807	19,533,237	17,028,365
Total Net Assets	\$ 28,158,659	\$ 25,930,318	\$ 13,393,036	\$ 12,621,689	\$ 41,551,695	\$ 38,552,007

An additional portion of Charter Township of Oakland's net assets (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$19,533,237) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Charter Township of Oakland is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The governmental net assets increased by \$2,228,341 during the current fiscal year, as presented:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	\$ 713,346	\$ 1,384,705	\$ 2,089	\$ 5,981	\$ 715,435	\$ 1,390,686
Operating Grants & Contributions	16,487	30,252	-	-	16,487	30,252
Capital Grants & Contributions	340,933	1,675,928	592,906	430,636	933,839	2,106,564
General Revenues:						
Property Taxes	7,795,494	7,099,895	-	-	7,795,494	7,099,895
State Shared Revenues	913,626	906,998	-	-	913,626	906,998
Unrestricted Investment Earnings	646,128	382,363	408,058	237,309	1,054,186	619,672
Other	182,790	157,648	-	-	182,790	157,648
Total Revenues	<u>10,608,804</u>	<u>11,637,789</u>	<u>1,003,053</u>	<u>673,926</u>	<u>11,611,857</u>	<u>12,311,715</u>
Program Expenses						
General Government	1,444,376	1,284,275	-	-	1,444,376	1,284,275
Public Safety	4,022,153	3,768,252	-	-	4,022,153	3,768,252
Planning and Zoning	144,302	99,040	-	-	144,302	99,040
Public Works	233,718	441,923	-	-	233,718	441,923
Health and Welfare	132,581	142,892	-	-	132,581	142,892
Recreation and Cultural	2,069,390	1,844,820	-	-	2,069,390	1,844,820
Interest on Long-Term Debt	333,943	357,576	-	-	333,943	357,576
Sewer	-	-	231,706	242,181	231,706	242,181
Total Expenses	<u>8,380,463</u>	<u>7,938,778</u>	<u>231,706</u>	<u>242,181</u>	<u>8,612,169</u>	<u>8,180,959</u>
Change in Net Assets	<u>\$ 2,228,341</u>	<u>\$ 3,699,011</u>	<u>\$ 771,347</u>	<u>\$ 431,745</u>	<u>\$ 2,999,688</u>	<u>\$ 4,130,756</u>

Business-type activities. Business-type activities increased Charter Township of Oakland's net assets by \$771,347 which is a result of \$592,906 of capital contributions in the current year.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Charter Township of Oakland's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Charter Township of Oakland's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Charter Township of Oakland's governmental funds reported combined ending fund balances of \$15,086,677 an increase of \$1,843,908 in comparison with the prior year. The *unreserved fund balance*, which is the amount available for spending at the government's discretion, represents 96% of the total fund balance. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to uphold contracts or bond agreements (\$601,151).

The general fund is the chief operating fund of Charter Township of Oakland. At the end of the current fiscal year, unreserved fund balance was \$6,364,784 and total fund balance was \$6,853,689. As a measure of the general fund's liquidity, it may be useful to compare fund balances to total fund expenditures. Fund balance represents 30% of total general fund expenditures.

The fund balance of Charter Township of Oakland's general fund increased by \$735,781 during the current fiscal year. Revenues exceeded expenditures by \$985,781, and a transfer was made to the Fire Special Revenue Fund of \$250,000 to augment fire services.

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

Unrestricted net assets of the Sewer Fund totaled \$5,047,711 at the end of the year. Other factors concerning the finances of this fund have already been addressed in the discussion of Charter Township of Oakland's business-type activities.

General Fund Budgetary Highlights

The differences between the beginning and final budgets represent a little over 30% change in the original spending plan; budgets were amended to reflect minor departmental variances.

Capital Asset and Debt Administration

Capital assets. Charter Township of Oakland's investment in capital assets for its governmental and business type activities as of March 31, 2007, amounts to \$29,246,239 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and the sewer systems. The investment in fixed assets increased by \$174,218 due primarily to water lines and road improvements net of depreciation expense.

Long-term debt. At the end of the current fiscal year, Charter Township of Oakland had total bonded debt outstanding of \$7,740,000. All of Charter Township of Oakland's debt represents general obligation debt backed by the full faith and credit of Charter Township of Oakland, subject to constitutional limit.

Additional information on Charter Township of Oakland's long-term debt can be found in note IV. D. on page 32 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate is still relatively high in the State of Michigan and the State's budget crisis and overall economic condition may bring further reductions in state shared revenues in the future. However, I am projecting that State shared revenues will remain relatively stable in 2007-2008 for the Township. Assessed values for the first time decreased in 2007, 1.41%, however, taxable values should continue to show very modest gains for the foreseeable future. Taxable values increased 3.55% in 2007. Assessed values are still 12% or \$172 million higher than taxable values as of 2007. A new OPC Transportation millage and a Land Preservation renewal extension millage were approved by the voters in August 2006. Those approvals will provide assurance of funding for those entities. Other tax proposals were approved in the November 2006 general election. Those proposals were a renewal and roll up to .75 mills for Parks and Recreation Operations as well as a new .25 mill for development of Township trails and safety paths. Those new taxes will be collected in the winter 2007 tax levy. The second phase of the Rochester Road project was completed in the 2007 construction season. The \$400,000 in developer payments in lieu of construction was transferred to the Road Commission of Oakland County and was expended in the 2006-2007 fiscal year. The Township will continue its subsidy of the Fire Fund. That subsidy should continue at least until the planned request for renewal and rollup of that millage in 2008. With the economic downturn, Building Fund revenues are down. That trend is expected to continue, and operational adjustments are being made. The Township is using approximately \$500,000 of current 2007-2008 General Fund operational funds for the Buell Road paving project. This will reduce the expected amount of revenue over expenditures in the current fiscal year. The majority of project costs will be reimbursed in future years through Tri-party Program allocations. The Township is proceeding with its planned expenditure for the Cider Mill adaptive reuse facility. Use of designated funds and fund balance for this purpose will serve to reduce overall fund balance to target levels. It is expected that the majority of expenditure will take place in the 2007-2008 fiscal year. However, there may be overlap for this project into the next fiscal year.

These were some of the factors considered in preparing the Charter Township of Oakland's budget for the 2007-2008 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF OAKLAND

Statement of Net Assets

March 31, 2007

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 15,039,763	\$ 9,498,758	\$ 24,538,521
Receivables (net of allowance for uncollectibles):			
Accounts	529,914	7,797	537,711
Due from Other Funds	200,754	-	200,754
Due from Other Units	-	81	81
Capital Assets (net of Accumulated Depreciation)	19,581,348	8,345,325	27,926,673
Intangible Assets (net of Accumulated Amortization)	1,319,566	-	1,319,566
Total Assets	<u>36,671,345</u>	<u>17,851,961</u>	<u>54,523,306</u>
<u>LIABILITIES</u>			
Accounts Payable	309,495	111,428	420,923
Accrued Liabilities	116,117	56,553	172,670
Due to Other Funds	-	200,754	200,754
Due to Other Units	86,165	-	86,165
Deposits Payable	137,820	-	137,820
Deferred Revenue	34,157	4,090,190	4,124,347
Noncurrent Liabilities:			
Due within one year	750,000	-	750,000
Due in more than one year	7,078,932	-	7,078,932
Total Liabilities	<u>8,512,686</u>	<u>4,458,925</u>	<u>12,971,611</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, net of related debt	13,071,982	8,345,325	21,417,307
Restricted for:			
Debt Service	112,246	-	112,246
Specific Purposes	488,905	-	488,905
Unrestricted	14,485,526	5,047,711	19,533,237
Total Net Assets	<u>\$ 28,158,659</u>	<u>\$ 13,393,036</u>	<u>\$ 41,551,695</u>

CHARTER TOWNSHIP OF OAKLAND
Statement of Activities
For the Year Ended March 31, 2007

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 1,444,376	\$ 126,272	\$ -	\$ 101,488
Public Safety	4,022,153	517,236	-	-
Planning and Zoning	144,302	1,475	-	-
Public Works	233,718	-	-	189,445
Health and Welfare	132,581	-	16,487	-
Recreation and Cultural	2,069,390	68,363	-	50,000
Interest on Long-Term Debt	333,943	-	-	-
Total Governmental Activities	8,380,463	713,346	16,487	340,933
Business-type Activities:				
Sewer	231,706	2,089	-	592,906
Total	\$ 8,612,169	\$ 715,435	\$ 16,487	\$ 933,839

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

Change in Net Assets
Net Assets - Beginning

Net Assets - Ending

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,216,616)	\$ -	\$ (1,216,616)
(3,504,917)	-	(3,504,917)
(142,827)	-	(142,827)
(44,273)	-	(44,273)
(116,094)	-	(116,094)
(1,951,027)	-	(1,951,027)
(333,943)	-	(333,943)
(7,309,697)	-	(7,309,697)
-	363,289	363,289
(7,309,697)	363,289	(6,946,408)
7,795,494	-	7,795,494
913,626	-	913,626
182,790	-	182,790
646,128	408,058	1,054,186
9,538,038	408,058	9,946,096
2,228,341	771,347	2,999,688
25,930,318	12,621,689	38,552,007
\$ 28,158,659	\$ 13,393,036	\$ 41,551,695

CHARTER TOWNSHIP OF OAKLAND
Balance Sheet
Governmental Funds
March 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 6,728,764	\$ 1,134,504	\$ 2,412,147	\$ 4,764,348	\$ 15,039,763
Receivables (net of allowance for uncollectibles):					
Accounts	123,436	72,955	137,265	196,258	529,914
Due from Other Funds	<u>200,754</u>	<u>-</u>	<u>225</u>	<u>-</u>	<u>200,979</u>
Total Assets	<u>\$ 7,052,954</u>	<u>\$ 1,207,459</u>	<u>\$ 2,549,637</u>	<u>\$ 4,960,606</u>	<u>\$ 15,770,656</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 83,100	\$ 45,611	\$ 154,561	\$ 26,223	\$ 309,495
Accrued and Other Liabilities	49,063	30,195	210	36,649	116,117
Due to Other Funds	-	-	-	225	225
Due to Other Units	-	86,165	-	-	86,165
Deposits Payable	32,945	-	-	104,875	137,820
Deferred Revenue	<u>34,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,157</u>
Total Liabilities	<u>199,265</u>	<u>161,971</u>	<u>154,771</u>	<u>167,972</u>	<u>683,979</u>
Fund Balances:					
Reserved for:					
Debt Service	-	-	-	112,246	112,246
Specific Purposes	488,905	-	-	-	488,905
Unreserved for:					
General Fund	6,364,784	-	-	-	6,364,784
Special Revenue Funds	<u>-</u>	<u>1,045,488</u>	<u>2,394,866</u>	<u>4,680,388</u>	<u>8,120,742</u>
Total Fund Balances	<u>6,853,689</u>	<u>1,045,488</u>	<u>2,394,866</u>	<u>4,792,634</u>	<u>15,086,677</u>
Total Liabilities and Fund Balances	<u>\$ 7,052,954</u>	<u>\$ 1,207,459</u>	<u>\$ 2,549,637</u>	<u>\$ 4,960,606</u>	

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,900,914
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(7,828,932)</u>
Net Assets of Governmental Activities	<u>\$ 28,158,659</u>

CHARTER TOWNSHIP OF OAKLAND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended March 31, 2007

	General	Fire	Police	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,122,697	\$ 1,195,652	\$ 2,251,495	\$ 3,225,650	\$ 7,795,494
Licenses and Permits	3,060	-	-	352,312	355,372
Intergovernmental:					
Federal, State and Local	1,120,532	-	-	-	1,120,532
Charges for Services	80,155	118,801	-	4,750	203,706
Fines and Forfeitures	36,067	-	-	-	36,067
Franchise Fees	182,790	-	-	-	182,790
Interest	370,213	23,657	76,496	175,762	646,128
Other	145,046	2,511	-	121,158	268,715
Total Revenues	<u>3,060,560</u>	<u>1,340,621</u>	<u>2,327,991</u>	<u>3,879,632</u>	<u>10,608,804</u>
Expenditures					
Current:					
General Government	1,037,058	-	-	-	1,037,058
Public Safety	-	1,082,035	1,923,006	690,098	3,695,139
Planning and Zoning	144,302	-	-	-	144,302
Public Works	500,951	-	-	-	500,951
Health and Welfare	132,581	-	-	-	132,581
Recreation and Cultural	-	-	-	1,892,172	1,892,172
Other	156,731	-	-	-	156,731
Debt Service:					
Principal	-	-	-	690,000	690,000
Interest and Other Charges	-	-	-	333,943	333,943
Capital Outlay	103,156	32,145	-	46,718	182,019
Total Expenditures	<u>2,074,779</u>	<u>1,114,180</u>	<u>1,923,006</u>	<u>3,652,931</u>	<u>8,764,896</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>985,781</u>	<u>226,441</u>	<u>404,985</u>	<u>226,701</u>	<u>1,843,908</u>
Other Financing Sources (Uses):					
Transfers In	-	250,000	-	822,999	1,072,999
Transfers Out	(250,000)	(358,930)	-	(464,069)	(1,072,999)
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(108,930)</u>	<u>-</u>	<u>358,930</u>	<u>-</u>
Net Change in Fund Balances	735,781	117,511	404,985	585,631	1,843,908
Fund Balances - Beginning	<u>6,117,908</u>	<u>927,977</u>	<u>1,989,881</u>	<u>4,207,003</u>	<u>13,242,769</u>
Fund Balances - Ending	<u>\$ 6,853,689</u>	<u>\$ 1,045,488</u>	<u>\$ 2,394,866</u>	<u>\$ 4,792,634</u>	<u>\$ 15,086,677</u>

CHARTER TOWNSHIP OF OAKLAND
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2007

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

Net change in fund balances - total governmental funds	\$ 1,843,908
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(293,225)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>677,658</u>
Change in net assets in governmental activities	\$ <u><u>2,228,341</u></u>

CHARTER TOWNSHIP OF OAKLAND

Balance Sheet

Proprietary Fund

March 31, 2007

	Business-type Activities
	<u>Sewer</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 9,498,758
Accounts Receivable	7,797
Due from Other Units	81
Total Current Assets	<u>9,506,636</u>
Fixed Assets:	
Sewer Mains	10,291,952
Water Mains	878,575
Accumulated Depreciation	<u>(2,825,202)</u>
Net Fixed Assets	<u>8,345,325</u>
Total Assets	<u>\$ 17,851,961</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
Current Liabilities:	
Accounts Payable	\$ 111,428
Contracts Payable	56,553
Due to Other Funds	<u>200,754</u>
Total Current Liabilities	<u>368,735</u>
Noncurrent Liabilities:	
Deferred Revenue	<u>4,090,190</u>
Fund Equity:	
Invested in Capital Assets, net of related debt	8,345,325
Unrestricted	<u>5,047,711</u>
Total Fund Equity	<u>13,393,036</u>
Total Liabilities and Fund Equity	<u>\$ 17,851,961</u>

CHARTER TOWNSHIP OF OAKLAND
Statement of Revenues, Expenses and Changes in Fund Equity
Proprietary Fund
For the Year Ended March 31, 2007

	Business-type Activities
	Sewer
Operating Revenues:	
Charges for Services	\$ 2,089
Operating Expenses:	
Operations & Maintenance	21,328
Depreciation Expense	210,378
Total Operating Expenses	231,706
Operating Income (Loss)	(229,617)
Nonoperating Revenues (Expenses):	
Interest Income	435,359
Interest Expense	(27,301)
Total Nonoperating Revenues (Expenses)	408,058
Income (Loss) Before Contributions	178,441
Capital Contributions	592,906
Net Income (Loss)	771,347
Fund Equity - April 1	12,621,689
Fund Equity - March 31	\$ 13,393,036

CHARTER TOWNSHIP OF OAKLAND
Statement of Cash Flows
Proprietary Fund
For the Year Ended March 31, 2007

	<u>Business-type Activities</u>
	<u>Sewer</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and users	\$ 303,339
Payments to suppliers	(132,614)
Net Cash Provided (Used) by Operating Activities	<u>170,725</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Capital Contributions	592,906
Construction of Fixed Assets	(677,821)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(84,915)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Earned	435,359
Interest Paid	(27,301)
Net Cash Provided (Used) by Investing Activities	<u>408,058</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 493,868
Cash and Cash Equivalents, Beginning	<u>9,004,890</u>
Cash and Cash Equivalents, Ending	<u>\$ 9,498,758</u>
 <u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>	
Operating Income (Loss)	\$ (229,617)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization Expense	210,378
Increase (Decrease) in Accounts Payable	110,577
Increase (Decrease) in Contracts Payable	(58,272)
Increase (Decrease) in Due to Other Units	(163,591)
Increase (Decrease) in Deferred Revenue	301,250
Net Cash Provided (Used) by Operating Activities	<u>\$ 170,725</u>

CHARTER TOWNSHIP OF OAKLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
March 31, 2007

	Agency Funds		
	Current Tax Collection	Trust & Agency	Total
ASSETS			
Cash	\$ 1,214	\$ 50	\$ 1,264
LIABILITIES			
Due to Other	1,214	50	1,264
NET ASSETS	\$ -	\$ -	\$ -

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Joint Ventures

Paint Creek Trailways Commission

A joint venture agreement, effective December 23, 1981, was entered into by the Charter Township of Oakland, the Charter Township of Orion, the City of Rochester Hills, and the City of Rochester for the purpose of establishing and providing for the powers and duties of the Trailways Commission, pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Commission is a separate legal entity for the purpose of owning, exercising right of dominion over, developing, providing, maintaining and operating certain non-motorized public trails for recreational use within the jurisdictions of member governmental units. The Township appoints two commissioners to the governing board which is responsible for approving the annual budget. Pursuant to the agreement, each member shall be responsible for an equal share of the Commission's budget. For the fiscal year ended March 31, 2007, the Charter Township of Oakland provided \$33,684 to the Commission. The Paint Creek Trailways Commission is not considered a part of the reporting entity of the Charter Township of Oakland. Separate financial statements of the joint venture may be obtained at Paint Creek Trailways Commission, 4393 Collins Road, Rochester, Michigan 48306.

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Joint Ventures – Continued

Older Persons' Commission

An interlocal agreement, effective March 28, 1985, and amended August 28, 1995, was entered into by the Charter Township of Oakland, City of Rochester Hills, and the City of Rochester for the purpose of establishing an Older Persons' Commission pursuant to the Urban Cooperation Act (P.A. 7 of 1967). The Commission is a separate legal entity for the purpose of providing activities and services for older persons, defined as those individuals sixty years of age or older residing in the governmental units which are parties to the agreement. The activities and services to be provided include, but are not limited to, the joint ownership and operation of an older persons' activity center and transportation. The Township appoints one member to the Older Persons' Commission. Pursuant to the agreement, each member shall be responsible for its pro-rata share of the budget based upon its assessed valuation of property. During the fiscal year ended March 31, 2007, the Charter Township of Oakland provided \$392,339 to the Commission. The Older Persons' Commission is not considered a part of the reporting entity of the Charter Township of Oakland. Separate financial statements of the Commission may be obtained at Older Persons' Commission, 650 Letica Drive, Rochester, Michigan 48307.

C. Government-Wide and Fund Financial Statements

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

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

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Government-Wide and Fund Financial Statements – Continued

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

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

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

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

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

Governmental Funds

The Township reports the following major governmental funds:

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

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

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Governmental Funds – Continued

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Restricted Resources

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

Estimates

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

E. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

2. Receivables and Payables

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

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

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

	<u>Accounts Receivable Governmental</u>	<u>Accounts Receivable Enterprise</u>
Total	\$ 529,914	\$ 7,797
Less Allowance for Doubtful Accounts	-	-
Net Realizable Value	<u>\$ 529,914</u>	<u>\$ 7,797</u>

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

3. Capital Assets

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

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

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

4. Intangible Assets

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

	<u>Years</u>
Road Improvements	30
Trailway Improvements	30

5. Compensated Absences

In accordance with the Township's employee policy handbook, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

5. Compensated Absences – Continued

when they have matured or come due for payment. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Assets. The total liability at March 31, 2007 is \$103,520.

6. Long-term Obligations

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

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

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet And the Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "capital assets used in governmental activities are not

CHARTER TOWNSHIP OF OAKLAND

Notes to Financial Statements

March 31, 2007

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS –
Continued

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet And the Statement of Net Assets – Continued

financial resources and, therefore, are not reported in the funds.” The details of this \$20,900,914 difference are as follows:

Capital Assets (net of accumulated depreciation)	\$ 19,581,348
Intangible Assets (net of accumulated amortization)	<u>1,319,566</u>
	<u>\$ 20,900,914</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and amortization expense.” The details of this \$293,225 difference are as follows:

Capital Outlay	\$ 182,019
Intangible Assets-Road Improvements	400,100
Depreciation and Amortization Expense	<u>(875,344)</u>
	<u>\$ (293,225)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

A. Budgetary Information – Continued

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

1. In accordance with State law, the Township Superintendent submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis for the General Fund and the Special Revenue Funds.
2. Public hearings are conducted in January and February to obtain taxpayer comment.
3. The budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budget appropriations lapse at year end.
6. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
7. Budgeted amounts are reported as originally adopted and as amended by the Township Board. The budget was amended during fiscal year 2007.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of March 31, 2007.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

The following departments had excess of expenditures over appropriations:

	<u>Actual</u>	<u>Final Budget</u>	<u>Excess of Expenditures Over Appropriations</u>
General Fund:			
Elections	\$ 60,516	\$ 55,000	\$ 5,516
Cemetery	4,330	3,500	830

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

Custodial Credit Risk. In the event of a bank failure, the Township's deposits may not be recovered. Neither State law nor the Township's investment policy requires consideration of custodial credit risk. As of March 31, 2007, the Township's book balance of its deposits was \$24,539,785. The bank balance was \$24,781,680 which was exposed to custodial credit risk, as follows:

	Bank Balance
Insured by F.D.I.C.	\$ 700,000
Uninsured and Uncollateralized	24,081,680
Total	\$ 24,781,680

A reconciliation of cash to the accompanying financial statements follows:

Statement of Net Assets:	
Cash and Cash Equivalents	\$ 24,538,521
Fiduciary Fund:	
Cash	1,264
Total	\$ 24,539,785

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

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

	Fair Value	Weighted Average Maturity
Deposits and Investments:		
Savings and Checking Accounts	\$ 598,618	Demand
Pooled Funds	\$17,064,626	Demand
Certificates of Deposit	\$ 7,118,436	331 Days

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

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

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

B. Capital Assets

Capital asset activity for the year ended March 31, 2007 was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not depreciated:				
Land	\$ 11,587,396	\$ -	\$ -	\$ 11,587,396
Capital Assets, being depreciated:				
Land Improvements	1,157,949	-	-	1,157,949
Buildings and Improvements	8,236,227	5,628	-	8,241,855
Furniture and Fixtures	369,279	10,918	-	380,197
Machinery and Equipment	965,161	126,163	-	1,091,324
Vehicles	2,304,859	39,310	-	2,344,169
	<u>24,620,871</u>	<u>182,019</u>	<u>-</u>	<u>24,802,890</u>
Less: Accumulated Depreciation:				
Land Improvements	(595,197)	(130,390)	-	(725,587)
Buildings and Improvements	(2,101,141)	(283,718)	-	(2,384,859)
Furniture and Fixtures	(380,357)	(25,713)	-	(406,070)
Machinery and Equipment	(620,937)	(95,169)	-	(716,106)
Vehicles	(797,576)	(191,344)	-	(988,920)
	<u>(4,495,208)</u>	<u>(726,334)</u>	<u>-</u>	<u>(5,221,542)</u>
Governmental Activities Capital Assets, net	<u>\$ 20,125,663</u>	<u>\$ (544,315)</u>	<u>\$ -</u>	<u>\$ 19,581,348</u>

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

Depreciated expense was charged to functions programs as follows:

General Government	\$ 250,587
Public Safety	327,014
Recreation and Cultural	<u>148,733</u>
	<u>\$ 726,334</u>

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, being depreciated:				
Sewer System	\$ 10,291,952	\$ -	\$ -	\$ 10,291,952
Water Lines	200,754	677,821	-	878,575
	<u>10,492,706</u>	<u>677,821</u>	<u>-</u>	<u>11,170,527</u>
Less: Accumulated Depreciation:				
Sewer System	<u>(2,614,824)</u>	<u>(210,378)</u>	<u>-</u>	<u>(2,825,202)</u>
Business-type Activities				
Capital Assets, net	<u>\$ 7,877,882</u>	<u>\$ 467,443</u>	<u>\$ -</u>	<u>\$ 8,345,325</u>

C. Intangible Assets

The Township has paid for a portion of improvements on roads owned by the Road Commission of Oakland County within the Township. Also, the Township paid for a portion of the resurfacing of the Paint Creek Trailways, which represents the portion of the trail within the Township. These intangible assets have been capitalized and will be amortized over the useful life of the improvements.

Road Improvements	\$ 1,328,667
Trailway Improvements	<u>161,433</u>
Total	1,490,100
Less: Amortization	<u>(170,534)</u>
	<u>\$ 1,319,566</u>

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended March 31, 2007:

	<u>Balance</u> <u>April 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>March 31, 2007</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 8,430,000	\$ -	\$ 690,000	\$ 7,740,000	\$ 750,000
Compensated Absences	76,590	12,342	-	88,932	-
	<u>\$ 8,506,590</u>	<u>\$ 12,342</u>	<u>\$ 690,000</u>	<u>\$ 7,828,932</u>	<u>\$ 750,000</u>

The following is a summary of general obligation debt outstanding of the Township as of March 31, 2007:

	<u>Number</u> <u>of Issues</u>	<u>Interest</u> <u>Rate</u>	<u>Maturing</u> <u>Through</u>	<u>Principal</u> <u>Outstanding</u>
Governmental Activities:				
General Obligation Bonds	4	2.00%-5.00%	2021	<u>\$ 7,740,000</u>

The annual debt service requirements to maturity for debt outstanding as of March 31, 2007 is as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 750,000	\$ 308,795
2009	695,000	285,239
2010	780,000	262,264
2011	845,000	235,421
2012	355,000	213,674
2013-2017	2,130,000	804,863
2018-2021	2,185,000	235,469
	<u>\$ 7,740,000</u>	<u>\$ 2,345,725</u>

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

E. Inter-fund Receivables, Payables and Transfers

Receivable Fund	Payable Fund	Amount
General Fund	Sewer Fund	\$ 200,754
Police Fund	Park Fund	225
		\$ 200,979
Transfers In	Transfers Out	
Fire Fund	General Fund	\$ 250,000
2000 Fire/Park Debt	Fire Fund	358,930
2000 Fire/Park Debt	Park Fund	149,607
2000 Park Debt	Land Preservation Fund	63,000
2004 Land Debt	Land Preservation Fund	251,462
		\$ 1,072,999

Inter-Fund A/R and A/P represent uncleared balances at year end, arising in the normal course of business.

Transfer from the General Fund to the Fire Fund represents amount to augment revenues for fire activities. All other transfers are to meet annual debt service obligations.

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

F. Reserved Fund Balance

A detailed description of fund balance reservations and designations (for all governmental fund types) at March 31, 2007, is presented below:

<u>Fund Balance</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Reserved for:			
Debt Service	\$ -	\$ -	\$ 112,246
Specific Purposes	<u>488,905</u>	<u>-</u>	<u>-</u>
Total Reserved	488,905	-	112,246
Unreserved:			
Designated	2,213,700	510,480	-
Undesignated	<u>4,151,084</u>	<u>7,610,262</u>	<u>-</u>
Total Fund Balance	<u>\$ 6,853,689</u>	<u>\$ 8,120,742</u>	<u>\$ 112,246</u>

G. Property Taxes

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

<u>Purpose</u>	<u>Authorization</u>	<u>Authorized Rate (Pre Rollback)*</u>	<u>Per \$1,000 State Equalized Value Authorized Rate (Post Rollback)*</u>	<u>Levied</u>
Operating	State Law	1.4100	.8774	.8774
Older Persons	Voter Approved	.2500	.2342	.2342
Older Persons Debt	Voter Approved	As Needed	.1598	.1598
Library	Voter Approved	.5490	.4971	.4971
Library	Voter Approved	.2000	.1241	.1241
Parks	Voter Approved	.7500	.6489	.6144
Fire	Voter Approved	1.0000	.9371	.9371
Police	Voter Approved	1.7870	1.7646	1.7646
Historic Preservation	Voter Approved	.1250	.1170	.1170
Land Acquisition	Voter Approved	.7500	.6916	.6916
OPC Transportation	Voter Approved	.0900	.0900	<u>.0900</u>
				<u>6.1073</u>

CHARTER TOWNSHIP OF OAKLAND
Notes to Financial Statements
March 31, 2007

V. OTHER INFORMATION

A. Risk Management

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

B. Defined Contribution Plans

The Township maintains a defined contribution pension plan for its elected officials and other qualified employees of the Township. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one and a half months of employment, and are fully vested upon death, total disability, retirement or on termination of service. As established by Board resolution, the Township contributes 12% of employees' gross earnings annually to the plan. The plan may be amended by Board resolution. The Township's current year contribution was \$153,268.

REQUIRED SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF OAKLAND
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,062,000	\$ 1,104,000	\$ 1,122,697	\$ 18,697
Licenses and Permits	2,900	2,900	3,060	160
Intergovernmental - Federal/CDBG	25,000	25,000	16,487	(8,513)
Intergovernmental - State	920,000	913,000	913,626	626
Intergovernmental - County	3,000	191,000	190,419	(581)
Charges for Services	124,500	88,000	80,155	(7,845)
Fines and Forfeitures	35,000	35,000	36,067	1,067
Franchise Fees	141,000	175,000	182,790	7,790
Interest	120,000	265,000	370,213	105,213
Other	118,250	46,250	145,046	98,796
Total Revenues	<u>2,551,650</u>	<u>2,845,150</u>	<u>3,060,560</u>	<u>215,410</u>
Expenditures:				
General Government:				
Township Board	383,000	326,000	262,041	63,959
Township Supervisor	13,800	13,800	13,043	757
Superintendent	136,300	138,250	127,870	10,380
Township Clerk	202,500	183,500	165,221	18,279
Board of Review	6,300	6,300	2,360	3,940
Township Treasurer	189,500	196,300	178,769	17,531
Assessor	130,500	130,500	115,973	14,527
Elections	60,000	55,000	60,516	(5,516)
Building & Grounds	187,000	155,100	106,935	48,165
Cemetery	16,000	3,500	4,330	(830)
Total General Government	<u>1,324,900</u>	<u>1,208,250</u>	<u>1,037,058</u>	<u>171,192</u>
Planning and Zoning:				
Planning Commission	128,200	140,700	126,367	14,333
Zoning Board of Appeals	-	22,500	17,935	4,565
Total Planning and Zoning	<u>128,200</u>	<u>163,200</u>	<u>144,302</u>	<u>18,898</u>
Public Works:				
Highways and Streets	545,200	560,200	468,480	91,720
Street Lighting	6,000	6,000	4,716	1,284
Dumping	35,000	30,000	27,755	2,245
Total Public Works	<u>586,200</u>	<u>596,200</u>	<u>500,951</u>	<u>95,249</u>
Health and Welfare:				
Community Programs	123,000	158,000	120,638	37,362
Community Development Block Grant	25,000	25,000	11,943	13,057
Total Health and Welfare	<u>148,000</u>	<u>183,000</u>	<u>132,581</u>	<u>50,419</u>
Other Functions:				
Fringe Benefits	139,000	150,000	124,219	25,781
Insurance and Bonds	35,000	35,000	32,512	2,488
Total Other Functions	<u>174,000</u>	<u>185,000</u>	<u>156,731</u>	<u>28,269</u>
Capital Outlay	<u>1,463,800</u>	<u>269,500</u>	<u>103,156</u>	<u>166,344</u>
Total Expenditures	<u>3,825,100</u>	<u>2,605,150</u>	<u>2,074,779</u>	<u>530,371</u>

(continued)

CHARTER TOWNSHIP OF OAKLAND
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,273,450)	\$ 240,000	\$ 985,781	\$ 745,781
Other Financing Uses: Operating Transfers Out	<u>(360,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,633,450)</u>	<u>\$ (10,000)</u>	735,781	<u>\$ 745,781</u>
Fund Balance - April 1			<u>6,117,908</u>	
Fund Balance - March 31			<u>\$ 6,853,689</u>	

CHARTER TOWNSHIP OF OAKLAND
Fire Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,102,000	\$ 1,183,000	\$ 1,195,652	\$ 12,652
Charges for Services	100,500	110,000	118,801	8,801
Interest	8,000	20,000	23,657	3,657
Other	15,000	1,000	2,511	1,511
Total Revenues	<u>1,225,500</u>	<u>1,314,000</u>	<u>1,340,621</u>	<u>26,621</u>
Expenditures:				
Public Safety	1,136,570	1,133,070	1,082,035	51,035
Capital Outlay	90,000	72,000	32,145	39,855
Total Expenditures	<u>1,226,570</u>	<u>1,205,070</u>	<u>1,114,180</u>	<u>90,890</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(1,070)</u>	<u>108,930</u>	<u>226,441</u>	<u>117,511</u>
Other Financing Sources (Uses):				
Operating Transfer In	360,000	250,000	250,000	-
Operating Transfer Out	<u>(358,930)</u>	<u>(358,930)</u>	<u>(358,930)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,070</u>	<u>(108,930)</u>	<u>(108,930)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	117,511	<u>\$ 117,511</u>
Fund Balance - April 1			<u>927,977</u>	
Fund Balance - March 31			<u>\$ 1,045,488</u>	

CHARTER TOWNSHIP OF OAKLAND
Police Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 2,080,000	\$ 2,200,000	\$ 2,251,495	\$ 51,495
Interest	35,000	65,000	76,496	11,496
Total Revenues	<u>2,115,000</u>	<u>2,265,000</u>	2,327,991	<u>62,991</u>
Expenditures:				
Public Safety	<u>2,115,000</u>	<u>2,262,750</u>	<u>1,923,006</u>	<u>339,744</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ <u><u>-</u></u>	\$ <u><u>2,250</u></u>	404,985	\$ <u><u>402,735</u></u>
Fund Balance - April 1			<u>1,989,881</u>	
Fund Balance - March 31			\$ <u><u>2,394,866</u></u>	

OTHER SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF OAKLAND
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2007

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,663,779	\$ 100,569	\$ 4,764,348
Accounts Receivable	<u>184,581</u>	<u>11,677</u>	<u>196,258</u>
Total Assets	<u>\$ 4,848,360</u>	<u>\$ 112,246</u>	<u>\$ 4,960,606</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ 26,223	\$ -	\$ 26,223
Accrued Liabilities	36,649	-	36,649
Due to Other Funds	225	-	225
Deposits Payable	<u>104,875</u>	<u>-</u>	<u>104,875</u>
Total Liabilities	<u>167,972</u>	<u>-</u>	<u>167,972</u>
Fund Balance:			
Reserved for:			
Debt Service	-	112,246	112,246
Unreserved	<u>4,680,388</u>	<u>-</u>	<u>4,680,388</u>
Total Fund Balance	<u>4,680,388</u>	<u>112,246</u>	<u>4,792,634</u>
Total Liabilities and Fund Balance	<u>\$ 4,848,360</u>	<u>\$ 112,246</u>	<u>\$ 4,960,606</u>

CHARTER TOWNSHIP OF OAKLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended March 31, 2007

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues:</u>			
Property Taxes	\$ 3,021,806	\$ 203,844	\$ 3,225,650
Licenses and Permits	352,312	-	352,312
Charges for Services	4,750	-	4,750
Interest	170,078	5,684	175,762
Other	121,158	-	121,158
Total Revenues	<u>3,670,104</u>	<u>209,528</u>	<u>3,879,632</u>
<u>Expenditures:</u>			
Public Safety	690,098	-	690,098
Recreation and Cultural	1,892,172	-	1,892,172
<u>Debt Service:</u>			
Principal	-	690,000	690,000
Interest and Other Charges	-	333,943	333,943
Capital Outlay	46,718	-	46,718
Total Expenditures	<u>2,628,988</u>	<u>1,023,943</u>	<u>3,652,931</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,041,116</u>	<u>(814,415)</u>	<u>226,701</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	-	822,999	822,999
Operating Transfers Out	(464,069)	-	(464,069)
Total Other Financing Sources (Uses)	<u>(464,069)</u>	<u>822,999</u>	<u>358,930</u>
Net Change in Fund Balances	577,047	8,584	585,631
Fund Balances - April 1	<u>4,103,341</u>	<u>103,662</u>	<u>4,207,003</u>
Fund Balances - March 31	<u>\$ 4,680,388</u>	<u>\$ 112,246</u>	<u>\$ 4,792,634</u>

CHARTER TOWNSHIP OF OAKLAND
Nonmajor Special Revenue Funds
Combining Balance Sheet
March 31, 2007

	<u>Park</u>	<u>Land Preservation</u>	<u>Building</u>	<u>Older Persons' Commission</u>
<u>ASSETS</u>				
Cash	\$ 978,879	\$ 1,274,047	\$ 1,226,281	\$ 760
Accounts Receivable	<u>47,777</u>	<u>53,798</u>	<u>-</u>	<u>18,955</u>
Total Assets	<u>\$ 1,026,656</u>	<u>\$ 1,327,845</u>	<u>\$ 1,226,281</u>	<u>\$ 19,715</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 7,444	\$ 1,083	\$ 16,608	\$ -
Accrued Liabilities	11,118	1,980	22,443	-
Due to Other Funds	225	-	-	-
Deposits Payable	<u>-</u>	<u>-</u>	<u>104,875</u>	<u>-</u>
Total Liabilities	18,787	3,063	143,926	-
Fund Balance:				
Unreserved:				
Undesignated	<u>1,007,869</u>	<u>1,324,782</u>	<u>1,082,355</u>	<u>19,715</u>
Total Liabilities and Fund Balance	<u>\$ 1,026,656</u>	<u>\$ 1,327,845</u>	<u>\$ 1,226,281</u>	<u>\$ 19,715</u>

<u>OPC Transportation</u>	<u>Library</u>	<u>Historic District Commission</u>	<u>Total</u>
\$ -	\$ 896,750	\$ 287,062	\$ 4,663,779
6,628	48,321	9,102	184,581
\$ 6,628	\$ 945,071	\$ 296,164	\$ 4,848,360
\$ -	\$ -	\$ 1,088	\$ 26,223
-	-	1,108	36,649
-	-	-	225
-	-	-	104,875
-	-	2,196	167,972
6,628	945,071	293,968	4,680,388
\$ 6,628	\$ 945,071	\$ 296,164	\$ 4,848,360

CHARTER TOWNSHIP OF OAKLAND
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2007

	<u>Park</u>	<u>Land Preservation</u>	<u>Building</u>	<u>Older Persons' Commission</u>
Revenues:				
Property Taxes	\$ 784,054	\$ 882,408	\$ -	\$ 298,734
Licenses and Permits	-	-	352,312	-
Charges for Services	4,325	-	425	-
Interest	26,139	31,687	74,517	1,493
Other	64,038	-	7,120	-
Total Revenues	<u>878,556</u>	<u>914,095</u>	<u>434,374</u>	<u>300,227</u>
Expenditures:				
Current:				
Public Safety	-	-	690,098	-
Recreation and Cultural	493,907	92,992	-	285,998
Capital Outlay	7,408	39,310	-	-
Total Expenditures	<u>501,315</u>	<u>132,302</u>	<u>690,098</u>	<u>285,998</u>
Excess (Deficiency) of Revenues Over Expenditures	377,241	781,793	(255,724)	14,229
Other Financing Uses:				
Operating Transfers Out	<u>(149,607)</u>	<u>(314,462)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	227,634	467,331	(255,724)	14,229
Fund Balance - April 1	<u>780,235</u>	<u>857,451</u>	<u>1,338,079</u>	<u>5,486</u>
Fund Balance - March 31	<u>\$ 1,007,869</u>	<u>\$ 1,324,782</u>	<u>\$ 1,082,355</u>	<u>\$ 19,715</u>

<u>OPC Transportation</u>	<u>Library</u>	<u>Historic District Commission</u>	<u>Total</u>
\$ 114,779	\$ 792,581	\$ 149,250	\$ 3,021,806
-	-	-	352,312
-	-	-	4,750
-	21,333	14,909	170,078
-	-	50,000	121,158
<u>114,779</u>	<u>813,914</u>	<u>214,159</u>	<u>3,670,104</u>
-	-	-	690,098
108,151	735,853	175,271	1,892,172
-	-	-	46,718
<u>108,151</u>	<u>735,853</u>	<u>175,271</u>	<u>2,628,988</u>
6,628	78,061	38,888	1,041,116
-	-	-	(464,069)
6,628	78,061	38,888	577,047
-	867,010	255,080	4,103,341
<u>\$ 6,628</u>	<u>\$ 945,071</u>	<u>\$ 293,968</u>	<u>\$ 4,680,388</u>

CHARTER TOWNSHIP OF OAKLAND
Nonmajor Debt Service Funds
Combining Balance Sheet
March 31, 2007

	<u>2002 GO Bond Debt</u>	<u>2000 Park Debt</u>	<u>2000 Fire/Park Debt</u>	<u>2004 Land Debt</u>	<u>Total</u>
<u>ASSETS</u>					
Cash	\$ 54,000	\$ 45	\$ 32,897	\$ 13,627	\$ 100,569
Taxes Receivable	<u>11,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,677</u>
Cash	<u>\$ 65,677</u>	<u>\$ 45</u>	<u>\$ 32,897</u>	<u>\$ 13,627</u>	<u>\$ 112,246</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:					
Reserved for Debt Service	<u>65,677</u>	<u>45</u>	<u>32,897</u>	<u>13,627</u>	<u>112,246</u>
Total Liabilities and Fund Balance	<u>\$ 65,677</u>	<u>\$ 45</u>	<u>\$ 32,897</u>	<u>\$ 13,627</u>	<u>\$ 112,246</u>

CHARTER TOWNSHIP OF OAKLAND
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2007

	<u>2002 GO Bond Debt</u>	<u>2000 Park Debt</u>	<u>2000 Fire/Park Debt</u>	<u>2004 Land Debt</u>	<u>Total</u>
Revenues:					
Property Taxes	\$ 203,844	\$ -	\$ -	\$ -	\$ 203,844
Interest	<u>3,592</u>	<u>2</u>	<u>1,459</u>	<u>631</u>	<u>5,684</u>
Total Revenues	<u>207,436</u>	<u>2</u>	<u>1,459</u>	<u>631</u>	<u>209,528</u>
Expenditures:					
Principal	100,000	60,000	320,000	210,000	690,000
Interest and Fees	<u>100,944</u>	<u>3,000</u>	<u>188,537</u>	<u>41,462</u>	<u>333,943</u>
Total Expenditures	<u>200,944</u>	<u>63,000</u>	<u>508,537</u>	<u>251,462</u>	<u>1,023,943</u>
Excess (Deficiency) of Revenues Over Expenditures	6,492	(62,998)	(507,078)	(250,831)	(814,415)
Other Financing Sources:					
Operating Transfers In	<u>-</u>	<u>63,000</u>	<u>508,537</u>	<u>251,462</u>	<u>822,999</u>
Net Change in Fund Balance	6,492	2	1,459	631	8,584
Fund Balance - April 1	<u>59,185</u>	<u>43</u>	<u>31,438</u>	<u>12,996</u>	<u>103,662</u>
Fund Balance - March 31	<u>\$ 65,677</u>	<u>\$ 45</u>	<u>\$ 32,897</u>	<u>\$ 13,627</u>	<u>\$ 112,246</u>