

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

AUDITED FINANCIAL REPORT

**For the Fiscal Year Ended
December 31, 2021**

CHARTER TOWNSHIP OF OXFORD
For the Year Ended December 31, 2021

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FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Oxford, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate of all remaining fund information of the Charter Township of Oxford, Michigan, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate of all remaining fund information of the Charter Township of Oxford, Michigan, as of December 31, 2021, and the respective changes in its 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Oxford's basic financial statements. The other supplemental 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 underlying accounting and other records used to prepare the basic financial statements or 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 supplemental information, as identified in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully,



PSLZ PLLC
Certified Public Accountants

June 29, 2022

Management's Discussion and Analysis

As management of Charter Township of Oxford, we offer readers of Charter Township of Oxford's financial statements this narrative overview and analysis of the financial activities of Charter Township of Oxford for the fiscal year ended December 31, 2021.

Financial Highlights

- The assets of Charter Township of Oxford exceeded its liabilities at the close of the most recent fiscal year by \$45,479,631 (*net position*). Of this amount, \$7,071,616 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Charter Township of Oxford's governmental funds reported combined ending fund balances of \$13,456,742, an increase of \$2,282,788 in comparison with the prior year. Approximately 26 percent of this amount, \$3,443,804 is *available for spending* at the government's discretion (*unrestricted fund balance*).
- Charter Township of Oxford's total long-term debt decreased by \$760,059, which reflects annual debt service payments made during the current year.
- For fiscal year 2021, the Township Board approved a lump sum contribution to the MERS defined benefit pension plan in the amount of \$300,000 to reduce the unfunded pension liability. The funds were transferred from the General Fund to the Fire Fund, and the contribution is reflected in the Fire Fund.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of Charter Township of Oxford that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Charter Township of Oxford include general government, public safety, planning and zoning, public works, and recreation and culture. The business-type activities of Charter Township of Oxford include the water and sewer system. The government-wide financial statements can be found on pages 11-12 of this report.

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

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

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

Charter Township of Oxford maintains 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, Police Contracting Fund, Parks and Recreation Fund, Fire Fund, and Library Fund all of which are considered to be major funds. Data from the other governmental funds are combined into aggregated presentations by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

Other information. The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 58-67 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Oxford, assets exceeded liabilities by \$45,479,631 at the close of the most recent fiscal year.

A significant portion of Charter Township of Oxford's net position (62 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Charter Township of Oxford used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Charter Township of Oxford's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Charter Township of Oxford's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 26,229,450	\$ 22,344,615	\$ 5,070,805	\$ 3,774,496	\$ 31,300,255	\$ 26,119,111
Capital Assets	15,500,320	15,819,086	20,694,852	21,291,580	36,195,172	37,110,666
Total Assets	<u>41,729,770</u>	<u>38,163,701</u>	<u>25,765,657</u>	<u>25,066,076</u>	<u>67,495,427</u>	<u>63,229,777</u>
Deferred Outflows	<u>1,368,385</u>	<u>837,264</u>	<u>-</u>	<u>-</u>	<u>1,368,385</u>	<u>837,264</u>
Long-term Liabilities						
Outstanding	3,329,310	3,587,955	6,690,095	7,280,479	10,019,405	10,868,434
Other Liabilities	925,091	601,527	462,693	339,041	1,387,784	940,568
Total Liabilities	<u>4,254,401</u>	<u>4,189,482</u>	<u>7,152,788</u>	<u>7,619,520</u>	<u>11,407,189</u>	<u>11,809,002</u>
Deferred Inflows	<u>10,835,996</u>	<u>10,577,774</u>	<u>129,375</u>	<u>143,750</u>	<u>10,965,371</u>	<u>10,721,524</u>
Net Position:						
Net Investment in						
Capital Assets	14,390,320	14,509,086	14,004,757	14,011,101	28,395,077	28,520,187
Restricted	10,012,938	8,915,079	-	-	10,012,938	8,915,079
Unrestricted	<u>2,592,879</u>	<u>809,544</u>	<u>4,478,737</u>	<u>3,291,705</u>	<u>7,071,616</u>	<u>4,101,249</u>
Total Net Position	<u>\$ 26,996,137</u>	<u>\$ 24,233,709</u>	<u>\$ 18,483,494</u>	<u>\$ 17,302,806</u>	<u>\$ 45,479,631</u>	<u>\$ 41,536,515</u>

An additional portion of Charter Township of Oxford's net position (22 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$7,071,616) may be used to meet the government's ongoing obligations to citizens and creditors.

The governmental net position increased by \$2,762,428 during the current fiscal year and the business-type net position increased by \$1,180,688, as presented:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$ 2,097,043	\$ 1,563,544	\$ 3,629,680	\$ 3,198,987	\$ 5,726,723	\$ 4,762,531
Operating Grants & Contributions	870,900	668,540	-	-	870,900	668,540
Capital Grants & Contributions	141,490	277,591	708,291	283,315	849,781	560,906
General Revenues:						
Property Taxes	10,600,955	8,891,039	-	-	10,600,955	8,891,039
State Shared Revenues	1,868,814	2,118,051	-	-	1,868,814	2,118,051
Investment Earnings	110,057	185,455	20,513	46,925	130,570	232,380
Other	296,463	357,897	-	-	296,463	357,897
Total Revenues	<u>15,985,722</u>	<u>14,062,117</u>	<u>4,358,484</u>	<u>3,529,227</u>	<u>20,344,206</u>	<u>17,591,344</u>
Program Expenses:						
General Government	2,120,832	2,391,836	-	-	2,120,832	2,391,836
Public Safety	7,943,850	6,613,428	-	-	7,943,850	6,613,428
Planning and Zoning	82,124	43,224	-	-	82,124	43,224
Public Works	230,637	278,726	-	-	230,637	278,726
Recreation and Cultural	2,713,342	2,576,047	-	-	2,713,342	2,576,047
Other	107,314	95,162	-	-	107,314	95,162
Interest on Long-Term Debt	25,195	29,332	-	-	25,195	29,332
Water and Sewer	-	-	3,177,796	3,157,265	3,177,796	3,157,265
Total Expenses	<u>13,223,294</u>	<u>12,027,755</u>	<u>3,177,796</u>	<u>3,157,265</u>	<u>16,401,090</u>	<u>15,185,020</u>
Change in Net Position	<u>\$ 2,762,428</u>	<u>\$ 2,034,362</u>	<u>\$ 1,180,688</u>	<u>\$ 371,962</u>	<u>\$ 3,943,116</u>	<u>\$ 2,406,324</u>

Business-type activities. Business-type activities increased Charter Township of Oxford's net position by \$1,180,688, as compared to a \$371,962 increase in the prior year. The water fund had an operating loss of \$451,775 in the current year, as compared to an operating loss of \$466,301 in the prior year. The sewer fund operating income was \$129,513 in 2021 as compared to an operating loss of \$307,790 in 2020. Also, water and sewer tap fee revenues increased \$480,575 over the prior year as a result of increased development activity within the Township.

Financial Analysis of the Government's Funds

Governmental funds. The focus of Charter Township of Oxford's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Charter Township of Oxford's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Charter Township of Oxford's governmental funds reported combined ending fund balances of \$13,456,742, an increase of \$2,282,788 in comparison with the prior year. The *unrestricted fund balance*, which is the amount available for spending at the government's discretion, represents 26% of the total fund balance. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed to uphold contracts or bond agreements.

The general fund is the chief operating fund of the Charter Township of Oxford. At the end of the current fiscal year, total fund balance was \$3,443,804. The fund balance of Charter Township of Oxford's general fund increased by \$1,222,132 during the current fiscal year, in comparison to a \$540,495 increase in the prior year. General Fund operating revenues increased \$778,828, which included the proceeds from the sale of property for \$600,000. Operating expenditures decreased \$209,709 over the prior year. The General Fund also transferred \$199,000 to the Building & Site Fund and a lump sum additional contribution to the fire defined benefit pension plan (\$300,000).

Proprietary funds. The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Funds totaled \$4,478,737 at the end of the year, which is a \$1,187,032 increase in unrestricted net position. Current development activity within the Township resulted in water and sewer tap fees increasing \$480,575, in comparison to a decrease in tap fees in the prior year of \$175,026. Other factors concerning the finances of this fund have already been addressed in the discussion of Charter Township of Oxford's business-type activities.

General Fund Budgetary Highlights

The differences between the beginning and final budgets represent an increase in budgeted revenues of \$936,428, which includes an increase for state shared revenues. Budgeted expenditures were increased \$679,528 including an increase to contingency expenditures of \$947,926 and an increase to budgeted operating transfers including an additional \$300,000 to the Fire Fund for additional pension plan contributions to decrease the pension liability.

Capital assets. Charter Township of Oxford's investment in capital assets for its governmental and business type activities as of December 31, 2021, amounts to \$36,195,172 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and the water and sewer systems. The investment in fixed assets decreased by \$915,494 due to capital asset additions less annual depreciation expense.

Long-term debt. At the end of the current fiscal year, Charter Township of Oxford had total bonded debt outstanding of \$7,800,095, which consisted of \$1,110,000 Park General Obligation bonds, \$5,095,000 Water General Obligation bonds, and \$1,595,095 for the Oakland-Macomb Interceptor Drain Bonds. All of Charter Township of Oxford's debt represents general obligation debt backed by the full faith and credit of Charter Township of Oxford, subject to constitutional limit.

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

Economic Factors and Next Year's Budgets and Rates

The Township anticipates a slight increase in property tax revenues based on projected increased taxable values and a slight increase in State shared revenue in 2022 based on current economic projections. The Township is not anticipating any significant increases to operating revenues or operating expenditures in fiscal year 2022. The Township has adopted a balanced budget in the General Fund for fiscal year 2022 and anticipates the Township's finances to remain stable.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF OXFORD
Statement of Net Position
December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 14,809,621	\$ 4,234,023	\$ 19,043,644	\$ 111,553
Receivables (net of allowance for uncollectibles):				
Accounts	583,833	836,782	1,420,615	-
Taxes	10,835,996	-	10,835,996	-
Capital Assets (net of Accumulated Depreciation)	15,500,320	20,694,852	36,195,172	23,723
Total Assets	<u>41,729,770</u>	<u>25,765,657</u>	<u>67,495,427</u>	<u>135,276</u>
<u>DEFERRED OUTFLOWS</u>				
Deferred Outflows related to Pensions	1,368,385	-	1,368,385	-
<u>LIABILITIES</u>				
Accounts Payable	925,091	462,693	1,387,784	-
Noncurrent Liabilities:				
Net Pension Liability	1,514,775	-	1,514,775	-
Other Postemployment Benefit Liability	502,669	-	502,669	-
Compensated Absences	201,866	-	201,866	-
Due within one year	210,000	612,996	822,996	-
Due in more than one year	900,000	6,077,099	6,977,099	-
Total Liabilities	<u>4,254,401</u>	<u>7,152,788</u>	<u>11,407,189</u>	<u>-</u>
<u>DEFERRED INFLOWS</u>				
Property Taxes Collected for the following year	10,835,996	-	10,835,996	-
Deferred Charge on Bond Refundings	-	129,375	129,375	-
Total Deferred Inflows	<u>10,835,996</u>	<u>129,375</u>	<u>10,965,371</u>	<u>-</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	14,390,320	14,004,757	28,395,077	23,723
Restricted	10,012,938	-	10,012,938	-
Unrestricted	2,592,879	4,478,737	7,071,616	111,553
Total Net Position	<u>\$ 26,996,137</u>	<u>\$ 18,483,494</u>	<u>\$ 45,479,631</u>	<u>\$ 135,276</u>

CHARTER TOWNSHIP OF OXFORD
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Governmental Activities:								
General Government	\$ 2,120,832	\$ 501,010	\$ 343,757	\$ -	\$ (1,276,065)	\$ -	\$ (1,276,065)	\$ -
Public Safety	7,943,850	1,054,719	303,804	50,000	(6,535,327)	-	(6,535,327)	-
Planning and Zoning	82,124	43,827	-	-	(38,297)	-	(38,297)	-
Public Works	230,637	475	-	91,490	(138,672)	-	(138,672)	-
Health and Welfare	107,314	-	-	-	(107,314)	-	(107,314)	-
Recreation and Cultural	2,713,342	497,012	223,339	-	(1,992,991)	-	(1,992,991)	-
Interest on Long-Term Debt	25,195	-	-	-	(25,195)	-	(25,195)	-
Total Governmental Activities	<u>13,223,294</u>	<u>2,097,043</u>	<u>870,900</u>	<u>141,490</u>	<u>(10,113,861)</u>	<u>-</u>	<u>(10,113,861)</u>	<u>-</u>
Business-type Activities:								
Water	651,062	1,012,660	-	488,291	-	849,889	849,889	-
Sewer	2,526,734	2,617,020	-	220,000	-	310,286	310,286	-
Total Business-type Activities	<u>3,177,796</u>	<u>3,629,680</u>	<u>-</u>	<u>708,291</u>	<u>-</u>	<u>1,160,175</u>	<u>1,160,175</u>	<u>-</u>
Total Primary Government	<u>\$ 16,401,090</u>	<u>\$ 5,726,723</u>	<u>\$ 870,900</u>	<u>\$ 849,781</u>	<u>(10,113,861)</u>	<u>1,160,175</u>	<u>(8,953,686)</u>	<u>-</u>
Component Unit - Trailway	<u>\$ 75,254</u>	<u>\$ -</u>	<u>\$ 74,898</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(356)</u>
General Revenues:								
Property Taxes					10,600,955	-	10,600,955	-
State Shared Revenue					1,868,814	-	1,868,814	-
Franchise Fees					296,463	-	296,463	-
Unrestricted Investment Earnings					110,057	20,513	130,570	360
Total General Revenues					<u>12,876,289</u>	<u>20,513</u>	<u>12,896,802</u>	<u>360</u>
Change in Net Position					2,762,428	1,180,688	3,943,116	4
Net Position - Beginning					<u>24,233,709</u>	<u>17,302,806</u>	<u>41,536,515</u>	<u>135,272</u>
Net Position - Ending					<u>\$ 26,996,137</u>	<u>\$ 18,483,494</u>	<u>\$ 45,479,631</u>	<u>\$ 135,276</u>

CHARTER TOWNSHIP OF OXFORD
Balance Sheet
Governmental Funds
December 31, 2021

	General	Police Contracting	Parks and Recreation	Fire
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 4,269,339	\$ 3,201,869	\$ 740,924	\$ 2,439,205
Receivables (net of allowance for uncollectibles):				
Accounts	315,766	57,204	102,359	45,245
Taxes	868,956	3,241,855	946,163	4,292,552
Advance to Other Funds	-	-	-	-
Total Assets	\$ 5,454,061	\$ 6,500,928	\$ 1,789,446	\$ 6,777,002
 <u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 129,680	\$ 765,126	\$ 3,456	\$ 13,380
Advance from Other Funds	-	-	28,127	-
Unearned Revenue-ARPA	1,011,621	-	-	-
Deferred Inflows:				
Deferred Tax Revenue	868,956	3,241,855	946,163	4,292,552
Total Liabilities and Deferred Inflows	2,010,257	4,006,981	977,746	4,305,932
Fund Balances:				
Restricted	-	2,493,947	811,700	2,471,070
Unrestricted:				
Unassigned	3,443,804	-	-	-
Total Fund Balances	3,443,804	2,493,947	811,700	2,471,070
Total Liabilities, Deferred Inflows and Fund Balances	\$ 5,454,061	\$ 6,500,928	\$ 1,789,446	\$ 6,777,002

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

- Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Net Deferred Outflows and Inflows related to Pensions
- Net Pension Liabilities are not reported in the funds
- Net Other Post Employment Benefit Liability
- Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net Position of Governmental Activities

<u>Library</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,546,794	\$ 2,611,490	\$ 14,809,621
-	63,259	583,833
1,264,645	221,825	10,835,996
<u>-</u>	<u>28,127</u>	<u>28,127</u>
\$ <u>2,811,439</u>	\$ <u>2,924,701</u>	\$ <u>26,257,577</u>

\$ -	\$ 13,449	\$ 925,091
-	-	28,127
-	-	1,011,621
1,264,645	221,825	10,835,996
<u>1,264,645</u>	<u>235,274</u>	<u>12,800,835</u>
1,546,794	2,689,427	10,012,938
-	-	3,443,804
<u>1,546,794</u>	<u>2,689,427</u>	<u>13,456,742</u>
\$ <u>2,811,439</u>	\$ <u>2,924,701</u>	

15,500,320
 1,368,385
 (1,514,775)
 (502,669)
(1,311,866)
 \$ 26,996,137

CHARTER TOWNSHIP OF OXFORD
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	<u>General</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Fire</u>
<u>Revenues</u>				
Property Taxes	\$ 856,746	\$ 3,171,035	\$ 924,587	\$ 4,197,197
Licenses and Permits	25,553	-	-	-
Intergovernmental:				
Federal, State and Local	1,800,250	100,572	50,618	267,074
Charges for Services	217,809	71,130	466,497	553,185
Fines and Forfeitures	-	36,730	-	-
Franchise Fees	-	-	-	-
Special Assessments	77,349	-	-	-
Interest	48,527	7,346	6,529	25,687
Other	601,018	-	25,431	6,756
Total Revenues	<u>3,627,252</u>	<u>3,386,813</u>	<u>1,473,662</u>	<u>5,049,899</u>
<u>Expenditures</u>				
Current:				
General Government	1,593,663	-	-	-
Public Safety	-	3,199,459	-	4,617,231
Planning and Zoning	82,124	-	-	-
Public Works	105,812	-	-	-
Health and Welfare	107,314	-	-	-
Recreation and Cultural	-	-	1,038,839	-
Other	12,650	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	4,557	-	86,721	100,634
Total Expenditures	<u>1,906,120</u>	<u>3,199,459</u>	<u>1,125,560</u>	<u>4,717,865</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,721,132</u>	<u>187,354</u>	<u>348,102</u>	<u>332,034</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	300,000
Transfers Out	<u>(499,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(499,000)</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Net Change in Fund Balances	1,222,132	187,354	348,102	632,034
Fund Balances - Beginning	<u>2,221,672</u>	<u>2,306,593</u>	<u>463,598</u>	<u>1,839,036</u>
Fund Balances - Ending	<u>\$ 3,443,804</u>	<u>\$ 2,493,947</u>	<u>\$ 811,700</u>	<u>\$ 2,471,070</u>

Library	Other Governmental Funds	Total Governmental Funds
\$ 1,236,859	\$ 214,531	\$ 10,600,955
-	368,031	393,584
106,774	44,510	2,369,798
-	50,537	1,359,158
39,067	-	75,797
-	296,463	296,463
-	-	77,349
13,472	8,496	110,057
16,334	53,022	702,561
<u>1,412,506</u>	<u>1,035,590</u>	<u>15,985,722</u>
-	-	1,593,663
-	367,235	8,183,925
-	-	82,124
-	124,825	230,637
-	-	107,314
1,318,638	-	2,357,477
-	295,134	307,784
-	200,000	200,000
-	25,195	25,195
59,062	363,841	614,815
<u>1,377,700</u>	<u>1,376,230</u>	<u>13,702,934</u>
<u>34,806</u>	<u>(340,640)</u>	<u>2,282,788</u>
-	199,000	499,000
-	-	(499,000)
-	199,000	-
<u>34,806</u>	<u>(141,640)</u>	<u>2,282,788</u>
<u>1,511,988</u>	<u>2,831,067</u>	<u>11,173,954</u>
<u>\$ 1,546,794</u>	<u>\$ 2,689,427</u>	<u>\$ 13,456,742</u>

CHARTER TOWNSHIP OF OXFORD
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

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

Net change in fund balances - total governmental funds	\$ 2,282,788
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	610,258
Depreciation Expense	(929,024)

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

Principal Repayments	200,000
Decrease in Compensated Absences	(30,325)

Change in Net Pension Liability	701,660
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Change in Net Other Postemployment Benefit Liability	<u>(72,929)</u>
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Change in net position in governmental activities	\$ <u><u>2,762,428</u></u>
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CHARTER TOWNSHIP OF OXFORD
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 1,655,427	\$ 2,578,596	\$ 4,234,023
Accounts Receivable	836,782	-	836,782
Total Current Assets	2,492,209	2,578,596	5,070,805
Fixed Assets:			
Land	-	367,557	367,557
Water Mains	-	20,616,379	20,616,379
Sewer Mains	12,225,654	-	12,225,654
Accumulated Depreciation	(6,642,394)	(5,872,344)	(12,514,738)
Net Fixed Assets	5,583,260	15,111,592	20,694,852
Total Assets	8,075,469	17,690,188	25,765,657
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	462,693	-	462,693
Bonds Payable	117,996	495,000	612,996
Total Current Liabilities	580,689	495,000	1,075,689
Noncurrent Liabilities:			
Bonds Payable	1,477,099	4,600,000	6,077,099
Total Liabilities	2,057,788	5,095,000	7,152,788
<u>DEFERRED INFLOWS</u>			
Deferred Charge on Refunding Bonds	-	129,375	129,375
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,988,165	10,016,592	14,004,757
Unrestricted	2,029,516	2,449,221	4,478,737
Total Net Position	\$ 6,017,681	\$ 12,465,813	\$ 18,483,494

CHARTER TOWNSHIP OF OXFORD
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
Operating Revenues:			
Charges for Services	\$ 2,617,020	\$ 6,162	\$ 2,623,182
Operating Expenses:			
Operations & Maintenance	2,308,153	40,563	2,348,716
Depreciation Expense	179,354	417,374	596,728
Total Operating Expenses	<u>2,487,507</u>	<u>457,937</u>	<u>2,945,444</u>
Operating Income (Loss)	<u>129,513</u>	<u>(451,775)</u>	<u>(322,262)</u>
Nonoperating Revenues (Expenses):			
Debt Surcharge	-	1,006,498	1,006,498
Interest Income	6,660	13,853	20,513
Interest Expense	<u>(39,227)</u>	<u>(193,125)</u>	<u>(232,352)</u>
Total Nonoperating Revenues (Expenses)	<u>(32,567)</u>	<u>827,226</u>	<u>794,659</u>
Income (Loss) Before Contributions	96,946	375,451	472,397
Capital Contributions	<u>220,000</u>	<u>488,291</u>	<u>708,291</u>
Net Income (Loss)	316,946	863,742	1,180,688
Net Position - January 1	<u>5,700,735</u>	<u>11,602,071</u>	<u>17,302,806</u>
Net Position - December 31	<u>\$ 6,017,681</u>	<u>\$ 12,465,813</u>	<u>\$ 18,483,494</u>

CHARTER TOWNSHIP OF OXFORD
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 2,528,456	\$ 6,162	\$ 2,534,618
Payments to suppliers	(2,171,301)	(53,763)	(2,225,064)
Net Cash Provided (Used) by Operating Activities	357,155	(47,601)	309,554
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital Contributions	220,000	488,291	708,291
Debt Surcharge	-	1,006,498	1,006,498
Principal Paid on Debt	(115,384)	(475,000)	(590,384)
Interest Paid on Debt	(39,227)	(207,500)	(246,727)
Net Cash Provided (Used) by Capital and Related Financing Activities	65,389	812,289	877,678
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Earned	6,660	13,853	20,513
Net Increase (Decrease) in Cash and Cash Equivalents	429,204	778,541	1,207,745
Cash and Cash Equivalents, Beginning	1,226,223	1,800,055	3,026,278
Cash and Cash Equivalents, Ending	\$ 1,655,427	\$ 2,578,596	\$ 4,234,023
<u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$ 129,513	\$ (451,775)	\$ (322,262)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	179,354	417,374	596,728
(Increase) Decrease in Accounts Receivable	(196,442)	-	(196,442)
(Increase) Decrease in Due from Other Units	107,878	-	107,878
Increase (Decrease) in Accounts Payable	136,852	(13,200)	123,652
Net Cash Provided (Used) by Operating Activities	\$ 357,155	\$ (47,601)	\$ 309,554

CHARTER TOWNSHIP OF OXFORD
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ <u>7,560,001</u>
LIABILITIES	
Due to Other Governmental Units	7,005,789
Deposits and Escrows	<u>554,212</u>
Total Liabilities	<u>7,560,001</u>
NET POSITION	\$ <u><u> -</u></u>

CHARTER TOWNSHIP OF OXFORD
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	<u>Custodial Funds</u>
Additions:	
Deposits and Escrows Collected	\$ 314,722
Taxes Collected for Other Governments	<u>38,904,971</u>
Total Additions	<u>39,219,693</u>
Deductions:	
Deposits and Escrows Refunded	314,722
Payments of Taxes to Other Governments	<u>38,904,971</u>
Total Deductions	<u>39,219,693</u>
Change in Net Position	\$ <u><u> -</u></u>

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Discretely Presented Component Unit

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

B. Jointly Governed Organizations

North Oakland Transportation Authority

The Authority provides transportation services for the following six entities, the Charter Township of Oxford, the Charter Township of Orion, the Township of Addison, the Village of Lake Orion, the Village of Leonard and the Village of Oxford. The Authority's board consists of twelve members of which the Charter Township of Oxford appoints two. For the fiscal year ended December 31, 2020, the Charter Township of Oxford provided \$60,253 to the Authority. The North Oakland Transportation Authority is not considered a part of the reporting entity of the Charter Township of Oxford. Separate financial statements of the joint venture may be obtained at North Oakland Transportation Authority, 467 East Jackson Street, Lake Orion, Michigan 48362.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

Governmental Funds

The Township reports the following major governmental funds:

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

The Police Contracting, Parks and Recreation, Fire, and Library Funds are special revenue funds supported by voted operating tax levies.

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

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

Proprietary Funds

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

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

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Fiduciary Funds

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

Restricted Resources

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

Estimates

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

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

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

2. Receivables and Payables

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

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

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

	<u>Accounts Receivable Governmental</u>	<u>Accounts Receivable Enterprise</u>
Total	\$ 583,833	\$ 836,782
Less Allowance for Doubtful Accounts	-	-
Net Realizable Value	<u>\$ 583,833</u>	<u>\$ 836,782</u>

3. Capital Assets

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

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

3. Capital Assets – Continued

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

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

<u>Assets</u>	<u>Years</u>
Buildings	10-25
Equipment	5-15
Vehicles	5-20
Infrastructure	15-50

4. Compensated Absences

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

5. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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 Position.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

5. Long-term Obligations – Continued

Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

6. Fund Equity

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

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

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

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

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

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

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

1. In accordance with State law, prior to December 15, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis.
2. Public hearings are conducted in September and October to obtain taxpayer comment.
3. Prior to December 15, the budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Proprietary Fund budgets are prepared on a non-GAAP method.
6. Budget appropriations lapse at year end.
7. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
8. Budgeted amounts are reported as originally adopted and as amended by the Township Board. The budget was amended during fiscal year 2021.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of December 31, 2021.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

The budgets for the General and Special Revenue Funds are adopted at the activity level. There were no expenditures in excess of budget appropriations.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the Township is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades. The Township's investment policy does not further limit its investment choices.

The Township's cash and investments are subject to several types of risk, which are detailed 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 recovered. Neither State law nor the Township's investment policy requires consideration of custodial credit risk. As of December 31, 2021, the Township's book balance of its deposits was \$26,603,645. The bank balance was \$27,342,746 of which \$750,000 was FDIC insured.

The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

At December 31, 2021, the carrying amount and bank balance of the component unit of the Charter Township of Oxford, the Polly Ann Trailway Management Council, was \$111,553, all of which is FDIC insured.

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 does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. At year end, the Township had the following investments:

	Fair Value	Weighted Average Maturity
Government Investment Pool	\$ <u>14,386,044</u>	590 days

Credit Risk

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

	Fair Value	Rating
Government Investment Pool	\$ <u>14,386,044</u>	N/A

Concentration of Credit Risk

The Township places no limit on the amount it may invest in any one issuer. Approximately 53 percent of the Charter Township of Oxford's cash and investments are in the Oakland County Local Government Investment Pool (LGIP). The LGIP is not registered with the 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 costs.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not depreciated:				
Land	\$ 1,370,280	\$ -	\$ -	\$ 1,370,280
Capital Assets, being depreciated:				
Building and Land Improvements	18,535,017	347,495	-	18,882,512
Vehicles	3,703,709	31,139	-	3,734,848
Machinery and Equipment	2,980,022	139,289	(22,263)	3,097,048
Infrastructure	1,740,414	92,335	-	1,832,749
	<u>26,959,162</u>	<u>610,258</u>	<u>(22,263)</u>	<u>27,547,157</u>
Less: Accumulated Depreciation:				
Building and Land Improvements	(6,628,133)	(538,019)	-	(7,166,152)
Vehicles	(3,217,189)	(150,016)	-	(3,367,205)
Machinery and Equipment	(2,034,978)	(146,518)	22,263	(2,159,233)
Infrastructure	(630,056)	(94,471)	-	(724,527)
	<u>(12,510,356)</u>	<u>(929,024)</u>	<u>22,263</u>	<u>(13,417,117)</u>
Governmental Activities Capital Assets, net	<u>\$15,819,086</u>	<u>\$ (318,766)</u>	<u>\$ -</u>	<u>\$15,500,320</u>

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

General Government	\$ 214,828
Public Safety	365,066
Recreation and Cultural	349,130
	<u>\$ 929,024</u>

Business-type Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not depreciated:				
Land	\$ 367,557	\$ -	\$ -	\$ 367,557
Capital Assets, being depreciated:				
Infrastructure	32,842,033	-	-	32,842,033
Less: Accumulated Depreciation:				
Infrastructure	(11,918,010)	(596,728)	-	(12,514,738)
Business-type Activities Capital Assets, net	<u>\$ 21,291,580</u>	<u>\$ (596,728)</u>	<u>\$ -</u>	<u>\$ 20,694,852</u>

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

<u>Component Unit-Polly Ann Trailway:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 3,314	\$ -	\$ -	\$ 3,314
Capital Assets, being depreciated:				
Restroom	27,296	-	-	27,296
Parking Lot	35,000	-	-	35,000
Trailway Improvements	47,751	-	-	47,751
Less: Accumulated Depreciation	<u>(83,180)</u>	<u>(6,458)</u>	<u>-</u>	<u>(89,638)</u>
Component Unit, Capital Assets, net	<u>\$ 30,181</u>	<u>\$ (6,458)</u>	<u>\$ -</u>	<u>\$ 23,723</u>

C. Interfund Receivables, Payables and Transfers

<u>Advance Receivable</u>	<u>Advance Payable</u>	
Building Fund	Parks and Recreation Fund	<u>\$ 28,127</u>
<u>Transfers In</u>	<u>Transfers Out</u>	
Fire Fund	General Fund	\$ 300,000
Building & Site Fund	General Fund	199,000
		<u>\$ 499,000</u>

The Building Fund advanced funds to the Park Fund for the purchase of property. The principal plus interest is to be repaid over 5 years.

Transfer from the General Fund to the Fire Fund for additional contribution to the fire pension plan.

Transfer from the General Fund to the Building & Site Fund for capital projects.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended December 31, 2021:

	<u>Balance</u> <u>Jan 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec 31, 2021</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 1,310,000	\$ -	\$ 200,000	\$ 1,110,000	\$ 210,000
Compensated Absences	171,541	30,325	-	201,866	11,944
	<u>\$ 1,481,541</u>	<u>\$ 30,325</u>	<u>\$ 200,000</u>	<u>\$ 1,311,866</u>	<u>\$ 221,944</u>
Business Activities:					
General Obligation Bonds	\$ 5,570,000	\$ -	\$ 475,000	\$ 5,095,000	\$ 495,000
Interceptor Drain 2010A	385,372	-	30,835	354,537	31,560
Interceptor Drain 2010B	100,365	-	7,860	92,505	8,223
Interceptor Drain 2013A	1,224,742	-	76,689	1,148,053	78,213
	<u>\$ 7,280,479</u>	<u>\$ -</u>	<u>\$ 590,384</u>	<u>\$ 6,690,095</u>	<u>\$ 612,996</u>

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2021:

	<u>Number</u> <u>of Issues</u>	<u>Interest</u> <u>Rate</u>	<u>Maturing</u> <u>Through</u>	<u>Principal</u> <u>Outstanding</u>
Governmental Activities:				
General Obligation Bonds	1	2.12%	2026	<u>\$ 1,110,000</u>
Business Activities:				
General Obligation Bonds	1	2.00%-4.00%	2030	\$ 5,095,000
Interceptor Drain Bonds	3	1.15%-5.90%	2034	1,595,095
				<u>\$ 6,690,095</u>

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt – Continued

The annual debt service requirements to maturity for debt outstanding as of December 31, 2021 are as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 210,000	\$ 21,306	\$ 612,996	\$ 224,999
2023	215,000	16,801	630,850	207,330
2024	220,000	12,190	648,830	189,128
2025	230,000	7,420	666,684	170,382
2026	235,000	2,491	689,791	145,695
2027-2031	-	-	3,149,169	325,368
2032-2034	-	-	291,775	11,748
	<u>\$ 1,110,000</u>	<u>\$ 60,208</u>	<u>\$ 6,690,095</u>	<u>\$ 1,274,650</u>

E. Deferred Inflows of Resources

- Governmental funds report unearned revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. The deferred inflows in the governmental activities represents property taxes levied on December 1, 2020, but recognized revenue in the year ending December 31, 2021, when the proceeds of the levy are budgeted and available for financing operations. At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

Property taxes levied for 2022 \$10,835,996

- In November 2014, the Township issued \$7,755,000 of limited tax general obligation refunding bonds, with a bond premium of \$230,000 which has been recorded as a deferred inflow of resources and is being amortized over the remaining life of the bond. The balance of unamortized bond premium at December 31, 2021 is \$129,375.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Fund Balance Classifications

A detailed description of fund balance classifications (for all governmental fund types) at December 31, 2021, is presented below:

<u>Fund Balance</u>	<u>General</u> <u>Fund</u>	<u>Police</u> <u>Contracting</u>	<u>Parks and</u> <u>Recreation</u>	<u>Fire</u>	<u>Library</u>	<u>Other</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Restricted for:							
Police	\$ -	\$ 2,493,947	\$ -	\$ -	\$ -	\$ -	\$ 2,493,947
Parks & Recreation	-	-	811,700	-	-	-	811,700
Fire & EMS	-	-	-	2,471,070	-	-	2,471,070
Library	-	-	-	-	1,546,794	-	1,546,794
Debt Service	-	-	-	-	-	27,127	27,127
Building Dept.	-	-	-	-	-	1,807,551	1,807,551
Cable Television	-	-	-	-	-	296,934	296,934
Roads	-	-	-	-	-	199,504	199,504
Cemetery	-	-	-	-	-	31,214	31,214
Safety Path	-	-	-	-	-	288,211	288,211
Telecommunication	-	-	-	-	-	38,886	38,886
Total Restricted	-	2,493,947	811,700	2,471,070	1,546,794	2,689,427	10,012,938
Unassigned	3,443,804	-	-	-	-	-	3,443,804
Total Fund Balance	\$ 3,443,804	\$ 2,493,947	\$ 811,700	\$ 2,471,070	\$ 1,546,794	\$ 2,689,427	\$ 13,456,742

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

III. DETAILED NOTES ON ALL FUNDS – Continued

G. Property Taxes

Property taxes are assessed as of each December 31. The Township tax levy is billed on December 1 of the following year, and payable through February. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levies for the Township are detailed below for the 2020 tax roll:

<u>Purpose</u>	<u>Authorization</u>	<u>Rate Levied</u>
Operating	State Law	.9045
Police Services	Voter Approved	3.8866
Library	Voter Approved	1.3259
Parks and Rec.	Voter Approved	.9920
Fire	Voter Approved	4.5000
Parks Debt	Voter Approved	.2300

IV. OTHER INFORMATION

A. Defined Benefit Plan – Fire Department

Plan Description

The Township contributes to the Municipal Employees' Retirement System of Michigan (MERS), which is an agent multiple-employer defined benefit pension plan that covers all full time union employees of the Township fire department and the Fire Chief. MERS was established by the Michigan Legislature in 1945 and is administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained at mersofmich.com.

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries, as established by Public Act 427 of 1984, as amended. The Plan covers all full-time union employees at the Township Fire Department as well as the Fire Chief. Benefits are calculated as 2.5 percent of the employee's five-year final average compensation times the employee's years of service with a maximum of 80 percent of final average compensation. Normal retirement age is 60. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred if the member had remained an employee.

Benefit terms, within the guidelines established by MERS, are generally established and amended by authority of the Township Board, generally after negotiations of these terms with the affected union.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

Employees Covered by Benefit Terms

At the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	2
Active Plan Members	<u>17</u>
Total Employees covered by MERS	<u>35</u>

Contributions

The State of Michigan Constitution, Article 9, Section 24, requires that financial benefits arising on account of employee services rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution.

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2021, the average active employee contribution rate was 2.5 percent of gross wages for all fire employees.

Net Pension Liability

The net pension liability reported at December 31, 2021 was determined using a measure of the total pension liability and the plan net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of that date.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

Changes in the net pension liability during the measurement year were as follows:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at January 1, 2020	\$ <u>6,549,178</u>	\$ <u>4,872,504</u>	\$ <u>1,676,674</u>
Service Cost	180,708	-	180,708
Interest	492,368	-	492,368
Contributions-Employer	-	437,026	(437,026)
Contributions-Employee	-	76,027	(76,027)
Net Investment Income	-	651,128	(651,128)
Differences between Expected and Actual Experience	72,190	-	72,190
Change in Assumptions	247,050	-	247,050
Benefit Payments, including refunds	(322,004)	(322,004)	-
Administrative Expenses	-	(9,966)	9,966
Net Changes	<u>670,312</u>	<u>832,211</u>	<u>(161,899)</u>
Balance at December 31, 2020	\$ <u><u>7,219,490</u></u>	\$ <u><u>5,704,715</u></u>	\$ <u><u>1,514,775</u></u>

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Township reported deferred outflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 188,080
Differences between expected and actual experience	159,158
Differences in Assumptions	316,603
Employer contributions to the plan subsequent to the measurement date	704,544
Total	\$ 1,368,385

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$704,544), which will impact the net pension liability in fiscal year 2022, rather than pension expense.

Years Ending December 31	Amount
2022	\$ 185,854
2023	148,366
2024	214,956
2025	114,665
2026	-

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

Mortality rates were based on the RP=2014 Healthy Annuitant Mortality Tables of a 50 percent male and 50 percent female blend with rates multiplied by 105%. For disabled retirees, the 50% Male and 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study from 2009-2013.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2019, the measurement date, for each major asset class are summarized in the following table:

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	60%	5.25%
Global Fixed Income	20%	1.25%
Private Investments	20%	7.25%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Township, calculated using the discount rate of 7.60 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
Net Pension Liability	\$ <u>2,488,999</u>	\$ <u>1,514,775</u>	\$ <u>703,027</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MERS financial report. For the purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

B. Defined Contribution Plans

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

	<u>General & Fire</u>	<u>Parks and Recreation</u>	<u>Library</u>
Plan Administrator	John Hancock	John Hancock	American Funds
Vesting	Immediate	Immediate	Immediate
Contribution Base	Base Compensation	Base Compensation	Base Compensation
Employer Contribution Rate	10-15%	15%	5%
Employee Voluntary Contribution Rate	Up to 10%	Up to 10%	N/A
Numbered Participants	10	5	15
Employer Contribution	\$100,789	\$51,474	\$52,337
Employee Contribution	\$69,386	\$15,449	N/A

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

C. Other Postemployment Benefits

Plan Description

The Township provides post-employment healthcare benefits to eligible employees upon retirement in accordance with contractual agreements. These benefits are provided by contractual agreement and are paid by the General Fund. Currently, 3 individuals are receiving benefits. At the fund level, the expense is recognized by the Township as the payments to the employees are made.

Benefits Provided

The Township provides healthcare, including prescription drug benefits for retirees and their spouses. Benefits are provided by a third-party insurer.

Employees Covered by Benefit Terms

At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active Plan Members	<u>-</u>
Total	<u>3</u>

Contributions

Active service members are not required to make contributions to the plan. The Township has no obligation to make contributions in advance but are being financed on a "pay-as-you-go" basis.

Summary of Significant Accounting Policies

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB (if applicable), and OPEB expenses, have been determined on the same basis as they are reported for the Township. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

C. Other Postemployment Benefits - Continued

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

<u>Changes in Net OPEB Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at January 1, 2020	\$ <u>432,196</u>	\$ <u>2,456</u>	\$ <u>429,740</u>
Service Cost	-	-	-
Interest Cost	13,843	-	13,843
Difference between expected and actual experience	(5,337)	-	(5,337)
Change in Assumptions	79,850	-	79,850
Net Investment Income	-	286	(286)
Employer Contributions	-	15,178	(15,178)
Benefit Payments	(15,178)	(15,178)	-
Administrative Expenses	-	(37)	37
Net Changes	<u>73,178</u>	<u>249</u>	<u>72,929</u>
Balance at December 31, 2020	\$ <u><u>505,374</u></u>	\$ <u><u>2,705</u></u>	\$ <u><u>502,669</u></u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Discount Rate	1.93%
Investment Rate of Return	7.00%
Retirement Age Eligibility	Participation limited to 3 retirees (and one spouse) with grandfathered coverage. Two retirees pay 50% of the premium cost.
Mortality	Public Safety 2010 Healthy Retiree tables
Health care trend rates	Pre-65: 8.5% initially grading down .25% per year to 4.50% Post-65: 7.0% grading down .25% per year to 4.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 1.93% based on the average effective rate consisting of long term return on assets and 20 year Aa Municipal Bond Rate.

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

C. Other Postemployment Benefits - Continued

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of arithmetic real rates of return as of the December 31, 2020 measurement date for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	64.0%	6.50%
Global Fixed Income	26.0%	3.49%
Real Assets	5.0%	6.40%
Diversifying strategies	5.0%	3.00%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, calculated using the discount rate of 1.93 percent, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease (.93%)</u>	<u>Current Discount Rate (1.93%)</u>	<u>1% Increase (2.93)</u>
Net OPEB Liability	\$ <u>551,221</u>	\$ <u>502,669</u>	\$ <u>427,742</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using healthcare trends rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ <u>428,454</u>	\$ <u>502,669</u>	\$ <u>548,690</u>

CHARTER TOWNSHIP OF OXFORD
Notes to Financial Statements
December 31, 2021

IV. OTHER INFORMATION – Continued

D. Risk Management

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

E. Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement is based on the principle that leases are financings of the right to use an underlying asset. The Township is currently evaluating the impact of this standard on its financial statements. The Statement was effective beginning with the Township's fiscal year ending December 31, 2020, but was extended to December 31, 2022, with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

REQUIRED SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF OXFORD
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:							
Service Cost	\$ 180,708	\$ 167,519	\$ 149,629	\$ 143,676	\$ 123,853	\$ 110,653	\$ 116,095
Interest	492,368	469,990	438,153	416,107	389,203	365,955	350,646
Differences between actual and expected experience	72,190	84,248	119,961	14,370	102,349	63,650	-
Change in assumptions	247,050	198,273	-	-	-	207,240	-
Change in benefits	-	-	-	-	-	(37,112)	-
Benefit payments, including refunds	(322,004)	(323,956)	(313,459)	(289,655)	(288,400)	(287,121)	(269,797)
Net Change in Total Pension Liability	670,312	596,074	394,284	284,498	327,005	423,265	196,944
Total Pension Liability, Beginning of year	6,549,178	5,953,104	5,558,820	5,274,322	4,947,317	4,524,052	4,327,108
Total Pension Liability, End of year	\$ 7,219,490	\$ 6,549,178	\$ 5,953,104	\$ 5,558,820	\$ 5,274,322	\$ 4,947,317	\$ 4,524,052
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 437,026	\$ 830,649	\$ 484,857	\$ 482,772	\$ 249,413	\$ 183,900	\$ 176,962
Contributions - Employee	76,027	69,721	61,556	59,169	57,372	24,632	24,918
Net Investment Income(Loss)	651,128	542,642	(149,003)	426,642	309,498	(41,537)	171,455
Administrative Expenses	(9,966)	(9,253)	(7,221)	(6,722)	(6,101)	(6,120)	(6,292)
Benefit payments, including refunds	(322,004)	(323,956)	(313,459)	(289,655)	(288,400)	(287,121)	(269,797)
Net Change in Plan Fiduciary Net Position	832,211	1,109,803	76,730	672,206	321,782	(126,246)	97,246
Plan Fiduciary Net Position, Beg. of year	4,872,504	3,762,701	3,685,971	3,013,765	2,691,983	2,818,229	2,720,983
Plan Fiduciary Net Position, End of year	\$ 5,704,715	\$ 4,872,504	\$ 3,762,701	\$ 3,685,971	\$ 3,013,765	\$ 2,691,983	\$ 2,818,229
Township's Net Pension Liability - Ending	\$ 1,514,775	\$ 1,676,674	\$ 2,190,403	\$ 1,872,849	\$ 2,260,557	\$ 2,255,334	\$ 1,705,823
Plan Fiduciary Net Position as a Percent of Total Pension Liability	79.0%	74.4%	63.2%	66.3%	57.1%	54.4%	62.3%
Covered Employee Payroll	\$ 1,527,386	\$ 1,426,715	\$ 1,259,356	\$ 1,202,547	\$ 1,295,209	\$ 967,247	\$ 1,014,816
Township's Net Pension Liability as a Percent of Covered Employee Payroll	99.2%	117.5%	173.9%	155.7%	174.5%	233.2%	168.1%

CHARTER TOWNSHIP OF OXFORD
Required Supplemental Information
Schedule of Township Pension Contributions
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 427,543	\$ 284,964	\$ 250,033	\$ 239,221	\$ 270,672	\$ 226,491	\$ 186,263	\$ 181,601	\$ 149,148	\$ 149,587
Contributions in relation to the actuarially determined contribution	<u>727,543</u>	<u>437,026</u>	<u>830,649</u>	<u>496,957</u>	<u>482,772</u>	<u>249,413</u>	<u>186,263</u>	<u>181,601</u>	<u>149,148</u>	<u>149,587</u>
Contribution Excess (Deficiency)	<u>\$ 300,000</u>	<u>\$ 152,062</u>	<u>\$ 580,616</u>	<u>\$ 257,736</u>	<u>\$ 212,100</u>	<u>\$ 22,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 1,527,386	\$ 1,426,715	\$ 1,259,356	\$ 1,202,547	\$ 1,128,865	\$ 1,295,209	\$ 1,054,378	\$ 1,014,816	\$ 917,312	\$ 945,091
Contributions as a Percentage of Covered Employee Payroll	47.6%	30.6%	66.0%	41.3%	42.8%	19.3%	17.7%	17.9%	16.3%	15.8%

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry-age normal

Amortization Method Level percentage of pay, open

Remaining Amortization Period 19 years

Asset Valuation Method 5 year smoothed market

Inflation 2.50%

Salary Increases 3.00% including inflation

Investment Rate of Return 7.35%

Retirement Age Experience based tables of rates that are specific to the type of eligibility condition

Mortality 50% Male - 50% Female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables

CHARTER TOWNSHIP OF OXFORD
Required Supplemental Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 75)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service Cost	\$ -	\$ -	\$ -	\$ -
Interest	13,843	17,696	17,976	18,014
Differences between expected and actual experience	(5,337)	(127,525)	-	-
Changes in actuarial assumptions	79,850	(5,227)	-	-
Benefit payments	<u>(15,178)</u>	<u>(21,988)</u>	<u>(23,565)</u>	<u>(22,883)</u>
Net Change in Total OPEB Liability	73,178	(137,044)	(5,589)	(4,869)
Total OPEB Liability, Beginning of year	<u>432,196</u>	<u>569,240</u>	<u>574,829</u>	<u>579,698</u>
Total OPEB Liability, End of year	<u>\$ 505,374</u>	<u>\$ 432,196</u>	<u>\$ 569,240</u>	<u>\$ 574,829</u>
Plan Fiduciary Net Position:				
Net Investment Income	\$ 286	\$ 254	\$ -	\$ 302
Contributions - Employer	15,178	21,988	23,565	22,883
Benefit payments	(15,178)	(21,988)	(23,565)	(22,883)
Administrative Expenses	<u>(37)</u>	<u>(24)</u>	<u>-</u>	<u>(10)</u>
Net Change in Plan Fiduciary Net Position	249	230	-	292
Plan Fiduciary Net Position, Beginning of year	<u>2,456</u>	<u>2,226</u>	<u>2,226</u>	<u>1,934</u>
Plan Fiduciary Net Position, End of year	<u>\$ 2,705</u>	<u>\$ 2,456</u>	<u>\$ 2,226</u>	<u>\$ 2,226</u>
Township's Net OPEB Liability - Ending	<u>\$ 502,669</u>	<u>\$ 429,740</u>	<u>\$ 567,014</u>	<u>\$ 572,603</u>
Plan Fiduciary Net Position as a Percent of Total OPEB Liability	0.5%	0.6%	0.4%	0.4%
Covered Employee Payroll	n/a	n/a	n/a	n/a
Township's Net OPEB Liability as a Percent of Covered Employee Payroll	n/a	n/a	n/a	n/a

CHARTER TOWNSHIP OF OXFORD
Required Supplemental Information
Schedule of Township OPEB Contributions
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 33,323	\$ 30,696	\$ 34,990	\$ 32,890	\$ 36,597	\$ 42,916	\$ 42,916	\$ 42,916	\$ 42,916	\$ 42,916
Contributions in relation to the actuarially determined contribution	<u>16,890</u>	<u>43,324</u>	<u>36,632</u>	<u>49,235</u>	<u>50,020</u>	<u>43,658</u>	<u>43,048</u>	<u>32,531</u>	<u>38,803</u>	<u>41,613</u>
Contribution Excess (Deficiency)	<u>\$ (16,433)</u>	<u>\$ 12,628</u>	<u>\$ 1,642</u>	<u>\$ 16,345</u>	<u>\$ 13,423</u>	<u>\$ 742</u>	<u>\$ 132</u>	<u>\$ (10,385)</u>	<u>\$ (4,113)</u>	<u>\$ (1,303)</u>
Covered Employee Payroll	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a
Contributions as a Percentage of Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal (level percentage of compensation)
Asset Valuation Method	Market value
Discount Rate	1.93%
Investment Rate of Return	7.00%
Retirement Age	Participation limited to 3 retirees (and one spouse) with grandfathered coverage.
	Two retirees pay 50% of the premium cost.
Mortality	Public Safety 2010 Healthy Retiree tables
Health care trend rates	Pre-65: 8.5% initially grading down .5% per year to 4.5%

CHARTER TOWNSHIP OF OXFORD
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 839,400	\$ 856,173	\$ 856,746	\$ 573
Licenses and Permits	26,300	26,150	25,553	(597)
Intergovernmental - Federal/CDBG	20,000	14,758	14,758	-
Intergovernmental - State	1,160,000	1,457,244	1,768,242	310,998
Grants	-	17,250	17,250	-
Charges for Services	144,600	180,885	217,809	36,924
Special Assessments	56,381	58,349	77,349	19,000
Interest	63,200	49,000	48,527	(473)
Other	15,000	601,500	601,018	(482)
Total Revenues	2,324,881	3,261,309	3,627,252	365,943
Expenditures:				
General Government:				
Township Board	36,300	45,165	44,868	297
Township Supervisor	214,237	179,144	178,292	852
Elections	134,183	80,500	35,810	44,690
Assessor	182,800	144,818	144,855	(37)
Professional Fees	71,500	108,500	89,242	19,258
Township Clerk	190,773	186,865	185,883	982
Board of Review	4,300	3,980	3,656	324
Township Treasurer	185,922	181,489	180,901	588
Human Resources	529,800	407,741	388,973	18,768
Township Hall Building	102,800	112,356	103,796	8,560
Cemetery	81,500	94,150	91,742	2,408
Other	136,550	1,094,822	145,645	949,177
Total General Government	1,870,665	2,639,530	1,593,663	1,045,867
Planning and Zoning:				
Planning Commission	117,730	102,430	80,584	21,846
Board of Appeals	12,300	1,542	1,540	2
Total Planning and Zoning	130,030	103,972	82,124	21,848
Public Works:				
Safety Path Maintenance	100,000	15,000	10,845	4,155
Street Lighting	10,000	12,500	11,429	1,071
Special Assessments	48,026	69,577	67,796	1,781
Engineering	34,500	21,480	15,742	5,738
Total Public Works	192,526	118,557	105,812	12,745
Health and Welfare:				
Citizen Programs/CDBG	20,000	14,758	10,171	4,587
Social Services	79,560	98,285	97,143	1,142
Total Health and Welfare	99,560	113,043	107,314	5,729
Contributions	12,000	12,650	12,650	-
Capital Outlay	8,000	4,557	4,557	-
Total Expenditures	2,312,781	2,992,309	1,906,120	1,086,189

(continued)

CHARTER TOWNSHIP OF OXFORD
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,100	\$ 269,000	\$ 1,721,132	\$ 1,452,132
Other Financing Uses: Transfers Out	<u>(12,100)</u>	<u>(499,000)</u>	<u>(499,000)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(230,000)</u>	1,222,132	\$ <u>1,452,132</u>
Fund Balance - January 1			<u>2,221,672</u>	
Fund Balance - December 31			\$ <u>3,443,804</u>	

CHARTER TOWNSHIP OF OXFORD
Police Contracting Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 3,100,500	\$ 3,169,899	\$ 3,171,035	\$ 1,136
Intergovernmental	40,300	98,652	100,572	1,920
Charges for Services	68,000	85,800	71,130	(14,670)
Fines and Forfeitures	44,000	37,000	36,730	(270)
Interest	15,000	7,500	7,346	(154)
Total Revenues	<u>3,267,800</u>	<u>3,398,851</u>	<u>3,386,813</u>	<u>(12,038)</u>
Expenditures:				
Public Safety	<u>3,267,800</u>	<u>3,398,851</u>	<u>3,199,459</u>	<u>199,392</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ <u> -</u>	\$ <u> -</u>	187,354	\$ <u>187,354</u>
Fund Balance - January 1			<u>2,306,593</u>	
Fund Balance - December 31			<u>\$ 2,493,947</u>	

CHARTER TOWNSHIP OF OXFORD
Parks and Recreation Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 925,500	\$ 925,500	\$ 924,587	\$ (913)
Intergovernmental-State	5,000	5,000	50,618	45,618
Charges for Services	564,800	564,800	466,497	(98,303)
Interest	5,000	5,000	6,529	1,529
Other	2,550	2,550	25,431	22,881
Total Revenues	<u>1,502,850</u>	<u>1,502,850</u>	<u>1,473,662</u>	<u>(29,188)</u>
Expenditures:				
Recreation	1,402,850	1,402,850	1,038,839	364,011
Capital Outlay	100,000	100,000	86,721	13,279
Total Expenditures	<u>1,502,850</u>	<u>1,502,850</u>	<u>1,125,560</u>	<u>377,290</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ <u> -</u>	\$ <u> -</u>	348,102	\$ <u>348,102</u>
Fund Balance - January 1			<u>463,598</u>	
Fund Balance - December 31			<u>\$ 811,700</u>	

CHARTER TOWNSHIP OF OXFORD
Fire Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 3,000,000	\$ 4,194,204	\$ 4,197,197	\$ 2,993
Intergovernmental-State	86,933	267,074	267,074	-
Charges for Services	944,910	505,188	553,185	47,997
Interest	30,000	31,357	25,687	(5,670)
Other	5,000	5,450	6,756	1,306
Total Revenues	<u>4,066,843</u>	<u>5,003,273</u>	<u>5,049,899</u>	<u>46,626</u>
Expenditures:				
Public Safety	4,078,943	5,310,872	4,617,231	693,641
Capital Outlay	-	104,501	100,634	3,867
Total Expenditures	<u>4,078,943</u>	<u>5,415,373</u>	<u>4,717,865</u>	<u>697,508</u>
Excess (Deficiency) of Revenue Over Expenditures	(12,100)	(412,100)	332,034	744,134
Other Financing Sources:				
Operating Transfers In	<u>12,100</u>	<u>412,100</u>	<u>300,000</u>	<u>(112,100)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	632,034	<u>\$ 632,034</u>
Fund Balance - January 1			<u>1,839,036</u>	
Fund Balance - December 31			<u>\$ 2,471,070</u>	

CHARTER TOWNSHIP OF OXFORD
Library Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,211,345	\$ 1,235,869	\$ 1,236,859	\$ 990
Intergovernmental-State	28,200	106,774	106,774	-
Fines	22,000	38,974	39,067	93
Grants and Donations	6,000	11,100	11,250	150
Interest	15,005	11,965	13,472	1,507
Other	4,000	4,757	5,084	327
Total Revenues	<u>1,286,550</u>	<u>1,409,439</u>	<u>1,412,506</u>	<u>3,067</u>
Expenditures:				
Operating	1,294,156	1,309,439	1,318,638	(9,199)
Capital Outlay	2,500	100,000	59,062	40,938
Total Expenditures	<u>1,296,656</u>	<u>1,409,439</u>	<u>1,377,700</u>	<u>31,739</u>
Net Change in Fund Balance	<u>\$ (10,106)</u>	<u>\$ -</u>	34,806	<u>\$ 34,806</u>
Fund Balance - January 1			<u>1,511,988</u>	
Fund Balance - December 31			<u>\$ 1,546,794</u>	

OTHER SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF OXFORD
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	<u>Special Revenue</u>	<u>Debt Service Park Bond</u>	<u>Capital Project Building & Site</u>	<u>Permanent Fund- Cemetery</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,556,363	\$ 27,127	\$ -	\$ 28,000	\$ 2,611,490
Accounts Receivable	63,259	-	-	-	63,259
Taxes Receivable	-	221,825	-	-	221,825
Advance to Other Fund	28,127	-	-	-	28,127
	<u>28,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,127</u>
Total Assets	<u>\$ 2,647,749</u>	<u>\$ 248,952</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ 2,924,701</u>
 <u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 13,449	\$ -	\$ -	\$ -	\$ 13,449
Deferred Inflows:					
Deferred Tax Revenue	-	221,825	-	-	221,825
	<u>-</u>	<u>221,825</u>	<u>-</u>	<u>-</u>	<u>221,825</u>
Fund Balance:					
Restricted	2,634,300	27,127	-	28,000	2,689,427
Total Fund Balance	<u>2,634,300</u>	<u>27,127</u>	<u>-</u>	<u>28,000</u>	<u>2,689,427</u>
Total Liabilities and Fund Balance	<u>\$ 2,647,749</u>	<u>\$ 248,952</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ 2,924,701</u>

CHARTER TOWNSHIP OF OXFORD
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue	Debt Service- Park Bond	Capital Project Building & Site	Permanent Fund- Cemetery	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$ -	\$ 214,531	\$ -	\$ -	\$ 214,531
Licenses and Permits	368,031	-	-	-	368,031
Intergovernmental	28,880	15,630	-	-	44,510
Charges for Services	50,537	-	-	-	50,537
Franchise Fees	296,463	-	-	-	296,463
Interest	8,399	81	16	-	8,496
Other	53,022	-	-	-	53,022
Total Revenues	<u>805,332</u>	<u>230,242</u>	<u>16</u>	<u>-</u>	<u>1,035,590</u>
Expenditures:					
Public Safety	367,235	-	-	-	367,235
Public Works	124,825	-	-	-	124,825
Other	295,134	-	-	-	295,134
Debt Service:					
Principal	-	200,000	-	-	200,000
Interest and Other Charges	-	25,195	-	-	25,195
Capital Outlay	133,442	-	230,399	-	363,841
Total Expenditures	<u>920,636</u>	<u>225,195</u>	<u>230,399</u>	<u>-</u>	<u>1,376,230</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(115,304)</u>	<u>5,047</u>	<u>(230,383)</u>	<u>-</u>	<u>(340,640)</u>
Other Financing Sources(Uses):					
Operating Transfers In	<u>-</u>	<u>-</u>	<u>199,000</u>	<u>-</u>	<u>199,000</u>
Net Change in Fund Balances	(115,304)	5,047	(31,383)	-	(141,640)
Fund Balances - January 1	<u>2,749,604</u>	<u>22,080</u>	<u>31,383</u>	<u>28,000</u>	<u>2,831,067</u>
Fund Balances - December 31	<u>\$ 2,634,300</u>	<u>\$ 27,127</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ 2,689,427</u>

CHARTER TOWNSHIP OF OXFORD
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2021

<u>ASSETS</u>	Building	Cable Television	Road
Cash	\$ 1,781,822	\$ 244,726	\$ 199,504
Accounts Receivable	-	63,259	-
Advance to Other Fund	28,127	-	-
Total Assets	\$ 1,809,949	\$ 307,985	\$ 199,504
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ 2,398	\$ 11,051	\$ -
Fund Balance:			
Restricted	1,807,551	296,934	199,504
Total Liabilities and Fund Balance	\$ 1,809,949	\$ 307,985	\$ 199,504

<u>Cemetery Maintenance</u>	<u>Safety Path</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ 3,214	\$ 288,211	\$ 38,886	\$ 2,556,363
-	-	-	63,259
<u>-</u>	<u>-</u>	<u>-</u>	<u>28,127</u>
<u>\$ 3,214</u>	<u>\$ 288,211</u>	<u>\$ 38,886</u>	<u>\$ 2,647,749</u>

\$ - \$ - \$ - \$ 13,449

<u>3,214</u>	<u>288,211</u>	<u>38,886</u>	<u>2,634,300</u>
<u>\$ 3,214</u>	<u>\$ 288,211</u>	<u>\$ 38,886</u>	<u>\$ 2,647,749</u>

CHARTER TOWNSHIP OF OXFORD
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2021

	<u>Building</u>	<u>Cable Television</u>	<u>Road</u>
Revenues:			
Licenses and Permits	\$ 368,031	\$ -	\$ -
Intergovernmental	-	-	14,141
Charges for Services	50,537	-	-
Franchise Fees	-	296,463	-
Interest	5,785	1,634	351
Other	-	547	475
Total Revenues	<u>424,353</u>	<u>298,644</u>	<u>14,967</u>
Expenditures:			
Current:			
Public Safety	367,235	-	-
Public Works	-	-	88,908
Other	-	295,134	-
Capital Outlay	-	41,107	-
Total Expenditures	<u>367,235</u>	<u>336,241</u>	<u>88,908</u>
Excess (Deficiency) of Revenues Over Expenditures	57,118	(37,597)	(73,941)
Other Financing Sources:			
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	57,118	(37,597)	(73,941)
Fund Balance - January 1	<u>1,750,433</u>	<u>334,531</u>	<u>273,445</u>
Fund Balance - December 31	<u>\$ 1,807,551</u>	<u>\$ 296,934</u>	<u>\$ 199,504</u>

<u>Cemetery Maintenance</u>	<u>Safety Path</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 368,031
-	-	14,739	28,880
-	-	-	50,537
-	-	-	296,463
2	602	25	8,399
2,000	50,000	-	53,022
<u>2,002</u>	<u>50,602</u>	<u>14,764</u>	<u>805,332</u>
-	-	-	367,235
-	32,161	3,756	124,825
-	-	-	295,134
-	92,335	-	133,442
<u>-</u>	<u>124,496</u>	<u>3,756</u>	<u>920,636</u>
2,002	(73,894)	11,008	(115,304)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,002	(73,894)	11,008	(115,304)
<u>1,212</u>	<u>362,105</u>	<u>27,878</u>	<u>2,749,604</u>
<u>\$ 3,214</u>	<u>\$ 288,211</u>	<u>\$ 38,886</u>	<u>\$ 2,634,300</u>

CHARTER TOWNSHIP OF OXFORD
Component Unit - Polly Ann Trailway Management Council
Balance Sheet
December 31, 2021

Assets

Cash	\$	<u>111,553</u>
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Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$	-
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Fund Balance		<u>111,553</u>
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Total Liabilities and Fund Balance	\$	<u>111,553</u>
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Reconciliation to Statement of Net Position (page 11):

Fund Balance at December 31, 2021	\$	111,553
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Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		<u>23,723</u>
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Net Position of Governmental Activities-Component Unit	\$	<u>135,276</u>
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CHARTER TOWNSHIP OF OXFORD
Component Unit - Polly Ann Trailway Management Council
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2021

	Budgeted Amounts			Actual	Variance with Final Budget
	Original	Final			
<u>Revenues</u>					
Contributions - Orion Township	\$ 17,541	\$ 17,541	\$ 17,541	\$ -	
Contributions - Oxford Township	12,649	12,649	12,649	-	
Contributions - Village of Oxford	2,691	2,691	2,691	-	
Contributions - Addison Township	9,963	9,963	9,963	-	
Contributions - Village of Leonard	2,156	2,156	-	(2,156)	
Grants	10,000	10,000	12,887	2,887	
Donations	-	-	18,049	18,049	
Interest Income	-	-	360	360	
Other	70	70	1,118	1,048	
Total Revenues	55,070	55,070	75,258	20,188	
<u>Expenditures</u>					
Contracted Services	24,000	24,000	25,013	(1,013)	
Professional Services	2,000	2,000	7,733	(5,733)	
Insurance	3,000	3,000	2,959	41	
Telephone	350	350	225	125	
Utilities	1,200	1,200	652	548	
Grounds Maintenance	12,000	12,000	18,629	(6,629)	
Equipment and Hardware	3,000	3,000	7,430	(4,430)	
Advertising and Web	500	500	732	(232)	
Grant Expenses	5,000	5,000	250	4,750	
Miscellaneous	5,361	5,361	5,173	188	
Total Expenditures	56,411	56,411	68,796	(12,385)	
Net Change in Fund Balance	\$ (1,341)	\$ (1,341)	6,462	\$ 7,803	
Fund Balance - Beginning			105,091		
Fund Balance - Ending			\$ 111,553		
<u>Reconciliation to Statement of Activities (pages 12):</u>					
Net Change in Fund Balance at December 31, 2021			\$ 6,462		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents capital outlay in excess of depreciation in the current period.					
		Capital Outlay	-		
		Depreciation Expense	(6,458)		
Change in Net Position-Component Unit			\$ 4		