

# Northfield Township

Audit Presentation  
June 30, 2004

**PHP**

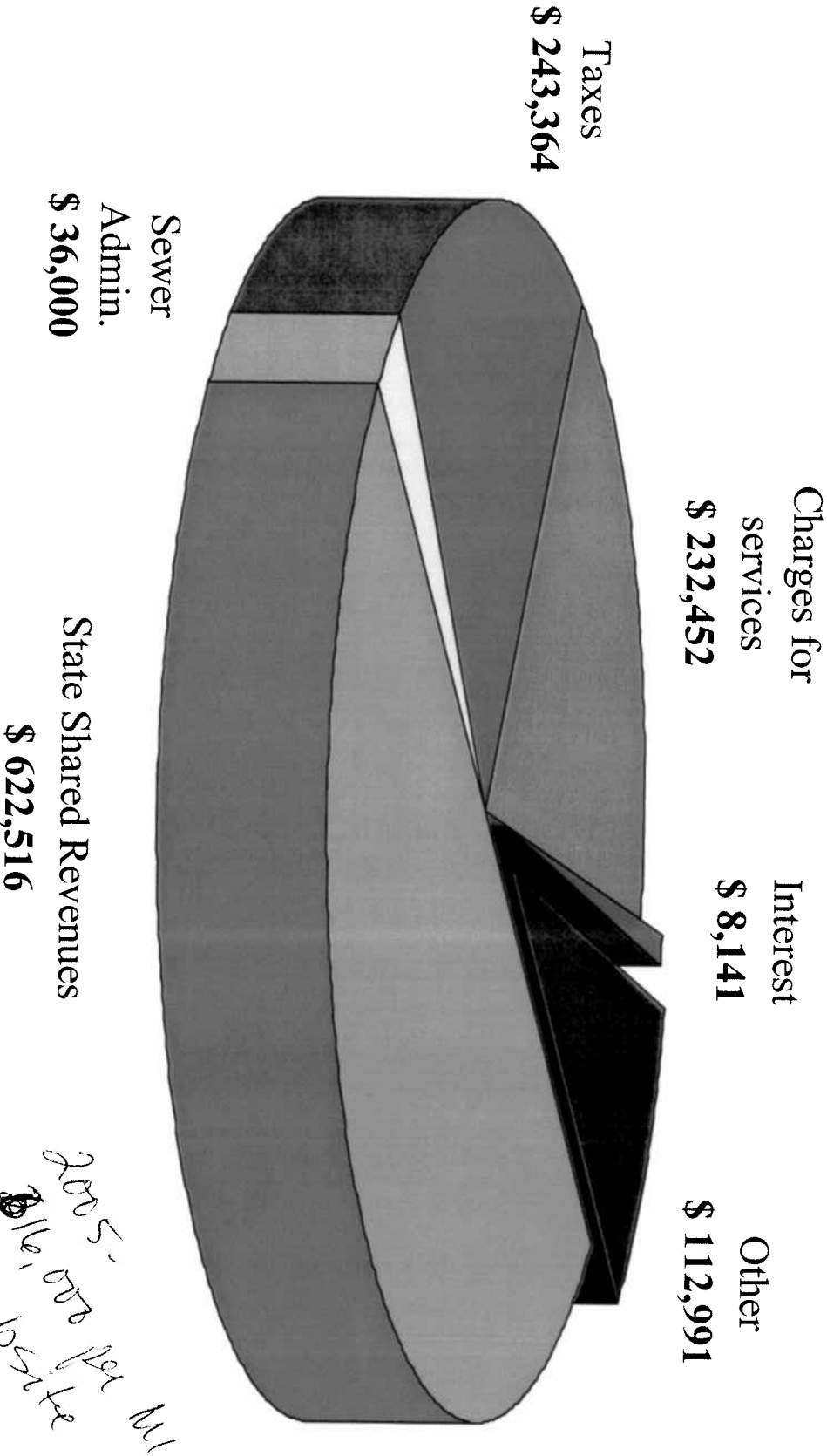
PEEFER, HANNIFORD & PALKA  
Certified Public Accountants  
BRIGHTON, MICHIGAN

*Plerkes 6/30/04*

# Northfield Township

## General Fund Revenues

### For The Year Ended June 30, 2004

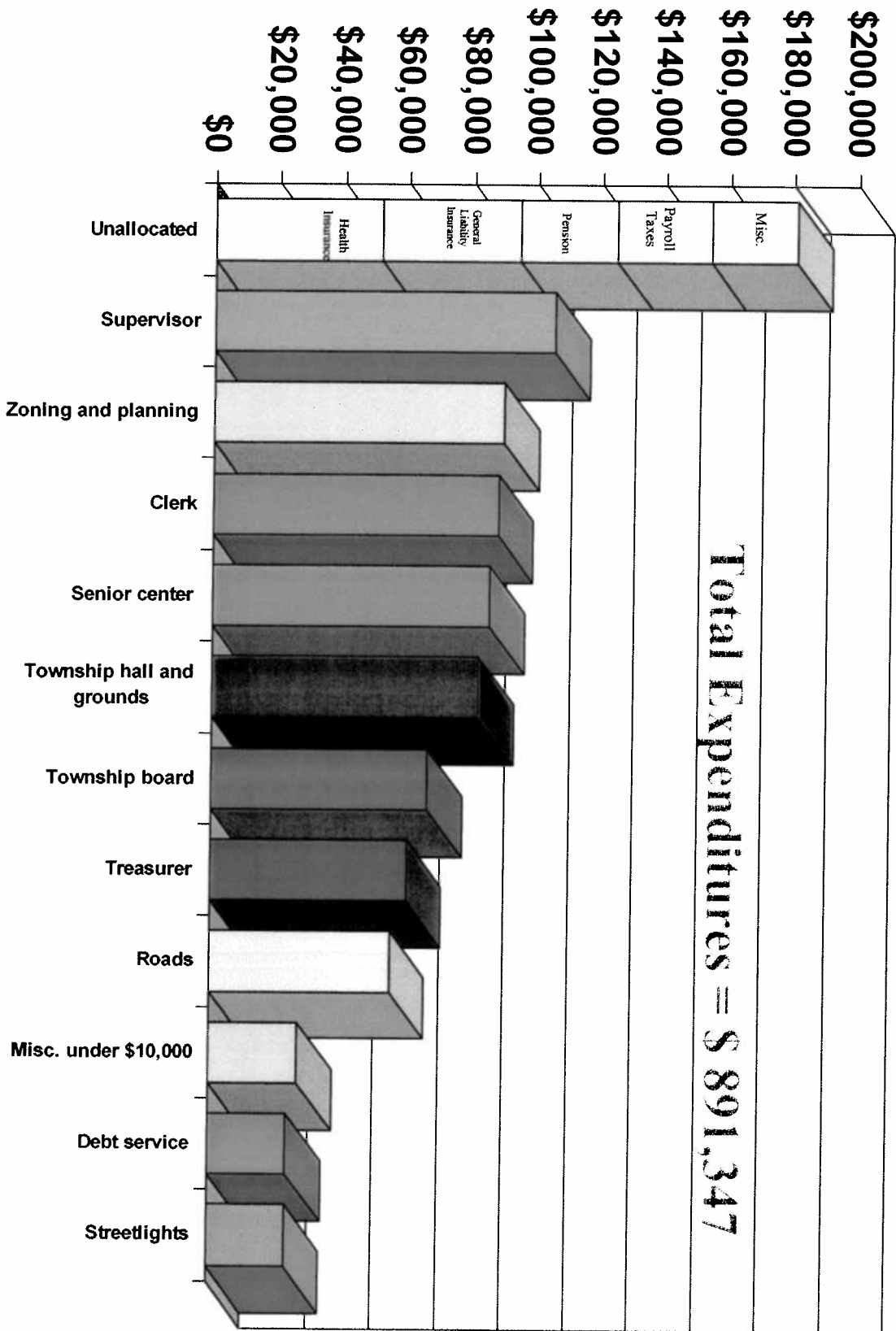


**Total Revenues = \$ 1,255,464**

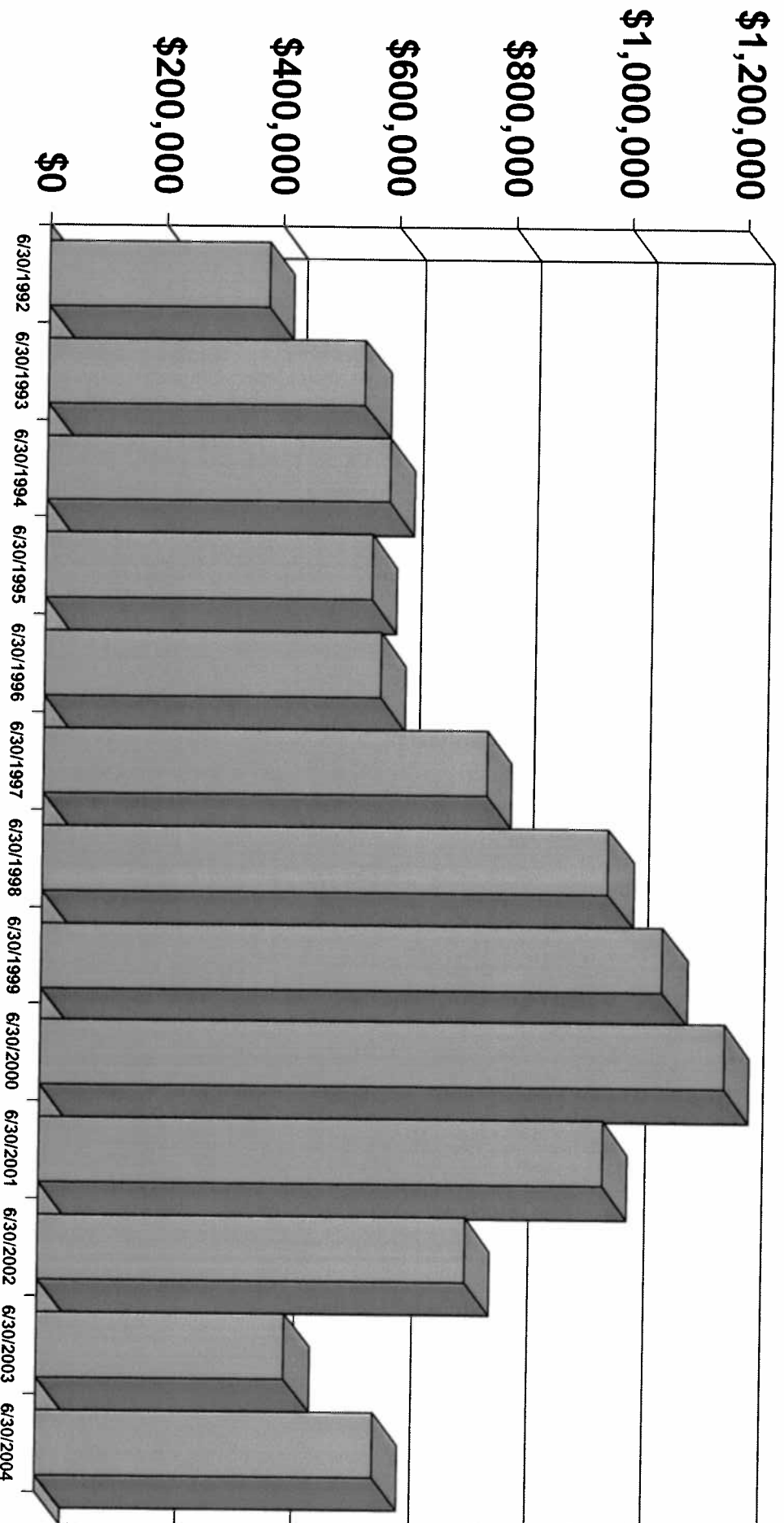
*2005 -  
\$116,000 per ml  
Website*

# Northfield Township General Fund Expenditures For The Year Ended June 30, 2004

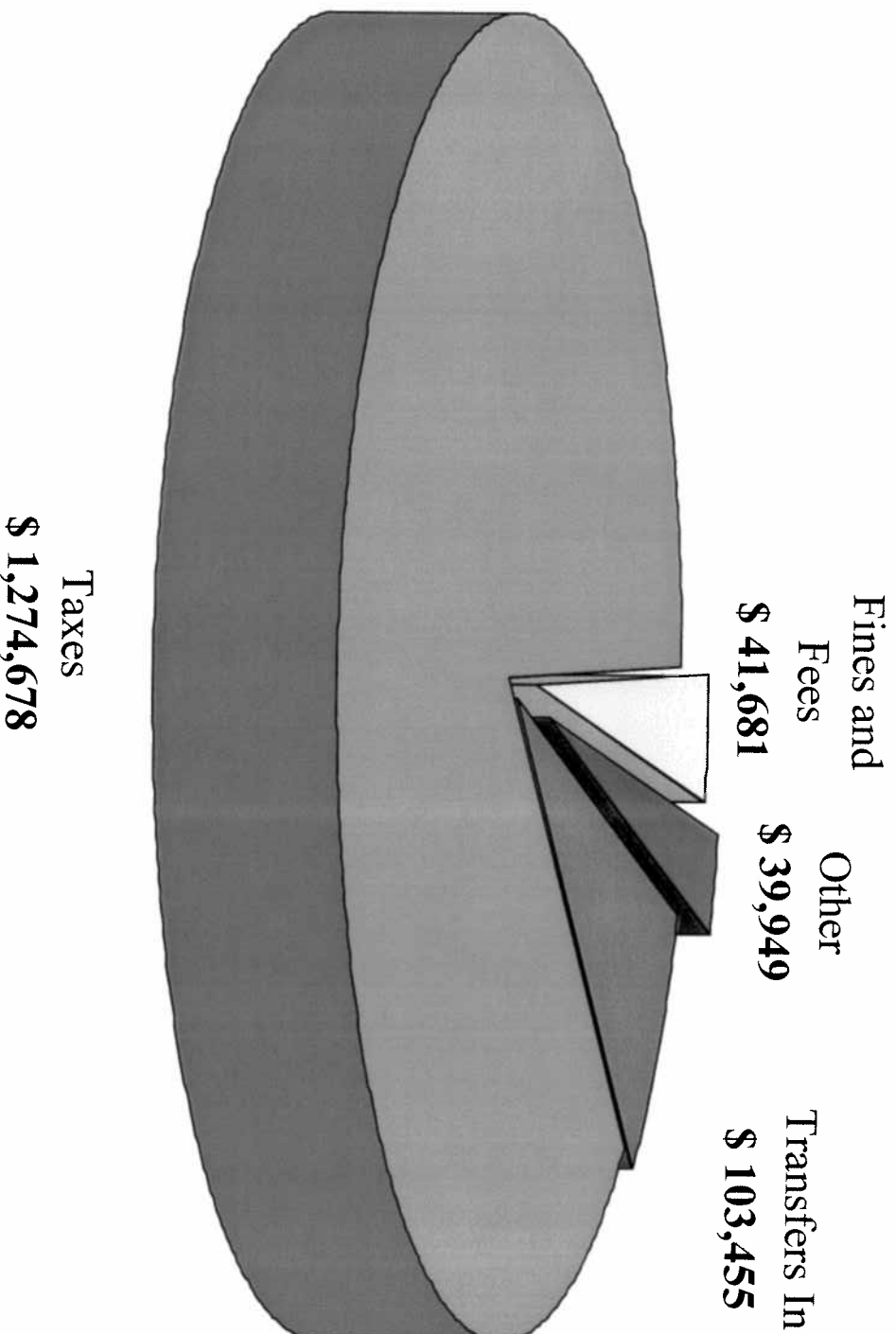
*Transfers to  
Other Funds  
\$210,000*



Northfield Township  
General Fund  
Fund Balance Comparison  
June 30, 1992 - June 30, 2004



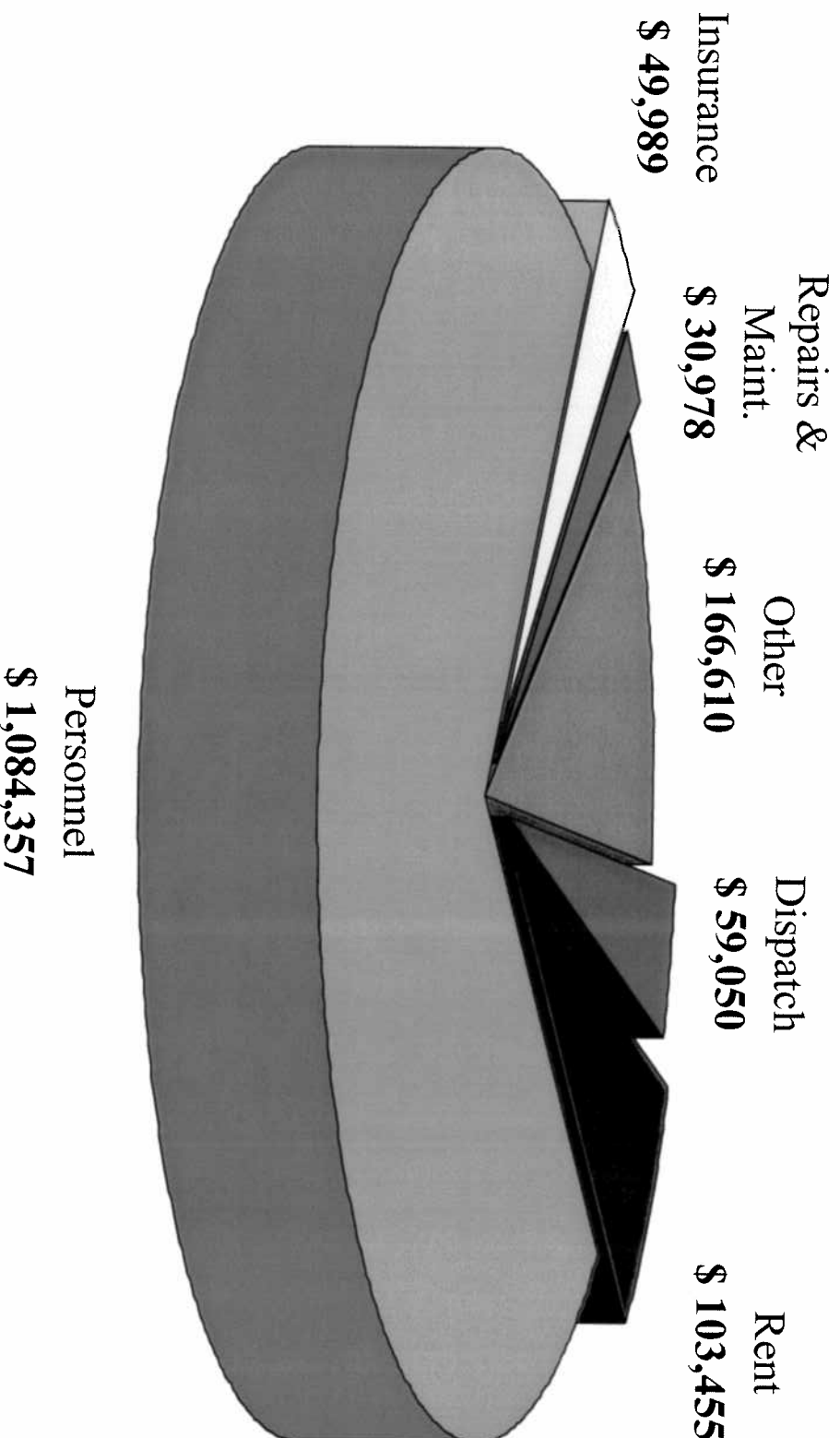
**Northfield Township**  
**Law Enforcement Fund Revenues & Transfers In**  
**For The Year Ended June 30, 2004**



**Total Revenues & Transfers = \$ 1,459,763**

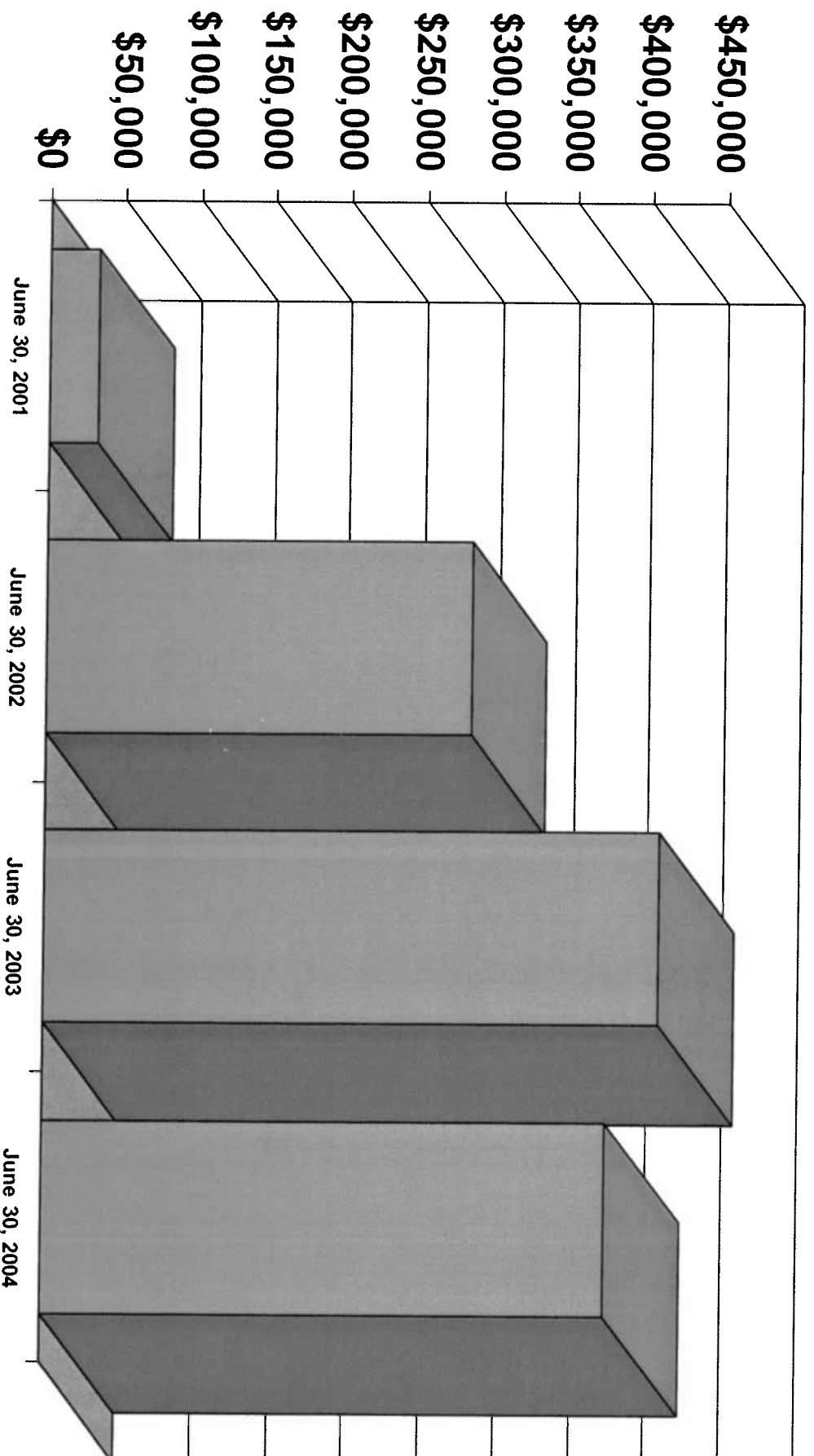
03/20/06  
Approved in  
budget &  
additional  
\$10,000 transfer

**Northfield Township**  
**Law Enforcement Fund Expenditures**  
**For The Year Ended June 30, 2004**

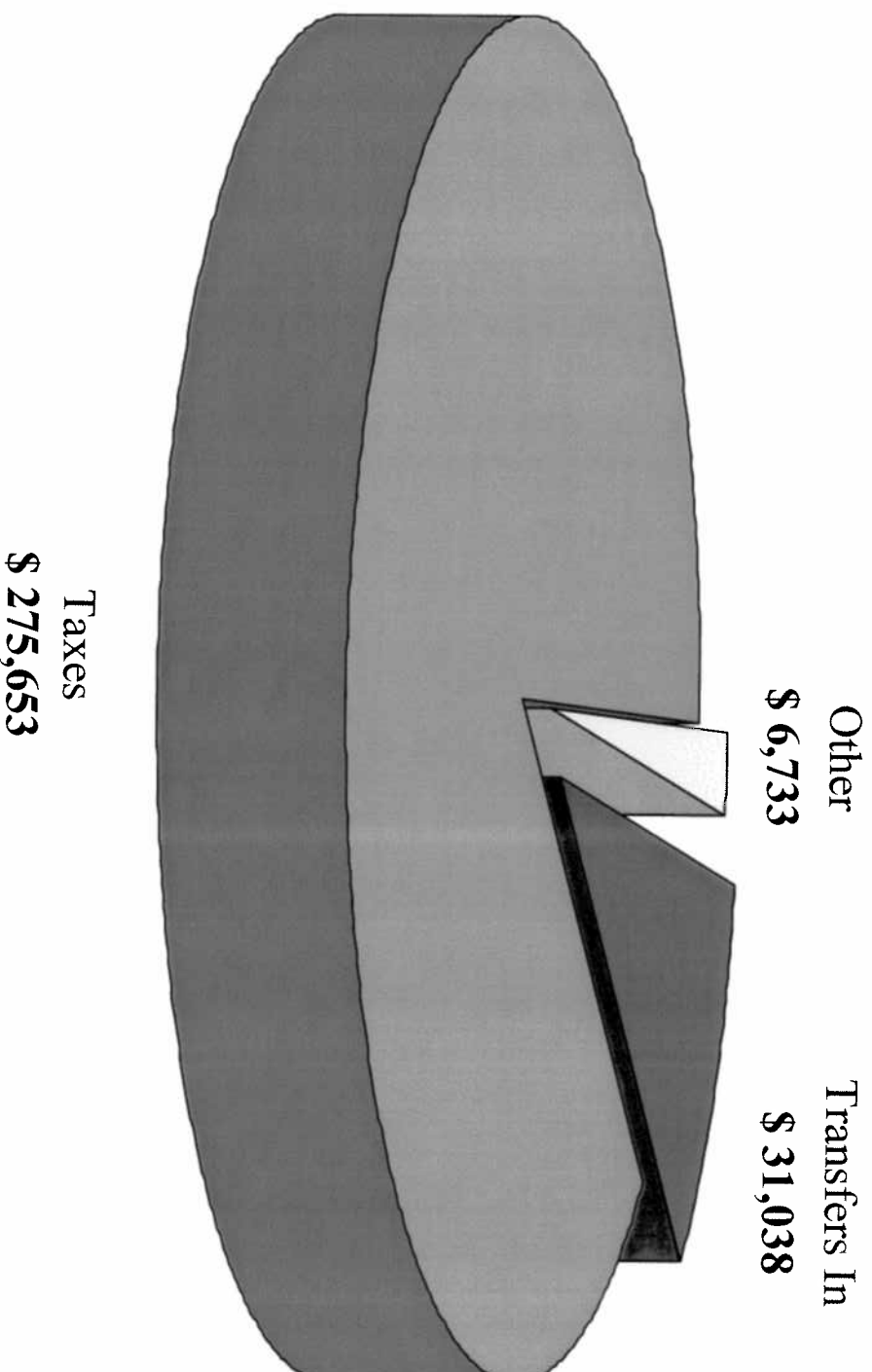


**Total Expenditures = \$ 1,494,439**

**Northfield Township**  
**Law Enforcement Fund**  
**Fund Balance Comparison**  
**June 30, 2001 - June 30, 2004**



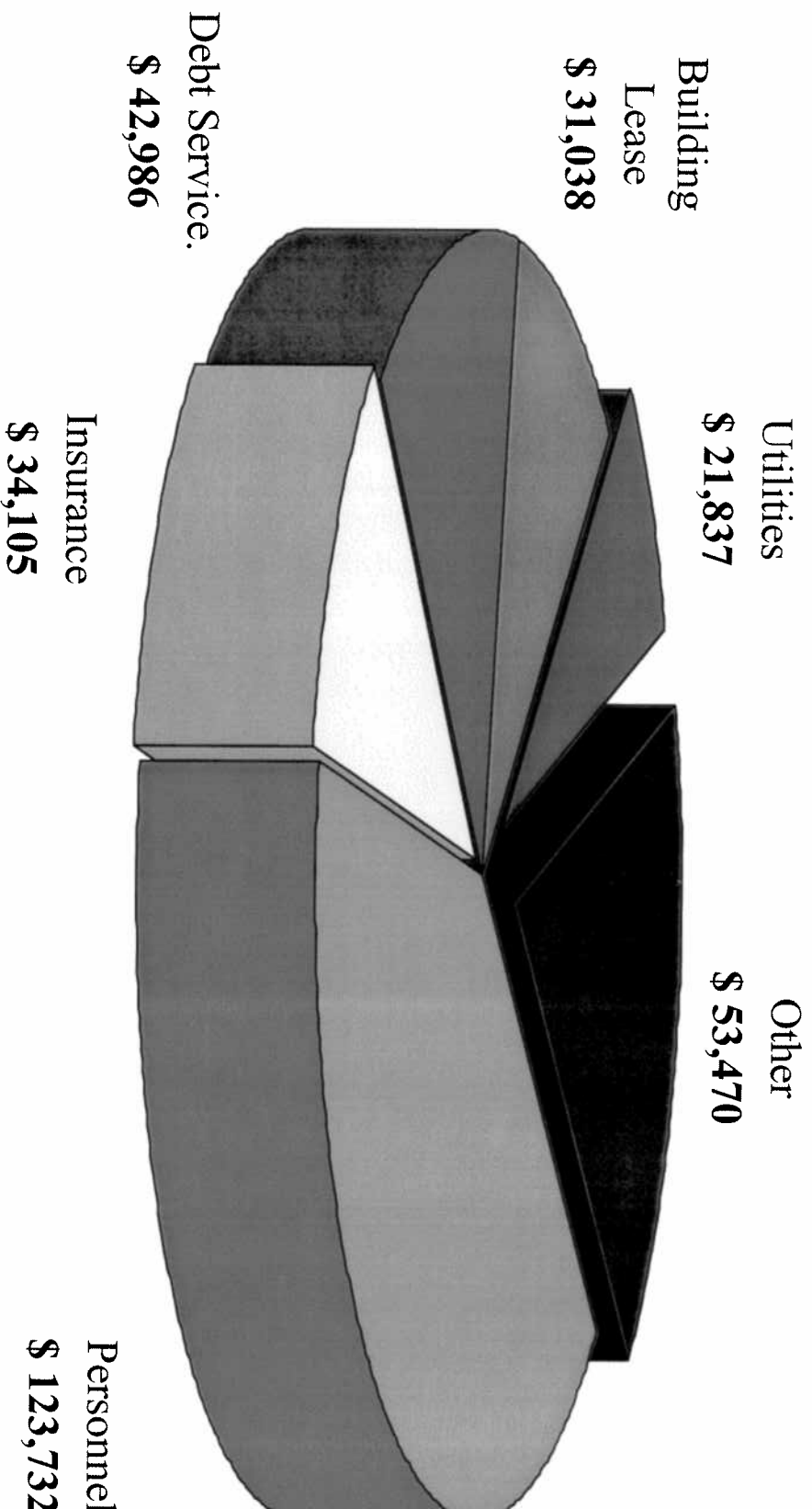
**Northfield Township**  
**Fire Protection Fund Revenues & Transfers In**  
**For The Year Ended June 30, 2004**



**Total Revenues & Transfers = \$ 313,424**

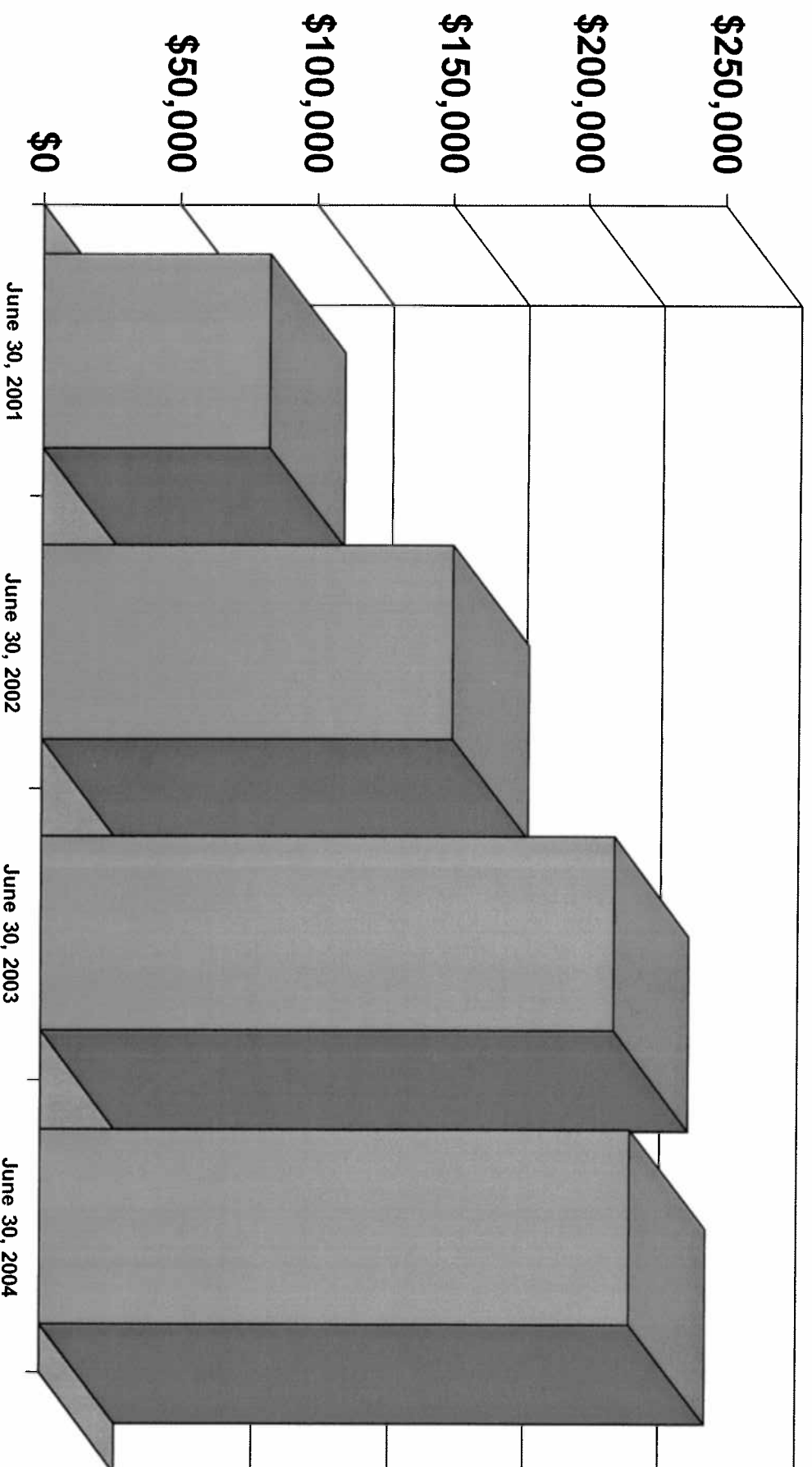


**Northfield Township**  
**Fire Protection Fund Expenditures**  
**For The Year Ended June 30, 2004**

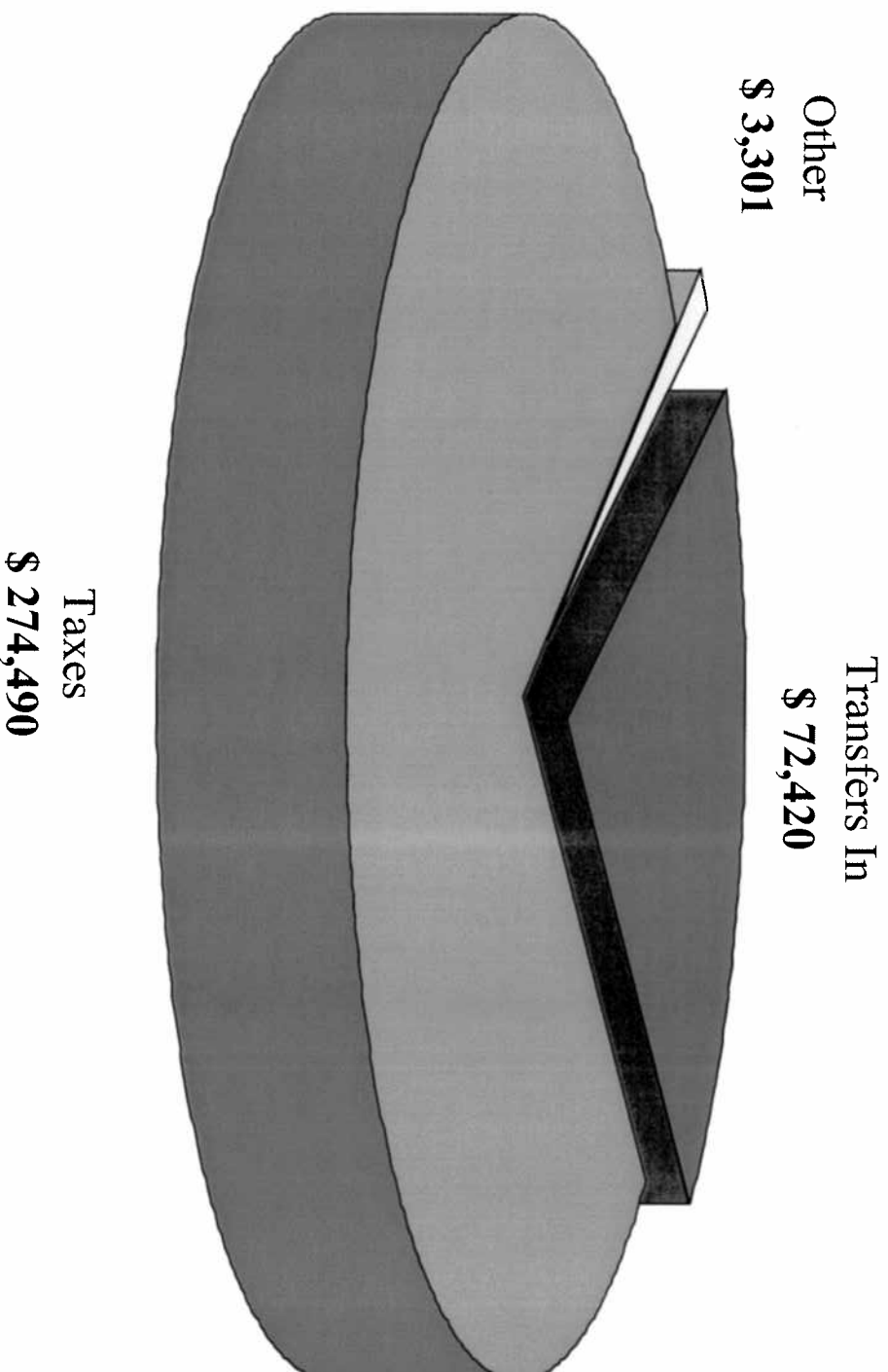


**Total Expenditures = \$ 307,168**

Northfield Township  
Fire Protection Fund  
Fund Balance Comparison  
June 30, 2001 - June 30, 2004

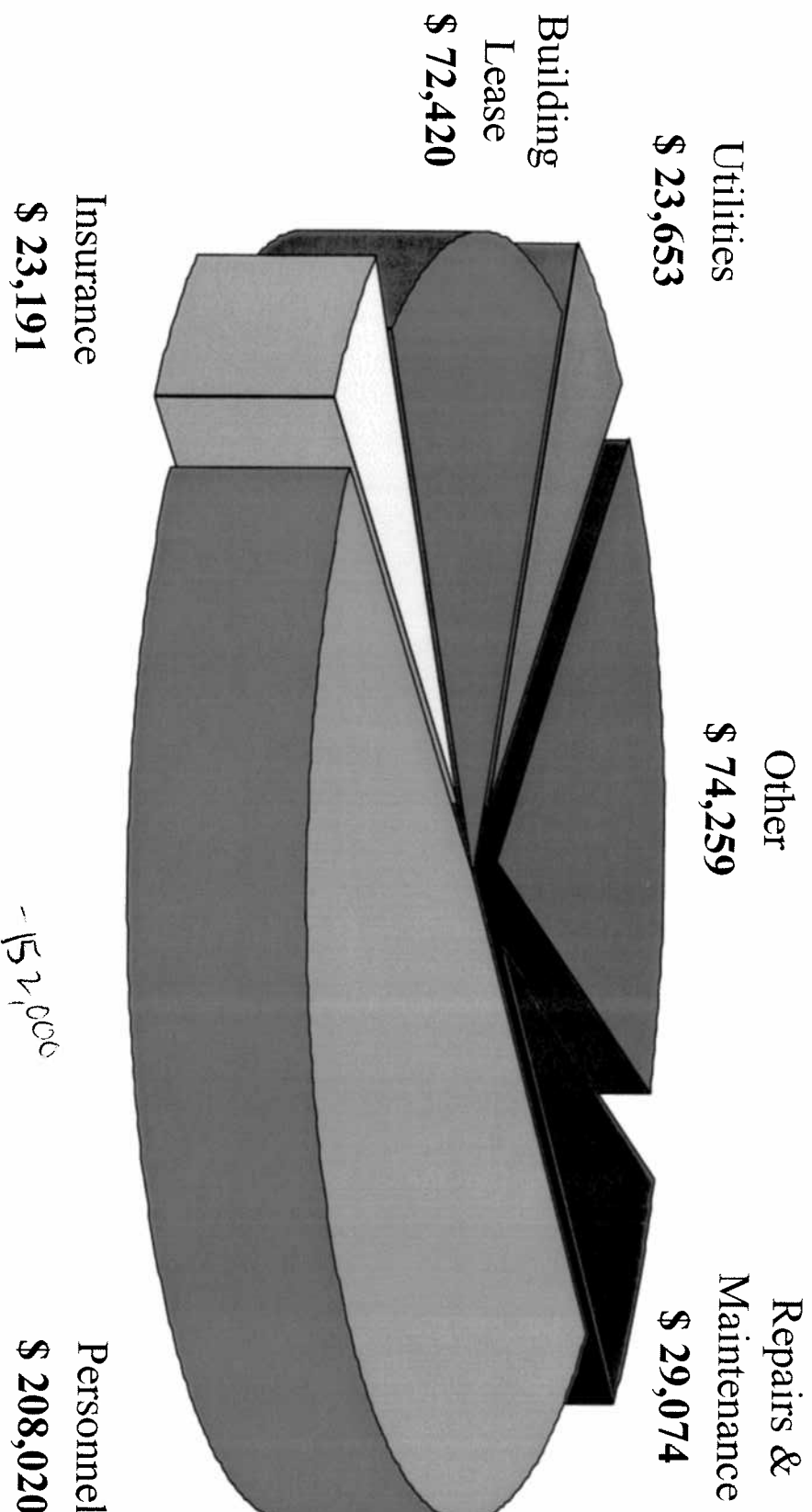


**Northfield Township**  
**Medical Rescue Fund Revenues & Transfers In**  
**For The Year Ended June 30, 2004**



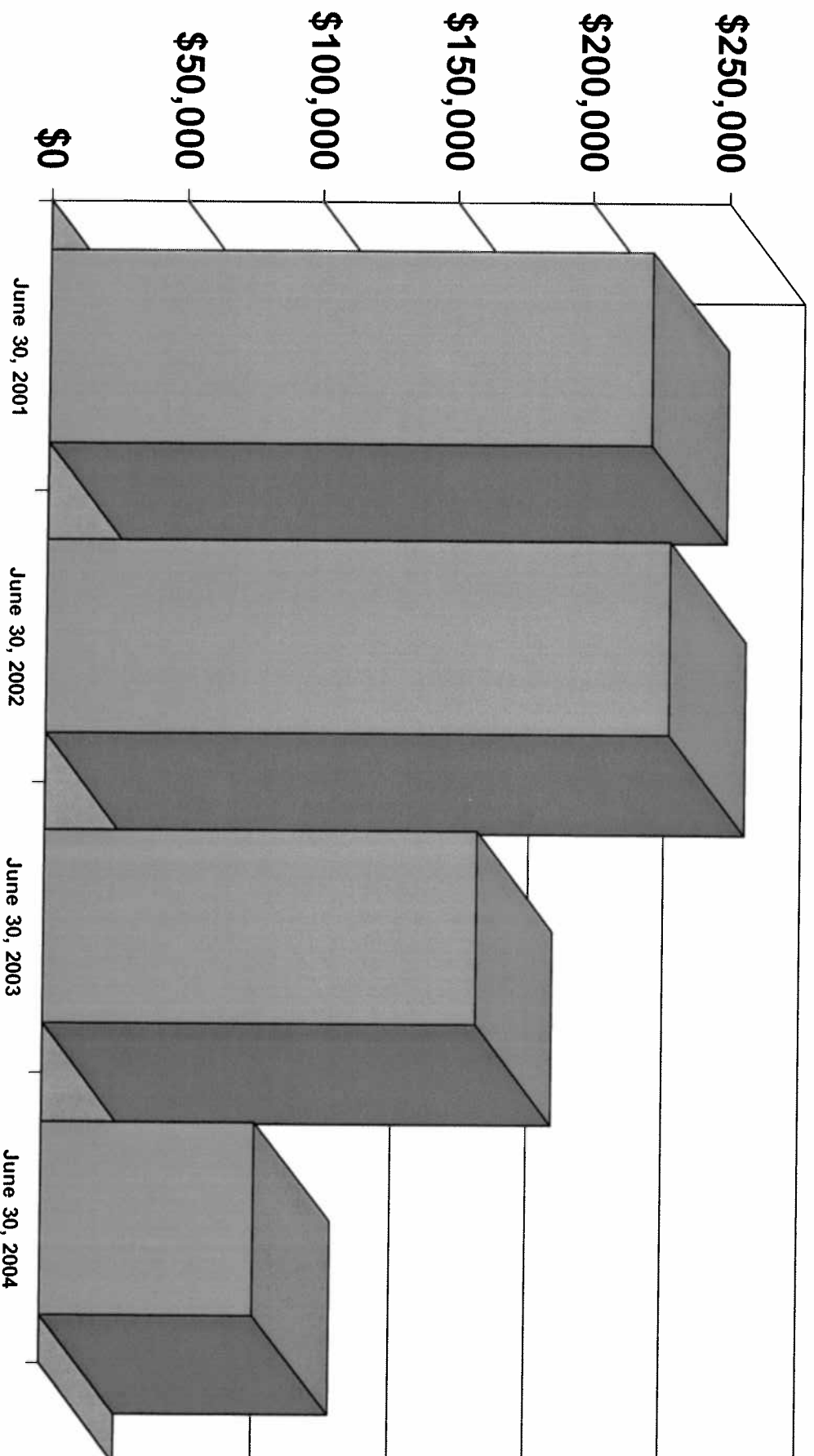
**Total Revenues & Transfers = \$ 350,211**

**Northfield Township**  
**Medical Rescue Fund Expenditures**  
**For The Year Ended June 30, 2004**



**Total Expenditures = \$ 430,617**

**Northfield Township  
Medical Rescue Fund  
Fund Balance Comparison  
June 30, 2001 - June 30, 2004**



NORTHFIELD TOWNSHIP

2004

Clerk's Copy

REPORT ON  
AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2004

**NORTHFIELD TOWNSHIP**

**TOWNSHIP OFFICIALS**

Supervisor - Michael McFarland  
Clerk - Michele Manning  
Treasurer - Cynthia Wilson

**TOWNSHIP BOARD**

Robert Avey  
Marta Larson  
Linda Lupi  
Michele Manning  
Michael McFarland  
Daniel Rowe  
Cynthia Wilson

**TOWNSHIP ATTORNEYS**

Bodman, Longley & Dahling *Burns*

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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November 20, 2004

Board of Trustees  
Northfield Township  
75 Barker Road  
Whitmore Lake, Michigan 48189INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, as of and for the year ended June 30, 2004, which collectively comprise the Northfield Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Northfield Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 12, the Township has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

The Management's Discussion and Analysis and other required supplementary information on pages 8 through 13 and 44 and 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northfield Township's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeffer, Hanniford & Palka, P.C.*PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

MANAGEMENT DISCUSSION  
AND  
ANALYSIS

Within this section of Northfield Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2004. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

### Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Proprietary funds* are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

### **Notes to the financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

### **Financial Analysis of the Township as a Whole**

The Township has implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

The Township's net assets at the end of the fiscal year were \$9,806,800. This is a \$469,294 increase over last year's net assets of \$9,337,506.

The following tables provide a summary of the Township's financial activities and changes in net assets:

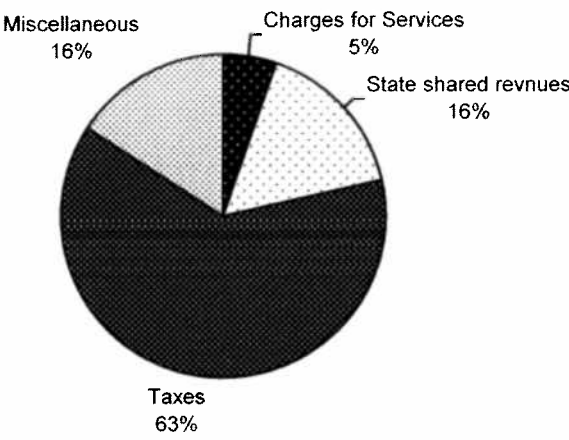
### **Summary of Net Assets**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 1,567,318	\$ 6,968,517	\$ 8,535,835
Capital assets	9,170,839	7,898,781	17,069,620
Total assets	10,738,157	14,867,298	25,605,455
Other liabilities	33,627	43,082	76,709
Long-term liabilities	7,804,316	7,917,630	15,721,946
Total liabilities	7,837,943	7,960,712	15,798,655
Net assets:			
Invested in capital assets, net of related debt	1,425,289	(1,219)	1,424,070
Unrestricted	1,474,925	6,907,805	8,382,730
Total net assets	\$ 2,900,214	\$ 6,906,586	\$ 9,806,800

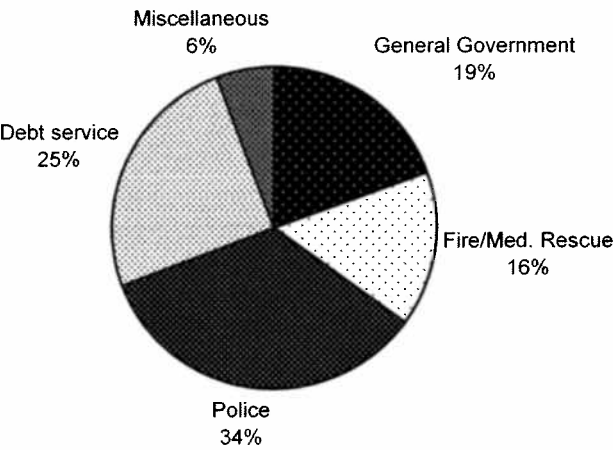
## Summary of Changes in Net Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues			
Charges for services	\$ 395,215	\$ 1,080,450	\$ 1,475,665
Operating grants and contributions	15,823		15,823
Capital grants and contributions		821,997	821,997
General revenues			-
State shared revenues	622,516		622,516
Property taxes	2,457,623		2,457,623
Interest	11,557	194,187	205,744
Other	400,794	5,026	405,820
<b>Total revenues</b>	<u>3,903,528</u>	<u>2,101,660</u>	<u>6,005,188</u>
Expenses			
General government	867,049		867,049
Fire/medical rescue	915,131		915,131
Police protection	1,565,732		1,565,732
Senior center	92,933		92,933
Parks and recreation	2,576		2,576
Public works	167,863		167,863
Interest on long-term debt	367,444		367,444
Sewer system		1,557,166	1,557,166
<b>Total expenses</b>	<u>3,978,728</u>	<u>1,557,166</u>	<u>5,535,894</u>
Changes in net assets	(75,200)	544,494	469,294
Beginning net assets	<u>2,975,414</u>	<u>6,362,092</u>	<u>9,337,506</u>
Ending net assets	<u><u>\$ 2,900,214</u></u>	<u><u>\$ 6,906,586</u></u>	<u><u>\$ 9,806,800</u></u>

# Governmental Revenues



# Governmental Expenditures





This year the Township saw a significant drop of cash and cash equivalents in the governmental funds due to debt service requirements and completion of the public safety building. Also, in order to capitalize on the economy's lower interest rates bonds were refunded to lower the amount to be spent.

The governmental funds didn't make significant capital purchases during the year. The only significant purchases made were to replace an old vehicle, and to purchase a small piece of land. Total expenditures for capital purchases were \$30,166.

Expenditures exceeded revenues in the governmental funds by \$477,123 in the fund financial statements. However, other financing sources added to the fund balance \$500,000 due to the issuance of an additional \$500,000 of bonds to complete the public safety building construction.

The business-type fund, the Sewage Disposal System Fund, reported net income of \$544,494 as opposed to the prior year net loss of \$62,166. This is primarily due to the special assessments levied totaling \$744,997.

#### Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$364,117 before its net transfers out of \$210,513 were made. Thus, the Township's fund balance increased \$153,604 for the fiscal year ended June 30, 2004. There were substantial increases in revenues primarily from the charges to the state for summer tax collection while expenditures decreased due to the reduction of road projects undertaken.

The other two major funds of the Township was the Law Enforcement Fund and the Public Safety Building Construction Fund. The Law Enforcement Fund had expenditures exceeding revenues and other financing sources totaling \$34,676. This is primarily due to the rent associated with its new building and increased salaries. The Public Safety Building Construction Fund had expenditures relating to the bond debt service and related expenditures for the completion of the building's construction.

The Township's sole business-type fund, the Sewage Disposal System Fund, reported net income of \$544,494. This net income was achieved due to the \$744,997 of new assessments levied to finance various sewer system expansion projects.

#### General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$521,997. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality. The township did budget \$462,000 for capital outlay expenditures, but only spent \$425 creating the disparity between the budget and actual results.

#### Capital Asset and Debt Administration

The governmental funds of the Township purchased \$20,688 of new capital assets this year. This purchase was for a police vehicle.

The governmental funds issued \$500,000 of bonds during the year to refinance the previously outstanding bond anticipation notes. Total principal payments of \$726,089 were made during the year for debt outstanding.

The business-type fund issued \$1,300,000 in order to finance expansion of the sewage disposal system. Total construction costs during the fiscal year ended June 30, 2004 was \$207,064.

### Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment. This reduction in revenue should be offset by the end of the Township's commitment to the construction of the public safety building.

The Township is also continuing its expansion of the sewage disposal system. It is expecting significant capital expenditures within the next fiscal year to hook up new users.

### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Northfield Township at 75 Barker Road, Whitmore Lake, MI 48189.

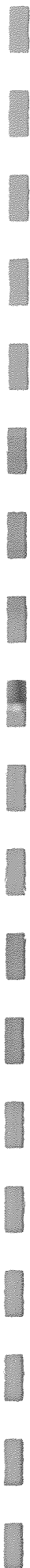
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS

NORTHFIELD TOWNSHIP  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

	Primary Government		
	Governmental	Business-	
	Activities	type	
		Activities	Total
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 1,032,009	\$ 1,783,098	\$ 2,815,107
Cash and cash equivalents - restricted		2,005,693	2,005,693
Receivable			
Taxes	164,991	48,919	213,910
State shared revenues	106,686		106,686
Accounts	45,816	127,115	172,931
Intergovernmental	110,181	36,203	146,384
Special assessments - restricted		2,960,199	2,960,199
Library	73,928		73,928
Prepaid expenditures	33,707	7,290	40,997
Capital assets:			
Land	299,428	214,918	514,346
Buildings and improvements	8,070,394		8,070,394
Sewer systems		9,637,635	9,637,635
Machinery and equipment	2,524,986	495,766	3,020,752
Construction in progress		111,161	111,161
Less accumulated depreciation	(1,723,969)	(2,560,699)	(4,284,668)
Total assets	<u>10,738,157</u>	<u>14,867,298</u>	<u>25,605,455</u>
<u>LIABILITIES</u>			
LIABILITIES			
Bank overdraft	3,312		3,312
Accounts payable	30,315	7,082	37,397
Accounts payable - intergovernmental		36,000	36,000
Accrued compensated absences	58,767	17,630	76,397
Capital lease payable	11,706		11,706
Bonds payable	<u>7,733,843</u>	<u>7,900,000</u>	<u>15,633,843</u>
Total liabilities	<u>7,837,943</u>	<u>7,960,712</u>	<u>15,798,655</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	1,425,289	(1,219)	1,424,070
Unrestricted	<u>1,474,925</u>	<u>6,907,805</u>	<u>8,382,730</u>
Total net assets	<u>\$ 2,900,214</u>	<u>\$ 6,906,586</u>	<u>\$ 9,806,800</u>

The notes are an integral part of the financial statements.



Net (Expenses) Revenue and Changes		
Net Assets		
Governmental	Business-	
Activities	type	Total
Activities	Activities	
\$ (524,386)	\$	\$ (524,386)
(913,284)		(913,284)
(1,506,541)		(1,506,541)
(85,596)		(85,596)
(2,576)		(2,576)
(167,863)		(167,863)
<u>(367,444)</u>		<u>(367,444)</u>
<u>(3,567,690)</u>		<u>(3,567,690)</u>
	345,281	345,281
2,457,623		2,457,623
622,516		622,516
11,557	194,187	205,744
62,809		62,809
214,113		214,113
109,015	4,926	113,941
<u>14,857</u>	<u>100</u>	<u>14,957</u>
<u>3,492,490</u>	<u>199,213</u>	<u>3,691,703</u>
(75,200)	544,494	469,294
<u>2,975,414</u>	<u>6,362,092</u>	<u>9,337,506</u>
<u>\$ 2,900,214</u>	<u>\$ 6,906,586</u>	<u>\$ 9,806,800</u>

FUND  
FINANCIAL  
STATEMENTS



NORTHFIELD TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

	General	Law Enforcement Fund	Public Safety Building Construction Fund	Non-major Funds	Total
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 286,784	\$ 243,752	\$ 37,146	\$ 464,327	\$ 1,032,009
Receivables					
Taxes	22,656	83,086		59,249	164,991
State shared revenues	106,686				106,686
Accounts	39,685	6,131			45,816
Library	73,928				73,928
Due from other funds	55,219	29,511		25,451	110,181
Prepaid expenditures	9,234	18,052		6,421	33,707
Total assets	<u>\$ 594,192</u>	<u>\$ 380,532</u>	<u>\$ 37,146</u>	<u>\$ 555,448</u>	<u>\$ 1,567,318</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Bank overdraft	\$	\$	\$	\$ 3,312	\$ 3,312
Accounts payable	12,618	7,422		7,734	27,774
Due to others	2,540				2,540
Total liabilities	<u>15,158</u>	<u>7,422</u>		<u>11,046</u>	<u>33,626</u>
FUND BALANCE					
Unreserved	505,106	373,110		444,295	1,322,511
Designated	73,928				73,928
Reserved for debt service				100,107	100,107
Reserved for capital projects			37,146		37,146
Total fund balances	<u>579,034</u>	<u>373,110</u>	<u>37,146</u>	<u>544,402</u>	<u>1,533,692</u>
Total liabilities and fund balances	<u>\$ 594,192</u>	<u>\$ 380,532</u>	<u>\$ 37,146</u>	<u>\$ 552,136</u>	<u>\$ 1,567,318</u>

The notes are an integral part of the financial statements.

NORTHFIELD TOWNSHIP  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
JUNE 30, 2004

Amounts reported for governmental activities in the Statement  
of Net Assets are different because:

Total fund balance per balance sheet	\$ 1,533,692
--------------------------------------	--------------

Capital assets used in governmental activities are not financial  
resources and therefore, are not reported in the funds. This  
activity consists of:

Acquisition cost	\$ 10,894,808
Depreciation	<u>(1,723,969)</u>

Capital assets net of depreciation	9,170,839
------------------------------------	-----------

Some liabilities are not due and payable in the current period  
and therefore are not reported in the funds. These include:

Accrued compensated absences	(58,767)
Capital lease payable	(11,706)
Bonds payable	<u>(7,733,843)</u>

Total	<u>(7,804,317)</u>
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Net assets of governmental activities	<u>\$ 2,900,214</u>
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The notes are an integral part of the financial statements.

NORTHFIELD TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

	General	Law Enforcement Fund	Public Safety Building Construction Fund	Non-major Funds	Total
<b>REVENUES</b>					
Taxes	\$ 243,364	\$ 1,274,678	\$	\$ 939,581	\$ 2,457,623
State shared revenues	622,516				622,516
Licenses and permits	1,750	2,379		132,891	137,020
Grant - federal		15,823			15,823
Rental income	3,600			206,913	210,513
Franchise fees	62,809				62,809
Charges for services	205,643			1,847	207,490
Fines and forfeitures		43,323		45	43,368
Interest	8,141	1,232	113	2,071	11,557
Sale of assets	10,357	4,500			14,857
Miscellaneous	97,284	14,373		8,295	119,952
Total revenues	<u>1,255,464</u>	<u>1,356,308</u>	<u>113</u>	<u>1,291,643</u>	<u>3,903,528</u>
<b>EXPENDITURES</b>					
General government	699,322			151,313	850,635
Fire/medical rescue				684,569	684,569
Police protection		1,492,441		3,286	1,495,727
Parks and recreation	2,576				2,576
Senior citizens	85,748				85,748
Roads	55,662				55,662
Public works	23,941		88,260		112,201
Debt service	24,098	1,998	447,828	619,609	1,093,533
Total expenditures	<u>891,347</u>	<u>1,494,439</u>	<u>536,088</u>	<u>1,458,777</u>	<u>4,380,651</u>
Excess of revenues over (under) expenditures	<u>364,117</u>	<u>(138,131)</u>	<u>(535,975)</u>	<u>(167,134)</u>	<u>(477,123)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds			500,000		500,000
Transfers in		103,455		107,058	210,513
Transfers (out)	(210,513)				(210,513)
Total other financing sources (uses)	<u>(210,513)</u>	<u>103,455</u>	<u>500,000</u>	<u>107,058</u>	<u>500,000</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	153,604	(34,676)	(35,975)	(60,076)	22,877
FUND BALANCE, JULY 1, 2003	<u>425,430</u>	<u>407,786</u>	<u>73,121</u>	<u>604,478</u>	<u>1,510,815</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 579,034</u>	<u>\$ 373,110</u>	<u>\$ 37,146</u>	<u>\$ 544,402</u>	<u>\$ 1,533,692</u>

The notes are an integral part of the financial statements.

NORTHFIELD TOWNSHIP  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2004

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

Net change in fund balances - governmental funds	\$	22,877
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$	20,688
Depreciation expense		<u>(326,095)</u>
Total		(305,407)

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of:		
Bonds payable		627,000
Capital lease payable		<u>99,089</u>
Total		726,089

Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increase long-term liabilities in the Statement of Activities		(500,000)
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Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Assets.

Accrued balance at June 30, 2004		(58,767)
Accrued balance at July 1, 2003		<u>40,008</u>
Total		<u>(18,759)</u>

Change in net assets of governmental activities	\$	<u>(75,200)</u>
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The notes are an integral part of the financial statements.

NORTHFIELD TOWNSHIP  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2004

<u>ASSETS</u>	
ASSETS	
Cash and cash equivalents	\$ 1,254,686
Certificate of deposit	528,412
Sewer billings receivable	127,115
Due from county	48,919
Special assessment receivable	2,960,199
Prepaid expenses	7,290
Due from other funds	<u>36,203</u>
Total assets	\$ 4,962,824
RESTRICTED ASSETS	
Cash and cash equivalents - special assessments	2,005,693
PLANT, PROPERTY AND EQUIPMENT	
Land	214,918
Plant	2,229,393
Plant expansion	7,408,242
Equipment	<u>495,766</u>
	10,348,319
Less: accumulated depreciation	<u>(2,560,699)</u>
Net plant, property, and equipment	7,787,620
CONSTRUCTION IN PROGRESS	<u>111,161</u>
Total assets	<u>14,867,298</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 7,082
Accrued compensated absences	17,630
Due to other funds	36,000
Contracts payable - current portion	<u>405,000</u>
Total current liabilities	465,712
LONG-TERM LIABILITIES	
Contracts payable - less current portion	<u>7,495,000</u>
Total liabilities	<u>7,960,712</u>
<u>NET ASSETS</u>	
NET ASSETS	
Invested in capital assets, net of related debt	(1,219)
Unrestricted	<u>6,907,805</u>
Total net assets	<u>\$ 6,906,586</u>

The notes are an integral part of the financial statements.

NORTHFIELD TOWNSHIP  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2004

Sewage  
Disposal  
System  
Fund

OPERATING REVENUES

User charges

\$ 1,080,450

OPERATING EXPENSES

Salaries and wages

263,955

Payroll taxes

18,809

Hospitalization

67,050

Life insurance

3,294

Pension

23,289

Training and development

1,789

Office supplies

1,879

Operating supplies

33,465

Uniforms

4,031

Professional services

56,137

Membership and dues

2,474

Contracted services

4,970

Administration fees

36,000

Telephone

8,485

Transportation

2,750

Printing and postage

7,461

Insurance and bonds

27,472

Utilities

96,946

Small equipment

3,656

Repairs and maintenance

190,858

Depreciation

257,222

Total operating expenses

1,111,992

Operating (loss)

(31,542)

NON-OPERATING REVENUES AND (EXPENSES)

Other income

4,926

Special assessments levied

744,997

Tap-in fees

77,000

Gain on sale of assets

100

Interest income - cash and equivalents

27,090

Interest - special assessments

167,097

Interest expense

(443,314)

Bond fees

(1,860)

Total non-operating revenues and (expenses)

576,036

Net income

544,494

NET ASSETS, JULY 1, 2003

6,362,092

NET ASSETS, JUNE 30, 2004

\$ 6,906,586

The notes are an integral part of the financial statements

NORTHFIELD TOWNSHIP  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2004

	Sewage Disposal System Fund
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Cash received from users	\$ 948,296
Cash payments to employees	(263,955)
Cash payments to suppliers	<u>(557,983)</u>
Net cash from (used in) operating activities	\$ 126,358
CASH FLOWS PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Tap-in fees collected	77,000
Special assessments received	510,334
Purchase of equipment/system	(207,064)
Proceeds on sale of equipment	100
Interest paid on long-term bonds	(443,314)
Bond fees	(1,860)
Proceed on sale of contracts payable	1,300,000
Repayment of principal on bonds/contracts	<u>(980,000)</u>
Net cash provided by capital and related financing activities	255,196
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest on cash and cash equivalents	<u>27,090</u>
Net increase in cash and cash equivalents	408,644
CASH AND CASH EQUIVALENTS AT, JULY 1, 2003	<u>3,380,147</u>
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2004	<u>\$ 3,788,791</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating (loss)	\$ (31,542)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	257,222
Other income	4,926
Change in assets and liabilities:	
(Increase) in receivables	(100,877)
(Increase) in due from other funds	(36,203)
(Increase) in prepaid expenses	(1,025)
(Decrease) in accounts payable/accrued expenses	(2,143)
(Increase) in due to other funds	<u>36,000</u>
Net cash provided by (used in) operating activities	<u>\$ 126,358</u>

The notes are an integral part of the financial statements.

NOTES  
TO  
FINANCIAL  
STATEMENTS



NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. 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. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township'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 Law Enforcement Fund accounts for all the activity associated with providing police protection services. This fund is primarily supported through the collection of property taxes.

The Public Safety Building Construction Fund accounts for the activity associated with the construction of the Public Safety Building financed with the sale of various bonds.

The Township reports the following major enterprise fund:

The Sewage Disposal System Fund accounts for all the activity associated with the operations and maintenance of operating a sewage treatment system.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property are considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 75 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences of the fire department. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

E. BUDGETARY DATA

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended June 30, 2004, expenditures exceeded appropriations in the Downtown Development Authority Fund.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PROPERTY TAXES

Property tax revenues are recognized in the fiscal year for which the taxes are levied. Property taxes are levied on December 1 each year. These taxes become liens on the property at that date. These taxes are due on February 14, with the final collection date of February 28. The delinquent real property taxes of Northfield Township are purchased by Washtenaw County. The county sold tax notes, the proceeds of which will be used to pay the township for these property taxes. This has yet to take place. The 2003 adjusted taxable value of the Township totaled \$287,699,270. The township levies the following millage:

General township	.8366
Fire	.9476
Fire truck	.3098
Medical rescue	.9436
Police	4.3819
Police safety building	<u>.9323</u>
Total millage	<u>8.3518</u>

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

G. OTHER FINANCING SOURCES (USES)

The transfers of cash between the various funds are budgeted but reported separate from revenues and expenditures as transfers in or (out) unless they represent temporary advances that are to be repaid, in which case they are carried as assets or liabilities of the advancing or borrowing fund.

H. INVESTMENTS

Investments are stated at lower of cost or market.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 39, certain other governmental organizations are considered to be part of the reporting entity for financial statement purposes.

The criteria established by GASB Statement No. 39 for various governmental organizations to be included in the reporting entity's financial statements include accountability, control, and significant financial relationships.

Based upon the criteria discussed above, the following unit has been evaluated for inclusion into the township financial statements and has been determined not to be a component unit.

Northfield Township Area Library - Pursuant to Public Act 164, the library maintains a separately elected board of six members. A separate audit is performed with respect to this unit.

Building Authority - The Northfield Township Authority is governed by a 5 member board appointed by the Township Board. Although it is legally separate from the Township, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings. The Building Authority is reported as a Capital Project Fund in the financial statements.

**NOTE 3 - DUE FROM NORTHFIELD TOWNSHIP AREA LIBRARY**

On May 15, 1989, the township entered into a land contract with the Northfield Township Library Board for the purchase of property commonly known as the "Dodge House". This transaction, which represents monies expended from the Northfield Township general fund, was in the original amount of \$112,500, and is to be amortized over thirty-five (35) years, without interest. Annual installments of \$3,215 started on February 22, 1993. The total outstanding balance at June 30, 2004 was \$73,928.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the governmental funds for the year ended June 30, 2004 was as follows:

	Balance 7/01/03	Additions	Deletions	Balance 6/30/04
Land	\$ 299,428	\$	\$	\$ 299,428
Buildings and improvements	8,070,394			8,070,394
Machinery and equipment	2,513,298	20,688	(9,000)	2,524,986
Total capital assets	10,883,120	20,688	(9,000)	10,894,808
Accumulated depreciation	(1,406,874)	(326,095)	9,000	(1,723,969)
Governmental activities capital assets, net	<u>\$ 9,476,246</u>	<u>\$ (305,407)</u>	<u>\$</u>	<u>\$ 9,170,839</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 4 - CAPITAL ASSETS - continued

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. There is \$7,745,550 of debt associated with these capital assets.

Depreciation expense was distributed to the various activities as follows:

General government	\$ 14,886
Fire protection and medical rescue	232,111
Police protection	71,525
Senior center	<u>7,573</u>
Total	<u>\$ 326,095</u>

A summary of changes in proprietary fixed assets and accumulated depreciation is as follows:

	Balance 7/1/03	Additions	Deductions	Balance 6/30/04
FIXED ASSETS				
Land	\$ 214,918	\$	\$	\$ 214,918
Plant	2,229,393			2,229,393
Plant expansion	7,408,242			7,408,242
Equipment	<u>395,603</u>	<u>103,613</u>	<u>3,450</u>	<u>495,766</u>
Totals	<u>\$ 10,248,156</u>	<u>\$ 103,613</u>	<u>\$ 3,450</u>	<u>\$ 10,348,319</u>
ACCUMULATED DEPRECIATION	<u>\$ 2,306,927</u>	<u>\$ 257,222</u>	<u>\$ 3,450</u>	<u>\$ 2,560,699</u>
CONSTRUCTION IN PROGRESS	<u>\$ 7,710</u>	<u>\$ 103,451</u>	<u>\$</u>	<u>\$ 111,161</u>

There is \$7,900,000 of debt associated with these capital assets.



NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 5 - LONG-TERM DEBT

The following is a summary of the Township's governmental fund long-term debt:

Capital Lease

1. On October 11, 2001 the Township entered into a lease agreement with Ervin Leasing to purchase a copier for \$6,330. The Township is required to make monthly payments of \$166.50 until the lease matures in November 2006. The outstanding principal balance was \$3,819 on June 30, 2004.
2. Note payable to Mine Safety Appliance Company for the financing of air packs. Annual payments of \$8,566 are due annually on August 1 and maturing August 1, 2004. Interest is charged at 8.6%. The outstanding balance of the note at June 30, 2004 was \$7,887.

Notes Payable

1. Bonds payable to National City Bank for the financing of the construction costs for the new public safety building. Principal payments ranging from \$50,000 to \$275,000 are due annually on April 1 and maturing on April 1, 2022. Interest is charged at 6.0% to 4.8%, payable semi-annually. The outstanding balance of the note at June 30, 2004 was \$3,650,000.
2. Bonds payable to National City Bank for the financing of the construction costs for the new public safety building. Principal payments ranging from \$75,000 to \$250,000 are due annually on April 1 and maturing on April 1, 2022. Interest is charged at 3.25% to 5.0%, payable semi-annually. The outstanding balance of the note at June 30, 2004 was \$2,925,000.
3. Bonds payable to National City Bank for the financing of the construction costs for the new public safety building. Principal payments ranging from \$15,000 to \$50,000 are due annually on April and maturing on April 1, 2022. Interest is charged at 3.10% to 5.10%, payable semi-annually. The outstanding balance of the note at June 30, 2004 was \$485,000.
4. Bonds payable to Bank One for the financing of a pumper truck. Principal payments ranging from \$15,000 to \$24,886 are due annually on August 1 and mature December 2009. Interest is charged at 5.15%, payable annually. The outstanding balance of the note at June 30, 2004 was \$164,886.
5. Bonds payable to Bank One for the financing of a platform truck. Principal payments ranging from \$35,000 to \$98,957 are due annually on December 1 and mature December 2009. Interest is charged at 5.15%, payable annually. The outstanding balance of the note at June 30, 2004 was \$508,957.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 5 - LONG-TERM DEBT - continued

The following is a schedule of changes in governmental long-term debt:

	<u>Balance 7/1/03</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/04</u>
Capitalized Lease				
Ford Motor Company	\$ 7,703	\$	\$ 7,703	\$
Ervin Leasing	4,943		1,124	3,819
Mine Safety Appliance Company	<u>15,150</u>		<u>7,263</u>	<u>7,887</u>
Total capitalized leases	<u>27,796</u>		<u>16,090</u>	<u>11,706</u>
Notes Payable				
National City	437,000		437,000	
National City	3,750,000		100,000	3,650,000
National City	3,000,000		75,000	2,925,000
National City		500,000	15,000	485,000
Bank One	192,886		28,000	164,886
Bank One	<u>563,957</u>		<u>55,000</u>	<u>508,957</u>
Total notes payable	<u>7,943,843</u>	<u>500,000</u>	<u>710,000</u>	<u>7,733,843</u>
Compensated absences	<u>40,008</u>	<u>18,759</u>		<u>58,767</u>
Total governmental fund long-term debt	<u>\$ 8,011,647</u>	<u>\$ 518,759</u>	<u>\$ 726,090</u>	<u>\$ 7,804,316</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 5 - LONG-TERM DEBT - continued

The following is a schedule of principal and interest payments to service the governmental long-term obligations of the Township:

Year Ending:	Capitalized Leases		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004 - 2005	\$ 9,253	\$ 1,311	\$ 283,000	\$ 353,393	\$ 292,253	\$ 354,704
2005 - 2006	1,660	338	343,000	339,402	344,660	339,740
2006 - 2007	793	39	378,000	322,044	378,793	322,083
2007 - 2008			388,000	303,125	388,000	303,125
2008 - 2009			418,000	283,498	418,000	283,498
2009 - 2014			1,858,843	1,127,618	1,858,843	1,127,618
2014 - 2019			2,205,000	713,850	2,205,000	713,850
2019 - 2022			1,860,000	201,290	1,860,000	201,290
Totals	\$ 11,706	\$ 1,688	\$ 7,733,843	\$ 3,644,220	\$ 7,745,549	\$ 3,645,908

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 5 - LONG TERM DEBT - continued

The following is a summary of bonds payable debt for the proprietary fund for the year ending June 30, 2004:

1. Loan payable to Washtenaw County for the financing of the wastewater system expansion project. Principal payable in annual installments ranging from \$100,000 to \$275,000 starting November 1, 1997, interest is charged at 4.7% to 7.625%, payable semi-annually. Outstanding balance of the contract was \$2,750,000 at June 30, 2004. A portion of sewer billings are used to finance the debt service of these bonds.
2. Loan payable to Washtenaw County to finance the construction costs of the 8 Mile Road Pump Station. Principal payable in annual installments ranging from \$25,000 to \$100,000 starting May 1, 2004, interest is charged at 5.3% to 5.9%, payable semi-annually. The outstanding balance as of June 30, 2004 was \$1,200,000.
3. Loan payable to Washtenaw County to finance the sanitary sewer system expansion at North Territorial Road. Principal payable in annual installments ranging from \$125,000 to \$200,000 starting May 1, 2004, interest is charged at 6.01%, payable semi-annually. The outstanding balance as of June 30, 2004 was \$2,650,000.
4. Loan payable to Washtenaw County to finance the sanitary sewer system expansion at Seven Mile Road. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2005, and maturing on April 2022. Interest is paid semi-annually charged at 3.7% to 4.5%. Outstanding balance of the bonds was \$650,000 at June 30, 2004.
5. Loan payable to Michigan Municipal Bond Authority to finance the refunding bonds for the 1992 junior lien bonds originally issued in 1992. A net present value savings of \$84,344 was created by issuing these refunding bonds due to decline in interest rates. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2005, and maturing on April 2022. Interest is paid semi-annually charged at 2.0% to 4.5%. Outstanding balance of the bonds was \$650,000 at June 30, 2004.

	Bonds Payable		
	Principal	Interest	Total
2004 - 2005	\$ 405,000	\$ 414,279	\$ 819,279
2005 - 2006	405,000	325,790	730,790
2006 - 2007	450,000	363,145	813,145
2007 - 2008	480,000	346,551	826,551
2008 - 2009	505,000	322,358	827,358
2009 - 2014	2,665,000	1,224,998	3,889,998
2014 - 2019	2,705,000	472,035	3,177,035
2019 - 2022	<u>285,000</u>	<u>26,650</u>	<u>311,650</u>
	<u>\$ 7,900,000</u>	<u>\$ 3,495,806</u>	<u>\$ 11,395,806</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 6 - PENSION PLAN - DEFINED CONTRIBUTION PLAN**

The defined contribution plan of Northfield Township is a fully insured plan funded by both employer (2/3) and employee (1/3) contributions. An employee may make voluntary contributions of up to 10% of their annual compensation. All participants are vested 100% immediately.

A participant includes all full-time employees as of the beginning of the anniversary date or June 1st of each year. The annual contributions are based on the following formula:

Employer contributes 10% of wages  
Employee contributes 5% of wages  
  
Annual contribution  
to pension plan 15% of wages

The plan name is "Group Pension Plan" #GN 53402 through Manulife. A summary of the plan's activity for the period July 1, 2002 to June 30, 2004, is as follows:

Balance in guaranteed account July 1, 2003		\$ 1,427,220
Current year contributions		
Township portion	\$ 148,931	
Employee portion	<u>85,968</u>	234,899
Distributions/fees		(24,338)
Investment gains less asset charges		<u>272,699</u>
Balance in guaranteed account June 30, 2004.		<u>\$ 1,910,480</u>

Interest has been credited to June 30, 2004.

A contribution of \$148,931, was made in the fiscal year ended June 30, 2004.

Total payroll was \$2,064,999, for the fiscal year ended June 30, 2004.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

**NOTE 7 - INTERFUND RECEIVABLE AND PAYABLE BALANCES**

Interfund receivables and payables exist at June 30, 2004. These represent short-term borrowings and amounts owed for reimbursements between other funds.

**NOTE 8 - SEGMENT INFORMATION - ENTERPRISE FUND**

Selected financial information with respect to the enterprise fund maintained by the Township for sewage disposal service is as follows:

	<u>Sewage Disposal Fund</u>
Operating revenues	\$ 1,080,450
Depreciation	257,222
Operating (loss)	(31,542)
Net working capital	1,536,913
Total assets	14,867,298
Total fund equity	6,906,586

**NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

Michigan Compiled Laws Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township deposits are in accordance with statutory authority. The Township's deposits and investments are in accordance with statutory authority.

The governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$ 300,000	\$	\$ 300,000	\$ 300,000
Uninsured and uncollateralized	<u>4,520,800</u>	<u>748,269</u>	<u>5,269,069</u>	<u>5,007,849</u>
Total deposits	<u>\$ 4,820,800</u>	<u>\$ 748,269</u>	<u>\$ 5,569,069</u>	<u>\$ 5,307,849</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 10 - STATEMENT OF CASH FLOWS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. The direct method was utilized to represent cash flows from operations. The following is a schedule of beginning and ending cash and cash equivalents:

	<u>June 30, 2003</u>	<u>June 30, 2004</u>
Current assets		
Cash and cash equivalents	\$ 2,000,746	\$ 1,783,098
Restricted assets		
Cash and cash equivalents	<u>1,379,401</u>	<u>2,005,693</u>
Total cash and cash equivalents	<u>\$ 3,380,147</u>	<u>\$ 3,788,791</u>

NOTE 11 - CONTINGENT LIABILITIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

NOTE 12 - IMPLEMENTATION OF GASB STATEMENT NO. 34

The Township has implemented the standards required by GASB Statement No. 34 for the year ended June 30, 2004. All required statements and disclosures have been included in the basic financial statements.

NOTE 13 - FEDERAL GRANT ACTIVITIES

The Township has been a recipient of various federal grant funds. There was \$15,823 received in the current year. However, these funds and funds received in prior year may still be subject to federal grant audit requirements.

NOTE 14 - DEFICIT ELIMINATION PLAN

A deficit occurred in the Building Department Fund totaling \$1,531 for the year ended June 30, 2004. A deficit elimination plan will be filed with the State of Michigan detailing the Township's plan to remedy the deficits in these funds.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 15 - RECONCILIATION OF FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Amounts reported for governmental activities in the Statement  
of Net Assets are different because:

Total fund balance per balance sheet	\$ 1,533,692
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. This activity consists of:	
Acquisition cost	\$ 10,894,808
Depreciation	<u>(1,723,969)</u>
Capital assets net of depreciation	9,170,839
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:	
Accrued compensated absences	(58,767)
Contracts payable	(685,550)
Bonds payable	<u>(7,060,000)</u>
Total	<u>(7,804,317)</u>
Net assets of governmental activities	\$ <u>2,900,214</u>

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

Net change in fund balances - governmental funds	\$ 22,877
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:	
Capital outlay	\$ 20,688
Depreciation expense	<u>(326,095)</u>
Total	(305,407)
Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
Repayment of:	
Bonds payable	627,000
Contracts payable	<u>99,089</u>
Total	726,089
Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increase long-term liabilities in the Statement of Activities	(500,000)
Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Assets.	
Accrued balance at June 30, 2003	(58,767)
Accrued balance at July 1, 2004	<u>40,008</u>
Total	<u>(18,759)</u>
Change in net assets of governmental activities	\$ <u>(75,200)</u>



REQUIRED  
SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

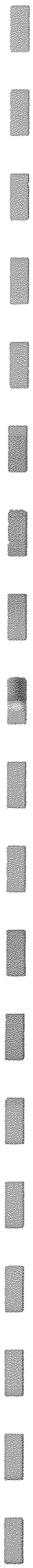
	BUDGETS		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 243,364	\$
Licenses and permits			1,750	
State shared revenues			622,516	
Charges for services			232,452	
Interest			8,141	
Miscellaneous revenue			147,241	
Total revenues	<u>1,644,801</u>	<u>1,661,010</u>	<u>1,255,464</u>	<u>(405,546)</u>
EXPENDITURES				
Township board	63,250	66,890	66,876	14
Supervisor	107,735	107,595	105,473	2,122
Elections	4,100	9,600	8,217	1,383
Clerk	93,300	89,800	88,204	1,596
Board of review	5,150	4,650	3,065	1,585
Treasurer	63,444	62,444	60,574	1,870
Township hall and grounds	77,200	85,194	82,580	2,614
Zoning and planning departments	103,988	106,688	89,915	16,773
Unallocated	205,600	204,656	180,926	23,730
Human services contract	7,500	7,500	7,500	
Roads	62,646	55,663	55,662	1
Street lights	30,000	28,000	23,941	4,059
Capital outlay	462,000	440,654	325	440,329
Clean up and recycling	6,000	6,000	5,667	333
Recreation	2,300	3,300	2,576	724
Debt service	40,000	44,789	24,098	20,691
Senior Center	89,609	89,921	85,748	4,173
Total expenditures	<u>1,423,822</u>	<u>1,413,344</u>	<u>891,347</u>	<u>521,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>220,979</u>	<u>247,666</u>	<u>364,117</u>	<u>116,451</u>
OTHER FINANCING (USES)				
Transfers (out)	<u>(216,222)</u>	<u>(201,222)</u>	<u>(210,513)</u>	<u>(9,291)</u>
Excess (deficiency) of revenues over expenditures and other financing (uses)	<u>4,757</u>	<u>46,444</u>	<u>153,604</u>	<u>107,160</u>
FUND BALANCE, JULY 1, 2003	<u>425,430</u>	<u>425,430</u>	<u>425,430</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 430,187</u>	<u>\$ 471,874</u>	<u>\$ 579,034</u>	<u>\$ 107,160</u>

NORTHFIELD TOWNSHIP  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	BUDGETS		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 1,274,678	\$
Fines and court fees			41,681	
Cops fast grant			15,823	
Traffic tickets and impound fees			1,642	
Liquor law license fees			2,379	
Justice training fund			2,875	
Interest			1,232	
Sale of assets			4,500	
Charges for services			2,285	
Other revenue			9,213	
Total revenues	1,379,001	1,398,455	1,356,308	(42,147)
EXPENDITURES	<u>1,541,938</u>	<u>1,568,134</u>	<u>1,494,439</u>	<u>73,695</u>
Excess (deficiency) of revenues over (under) expenditures	(162,937)	(169,679)	(138,131)	31,548
OTHER FINANCING SOURCES				
Transfers in	<u>93,110</u>	<u>93,110</u>	<u>103,455</u>	<u>10,345</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(69,827)	(76,569)	(34,676)	41,893
FUND BALANCE, JULY 1, 2003	<u>407,786</u>	<u>407,786</u>	<u>407,786</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 337,959</u>	<u>\$ 331,217</u>	<u>\$ 373,110</u>	<u>\$ 41,893</u>

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS



Fire Truck Fund	Medical Rescue Fund	Law Enforcement Fund	Narcotics Fund	Downtown Development Authority Fund	Totals
\$ 84,106	\$ 54,049	\$ 243,752	\$ 12,114	\$ 22,101	\$ 631,069
5,770	18,660	83,086			125,710
2,150	6,343	29,511		4,116	48,490
		6,131			6,131
	2,930	18,052			24,473
<u>\$ 92,026</u>	<u>\$ 81,982</u>	<u>\$ 380,532</u>	<u>\$ 12,114</u>	<u>\$ 26,217</u>	<u>\$ 835,873</u>
\$	\$	\$	\$	\$	\$
	3,610	7,422		650	3,312
					15,156
	3,610	7,422		650	18,468
92,026	78,372	373,110	12,114	25,567	817,405
<u>\$ 92,026</u>	<u>\$ 81,982</u>	<u>\$ 380,532</u>	<u>\$ 12,114</u>	<u>\$ 26,217</u>	<u>\$ 835,873</u>

NORTHFIELD TOWNSHIP  
COMBINING BALANCE SHEET  
ALL AGENCY FUNDS  
JUNE 30, 2004

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 613,265	\$ 135,005	\$ 748,270
 <u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 110,384	\$	\$ 110,384
Due to others	502,881	42,505	545,386
Performance bonds	<u>                    </u>	<u>92,500</u>	<u>92,500</u>
Total liabilities	<u>\$ 613,265</u>	<u>\$ 135,005</u>	<u>\$ 748,270</u>





<u>Fire Truck Fund</u>	<u>Medical Rescue Fund</u>	<u>Law Enforcement Fund</u>	<u>Narcotics Fund</u>	<u>Downtown Development Authority Fund</u>	<u>Totals</u>
\$ 90,101	\$ 274,490	\$ 1,274,678	\$	\$ 28,145	\$ 1,943,067
		15,823			15,823
		43,323	45		43,368
		2,285			4,132
		2,379			135,270
353	363	1,232	56		2,971
<u>5</u>	<u>2,938</u>	<u>16,588</u>		<u>703</u>	<u>24,877</u>
<u>90,459</u>	<u>277,791</u>	<u>1,356,308</u>	<u>101</u>	<u>28,848</u>	<u>2,169,508</u>
245				6,466	1,617,015
	415,554	1,465,457	3,286		677,981
55,000	10,475				97,965
29,454		1,998			41,948
	<u>4,588</u>	<u>26,984</u>			<u>36,613</u>
<u>84,699</u>	<u>430,617</u>	<u>1,494,439</u>	<u>3,286</u>	<u>6,466</u>	<u>2,471,522</u>
<u>5,760</u>	<u>(152,826)</u>	<u>(138,131)</u>	<u>(3,185)</u>	<u>22,382</u>	<u>(302,014)</u>
	<u>72,420</u>	<u>103,455</u>			<u>210,513</u>
5,760	(80,406)	(34,676)	(3,185)	22,382	(91,501)
<u>86,266</u>	<u>158,778</u>	<u>407,786</u>	<u>15,299</u>	<u>3,185</u>	<u>908,906</u>
<u>\$ 92,026</u>	<u>\$ 78,372</u>	<u>\$ 373,110</u>	<u>\$ 12,114</u>	<u>\$ 25,567</u>	<u>\$ 817,405</u>

NORTHFIELD TOWNSHIP  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Building Authority</u>	<u>Public Safety Building</u>	<u>Total</u>
REVENUES			
Property taxes	\$	\$ 271,192	\$ 271,192
Rental income	206,913		206,913
Interest		332	332
Other income		6	6
			<u>6</u>
Total revenues	<u>206,913</u>	<u>271,530</u>	<u>478,443</u>
EXPENDITURES			
Loan - principal	75,000	100,000	175,000
Loan - interest	131,913	173,700	305,613
Loan - agent fees		300	300
Miscellaneous		781	781
			<u>781</u>
Total expenditures	<u>206,913</u>	<u>274,781</u>	<u>481,694</u>
Excess (deficiency) of revenues over (under) expenditures		(3,251)	(3,251)
FUND BALANCE, JULY 1, 2003		<u>103,358</u>	<u>103,358</u>
FUND BALANCE, JUNE 30, 2004	<u>\$</u>	<u>\$ 100,107</u>	<u>\$ 100,107</u>

INDIVIDUAL FUNDS

GENERAL  
FUND

NORTHFIELD TOWNSHIP  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 286,784
Taxes receivable	22,656
State shared revenue receivable	106,686
Accounts receivable - other	38,485
Due from other funds	55,219
Due from township area library	73,928
Land contract receivable	1,200
Prepaid expenditures	<u>9,234</u>

Total assets \$ 594,192

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 12,618
Due to others	<u>2,540</u>

Total liabilities \$ 15,158

FUND BALANCE

Reserved	73,928
Unreserved	<u>505,106</u>

Total fund balance 579,034

Total liabilities and fund balance \$ 594,192

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 243,364	\$
Licenses and permits		1,750	
State shared revenues		622,516	
Charges for services		232,452	
Interest		8,141	
Miscellaneous revenue		147,241	
Total revenues	<u>1,661,010</u>	<u>1,255,464</u>	<u>(405,546)</u>
EXPENDITURES			
Township board	66,890	66,876	14
Supervisor	107,595	105,473	2,122
Elections	9,600	8,217	1,383
Clerk	89,800	88,204	1,596
Board of review	4,650	3,065	1,585
Treasurer	62,444	60,574	1,870
Township hall and grounds	85,194	82,580	2,614
Zoning and planning departments	106,688	89,915	16,773
Unallocated	204,656	180,926	23,730
Human services contract	7,500	7,500	
Roads	55,663	55,662	1
Street lights	28,000	23,941	4,059
Capital outlay	440,654	325	440,329
Clean up and recycling	6,000	5,667	333
Recreation	3,300	2,576	724
Debt service	44,789	24,098	20,691
Senior Center	89,921	85,748	4,173
Total expenditures	<u>1,413,344</u>	<u>891,347</u>	<u>521,997</u>
Excess (deficiency) of revenues over expenditures	247,666	364,117	116,451
OTHER FINANCING (USES)			
Transfers (out)	<u>(201,222)</u>	<u>(210,513)</u>	<u>(9,291)</u>
Excess (deficiency) of revenues over expenditures and other financing (uses)	46,444	153,604	107,160
FUND BALANCE, JULY 1, 2003	<u>425,430</u>	<u>425,430</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 471,874</u>	<u>\$ 579,034</u>	<u>\$ 107,160</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TAXES	<u>\$ 242,035</u>	<u>\$ 243,364</u>	<u>\$ 1,329</u>
LICENSES AND PERMITS			
Peddler licenses		50	
Private road permits		1,700	
Total licenses and permits	<u>1,975</u>	<u>1,750</u>	<u>(225)</u>
STATE SHARED REVENUES	<u>640,000</u>	<u>622,516</u>	<u>(17,484)</u>
CHARGES FOR SERVICES			
Tax administration fees		116,540	
Cablevision franchise fees		62,809	
Special meetings		2,000	
Fiber footage fees		7,635	
Zoning fees		12,200	
Board of appeals		3,525	
May clean up		1,913	
Site plan reviews		4,000	
Split applications		370	
Mobile home park fees		3,816	
Summer tax collection fees		13,805	
Duplicating		3,839	
Total charges for services	<u>284,361</u>	<u>232,452</u>	<u>(51,909)</u>
INTEREST	<u>2,500</u>	<u>8,141</u>	<u>5,641</u>
MISCELLANEOUS REVENUE			
Sewer administration reimbursement		36,000	
Other reimbursement		79,452	
Sale of equipment		10,357	
Rental income		3,600	
Senior citizens		7,337	
Contributions		6,339	
Other revenue		4,156	
Total miscellaneous revenue	<u>490,139</u>	<u>147,241</u>	<u>(342,898)</u>
Total revenues	<u>\$ 1,661,010</u>	<u>\$ 1,255,464</u>	<u>\$ (405,546)</u>



NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 13,625	\$
Audit		8,250	
Legal		38,363	
Printing and publishing		6,638	
Total township board	<u>66,890</u>	<u>66,876</u>	<u>14</u>
SUPERVISOR			
Supervisor's salary		39,934	
Assessor		41,400	
Clerical		19,784	
Dues and subscriptions		215	
Training and development		883	
Repairs and maintenance		101	
Transportation		808	
Postage		2,348	
Total supervisor	<u>107,595</u>	<u>105,473</u>	<u>2,122</u>
ELECTIONS			
Fees		3,765	
Office supplies		1,347	
Postage		752	
Printing and publishing		2,353	
Total elections	<u>9,600</u>	<u>8,217</u>	<u>1,383</u>
CLERK			
Clerk's salary		39,364	
Recording secretary		2,610	
Deputy clerk's salary		7,848	
Accountant's salary		37,792	
Transportation		125	
Training and development		425	
Dues and subscriptions		40	
Total clerk	<u>89,800</u>	<u>88,204</u>	<u>1,596</u>
BOARD OF REVIEW			
Fees		1,144	
Tax tribunal and drains		806	
Training and development		322	
Printing and publication		793	
Total board of review	<u>4,650</u>	<u>3,065</u>	<u>1,585</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>TREASURER</b>			
Treasurer's salary		39,364	
Summer tax collection		1,000	
Deputy treasurer's salary		2,081	
Sewer billing clerk		3,875	
Legal fees		9,545	
Tax statement preparation		281	
Transportation		252	
Dues and subscriptions		80	
Training and development		496	
Postage		3,600	
		<u>60,574</u>	
Total treasurer	<u>62,444</u>	<u>60,574</u>	<u>1,870</u>
<b>TOWNSHIP HALL AND GROUNDS</b>			
Clerical salary		27,000	
Janitor fees		7,200	
Office supplies		10,047	
Telephone		8,096	
Postage		1,042	
Utilities		11,183	
Repairs and maintenance		15,116	
Equipment rental		2,896	
		<u>82,580</u>	
Total township hall and grounds	<u>85,194</u>	<u>82,580</u>	<u>2,614</u>
<b>ZONING AND PLANNING DEPARTMENTS</b>			
Salaries - director		14,490	
Salaries - recording secretary		1,490	
Salaries - zoning administrator		15,007	
Planning commission fees		8,900	
Longevity		90	
Board of appeals fees		500	
Office supplies		339	
Printing and publications		1,881	
Planning consultant		29,770	
Legal fees		15,089	
Training and development		988	
Transportation		706	
Postage		665	
		<u>89,915</u>	
Total zoning and planning departments	<u>106,688</u>	<u>89,915</u>	<u>16,773</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
UNALLOCATED			
Insurance - health		51,365	
Insurance - life		4,317	
Insurance - disability		4,754	
Employer's social security		29,301	
Pension		30,422	
Insurance - general and bonds		43,098	
Downtown Development Authority		1,317	
Membership dues		16,352	
	<u>204,656</u>	<u>180,926</u>	<u>23,730</u>
Total unallocated			
HUMAN SERVICES CONTRACT	<u>7,500</u>	<u>7,500</u>	
ROADS	<u>55,663</u>	<u>55,662</u>	<u>1</u>
STREET LIGHTS	<u>28,000</u>	<u>23,941</u>	<u>4,059</u>
CAPITAL OUTLAY	<u>440,654</u>	<u>325</u>	<u>440,329</u>
CLEAN UP AND RECYCLING	<u>6,000</u>	<u>5,667</u>	<u>333</u>
RECREATION	<u>3,300</u>	<u>2,576</u>	<u>724</u>
DEBT SERVICE			
Interest	<u>44,789</u>	<u>24,098</u>	<u>20,691</u>
SENIOR CENTER	<u>89,921</u>	<u>85,748</u>	<u>4,173</u>
Total expenditures	<u>\$ 1,413,344</u>	<u>\$ 891,347</u>	<u>\$ 521,997</u>

BUILDING  
DEPARTMENT  
FUND

NORTHFIELD TOWNSHIP  
BUILDING DEPARTMENT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Prepaid expenditures

\$ 1,834

LIABILITIES AND FUND BALANCE

LIABILITIES

Bank overdraft

\$ 3,312

Accounts payable

53

Total liabilities

\$ 3,365

FUND BALANCE (DEFICIT)

(1,531)

Total liabilities and fund balance

\$ 1,834

NORTHFIELD TOWNSHIP  
BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variable Favorable (Unfavorable)
REVENUES			
Building permit fees	\$	\$ 129,936	\$
Contractor's registration		2,955	
Interest income		73	
Other income		553	
Total revenues	137,014	133,517	(3,497)
EXPENDITURES			
Salaries - director		53,303	
Salary - administrative		15,218	
Payroll taxes		5,208	
Hospitalization		15,189	
Life insurance/disability/unemployment		5,701	
Pension		6,752	
Inspections		21,065	
Supplies		109	
Membership dues		285	
Telephone		1,671	
Postage		100	
Printing and publishing		849	
Utilities		1,701	
Insurance - general and bonds		11,420	
Repairs and maintenance		929	
Training and development		931	
Transportation		611	
Interest		119	
Miscellaneous		3,686	
Total expenditures	153,538	144,847	8,691
Excess (deficiency) of revenues over (under) expenditures	(16,524)	(11,330)	5,194
OTHER FINANCING SOURCES			
Transfer in	15,000	3,600	(11,400)
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(1,524)	(7,730)	(6,206)
FUND BALANCE, JULY 1, 2003	6,199	6,199	
FUND BALANCE (DEFICIT), JUNE 30, 2004	\$ 4,675	\$ (1,531)	\$ (6,206)

FIRE  
PROTECTION  
FUND

NORTHFIELD TOWNSHIP  
FIRE PROTECTION FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 193,806
Taxes receivable	18,194
Due from other funds	6,370
Prepaid expenditures	<u>1,657</u>

Total assets	<u>\$ 220,027</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 3,421
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FUND BALANCE

<u>216,606</u>
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Total liabilities and fund balance	<u>\$ 220,027</u>
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NORTHFIELD TOWNSHIP  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 275,653	\$
Charges for services		1,847	
Interest		796	
Other revenue		<u>4,090</u>	
Total revenues	<u>304,093</u>	<u>282,386</u>	<u>(21,707)</u>
EXPENDITURES			
Salary			
Chief		29,848	
Administrative assistant		14,430	
Officers		889	
Fire fighters		59,496	
Payroll taxes		6,713	
Hospitalization insurance		7,502	
Life insurance		552	
Pension		4,302	
Medical testing		565	
Training and development		3,441	
Contractual services		3,356	
Telephone		5,919	
Printing and postage		299	
Transportation		2,347	
Supplies		4,626	
Insurance and bonds		34,105	
Utilities		21,837	
Building lease		31,038	
Grant expense		1,650	
Miscellaneous		1,145	
Professional services		4,826	
Repairs and maintenance		16,183	
Uniforms		1,901	
Equipment rental		679	
Downtown Development Authority		1,492	
Capital outlay		5,041	
Loan - principal		32,490	
Loan - interest		<u>10,496</u>	
Total expenditures	<u>341,141</u>	<u>307,168</u>	<u>33,973</u>
Excess (deficiency) of revenues over (under) expenditures	(37,048)	(24,782)	12,266

NORTHFIELD TOWNSHIP  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES			
Transfers in	\$ 27,934	\$ 31,038	\$ 3,104
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(9,114)	6,256	15,370
FUND BALANCE, JULY 1, 2003	<u>210,350</u>	<u>210,350</u>	<u>          </u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 201,236</u>	<u>\$ 216,606</u>	<u>\$ 15,370</u>

FIRE  
CAPITAL OUTLAY  
FUND

NORTHFIELD TOWNSHIP  
FIRE CAPITAL OUTLAY FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 21,141

FUND BALANCE

FUND BALANCE

\$ 21,141

NORTHFIELD TOWNSHIP  
FIRE CAPITAL OUTLAY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 5,300	\$ 98	\$ 5,202
EXPENDITURES			
Excess of revenues over expenditures	5,300	98	5,202
FUND BALANCE, JULY 1, 2003	<u>21,043</u>	<u>21,043</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 26,343</u>	<u>\$ 21,141</u>	<u>\$ 5,202</u>

FIRE TRUCK  
FUND

NORTHFIELD TOWNSHIP  
FIRE TRUCK FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash	\$	84,106
Taxes receivable		5,770
Due from other funds		<u>2,150</u>

Total assets			\$	<u><u>92,026</u></u>
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FUND BALANCE

FUND BALANCE			\$	<u><u>92,026</u></u>
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NORTHFIELD TOWNSHIP  
FIRE TRUCK FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable )
REVENUES			
Taxes	\$	\$ 90,101	\$
Interest		353	
Other income		5	
	<u>85,770</u>	<u>90,459</u>	<u>4,689</u>
Total revenues			
EXPENDITURES			
Loan - principal		55,000	
Loan - interest		29,454	
Miscellaneous		245	
	<u>85,343</u>	<u>84,699</u>	<u>644</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	427	5,760	5,333
FUND BALANCE, JULY 1, 2003	<u>86,266</u>	<u>86,266</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 86,693</u>	<u>\$ 92,026</u>	<u>\$ 5,333</u>



MEDICAL  
RESCUE  
FUND

NORTHFIELD TOWNSHIP  
MEDICAL RESCUE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 54,049
Taxes receivable	18,660
Due from other funds	6,343
Prepaid expenditures	<u>2,930</u>

Total assets		<u>\$ 81,982</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 3,610
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FUND BALANCE

	<u>78,372</u>
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Total liabilities and fund balance		<u>\$ 81,982</u>
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NORTHFIELD TOWNSHIP  
MEDICAL RESCUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 274,490	\$
Interest		363	
Miscellaneous		2,938	
Total revenues	284,896	277,791	(7,105)
EXPENDITURES			
Salaries		184,474	
Payroll taxes		15,490	
Hospitalization		7,502	
Life insurance		554	
Medical testing		1,319	
Uniforms and gear		3,981	
Transportation		4,190	
Training and development		3,240	
Professional fees		8,131	
Contractual dispatch		7,830	
Telephone		10,039	
Supplies		9,488	
Printing and postage		504	
Insurance and bonds		23,191	
Pension		4,567	
PSB lease		72,420	
Utilities		23,653	
Miscellaneous		1,552	
Repairs and maintenance		29,074	
Rental equipment		1,566	
DDA		1,485	
Interest		1,304	
Capital outlay		4,588	
Loan principal		10,475	
Total expenditures	443,587	430,617	12,970
Excess (deficiency) of revenues over (under) expenditures	(158,691)	(152,826)	5,865
OTHER FINANCING SOURCES			
Transfer in	65,178	72,420	7,242
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(93,513)	(80,406)	13,107
FUND BALANCE, JULY 1, 2003	158,778	158,778	
FUND BALANCE, JUNE 30, 2004	\$ 65,265	\$ 78,372	\$ 13,107

LAW  
ENFORCEMENT  
FUND

NORTHFIELD TOWNSHIP  
LAW ENFORCEMENT FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 243,752
Taxes receivable	83,086
Due from other funds	29,511
Accounts receivable - other	6,131
Prepaid expenditure	<u>18,052</u>

Total assets	<u>\$ 380,532</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 7,422
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FUND BALANCE

<u>373,110</u>
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Total liabilities and fund balance	<u>\$ 380,532</u>
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NORTHFIELD TOWNSHIP  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,274,678	\$
Fines and court fees		41,681	
Cops fast grant		15,823	
Traffic tickets and impound fees		1,642	
Liquor law license fees		2,379	
Justice training fund		2,875	
Interest		1,232	
Sale of assets		4,500	
Charges for services		2,285	
Other income		9,213	
	<u>1,398,455</u>	<u>1,356,308</u>	<u>(42,147)</u>
Total revenues			
EXPENDITURES	<u>1,568,134</u>	<u>1,494,439</u>	<u>73,695</u>
Excess (deficiency) of revenues over (under) expenditures	(169,679)	(138,131)	31,548
OTHER FINANCING SOURCES			
Transfers in	<u>93,110</u>	<u>103,455</u>	<u>10,345</u>
Excess (deficiency) of revenues over (under) expenditures after other financing sources	(76,569)	(34,676)	41,893
FUND BALANCE, JULY 1, 2003	<u>407,786</u>	<u>407,786</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 331,217</u>	<u>\$ 373,110</u>	<u>\$ 41,893</u>

NORTHFIELD TOWNSHIP  
LAW ENFORCEMENT FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$	\$ 779,641	\$
Payroll taxes		63,622	
Life insurance		6,823	
Professional fees		40,345	
Pension		64,903	
Insurance - health		87,877	
Longevity		2,400	
PTO/comp time		38,746	
Uniforms and gear		11,664	
Membership dues		3,395	
Printing and publishing		2,611	
Transportation		21,610	
Insurance and bonds		49,989	
Repairs and maintenance - equipment		17,044	
Repairs and maintenance - vehicle		13,934	
Miscellaneous		7,728	
Capital outlay		26,984	
Telephone		24,452	
Supplies		10,820	
Postage		683	
Training and development		8,138	
Downtown Development Authority		6,903	
Rent		103,455	
Utilities		36,776	
Equipment rental		2,848	
Contractual services - dispatch		59,050	
Loan interest		1,998	
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	\$ 1,568,134	\$ 1,494,439	\$ 73,695

NARCOTICS  
FUND



NORTHFIELD TOWNSHIP  
NARCOTICS FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 12,114

FUND BALANCE

FUND BALANCE

\$ 12,114

NORTHFIELD TOWNSHIP  
NARCOTICS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$	\$ 45	\$
Interest		<u>56</u>	
Total revenues	1,625	101	(1,524)
EXPENDITURES	<u>15,000</u>	<u>3,286</u>	<u>11,714</u>
Excess (deficiency) of revenues over (under) expenditures	(13,375)	(3,185)	10,190
FUND BALANCE, JULY 1, 2003	<u>15,299</u>	<u>15,299</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 1,924</u>	<u>\$ 12,114</u>	<u>\$ 10,190</u>

DOWNTOWN DEVELOPMENT  
AUTHORITY  
FUND

NORTHFIELD TOWNSHIP  
DOWNTOWN DEVELOPMENT AUTHORITY FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Due from other funds

\$ 22,101  
4,116

Total assets

\$ 26,217

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 650

FUND BALANCE

25,567

Total liabilities and fund balance

\$ 26,217

NORTHFIELD TOWNSHIP  
DOWNTOWN DEVELOPMENT AUTHORITY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 28,145	\$
Contribution		650	\$
Interest		53	
Total revenues	<u>28,894</u>	<u>28,848</u>	<u>(46)</u>
EXPENDITURES			
Signs		4,417	
Miscellaneous		1,975	
Supplies		74	
Total expenditures	<u>4,500</u>	<u>6,466</u>	<u>(1,966)</u>
Excess (deficiency) of revenues over (under) expenditures	24,394	22,382	(2,012)
FUND BALANCE, JULY 1, 2003	<u>3,185</u>	<u>3,185</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 27,579</u>	<u>\$ 25,567</u>	<u>\$ (2,012)</u>

BUILDING AUTHORITY  
DEBT SERVICE FUND

NORTHFIELD TOWNSHIP  
BUILDING AUTHORITY DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Rental income	\$ _____	\$ 206,913	\$ _____
Total revenues	<u>207,313</u>	<u>206,913</u>	<u>(400)</u>
EXPENDITURES			
Principal		75,000	
Interest	_____	<u>131,913</u>	_____
Total expenditures	<u>206,913</u>	<u>206,913</u>	_____
Excess (deficiency) of revenues over (under) expenditures	400		(400)
FUND BALANCE, JULY 1, 2003	_____	_____	_____
FUND BALANCE, JUNE 30, 2004	<u>\$ 400</u>	<u>\$ _____</u>	<u>\$ (400)</u>

PUBLIC SAFETY BUILDING  
DEBT SERVICE FUND



NORTHFIELD TOWNSHIP  
PUBLIC SAFETY BUILDING DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 77,010
Taxes receivable	16,625
Due from other funds	<u>6,472</u>

Total assets

\$ 100,107

FUND BALANCE

FUND BALANCE

\$ 100,107

NORTHFIELD TOWNSHIP  
PUBLIC SAFETY BUILDING DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 271,192	\$
Interest income		332	
Other income		6	
Total revenues	<u>275,252</u>	<u>271,530</u>	<u>(3,722)</u>
EXPENDITURES			
Loan - principal		100,000	
Loan - interest		173,700	
Loan - agent fees		300	
Miscellaneous		781	
Total expenditures	<u>274,485</u>	<u>274,781</u>	<u>(296)</u>
Excess (deficiency) of revenues over (under) expenditures	767	(3,251)	(4,018)
FUND BALANCE, JULY 1, 2003	<u>103,358</u>	<u>103,358</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 104,125</u>	<u>\$ 100,107</u>	<u>\$ (4,018)</u>

PUBLIC SAFETY BUILDING  
CONSTRUCTION CAPITAL PROJECT  
FUND

NORTHFIELD TOWNSHIP  
PUBLIC SAFETY BUILDING CONSTRUCTION CAPITAL PROJECT FUND  
BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2004

ASSETS

ASSETS  
Cash

\$ 37,146

FUND BALANCE

FUND BALANCE

\$ 37,146

NORTHFIELD TOWNSHIP  
PUBLIC SAFETY BUILDING CONSTRUCTION CAPITAL PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest income	\$ 1,000	\$ 113	\$ (887)
EXPENDITURES			
Construction costs		73,516	
Professional services		14,744	
Loan payment - principal		437,000	
Loan payment - interest		10,828	
Total expenditures	<u>463,229</u>	<u>536,088</u>	<u>(72,859)</u>
Excess (deficiency) of revenues over (under) expenditures	(462,229)	(535,975)	
OTHER FINANCING SOURCE			
Bond proceeds	<u>500,000</u>	<u>500,000</u>	
Excess (deficiency) of revenues over (under) expenditures and other financing source	37,771	(35,975)	(73,746)
FUND BALANCE, JULY 1, 2003	<u>73,121</u>	<u>73,121</u>	
FUND BALANCE (DEFICIT), JUNE 30, 2004	<u>\$ 110,892</u>	<u>\$ 37,146</u>	<u>\$ (73,746)</u>

SEWAGE DISPOSAL  
SYSTEM  
FUND

NORTHFIELD TOWNSHIP  
SEWAGE DISPOSAL SYSTEM FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,254,686
Certificate of deposit	528,412
Sewer billings receivable	127,115
Due from county	48,919
Special assessment receivable	2,960,199
Prepaid expenses	7,290
Due from other funds	<u>36,203</u>

Total current assets \$ 4,962,824

RESTRICTED ASSETS

Cash and cash equivalents - special assessments	1,385,282
Certificate of deposit - special assessments	<u>620,411</u>

Total restricted assets 2,005,693

PLANT, PROPERTY AND EQUIPMENT

Land	214,918
Plant	2,229,393
Plant expansion	7,408,242
Equipment	<u>495,766</u>
	10,348,319
Less: accumulated depreciation	<u>(2,560,699)</u>

Net plant, property, and equipment 7,787,620

CONSTRUCTION IN PROGRESS

111,161

Total assets \$ 14,867,298

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 7,082
Accrued compensated absences	17,630
Due to other funds	36,000
Contracts payable - current portion	<u>405,000</u>

Total current liabilities \$ 465,712

LONG-TERM LIABILITIES

Contracts payable - less current portion	<u>7,495,000</u>
--	------------------

Total liabilities 7,960,712

FUND EQUITY

Retained earnings	<u>6,906,586</u>
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Total liabilities and fund equity \$ 14,867,298

NORTHFIELD TOWNSHIP  
SEWAGE DISPOSAL SYSTEM FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES

User charges	\$ 1,080,450
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OPERATING EXPENSES

Salaries and wages	\$ 263,955
Payroll taxes	18,809
Hospitalization	67,050
Life insurance	3,294
Pension	23,289
Training and development	1,789
Office supplies	1,879
Operating supplies	33,465
Uniforms	4,031
Professional services	56,137
Membership and dues	2,474
Contracted services	4,970
Administration fees	36,000
Telephone	8,485
Transportation	2,750
Printing and postage	7,461
Insurance and bonds	27,472
Utilities	96,946
Small equipment	3,656
Repairs and maintenance	190,858
Depreciation	<u>257,222</u>

Total operating expenses	<u>1,111,992</u>
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Operating (loss)	(31,542)
------------------	----------

NON-OPERATING REVENUES AND (EXPENSES)

Other income	4,926
Special assessments levied	744,997
Tap-in fees	77,000
Gain on sale of assets	100
Interest income - cash and equivalents	27,090
Interest - special assessments	167,097
Interest expense	(443,314)
Bond fees	<u>(1,860)</u>

Total non-operating revenues and (expenses)	<u>576,036</u>
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Net income	<u>\$ 544,494</u>
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NORTHFIELD TOWNSHIP  
SEWAGE DISPOSAL SYSTEM FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES

Operating (loss)		\$ (31,542)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities		
Depreciation	\$ 257,222	
Other income	4,926	
Changes in assets and liabilities		
(Increase) in sewer billings receivable	(100,877)	
(Increase) in due from other funds	(36,203)	
(Increase) in prepaid expenses	(1,025)	
(Decrease) in accounts payable	(2,143)	
Increase in due to other funds	<u>36,000</u>	
Total adjustments		<u>157,900</u>
Net cash provided by operating activities		126,358

CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED  
FINANCING ACTIVITIES

Tap-in fees collected	77,000	
Special assessments received	510,334	
Purchase of equipment/system	(207,064)	
Proceeds on sale of equipment	100	
Interest paid on long-term bonds	(443,314)	
Bond fees	(1,860)	
Proceeds on sale of contracts payable	1,300,000	
Repayment of principal on bonds/contracts	<u>(980,000)</u>	
Net cash provided by capital and related financing activities		255,196

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES

Interest on cash and cash equivalents	<u>27,090</u>
Net increase in cash and cash equivalents	408,644

CASH AND CASH EQUIVALENTS AT JULY 1, 2003	<u>3,380,147</u>
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CASH AND CASH EQUIVALENTS AT JUNE 30, 2004	<u>\$ 3,788,791</u>
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CURRENT  
TAX  
COLLECTION  
FUND

NORTHFIELD TOWNSHIP  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS  
Cash

\$ 613,265

LIABILITIES

LIABILITIES  
Due to other funds  
Due to others

\$ 110,384  
502,881

Total liabilities

\$ 613,265

TRUST  
AND  
AGENCY  
FUND

NORTHFIELD TOWNSHIP  
TRUST AND AGENCY FUND  
BALANCE SHEET  
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 135,005

LIABILITIES

LIABILITIES

Performance bonds

\$ 92,500

Due to others

42,505

Total liabilities

\$ 135,005

NORTHFIELD TOWNSHIP

2004

Clerks copy

COMMENTS

AND

RECOMMENDATIONS

FOR THE YEAR ENDED JUNE 30, 2004

**PFEFFER ■ HANNIFORD ■ PALKA***Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*

*AICPA Private Practice Companies Section*

*MACPA*

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**

**(810) 229-5550**

**FAX (810) 229-5578**

November 20, 2004

Board of Trustees  
Northfield Township  
75 Barker  
Whitmore Lake, Michigan 48189

Honorable Board of Trustees:

In planning and performing our audit of the financial statements of Northfield Township for the year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

In addition to the audit report dated November 20, 2004, and with our continued effort to assist the Township with improving their internal controls, we wish to offer the following comments and recommendations for your consideration.

**MATTERS OF ACCOUNTING, ADMINISTRATION, AND INTERNAL CONTROL**

As part of our audit of the township's 2004 financial statements, we performed additional procedures and we noted the following matters that we would like to bring to your attention:

- According to the State of Michigan, Department of Treasury 2004 property tax collection calendar, as of March 1, 2004 the county treasurer commences settlement with local unit treasurers. (Section 211.55). According to the same calendar, as of March 12, 2004, at least 90% of the total tax collections on hand February 28, must be delivered by the local unit treasurer to the county and school district treasurer. (Section 211.43). This was not done by Northfield Township. According to the same calendar, not later than April 1, 2004, local unit treasurers make final adjustment and delivery of the total amount of tax collections on hand. (Section 211.43). As of the date of this letter, that has still not been accomplished. The treasurer needs to be sure to distribute all of the tax collections in a timely and accurate manner.
- During the audit we requested reconciliations to the general ledger for many different items, and the following is a list of those items that were not provided:
  - Payroll taxes not reconciled
  - Delinquent personal property taxes receivable not reconciled
  - Trust and agency accounts not reconciled
  - Sewer fund activities not reconciled
  - Special assessment receivables not reconciled
  - Due to and due from other funds not reconciled

- Three months after the township's fiscal year end, we could not get all the bank reconciliations in order to prepare for the audit. Even once we received them, they were still not reconciled to the general ledger. Part of the reason was checks were still being written after fiscal year end and dated back to June 30, 2004, which made it an ongoing process of trying to reconcile the cash accounts. It was also noted that some payroll checks were still outstanding as far back as 2000 and some clearing accounts checks were still outstanding as far back as 1994. An effort should be made to reissue these checks to the proper person or the money should be escheated to the State of Michigan.
- When auditing the building department fund, it was apparent there was a deficit in that fund. The Township must file a deficit elimination plan with the State of Michigan detailing the Township's plan to remedy the deficit. The Township needs to scrutinize all the funds periodically to try and avoid this from happening again.
- The monies that are specifically for the Northfield Township Area Library are commingled with the Township money in the common account. The Library is a separate entity from the Township and the money should be separated.

#### GASB 34 FINANCIAL REPORTING MODEL

The Township has implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

This letter does not affect our report dated November 20, 2004, on the financial statements of Northfield Township.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and recommendations with various Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees, and management of Northfield Township and is not intended to be and should not be used by anyone other than the specified parties.

We would like to thank you for the opportunity to serve Northfield Township. If you have any questions regarding any of the information noted above or presented in the financial statements, please feel free to call us at your convenience.

  
PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants