

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

**AUDITED FINANCIAL REPORT**

**For the Fiscal Year Ended  
December 31, 2020**

CHARTER TOWNSHIP OF OXFORD  
For the Year Ended December 31, 2020

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FINANCIAL SECTION

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Independent Auditor's Report

June 25, 2021

To the Board of Trustees  
Charter Township of Oxford, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Oxford, Michigan, as of and for the year ended December 31, 2020, which collectively comprise the Township's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Oxford as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

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

Respectfully,



PSLZ PLLC  
Certified Public Accountants

## Management's Discussion and Analysis

As management of Charter Township of Oxford, we offer readers of Charter Township of Oxford's financial statements this narrative overview and analysis of the financial activities of Charter Township of Oxford for the fiscal year ended December 31, 2020.

### Financial Highlights

- The assets of Charter Township of Oxford exceeded its liabilities at the close of the most recent fiscal year by \$41,536,515 (*net position*). Of this amount, \$4,101,249 (*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 \$11,173,954, an increase of \$1,435,786 in comparison with the prior year. Approximately 20 percent of this amount, \$2,221,672 is *available for spending* at the government's discretion (*unrestricted fund balance*).
- Charter Township of Oxford's total long-term debt decreased by \$762,128, which reflects annual debt service payments made during the current year.
- For fiscal year 2020, the Township Board approved a lump sum contribution to the MERS defined benefit pension plan in the amount of \$112,100 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 15 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 \$41,536,515 at the close of the most recent fiscal year.

A significant portion of Charter Township of Oxford's net position (69 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	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 22,344,615	\$ 18,906,220	\$ 3,774,496	\$ 5,273,053	\$ 26,119,111	\$ 24,179,273
Capital Assets	15,819,086	16,195,582	21,291,580	20,012,947	37,110,666	36,208,529
Total Assets	<u>38,163,701</u>	<u>35,101,802</u>	<u>25,066,076</u>	<u>25,286,000</u>	<u>63,229,777</u>	<u>60,387,802</u>
Deferred Outflows	<u>837,264</u>	<u>1,017,998</u>	<u>-</u>	<u>-</u>	<u>837,264</u>	<u>1,017,998</u>
Long-term Liabilities						
Outstanding	3,587,955	4,433,314	7,280,479	7,848,251	10,868,434	12,281,565
Other Liabilities	601,527	309,112	339,041	348,780	940,568	657,892
Total Liabilities	<u>4,189,482</u>	<u>4,742,426</u>	<u>7,619,520</u>	<u>8,197,031</u>	<u>11,809,002</u>	<u>12,939,457</u>
Deferred Inflows	<u>10,577,774</u>	<u>9,178,027</u>	<u>143,750</u>	<u>158,125</u>	<u>10,721,524</u>	<u>9,336,152</u>
Net Position:						
Net Investment in						
Capital Assets	14,509,086	14,695,582	14,011,101	12,164,696	28,520,187	26,860,278
Restricted	8,915,079	7,988,008	-	-	8,915,079	7,988,008
Unrestricted	<u>809,544</u>	<u>(484,243)</u>	<u>3,291,705</u>	<u>4,766,148</u>	<u>4,101,249</u>	<u>4,281,905</u>
Total Net Position	<u>\$ 24,233,709</u>	<u>\$ 22,199,347</u>	<u>\$ 17,302,806</u>	<u>\$ 16,930,844</u>	<u>\$ 41,536,515</u>	<u>\$ 39,130,191</u>

An additional portion of Charter Township of Oxford's net position (21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$4,101,249) may be used to meet the government's ongoing obligations to citizens and creditors.

The governmental net position increased by \$2,034,362 during the current fiscal year and the business-type net position increased by \$371,962, as presented:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	\$ 1,563,544	\$ 2,028,875	\$ 3,198,987	\$ 3,056,098	\$ 4,762,531	\$ 5,084,973
Operating Grants & Contributions	668,540	218,884	-	-	668,540	218,884
Capital Grants & Contributions	277,591	93,060	283,315	520,609	560,906	613,669
General Revenues:						
Property Taxes	8,891,039	8,486,473	-	-	8,891,039	8,486,473
State Shared Revenues	2,118,051	1,763,372	-	-	2,118,051	1,763,372
Investment Earnings	185,455	214,986	46,925	108,218	232,380	323,204
Other	357,897	363,853	-	-	357,897	363,853
Total Revenues	<u>14,062,117</u>	<u>13,169,503</u>	<u>3,529,227</u>	<u>3,684,925</u>	<u>17,591,344</u>	<u>16,854,428</u>
Program Expenses:						
General Government	2,391,836	2,258,090	-	-	2,391,836	2,258,090
Public Safety	6,613,428	7,367,439	-	-	6,613,428	7,367,439
Planning and Zoning	43,224	100,199	-	-	43,224	100,199
Public Works	278,726	102,684	-	-	278,726	102,684
Recreation and Cultural	2,576,047	2,763,755	-	-	2,576,047	2,763,755
Other	95,162	97,706	-	-	95,162	97,706
Interest on Long-Term Debt	29,332	33,355	-	-	29,332	33,355
Water and Sewer	-	-	3,157,265	3,373,944	3,157,265	3,373,944
Total Expenses	<u>12,027,755</u>	<u>12,723,228</u>	<u>3,157,265</u>	<u>3,373,944</u>	<u>15,185,020</u>	<u>16,097,172</u>
Change in Net Position	<u>\$ 2,034,362</u>	<u>\$ 446,275</u>	<u>\$ 371,962</u>	<u>\$ 310,981</u>	<u>\$ 2,406,324</u>	<u>\$ 757,256</u>

**Business-type activities.** Business-type activities increased Charter Township of Oxford's net position by \$371,962, as compared to a \$310,981 increase in the prior year. The water fund had an operating loss of \$466,301 in the current year, as compared to an operating loss of \$457,755 in the prior year. The sewer fund operating loss was \$307,790 in 2020 as compared to an operating loss of \$541,976 in 2019. Also, water and sewer tap fee revenues decreased \$175,026 over the prior year as a result of decreased 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 \$11,173,954, an increase of \$1,435,786 in comparison with the prior year. The *unrestricted fund balance*, which is the amount available for spending at the government's discretion, represents 20% 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 \$2,221,672. The fund balance of Charter Township of Oxford's general fund increased by \$540,495 during the current fiscal year, in comparison to a \$369,990 increase in the prior year. General Fund operating revenues increased \$97,478, including a \$23,164 increase in state shared revenues and \$17,942 in additional interest earned. Operating expenditures increased \$296,973 over the prior year. The current year reflects an increase of \$63,596 in employer health insurance expense resulting from a 15% increase in premiums. The General Fund also transferred a total of \$192,100 to other funds for safety path construction (\$80,000) and a lump sum additional contribution to the fire defined benefit pension plan (\$112,100).

**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 \$3,291,705 at the end of the year, which is a \$1,474,443 decrease in unrestricted net position. Current development activity within the Township resulted in water and sewer tap fees decreasing \$175,026, in comparison to a decrease in tap fees in the prior year of \$311,264. 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 \$347,578, which includes an increase for state shared revenues (\$147,282) and interest earnings (\$36,325). Budgeted expenditures were increased \$549,761 including an increase to safety path maintenance of \$175,000, an increase to contingency expenditures of \$485,000, and amendments to budgeted operating transfers include \$80,000 to the Safety Path Fund and \$100,000 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, 2020, amounts to \$37,110,666 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and the water and sewer systems. The investment in fixed assets increased by

\$2,397,227 due to capital asset additions less annual depreciation expense. Capital asset additions during 2020 included completion of the Community Center construction at Seymour Lake Park (\$97,327), park improvements in the Township (\$217,055), and installation of a vehicle exhaust system at the Fire Station (\$169,500). The Water Enterprise Fund capital asset additions reflect \$706,000 of water line extensions and the Sewer Enterprise Fund includes \$1,130,037 of the M24 Sewer Main Extension project.

**Long-term debt.** At the end of the current fiscal year, Charter Township of Oxford had total bonded debt outstanding of \$8,590,479, which consisted of \$1,310,000 Park General Obligation bonds, \$5,570,000 Water General Obligation bonds, and \$1,710,479 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 2 percent increase in State shared revenue in 2021 based on current economic projections. The Township is not anticipating any significant increases to operating revenues or operating expenditures in fiscal year 2021. The Township has adopted a balanced budget in the General Fund for fiscal year 2021 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, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 11,552,565	\$ 3,026,278	\$ 14,578,843	\$ 105,091
Receivables (net of allowance for uncollectibles):				
Accounts	217,096	640,340	857,436	-
Taxes	10,569,134	-	10,569,134	-
Due from Other Units	-	107,878	107,878	-
Prepaid Expenditures	5,820	-	5,820	-
Capital Assets (net of Accumulated Depreciation)	15,819,086	21,291,580	37,110,666	30,181
Total Assets	<u>38,163,701</u>	<u>25,066,076</u>	<u>63,229,777</u>	<u>135,272</u>
<b><u>DEFERRED OUTFLOWS</u></b>				
Deferred Outflows related to Pensions	837,264	-	837,264	-
<b><u>LIABILITIES</u></b>				
Accounts Payable	601,527	339,041	940,568	-
Noncurrent Liabilities:				
Net Pension Liability	1,676,674	-	1,676,674	-
Other Postemployment Benefit Liability	429,740	-	429,740	-
Compensated Absences	171,541	-	171,541	-
Due within one year	200,000	590,384	790,384	-
Due in more than one year	1,110,000	6,690,095	7,800,095	-
Total Liabilities	<u>4,189,482</u>	<u>7,619,520</u>	<u>11,809,002</u>	<u>-</u>
<b><u>DEFERRED INFLOWS</u></b>				
Property Taxes Collected for the following year	10,569,134	-	10,569,134	-
Deferred Inflows related to Pensions	8,640	-	8,640	-
Deferred Charge on Bond Refundings	-	143,750	143,750	-
Total Deferred Inflows	<u>10,577,774</u>	<u>143,750</u>	<u>10,721,524</u>	<u>-</u>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	14,509,086	14,011,101	28,520,187	30,181
Restricted	8,915,079	-	8,915,079	-
Unrestricted	809,544	3,291,705	4,101,249	105,091
Total Net Position	<u>\$ 24,233,709</u>	<u>\$ 17,302,806</u>	<u>\$ 41,536,515</u>	<u>\$ 135,272</u>



**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

Functions/Programs	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	
<b>Governmental Activities:</b>							
General Government	\$ 2,391,836	\$ 22,838	\$ -	\$ (2,049,605)	\$ -	\$ (2,049,605)	\$ -
Public Safety	6,613,428	497,756	200,270	(5,024,155)	-	(5,024,155)	-
Planning and Zoning	43,224	-	-	(17,184)	-	(17,184)	-
Public Works	278,726	-	77,321	(201,405)	-	(201,405)	-
Health and Welfare	95,162	14,319	-	(80,843)	-	(80,843)	-
Recreation and Cultural	2,576,047	133,627	-	(2,115,556)	-	(2,115,556)	-
Interest on Long-Term Debt	29,332	-	-	(29,332)	-	(29,332)	-
<b>Total Governmental Activities</b>	<b>12,027,755</b>	<b>668,540</b>	<b>277,591</b>	<b>(9,518,080)</b>	<b>-</b>	<b>(9,518,080)</b>	<b>-</b>
<b>Business-type Activities:</b>							
Water	681,474	-	149,716	-	553,577	553,577	-
Sewer	2,475,791	-	133,599	-	(228,540)	(228,540)	-
<b>Total Business-type Activities</b>	<b>3,157,265</b>	<b>-</b>	<b>283,315</b>	<b>-</b>	<b>325,037</b>	<b>325,037</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 15,185,020</b>	<b>\$ 668,540</b>	<b>\$ 560,906</b>	<b>(9,518,080)</b>	<b>325,037</b>	<b>(9,193,043)</b>	<b>-</b>
<b>Component Unit - Trailway</b>	<b>\$ 75,793</b>	<b>\$ 105,862</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,069</b>
<b>General Revenues:</b>							
Property Taxes				8,891,039	-	8,891,039	-
State Shared Revenue				2,118,051	-	2,118,051	-
Franchise Fees				357,897	-	357,897	-
Unrestricted Investment Earnings				185,455	46,925	232,380	67
<b>Total General Revenues</b>				<b>11,552,442</b>	<b>46,925</b>	<b>11,599,367</b>	<b>67</b>
Change in Net Position				2,034,362	371,962	2,406,324	30,136
Net Position - Beginning				22,199,347	16,850,844	39,050,191	105,136
<b>Net Position - Ending</b>				<b>\$ 24,233,709</b>	<b>\$ 17,222,806</b>	<b>\$ 41,456,515</b>	<b>\$ 135,272</b>

The notes to the financial statements are an integral part of this statement.

**CHARTER TOWNSHIP OF OXFORD**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General	Police Contracting	Parks and Recreation	Fire
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 2,304,962	\$ 2,773,258	\$ 498,200	\$ 1,846,265
Receivables (net of allowance for uncollectibles):				
Accounts	26,336	1,907	16,301	-
Taxes	846,683	3,164,145	923,074	4,187,491
Advance to Other Funds	-	-	-	-
Prepaid Expenditures	-	-	5,820	-
	-	-	5,820	-
Total Assets	\$ 3,177,981	\$ 5,939,310	\$ 1,443,395	\$ 6,033,756
 <b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	\$ 109,626	\$ 468,572	\$ 1,300	\$ 7,229
Advance from Other Funds	-	-	55,423	-
Deferred Inflows:				
Deferred Tax Revenue	846,683	3,164,145	923,074	4,187,491
Total Liabilities and Deferred Inflows	956,309	3,632,717	979,797	4,194,720
Fund Balances:				
Nonspendable-Prepays	-	-	5,820	-
Restricted	-	2,306,593	457,778	1,839,036
Unrestricted:				
Committed	-	-	-	-
Unassigned	2,221,672	-	-	-
Total Fund Balances	2,221,672	2,306,593	463,598	1,839,036
Total Liabilities, Deferred Inflows and Fund Balances	\$ 3,177,981	\$ 5,939,310	\$ 1,443,395	\$ 6,033,756

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>
\$ 1,511,988	\$ 2,617,892	\$ 11,552,565
-	172,552	217,096
1,233,750	213,991	10,569,134
-	55,423	55,423
-	-	5,820
<u>\$ 2,745,738</u>	<u>\$ 3,059,858</u>	<u>\$ 22,400,038</u>

\$ -	\$ 14,800	\$ 601,527
-	-	55,423
1,233,750	213,991	10,569,134
<u>1,233,750</u>	<u>228,791</u>	<u>11,226,084</u>
-	-	5,820
1,511,988	2,799,684	8,915,079
-	31,383	31,383
-	-	2,221,672
<u>1,511,988</u>	<u>2,831,067</u>	<u>11,173,954</u>
<u>\$ 2,745,738</u>	<u>\$ 3,059,858</u>	

15,819,086  
 828,624  
 (1,676,674)  
 (429,740)  
(1,481,541)  
\$ 24,233,709

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	<u>General</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Fire</u>
<u>Revenues</u>				
Property Taxes	\$ 824,207	\$ 2,939,236	\$ 728,135	\$ 2,985,387
Licenses and Permits	21,981	-	-	-
Intergovernmental:				
Federal, State and Local	1,580,755	535,182	16,259	422,178
Charges for Services	141,591	61,441	285,648	570,003
Fines and Forfeitures	-	34,575	-	-
Franchise Fees	-	-	-	-
Special Assessments	91,430	-	-	-
Interest	77,833	16,771	11,459	33,522
Other	110,627	-	5,599	41,003
Total Revenues	<u>2,848,424</u>	<u>3,587,205</u>	<u>1,047,100</u>	<u>4,052,093</u>
<u>Expenditures</u>				
Current:				
General Government	1,253,062	-	-	-
Public Safety	-	2,948,561	-	3,831,679
Planning and Zoning	43,224	-	-	-
Public Works	218,717	-	-	-
Health and Welfare	95,162	-	-	-
Recreation and Cultural	-	-	944,490	-
Other	505,664	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	97,327	231,834
Total Expenditures	<u>2,115,829</u>	<u>2,948,561</u>	<u>1,041,817</u>	<u>4,063,513</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>732,595</u>	<u>638,644</u>	<u>5,283</u>	<u>(11,420)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	112,100
Transfers Out	(192,100)	-	-	-
Total Other Financing Sources (Uses)	<u>(192,100)</u>	<u>-</u>	<u>-</u>	<u>112,100</u>
Net Change in Fund Balances	540,495	638,644	5,283	100,680
Fund Balances - Beginning	<u>1,681,177</u>	<u>1,667,949</u>	<u>458,315</u>	<u>1,738,356</u>
Fund Balances - Ending	<u>\$ 2,221,672</u>	<u>\$ 2,306,593</u>	<u>\$ 463,598</u>	<u>\$ 1,839,036</u>

Library	Other Governmental Funds	Total Governmental Funds
\$ 1,192,169	\$ 209,568	\$ 8,878,702
-	241,795	263,776
83,257	86,290	2,723,921
-	16,008	1,074,691
41,216	-	75,791
-	357,897	357,897
-	-	91,430
27,966	17,904	185,455
44,945	208,280	410,454
<u>1,389,553</u>	<u>1,137,742</u>	<u>14,062,117</u>
-	2,638	1,255,700
-	244,280	7,024,520
-	-	43,224
-	60,009	278,726
-	-	95,162
1,263,699	-	2,208,189
-	297,836	803,500
-	190,000	190,000
-	29,332	29,332
19,883	348,934	697,978
<u>1,283,582</u>	<u>1,173,029</u>	<u>12,626,331</u>
<u>105,971</u>	<u>(35,287)</u>	<u>1,435,786</u>
-	80,000	192,100
-	-	(192,100)
<u>-</u>	<u>80,000</u>	<u>-</u>
105,971	44,713	1,435,786
<u>1,406,017</u>	<u>2,786,354</u>	<u>9,738,168</u>
<u>\$ 1,511,988</u>	<u>\$ 2,831,067</u>	<u>\$ 11,173,954</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, 2020**

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

Net change in fund balances - total governmental funds	\$ 1,435,786
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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	561,174
Depreciation Expense	(937,670)

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	190,000
Decrease in Compensated Absences	4,356

Change in Net Pension Liability	643,442
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Change in Net Other Postemployment Benefit Liability	<u>137,274</u>
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Change in net position in governmental activities	<u><u>\$ 2,034,362</u></u>
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**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
<b><u>ASSETS</u></b>			
Current Assets:			
Cash	\$ 1,226,223	\$ 1,800,055	\$ 3,026,278
Accounts Receivable	640,340	-	640,340
Due from Other Units	107,878	-	107,878
Total Current Assets	1,974,441	1,800,055	3,774,496
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	(6,463,040)	(5,454,970)	(11,918,010)
Net Fixed Assets	5,762,614	15,528,966	21,291,580
Total Assets	7,737,055	17,329,021	25,066,076
 <b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable	325,841	13,200	339,041
Bonds Payable	115,384	475,000	590,384
Total Current Liabilities	441,225	488,200	929,425
Noncurrent Liabilities:			
Bonds Payable	1,595,095	5,095,000	6,690,095
Total Liabilities	2,036,320	5,583,200	7,619,520
 <b><u>DEFERRED INFLOWS</u></b>			
Deferred Charge on Refunding Bonds	-	143,750	143,750
 <b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	4,052,135	9,958,966	14,011,101
Unrestricted	1,648,600	1,643,105	3,291,705
Total Net Position	\$ 5,700,735	\$ 11,602,071	\$ 17,302,806

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
Operating Revenues:			
Charges for Services	\$ 2,113,652	\$ 3,848	\$ 2,117,500
Operating Expenses:			
Operations & Maintenance	2,267,275	66,896	2,334,171
Depreciation Expense	154,167	403,253	557,420
Total Operating Expenses	<u>2,421,442</u>	<u>470,149</u>	<u>2,891,591</u>
Operating Income (Loss)	<u>(307,790)</u>	<u>(466,301)</u>	<u>(774,091)</u>
Nonoperating Revenues (Expenses):			
Debt Surcharge	-	1,081,487	1,081,487
State Grant	55,599	-	55,599
Interest Income	20,601	26,324	46,925
Interest Expense	(54,349)	(211,325)	(265,674)
Total Nonoperating Revenues (Expenses)	<u>21,851</u>	<u>896,486</u>	<u>918,337</u>
Income (Loss) Before Contributions	(285,939)	430,185	144,246
Capital Contributions	<u>78,000</u>	<u>149,716</u>	<u>227,716</u>
Net Income (Loss)	(207,939)	579,901	371,962
Net Position - January 1	<u>5,908,674</u>	<u>11,022,170</u>	<u>16,930,844</u>
Net Position - December 31	<u>\$ 5,700,735</u>	<u>\$ 11,602,071</u>	<u>\$ 17,302,806</u>



**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers and users	\$ 2,119,570	\$ 3,848	\$ 2,123,418
Payments to suppliers	(2,290,214)	(53,696)	(2,343,910)
Net Cash Provided (Used) by Operating Activities	(170,644)	(49,848)	(220,492)
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Capital Contributions	78,000	149,716	227,716
Debt Surcharge	-	1,081,487	1,081,487
State Grant	55,599	-	55,599
Construction of Assets	(1,130,036)	(706,017)	(1,836,053)
Principal Paid on Debt	(112,772)	(455,000)	(567,772)
Interest Paid on Debt	(54,349)	(225,700)	(280,049)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,163,558)	(155,514)	(1,319,072)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest Earned	20,601	26,324	46,925
Net Increase (Decrease) in Cash and Cash Equivalents	(1,313,601)	(179,038)	(1,492,639)
Cash and Cash Equivalents, Beginning	2,539,824	1,979,093	4,518,917
Cash and Cash Equivalents, Ending	\$ 1,226,223	\$ 1,800,055	\$ 3,026,278
<b><u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u></b>			
Operating Income (Loss)	\$ (307,790)	\$ (466,301)	\$ (774,091)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	154,167	403,253	557,420
(Increase) Decrease in Accounts Receivable	24,189	-	24,189
(Increase) Decrease in Due from Other Units	(18,271)	-	(18,271)
Increase (Decrease) in Accounts Payable	(22,939)	13,200	(9,739)
Net Cash Provided (Used) by Operating Activities	\$ (170,644)	\$ (49,848)	\$ (220,492)

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2020**

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ <u>6,999,916</u>
LIABILITIES	
Due to Other Governmental Units	6,458,064
Deposits and Escrows	<u>541,852</u>
Total Liabilities	<u>6,999,916</u>
NET POSITION	\$ <u><u>-</u></u>

**CHARTER TOWNSHIP OF OXFORD**  
**Statement Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2020**

	<u>Custodial Funds</u>
Additions:	
Deposits and Escrows Collected	\$ 416,260
Taxes Collected for Other Governments	<u>36,716,532</u>
Total Additions	<u>37,132,792</u>
Deductions:	
Deposits and Escrows Refunded	416,260
Payments of Taxes to Other Governments	<u>36,716,532</u>
Total Deductions	<u>37,132,792</u>
Change in Net Position	\$ <u><u>-</u></u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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	\$ 217,096	\$ 640,340
Less Allowance for Doubtful Accounts	-	-
Net Realizable Value	<u>\$ 217,096</u>	<u>\$ 640,340</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, 2020

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, 2020

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, 2020

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 2020.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2020.

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, 2020, the Township's book balance of its deposits was \$21,578,759. The bank balance was \$21,757,781 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, 2020

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

At December 31, 2020, the carrying amount and bank balance of the component unit of the Charter Township of Oxford, the Polly Ann Trailway Management Council, was \$105,091, 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>12,035,865</u>	230 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>12,035,865</u>	N/A

Concentration of Credit Risk

The Township places no limit on the amount it may invest in any one issuer. Approximately 55 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, 2020

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not depreciated:				
Land	\$ 1,370,280	\$ -	\$ -	\$ 1,370,280
Capital Assets, being depreciated:				
Building and Land Improvements	18,051,135	483,882	-	18,535,017
Vehicles	3,703,709	-	-	3,703,709
Machinery and Equipment	2,902,730	77,292	-	2,980,022
Infrastructure	1,740,414	-	-	1,740,414
	<u>26,397,988</u>	<u>561,174</u>	<u>-</u>	<u>26,959,162</u>
Less: Accumulated Depreciation:				
Building and Land Improvements	(6,107,792)	(520,341)	-	(6,628,133)
Vehicles	(3,049,467)	(167,722)	-	(3,217,189)
Machinery and Equipment	(1,883,020)	(151,958)	-	(2,034,978)
Infrastructure	(532,407)	(97,649)	-	(630,056)
	<u>(11,572,686)</u>	<u>(937,670)</u>	<u>-</u>	<u>(12,510,356)</u>
Governmental Activities Capital Assets, net	<u>\$ 16,195,582</u>	<u>\$ (376,496)</u>	<u>\$ -</u>	<u>\$ 15,819,086</u>

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

General Government	\$ 218,937
Public Safety	370,021
Recreation and Cultural	348,712
	<u>\$ 937,670</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets, not depreciated:				
Land	\$ 367,557	\$ -	\$ -	\$ 367,557
Capital Assets, being depreciated:				
Infrastructure	31,005,980	1,836,053	-	32,842,033
Less: Accumulated Depreciation:				
Infrastructure	(11,360,590)	(557,420)	-	(11,918,010)
Business-type Activities Capital Assets, net	<u>\$ 20,012,947</u>	<u>\$ 1,278,633</u>	<u>\$ -</u>	<u>\$ 21,291,580</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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>(76,722)</u>	<u>(6,458)</u>	<u>-</u>	<u>(83,180)</u>
Component Unit, Capital Assets, net	<u>\$ 36,639</u>	<u>\$ (6,458)</u>	<u>\$ -</u>	<u>\$ 30,181</u>

C. Interfund Receivables, Payables and Transfers

<u>Advance Receivable</u>	<u>Advance Payable</u>	
Building Fund	Parks and Recreation Fund	<u>\$ 55,423</u>
<u>Transfers In</u>	<u>Transfers Out</u>	
Fire Fund	General Fund	\$ 112,100
Safety Path Fund	General Fund	80,000
		<u>\$ 192,100</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 Safety Path Fund for future projects.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2020:

	<u>Balance</u> <u>Jan 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec 31, 2020</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 1,500,000	\$ -	\$ 190,000	\$ 1,310,000	\$ 200,000
Compensated Absences	175,897	-	4,356	171,541	-
	<u>\$ 1,675,897</u>	<u>\$ -</u>	<u>\$ 194,356</u>	<u>\$ 1,481,541</u>	<u>\$ 200,000</u>
Business Activities:					
General Obligation Bonds	\$ 6,025,000	\$ -	\$ 455,000	\$ 5,570,000	\$ 475,000
Interceptor Drain 2010A	415,481	-	30,109	385,372	30,835
Interceptor Drain 2010B	107,862	-	7,497	100,365	7,860
Interceptor Drain 2013A	1,299,908	-	75,166	1,224,742	76,689
	<u>\$ 7,848,251</u>	<u>\$ -</u>	<u>\$ 567,772</u>	<u>\$ 7,280,479</u>	<u>\$ 590,384</u>

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2020:

	<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>\$ 1,310,000</u>
Business Activities:				
General Obligation Bonds	1	2.00%-4.00%	2030	\$ 5,570,000
Interceptor Drain Bonds	3	1.15%-5.90%	2034	1,710,479
				<u>\$ 7,280,479</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2020 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>
2021	\$ 200,000	\$ 25,652	\$ 590,384	\$ 246,727
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
2026-2030	235,000	2,491	3,705,970	462,865
2031-2034	-	-	424,765	19,946
	<u>\$ 1,310,000</u>	<u>\$ 85,860</u>	<u>\$ 7,280,479</u>	<u>\$ 1,521,377</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, 2019, but recognized revenue in the year ending December 31, 2020, 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 2021      \$10,569,134

- 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, 2020 is \$143,750.



CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2020, is presented below:

<u>Fund Balance</u>	<u>General Fund</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Fire</u>	<u>Library</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:							
Prepays	\$ -	\$ -	\$ 5,820	\$ -	\$ -	\$ -	\$ 5,820
Restricted for:							
Police	-	2,306,593	-	-	-	-	2,306,593
Parks & Recreation	-	-	457,778	-	-	-	457,778
Fire & EMS	-	-	-	1,839,036	-	-	1,839,036
Library	-	-	-	-	1,511,988	-	1,511,988
Debt Service	-	-	-	-	-	22,080	22,080
Building Dept.	-	-	-	-	-	1,750,433	1,750,433
Cable Television	-	-	-	-	-	334,531	334,531
Roads	-	-	-	-	-	273,445	273,445
Cemetery	-	-	-	-	-	29,212	29,212
Safety Path	-	-	-	-	-	362,105	362,105
Telecommunication	-	-	-	-	-	27,878	27,878
Total Restricted	<u>-</u>	<u>2,306,593</u>	<u>457,778</u>	<u>1,839,036</u>	<u>1,511,988</u>	<u>2,799,684</u>	<u>8,915,079</u>
Committed for							
Capital Projects	-	-	-	-	-	31,383	31,383
Unassigned	<u>2,221,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,221,672</u>
Total Fund Balance	<u>\$ 2,221,672</u>	<u>\$ 2,306,593</u>	<u>\$ 463,598</u>	<u>\$ 1,839,036</u>	<u>\$ 1,511,988</u>	<u>\$ 2,831,067</u>	<u>\$ 11,173,954</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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 2019 tax roll:

<u>Purpose</u>	<u>Authorization</u>	<u>Authorized Rate (Pre Rollback)*</u>	<u>Authorized Rate (Post Rollback)*</u>	<u>Rate Levied</u>
Operating	State Law	1.4100	.9118	.9118
Police Services	Voter Approved	3.9152	3.7624	3.7624
Library	Voter Approved	1.8500	1.3367	1.3367
Parks and Rec.	Voter Approved	.8538	.8164	.8164
Fire	Voter Approved	3.5000	3.3472	3.3472
Parks Debt	Voter Approved	.2700	.2350	.2350

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](http://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, 2020

IV. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

Employees Covered by Benefit Terms

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	3
Active Plan Members	<u>17</u>
Total Employees covered by MERS	<u>37</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, 2020, 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, 2020 was determined using a measure of the total pension liability and the plan net position as of December 31, 2019. The December 31, 2019 total pension liability was determined by an actuarial valuation performed as of that date.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2019	\$ 5,953,104	\$ 3,762,701	\$ 2,190,403
Service Cost	167,519	-	167,519
Interest	469,990	-	469,990
Contributions-Employer	-	830,649	(830,649)
Contributions-Employee	-	69,721	(69,721)
Net Investment Income	-	542,642	(542,642)
Differences between Expected and Actual Experience	84,248	-	84,248
Change in Assumptions	198,273	-	198,273
Benefit Payments, including refunds	(323,956)	(323,956)	-
Administrative Expenses	-	(9,253)	9,253
Net Changes	<u>596,074</u>	<u>1,109,803</u>	<u>(513,729)</u>
Balance at December 31, 2019	<u>\$ 6,549,178</u>	<u>\$ 4,872,504</u>	<u>\$ 1,676,674</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2020, the Township reported deferred outflows of resources related to pensions from the following sources:

<u>Source</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 8,640
Differences between expected and actual experience	165,592	-
Differences in Assumptions	158,618	-
Employer contributions to the plan subsequent to the measurement date	513,054	-
Total	<u>\$ 837,264</u>	<u>\$ 8,640</u>

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 (\$513,054), which will impact the net pension liability in fiscal year 2021, rather than pension expense.

<u>Years Ending December 31</u>	<u>Amount</u>
2021	\$ 110,389
2022	71,189
2023	33,701
2024	100,291

Actuarial Assumptions

The total pension liability in the December 31, 2019 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, 2020

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, 2019 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, 2020

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%	3.15%
Global Fixed Income	20%	0.25%
Private Investments	20%	1.45%

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>2,556,413</u>	\$ <u>1,676,674</u>	\$ <u>941,562</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, 2020

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 &amp; 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	\$104,703	\$51,474	\$52,875
Employee Contribution	\$69,386	\$15,449	N/A



CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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, 2019 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, 2020

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, 2019	\$ <u>569,240</u>	\$ <u>2,226</u>	\$ <u>567,014</u>
Service Cost	-	-	-
Interest Cost	17,696	-	17,696
Difference between expected and actual experience	(127,525)	-	(127,525)
Change in Assumptions	(5,227)	-	(5,227)
Net Investment Income	-	254	(254)
Employer Contributions	-	21,988	(21,988)
Benefit Payments	(21,988)	(21,988)	-
Administrative Expenses	-	(24)	24
Net Changes	<u>(137,044)</u>	<u>230</u>	<u>(137,274)</u>
Balance at December 31, 2019	\$ <u><u>432,196</u></u>	\$ <u><u>2,456</u></u>	\$ <u><u>429,740</u></u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2019. 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, 2020

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, 2019 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%	8.00%
Global Fixed Income	26.0%	5.50%
Real Assets	5.0%	6.20%
Diversifying strategies	5.0%	2.75%

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>514,837</u>	\$ <u>429,740</u>	\$ <u>362,915</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>360,017</u>	\$ <u>429,740</u>	\$ <u>516,672</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2020

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)**

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 284,964	\$ 250,033	\$ 239,221	\$ 270,672	\$ 226,491	\$ 186,263	\$ 181,601	\$ 149,148	\$ 149,587	\$ 130,513
Contributions in relation to the actuarially determined contribution	437,026	830,649	496,957	482,772	249,413	186,263	181,601	149,148	149,587	130,513
Contribution Excess (Deficiency)	\$ 152,062	\$ 580,616	\$ 257,736	\$ 212,100	\$ 22,922	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 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	\$ 887,100
Contributions as a Percentage of Covered Employee Payroll	30.6%	66.0%	41.3%	42.8%	19.3%	17.7%	17.9%	16.3%	15.8%	14.7%

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



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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 30,696	\$ 34,990	\$ 32,890	\$ 36,597	\$ 42,916	\$ 42,916	\$ 42,916	\$ 42,916	\$ 42,916	\$ 42,878
Contributions in relation to the actuarially determined contribution	43,324	36,632	49,235	50,020	43,658	43,048	32,531	38,803	41,613	52,853
Contribution Excess (Deficiency)	\$ 12,628	\$ 1,642	\$ 16,345	\$ 13,423	\$ 742	\$ 132	\$ (10,385)	\$ (4,113)	\$ (1,303)	\$ 9,975
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:  
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.  
Mortality Two retirees pay 50% of the premium cost.  
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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 788,000	\$ 824,207	\$ 824,207	\$ -
Licenses and Permits	26,300	25,731	21,981	(3,750)
Intergovernmental - Federal/CDBG	25,000	25,000	14,319	(10,681)
Intergovernmental - State	1,460,000	1,607,282	1,566,436	(40,846)
Charges for Services	142,170	150,210	141,591	(8,619)
Special Assessments	77,993	89,720	91,430	1,710
Interest	42,600	78,925	77,833	(1,092)
Other	2,000	110,566	110,627	61
<b>Total Revenues</b>	<b><u>2,564,063</u></b>	<b><u>2,911,641</u></b>	<b><u>2,848,424</u></b>	<b><u>(63,217)</u></b>
<b>Expenditures:</b>				
<b>General Government:</b>				
Township Board	38,300	45,090	36,582	8,508
Township Supervisor	207,884	208,467	206,145	2,322
Elections	110,500	113,875	106,665	7,210
Assessor	174,500	164,100	137,343	26,757
Professional Fees	71,500	81,320	56,480	24,840
Township Clerk	188,702	185,303	181,985	3,318
Board of Review	4,318	3,065	2,769	296
Township Treasurer	183,851	184,343	171,382	12,961
Township Hall Building	97,300	91,803	79,474	12,329
Cemetery	79,900	83,008	76,004	7,004
Other	548,958	1,001,632	198,233	803,399
<b>Total General Government</b>	<b><u>1,705,713</u></b>	<b><u>2,162,006</u></b>	<b><u>1,253,062</u></b>	<b><u>908,944</u></b>
<b>Planning and Zoning:</b>				
Planning Commission	133,500	88,474	40,449	48,025
Board of Appeals	12,300	5,006	2,775	2,231
<b>Total Planning and Zoning</b>	<b><u>145,800</u></b>	<b><u>93,480</u></b>	<b><u>43,224</u></b>	<b><u>50,256</u></b>
<b>Public Works:</b>				
Highways and Streets	500	500	-	500
Safety Path Maintenance	20,000	195,000	189,657	5,343
Street Lighting	10,000	11,200	10,828	372
Engineering	25,000	27,893	18,232	9,661
<b>Total Public Works</b>	<b><u>55,500</u></b>	<b><u>234,593</u></b>	<b><u>218,717</u></b>	<b><u>15,876</u></b>
<b>Health and Welfare:</b>				
Citizen Programs/CDBG	25,000	25,000	23,494	1,506
Social Services	14,490	14,415	11,415	3,000
NOTA	65,000	65,000	60,253	4,747
<b>Total Health and Welfare</b>	<b><u>104,490</u></b>	<b><u>104,415</u></b>	<b><u>95,162</u></b>	<b><u>9,253</u></b>
<b>Other Functions:</b>				
Fringe Benefits	519,560	456,946	456,380	566
Insurance and Bonds	9,900	38,759	37,759	1,000
Contributions	11,000	11,525	11,525	-
<b>Total Other Functions</b>	<b><u>540,460</u></b>	<b><u>507,230</u></b>	<b><u>505,664</u></b>	<b><u>1,566</u></b>
<b>Total Expenditures</b>	<b><u>2,551,963</u></b>	<b><u>3,101,724</u></b>	<b><u>2,115,829</u></b>	<b><u>985,895</u></b>

(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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,100	\$ (190,083)	\$ 732,595	\$ 922,678
Other Financing Uses: Operating Transfers Out	<u>(12,100)</u>	<u>(192,100)</u>	<u>(192,100)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (382,183)</u>	540,495	<u>\$ 922,678</u>
Fund Balance - January 1			<u>1,681,177</u>	
Fund Balance - December 31			<u>\$ 2,221,672</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 2,900,500	\$ 2,939,236	\$ 2,939,236	\$ -
Intergovernmental	40,300	261,509	535,182	273,673
Charges for Services	65,800	65,700	61,441	(4,259)
Fines and Forfeitures	31,200	41,115	34,575	(6,540)
Interest	13,000	17,400	16,771	(629)
Total Revenues	<u>3,050,800</u>	<u>3,324,960</u>	<u>3,587,205</u>	<u>262,245</u>
Expenditures:				
Public Safety	<u>3,050,800</u>	<u>3,324,960</u>	<u>2,948,561</u>	<u>376,399</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	638,644	\$ <u>638,644</u>
Fund Balance - January 1			<u>1,667,949</u>	
Fund Balance - December 31			<u>\$ 2,306,593</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 720,500	\$ 720,500	\$ 728,135	\$ 7,635
Intergovernmental-State	5,000	5,000	16,259	11,259
Charges for Services	566,300	566,300	285,648	(280,652)
Interest	5,000	5,000	11,459	6,459
Other	1,000	1,000	5,599	4,599
Total Revenues	<u>1,297,800</u>	<u>1,297,800</u>	<u>1,047,100</u>	<u>(250,700)</u>
Expenditures:				
Recreation	1,197,800	1,197,800	944,490	253,310
Capital Outlay	100,000	100,000	97,327	2,673
Total Expenditures	<u>1,297,800</u>	<u>1,297,800</u>	<u>1,041,817</u>	<u>255,983</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ <u>          -</u>	\$ <u>          -</u>	5,283	\$ <u>      5,283</u>
Fund Balance - January 1			<u>458,315</u>	
Fund Balance - December 31			<u>\$ 463,598</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 2,900,000	\$ 2,985,387	\$ 2,985,387	\$ -
Intergovernmental-State	-	494,064	422,178	(71,886)
Grants	84,556	36,000	36,000	-
Charges for Services	530,500	560,387	570,003	9,616
Interest	30,000	31,357	33,522	2,165
Other	5,000	5,450	5,003	(447)
Total Revenues	<u>3,550,056</u>	<u>4,112,645</u>	<u>4,052,093</u>	<u>(60,552)</u>
Expenditures:				
Public Safety	3,811,691	3,892,911	3,831,679	61,232
Capital Outlay	-	231,834	231,834	-
Total Expenditures	<u>3,811,691</u>	<u>4,124,745</u>	<u>4,063,513</u>	<u>61,232</u>
Excess (Deficiency) of Revenue Over Expenditures	(261,635)	(12,100)	(11,420)	680
Other Financing Sources:				
Operating Transfers In	<u>12,100</u>	<u>12,100</u>	<u>112,100</u>	<u>100,000</u>
Net Change in Fund Balance	<u>\$ (249,535)</u>	<u>\$ -</u>	100,680	<u>\$ 100,680</u>
Fund Balance - January 1			<u>1,738,356</u>	
Fund Balance - December 31			<u>\$ 1,839,036</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,192,000	\$ 1,192,169	\$ 1,192,169	\$ -
Intergovernmental-State	43,300	83,257	83,257	-
Fines	47,000	41,250	41,216	(34)
Grants and Donations	28,000	33,471	39,129	5,658
Interest	9,025	27,000	27,966	966
Other	8,501	5,702	5,816	114
Total Revenues	<u>1,327,826</u>	<u>1,382,849</u>	<u>1,389,553</u>	<u>6,704</u>
Expenditures:				
Operating	1,322,826	1,360,849	1,263,699	97,150
Capital Outlay	5,000	22,000	19,883	2,117
Total Expenditures	<u>1,327,826</u>	<u>1,382,849</u>	<u>1,283,582</u>	<u>99,267</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	105,971	<u>\$ 105,971</u>
Fund Balance - January 1			<u>1,406,017</u>	
Fund Balance - December 31			<u>\$ 1,511,988</u>	

OTHER SUPPLEMENTARY INFORMATION



**CHARTER TOWNSHIP OF OXFORD**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2020**

	Special Revenue	Debt Service Park Bond	Capital Projects	Permanent Fund- Cemetery	Total Nonmajor Governmental Funds
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 2,534,554	\$ 22,080	\$ 33,258	\$ 28,000	\$ 2,617,892
Accounts Receivable	172,552	-	-	-	172,552
Taxes Receivable	-	213,991	-	-	213,991
Advance to Other Fund	55,423	-	-	-	55,423
Total Assets	\$ 2,762,529	\$ 236,071	\$ 33,258	\$ 28,000	\$ 3,059,858
 <b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u></b>					
Liabilities:					
Accounts Payable	\$ 12,925	\$ -	\$ 1,875	\$ -	\$ 14,800
Deferred Inflows:					
Deferred Tax Revenue	-	213,991	-	-	213,991
Fund Balance:					
Restricted	2,749,604	22,080	-	28,000	2,799,684
Committed for Capital Projects	-	-	31,383	-	31,383
Total Fund Balance	2,749,604	22,080	31,383	28,000	2,831,067
Total Liabilities and Fund Balance	\$ 2,762,529	\$ 236,071	\$ 33,258	\$ 28,000	\$ 3,059,858

**CHARTER TOWNSHIP OF OXFORD**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	Special Revenue	Debt Service- Park Bond	Capital Projects	Permanent Fund- Cemetery	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ -	\$ 209,568	\$ -	\$ -	\$ 209,568
Licenses and Permits	241,795	-	-	-	241,795
Intergovernmental	73,953	12,337	-	-	86,290
Charges for Services	16,008	-	-	-	16,008
Franchise Fees	357,897	-	-	-	357,897
Interest	15,436	196	2,272	-	17,904
Other	208,280	-	-	-	208,280
Total Revenues	<u>913,369</u>	<u>222,101</u>	<u>2,272</u>	<u>-</u>	<u>1,137,742</u>
<b>Expenditures:</b>					
General Government	2,638	-	-	-	2,638
Public Safety	244,280	-	-	-	244,280
Public Works	60,009	-	-	-	60,009
Other	297,836	-	-	-	297,836
Debt Service:					
Principal	-	190,000	-	-	190,000
Interest and Other Charges	-	29,332	-	-	29,332
Capital Outlay	110,501	-	238,433	-	348,934
Total Expenditures	<u>715,264</u>	<u>219,332</u>	<u>238,433</u>	<u>-</u>	<u>1,173,029</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>198,105</u>	<u>2,769</u>	<u>(236,161)</u>	<u>-</u>	<u>(35,287)</u>
Other Financing Sources(Uses):					
Operating Transfers In	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net Change in Fund Balances	278,105	2,769	(236,161)	-	44,713
Fund Balances - January 1	<u>2,471,499</u>	<u>19,311</u>	<u>267,544</u>	<u>28,000</u>	<u>2,786,354</u>
Fund Balances - December 31	<u>\$ 2,749,604</u>	<u>\$ 22,080</u>	<u>\$ 31,383</u>	<u>\$ 28,000</u>	<u>\$ 2,831,067</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**December 31, 2020**

	Building	Cable Television	Road
<u>ASSETS</u>			
Cash	\$ 1,696,890	\$ 252,991	\$ 193,478
Accounts Receivable	-	92,585	79,967
Advance to Other Fund	55,423	-	-
Total Assets	\$ 1,752,313	\$ 345,576	\$ 273,445
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ 1,880	\$ 11,045	\$ -
Fund Balance:			
Restricted	1,750,433	334,531	273,445
Total Liabilities and Fund Balance	\$ 1,752,313	\$ 345,576	\$ 273,445

<u>Cemetery Maintenance</u>	<u>Safety Path</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ 1,212	\$ 362,105	\$ 27,878	\$ 2,534,554
-	-	-	172,552
-	-	-	55,423
<u>\$ 1,212</u>	<u>\$ 362,105</u>	<u>\$ 27,878</u>	<u>\$ 2,762,529</u>

\$ - \$ - \$ - \$ 12,925

<u>1,212</u>	<u>362,105</u>	<u>27,878</u>	<u>2,749,604</u>
<u>\$ 1,212</u>	<u>\$ 362,105</u>	<u>\$ 27,878</u>	<u>\$ 2,762,529</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, 2020**

	<u>Building</u>	<u>Cable Television</u>	<u>Road</u>
Revenues:			
Licenses and Permits	\$ 241,795	\$ -	\$ -
Intergovernmental	-	-	59,125
Charges for Services	16,008	-	-
Franchise Fees	-	357,897	-
Interest	11,052	1,882	1,348
Other	-	8,010	-
Total Revenues	<u>268,855</u>	<u>367,789</u>	<u>60,473</u>
Expenditures:			
Current:			
General Government	-	-	-
Public Safety	244,280	-	-
Public Works	-	-	-
Other	-	297,836	-
Capital Outlay	-	-	110,501
Total Expenditures	<u>244,280</u>	<u>297,836</u>	<u>110,501</u>
Excess (Deficiency) of Revenues Over Expenditures	24,575	69,953	(50,028)
Other Financing Sources:			
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	24,575	69,953	(50,028)
Fund Balance - January 1	<u>1,725,858</u>	<u>264,578</u>	<u>323,473</u>
Fund Balance - December 31	<u>\$ 1,750,433</u>	<u>\$ 334,531</u>	<u>\$ 273,445</u>

<u>Cemetery Maintenance</u>	<u>Safety Path</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 241,795
-	-	14,828	73,953
-	-	-	16,008
-	-	-	357,897
9	1,130	15	15,436
-	200,270	-	208,280
<u>9</u>	<u>201,400</u>	<u>14,843</u>	<u>913,369</u>
2,638	-	-	2,638
-	-	-	244,280
-	59,909	100	60,009
-	-	-	297,836
-	-	-	110,501
<u>2,638</u>	<u>59,909</u>	<u>100</u>	<u>715,264</u>
(2,629)	141,491	14,743	198,105
-	80,000	-	80,000
(2,629)	221,491	14,743	278,105
<u>3,841</u>	<u>140,614</u>	<u>13,135</u>	<u>2,471,499</u>
<u>\$ 1,212</u>	<u>\$ 362,105</u>	<u>\$ 27,878</u>	<u>\$ 2,749,604</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Capital Project Funds**  
**Combining Balance Sheet**  
**December 31, 2020**

	<u>Building &amp; Site Capital Project</u>	<u>Park Bond Construction</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>33,258</u>	\$ <u>-</u>	\$ <u>33,258</u>
Total Assets	\$ <u><u>33,258</u></u>	\$ <u><u>-</u></u>	\$ <u><u>33,258</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities	\$ <u>1,875</u>	\$ <u>-</u>	\$ <u>1,875</u>
Fund Balance:			
Restricted for Park Improvements	-	-	-
Committed for Capital Projects	<u>31,383</u>	<u>-</u>	<u>31,383</u>
Total Fund Balance	<u><u>31,383</u></u>	<u><u>-</u></u>	<u><u>31,383</u></u>
Total Liabilities and Fund Balance	\$ <u><u>33,258</u></u>	\$ <u><u>-</u></u>	\$ <u><u>33,258</u></u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2020**

	<u>Building &amp; Site Capital Project</u>	<u>Park Bond Construction</u>	<u>Total</u>
<u>Revenues:</u>			
Interest	\$ 36	\$ 2,236	\$ 2,272
Total Revenues	<u>36</u>	<u>2,236</u>	<u>2,272</u>
<u>Expenditures:</u>			
Capital Outlay	17,438	220,995	238,433
Total Expenditures	<u>17,438</u>	<u>220,995</u>	<u>238,433</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,402)	(218,759)	(236,161)
Fund Balances - January 1	<u>48,785</u>	<u>218,759</u>	<u>267,544</u>
Fund Balances - December 31	<u>\$ 31,383</u>	<u>\$ -</u>	<u>\$ 31,383</u>



**CHARTER TOWNSHIP OF OXFORD**  
**Component Unit - Polly Ann Trailway Management Council**  
**Balance Sheet**  
**December 31, 2020**

**Assets**

Cash	\$	<u>105,091</u>
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**Liabilities and Fund Balance**

Liabilities:

Accounts Payable	\$	-
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Fund Balance		<u>105,091</u>
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Total Liabilities and Fund Balance	\$	<u>105,091</u>
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Reconciliation to Statement of Net Position (page 11):

Fund Balance at December 31, 2020	\$	105,091
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Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		<u>30,181</u>
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Net Position of Governmental Activities-Component Unit	\$	<u>135,272</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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Contributions - Orion Township	\$ 15,982	\$ 15,982	\$ 15,982	\$ -
Contributions - Oxford Township	11,525	11,525	11,525	-
Contributions - Village of Oxford	2,452	2,452	2,452	-
Contributions - Addison Township	9,077	9,077	9,077	-
Contributions - Village of Leonard	1,964	1,964	-	(1,964)
Grants	-	-	24,374	24,374
Donations	-	-	42,452	42,452
Interest Income	70	70	67	(3)
Total Revenues	41,070	41,070	105,929	64,859
<b>Expenditures</b>				
Contracted Services	23,000	23,000	23,126	(126)
Professional Services	1,000	1,000	1,900	(900)
Insurance	3,000	3,000	2,837	163
Telephone	350	350	276	74
Utilities	1,200	1,200	767	433
Grounds Maintenance	12,000	12,000	30,947	(18,947)
Equipment and Hardware	3,000	3,000	4,754	(1,754)
Advertising and Web	500	500	751	(251)
Grant Expenses	5,000	5,000	-	5,000
Miscellaneous	5,050	5,050	3,977	1,073
Total Expenditures	54,100	54,100	69,335	(15,235)
Net Change in Fund Balance	\$ (13,030)	\$ (13,030)	36,594	\$ 49,624
Fund Balance - Beginning			68,497	
Fund Balance - Ending			\$ 105,091	
<u>Reconciliation to Statement of Activities (pages 12):</u>				
Net Change in Fund Balance at December 31, 2020			\$ 36,594	
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			\$ 30,136	