

NORTHFIELD TOWNSHIP

REPORT ON  
AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2005

## **NORTHFIELD TOWNSHIP**

### **TOWNSHIP OFFICIALS**

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

### **TOWNSHIP BOARD**

Michael Cicchella  
David Gordon  
Linda Lupi  
Michele Manning  
Susan Shink  
Cynthia Wilson  
Ed Wojtys

### **TOWNSHIP ATTORNEYS**

Paul E. Burns

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**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**

December 28, 2005

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

**INDEPENDENT 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, 2005, 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, 2005, 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.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 8 through 13 and 45 and 46 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

## Management Discussion and Analysis June 30, 2005

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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, 2005. 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 had 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 \$13,156,725. This is a \$3,349,925 increase over last year's net assets of \$9,806,800.

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

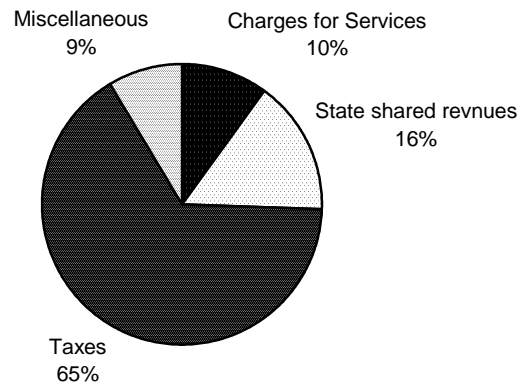
### **Summary of Net Assets**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 1,973,619	\$ 7,573,060	\$ 9,546,679
Capital assets	<u>8,844,928</u>	<u>10,246,025</u>	<u>19,090,953</u>
Total assets	<u>10,818,547</u>	<u>17,819,085</u>	<u>28,637,632</u>
Other liabilities	418,487	95,108	513,595
Long-term liabilities	<u>7,472,318</u>	<u>7,495,000</u>	<u>14,967,318</u>
Total liabilities	<u>7,890,805</u>	<u>7,590,108</u>	<u>15,480,913</u>
Net assets:			
Invested in capital assets, net of related debt	1,372,610	2,660,990	4,033,600
Unrestricted	<u>1,555,132</u>	<u>7,567,993</u>	<u>9,123,125</u>
Total net assets	<u>\$ 2,927,742</u>	<u>\$ 10,228,983</u>	<u>\$ 13,156,725</u>

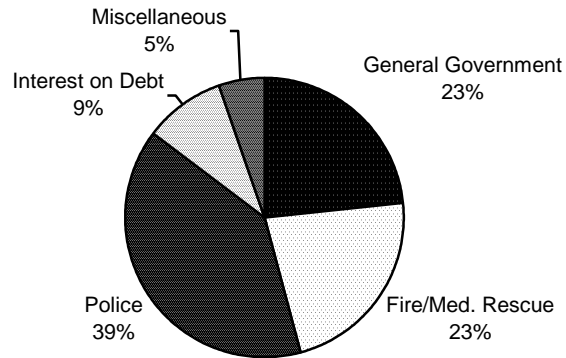
## Summary of Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues			
Charges for services	\$ 397,167	\$ 1,145,323	\$ 1,542,490
Operating grants and contributions	100		100
Capital grants and contributions		3,429,837	3,429,837
General revenues			-
State shared revenues	615,731		615,731
Property taxes	2,601,780		2,601,780
Interest	46,344	258,104	304,448
Other	296,292	3,095	299,387
<b>Total revenues</b>	<u>3,957,414</u>	<u>4,836,359</u>	<u>8,793,773</u>
Expenses			
General government	911,526		911,526
Fire/medical rescue	894,880		894,880
Police protection	1,540,740		1,540,740
Senior center	96,810		96,810
Public works	108,647		108,647
Interest on long-term debt	377,283		377,283
Sewer system		1,513,962	1,513,962
<b>Total expenses</b>	<u>3,929,886</u>	<u>1,513,962</u>	<u>5,443,848</u>
Changes in net assets	27,528	3,322,397	3,349,925
Beginning net assets	<u>2,900,214</u>	<u>6,906,586</u>	<u>9,806,800</u>
Ending net assets	<u><u>\$ 2,927,742</u></u>	<u><u>\$ 10,228,983</u></u>	<u><u>\$ 13,156,725</u></u>

## **Governmental Revenues (Government-Wide Financial Statements)**



## **Governmental Expenses (Government-Wide Financial Statements)**



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 \$29,867.

Revenues exceeded expenditures in the governmental funds by \$27,528 in the fund financial statements, this is a comparable to the prior year net of \$22,877.

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

The Township's General Fund had revenues over expenditures totaling \$219,722 before its net transfers out of \$202,475 were made. Thus, the Township's fund balance increased \$7,671 for the fiscal year ended June 30, 2005. There was a prior period adjustment of \$9,576.

The other major fund of the Township was the Law Enforcement Fund. The Law Enforcement Fund had expenditures exceeding revenues of \$66,807. However the fund had other financing sources of \$114,864, for a net excess of revenues over expenditures and other financing sources of \$48,057.

The business-type fund, the Sewage Disposal System Fund, reported net income of \$3,322,397 compared with the prior year net of \$544,494. The large increase is due to the special assessment financed sewer expansion projects held at the county.

#### 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 \$4,320. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality.

#### Capital Asset and Debt Administration

The governmental funds of the Township purchased \$29,867 of new capital assets this year. A purchase in the amount of \$29,369 was for a police vehicle.

The governmental funds entered into a capital lease in the amount of \$29,369 during the year for the purchase of a police vehicle. Total principal payments of \$302,600 were made during the year for debt outstanding.

The business-type fund issued no debt during the year, but paid down \$405,000 of principal to reduce the bonds payable amount to \$7,495,000. Small expansion projects continue within the system. Total construction costs paid by the Township totaled \$61,184 for the year ended June 30, 2005.

#### Economic Conditions and Future Activities

The Township is anticipating a leveling off of state revenue sharing for its general fund. This is in contrast to prior years decreases.

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, 2005

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 1,601,982	\$ 1,541,064	\$ 3,143,046
Cash and cash equivalents - restricted		2,120,756	2,120,756
Receivable			
Taxes	27,523		27,523
State shared revenues	112,301		112,301
Accounts	72,751	124,914	197,665
Intergovernmental		360,308	360,308
Special assessments - restricted		2,772,442	2,772,442
County construction - restricted		637,372	637,372
Library	70,714		70,714
Prepaid expenditures	88,348	16,210	104,558
Capital assets:			
Land	299,926	214,918	514,844
Buildings and improvements	8,070,394		8,070,394
Sewer system		12,321,459	12,321,459
Machinery and equipment	2,524,986	495,766	3,020,752
Construction in progress		90,035	90,035
Less accumulated depreciation	<u>(2,050,378)</u>	<u>(2,876,153)</u>	<u>(4,926,531)</u>
Total assets	<u>10,818,547</u>	<u>17,819,091</u>	<u>28,637,638</u>
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	30,312	79,114	109,426
Accounts payable - intergovernmental	296,224		296,224
Accrued compensated absences	69,476	15,994	85,470
Due to others	22,475		22,475
Capital lease payable			
Current	10,903		10,903
Non-current	10,572		10,572
Bonds payable			
Current	343,000	405,000	748,000
Non-current	<u>7,107,843</u>	<u>7,090,000</u>	<u>14,197,843</u>
Total liabilities	<u>7,890,805</u>	<u>7,590,108</u>	<u>15,480,913</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	1,372,610	2,660,990	4,033,600
Unrestricted	<u>1,555,132</u>	<u>7,567,993</u>	<u>9,123,125</u>
Total net assets	<u>\$ 2,927,742</u>	<u>\$ 10,228,983</u>	<u>\$ 13,156,725</u>

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



NORTHFIELD TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions</u>	<u>Capital Contributions</u>
Governmental activities				
General government	\$ (911,526)	\$ 314,380		\$
Fire protection	(452,074)	2,383	50	
Medical rescue	(442,806)	2,997	50	
Police protection	(1,540,740)	63,328		
Senior center	(96,810)	14,079		
Public works/roads	(108,647)			
Interest on long-term debt	<u>(377,283)</u>			
Total governmental activities	<u>(3,929,886)</u>	<u>397,167</u>	<u>100</u>	
Business-type activities				
Sewer system	<u>(1,513,962)</u>	<u>1,145,323</u>		<u>3,429,837</u>
Total	<u>\$ (5,443,848)</u>	<u>\$ 1,542,490</u>	<u>\$ 100</u>	<u>\$ 3,429,837</u>

General revenues  
Property taxes  
State shared revenues  
Interest income - cash and equivalents  
Interest income - special assessments  
Franchise fees  
Rental income  
Other income  
Gain on sale of assets

Total general revenues

Changes in net assets

Net assets, July 1, 2004

Net assets, June 30, 2005

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

Net (Expenses) Revenue and Changes Net Assets		
Governmental Activities	Business- type Activities	Total
\$ (597,146)	\$	\$ (597,146)
(449,641)		(449,641)
(439,759)		(439,759)
(1,477,412)		(1,477,412)
(82,731)		(82,731)
(108,647)		(108,647)
<u>(377,283)</u>		<u>(377,283)</u>
<u>(3,532,619)</u>		<u>(3,532,619)</u>
	3,061,198	3,061,198
<u>(3,532,619)</u>	<u>3,061,198</u>	<u>(471,421)</u>
2,601,780		2,601,780
615,731		615,731
46,344	77,697	124,041
	180,407	180,407
62,575		62,575
208,075		208,075
22,713	3,095	25,808
<u>2,929</u>		<u>2,929</u>
<u>3,560,147</u>	<u>261,199</u>	<u>3,821,346</u>
27,528	3,322,397	3,349,925
<u>2,900,214</u>	<u>6,906,586</u>	<u>9,806,800</u>
<u>\$ 2,927,742</u>	<u>\$ 10,228,983</u>	<u>\$ 13,156,725</u>

FUND  
FINANCIAL  
STATEMENTS

NORTHFIELD TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	<u>General</u>	<u>Law Enforcement Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 309,432	\$ 583,110	\$ 709,440	\$ 1,601,982
Receivables				
Taxes	3,520	14,056	9,947	27,523
State shared revenues	112,301			112,301
Accounts	38,106	34,645		72,751
Library	70,714			70,714
Due from other funds	95,612	10,870	24,525	131,007
Prepaid expenditures	<u>17,322</u>	<u>46,529</u>	<u>24,497</u>	<u>88,348</u>
Total assets	<u>\$ 647,007</u>	<u>\$ 689,210</u>	<u>\$ 768,409</u>	<u>\$ 2,104,626</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 14,942	\$ 4,533	\$ 10,837	\$ 30,312
Accrued compensated absences	9,560	56,730	3,186	69,476
Due to other funds	13,325	250,000	163,906	427,231
Due to others	<u>22,475</u>	<u>          </u>	<u>          </u>	<u>22,475</u>
Total liabilities	<u>60,302</u>	<u>311,263</u>	<u>177,929</u>	<u>549,494</u>
FUND BALANCE				
Unreserved	515,991	377,947	381,881	1,275,819
Designated	70,714			70,714
Reserved for debt service			130,517	130,517
Reserved for capital projects	<u>          </u>	<u>          </u>	<u>78,082</u>	<u>78,082</u>
Total fund balances	<u>586,705</u>	<u>377,947</u>	<u>590,480</u>	<u>1,555,132</u>
Total liabilities and fund balances	<u>\$ 647,007</u>	<u>\$ 689,210</u>	<u>\$ 768,409</u>	<u>\$ 2,104,626</u>

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

NORTHFIELD TOWNSHIP  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
JUNE 30, 2005

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

Total fund balance per balance sheet		\$ 1,555,132
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. This activity consists of:		
Historical cost	\$ 10,895,306	
Depreciation	<u>(2,050,378)</u>	
Capital assets net of depreciation		8,844,928
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Capital leases payable	(21,475)	
Bonds payable	<u>(7,450,843)</u>	
Total		<u>(7,472,318)</u>
Net assets of governmental activities		<u>\$ 2,927,742</u>

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

NORTHFIELD TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	General	Law Enforcement Fund	Non-major Funds	Total
REVENUES				
Taxes	\$ 256,305	\$ 1,327,403	\$ 1,018,072	\$ 2,601,780
State shared revenues	615,731			615,731
Licenses and permits	919		92,264	93,183
Contributions			100	100
Rental income	3,600		204,475	208,075
Franchise fees	62,575			62,575
Charges for services	232,336	11,241	8,320	251,897
Fines and forfeitures		50,587	1,500	52,087
Interest	33,854	5,539	6,951	46,344
Disposal of assets		29,360		29,360
Miscellaneous	<u>2,727</u>	<u>11,986</u>	<u>8,000</u>	<u>22,713</u>
Total revenues	<u>1,208,047</u>	<u>1,436,116</u>	<u>1,339,682</u>	<u>3,983,845</u>
EXPENDITURES				
General government	760,354		139,228	899,582
Fire rescue			258,084	258,084
Medical rescue			404,685	404,685
Police protection		1,490,578	2,311	1,492,889
Senior citizens	89,237			89,237
Roads	52,843			52,843
Public works	30,376		25,428	55,804
Debt service	<u>55,515</u>	<u>12,345</u>	<u>612,023</u>	<u>679,883</u>
Total expenditures	<u>988,325</u>	<u>1,502,923</u>	<u>1,441,759</u>	<u>3,933,007</u>
Excess of revenues over (under) expenditures	219,722	(66,807)	(102,077)	50,838
OTHER FINANCING SOURCES (USES)				
Lease proceeds		29,369		29,369
Transfers in		85,495	116,980	202,475
Transfers (out)	<u>(202,475)</u>			<u>(202,475)</u>
Total other financing sources (uses)	<u>(202,475)</u>	<u>114,864</u>	<u>116,980</u>	<u>29,369</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	17,247	48,057	14,903	80,207
FUND BALANCE, JULY 1, 2004	579,034	373,110	581,548	1,533,692
PRIOR PERIOD ADJUSTMENT	<u>(9,576)</u>	<u>(43,220)</u>	<u>(5,971)</u>	<u>(58,767)</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 586,705</u>	<u>\$ 377,947</u>	<u>\$ 590,480</u>	<u>\$ 1,555,132</u>

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

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, 2005

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

Net change in fund balances - governmental funds	\$ 80,207
--	-----------

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	\$ 29,867	
Depreciation expense	<u>(329,346)</u>	
Total		(299,479)

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:		
Capital lease payable	19,600	
Bonds payable	<u>283,000</u>	
Total		302,600

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

Lease proceeds	(29,369)
----------------	----------

Sale of capital assets are recorded as revenues to governmental funds, but are recorded as a net gain/loss on disposal in the Statement of Activities

Historical cost of asset disposed	(29,369)	
Accumulated depreciation of disposed asset	<u>2,938</u>	
Total		<u>(26,431)</u>

Change in net assets of governmental activities	<u>\$ 27,528</u>
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The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2005

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,000,876	
Certificate of deposit	540,188	
Sewer billings receivable	124,914	
Special assessment receivable	2,772,442	
Prepaid expenses	16,210	
Due from other funds	<u>360,308</u>	
Total current assets		\$ 4,814,938

RESTRICTED ASSETS

Cash and cash equivalents - expansion projects	1,486,520	
Certificate of deposit - expansion projects	634,236	
Due from county - construction funds	<u>637,372</u>	
Total restricted assets		2,758,128

PLANT, PROPERTY AND EQUIPMENT

Land	214,918	
Plant	2,229,393	
Plant expansion	10,092,066	
Equipment	<u>495,766</u>	
	13,032,143	
Less: accumulated depreciation	<u>(2,876,153)</u>	
Net plant, property, and equipment		10,155,990

CONSTRUCTION IN PROGRESS

90,035

Total assets

17,819,091

LIABILITIES

CURRENT LIABILITIES

Accounts payable	79,114	
Accrued compensated absences	15,994	
Contracts payable - current portion	<u>405,000</u>	
Total current liabilities		\$ 500,108

LONG-TERM LIABILITIES

Contracts payable - less current portion	<u>7,090,000</u>	
Total liabilities		<u>7,590,108</u>

NET ASSETS

NET ASSETS

Invested in capital assets, net of related debt	2,660,990	
Unrestricted	<u>7,567,993</u>	
Total net assets		<u>\$ 10,228,983</u>

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



NORTHFIELD TOWNSHIP  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2005

		<u>Sewer Fund</u>
OPERATING REVENUES		
User charges		\$ 1,145,323
OPERATING EXPENSES		
Salaries and wages	\$ 250,263	
Payroll taxes	19,236	
Hospitalization	66,655	
Life insurance	3,550	
Pension	23,654	
Training and development	539	
Office supplies	4,888	
Operating supplies	43,569	
Uniforms	3,268	
Professional services	7,940	
Membership and dues	1,720	
Contracted services	7,448	
Administration fees	38,000	
Telephone	7,589	
Transportation	2,383	
Printing and postage	5,523	
Insurance and bonds	36,573	
Utilities	112,529	
Small equipment	1,249	
Repairs and maintenance	147,713	
Depreciation	<u>315,454</u>	
Total operating expenses		<u>1,099,743</u>
Operating income		45,580
NON-OPERATING REVENUES AND (EXPENSES)		
Other income	3,095	
Interest income - cash and equivalents	77,697	
Interest - special assessments	180,407	
Interest expense	(412,494)	
Bond fees	<u>(1,725)</u>	
Total non-operating revenues and (expenses)		<u>(153,020)</u>
Net (loss) before capital contributions		(107,440)
CAPITAL CONTRIBUTIONS		
Tap-in fees	164,500	
Assessment - county bonds	<u>3,265,337</u>	
Net capital contributions		<u>3,429,837</u>
Net income		3,322,397
NET ASSETS, JULY 1, 2004		<u>6,906,586</u>
NET ASSETS, JUNE 30, 2005		<u>\$ 10,228,983</u>

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

NORTHFIELD TOWNSHIP  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2005

	Sewage Disposal System Fund
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Cash received from users	\$ 1,196,443
Cash payments to employees	(251,899)
Cash payments to suppliers	(467,819)
Cash payments to other funds, net	<u>(360,105)</u>
Net cash from (used in) operating activities	\$ 116,620
CASH FLOWS PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Reimbursement by county construction	26,451
Tap-in fees collected	164,500
Special assessments received	368,164
Purchase of equipment/system	(61,184)
Interest paid on long-term bonds	(412,494)
Bond fees	(1,725)
Repayment of principal on bonds/contracts	<u>(405,000)</u>
Net cash provided by capital and related financing activities	(321,288)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest on cash and cash equivalents	<u>77,697</u>
Net (decrease) in cash and cash equivalents	(126,971)
CASH AND CASH EQUIVALENTS AT, JULY 1, 2004	<u>3,788,791</u>
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2005	<u>\$ 3,661,820</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income	\$ 45,580
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	315,454
Other income	3,095
Change in assets and liabilities:	
Decrease in receivables	51,120
(Increase) in due from other funds	(324,105)
(Increase) in prepaid expenses	(8,920)
Increase in accounts payable/accrued expenses	70,396
(Decrease) in due to other funds	<u>(36,000)</u>
Net cash provided by (used in) operating activities	<u>\$ 116,620</u>

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

NORTHFIELD TOWNSHIP  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
JUNE 30, 2005

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 27,804	\$ 139,390	\$ 167,194
Due from others	18,901		18,901
Due from other funds	<u>8,294</u>	<u>          </u>	<u>8,294</u>
Total assets	<u>\$ 54,999</u>	<u>\$ 139,390</u>	<u>\$ 194,389</u>
<u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 54,999	\$ 17,379	\$ 72,378
Due to others		32,011	32,011
Performance bonds	<u>          </u>	<u>90,000</u>	<u>90,000</u>
Total liabilities	<u>\$ 54,999</u>	<u>\$ 139,390</u>	<u>\$ 194,389</u>

NOTES  
TO  
FINANCIAL  
STATEMENTS

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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, 2005

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 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, 2005

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.

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.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

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.

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.



NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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, 2005, expenditures exceeded appropriations in several functional activities. A deficit was budgeted for the Building Department. This is a violation of Public Act 493 of 2000.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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 2004 adjusted taxable value of the Township totaled \$302,478,874. The township levies the following millage 2004:

General township	.8295
Fire	.9396
Fire truck	.3172
Medical rescue	.9656
Police	4.3449
Public safety building	<u>.9811</u>
Total millage	<u>8.3779</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, 2005

**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, 2005 was \$70,713.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the governmental funds for the year ended June 30, 2005 was as follows:

	Balance 7/01/04	Additions	Deletions	Balance 6/30/05
Land	\$ 299,428	\$ 498	\$	\$ 299,926
Buildings and improvements	8,070,394			8,070,394
Machinery and equipment	<u>2,524,986</u>	<u>29,369</u>	<u>(29,369)</u>	<u>2,524,986</u>
Total capital assets	10,894,808	29,867	(29,369)	10,895,306
Accumulated depreciation	<u>(1,723,969)</u>	<u>(329,346)</u>	<u>2,937</u>	<u>(2,050,378)</u>
Governmental activities capital assets, net	<u>\$ 9,170,839</u>	<u>\$ (299,479)</u>	<u>\$ (26,432)</u>	<u>\$ 8,844,928</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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 \$7,472,318 of debt associated with these capital assets.

Depreciation expense was distributed to the various activities as follows:

General government	\$ 12,442
Fire protection and medical rescue	232,111
Police protection	77,220
Senior center	<u>7,573</u>
Total	<u>\$ 329,346</u>

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

	<u>Balance 7/1/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/05</u>
<b>FIXED ASSETS</b>				
Land	\$ 214,918	\$	\$	\$ 214,918
Plant	2,229,393			2,229,393
Plant expansion	7,408,242	2,683,824		10,092,066
Equipment	<u>495,766</u>	<u></u>	<u></u>	<u>495,766</u>
Totals	<u>\$ 10,348,319</u>	<u>\$ 2,683,824</u>	<u>\$</u>	<u>\$ 13,032,143</u>
<b>ACCUMULATED DEPRECIATION</b>	<u>\$ 2,560,699</u>	<u>\$ 315,454</u>	<u>\$</u>	<u>\$ 2,876,153</u>
<b>CONSTRUCTION IN PROGRESS</b>	<u>\$ 111,161</u>	<u>\$ 45,306</u>	<u>\$ 66,432</u>	<u>\$ 90,035</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, 2005

**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 \$2,453 on June 30, 2005.
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 lease was fully paid at June 30, 2005.
3. On January 21, 2005 the Township entered into a lease agreement with General Motors Acceptance Corporation to purchase a 2005 Chevrolet Tahoe. The Township is required to make annual payments of \$10,347 until the lease ends January 2008. At the end of the lease term the Township has a \$1 bargain purchase option. In June 2005 the vehicle that secures this lease was wrecked and the insurance proceeds were used to payoff the lease in July 2005.

**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, 2005 was \$3,550,000.
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, 2005 was \$2,850,000.
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, 2005 was \$470,000.
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, 2005 was \$136,886.
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, 2005 was \$443,957.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - LONG-TERM DEBT - (continued)

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

	<u>Balance 7/1/04</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/05</u>
Capitalized Lease				
Ervin Leasing	\$ 3,819	\$	\$ 1,366	\$ 2,453
Mine Safety Appliance Company	7,887		7,887	
General Motors Acceptance Corporation		<u>29,369</u>	<u>10,347</u>	<u>19,022</u>
Total capitalized leases	<u>11,706</u>	<u>29,369</u>	<u>19,600</u>	<u>21,475</u>
Notes Payable				
National City	3,650,000		100,000	3,550,000
National City	2,925,000		75,000	2,850,000
National City	485,000		15,000	470,000
Bank One	164,886		28,000	136,886
Bank One	<u>508,957</u>		<u>65,000</u>	<u>443,957</u>
Total notes payable	<u>7,733,843</u>		<u>283,000</u>	<u>7,450,843</u>
Total governmental fund long-term debt	<u>\$ 7,745,549</u>	<u>\$ 29,369</u>	<u>\$ 302,600</u>	<u>\$ 7,472,318</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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
2005 - 2006	\$ 10,903	\$ 1,441	\$ 343,000	\$ 339,401	\$ 353,903	\$ 340,842
2006 - 2007	10,572	606	378,000	322,044	388,572	322,650
2007 - 2008			388,000	303,125	388,000	303,125
2008 - 2009			418,000	283,498	418,000	283,498
2009 - 2010			443,843	262,043	443,843	262,043
2010 - 2015			1,815,000	1,043,850	1,815,000	1,043,850
2015 - 2020			2,285,000	619,565	2,285,000	619,565
2020 - 2023			1,380,000	117,300	1,380,000	117,300
Totals	<u>\$ 21,475</u>	<u>\$ 2,047</u>	<u>\$ 7,450,843</u>	<u>\$ 3,290,826</u>	<u>\$ 7,472,318</u>	<u>\$ 3,292,873</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**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, 2005:

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 \$2,600,000 at June 30, 2005. 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, 2005 was \$1,150,000.
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, 2005 was \$2,500,000.
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 \$625,000 at June 30, 2005.
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 \$620,000 at June 30, 2005.

	Bonds Payable		
	Principal	Interest	Total
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 - 2010	505,000	297,495	802,495
2010 - 2015	2,770,000	1,087,089	3,857,089
2015 - 2020	2,190,000	325,739	2,515,739
2020 - 2022	<u>190,000</u>	<u>13,363</u>	<u>203,363</u>
	<u>\$ 7,495,000</u>	<u>\$ 3,081,530</u>	<u>\$10,576,530</u>



NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**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. The Northfield Township Area Library participates with the Township in this plan and is included in all subsequent data regarding the plan.

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, 2004 to June 30, 2005, is as follows:

Balance in guaranteed account July 1, 2004		\$ 1,910,480
Current year contributions		
Township portion	\$ 139,748	
Employee portion	<u>81,473</u>	
Total contributions		221,221
Distributions/fees		(213,417)
Investment gains less asset charges		<u>152,254</u>
Balance in guaranteed account June 30, 2005.		<u>\$ 2,070,538</u>

Interest has been credited to June 30, 2005.

A contribution of \$139,748, was made in the fiscal year ended June 30, 2005.

Total payroll was \$1,988,442, for the fiscal year ended June 30, 2005.

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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

Interfund receivables and payables exist at June 30, 2005. These represent short-term borrowings and amounts owed for reimbursements between other funds.

The following is a summary of the outstanding borrowings between the various funds of the Township:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Receivable</u>
General Fund	\$ 9,085	Trust and Agency Fund	\$ 9,085
General Fund	52,121	Current Tax Collection Fund	52,121
General Fund	30,100	Building Department Fund	30,100
General Fund	904	Narcotics Fund	904
General Fund	3,402	Fire Protection Fund	3,402
Sewer Fund	54,500	Building Department Fund	54,500
Sewer Fund	54,000	Medical Rescue Fund	54,000
Sewer Fund	1,808	General Fund	1,808
Sewer Fund	250,000	Law Enforcement Fund	250,000
Fire Fund	21,000	Medical Rescue Fund	21,000
Law Enforcement Fund	10,870	General Fund	10,870
Medical Rescue Fund	379	General Fund	379
Current Tax Collection Fund	8,294	Trust and Agency Fund	8,294
Downtown Development Authority Fund	2,878	Current Tax Collection Fund	2,878
Building Department Fund	<u>268</u>	General Fund	<u>268</u>
Total interfund receivables	<u>\$ 499,609</u>		<u>\$ 499,609</u>

**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	\$ 1,145,323
Depreciation	315,454
Operating income	45,580
Net working capital	1,046,588
Total assets	17,819,091
Total fund equity	10,228,983

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**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>4,963,502</u>	<u>167,194</u>	<u>5,130,696</u>	<u>4,978,157</u>
Total deposits	<u>\$ 5,263,502</u>	<u>\$ 167,194</u>	<u>\$ 5,430,696</u>	<u>\$ 5,278,157</u>

**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, 2004</u>	<u>June 30, 2005</u>
Current assets		
Cash and cash equivalents	\$ 1,783,098	\$ 1,541,064
Restricted assets		
Cash and cash equivalents	<u>2,005,693</u>	<u>2,120,756</u>
Total cash and cash equivalents	<u>\$ 3,788,791</u>	<u>\$ 3,661,820</u>

NORTHFIELD TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 11 - CONTINGENT LIABILITIES

The Township had a complaint filed against it in the Washtenaw County Circuit Court by a developer. The Complaint seeks mandamus; a writ of superintending control; an order to show cause; declaratory relief; damages; injunctive and other relief; an appeal from the zoning board of appeals; and a demand for trial by jury. The Complaint alleges that the plaintiffs have incurred a material amount in damages and requests that the Court overturn a referendum vote. The Complaint has been forwarded to the Township's insurance carrier which has indicated the Township's insurance maximum liability coverage in this case is \$100,000. Management believes they will exceed this coverage within the next fiscal year, but cannot estimate the extent of possible future costs to the Township.

The Township is involved in various other 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 - FEDERAL GRANT ACTIVITIES

The Township has been a recipient of various federal grant funds in previous years. These funds may still be subject to federal grant audit requirements.

NOTE 13 - DEFICIT ELIMINATION PLAN

A deficit occurred in the Building Department Fund totaling \$28,326 for the year ended June 30, 2005. A deficit elimination plan will be filed with the State of Michigan detailing the Township's plan to remedy the deficits in these funds.

NOTE 14 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the fund financial statements to record the accrued compensated absences of various personnel. Previously, the Township had recorded these amounts solely on the government - wide financial statements only.

NOTE 15 - COUNTY CONSTRUCTION FUNDS

The Township holds 3 separate construction capital project funds at Washtenaw County. These funds represent the balance of 3 individual sewer expansion projects that were financed through 3 distinct bond issuances. The total of these accounts in its entirety was \$637,372 at June 30, 2005. The Township will determine how these funds are to be used within the next fiscal year.

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, 2005

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 256,305	\$
Licenses and permits			919	
State shared revenues			615,731	
Charges for services			242,832	
Interest			33,854	
Miscellaneous revenue			58,406	
Total revenues	<u>1,167,210</u>	<u>1,168,435</u>	<u>1,208,047</u>	<u>39,612</u>
EXPENDITURES				
Township board	65,660	89,160	79,433	9,727
Supervisor	109,408	109,408	109,079	329
Elections	9,000	10,500	10,012	488
Clerk	87,529	87,529	77,733	9,796
Board of review	5,170	15,420	14,386	1,034
Treasurer	63,644	63,644	56,740	6,904
Township hall and grounds	78,081	85,581	87,005	(1,424)
Zoning and planning departments	111,310	117,310	118,963	(1,653)
Professional fees			17,705	(17,705)
Unallocated	185,869	180,254	184,634	(4,380)
Human services contract	3,500	3,500	3,500	
Roads	52,607	52,844	52,843	1
Street lights	23,000	23,549	25,940	(2,391)
Capital outlay	2,000	2,000	1,164	836
Clean up and recycling	3,500	3,500	4,183	(683)
Recreation	2,500	2,500	253	2,247
Debt service	56,963	56,963	55,515	1,448
Senior Center	89,649	88,983	89,237	(254)
Total expenditures	<u>949,390</u>	<u>992,645</u>	<u>988,325</u>	<u>4,320</u>
Excess of revenues over (under) expenditures	217,820	175,790	219,722	43,932
OTHER FINANCING (USES)				
Transfers (out)	<u>(216,619)</u>	<u>(216,619)</u>	<u>(202,475)</u>	<u>14,144</u>
Excess of revenues over (under) expenditures and other financing (uses)	1,201	(40,829)	17,247	58,076
FUND BALANCE, JULY 1, 2004	579,034	579,034	579,034	
PRIOR PERIOD ADJUSTMENT			(9,576)	(9,576)
FUND BALANCE, JUNE 30, 2005	<u>\$ 580,235</u>	<u>\$ 538,205</u>	<u>\$ 586,705</u>	<u>\$ 48,500</u>

NORTHFIELD TOWNSHIP  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 1,327,403	\$
Fines and court fees			44,505	
Traffic tickets and impound fees			3,265	
Liquor law license fees			2,817	
Justice training fund			3,105	
Interest			5,539	
Disposal of assets			29,360	
Charges for services			11,241	
Other revenue			8,881	
Total revenues	1,380,680	1,387,239	1,436,116	48,877
EXPENDITURES	1,459,736	1,488,217	1,502,923	(14,706)
Excess of revenues over (under) expenditures	(79,056)	(100,978)	(66,807)	34,171
OTHER FINANCING SOURCES				
Lease proceeds			29,369	29,369
Transfers in	92,014	92,014	85,495	(6,519)
Total other financing sources	92,014	92,014	114,864	22,850
Excess of revenues over (under) expenditures and other financing sources	12,958	(8,964)	48,057	57,021
FUND BALANCE, JULY 1, 2004	373,110	373,110	373,110	
PRIOR PERIOD ADJUSTMENTS			(43,220)	(43,220)
FUND BALANCE, JUNE 30, 2005	\$ 386,068	\$ 364,146	\$ 377,947	\$ 13,801

SUPPLEMENTARY  
INFORMATION



COMBINING  
FINANCIAL  
STATEMENTS

NORTHFIELD TOWNSHIP  
COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	<u>Building Department Fund</u>	<u>Fire Protection Fund</u>	<u>Fire Capital Outlay Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 50,391	\$ 216,269	\$ 21,433
Taxes receivable		3,234	
Accounts receivable - other			
Due from other funds	268	21,000	
Prepaid expenditures	<u>5,888</u>	<u>1,604</u>	<u>          </u>
Total assets	<u>\$ 56,547</u>	<u>\$ 242,107</u>	<u>\$ 21,433</u>
 <u>LIABILITIES AND FUND BALANCE (DEFICIT)</u>			
LIABILITIES			
Accounts payable	\$ 273	\$ 1,458	\$
Accrued compensated absences			
Due to other funds	<u>84,600</u>	<u>3,402</u>	<u>          </u>
Total liabilities	84,873	4,860	
FUND BALANCE (DEFICIT)	<u>(28,326)</u>	<u>237,247</u>	<u>21,433</u>
Total liabilities and fund balance (deficit)	<u>\$ 56,547</u>	<u>\$ 242,107</u>	<u>\$ 21,433</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>
\$ 97,038	\$ 106,798	\$ 583,110	\$ 12,253	\$ 37,545	\$ 1,124,837
897	3,794	14,056			21,981
		34,645			34,645
	379	10,870		2,878	35,395
	<u>17,005</u>	<u>46,529</u>			<u>71,026</u>
<u>\$ 97,935</u>	<u>\$ 127,976</u>	<u>\$ 689,210</u>	<u>\$ 12,253</u>	<u>\$ 40,423</u>	<u>\$ 1,287,884</u>
\$	\$ 7,547	\$ 4,533	\$	\$	\$ 13,811
	3,186	56,730			59,916
	<u>75,000</u>	<u>250,000</u>	<u>904</u>		<u>413,906</u>
	85,733	311,263	904		487,633
<u>97,935</u>	<u>42,243</u>	<u>377,947</u>	<u>11,349</u>	<u>40,423</u>	<u>800,251</u>
<u>\$ 97,935</u>	<u>\$ 127,976</u>	<u>\$ 689,210</u>	<u>\$ 12,253</u>	<u>\$ 40,423</u>	<u>\$ 1,287,884</u>

NORTHFIELD TOWNSHIP  
COMBINING BALANCE SHEET  
ALL AGENCY FUNDS  
JUNE 30, 2005

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 27,804	\$ 139,390	\$ 167,194
Due from others	18,901		18,901
Due from other funds	<u>8,294</u>		<u>8,294</u>
Total assets	<u>\$ 54,999</u>	<u>\$ 139,390</u>	<u>\$ 194,389</u>
<u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 54,999	\$ 17,379	\$ 72,378
Due to others		32,011	32,011
Performance bonds		<u>90,000</u>	<u>90,000</u>
Total liabilities	<u>\$ 54,999</u>	<u>\$ 139,390</u>	<u>\$ 194,389</u>

NORTHFIELD TOWNSHIP  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	Building Department Fund	Fire Protection Fund	Fire Capital Outlay Fund
REVENUES			
Taxes	\$	\$ 287,038	\$
Disposal of assets			
Fines and forfeits			
Charges for services	2,940	2,383	
Licenses and permits	92,264		
Interest	128	2,151	292
Contributions		50	
Other revenue	<u>101</u>	<u>515</u>	<u></u>
Total revenues	<u>95,433</u>	<u>292,137</u>	<u>292</u>
EXPENDITURES			
General government	139,228		
Fire protection		258,084	
Medical rescue			
Police protection			
Debt service	<u></u>	<u>39,062</u>	<u></u>
Total expenditures	<u>139,228</u>	<u>297,146</u>	<u></u>
Excess of revenues over (under) expenditures	<u>(43,795)</u>	<u>(5,009)</u>	<u>292</u>
OTHER FINANCING SOURCES			
Lease proceeds			
Transfers in	<u>17,000</u>	<u>25,650</u>	<u></u>
Total other financing sources	<u>17,000</u>	<u>25,650</u>	<u></u>
Excess of revenues over (under) expenditures and other financing	(26,795)	20,641	292
FUND BALANCE (DEFICIT), JULY 1, 2004	(1,531)	216,606	21,141
PRIOR PERIOD ADJUSTMENT	<u></u>	<u></u>	<u></u>
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (28,326)</u>	<u>\$ 237,247</u>	<u>\$ 21,433</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>
\$ 96,886	\$ 294,981	\$ 1,327,403	\$	\$ 39,464	\$ 2,045,772
		29,360			29,360
		47,770	1,500		49,270
	2,997	11,241			19,561
		2,817			95,081
966	1,107	5,539	46	495	10,724
	50				100
	<u>7,059</u>	<u>11,986</u>		<u>325</u>	<u>19,986</u>
<u>97,852</u>	<u>306,194</u>	<u>1,436,116</u>	<u>1,546</u>	<u>40,284</u>	<u>2,269,854</u>
				25,428	164,656
295					258,379
	404,685				404,685
		1,490,578	2,311		1,492,889
<u>91,648</u>	<u>5,997</u>	<u>12,345</u>			<u>149,052</u>
<u>91,943</u>	<u>410,682</u>	<u>1,502,923</u>	<u>2,311</u>	<u>25,428</u>	<u>2,469,661</u>
<u>5,909</u>	<u>(104,488)</u>	<u>(66,807)</u>	<u>(765)</u>	<u>14,856</u>	<u>(199,807)</u>
		29,369			29,369
	<u>74,330</u>	<u>85,495</u>			<u>202,475</u>
	<u>74,330</u>	<u>114,864</u>			<u>231,844</u>
5,909	(30,158)	48,057	(765)	14,856	32,037
92,026	78,372	373,110	12,114	25,567	817,405
	<u>(5,971)</u>	<u>(43,220)</u>			<u>(49,191)</u>
<u>\$ 97,935</u>	<u>\$ 42,243</u>	<u>\$ 377,947</u>	<u>\$ 11,349</u>	<u>\$ 40,423</u>	<u>\$ 800,251</u>

NORTHFIELD TOWNSHIP  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Building Authority</u>	<u>Public Safety Building</u>	<u>Total</u>
REVENUES			
Property taxes	\$	\$ 299,703	\$ 299,703
Rental income	204,475		204,475
Interest		<u>1,253</u>	<u>1,253</u>
Total revenues	<u>204,475</u>	<u>300,956</u>	<u>505,431</u>
EXPENDITURES			
Loan - principal	75,000	100,000	175,000
Loan - interest	129,475	167,700	297,175
Loan - agent fees		300	300
Miscellaneous		<u>2,546</u>	<u>2,546</u>
Total expenditures	<u>204,475</u>	<u>270,546</u>	<u>475,021</u>
Excess of revenues over (under) expenditures		30,410	30,410
FUND BALANCE, JULY 1, 2004		<u>100,107</u>	<u>100,107</u>
FUND BALANCE, JUNE 30, 2005	<u>\$</u>	<u>\$ 130,517</u>	<u>\$ 130,517</u>

INDIVIDUAL FUNDS



GENERAL  
FUND

NORTHFIELD TOWNSHIP  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 309,432	
Taxes receivable	3,520	
State shared revenue receivable	112,301	
Accounts receivable - other	38,106	
Due from other funds	95,612	
Due from township area library	70,714	
Prepaid expenditures	<u>17,322</u>	
Total assets		<u>\$ 647,007</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 14,942	
Accrued compensated absences	9,560	
Due to others	22,475	
Due to other funds	<u>13,325</u>	
Total liabilities		\$ 60,302

FUND BALANCE

Reserved	70,714	
Unreserved	<u>515,991</u>	
Total fund balance		<u>586,705</u>
Total liabilities and fund balance		<u>\$ 647,007</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 256,305	\$
Licenses and permits		919	
State shared revenues		615,731	
Charges for services		242,832	
Interest		33,854	
Miscellaneous revenue		58,406	
	<u>1,168,435</u>	<u>1,208,047</u>	<u>39,612</u>
Total revenues			
EXPENDITURES			
Township board	89,160	79,433	9,727
Supervisor	109,408	109,079	329
Elections	10,500	10,012	488
Clerk	87,529	77,733	9,796
Board of review	15,420	14,386	1,034
Treasurer	63,644	56,740	6,904
Township hall and grounds	85,581	87,005	(1,424)
Zoning and planning departments	117,310	118,963	(1,653)
Professional fees		17,705	(17,705)
Unallocated	180,254	184,634	(4,380)
Human services contract	3,500	3,500	
Roads	52,844	52,843	1
Street lights	23,549	25,940	(2,391)
Capital outlay	2,000	1,164	836
Clean up and recycling	3,500	4,183	(683)
Recreation	2,500	253	2,247
Debt service	56,963	55,515	1,448
Senior Center	88,983	89,237	(254)
	<u>992,645</u>	<u>988,325</u>	<u>4,320</u>
Total expenditures			
Excess of revenues over (under) expenditures	175,790	219,722	43,932
OTHER FINANCING (USES)			
Transfers (out)	(216,619)	(202,475)	14,144
Excess of revenues over (under) expenditures and other financing (uses)	(40,829)	17,247	58,076
FUND BALANCE, JULY 1, 2004	579,034	579,034	
PRIOR PERIOD ADJUSTMENT		(9,576)	(9,576)
FUND BALANCE, JUNE 30, 2005	<u>\$ 538,205</u>	<u>\$ 586,705</u>	<u>\$ 48,500</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES	<u>\$ 251,900</u>	<u>\$ 256,305</u>	<u>\$ 4,405</u>
LICENSES AND PERMITS			
Dog licenses		69	
Private road permits		850	
Total licenses and permits	<u>1,975</u>	<u>919</u>	<u>(1,056)</u>
STATE SHARED REVENUES	<u>615,000</u>	<u>615,731</u>	<u>731</u>
CHARGES FOR SERVICES			
Tax administration fees		130,679	
Cablevision franchise fees		62,575	
Fiber footage fees		9,066	
Zoning fees		9,400	
Board of appeals		3,875	
May clean up		1,738	
Site plan reviews		4,850	
Split applications		740	
Mobile home park fees		3,816	
Summer tax collection fees		13,915	
Duplicating		2,178	
Total charges for services	<u>238,046</u>	<u>242,832</u>	<u>4,786</u>
INTEREST	<u>1,000</u>	<u>33,854</u>	<u>32,854</u>
MISCELLANEOUS REVENUE			
Sewer administration reimbursement		38,000	
Other reimbursement		741	
Rental income		3,600	
Senior citizens		14,079	
Contributions		1,986	
Total miscellaneous revenue	<u>60,514</u>	<u>58,406</u>	<u>(2,108)</u>
Total revenues	<u>\$ 1,168,435</u>	<u>\$ 1,208,047</u>	<u>\$ 39,612</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>TOWNSHIP BOARD</b>			
Fees	\$	\$ 14,125	\$
Legal		57,705	
Printing and publishing		<u>7,603</u>	
Total township board	<u>89,160</u>	<u>79,433</u>	<u>9,727</u>
<b>SUPERVISOR</b>			
Supervisor's salary		39,934	
Assessor		42,126	
Clerical		21,327	
Dues and subscriptions		478	
Training and development		675	
Transportation		2,261	
Postage		<u>2,278</u>	
Total supervisor	<u>109,408</u>	<u>109,079</u>	<u>329</u>
<b>ELECTIONS</b>			
Fees		6,180	
Office supplies		749	
Postage		769	
Printing and publishing		<u>2,314</u>	
Total elections	<u>10,500</u>	<u>10,012</u>	<u>488</u>
<b>CLERK</b>			
Clerk's salary		39,364	
Recording secretary		4,190	
Deputy clerk's salary		10,286	
Accountant's salary		23,251	
Transportation		27	
Training and development		560	
Dues and subscriptions		<u>55</u>	
Total clerk	<u>87,529</u>	<u>77,733</u>	<u>9,796</u>
<b>BOARD OF REVIEW</b>			
Fees		891	
Tax tribunal and drains		13,021	
Training and development		330	
Printing and publication		<u>144</u>	
Total board of review	<u>15,420</u>	<u>14,386</u>	<u>1,034</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2005

	<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		2,804	
Sewer billing clerk		3,779	
Legal fees		6,510	
Tax statement preparation		225	
Transportation		300	
Dues and subscriptions		70	
Training and development		188	
Postage		2,500	
	<u>63,644</u>	<u>56,740</u>	<u>6,904</u>
<b>TOWNSHIP HALL AND GROUNDS</b>			
Clerical salary		28,282	
Janitor fees		6,200	
Office supplies		9,914	
Telephone		6,915	
Postage		1,002	
Utilities		16,414	
Repairs and maintenance		15,700	
Equipment rental		2,578	
	<u>85,581</u>	<u>87,005</u>	<u>(1,424)</u>
<b>ZONING AND PLANNING DEPARTMENTS</b>			
Salaries - director		14,369	
Salaries - recording secretary		1,885	
Salaries - zoning administrator		14,971	
Enforcement officer		9,000	
Planning commission fees		6,250	
Longevity		90	
Board of appeals fees		2,400	
Office supplies		321	
Printing and publications		1,363	
Planning consultant		34,483	
Legal fees		32,180	
Training and development		650	
Transportation		546	
Postage		455	
	<u>117,310</u>	<u>118,963</u>	<u>(1,653)</u>
<b>PROFESSIONAL FEES</b>			
Accountant		6,685	
Audit		9,660	
Legal		1,360	
	<u>17,705</u>	<u>17,705</u>	<u>(17,705)</u>

NORTHFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
UNALLOCATED			
Insurance - health		43,303	
Insurance - life		5,049	
Longevity		300	
Employer's social security		27,525	
Pension		30,597	
Insurance - general and bonds		45,882	
Controller adjustment		20,751	
Downtown Development Authority		1,859	
Membership dues		9,368	
		<u>          </u>	
Total unallocated	<u>180,254</u>	<u>184,634</u>	<u>(4,380)</u>
HUMAN SERVICES CONTRACT	<u>3,500</u>	<u>3,500</u>	
ROADS	<u>52,844</u>	<u>52,843</u>	<u>1</u>
STREET LIGHTS	<u>23,549</u>	<u>25,940</u>	<u>(2,391)</u>
CAPITAL OUTLAY	<u>2,000</u>	<u>1,164</u>	<u>836</u>
CLEAN UP AND RECYCLING	<u>3,500</u>	<u>4,183</u>	<u>(683)</u>
RECREATION	<u>2,500</u>	<u>253</u>	<u>2,247</u>
DEBT SERVICE			
Leasing - building		19,000	
Debt retirement		36,515	
		<u>          </u>	
Total debt service	<u>56,963</u>	<u>55,515</u>	<u>1,448</u>
SENIOR CENTER			
Salaries		61,438	
Janitorial service		6,215	
Supplies		2,494	
Dues		195	
Telephone		1,529	
Postage		1,659	
Transportation		352	
Printing		643	
Insurance		2,503	
Utilities		4,039	
Repair and maintenance		7,768	
Training		212	
Small equipment		190	
		<u>          </u>	
Total senior center	<u>88,983</u>	<u>89,237</u>	<u>(254)</u>
Total expenditures	<u>\$ 992,645</u>	<u>\$ 988,325</u>	<u>\$ 4,320</u>

BUILDING  
DEPARTMENT  
FUND



NORTHFIELD TOWNSHIP  
BUILDING DEPARTMENT FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash	\$	50,391	
Due from other funds		268	
Prepaid expenditures		<u>5,888</u>	
Total assets			<u>\$ 56,547</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	273	
Due to other funds		<u>84,600</u>	
Total liabilities			\$ 84,873
FUND BALANCE (DEFICIT)			<u>(28,326)</u>
Total liabilities and fund balance			<u>\$ 56,547</u>

NORTHFIELD TOWNSHIP  
BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
REVENUES			
Building permit fees	\$	\$ 92,264	\$
Contractor's registration		2,940	
Interest income		128	
Other income		101	
	<u>128,010</u>	<u>95,433</u>	<u>(32,577)</u>
Total revenues			
EXPENDITURES			
Salaries - director		54,055	
Salary - administrative		15,101	
Payroll taxes		5,116	
Hospitalization		15,212	
Life insurance/disability/unemployment		1,297	
Pension		6,959	
Inspections		23,305	
Supplies		143	
Membership dues		125	
Telephone		1,573	
Postage		50	
Printing and publishing		221	
Utilities		1,669	
Insurance - general and bonds		12,994	
Repairs and maintenance		352	
Transportation		452	
Miscellaneous		604	
	<u>145,905</u>	<u>139,228</u>	<u>6,677</u>
Total expenditures			
Excess of revenues over (under) expenditures	(17,895)	(43,795)	
OTHER FINANCING SOURCES			
Transfer in	<u>17,000</u>	<u>17,000</u>	
Excess of revenues over (under) expenditures and other financing sources	(895)	(26,795)	(25,900)
FUND BALANCE (DEFICIT), JULY 1, 2004	<u>(1,531)</u>	<u>(1,531)</u>	
FUND BALANCE (DEFICIT), JUNE 30, 2005	<u>\$ (2,426)</u>	<u>\$ (28,326)</u>	<u>\$ (25,900)</u>

FIRE  
PROTECTION  
FUND

NORTHFIELD TOWNSHIP  
FIRE PROTECTION FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 216,269
Taxes receivable	3,234
Due from other funds	21,000
Prepaid expenditures	<u>1,604</u>

Total assets		<u>\$ 242,107</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,458
Due to other funds	<u>3,402</u>

Total liabilities		\$ 4,860
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FUND BALANCE

237,247

Total liabilities and fund balance		<u>\$ 242,107</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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 287,038	\$
Charges for services		2,383	
Interest		2,151	
Contributions		50	
Other revenue		<u>515</u>	
Total revenues	<u>289,100</u>	<u>292,137</u>	<u>3,037</u>
EXPENDITURES			
Salary			
Chief		27,573	
Administrative assistant		12,242	
Officers		1,060	
Fire fighters		66,118	
Payroll taxes		7,058	
Hospitalization insurance		6,061	
Life insurance		484	
Pension		3,685	
Medical testing		371	
Training and development		3,875	
Membership dues		196	
Contractual services		3,860	
Telephone		3,587	
Printing and postage		672	
Transportation		3,293	
Supplies		3,694	
Insurance and bonds		38,308	
Utilities		19,442	
Building lease		25,650	
Computer		236	
Professional services		2,852	
Repairs and maintenance		20,078	
Uniforms		1,467	
Equipment rental		809	
Downtown Development Authority		2,106	
Drains/assessments		1,016	
Capital outlay		2,291	
Loan - principal		30,367	
Loan - interest		<u>8,695</u>	
Total expenditures	<u>325,139</u>	<u>297,146</u>	<u>27,993</u>
Excess of revenues over (under) expenditures	(36,039)	(5,009)	31,030

NORTHFIELD TOWNSHIP  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 27,650	\$ 25,650	\$ (1,955)
Transfers (out)	<u>(5,000)</u>	<u></u>	<u>5,000</u>
Total other financing sources (uses)	<u>22,605</u>	<u>25,650</u>	<u>3,045</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(13,434)	20,641	34,075
FUND BALANCE, JULY 1, 2004	<u>216,606</u>	<u>216,606</u>	<u></u>
FUND BALANCE, JUNE 30, 2005	<u><u>\$ 203,172</u></u>	<u><u>\$ 237,247</u></u>	<u><u>\$ 34,075</u></u>

FIRE  
CAPITAL OUTLAY  
FUND

NORTHFIELD TOWNSHIP  
FIRE CAPITAL OUTLAY FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 21,433

FUND BALANCE

FUND BALANCE

\$ 21,433



NORTHFIELD TOWNSHIP  
FIRE CAPITAL OUTLAY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 150	\$ 292	\$ 142
EXPENDITURES	<u>25,000</u>	<u>          </u>	<u>25,000</u>
Excess of revenues over (under) expenditures	(24,850)	292	25,142
OTHER FINANCING SOURCES			
Transfers in	<u>5,000</u>	<u>          </u>	<u>(5,000)</u>
Excess of revenues over (under) expenditures and other financing sources	(19,850)	292	20,142
FUND BALANCE, JULY 1, 2004	<u>21,141</u>	<u>21,141</u>	<u>          </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,291</u>	<u>\$ 21,433</u>	<u>\$ 20,142</u>

FIRE TRUCK  
FUND

NORTHFIELD TOWNSHIP  
FIRE TRUCK FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash	\$	97,038
Taxes receivable		<u>897</u>

Total assets			\$	<u><u>97,935</u></u>
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FUND BALANCE

FUND BALANCE			\$	<u><u>97,935</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, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable )</u>
REVENUES			
Taxes	\$	\$ 96,886	\$
Interest		966	
	<u>91,587</u>	<u>97,852</u>	<u>6,265</u>
Total revenues			
EXPENDITURES			
Loan - principal		65,000	
Loan - interest		26,648	
Miscellaneous		295	
	<u>91,962</u>	<u>91,943</u>	<u>19</u>
Total expenditures			
Excess of revenues over (under) expenditures	(375)	5,909	6,284
FUND BALANCE, JULY 1, 2004	<u>92,026</u>	<u>92,026</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 91,651</u>	<u>\$ 97,935</u>	<u>\$ 6,284</u>

MEDICAL  
RESCUE  
FUND

NORTHFIELD TOWNSHIP  
MEDICAL RESCUE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 106,798	
Taxes receivable	3,794	
Due from other funds	379	
Prepaid expenditures	<u>17,005</u>	
Total assets		<u>\$ 127,976</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 7,547	
Accrued compensated absences	3,186	
Due to other funds	<u>75,000</u>	
Total liabilities		\$ 85,733

FUND BALANCE

		<u>42,243</u>
Total liabilities and fund balance		<u>\$ 127,976</u>

NORTHFIELD TOWNSHIP  
MEDICAL RESCUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 294,981	\$
Charges for services		2,997	
Interest		1,107	
Contributions		50	
Miscellaneous		7,059	
Total revenues	<u>288,000</u>	<u>306,194</u>	<u>18,194</u>
EXPENDITURES			
Salaries		189,374	
Payroll taxes		16,273	
Hospitalization		6,061	
Life insurance		484	
Medical testing		866	
Uniforms and gear		5,065	
Transportation		4,051	
Training and development		2,432	
Professional fees		5,939	
Membership fees		449	
Contractual dispatch		8,743	
Telephone		7,177	
Supplies		6,640	
Printing and postage		694	
Insurance and bonds		26,919	
Pension		3,477	
PSB lease		74,330	
Utilities		21,615	
Repairs and maintenance		16,282	
Rental equipment		1,665	
DDA		2,164	
Tribunals/drains		1,012	
Capital outlay		2,973	
Debt service		5,997	
Total expenditures	<u>436,463</u>	<u>410,682</u>	<u>25,781</u>
Excess of revenues over (under) expenditures	(148,463)	(104,488)	43,975
OTHER FINANCING SOURCES			
Transfer in	<u>80,000</u>	<u>74,330</u>	<u>(5,670)</u>
Excess of revenues over (under) expenditures and other financing sources	(68,463)	(30,158)	38,305
FUND BALANCE, JULY 1, 2004	78,372	78,372	
PRIOR PERIOD ADJUSTMENTS		(5,971)	(5,971)
FUND BALANCE, JUNE 30, 2005	<u>\$ 9,909</u>	<u>\$ 42,243</u>	<u>\$ 32,334</u>

LAW  
ENFORCEMENT  
FUND



NORTHFIELD TOWNSHIP  
LAW ENFORCEMENT FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 583,110
Taxes receivable	14,056
Due from other funds	10,870
Accounts receivable - other	34,645
Prepaid expenditure	<u>46,529</u>

Total assets		\$ <u>689,210</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,533
Accrued compensated absences	56,730
Due to other funds	<u>250,000</u>

Total liabilities		\$ 311,263
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FUND BALANCE

377,947

Total liabilities and fund balance		\$ <u>689,210</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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,327,403	\$
Fines and court fees		44,505	
Traffic tickets and impound fees		3,265	
Liquor law license fees		2,817	
Justice training fund		3,105	
Interest		5,539	
Disposal of assets		29,360	
Charges for services		11,241	
Other income		8,881	
Total revenues	1,387,239	1,436,116	48,877
EXPENDITURES	<u>1,488,217</u>	<u>1,502,923</u>	<u>(14,706)</u>
Excess of revenues over (under) expenditures	(100,978)	(66,807)	34,171
OTHER FINANCING SOURCES			
Lease proceeds		29,369	29,369
Transfers in	<u>92,014</u>	<u>85,495</u>	<u>(6,519)</u>
Total other financing sources	<u>92,014</u>	<u>114,864</u>	<u>22,850</u>
Excess of revenues over (under) expenditures after other financing sources	(8,964)	48,057	57,021
FUND BALANCE, JULY 1, 2004	373,110	373,110	
PRIOR PERIOD ADJUSTMENTS		<u>(43,220)</u>	<u>(43,220)</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 364,146</u>	<u>\$ 377,947</u>	<u>\$ 13,801</u>

NORTHFIELD TOWNSHIP  
LAW ENFORCEMENT FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$	\$ 793,055	\$
Payroll taxes		60,357	
Life insurance		8,182	
Professional fees		46,978	
Pension		62,072	
Insurance - health		116,367	
Longevity		2,700	
PTO/comp time		13,510	
Uniforms and gear		8,694	
Membership dues		2,972	
Printing and publishing		492	
Transportation		23,060	
Insurance and bonds		58,919	
Repairs and maintenance - equipment		14,475	
Repairs and maintenance - vehicle		13,397	
Capital outlay		30,939	
Telephone		20,156	
Supplies		7,272	
Postage		590	
Training and development		5,355	
Tax tribunals/drains		4,641	
Downtown Development Authority		9,744	
PSB lease		85,495	
Utilities		31,599	
Equipment rental		5,250	
Contractual services - dispatch		64,307	
Debt service		12,345	
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 1,488,217</u>	<u>\$ 1,502,923</u>	<u>\$ (14,706)</u>

NARCOTICS  
FUND

NORTHFIELD TOWNSHIP  
NARCOTICS FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 12,253

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 904

FUND BALANCE

11,349

Total liabilities and fund balance

\$ 12,253

NORTHFIELD TOWNSHIP  
NARCOTICS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$	\$ 1,500	\$
Interest	<u>          </u>	<u>46</u>	<u>          </u>
Total revenues	1,550	1,546	(4)
EXPENDITURES			
Public safety projects	<u>2,907</u>	<u>2,311</u>	<u>596</u>
Excess of revenues over (under) expenditures	(1,357)	(765)	592
FUND BALANCE, JULY 1, 2004	<u>12,114</u>	<u>12,114</u>	<u>          </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 10,757</u>	<u>\$ 11,349</u>	<u>\$ 592</u>

DOWNTOWN DEVELOPMENT  
AUTHORITY  
FUND

NORTHFIELD TOWNSHIP  
DOWNTOWN DEVELOPMENT AUTHORITY FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents  
Due from other funds

\$ 37,545  
2,878

Total assets

\$ 40,423

FUND BALANCE

FUND BALANCE

\$ 40,423



NORTHFIELD TOWNSHIP  
DOWNTOWN DEVELOPMENT AUTHORITY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 39,464	\$
Other		325	
Interest		<u>495</u>	
Total revenues	<u>39,745</u>	<u>40,284</u>	<u>539</u>
EXPENDITURES			
Streetscape project		1,014	
Professional fees		17,354	
Developer projects		3,900	
Supplies		<u>3,160</u>	
Total expenditures	<u>33,750</u>	<u>25,428</u>	<u>8,322</u>
Excess of revenues over (under) expenditures	5,995	14,856	8,861
FUND BALANCE, JULY 1, 2004	<u>25,567</u>	<u>25,567</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 31,562</u>	<u>\$ 40,423</u>	<u>\$ 8,861</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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Rental income	\$ 204,475	\$ 204,475	\$
EXPENDITURES			
Principal		75,000	
Interest		129,475	
Total expenditures	204,475	204,475	
Excess of revenues over (under) expenditures			
FUND BALANCE, JULY 1, 2004			
FUND BALANCE, JUNE 30, 2005	\$	\$	\$

PUBLIC SAFETY BUILDING  
DEBT SERVICE FUND

NORTHFIELD TOWNSHIP  
PUBLIC SAFETY BUILDING DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents  
Taxes receivable

\$ 130,054  
2,022

Total assets

\$ 132,076

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 1,559

FUND BALANCE

130,517

Total liabilities and fund balance

\$ 132,076

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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 299,703	\$
Interest income		<u>1,253</u>	
Total revenues	<u>269,310</u>	<u>300,956</u>	<u>31,646</u>
EXPENDITURES			
Loan - principal		100,000	
Loan - interest		167,700	
Loan - agent fees		300	
Miscellaneous		<u>2,546</u>	
Total expenditures	<u>268,755</u>	<u>270,546</u>	<u>(1,791)</u>
Excess of revenues over (under) expenditures	555	30,410	29,855
FUND BALANCE, JULY 1, 2004	<u>100,107</u>	<u>100,107</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 100,662</u>	<u>\$ 130,517</u>	<u>\$ 29,855</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, 2005

ASSETS

ASSETS

Cash

\$ 37,659

FUND BALANCE

FUND BALANCE

\$ 37,659



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, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest income	\$ 250	\$ 513	\$ 263
Excess of revenues over (under) expenditures	250	513	263
FUND BALANCE, JULY 1, 2004	<u>37,146</u>	<u>37,146</u>	<u>          </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 37,396</u>	<u>\$ 37,659</u>	<u>\$ 263</u>

SEWAGE DISPOSAL  
SYSTEM  
FUND

NORTHFIELD TOWNSHIP  
SEWAGE DISPOSAL SYSTEM FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,000,876
Certificate of deposit	540,188
Sewer billings receivable	124,914
Special assessment receivable	2,772,442
Prepaid expenses	16,210
Due from other funds	<u>360,308</u>

Total current assets \$ 4,814,938

RESTRICTED ASSETS

Cash and cash equivalents - expansion projects	1,486,520
Certificate of deposit - expansion projects	634,236
Due from county - construction funds	<u>637,372</u>

Total restricted assets 2,758,128

PLANT, PROPERTY AND EQUIPMENT

Land	214,918
Plant	2,229,393
Plant expansion	10,092,066
Equipment	<u>495,766</u>
	13,032,143
Less: accumulated depreciation	<u>(2,876,153)</u>

Net plant, property, and equipment 10,155,990

CONSTRUCTION IN PROGRESS

90,035

Total assets \$ 17,819,091

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 79,114
Accrued compensated absences	15,994
Contracts payable - current portion	<u>405,000</u>

Total current liabilities \$ 500,108

LONG-TERM LIABILITIES

Contracts payable - less current portion	<u>7,090,000</u>
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Total liabilities 7,590,108

FUND EQUITY

Retained earnings	<u>10,228,983</u>
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Total liabilities and fund equity \$ 17,819,091

NORTHFIELD TOWNSHIP  
SEWAGE DISPOSAL SYSTEM FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2005

OPERATING REVENUES

User charges	\$ 1,145,323
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OPERATING EXPENSES

Salaries and wages	\$ 250,263
Payroll taxes	19,236
Hospitalization	66,655
Life insurance	3,550
Pension	23,654
Training and development	539
Office supplies	4,888
Operating supplies	43,569
Uniforms	3,268
Professional services	7,940
Membership and dues	1,720
Contracted services	7,448
Administration fees	38,000
Telephone	7,589
Transportation	2,383
Printing and postage	5,523
Insurance and bonds	36,573
Utilities	112,529
Small equipment	1,249
Repairs and maintenance	147,713
Depreciation	<u>315,454</u>

Total operating expenses	<u>1,099,743</u>
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Operating income	45,580
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NON-OPERATING REVENUES AND (EXPENSES)

Other income	3,095
Interest income - cash and equivalents	77,697
Interest - special assessments	180,407
Interest expense	(412,494)
Bond fees	<u>(1,725)</u>

Total non-operating revenues and (expenses)	<u>(153,020)</u>
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Net (loss) before capital contributions	(107,440)
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CAPITAL CONTRIBUTIONS

Tap-in fees	164,500
Assessment - county bonds	<u>3,265,337</u>

Net capital contributions	<u>3,429,837</u>
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Net income	<u>\$ 3,322,397</u>
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NORTHFIELD TOWNSHIP  
SEWAGE DISPOSAL SYSTEM FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2005

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income	\$ 45,580
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities	

Depreciation	\$ 315,454	
Other income	3,095	
Changes in assets and liabilities		
Decrease in sewer billings receivable	51,120	
(Increase) in due from other funds	(324,105)	
(Increase) in prepaid expenses	(8,920)	
Increase in accounts payable/accrued compensated absences	70,396	
(Decrease) in due to other funds	<u>(36,000)</u>	
 Total adjustments		 <u>71,040</u>
 Net cash provided by operating activities		 116,620

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

Reimbursement by county construction	26,451	
Tap-in fees collected	164,500	
Special assessments received	368,164	
Purchase of equipment/system	(61,184)	
Interest paid on long-term bonds	(412,494)	
Bond fees	(1,725)	
Repayment of principal on bonds/contracts	<u>(405,000)</u>	
 Net cash provided by capital and related financing activities		 (321,288)

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES

Interest on cash and cash equivalents	<u>77,697</u>
 Net (decrease) in cash and cash equivalents	 (126,971)

CASH AND CASH EQUIVALENTS AT JULY 1, 2004	<u>3,788,791</u>
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CASH AND CASH EQUIVALENTS AT JUNE 30, 2005	<u>\$ 3,661,820</u>
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CURRENT  
TAX  
COLLECTION  
FUND

NORTHFIELD TOWNSHIP  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash	\$ 27,804
Due from others	18,901
Due from other funds	<u>8,294</u>

Total assets

\$ 54,999

LIABILITIES

LIABILITIES

Due to other funds	<u>\$ 54,999</u>
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TRUST  
AND  
AGENCY  
FUND



NORTHFIELD TOWNSHIP  
TRUST AND AGENCY FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 139,390

LIABILITIES

LIABILITIES

Performance bonds

\$ 90,000

Due to other funds

17,379

Due to others

32,011

Total liabilities

\$ 139,390