

NORTHFIELD TOWNSHIP

REPORT ON
AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2006

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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October 6, 2006

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, 2006, 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, 2006, 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 12 and 45 and 49 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 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, 2006

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, 2006. 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's net assets at the end of the fiscal year were \$13,177,219. This is a \$20,494 increase over last year's net assets of \$13,156,725.

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

Summary of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	06/30/2005	06/30/2006	06/30/2005	06/30/2006	06/30/2005	06/30/2006
Current and other assets	\$ 1,973,619	\$ 1,765,495	\$ 7,573,066	\$ 6,849,719	\$ 9,546,685	\$ 8,615,214
Capital assets	8,844,928	8,848,898	10,246,025	10,621,808	19,090,953	19,470,706
Total assets	<u>10,818,547</u>	<u>10,614,393</u>	<u>17,819,091</u>	<u>17,471,527</u>	<u>28,637,638</u>	<u>28,085,920</u>
Other liabilities	418,487	303,645	95,108	97,204	513,595	400,849
Long-term liabilities	<u>7,472,318</u>	<u>7,417,852</u>	<u>7,495,000</u>	<u>7,090,000</u>	<u>14,967,318</u>	<u>14,507,852</u>
Total liabilities	<u>7,890,805</u>	<u>7,721,497</u>	<u>7,590,108</u>	<u>7,187,204</u>	<u>15,480,913</u>	<u>14,908,701</u>
Net assets:						
Invested in capital assets, net of debt	1,372,610	1,431,046	2,660,990	3,531,808	4,033,600	4,962,854
Unrestricted	<u>1,555,132</u>	<u>1,461,850</u>	<u>7,567,993</u>	<u>6,752,515</u>	<u>9,123,125</u>	<u>8,214,365</u>
Total net assets	<u>\$ 2,927,742</u>	<u>\$ 2,892,896</u>	<u>\$ 10,228,983</u>	<u>\$ 10,284,323</u>	<u>\$ 13,156,725</u>	<u>\$ 13,177,219</u>

Summary of Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	<u>06/30/2005</u>	<u>06/30/2006</u>	<u>06/30/2005</u>	<u>06/30/2006</u>	<u>06/30/2005</u>	<u>06/30/2006</u>
Revenues:						
Program revenues						
Charges for services	\$ 397,167	\$ 385,465	\$ 1,145,323	\$ 1,316,487	\$ 1,542,490	\$ 1,701,952
Operating grants and contributions	100	89,968			100	89,968
Capital grants and contributions			3,429,837	35,000	3,429,837	35,000
General revenues						
State shared revenues	615,731	608,740			615,731	608,740
Property taxes	2,601,780	2,744,799			2,601,780	2,744,799
Interest	46,344	79,058	258,104	323,479	304,448	402,537
Other	296,292	333,684	3,095	5,548	299,387	339,232
Total revenues	<u>3,957,414</u>	<u>4,241,714</u>	<u>4,836,359</u>	<u>1,680,514</u>	<u>8,793,773</u>	<u>5,922,228</u>
Expenses						
General government	911,526	1,078,934			911,526	1,078,934
Fire protection	452,074	523,387			452,074	523,387
Medical rescue	442,806	527,610			442,806	527,610
Police protection	1,540,740	1,635,757			1,540,740	1,635,757
Senior center	96,810	94,792			96,810	94,792
Public works/roads	108,647	71,835			108,647	71,835
Interest on long-term debt	377,283	344,245			377,283	344,245
Sewer system			1,513,962	1,625,174	1,513,962	1,625,174
Total expenses	<u>3,929,886</u>	<u>4,276,560</u>	<u>1,513,962</u>	<u>1,625,174</u>	<u>5,443,848</u>	<u>5,901,734</u>
Changes in net assets	27,528	(34,846)	3,322,397	55,340	3,349,925	20,494
Beginning net assets	<u>2,900,214</u>	<u>2,927,742</u>	<u>6,906,586</u>	<u>10,228,983</u>	<u>9,806,800</u>	<u>13,156,725</u>
Ending net assets	<u>\$ 2,927,742</u>	<u>\$ 2,892,896</u>	<u>\$10,228,983</u>	<u>\$10,284,323</u>	<u>\$ 13,156,725</u>	<u>\$13,177,219</u>

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$199,176 before its net transfers out of \$213,000 were made. Thus, the Township's fund balance decreased by \$13,824 for the fiscal year ended June 30, 2006. Operating results were typical for General Fund activity with slight increases in expenditures for debt service costs.

The other major governmental funds of the Township include the Fire Protection, Fire Truck, Medical Rescue, and Law Enforcement funds. The revenues and expenditures were near a break even for all these funds except the Law Enforcement fund which had a net decrease in fund balance of \$127,254 due to additional salary costs, insurance, and capital outlay purchases.

The Township's sole business-type fund, the Sewage Disposal System Fund, reported net income of \$55,340. The increase in net income before capital contributions is primarily due to the decreasing amount for interest expense while interest income has increased due to increasing interest rates.

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 \$13,584. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality. The Township expenditures exceeded appropriations in several activities.

Capital Asset and Debt Administration

The governmental funds purchased \$945,511 of new capital assets, while retiring \$1,370,341 of capital assets. This is primarily due to the refinancing and trade in of some fire trucks. The Township also purchased a new server for its general governmental services, and the police department purchased 3 new vehicles while retiring one.

The governmental funds issued \$357,991 of long-term debt while retiring \$412,45 of this debt. This is due in large part from the refinancing of the notes payable related to the fire trucks purchased. Total debt of \$7,417,852 was outstanding as of June 30, 2006.

The business-type fund issued no new debt during the year, but spent \$703,181 for current year sewage treatment expansion.

Economic Conditions and Future Activities

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

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

Contacting the Township's Financial Management

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 1,155,875	\$ 1,677,990	\$ 2,833,865
Cash and cash equivalents - restricted		1,391,310	1,391,310
Receivable			
Taxes	267,522		267,522
State shared revenues	200,002		200,002
Accounts	56,829	298,726	355,555
Intergovernmental		108,500	108,500
Special assessments - restricted		2,708,456	2,708,456
County construction - restricted		664,737	664,737
Library	67,499		67,499
Prepaid expenses	17,768		17,768
Capital assets - net of depreciation	<u>8,848,898</u>	<u>10,621,808</u>	<u>19,470,706</u>
Total assets	<u>10,614,393</u>	<u>17,471,527</u>	<u>28,085,920</u>
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	63,910	77,401	141,311
Accounts payable - intergovernmental	99,615		99,615
Accrued compensated absences	114,254	19,803	134,057
Due to others	25,866		25,866
Capital leases payable			
Current	14,916		14,916
Non-current	772,936		772,936
Bonds payable			
Current	378,000	450,000	828,000
Non-current	<u>6,252,000</u>	<u>6,640,000</u>	<u>12,892,000</u>
Total liabilities	<u>7,721,497</u>	<u>7,187,204</u>	<u>14,908,701</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	1,431,046	3,531,808	4,962,854
Unrestricted	<u>1,461,850</u>	<u>6,752,515</u>	<u>8,214,365</u>
Total net assets	<u>\$ 2,892,896</u>	<u>\$ 10,284,323</u>	<u>\$ 13,177,219</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, 2006

<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	\$ (1,078,934)	\$ 298,857	\$ 6,528	\$
Fire protection	(523,387)	4,145		
Medical rescue	(527,610)	6,574	74,599	
Police protection	(1,635,757)	65,034	8,841	
Senior center	(94,792)	10,855		
Public works/roads	(71,835)			
Interest on long-term debt	<u>(344,245)</u>			
Total governmental activities	<u>(4,276,560)</u>	<u>385,465</u>	<u>89,968</u>	
Business-type activities				
Sewer system	<u>(1,625,174)</u>	<u>1,316,487</u>		<u>35,000</u>
Total	<u>\$ (5,901,734)</u>	<u>\$ 1,701,952</u>	<u>\$ 89,968</u>	<u>\$ 35,000</u>

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

Total general revenues

Changes in net assets

Net assets, July 1, 2005

Net assets, June 30, 2006

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

Net (Expenses) Revenue and Changes		
Net Assets		
Governmental	Business- type	
Activities	Activities	Total
\$ (773,549)	\$	\$ (773,549)
(519,242)		(519,242)
(446,437)		(446,437)
(1,561,882)		(1,561,882)
(83,937)		(83,937)
(71,835)		(71,835)
<u>(344,245)</u>		<u>(344,245)</u>
<u>(3,801,127)</u>		<u>(3,801,127)</u>
	(273,687)	(273,687)
<u>(3,801,127)</u>	<u>(273,687)</u>	<u>(4,074,814)</u>
2,744,799		2,744,799
608,740		608,740
79,058	154,048	233,106
	169,431	169,431
65,165		65,165
241,389		241,389
65,539	5,548	71,087
<u>(38,409)</u>		<u>(38,409)</u>
<u>3,766,281</u>	<u>329,027</u>	<u>4,095,308</u>
(34,846)	55,340	20,494
<u>2,927,742</u>	<u>10,228,983</u>	<u>13,156,725</u>
<u>\$ 2,892,896</u>	<u>\$ 10,284,323</u>	<u>\$ 13,177,219</u>

FUND
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	<u>General</u>	<u>Fire Protection Fund</u>	<u>Fire Truck Fund</u>	<u>Medical Rescue Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 280,688	\$ 262,455	\$ 113,307	\$ 37,390
Receivables				
Taxes	37,246	30,321	9,648	30,761
State shared revenues	200,002			
Accounts	48,440			2,361
Library	67,499			
Due from other funds	10,727	308		97,153
Prepaid expenditures	<u>8,875</u>			
Total assets	<u>\$ 653,477</u>	<u>\$ 293,084</u>	<u>\$ 122,955</u>	<u>\$ 167,665</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 31,210	\$	\$	\$ 4,635
Accrued compensated absences	4,222			9,105
Due to other funds	19,298	97,045		54,000
Due to others	<u>25,866</u>			
Total liabilities	<u>80,596</u>	<u>97,045</u>		<u>67,740</u>
FUND BALANCE				
Unreserved	572,881			
Reserved for public safety		196,039	122,955	99,925
Reserved for debt service				
Reserved for community development				
Total fund balances	<u>572,881</u>	<u>196,039</u>	<u>122,955</u>	<u>99,925</u>
Total liabilities and fund balances	<u>\$ 653,477</u>	<u>\$ 293,084</u>	<u>\$ 122,955</u>	<u>\$ 167,665</u>

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

<u>Law Enforcement Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
\$ 213,406	\$ 248,629	\$ 1,155,875
131,682	27,864	267,522
6,028		200,002
		56,829
		67,499
216	19,567	127,971
<u>8,893</u>		<u>17,768</u>
<u>\$ 360,225</u>	<u>\$ 296,060</u>	<u>\$ 1,893,466</u>

\$ 17,206	\$ 10,859	\$ 63,910
92,102	8,825	114,254
224	57,019	227,586
		<u>25,866</u>
<u>109,532</u>	<u>76,703</u>	<u>431,616</u>

	24,176	597,057
250,693	11,401	681,013
	122,823	122,823
	<u>60,957</u>	<u>60,957</u>
<u>250,693</u>	<u>219,357</u>	<u>1,461,850</u>
<u>\$ 360,225</u>	<u>\$ 296,060</u>	<u>\$ 1,893,466</u>

NORTHFIELD TOWNSHIP
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
JUNE 30, 2006

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

Total fund balance per balance sheet	\$ 1,461,850
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Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. This
activity consists of:

Historical cost	\$ 10,470,476
Depreciation	<u>(1,621,578)</u>

Capital assets net of depreciation	8,848,898
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Some liabilities are not due and payable in the current period
and therefore are not reported in the funds. These include:

Capital leases payable	(787,852)
Bonds payable	<u>(6,630,000)</u>

Total	<u>(7,417,852)</u>
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Net assets of governmental activities	<u>\$ 2,892,896</u>
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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, 2006

	General	Fire Protection Fund	Fire Truck Fund	Medical Rescue Fund
REVENUES				
Taxes	\$ 264,126	\$ 318,436	\$ 102,905	\$ 317,085
State shared revenues	608,740			
Grant - federal				74,599
Licenses and permits	236			
Contributions	6,528			
Rental income	3,600			
Franchise fees	65,165			
Charges for services	198,408	4,145		6,574
Fines and forfeitures				
Interest	56,995	4,154	3,365	3,075
Disposal of assets		27,500	475,000	72,000
Miscellaneous	<u>61,092</u>	<u>502</u>	<u></u>	<u>933</u>
Total revenues	<u>1,264,890</u>	<u>354,737</u>	<u>581,270</u>	<u>474,266</u>
EXPENDITURES				
General government	943,802			
Fire rescue		565,432	458,069	
Medical rescue				685,364
Police protection				
Senior citizens	87,219			
Roads	17,143			
Public works	17,550			
Debt service	<u></u>	<u>35,050</u>	<u>542,138</u>	<u>50,040</u>
Total expenditures	<u>1,065,714</u>	<u>600,482</u>	<u>1,000,207</u>	<u>735,404</u>
Excess of revenues over (under) expenditures	199,176	(245,745)	(418,937)	(261,138)
OTHER FINANCING SOURCES (USES)				
Lease proceeds		182,850	443,957	145,820
Transfers in		21,687		173,000
Transfers out	<u>(213,000)</u>	<u></u>	<u></u>	<u></u>
Total other financing sources (uses)	<u>(213,000)</u>	<u>204,537</u>	<u>443,957</u>	<u>318,820</u>
Net changes in fund balances	(13,824)	(41,208)	25,020	57,682
FUND BALANCE, JULY 1, 2005	<u>586,705</u>	<u>237,247</u>	<u>97,935</u>	<u>42,243</u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 572,881</u>	<u>\$ 196,039</u>	<u>\$ 122,955</u>	<u>\$ 99,925</u>

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

Law Enforcement Fund	Non-major Funds	Total
\$ 1,383,588	\$ 358,659	\$ 2,744,799
		608,740
8,841		83,440
3,015	107,993	111,244
		6,528
	237,789	241,389
		65,165
11,971	3,075	224,173
48,613	1,435	50,048
4,949	6,520	79,058
1,500		576,000
<u>2,545</u>	<u>467</u>	<u>65,539</u>
<u>1,465,022</u>	<u>715,938</u>	<u>4,856,123</u>
	128,607	1,072,409
		1,023,501
		685,364
1,608,905	1,461	1,610,366
		87,219
		17,143
	37,142	54,692
<u>22,692</u>	<u>550,739</u>	<u>1,200,659</u>
<u>1,631,597</u>	<u>717,949</u>	<u>5,751,353</u>
(166,575)	(2,011)	(895,230)
29,321		801,948
10,000	68,106	272,793
<u></u>	<u>(59,793)</u>	<u>(272,793)</u>
<u>39,321</u>	<u>8,313</u>	<u>801,948</u>
(127,254)	6,302	(93,282)
<u>377,947</u>	<u>213,055</u>	<u>1,555,132</u>
<u>\$ 250,693</u>	<u>\$ 219,357</u>	<u>\$ 1,461,850</u>

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, 2006

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

Net change in fund balances - governmental funds	\$ (93,282)
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 945,511	
Depreciation expense	<u>(327,132)</u>	
Total		618,379

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 leases payable	69,457	
Bonds payable	<u>343,000</u>	
Total		412,457

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	(357,991)
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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	(1,370,341)	
Accumulated depreciation of disposed asset	<u>755,932</u>	
Total		<u>(614,409)</u>

Change in net assets of governmental activities	<u>\$ (34,846)</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, 2006

<u>ASSETS</u>		<u>Sewer Disposal System Fund</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,677,990	
Sewer billings receivable	298,726	
Special assessment receivable	2,708,456	
Due from other funds	<u>108,500</u>	
Total current assets		\$ 4,793,672
RESTRICTED ASSETS		
Cash and cash equivalents - expansion projects	1,391,310	
Due from county - construction funds	<u>664,737</u>	
Total restricted assets		2,056,047
PLANT, PROPERTY AND EQUIPMENT		
Land	214,918	
Plant	2,229,393	
Plant expansion	10,805,275	
Equipment	<u>535,578</u>	
	13,785,164	
Less: accumulated depreciation	<u>(3,203,551)</u>	
Net plant, property, and equipment		10,581,613
CONSTRUCTION IN PROGRESS		<u>40,195</u>
Total assets		<u>17,471,527</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	77,401	
Accrued compensated absences	19,803	
Contracts payable - current portion	<u>450,000</u>	
Total current liabilities		547,204
LONG-TERM LIABILITIES		
Contracts payable - less current portion		<u>6,640,000</u>
Total liabilities		<u>7,187,204</u>
<u>NET ASSETS</u>		
NET ASSETS		
Invested in capital assets, net of related debt	3,531,808	
Unrestricted	<u>6,752,515</u>	
Total net assets		<u>\$ 10,284,323</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, 2006

	<u>Sewer Disposal System Fund</u>
OPERATING REVENUES	
User charges	\$ 1,316,487
OPERATING EXPENSES	
Salaries and wages	\$ 278,749
Payroll taxes	21,033
Hospitalization	75,915
Life insurance	3,798
Pension	25,967
Testing	3,533
Office supplies	676
Operating supplies	46,475
Uniforms	4,807
Professional services	36,734
Membership and dues	1,719
Contracted services	25,774
Administration fees	36,000
Telephone	7,778
Transportation	3,780
Printing and postage	5,969
Insurance and bonds	45,405
Utilities	109,974
Repairs and maintenance	173,196
Depreciation	<u>327,398</u>
Total operating expenses	<u>1,234,680</u>
Operating income	81,807
NON-OPERATING REVENUES AND (EXPENSES)	
Other income	5,548
Interest income - cash and equivalents	154,048
Interest income - special assessments	169,431
Interest expense	(388,161)
Bond fees	<u>(2,333)</u>
Total non-operating revenues and (expenses)	<u>(61,467)</u>
Net income before capital contributions	20,340
CAPITAL CONTRIBUTIONS	
Tap-in fees	<u>35,000</u>
Change in net assets	55,340
NET ASSETS, JULY 1, 2005	<u>10,228,983</u>
NET ASSETS, JUNE 30, 2006	<u>\$ 10,284,323</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, 2006

	Sewage Disposal System Fund
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Cash received from users	\$ 1,115,310
Cash payments to employees	(274,940)
Cash payments to suppliers	(608,488)
Cash receipts from other funds, net	<u>251,808</u>
Net cash from (used in) operating activities	483,690
CASH FLOWS PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Tap-in fees collected	35,000
Special assessments received	233,417
Purchase of equipment/system	(703,181)
Interest paid on long-term bonds	(388,161)
Bond fees	(2,333)
Repayment of principal on bonds/contracts	<u>(405,000)</u>
Net cash provided by (used in) capital and related financing activities	(1,230,258)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest on cash and cash equivalents	<u>154,048</u>
Net (decrease) in cash and cash equivalents	(592,520)
CASH AND CASH EQUIVALENTS AT, JULY 1, 2005	<u>3,661,820</u>
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2006	<u>\$ 3,069,300</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income	\$ 81,807
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	327,398
Other income	5,548
Change in assets and liabilities:	
(Increase) in receivables, net	(201,177)
Decrease in due from other funds	251,808
Decrease in prepaid expenses	16,210
Increase in accounts payable/accrued expenses	<u>2,096</u>
Net cash provided by (used in) operating activities	<u>\$ 483,690</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, 2006

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 3,442	\$ 227,129	\$ 230,571
Due from others	7,452		7,452
Due from other funds	<u> </u>	<u>1,135</u>	<u>1,135</u>
Total assets	<u>\$ 10,894</u>	<u>\$ 228,264</u>	<u>\$ 239,158</u>
<u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 8,791	\$ 1,229	\$ 10,020
Due to others	2,103	147,535	149,638
Performance bonds	<u> </u>	<u>79,500</u>	<u>79,500</u>
Total liabilities	<u>\$ 10,894</u>	<u>\$ 228,264</u>	<u>\$ 239,158</u>

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

NOTES
TO
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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, 2006

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 Fire Protection Fund accounts for the activity for the fire protection services provided by the Township. This fund is primarily supported through the collection of property taxes.

The Fire Truck Fund accounts for the property taxes and related debt service for the fire truck capital assets purchased by the Township.

The Medical Rescue Fund accounts for the activity for the medical rescue services provided by the Township. This fund is primarily supported through the collection of property taxes.

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, 2006

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, 2006

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, 2006

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, 2006, expenditures exceeded appropriations in several functional activities

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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 2005 adjusted taxable value of the Township totaled \$318,033,529. The township levies the following millage 2005:

General township	.8215
Fire	.9904
Fire truck	.3201
Medical rescue	.9862
Police	4.3030
Public safety building	<u>.9455</u>
Total millage	<u>8.3667</u>

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.

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.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - DESCRIPTION OF REPORTING ENTITY (continued)

Based upon the criteria discussed above, the following unit has been evaluated for inclusion into the Township's 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, 2006 was \$67,499.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental funds for the year ended June 30, 2006 was as follows:

	Balance 7/01/05	Additions	Deletions	Balance 6/30/06
Land	\$ 299,926	\$	\$	\$ 299,926
Buildings and improvements	8,070,394			8,070,394
Machinery and equipment	<u>2,524,986</u>	<u>945,511</u>	<u>(1,370,341)</u>	<u>2,100,156</u>
Total capital assets	10,895,306	945,511	(1,370,341)	10,470,476
Accumulated depreciation	<u>(2,050,378)</u>	<u>(327,132)</u>	<u>755,932</u>	<u>(1,621,578)</u>
Governmental activities capital assets, net	<u>\$ 8,844,928</u>	<u>\$ 618,379</u>	<u>\$ (614,409)</u>	<u>\$ 8,848,898</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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 \$7,417,852 of debt associated with these capital assets.

Depreciation expense was distributed to the various activities as follows:

General government	\$ 13,622
Fire protection and medical rescue	222,477
Police protection	83,460
Senior center	<u>7,573</u>
Total	<u>\$ 327,132</u>

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

	<u>Balance 7/1/05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/06</u>
FIXED ASSETS				
Land	\$ 214,918	\$	\$	\$ 214,918
Plant	2,229,393			2,229,393
Plant expansion	10,092,066	713,209		10,805,275
Equipment	<u>495,766</u>	<u>39,812</u>		<u>535,578</u>
Totals	<u>\$ 13,032,143</u>	<u>\$ 753,021</u>	<u>\$</u>	<u>\$ 13,785,164</u>
ACCUMULATED DEPRECIATION	<u>\$ 2,876,153</u>	<u>\$ 327,398</u>	<u>\$</u>	<u>\$ 3,203,551</u>
CONSTRUCTION IN PROGRESS	<u>\$ 90,035</u>	<u>\$ 663,369</u>	<u>\$ 713,209</u>	<u>\$ 40,195</u>

There is \$7,090,000 of debt associated with these capital assets.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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 \$793 on June 30, 2006.
2. On July 11, 2005 the Township entered into a lease agreement with Kansas State Bank of Manhattan to purchase a medical rescue vehicle. The Township was required to make annual payments of \$26,176 until the lease ended in July of 2007. At the end of the lease term title to the vehicle would have passed to the Township. In September of 2005 this lease contract was refinanced and rolled into a new lease with another piece of equipment.
3. On September 26, 2005 the Township into a lease agreement with Kansas State Bank of Manhattan to purchase two (2) fire trucks and refinance of one medical rescue truck. The Township is required to make annual payments in arrears of \$13,575 for the first three years and \$48,109 for the remaining sever years. At the end of the lease term title to all leased assets passes to the Township. Interest of 4.85% is being charged on the lease. The lease is scheduled to expire on October 1, 2015. The outstanding principal balance was \$279,895 at June 30, 2006.
4. On July 21, 2005 the Township entered into a lease with General Motors Acceptance Corporation to purchase a 2005 Chevrolet Tahoe. The Township is required to make three annual payments of \$8,893 until the lease expires in July of 2007. At the end of the lease term the Township has a \$1 bargain purchase option. Interest of 7.585% is being charged on the lease. The outstanding principal balance at June 30, 2006 was \$15,892.
5. On February 14, 2006 the Township entered into a lease with General Motors Acceptance Corporation to purchase a 2006 Impala. The Township is required to make three annual payments of \$7,459 until the lease expires in February of 2008. At the lease term the Township has a \$1 bargain purchase option. Interest of 7.30% is being charged on the lease. The outstanding principal balance at June 30, 2006 was 13,429.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - LONG-TERM DEBT (continued)

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, 2006 was \$3,400,000.
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, 2006 was \$2,775,000.
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, 2006 was \$455,000.
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, 2006 was \$108,886.
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, 2006 was \$368,957.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - LONG-TERM DEBT (continued)

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

	<u>Balance 7/1/05</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/06</u>
Capitalized Lease				
Ervin Leasing	\$ 2,453	\$	\$ 1,660	\$ 793
General Motors Acceptance Corporation	19,022		19,022	
General Motors Acceptance Corporation		15,892		15,892
General Motors Acceptance Corporation		13,429		13,429
Kansas State Bank		48,775	48,775	
Kansas State Bank		<u>279,895</u>		<u>279,895</u>
Total capitalized leases	<u>21,475</u>	<u>357,991</u>	<u>69,457</u>	<u>310,009</u>
Notes Payable				
National City	3,550,000		150,000	3,400,000
National City	2,850,000		75,000	2,775,000
National City	470,000		15,000	455,000
Bank One	136,886		28,000	108,886
Bank One	<u>443,957</u>		<u>75,000</u>	<u>368,957</u>
Total notes payable	<u>7,450,843</u>		<u>343,000</u>	<u>7,107,843</u>
Total governmental fund long-term debt	<u>\$ 7,472,318</u>	<u>\$ 357,991</u>	<u>\$ 412,457</u>	<u>\$ 7,417,852</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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
2006 - 2007	\$ 14,916	\$ 15,793	\$ 378,000	\$ 322,044	\$ 392,916	\$ 337,837
2007 - 2008	15,198	14,730	388,000	303,125	403,198	317,855
2008 - 2009		13,575	418,000	283,498	418,000	297,073
2009 - 2010	34,534	13,575	443,843	262,043	478,377	275,618
2010 - 2011	36,209	11,900	320,000	239,475	356,209	251,375
2011 - 2016	209,152	31,392	1,920,000	965,975	2,129,152	997,367
2016 - 2021			2,400,000	521,015	2,400,000	521,015
2021 - 2023			840,000	54,250	840,000	54,250
Totals	<u>\$ 310,009</u>	<u>\$ 100,965</u>	<u>\$ 7,107,843</u>	<u>\$ 2,951,425</u>	<u>\$ 7,417,852</u>	<u>\$ 3,052,390</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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, 2006:

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 \$2,450,000 at June 30, 2006. 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, 2006 was \$1,100,000.
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, 2006 was \$2,350,000.
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 2006, and maturing on April 2022. Interest is paid semi-annually charged at 3.7% to 4.5%. Outstanding balance of the bonds was \$600,000 at June 30, 2006.
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 2006, and maturing on April 2022. Interest is paid semi-annually charged at 2.0% to 4.5%. Outstanding balance of the bonds was \$590,000 at June 30, 2006.

	Bonds Payable		
	Principal	Interest	Total
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 - 2011	510,000	272,173	782,173
2011 - 2016	2,900,000	942,241	3,842,241
2016 - 2021	1,645,000	207,273	1,852,273
2021 - 2022	<u>95,000</u>	<u>4,500</u>	<u>99,500</u>
	<u>\$ 7,090,000</u>	<u>\$ 2,755,736</u>	<u>\$ 9,845,736</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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 John Hancock Financial. A summary of the plan's activity for the period July 1, 2005 to June 30, 2006, is as follows:

Balance in guaranteed account July 1, 2005		\$ 2,070,538
Current year contributions		
Township portion	\$ 134,563	
Employee portion	<u>79,342</u>	
Total contributions		213,905
Distributions/fees		(133,440)
Investment gains less asset charges		<u>205,696</u>
Balance in guaranteed account June 30, 2006.		<u>\$ 2,356,699</u>

Interest has been credited to June 30, 2006.

A contribution of \$134,563, was made in the fiscal year ended June 30, 2006.

Total payroll was \$2,088,430, for the fiscal year ended June 30, 2006.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 7 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund receivables and payables exist at June 30, 2006. 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	\$ 1,029	Trust and Agency Fund	\$ 1,029
General Fund	8,746	Current Tax Collection Fund	8,746
General Fund	48	Public Safety Building Debt Service Fund	48
General Fund	904	Narcotics Fund	904
Trust and Agency Fund	1,135	Building Department Fund	1,135
Sewer Fund	54,500	Building Department Fund	54,500
Sewer Fund	54,000	Medical Rescue Fund	54,000
Fire Protection Fund	200	Trust and Agency Fund	200
Fire Protection Fund	108	Public Safety Building Debt Service Fund	108
Medical Rescue Fund	108	Public Safety Building Debt Service Fund	108
Law Enforcement Fund	216	Public Safety Building Debt Service Fund	216
Medical Rescue Fund	97,045	Fire Protection Fund	97,045
Narcotics Fund	224	Law Enforcement Fund	224
Downtown Development Authority Fund	45	Current Tax Collection Fund	45
Building Department Fund	<u>19,298</u>	General Fund	<u>19,298</u>
Total interfund receivables	<u>\$ 237,606</u>		<u>\$ 237,606</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	\$ 1,316,487
Depreciation	327,398
Operating income	81,807
Net working capital	1,879,512
Total assets	17,471,527
Total fund equity	10,284,323

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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>3,925,175</u>	<u>230,571</u>	<u>4,155,746</u>	<u>4,519,967</u>
Total deposits	<u>\$ 4,225,175</u>	<u>\$ 230,571</u>	<u>\$ 4,455,746</u>	<u>\$ 4,819,967</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, 2005</u>	<u>June 30, 2006</u>
Current assets		
Cash and cash equivalents	\$ 1,541,064	\$ 1,677,990
Restricted assets		
Cash and cash equivalents	<u>2,120,756</u>	<u>1,391,310</u>
Total cash and cash equivalents	<u>\$ 3,661,820</u>	<u>\$ 3,069,300</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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 several federal grant funds for law enforcement and medical rescue activities. These funds are subject to federal grant audit requirements.

NOTE 13 - 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 \$664,737 at June 30, 2006. The Township will determine how these funds are to be used within the next fiscal year.

NOTE 14 – PROJECT UNCERTAINTY

The Township has \$6,630,000 of bonds due for the public safety building. Currently, the Township has levied .9455 mills in order to service this debt. Cash flow projections are unclear as to whether the Township will be able to fulfill the debt service requirements from these existing bonds. The Township is considering various options to remedy this potential problem.

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, 2006

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 264,126	\$
Licenses and permits			236	
State shared revenues			608,740	
Charges for services			252,718	
Interest			56,995	
Miscellaneous revenue			82,075	
Total revenues	<u>1,157,385</u>	<u>1,264,997</u>	<u>1,264,890</u>	<u>(107)</u>
EXPENDITURES				
Township board			42,809	
Supervisor			131,237	
Elections			4,896	
Clerk			73,158	
Board of review			16,025	
Treasurer			85,361	
Township hall and grounds			168,682	
Zoning and planning departments			223,843	
Professional fees			107,394	
Downtown Development Authority			2,537	
Human services contract			4,600	
Roads			17,143	
Street lights			8,895	
Capital outlay			8,597	
Clean up and recycling			4,055	
Debt service			79,263	
Senior Center			87,219	
Total expenditures	<u>1,126,600</u>	<u>1,079,298</u>	<u>1,065,714</u>	<u>13,584</u>
Excess of revenues over (under) expenditures	30,785	185,699	199,176	13,477
OTHER FINANCING (USES)				
Transfers (out)	<u>(30,000)</u>	<u>(213,000)</u>	<u>(213,000)</u>	
Net changes in fund balance	785	(27,301)	(13,824)	13,477
FUND BALANCE, JULY 1, 2005	<u>586,705</u>	<u>586,705</u>	<u>586,705</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 587,490</u>	<u>\$ 559,404</u>	<u>\$ 572,881</u>	<u>\$ 13,477</u>

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$	\$	\$ 318,436	\$
Charges for services			4,145	
Interest			4,154	
Sale of fixed assets			27,500	
Other revenue			502	
Total revenues	300,224	348,252	354,737	6,485
EXPENDITURES	<u>300,224</u>	<u>598,548</u>	<u>600,482</u>	<u>(1,934)</u>
Excess of revenues over (under) expenditures		<u>(250,296)</u>	<u>(245,745)</u>	<u>4,551</u>
OTHER FINANCING SOURCES				
Loan proceeds		279,895	182,850	(97,045)
Transfers in		<u>21,687</u>	<u>21,687</u>	
Total other financing sources		<u>301,582</u>	<u>204,537</u>	<u>(97,045)</u>
Net changes in fund balance		51,286	(41,208)	(92,494)
FUND BALANCE, JULY 1, 2005	<u>237,247</u>	<u>237,247</u>	<u>237,247</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 237,247</u>	<u>\$ 288,533</u>	<u>\$ 196,039</u>	<u>\$ (92,494)</u>

NORTHFIELD TOWNSHIP
FIRE TRUCK FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 102,905	\$
Charges for services			3,365	
Sale of fixed assets			475,000	
Total revenues	<u>101,191</u>	<u>579,927</u>	<u>581,270</u>	<u>1,343</u>
EXPENDITURES				
Capital outlay			458,011	
Loan principal			518,957	
Loan interest			23,181	
Miscellaneous			58	
Total expenditures	<u>77,264</u>	<u>1,000,149</u>	<u>1,000,207</u>	<u>(58)</u>
Excess of revenues over (under) expenditures	23,927	(420,222)	(418,937)	1,285
OTHER FINANCING SOURCES (USES)				
Loan proceeds		443,957	443,957	
Net changes in fund balance	23,927	23,735	25,020	1,285
FUND BALANCE, JULY 1, 2005	<u>97,935</u>	<u>97,935</u>	<u>97,935</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 121,862</u>	<u>\$ 121,670</u>	<u>\$ 122,955</u>	<u>\$ 1,285</u>

NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 317,085	\$
Charges for services			6,574	
Interest			3,075	
Grant - federal			74,599	
Sale of fixed assets			72,000	
Other revenue			933	
Total revenues	<u>437,982</u>	<u>461,886</u>	<u>474,266</u>	<u>12,380</u>
EXPENDITURES				
Salaries			207,034	
Payroll taxes			15,678	
Unemployment benefits			4,162	
Hospitalization			12,138	
Life insurance			681	
Pension			4,673	
Medical testing			1,118	
Accounting services			3,086	
Audit fees			1,213	
Transportation			8,671	
Training and development			1,554	
Legal fees			2,963	
Membership fees			250	
Contractual services			4,955	
Dispatch services			8,428	
Telephone			3,824	
Supplies			7,274	
Printing and postage			94	
Insurance and bonds			22,209	
Grant equipment			68,790	
Office overhead			30,103	
PSB lease			39,632	
Utilities			3,976	
Repairs and maintenance			15,070	
Rental equipment			1,449	
DDA			3,046	
Tribunals/drains			581	
Capital outlay			212,712	
Debt service			50,040	
Total expenditures	<u>440,930</u>	<u>725,386</u>	<u>735,404</u>	<u>(10,018)</u>
Excess of revenues over (under) expenditures	(2,948)	(263,500)	(261,138)	2,362
OTHER FINANCING SOURCES				
Loan proceeds		48,775	145,820	97,045
Transfers in		173,000	173,000	
Total other financing sources		<u>221,775</u>	<u>318,820</u>	<u>97,045</u>
Net changes in fund balance	(2,948)	(41,725)	57,682	99,407
FUND BALANCE, JULY 1, 2005	<u>42,243</u>	<u>42,243</u>	<u>42,243</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 39,295</u>	<u>\$ 518</u>	<u>\$ 99,925</u>	<u>\$ 99,407</u>

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$	\$	\$ 1,383,588	\$
Grant - federal			7,160	
Fines and court fees			42,269	
Traffic tickets and impound fees			6,344	
Liquor law license fees			3,015	
Justice training fund			1,681	
Interest			4,949	
Disposal of assets			1,500	
Insurance proceeds			2,542	
Charges for services			11,971	
Other revenue			3	
Total revenues	1,440,602	1,461,114	1,465,022	3,908
EXPENDITURES	1,472,725	1,627,389	1,631,597	(4,208)
Excess of revenues over (under) expenditures	(32,123)	(166,275)	(166,575)	(300)
OTHER FINANCING SOURCES				
Lease proceeds			29,321	29,321
Transfers in	10,000	10,000	10,000	
Total other financing sources	10,000	10,000	39,321	29,321
Net changes in fund balance	(22,123)	(156,275)	(127,254)	29,021
FUND BALANCE, JULY 1, 2005	377,947	377,947	377,947	
FUND BALANCE, JUNE 30, 2006	\$ 355,824	\$ 221,672	\$ 250,693	\$ 29,021

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2006

	<u>Building Department Fund</u>	<u>Fire Protection Fund</u>	<u>Fire Truck Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 69,495	\$ 262,455	\$ 113,307
Taxes receivable		30,321	9,648
Accounts receivable - other			
Due from other funds	19,298	308	
Prepaid expenditures			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 88,793</u>	<u>\$ 293,084</u>	<u>\$ 122,955</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 157	\$	\$
Accrued compensated absences	8,825		
Due to other funds	<u>55,635</u>	<u>97,045</u>	<u> </u>
Total liabilities	64,617	97,045	
FUND BALANCE	<u>24,176</u>	<u>196,039</u>	<u>122,955</u>
Total liabilities and fund balance	<u>\$ 88,793</u>	<u>\$ 293,084</u>	<u>\$ 122,955</u>

Medical Rescue Fund	Law Enforcement Fund	Narcotics Fund	Downtown Development Authority Fund	Totals
\$ 37,390	\$ 213,406	\$ 12,081	\$ 63,061	\$ 771,195
30,761	131,682			202,412
2,361	6,028			8,389
97,153	216	224	45	117,244
	8,893			8,893
<u>\$ 167,665</u>	<u>\$ 360,225</u>	<u>\$ 12,305</u>	<u>\$ 63,106</u>	<u>\$ 1,108,133</u>

\$ 4,635	\$ 17,206	\$	\$ 2,149	\$ 24,147
9,105	92,102			110,032
54,000	224	904		207,808
67,740	109,532	904	2,149	341,987
99,925	250,693	11,401	60,957	766,146
<u>\$ 167,665</u>	<u>\$ 360,225</u>	<u>\$ 12,305</u>	<u>\$ 63,106</u>	<u>\$ 1,108,133</u>

NORTHFIELD TOWNSHIP
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2006

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 3,442	\$ 227,129	\$ 230,571
Due from others	7,452		7,452
Due from other funds	<u> </u>	<u>1,135</u>	<u>1,135</u>
Total assets	<u>\$ 10,894</u>	<u>\$ 228,264</u>	<u>\$ 239,158</u>
<u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 8,791	\$ 1,229	\$ 10,020
Due to others	2,103	147,535	149,638
Performance bonds	<u> </u>	<u>79,500</u>	<u>79,500</u>
Total liabilities	<u>\$ 10,894</u>	<u>\$ 228,264</u>	<u>\$ 239,158</u>

NORTHFIELD TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Building Department Fund</u>	<u>Fire Protection Fund</u>	<u>Fire Capital Outlay Fund</u>
REVENUES			
Taxes	\$	\$ 318,436	\$
Grant - federal			
Fines and forfeits			
Charges for services	3,075	4,145	
Licenses and permits	107,993		
Interest	2,238	4,154	254
Sale of fixed assets		27,500	
Other revenue	<u>467</u>	<u>502</u>	<u></u>
Total revenues	<u>113,773</u>	<u>354,737</u>	<u>254</u>
EXPENDITURES			
General government	91,271		
Fire protection		565,432	
Medical rescue			
Police protection			
Debt service	<u></u>	<u>35,050</u>	<u></u>
Total expenditures	<u>91,271</u>	<u>600,482</u>	<u></u>
Excess of revenues over (under) expenditures	<u>22,502</u>	<u>(245,745)</u>	<u>254</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds		182,850	
Transfers in		21,687	
Transfers (out)	<u>30,000</u>	<u></u>	<u>(21,687)</u>
Total other financing sources (uses)	<u>30,000</u>	<u>204,537</u>	<u>(21,687)</u>
Net changes in fund balance	52,502	(41,208)	(21,433)
FUND BALANCE (DEFICIT), JULY 1, 2005	<u>(28,326)</u>	<u>237,247</u>	<u>21,433</u>
FUND BALANCE, JUNE 30, 2006	<u><u>\$ 24,176</u></u>	<u><u>\$ 196,039</u></u>	<u><u>\$</u></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>
\$ 102,905	\$ 317,085	\$ 1,383,588	\$	\$ 54,660	\$ 2,176,674
	74,599	7,160			81,759
		48,613	1,435		50,048
	6,574	11,971			25,765
		3,015			111,008
3,365	3,075	4,949	78	3,016	21,129
475,000	72,000				574,500
	933	5,726			7,628
<u>581,270</u>	<u>474,266</u>	<u>1,465,022</u>	<u>1,513</u>	<u>57,676</u>	<u>3,048,511</u>
				37,142	128,413
458,069	685,364				1,023,501
		1,608,905	1,461		685,364
<u>542,138</u>	<u>50,040</u>	<u>22,692</u>			<u>1,610,366</u>
					649,920
<u>1,000,207</u>	<u>735,404</u>	<u>1,631,597</u>	<u>1,461</u>	<u>37,142</u>	<u>4,097,564</u>
<u>(418,937)</u>	<u>(261,138)</u>	<u>(166,575)</u>	<u>52</u>	<u>20,534</u>	<u>(1,049,053)</u>
					801,948
443,957	145,820	29,321			234,687
	173,000	10,000			(21,687)
<u>443,957</u>	<u>318,820</u>	<u>39,321</u>			<u>1,014,948</u>
25,020	57,682	(127,254)	52	20,534	(34,105)
<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>\$ 122,955</u>	<u>\$ 99,925</u>	<u>\$ 250,693</u>	<u>\$ 11,401</u>	<u>\$ 60,957</u>	<u>\$ 766,146</u>

NORTHFIELD TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Building Authority</u>	<u>Public Safety Building</u>	<u>Total</u>
REVENUES			
Property taxes	\$	\$ 303,999	\$ 303,999
Rental income	237,789		237,789
Interest		487	487
Total revenues	<u>237,789</u>	<u>304,486</u>	<u>542,275</u>
EXPENDITURES			
Loan - principal	90,000	150,000	240,000
Loan - interest	147,789	161,700	309,489
Loan - agent fees		1,250	1,250
Office overhead		37,336	37,336
Total expenditures	<u>237,789</u>	<u>350,286</u>	<u>588,075</u>
Excess of revenues over (under) expenditures		(45,800)	(45,800)
OTHER FINANCING SOURCES			
Transfers in		38,106	38,106
Net changes in fund balances		(7,694)	(7,694)
FUND BALANCE, JULY 1, 2005		130,517	130,517
FUND BALANCE, JUNE 30, 2006	<u>\$</u>	<u>\$ 122,823</u>	<u>\$ 122,823</u>

INDIVIDUAL FUNDS

GENERAL
FUND

NORTHFIELD TOWNSHIP
GENERAL FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 280,688	
Taxes receivable	37,246	
State shared revenue receivable	200,002	
Accounts receivable - other	48,440	
Due from other funds	10,727	
Due from township area library	67,499	
Prepaid expenditures	<u>8,875</u>	
Total assets		<u>\$ 653,477</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 31,210	
Accrued compensated absences	4,222	
Due to others	25,866	
Due to other funds	<u>19,298</u>	
Total liabilities		\$ 80,596

FUND BALANCE

Reserved	67,499	
Unreserved	<u>505,382</u>	
Total fund balance		<u>572,881</u>
Total liabilities and fund balance		<u>\$ 653,477</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 264,126	\$
Licenses and permits		236	
State shared revenues		608,740	
Charges for services		252,718	
Interest		56,995	
Miscellaneous revenue		82,075	
	<u>1,264,997</u>	<u>1,264,890</u>	<u>(107)</u>
Total revenues			
EXPENDITURES			
Township board	45,311	42,809	2,502
Supervisor	141,088	131,237	9,851
Elections	4,760	4,896	(136)
Clerk	70,800	73,158	(2,358)
Board of review	17,255	16,025	1,230
Treasurer	82,909	85,361	(2,452)
Township hall and grounds	188,342	168,682	19,660
Zoning and planning departments	218,800	223,843	(5,043)
Professional fees	95,440	107,394	(11,954)
Downtown Development Authority		2,537	(2,537)
Human services contract	4,600	4,600	
Roads	17,143	17,143	
Street lights	10,100	8,895	1,205
Capital outlay	8,600	8,597	3
Clean up and recycling	3,500	4,055	(555)
Recreation	250		250
Debt service	79,263	79,263	
Senior Center	91,137	87,219	3,918
	<u>1,079,298</u>	<u>1,065,714</u>	<u>13,584</u>
Total expenditures			
Excess of revenues over (under) expenditures	185,699	199,176	13,477
OTHER FINANCING (USES)			
Transfers (out)	(213,000)	(213,000)	
Net changes in fund balance	(27,301)	(13,824)	13,477
FUND BALANCE, JULY 1, 2005	586,705	586,705	
FUND BALANCE, JUNE 30, 2006	<u>\$ 559,404</u>	<u>\$ 572,881</u>	<u>\$ 13,477</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES	\$ 261,614	\$ 264,126	\$ 2,512
LICENSES AND PERMITS			
Dog licenses		66	
Private road permits		170	
Total licenses and permits	<u>1,050</u>	<u>236</u>	<u>(814)</u>
STATE SHARED REVENUES	<u>617,690</u>	<u>608,740</u>	<u>(8,950)</u>
CHARGES FOR SERVICES			
Tax administration fees		137,932	
Cablevision franchise fees		65,165	
Fiber footage fees		9,335	
Zoning fees		10,462	
Board of appeals		975	
May clean up		1,372	
Site plan reviews		6,675	
Split applications		1,290	
Mobile home park fees		3,498	
Summer tax collection fees		14,015	
Duplicating		1,999	
Total charges for services	<u>254,636</u>	<u>252,718</u>	<u>(1,918)</u>
INTEREST	<u>56,500</u>	<u>56,995</u>	<u>495</u>
MISCELLANEOUS REVENUE			
Sewer administration reimbursement		36,000	
Other reimbursement		23,064	
Penalties and interest		2,028	
Rental income		3,600	
Senior citizens		10,855	
Contributions		6,528	
Total miscellaneous revenue	<u>73,507</u>	<u>82,075</u>	<u>8,568</u>
Total revenues	<u>\$ 1,264,997</u>	<u>\$ 1,264,890</u>	<u>\$ (107)</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 15,875	\$
Payroll taxes		1,214	
Insurance		1,431	
Pension		1,134	
Membership and dues		12,195	
Legal		3,675	
Printing and publishing		7,285	
	<u> </u>	<u> </u>	<u> </u>
Total township board	<u>45,311</u>	<u>42,809</u>	<u>2,502</u>
SUPERVISOR			
Supervisor's salary		39,881	
Payroll taxes		8,506	
Insurance		1,088	
Pension		4,824	
Fringe benefits		300	
Assessor		58,019	
Clerical		14,077	
Dues and subscriptions		105	
Training and development		663	
Transportation		899	
Postage		2,875	
	<u> </u>	<u> </u>	<u> </u>
Total supervisor	<u>141,088</u>	<u>131,237</u>	<u>9,851</u>
ELECTIONS			
Fees		2,415	
Office supplies		508	
Printing and publishing		1,973	
	<u> </u>	<u> </u>	<u> </u>
Total elections	<u>4,760</u>	<u>4,896</u>	<u>(136)</u>
CLERK			
Clerk's salary		42,378	
Payroll taxes		4,292	
Insurance		612	
Pension		4,088	
Unemployment benefits		2,726	
Vehicle repairs and maintenance		563	
Recording secretary		3,785	
Deputy clerk's salary		13,729	
Transportation		300	
Training and development		655	
Dues and subscriptions		30	
	<u> </u>	<u> </u>	<u> </u>
Total clerk	<u>70,800</u>	<u>73,158</u>	<u>(2,358)</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
BOARD OF REVIEW			
Fees		1,614	
Payroll taxes		123	
Tax tribunal and drains		13,706	
Training and development		240	
Printing and publication		<u>342</u>	
Total board of review	<u>17,255</u>	<u>16,025</u>	<u>1,230</u>
TREASURER			
Treasurer's salary		41,878	
Payroll taxes		3,597	
Insurance		20,112	
Pension		4,088	
Deputy treasurer's salary		5,142	
Legal fees		5,593	
Tax statement preparation		492	
Transportation		300	
Dues and subscriptions		80	
Training and development		598	
Postage		2,017	
Miscellaneous		<u>1,464</u>	
Total treasurer	<u>82,909</u>	<u>85,361</u>	<u>(2,452)</u>
TOWNSHIP HALL AND GROUNDS			
Clerical salary		32,890	
Payroll taxes		2,951	
Insurance		62,694	
Pension		3,199	
Longevity		300	
PSB allocation		13,406	
Janitor fees		8,771	
Office supplies		8,938	
Telephone		6,879	
Postage		2,743	
Utilities		5,574	
Repairs and maintenance		16,744	
Equipment rental		<u>3,593</u>	
Total township hall and grounds	<u>188,342</u>	<u>168,682</u>	<u>19,660</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
ZONING AND PLANNING DEPARTMENTS			
Salaries - recording secretary		3,020	
Payroll taxes		1,285	
Department allocation		96,903	
Planning commission fees		14,100	
Board of appeals fees		2,700	
Office supplies		396	
Printing and publications		4,042	
Planning consultant		67,062	
Legal fees		33,140	
Training and development		690	
Transportation		116	
Postage		389	
		<u> </u>	
Total zoning and planning departments	<u>218,800</u>	<u>223,843</u>	<u>(5,043)</u>
PROFESSIONAL FEES			
Accountant		23,185	
Audit		2,940	
Engineer		6,745	
Other fees		5,500	
Legal		69,024	
		<u> </u>	
Total professional fees	<u>95,440</u>	<u>107,394</u>	<u>(11,954)</u>
DOWNTOWN DEVELOPMENT AUTHORITY		<u>2,537</u>	<u>(2,537)</u>
HUMAN SERVICES CONTRACT	<u>4,600</u>	<u>4,600</u>	
ROADS	<u>17,143</u>	<u>17,143</u>	
STREET LIGHTS	<u>10,100</u>	<u>8,895</u>	<u>1,205</u>
CAPITAL OUTLAY	<u>8,600</u>	<u>8,597</u>	<u>3</u>
CLEAN UP AND RECYCLING	<u>3,500</u>	<u>4,055</u>	<u>(555)</u>
RECREATION	<u>250</u>		<u>250</u>
DEBT SERVICE	<u>79,263</u>	<u>79,263</u>	

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
SENIOR CENTER			
Salaries		40,448	
Payroll taxes		2,985	
Pension		3,652	
Janitorial service		7,422	
Supplies		1,631	
Dues		195	
Telephone		1,595	
Postage		1,700	
Transportation		329	
Printing		1,588	
Insurance		17,758	
Utilities		4,308	
Repair and maintenance		1,777	
Training		423	
Small equipment		1,408	
	<u> </u>	<u> </u>	<u> </u>
Total senior center	<u>91,137</u>	<u>87,219</u>	<u>3,918</u>
Total expenditures	<u>\$ 1,079,298</u>	<u>\$ 1,065,714</u>	<u>\$ 13,584</u>

BUILDING
DEPARTMENT
FUND

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash	\$ 69,495	
Due from other funds	<u>19,298</u>	
Total assets		<u>\$ 88,793</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 157	
Accrued compensated absences	8,825	
Due to other funds	<u>55,635</u>	
Total liabilities		\$ 64,617

FUND BALANCE

		<u>24,176</u>
Total liabilities and fund balance		<u><u>\$ 88,793</u></u>

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budget	Actual	Variable Favorable (Unfavorable)
REVENUES			
Building permit fees	\$	\$ 107,993	\$
Contractor's registration		3,075	
Interest income		2,238	
Other income		467	
	<u>121,215</u>	<u>113,773</u>	<u>(7,442)</u>
Total revenues			
EXPENDITURES			
Salaries		117,291	
Payroll taxes		8,298	
Hospitalization		25,402	
Life insurance/disability/unemployment		1,619	
Pension		10,824	
Inspections		17,993	
Training and development		368	
Accounting services		4,938	
Supplies		337	
Membership dues		225	
Audit fees		1,029	
Telephone		1,059	
Printing and publishing		543	
Utilities		2,175	
Insurance - general and bonds		3,201	
Repairs and maintenance		100	
Transportation		714	
Personnel allocation		(104,845)	
	<u>112,064</u>	<u>91,271</u>	<u>20,793</u>
Total expenditures			
Excess of revenues over (under) expenditures	9,151	22,502	13,351
OTHER FINANCING SOURCES			
Transfer in	<u>30,000</u>	<u>30,000</u>	
Net changes in fund balance	39,151	52,502	13,351
FUND BALANCE (DEFICIT), JULY 1, 2005	<u>(28,326)</u>	<u>(28,326)</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 10,825</u>	<u>\$ 24,176</u>	<u>\$ 13,351</u>

FIRE
PROTECTION
FUND

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Taxes receivable
Due from other funds

\$ 262,455
30,321
308

Total assets

\$ 293,084

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 97,045

FUND BALANCE

196,039

Total liabilities and fund balance

\$ 293,084

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 318,436	\$
Charges for services		4,145	
Interest		4,154	
Sale of fixed assets		27,500	
Other revenue		502	
	<u>348,252</u>	<u>354,737</u>	<u>6,485</u>
Total revenues			
EXPENDITURES			
Salary			
Chief		32,567	
Deputy		15,590	
Administrative assistant		14,333	
Officers		1,120	
Fire fighters		78,330	
Payroll taxes		10,504	
Hospitalization insurance		12,137	
Life insurance		680	
Unemployment benefits		4,162	
Pension		4,674	
Medical testing		1,119	
Training and development		5,593	
Accounting services		3,086	
Membership dues		875	
Audit fees		1,213	
Legal fees		1,596	
Contractual services		2,666	
Telephone		3,702	
Printing and postage		1,242	
Transportation		4,668	
Supplies		3,917	
Insurance and bonds		47,864	
Utilities		3,976	
Building lease		39,631	
Small equipment		2,244	
Office overhead		30,226	
Cleaning services		1,241	
Dispatch services		4,586	
Repairs and maintenance		7,129	
Uniforms		9,322	
Equipment rental		1,449	
Downtown Development Authority		3,059	
Drains/assessments		581	
Capital outlay		210,350	
Loan - principal		28,000	
Loan - interest		7,050	
	<u>598,548</u>	<u>600,482</u>	<u>(1,934)</u>
Total expenditures			
Excess of revenues over (under) expenditures	(250,296)	(245,745)	4,551

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)			
Loan proceeds	\$ 279,895	\$ 182,850	\$ (97,045)
Transfers in	<u>21,687</u>	<u>21,687</u>	<u></u>
Total other financing sources (uses)	<u>301,582</u>	<u>204,537</u>	<u>(97,045)</u>
Net changes in fund balance	51,286	(41,208)	(92,494)
FUND BALANCE, JULY 1, 2005	<u>237,247</u>	<u>237,247</u>	<u></u>
FUND BALANCE, JUNE 30, 2006	<u>\$ 288,533</u>	<u>\$ 196,039</u>	<u>\$ (92,494)</u>

FIRE
CAPITAL OUTLAY
FUND

NORTHFIELD TOWNSHIP
FIRE CAPITAL OUTLAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

REVENUES	
Interest	\$ 254
EXPENDITURES	<u> </u>
Excess of revenues over (under) expenditures	254
OTHER FINANCING SOURCES (USES)	
Transfers (out)	<u>(21,687)</u>
Net changes in fund balance	(21,433)
FUND BALANCE, JULY 1, 2005	<u>21,433</u>
FUND BALANCE, JUNE 30, 2006	<u><u>\$</u></u>

FIRE TRUCK
FUND

NORTHFIELD TOWNSHIP
FIRE TRUCK FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash	\$ 113,307
Taxes receivable	<u>9,648</u>

Total assets		<u>\$ 122,955</u>
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FUND BALANCE

FUND BALANCE		<u>\$ 122,955</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 102,905	\$
Interest		3,365	
Sale of fixed assets		<u>475,000</u>	
Total revenues	<u>579,927</u>	<u>581,270</u>	<u>1,343</u>
EXPENDITURES			
Capital outlay		458,011	
Loan - principal		518,957	
Loan - interest		23,181	
Miscellaneous		<u>58</u>	
Total expenditures	<u>1,000,149</u>	<u>1,000,207</u>	<u>(58)</u>
Excess of revenues over (under) expenditures	(420,222)	(418,937)	1,285
OTHER FINANCING SOURCES			
Loan proceeds	<u>443,957</u>	<u>443,957</u>	
Net changes in fund balance	23,735	25,020	1,285
FUND BALANCE, JULY 1, 2005	<u>97,935</u>	<u>97,935</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 121,670</u>	<u>\$ 122,955</u>	<u>\$ 1,285</u>

MEDICAL
RESCUE
FUND

NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 37,390
Accounts receivable	2,361
Taxes receivable	30,761
Due from other funds	<u>97,153</u>

Total assets		\$ <u>167,665</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,635
Accrued compensated absences	9,105
Due to other funds	<u>54,000</u>

Total liabilities		\$ 67,740
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FUND BALANCE

99,925

Total liabilities and fund balance		\$ <u>167,665</u>
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NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 317,085	\$
Charges for services			6,574	
Interest			3,075	
Grant - federal			74,599	
Sale of fixed assets			72,000	
Other revenue			933	
Total revenues	<u>437,982</u>	<u>461,886</u>	<u>474,266</u>	<u>12,380</u>
EXPENDITURES				
Salaries			207,034	
Payroll taxes			15,678	
Unemployment benefits			4,162	
Hospitalization			12,138	
Life insurance			681	
Pension			4,673	
Medical testing			1,118	
Accounting services			3,086	
Audit fees			1,213	
Transportation			8,671	
Training and development			1,554	
Legal fees			2,963	
Membership fees			250	
Contractual services			4,955	
Dispatch services			8,428	
Telephone			3,824	
Supplies			7,274	
Printing and postage			94	
Insurance and bonds			22,209	
Grant equipment			68,790	
Office overhead			30,103	
PSB lease			39,632	
Utilities			3,976	
Repairs and maintenance			15,070	
Rental equipment			1,449	
DDA			3,046	
Tribunals/drains			581	
Capital outlay			212,712	
Debt service			50,040	
Total expenditures	<u>440,930</u>	<u>725,386</u>	<u>735,404</u>	<u>(10,018)</u>
Excess of revenues over (under) expenditures	(2,948)	(263,500)	(261,138)	2,362
OTHER FINANCING SOURCES (USES)				
Loan proceeds		48,775	145,820	97,045
Transfers in		173,000	173,000	
Total other financing sources		<u>221,775</u>	<u>318,820</u>	<u>97,045</u>
Net changes in fund balance	(2,948)	(41,725)	57,682	99,407
FUND BALANCE, JULY 1, 2005	<u>42,243</u>	<u>42,243</u>	<u>42,243</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 39,295</u>	<u>\$ 518</u>	<u>\$ 99,925</u>	<u>\$ 99,407</u>

LAW
ENFORCEMENT
FUND

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 213,406	
Taxes receivable	131,682	
Due from other funds	216	
Accounts receivable - other	6,028	
Prepaid expenditure	<u>8,893</u>	
Total assets		<u>\$ 360,225</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 17,206
Accrued compensated absences	92,102
Due to other funds	<u>224</u>

Total liabilities	\$ 109,532
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FUND BALANCE

250,693

Total liabilities and fund balance	<u>\$ 360,225</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,383,588	\$
Grant - federal		7,160	
Fines and court fees		42,269	
Traffic tickets and impound fees		6,344	
Liquor law license fees		3,015	
Justice training fund		1,681	
Interest		4,949	
Disposal of assets		1,500	
Insurance proceeds		2,542	
Charges for services		11,971	
Other income		3	
Total revenues	1,461,114	1,465,022	3,908
EXPENDITURES	<u>1,627,389</u>	<u>1,631,597</u>	<u>(4,208)</u>
Excess of revenues over (under) expenditures	(166,275)	(166,575)	(300)
OTHER FINANCING SOURCES			
Lease proceeds		29,321	29,321
Transfers in	<u>10,000</u>	<u>10,000</u>	
Total other financing sources	<u>10,000</u>	<u>39,321</u>	<u>29,321</u>
Net changes in fund balance	(156,275)	(127,254)	29,021
FUND BALANCE, JULY 1, 2005	<u>377,947</u>	<u>377,947</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 221,672</u>	<u>\$ 250,693</u>	<u>\$ 29,021</u>

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$	\$ 865,069	\$
Payroll taxes		64,390	
Life insurance		8,300	
Professional fees		49,135	
Pension		59,212	
Unemployment		3,515	
Insurance - health		109,929	
Medical testing		273	
Uniforms and gear		2,714	
Membership dues		1,710	
Printing and postage		2,121	
Transportation		22,105	
Insurance and bonds		84,857	
Repairs and maintenance - equipment		1,360	
Repairs and maintenance - vehicle		19,896	
Capital outlay		58,069	
Telephone		9,705	
Supplies		7,653	
Grant purchases		1,476	
Training and development		3,389	
Downtown Development Authority		13,285	
Office overhead		60,329	
PSB lease		79,263	
Equipment rental		6,126	
Contractual services		11,806	
Dispatch services		63,218	
Debt service		22,692	
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 1,627,389</u>	<u>\$ 1,631,597</u>	<u>\$ (4,208)</u>

NARCOTICS
FUND

NORTHFIELD TOWNSHIP
NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 12,081
224

Total assets

\$ 12,305

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 904

FUND BALANCE

11,401

Total liabilities and fund balance

\$ 12,305

NORTHFIELD TOWNSHIP
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$	\$ 1,435	\$
Interest		78	
Total revenues	940	1,513	573
EXPENDITURES			
Public safety projects	<u>1,050</u>	<u>1,461</u>	<u>(411)</u>
Excess of revenues over (under) expenditures	(110)	52	162
FUND BALANCE, JULY 1, 2005	<u>11,349</u>	<u>11,349</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 11,239</u>	<u>\$ 11,401</u>	<u>\$ 162</u>

DOWNTOWN DEVELOPMENT
AUTHORITY
FUND

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 63,061
45

Total assets

\$ 63,106

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 2,149

FUND BALANCE

60,957

Total liabilities and fund balance

\$ 63,106

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 54,660	\$
Interest		<u>3,016</u>	
Total revenues	<u>57,049</u>	<u>57,676</u>	<u>627</u>
EXPENDITURES			
Streetlights		20,252	
Streetscape project		10,192	
Professional fees		4,134	
Supplies		<u>2,564</u>	
Total expenditures	<u>48,335</u>	<u>37,142</u>	<u>11,193</u>
Excess of revenues over (under) expenditures	8,714	20,534	11,820
FUND BALANCE, JULY 1, 2005	<u>40,423</u>	<u>40,423</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 49,137</u>	<u>\$ 60,957</u>	<u>\$ 11,820</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, 2006

REVENUES	
Rental income	\$ 237,789
EXPENDITURES	
Principal	90,000
Interest	<u>147,789</u>
Total expenditures	<u>237,789</u>
Excess of revenues over (under) expenditures	
FUND BALANCE, JULY 1, 2005	<u> </u>
FUND BALANCE, JUNE 30, 2006	<u><u>\$ </u></u>

PUBLIC SAFETY BUILDING
DEBT SERVICE FUND

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Taxes receivable

\$ 103,992
27,864

Total assets

\$ 131,856

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable
Due to other funds

\$ 8,553
480

Total liabilities

\$ 9,033

FUND BALANCE

122,823

Total liabilities and fund balance

\$ 131,856

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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 303,999	\$
Interest income		487	
Total revenues	<u>312,366</u>	<u>304,486</u>	<u>(7,880)</u>
EXPENDITURES			
Supplies		393	
Cleaning services		23,274	
Contracted services		700	
Telephone		6,337	
Insurance		24,773	
Utilities		77,223	
Repairs and maintenance		38,520	
Tax chargebacks		180	
Loan - principal		150,000	
Loan - interest		161,700	
Loan - agent fees		1,250	
Overhead allocation		(134,064)	
Total expenditures	<u>550,738</u>	<u>350,286</u>	<u>200,452</u>
Excess of revenues over (under) expenditures	(238,372)	(45,800)	192,572
OTHER FINANCING SOURCES			
Transfers in	<u>237,788</u>	<u>38,106</u>	<u>(199,682)</u>
Net changes in fund balance	(584)	(7,694)	
FUND BALANCE, JULY 1, 2005	<u>130,517</u>	<u>130,517</u>	
FUND BALANCE, JUNE 30, 2006	<u>\$ 129,933</u>	<u>\$ 122,823</u>	<u>\$ (7,110)</u>

PUBLIC SAFETY BUILDING
CONSTRUCTION CAPITAL PROJECT
FUND

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, 2006

REVENUES	
Interest income	\$ <u>447</u>
Excess of revenues over (under) expenditures	447
OTHER FINANCING (USES)	
Transfers (out)	<u>(38,106)</u>
Net changes in fund balance	(37,659)
FUND BALANCE, JULY 1, 2005	<u>37,659</u>
FUND BALANCE, JUNE 30, 2006	<u><u>\$</u></u>

SEWAGE DISPOSAL
SYSTEM
FUND

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,677,990
Sewer billings receivable	298,726
Special assessment receivable	2,708,456
Due from other funds	<u>108,500</u>

Total current assets \$ 4,793,672

RESTRICTED ASSETS

Cash and cash equivalents - expansion projects	1,391,310
Due from county - construction funds	<u>664,737</u>

Total restricted assets 2,056,047

PLANT, PROPERTY AND EQUIPMENT

Land	214,918
Plant	2,229,393
Plant expansion	10,805,275
Equipment	<u>535,578</u>
	13,785,164
Less: accumulated depreciation	<u>(3,203,551)</u>

Net plant, property, and equipment 10,581,613

CONSTRUCTION IN PROGRESS

40,195

Total assets \$ 17,471,527

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 77,401
Accrued compensated absences	19,803
Contracts payable - current portion	<u>450,000</u>

Total current liabilities \$ 547,204

LONG-TERM LIABILITIES

Contracts payable - less current portion	<u>6,640,000</u>
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Total liabilities 7,187,204

FUND EQUITY

Retained earnings	<u>10,284,323</u>
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Total liabilities and fund equity \$ 17,471,527

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

OPERATING REVENUES

User charges	\$ 1,316,487
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OPERATING EXPENSES

Salaries and wages	\$ 278,749
Payroll taxes	21,033
Hospitalization	75,915
Life insurance	3,798
Pension	25,967
Testing	3,533
Office supplies	676
Operating supplies	46,475
Uniforms	4,807
Professional services	36,734
Membership and dues	1,719
Contracted services	25,774
Administration fees	36,000
Telephone	7,778
Transportation	3,780
Printing and postage	5,969
Insurance and bonds	45,405
Utilities	109,974
Repairs and maintenance	173,196
Depreciation	<u>327,398</u>

Total operating expenses	<u>1,234,680</u>
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Operating income	81,807
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NON-OPERATING REVENUES AND (EXPENSES)

Other income	5,548
Interest income - cash and equivalents	154,048
Interest - special assessments	169,431
Interest expense	(388,161)
Bond fees	<u>(2,333)</u>

Total non-operating revenues and (expenses)	<u>(61,467)</u>
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Net income before capital contributions	20,340
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CAPITAL CONTRIBUTIONS

Tap-in fees	<u>35,000</u>
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Net income	<u><u>\$ 55,340</u></u>
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NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income	\$ 81,807
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities	

Depreciation	\$ 327,398	
Other income	5,548	
Changes in assets and liabilities		
(Increase) in sewer billings receivable	(173,812)	
(Increase) in due from county	(27,365)	
Decrease in due from other funds	251,808	
Decrease in prepaid expenses	16,210	
Increase in accounts payable/accrued compensated absences	<u>2,096</u>	
 Total adjustments		 <u>401,883</u>
 Net cash provided by operating activities		 483,690

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

Tap-in fees collected	35,000	
Special assessments received	233,417	
Purchase of equipment/system	(703,181)	
Interest paid on long-term bonds	(388,161)	
Bond fees	(2,333)	
Repayment of principal on bonds/contracts	<u>(405,000)</u>	
 Net cash provided (used) by capital and related financing activities		 (1,230,258)

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES

Interest on cash and cash equivalents	<u>154,048</u>
 Net (decrease) in cash and cash equivalents	 (592,520)

CASH AND CASH EQUIVALENTS AT JULY 1, 2005	<u>3,661,820</u>
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CASH AND CASH EQUIVALENTS AT JUNE 30, 2006	<u>\$ 3,069,300</u>
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CURRENT
TAX
COLLECTION
FUND

NORTHFIELD TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash	\$ 3,442	
Due from others	<u>7,452</u>	
Total assets		<u>\$ 10,894</u>

LIABILITIES

LIABILITIES

Due to other funds	\$ 8,791	
Due to others	<u>2,103</u>	
Total liabilities		<u>\$ 10,894</u>

TRUST
AND
AGENCY
FUND

NORTHFIELD TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2006

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 227,129
1,135

Total assets

\$ 228,264

LIABILITIES

LIABILITIES

Performance bonds
Due to other funds
Due to others

\$ 79,500
1,229
147,535

Total liabilities

\$ 228,264