

NORTHFIELD TOWNSHIP

REPORT ON
AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

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

TABLE OF CONTENTS

PAGE NUMBER

INDEPENDENT AUDITORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS	8
------------------------------------	---

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

Statement of Net Assets	15
Statement of Activities	16

FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Funds	18
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Assets - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	23
Statement of Cash Flows - Proprietary Fund	24
Statement of Fiduciary Assets and Liabilities - All Agency Funds	25

NOTES TO FINANCIAL STATEMENTS	27
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	43
---	----

FIRE PROTECTION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	44
---	----

MEDICAL RESCUE FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	45
---	----

LAW ENFORCEMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	46
---	----

SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)	47
--	----

TABLE OF CONTENTS

PAGE NUMBER

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

Combining Balance Sheet - All Special Revenue Funds	50
Combining Balance Sheet - All Agency Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Debt Service Funds	53

INDIVIDUAL FUNDS

GENERAL FUND

Balance Sheet	56
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	57
Statement of Revenues - Budget and Actual	58
Statement of Expenditures - Budget and Actual	59

BUILDING DEPARTMENT FUND

Balance Sheet	64
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	65

FIRE PROTECTION FUND

Balance Sheet	67
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	68

FIRE TRUCK FUND

Balance Sheet	70
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	71

MEDICAL RESCUE FUND

Balance Sheet	73
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	74

LAW ENFORCEMENT FUND

Balance Sheet	76
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	77
Statement of Expenditures - Budget and Actual	78

TABLE OF CONTENTS

PAGE NUMBER

NARCOTICS FUND	
Balance Sheet	80
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	81
DOWNTOWN DEVELOPMENT AUTHORITY FUND	
Balance Sheet	83
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	84
BUILDING AUTHORITY DEBT SERVICE FUND	
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	86
PUBLIC SAFETY BUILDING DEBT SERVICE FUND	
Balance Sheet	88
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	89
SEWAGE DISPOSAL SYSTEM FUND	
Balance Sheet	91
Statement of Revenues and Expenses	92
Statement of Cash Flows	93
CURRENT TAX COLLECTION FUND	
Balance Sheet	95
TRUST AND AGENCY FUND	
Balance Sheet	97

October 26, 2007

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, 2007, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinion.

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, 2007, 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 43 and 47 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, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis June 30, 2007

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, 2007. 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 \$13,319,123. This is a \$141,904 increase over last year's net assets of \$13,177,219.

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	
	6/30/2007	6/30/2006	6/30/2007	6/30/2006	6/30/2007	6/30/2006
Current and other assets	\$ 1,836,734	\$ 1,765,495	6,223,310	\$ 6,849,719	\$ 8,060,044	\$ 8,615,214
Capital assets	8,565,455	8,848,898	10,791,073	10,621,808	19,356,528	19,470,706
Total assets	10,402,189	10,614,393	17,014,383	17,471,527	27,416,572	28,085,920
Other liabilities	332,081	303,645	73,453	97,204	405,534	400,849
Long-term liabilities	7,046,915	7,417,852	6,645,000	7,090,000	13,691,915	14,507,852
Total liabilities	7,378,996	7,721,497	6,718,453	7,187,204	14,097,449	14,908,701
Net assets:						
Invested in capital assets, net of debt	1,518,540	1,431,046	4,146,073	3,531,808	5,664,613	4,962,854
Unrestricted	1,504,653	1,461,850	6,149,857	6,752,515	7,654,510	8,214,365
Total net assets	\$ 3,023,193	\$ 2,892,896	\$ 10,295,930	\$ 10,284,323	\$ 13,319,123	\$ 13,177,219

Summary of Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	06/30/2007	06/30/2006	06/30/2007	06/30/2006	06/30/2007	06/30/2006
Revenues:						
Program revenues						
Charges for services	\$ 415,011	\$ 385,465	\$ 1,236,552	\$ 1,316,487	\$ 1,651,563	\$ 1,701,952
Operating grants and contributions	10,432	89,968			10,432	89,968
Capital grants and contributions			31,500	35,000	31,500	35,000
General revenues:						
State shared revenues	590,888	608,740			590,888	608,740
Property taxes	2,812,918	2,744,799			2,812,918	2,744,799
Interest	111,160	79,058	340,897	323,479	452,057	402,537
Other	364,589	333,684	(227)	5,548	364,362	339,232
Total revenues	<u>4,304,998</u>	<u>4,241,714</u>	<u>1,608,722</u>	<u>1,680,514</u>	<u>5,913,720</u>	<u>5,922,228</u>
Expenses						
General government	1,041,879	1,078,934			1,041,879	1,078,934
Fire protection	462,647	523,387			462,647	523,387
Medical rescue	483,688	527,610			483,688	527,610
Police protection	1,687,370	1,635,757			1,687,370	1,635,757
Senior center	102,795	94,792			102,795	94,792
Public works/roads	57,382	71,835			57,382	71,835
Interest on long-term debt	338,940	344,245			338,940	344,245
Sewer system			1,597,115	1,625,174	1,597,115	1,625,174
Total expenses	<u>4,174,701</u>	<u>4,276,560</u>	<u>1,597,115</u>	<u>1,625,174</u>	<u>5,771,816</u>	<u>5,901,734</u>
Changes in net assets	130,297	(34,846)	11,607	55,340	141,904	20,494
Beginning net assets	<u>2,892,896</u>	<u>2,927,742</u>	<u>10,284,323</u>	<u>10,228,983</u>	<u>13,177,219</u>	<u>13,156,725</u>
Ending net assets	<u>\$ 3,023,193</u>	<u>\$ 2,892,896</u>	<u>\$ 10,295,930</u>	<u>\$ 10,284,323</u>	<u>\$ 13,319,123</u>	<u>\$ 13,177,219</u>

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$209,430 before its net transfers out of \$70,000 were made. The Township's fund balance increased by \$140,430 for the fiscal year ended June 30, 2007. Operating results were typical for General Fund activity with slight increases in expenditures for professional fees.

The other major governmental funds of the Township include the Fire Protection, Medical Rescue, and Law Enforcement funds. The expenditures exceeded revenues for all these funds due to a decrease in transfers from the General Fund to subsidize the activities.

The Township's sole business-type fund, the Sewage Disposal System Fund, reported net income of \$11,607. The increase in net income before capital contributions is typical for this fund's activities.

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 \$55,142. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality, and anticipated contingent liability. The Township expenditures exceeded appropriations in several activities.

Capital Asset and Debt Administration

The governmental funds purchased \$33,515 of new capital assets, while retiring \$54,800 of capital assets. This is primarily due to the purchase of a law enforcement vehicle, and thermal imaging camera. The Township disposed of four (4) vehicles in the fiscal year.

The governmental funds issued \$33,515 of long-term debt while retiring \$404,452 of this debt. This is due in large part from the purchase of aforementioned equipment. Total debt of \$7,046,915 was outstanding as of June 30, 2007.

The business-type fund issued no new debt during the year, but spent \$500,914 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.

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, 2007

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 1,244,107	\$ 1,186,042	\$ 2,430,149
Cash and cash equivalents - restricted		1,498,693	1,498,693
Receivable			
Interest		16,228	16,228
Taxes	255,595		255,595
State shared revenues	102,574		102,574
Accounts	68,787	312,907	381,694
Intergovernmental	65,004	55,509	120,513
Special assessments - restricted		2,446,463	2,446,463
County construction - restricted		702,109	702,109
Library	64,285		64,285
Prepaid expenses	36,382	5,359	41,741
Capital assets - net of depreciation	8,565,455	10,791,073	19,356,528
Total assets	10,402,189	17,014,383	27,416,572
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	63,141	45,842	108,983
Accrued compensated absences	128,736	27,611	156,347
Due to others	23,038		23,038
Deferred revenues	17,166		17,166
Contingent liability	100,000		100,000
Capital leases payable			
Current	143,833		143,833
Non-current	538,082		538,082
Bonds/Contracts payable			
Current	270,000	480,000	750,000
Non-current	6,095,000	6,165,000	12,260,000
Total liabilities	7,378,996	6,718,453	14,097,449
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	1,518,540	4,146,073	5,664,613
Unrestricted	1,504,653	6,149,857	7,654,510
Total net assets	\$ 3,023,193	\$ 10,295,930	\$ 13,319,123

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

NORTHFIELD TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Contributions	Capital Contributions
Governmental activities				
General government	\$ (1,041,879)	\$ 324,298	\$ 25	\$
Fire protection	(462,647)	3,001		
Medical rescue	(483,688)	6,821	6,007	
Police protection	(1,687,370)	75,331	4,400	
Senior center	(102,795)	5,560		
Public works/roads	(57,382)			
Interest on long-term debt	<u>(338,940)</u>			
Total governmental activities	<u>(4,174,701)</u>	<u>415,011</u>	<u>10,432</u>	
Business-type activities				
Sewer system	<u>(1,597,115)</u>	<u>1,236,552</u>		<u>31,500</u>
Total	<u>\$ (5,771,816)</u>	<u>\$ 1,651,563</u>	<u>\$ 10,432</u>	<u>\$ 31,500</u>

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

Total general revenues

Changes in net assets

Net assets, July 1, 2006

Net assets, June 30, 2007

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
\$ (717,556)	\$	\$ (717,556)
(459,646)		(459,646)
(470,860)		(470,860)
(1,607,639)		(1,607,639)
(97,235)		(97,235)
(57,382)		(57,382)
<u>(338,940)</u>		<u>(338,940)</u>
<u>(3,749,258)</u>		<u>(3,749,258)</u>
	(329,063)	(329,063)
<u>(3,749,258)</u>	<u>(329,063)</u>	<u>(4,078,321)</u>
2,812,918		2,812,918
590,888		590,888
111,160	183,943	295,103
	156,954	156,954
69,315		69,315
263,335		263,335
19,478	348	19,826
<u>12,461</u>	<u>(575)</u>	<u>11,886</u>
<u>3,879,555</u>	<u>340,670</u>	<u>4,220,225</u>
130,297	11,607	141,904
<u>2,892,896</u>	<u>10,284,323</u>	<u>13,177,219</u>
<u>\$ 3,023,193</u>	<u>\$ 10,295,930</u>	<u>\$ 13,319,123</u>

FUND
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Medical Rescue Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 502,579	\$ 242,190	\$ 17,052
Receivables			
Taxes	34,980	31,741	29,137
State shared revenues	102,574		
Accounts	62,230		2,361
Library	64,285		
Due from other funds	97,003	8,722	83,958
Prepaid expenditures	<u>20,452</u>	<u> </u>	<u>1,315</u>
Total assets	<u>\$ 884,103</u>	<u>\$ 282,653</u>	<u>\$ 133,823</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 41,464	\$	\$ 1,938
Accrued compensated absences	5,180		2,016
Due to other funds	1,110	77,060	54,000
Due to others	23,038		
Deferred revenues		17,166	
Contingent liability	<u>100,000</u>	<u> </u>	<u> </u>
Total liabilities	<u>170,792</u>	<u>94,226</u>	<u>57,954</u>
FUND BALANCE			
Unreserved	713,311		
Reserved for public safety		188,427	75,869
Reserved for debt service			
Reserved for community development	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>713,311</u>	<u>188,427</u>	<u>75,869</u>
Total liabilities and fund balances	<u>\$ 884,103</u>	<u>\$ 282,653</u>	<u>\$ 133,823</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>
\$ 167,084	\$ 315,202	\$ 1,244,107
126,428	33,309	255,595
4,196		102,574
		68,787
		64,285
31,292	5,857	226,832
<u>12,716</u>	<u>1,899</u>	<u>36,382</u>
<u>\$ 341,716</u>	<u>\$ 356,267</u>	<u>\$ 1,998,562</u>

\$ 13,174	\$ 6,565	\$ 63,141
111,189	10,351	128,736
224	29,434	161,828
		23,038
		17,166
		<u>100,000</u>
<u>124,587</u>	<u>46,350</u>	<u>493,909</u>

	23,105	736,416
217,129	125,766	607,191
	75,843	75,843
	<u>85,203</u>	<u>85,203</u>
<u>217,129</u>	<u>309,917</u>	<u>1,504,653</u>
<u>\$ 341,716</u>	<u>\$ 356,267</u>	<u>\$ 1,998,562</u>

NORTHFIELD TOWNSHIP
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
JUNE 30, 2007

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

Total fund balance per balance sheet		\$ 1,504,653
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 10,449,191	
Accumulated depreciation	<u>(1,883,736)</u>	
Capital assets net of depreciation		8,565,455
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Capital leases payable	(681,915)	
Bonds payable	<u>(6,365,000)</u>	
Long term debt		<u>(7,046,915)</u>
Net assets of governmental activities		<u>\$ 3,023,193</u>

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

NORTHFIELD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	Fire Protection Fund	Medical Rescue Fund
REVENUES			
Taxes	\$ 277,384	\$ 331,156	\$ 329,882
State shared revenues	590,888		
Grant income			6,007
Licenses and permits	35		
Contributions	25		
Rental income	3,600		
Franchise fees	69,315		
Charges for services	232,974	3,001	6,821
Fines and forfeitures			
Interest	79,056	6,013	6,013
Miscellaneous	<u>1,295</u>	<u>5,683</u>	<u>3,208</u>
Total revenues	<u>1,254,572</u>	<u>345,853</u>	<u>351,931</u>
EXPENDITURES			
General government	927,378		
Fire rescue		311,030	
Medical rescue			436,902
Police protection			
Senior citizens	95,222		
Roads	20,031		
Public works	2,511		
Debt service	<u></u>	<u>42,435</u>	<u>8,085</u>
Total expenditures	<u>1,045,142</u>	<u>353,465</u>	<u>444,987</u>
Excess of revenues over (under) expenditures	209,430	(7,612)	(93,056)
OTHER FINANCING SOURCES (USES)			
Disposal of capital assets	1,000		
Lease proceeds			9,000
Transfers in			60,000
Transfers out	<u>(70,000)</u>	<u></u>	<u></u>
Total other financing sources (uses)	<u>(69,000)</u>	<u></u>	<u>69,000</u>
Net changes in fund balances	140,430	(7,612)	(24,056)
FUND BALANCE, JULY 1, 2006	<u>572,881</u>	<u>196,039</u>	<u>99,925</u>
FUND BALANCE, JUNE 30, 2007	<u>\$ 713,311</u>	<u>\$ 188,427</u>	<u>\$ 75,869</u>

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

Law Enforcement Fund	Non-major Funds	Total
\$ 1,477,834	\$ 396,662	\$ 2,812,918
		590,888
3,976	224	10,207
2,885	95,304	98,224
200		225
	259,735	263,335
		69,315
16,806	1,545	261,147
49,086	6,554	55,640
7,784	12,294	111,160
<u>5,679</u>	<u>3,613</u>	<u>19,478</u>
<u>1,564,250</u>	<u>775,931</u>	<u>4,292,537</u>
	102,093	1,029,471
		311,030
		436,902
1,617,316	4,995	1,622,311
		95,222
		20,031
	34,840	37,351
<u>25,899</u>	<u>666,973</u>	<u>743,392</u>
<u>1,643,215</u>	<u>808,901</u>	<u>4,295,710</u>
(78,965)	(32,970)	(3,173)
10,886	575	12,461
24,515		33,515
10,000		70,000
		<u>(70,000)</u>
<u>45,401</u>	<u>575</u>	<u>45,976</u>
(33,564)	(32,395)	42,803
<u>250,693</u>	<u>342,312</u>	<u>1,461,850</u>
<u>\$ 217,129</u>	<u>\$ 309,917</u>	<u>\$ 1,504,653</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, 2007

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

Net change in fund balances - governmental funds	\$	42,803
--	----	--------

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 depreciation exceeded capital outlays is as follows:

Capital outlay	\$	33,515
Depreciation expense		<u>(316,958)</u>
Total		(283,443)

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	139,452	
Bonds payable		<u>265,000</u>
Total		404,452

Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increases long-term liabilities in the Statement of Activities.

Lease proceeds		<u>(33,515)</u>
----------------	--	-----------------

Change in net assets of governmental activities	\$	<u>130,297</u>
---	----	----------------

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

NORTHFIELD TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

ASSETS

	<u>Sewer Disposal System Fund</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,186,042
Sewer billings receivable	312,907
Special assessment receivable	2,446,463
Accrued interest receivable	16,228
Due from other funds	55,509
Prepaid expenses	<u>5,359</u>
Total current assets	\$ 4,022,508
RESTRICTED ASSETS	
Cash and cash equivalents - expansion projects	1,498,693
Due from county - construction funds	<u>702,109</u>
Total restricted assets	2,200,802
PLANT, PROPERTY AND EQUIPMENT	
Land	226,918
Plant	2,229,393
Plant expansion	10,805,275
Equipment	<u>609,106</u>
	13,870,692
Less: accumulated depreciation	<u>(3,526,100)</u>
Net plant, property, and equipment	10,344,592
CONSTRUCTION IN PROGRESS	<u>446,481</u>
Total assets	<u>17,014,383</u>

LIABILITIES

CURRENT LIABILITIES	
Accounts payable	45,842
Accrued compensated absences	27,611
Contracts payable - current portion	<u>480,000</u>
Total current liabilities	553,453
LONG-TERM LIABILITIES	
Contracts payable - less current portion	<u>6,165,000</u>
Total liabilities	<u>6,718,453</u>

NET ASSETS

NET ASSETS	
Invested in capital assets, net of related debt	4,146,073
Unrestricted	<u>6,149,857</u>
Total net assets	<u>\$ 10,295,930</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, 2007

	<u>Sewer Disposal System Fund</u>
OPERATING REVENUES	
User charges	\$ 1,236,552
OPERATING EXPENSES	
Salaries and wages	\$ 276,942
Payroll taxes	20,589
Hospitalization	63,363
Life insurance	4,002
Pension	25,982
Training and development	1,167
Testing	3,732
Operating supplies	46,867
Uniforms	5,070
Professional services	13,885
Membership and dues	2,028
Contracted services	46,261
Administration fees	35,000
Telephone	7,808
Transportation	3,682
Printing and postage	4,673
Insurance and bonds	39,916
Utilities	125,443
Repairs and maintenance	160,652
Depreciation	<u>331,029</u>
Total operating expenses	<u>1,218,091</u>
Operating income	18,461
NON-OPERATING REVENUES AND (EXPENSES)	
Loss on disposal of capital assets	(575)
Other income	348
Interest income - cash and equivalents	183,943
Interest income - special assessments	156,954
Interest expense	(378,274)
Bond fees	<u>(750)</u>
Total non-operating revenues and (expenses)	<u>(38,354)</u>
Net (loss) before capital contributions	(19,893)
CAPITAL CONTRIBUTIONS	
Tap-in fees	<u>31,500</u>
Change in net assets	11,607
NET ASSETS, JULY 1, 2006	<u>10,284,323</u>
NET ASSETS, JUNE 30, 2007	<u>\$ 10,295,930</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, 2007

	Sewage Disposal System Fund
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Cash received from users	\$ 1,222,719
Cash payments to employees	(269,134)
Cash payments to suppliers	(684,410)
Cash receipts from other funds, net	<u>52,991</u>
Net cash provided by operating activities	<u>322,166</u>
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	145
Tap-in fees collected	31,500
Special assessments received	418,847
Purchase of equipment/system	(500,914)
Interest paid on long-term bonds	(378,274)
Bond fees	(750)
Repayment of principal on bonds/contracts	<u>(445,000)</u>
Net cash (used in) capital and related financing activities	<u>(874,446)</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest on cash and cash equivalents	<u>167,715</u>
Net (decrease) in cash and cash equivalents	(384,565)
CASH AND CASH EQUIVALENTS AT, JULY 1, 2006	<u>3,069,300</u>
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2007	<u><u>\$ 2,684,735</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income	\$ 18,461
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation	331,029
Other income	348
Change in assets and liabilities:	
(Increase) in receivables, net	(51,553)
Decrease in due from other funds	52,991
(Increase) in prepaid expenses	(5,359)
(Decrease) in accounts payable/accrued expenses	<u>(23,751)</u>
Net cash provided by operating activities	<u><u>\$ 322,166</u></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, 2007

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 180,469	\$ 203,899	\$ 384,368
Due from other funds	<u>27,807</u>	<u>3,432</u>	<u>31,239</u>
Total assets	<u>\$ 208,276</u>	<u>\$ 207,331</u>	<u>\$ 415,607</u>
<u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 132,885	\$ 18,867	\$ 151,752
Due to others	75,391	103,964	179,355
Performance bonds	<u> </u>	<u>84,500</u>	<u>84,500</u>
Total liabilities	<u>\$ 208,276</u>	<u>\$ 207,331</u>	<u>\$ 415,607</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, 2007

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.

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.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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 proprietary funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the proprietary 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.

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

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

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

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

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. CAPITAL ASSETS

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

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

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

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

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

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

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences. 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, 2007, expenditures exceeded appropriations in several functional activities.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

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 2006 adjusted taxable value of the Township totaled \$335,968,740. The township levies the following millage 2006:

General township	.8108
Fire	.9774
Fire truck	.2589
Medical rescue	.9733
Police	4.3617
Public safety building	<u>.7494</u>
Total millage	<u>8.1315</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.

I. CASH EQUIVALENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

J. USE OF ESTIMATES

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

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

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

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

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

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 2 - DESCRIPTION OF REPORTING ENTITY - (continued)

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, 2007 was \$64,285.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental funds for the year ended June 30, 2007 was as follows:

	Balance 7/01/06	Additions	Deletions	Balance 6/30/07
Land	\$ 299,926	\$	\$	\$ 299,926
Buildings and improvements	8,070,394			8,070,394
Machinery and equipment	<u>2,100,156</u>	<u>33,515</u>	<u>(54,800)</u>	<u>2,078,871</u>
Total capital assets	10,470,476	33,515	(54,800)	10,449,191
Accumulated depreciation	<u>(1,621,578)</u>	<u>(316,958)</u>	<u>54,800</u>	<u>(1,883,736)</u>
Governmental activities capital assets, net	<u>\$ 8,848,898</u>	<u>\$ (283,443)</u>	<u>\$</u>	<u>\$ 8,565,455</u>

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 \$7,046,915 of debt associated with these capital assets.

Depreciation expense was distributed to the various activities as follows:

General government	\$ 12,408
Fire protection and medical rescue	207,403
Police protection	89,574
Senior center	<u>7,573</u>
Total	<u>\$ 316,958</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 4 - CAPITAL ASSETS (continued)

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

	Balance 7/1/06	Additions	Deductions	Balance 6/30/07
FIXED ASSETS				
Land	\$ 214,918	\$ 12,000	\$	\$ 226,918
Plant	2,229,393			2,229,393
Plant expansion	10,805,275			10,805,275
Equipment	535,578	82,628	9,100	609,106
Totals	\$ 13,785,164	\$ 94,628	\$ 9,100	\$ 13,870,692
ACCUMULATED DEPRECIATION	\$ 3,203,551	\$ 331,029	\$ 8,480	\$ 3,526,100
CONSTRUCTION IN PROGRESS	\$ 40,195	\$ 406,286	\$	\$ 446,481

There is \$6,645,000 of debt associated with these capital assets.

NOTE 5 - LONG-TERM DEBT

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

Capital Lease

1. 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 seven 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, 2007.
2. 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, 2007 was \$8,246.
3. 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, 2007 was 6,951.
4. On October 6, 2006 the Township entered into a lease with Ford Motor Credit to purchase a 2007 Ford Crown Victoria. The Township is required to make three annual payments of \$8,715 until the lease expires In October of 2008. At the end of the lease term, the Township has a \$1 bargain purchase option. Interest of 6.80% is being charged on the lease. The outstanding principal balance at June 30, 2007 was \$15,800.
5. On April 12, 2006 the Township entered into a lease agreement with Mine Safety Appliances Company to purchase a thermal imaging camera. The Township is required to make semi-annual payments of \$1,666 in April and October until the lease expires in April 2009. At the end of the lease, a free and clear title passes to the Township. Interest of 6.165% is being charged on the lease. The outstanding principal balance at June 30, 2007 was \$6,180.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 - LONG-TERM DEBT (continued)

Bonds 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 4.0%, payable semi-annually. The outstanding balance of the note at June 30, 2007 was \$3,250,000.
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, 2023. Interest is charged at 3.25% to 5.0%, payable semi-annually. The outstanding balance of the note at June 30, 2007 was \$2,675,000.
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, 2023. Interest is charged at 3.10% to 5.10%, payable semi-annually. The outstanding balance of the note at June 30, 2007 was \$440,000.

Installment Loans Payable

1. Installment loan payable to J.P. Morgan Chase for the financing of a pumper truck. Principal payments ranging from \$15,000 to \$24,886 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, 2007 was \$80,886.
2. Installment loan payable to J.P. Morgan Chase 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, 2007 was \$283,957.

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

	Balance 7/1/06	Additions	Payments	Balance 6/30/07	Amount Due Within One Year
Capitalized Lease					
Ervin Leasing	\$ 793	\$	\$ 793	\$	\$
General Motors Acceptance Corporation	15,892		7,646	8,246	8,246
General Motors Acceptance Corporation	13,429		6,478	6,951	6,951
Ford Motor Credit		24,515	8,715	15,800	7,640
Mine Safety		9,000	2,820	6,180	2,996
Kansas State Bank	279,895			279,895	
Total capitalized leases	<u>310,009</u>	<u>33,515</u>	<u>26,452</u>	<u>317,072</u>	<u>25,833</u>
Bonds Payable					
National City	3,400,000		150,000	3,250,000	150,000
National City	2,775,000		100,000	2,675,000	100,000
National City	455,000		15,000	440,000	20,000
Total bonds payable	<u>6,630,000</u>		<u>265,000</u>	<u>6,365,000</u>	<u>270,000</u>
Installment Loans Payable					
J.P. Morgan Chase	108,886		28,000	80,886	28,000
J.P. Morgan Chase	368,957		85,000	283,957	90,000
Total installment loans payable	<u>477,843</u>		<u>113,000</u>	<u>364,843</u>	<u>118,000</u>
Total governmental activity long-term debt	<u>\$ 7,417,852</u>	<u>\$ 33,515</u>	<u>\$ 404,452</u>	<u>\$ 7,046,915</u>	<u>\$ 413,833</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

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		Bonds Payable		Installment Loans Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007 - 2008	\$ 25,833	\$ 16,140	\$ 270,000	\$ 284,335	\$ 118,000	\$ 18,790	\$ 413,833	\$ 319,265
2008 - 2009	11,344	14,278	295,000	270,785	123,000	12,713	429,344	297,776
2009 - 2010	34,534	13,575	320,000	255,665	123,843	6,378	478,377	275,618
2010 - 2011	36,209	11,900	320,000	239,475			356,209	251,375
2011 - 2012	37,965	10,144	345,000	223,225			382,965	233,369
2012 - 2017	171,187	21,248	2,000,000	886,375			2,171,187	907,623
2017 - 2022			2,515,000	416,640			2,515,000	416,640
2022- 2023			300,000	15,000			300,000	15,000
Totals	<u>\$ 317,072</u>	<u>\$ 87,285</u>	<u>\$ 6,365,000</u>	<u>\$ 2,591,500</u>	<u>\$ 364,843</u>	<u>\$ 37,881</u>	<u>\$ 7,046,915</u>	<u>\$ 2,716,666</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 - LONG TERM DEBT (continued)

The following is a summary of bonds payable debt for the business-type activities for the year ending June 30, 2007:

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 \$2,275,000 at June 30, 2007. 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, 2007 was \$1,050,000.
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, 2007 was \$2,175,000.
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 \$575,000 at June 30, 2007.
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 \$570,000 at June 30, 2007.

The following is a schedule of changes in the long-term debt of business-type activities:

	Balance 7/1/06	Additions	Deletions	Balance 6/30/07	Amount Due Within One Year
Washtenaw County					
Expansion - 1997	\$ 2,450,000	\$	\$ 175,000	\$ 2,275,000	\$ 175,000
Eight Mile Pump Station	1,100,000		50,000	1,050,000	75,000
Expansion - North Territorial	2,350,000		175,000	2,175,000	175,000
Expansion - Seven Mile	600,000		25,000	575,000	25,000
Michigan Municipal Bond Authority:					
1992 Junior lien refunding	<u>590,000</u>	<u></u>	<u>20,000</u>	<u>570,000</u>	<u>30,000</u>
Total business-type activities long-term debt	<u>\$ 7,090,000</u>	<u>\$</u>	<u>\$ 445,000</u>	<u>\$ 6,645,000</u>	<u>\$ 480,000</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 - LONG TERM DEBT (continued)

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

	Bonds Payable		
	Principal	Interest	Total
2007 - 2008	\$ 480,000	\$ 345,568	\$ 825,568
2008 - 2009	505,000	321,411	826,411
2009 - 2010	505,000	296,549	801,549
2010 - 2011	510,000	271,226	781,226
2011 - 2012	535,000	245,251	780,251
2012 - 2017	3,035,000	783,419	3,818,419
2017 - 2022	<u>1,075,000</u>	<u>117,731</u>	<u>1,192,731</u>
	<u>\$ 6,645,000</u>	<u>\$ 2,381,155</u>	<u>\$ 9,026,155</u>

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, 2006 to June 30, 2007, is as follows:

Balance in guaranteed account July 1, 2006	\$ 2,356,697
Current year contributions	
Township portion	\$ 95,143
Employee portion	<u>58,747</u>
Total contributions	153,890
Distributions/fees	(446,697)
Investment gains less asset charges	<u>320,847</u>
Balance in guaranteed account June 30, 2007.	<u>\$ 2,384,737</u>

Interest has been credited to June 30, 2007.

A contribution of \$95,143 was made in the fiscal year ended June 30, 2007.

Total payroll was \$2,077,504, for the fiscal year ended June 30, 2007.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Plan Description - The Northfield Township Police Department elected on July 24, 2006 to participate in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined benefit public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. The Township has no fiduciary responsibility for the plan. All full-time officers and supervisors of the police department are eligible to participate in the plan immediately upon employment.

As of December 31, 2006, the police department had thirteen (13) covered employees and twenty-one (21) total employees. Covered payroll for the year then ended was \$544,569.

The police department is covered under plan section 19A (B-3/V8). The plan provides for vesting of benefits after eight years of service. Participants may elect normal retirement at age 60, with 10 or more years of service. The plan also provides for early retirement at age 55, with 15 or more years of service, and at age 50 with 25 or more years of service.

Employees contribute 5% of gross wages to the plan.

The police department currently has no retirants or beneficiaries in the plan.

The following information, which is the most current available, was obtained from the Township's actuarial consultants, Gabriel Roeder Smith & Company. The amount disclosed as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (a) help users assess the plan's funding status on a going-concern basis, (b) assess progress being made in accumulating sufficient assets to pay benefits when due, and (c) allow for comparisons among public employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligation was determined as part of an actuarial valuation of the plan as of December 31, 2006. Significant actuarial assumptions used in determining the pension benefit obligation include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year (annually) after retirement.

At December 31, 2006, the unfunded pension benefit obligation was \$ 157,730, determined as follows:

Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits	\$
Terminated employees not yet receiving benefits	
Non-vested terminated employees	
Current employees	
Accumulated employee contribution, including allocated investment income	347,070
Employer financed	212,318
	<hr/>
Total pension benefit obligation	559,388
Net assets available for benefits, at cost (at market)	401,658
	<hr/>
Unfunded actuarial accrued liability	\$ 157,730
	<hr/>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivables and payables exist at June 30, 2007. 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	\$ 79,067	Current Tax Collection Fund	\$ 79,067
General Fund	17,017	Trust and Agency Fund	17,017
General Fund	904	Narcotics Fund	904
Public Safety Building Debt Service Fund	4,109	Current Tax Collection Fund	4,109
Fire Protection Fund	6,872	Current Tax Collection Fund	6,872
Fire Protection Fund	1,850	Trust and Agency Fund	1,850
Medical Rescue Fund	6,843	Current Tax Collection Fund	6,843
Medical Rescue Fund	70	General Fund	70
Medical Rescue Fund	77,045	Fire Protection Fund	77,045
Law Enforcement Fund	30,672	Current Tax Collection Fund	30,672
Law Enforcement Fund	620	General Fund	620
Narcotics Fund	224	Law Enforcement Fund	224
Fire Truck Fund	1,419	Current Tax Collection Fund	1,419
Building Department Fund	105	General Fund	105
Trust and Agency Fund	2,709	Current Tax Collection Fund	2,709
Trust and Agency Fund	723	Building Department Fund	723
Current Tax Collection Fund	27,807	Downtown Development Authority Fund	27,807
General Fund	15	Fire Protection Fund	15
Sewer Fund	1,194	Current Tax Collection Fund	1,194
Sewer Fund	315	General Fund	315
Sewer Fund	<u>54,000</u>	Medical Rescue Fund	<u>54,000</u>
Total interfund receivables	<u>\$ 313,580</u>		<u>\$ 313,580</u>

Interfund transfers for the year ended June 30, 2007 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>	<u>Amount</u>
Medical Rescue Fund	General Fund	Pay operating expenditures	\$ 60,000
Law Fund	General Fund	Pay operating expenditures	<u>10,000</u>
			<u>\$ 70,000</u>

NOTE 9 - SEGMENT INFORMATION - BUSINESS-TYPE ACTIVITIES

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	\$ 1,236,552
Depreciation	331,029
Operating income	18,461
Net working capital	1,502,592
Total assets	17,014,383
Total fund equity	10,295,930

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 10 - 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	\$ 400,000	\$	\$ 400,000	\$ 400,000
Uninsured and uncollateralized	<u>3,528,842</u>	<u>384,368</u>	<u>3,913,210</u>	<u>3,991,702</u>
Total deposits	<u>\$ 3,928,842</u>	<u>\$ 384,368</u>	<u>\$ 4,313,210</u>	<u>\$ 4,391,702</u>

NOTE 11 - 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, 2006</u>	<u>June 30, 2007</u>
Current assets		
Cash and cash equivalents	\$ 1,677,990	\$ 1,186,042
Restricted assets		
Cash and cash equivalents	<u>1,391,310</u>	<u>1,498,693</u>
Total cash and cash equivalents	<u>\$ 3,069,300</u>	<u>\$ 2,684,735</u>

NOTE 12 - CONTINGENT LIABILITIES

A former consultant for the Township has instituted a suit against the Township for reimbursement in excess of \$100,000 of engineering and consulting fees in conjunction with work allegedly performed on its sewage treatment system. It is reasonably possible that this amount will have to be paid from the Township, and accordingly, have accrued a contingent liability of \$100,000.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 12 - CONTINGENT LIABILITIES - (continued)

In other litigation, 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 13 - 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 14 - 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 \$702,109 at June 30, 2007. The Township will determine how these funds are to be used within the next fiscal year.

NOTE 15 - PROJECT UNCERTAINTY

The Township has \$6,365,000 of bonds due for the public safety building. Currently, the Township has levied .7494 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.

NOTE 16 - POST EMPLOYMENT BENEFITS

The Township approved a resolution to offer all eligible full-time employees/elected officials medical, hospitalization, and dental insurance. To be eligible one must complete twenty (20) years of service and have obtained the age of fifty-five (55). The Township only contributes the costs of having coverage as a single person. As of the year ended June 30, 2007 there were no individuals receiving these benefits. There is one individual that may qualify to receive these benefits, but isn't expected to collect until next year.

There were no expenditures made on behalf of the individuals eligible for post employment benefits for the fiscal year ending June 30, 2007. The Township is funding this program on a pay-as-you-go basis and has not obtained an actuarial evaluation of future obligations.

The Governmental Accounting Standards Board has released Statement Number 45, Accounting and Reporting by Employers for Post Employment Benefits Other Than Pensions. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" post employment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending June 30, 2009.

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, 2007

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$	\$	\$ 277,384	\$
Licenses and permits			35	
State shared revenues			590,888	
Charges for services			260,529	
Interest			79,056	
Miscellaneous revenue			46,680	
Total revenues	<u>1,268,722</u>	<u>1,249,858</u>	<u>1,254,572</u>	<u>4,714</u>
EXPENDITURES				
Township board			34,034	
Supervisor			129,195	
Elections			7,915	
Clerk			66,687	
Board of review			9,218	
Treasurer			81,496	
Township hall and grounds			166,711	
Zoning and planning departments			121,108	
Professional fees			197,635	
Downtown Development Authority			2,469	
Human services contract			4,600	
Roads			20,031	
Street lights			17,724	
Capital outlay			6,608	
Clean up and recycling			2,511	
Debt service			86,578	
Senior Center			90,622	
Total expenditures	<u>1,033,169</u>	<u>1,100,284</u>	<u>1,045,142</u>	<u>55,142</u>
Excess of revenues over (under) expenditures	235,553	149,574	209,430	59,856
OTHER SOURCES FINANCING (USES)				
Disposition of capital assets			1,000	1,000
Transfers (out)	<u>(10,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	
Total other financing sources (uses)	<u>(10,000)</u>	<u>(70,000)</u>	<u>(69,000)</u>	<u>1,000</u>
Net changes in fund balance	225,553	79,574	140,430	60,856
FUND BALANCE, JULY 1, 2006	<u>572,881</u>	<u>572,881</u>	<u>572,881</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 798,434</u>	<u>\$ 652,455</u>	<u>\$ 713,311</u>	<u>\$ 60,856</u>

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 331,156	\$
Charges for services			3,001	
Interest			6,013	
Other revenue			5,683	
Total revenues	<u>360,613</u>	<u>360,613</u>	<u>345,853</u>	<u>(14,760)</u>
EXPENDITURES				
Salaries			127,387	
Payroll taxes			10,016	
Hospitalization insurance			9,611	
Life insurance			496	
Pension			3,240	
Medical testing			845	
Training and development			1,899	
Accounting services			2,178	
Membership dues			889	
Audit fees			1,425	
Legal fees			3,465	
Contractual services			729	
Telephone			3,682	
Printing and postage			736	
Transportation			3,947	
Supplies			4,664	
Insurance and bonds			26,539	
Utilities			5,280	
Building lease			43,289	
Small equipment			3,658	
Office overhead			33,118	
Cleaning services			1,298	
Dispatch services			3,903	
Repairs and maintenance			10,058	
Uniforms			3,849	
Equipment rental			1,492	
Downtown Development Authority			2,976	
Drains/assessments			361	
Loan - principal			28,000	
Loan - interest			14,435	
Total expenditures	<u>403,510</u>	<u>403,510</u>	<u>353,465</u>	<u>50,045</u>
Net change in fund balance	(42,897)	(42,897)	(7,612)	35,285
FUND BALANCE, JULY 1, 2006	<u>196,039</u>	<u>196,039</u>	<u>196,039</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 153,142</u>	<u>\$ 153,142</u>	<u>\$ 188,427</u>	<u>\$ 35,285</u>

NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 329,882	\$
Charges for services			6,821	
Interest			6,013	
Grant - federal			6,007	
Other revenue			3,208	
Total revenues	<u>749,345</u>	<u>348,414</u>	<u>351,931</u>	<u>3,517</u>
EXPENDITURES				
Salaries			200,775	
Payroll taxes			15,492	
Hospitalization			9,611	
Life insurance			496	
Pension			3,240	
Medical testing			1,568	
Accounting services			2,177	
Audit fees			1,425	
Transportation			7,330	
Training and development			3,527	
Legal fees			3,466	
Membership fees			889	
Contractual services			728	
Dispatch services			7,248	
Telephone			6,838	
Supplies			8,662	
Printing and postage			1,360	
Insurance and bonds			26,538	
Grant equipment			8,250	
Office overhead			33,119	
PSB lease			43,289	
Utilities			5,280	
Repairs and maintenance			27,425	
Rental equipment			1,493	
DDA			2,964	
Tribunals/drains			1,054	
Capital outlay			12,658	
Debt service			8,085	
Total expenditures	<u>853,199</u>	<u>430,052</u>	<u>444,987</u>	<u>(14,935)</u>
Excess of revenues over (under) expenditures	(103,854)	(81,638)	(93,056)	(11,418)
OTHER FINANCING SOURCES				
Loan proceeds			9,000	9,000
Transfers in		60,000	60,000	
Total other financing sources		60,000	69,000	9,000
Net change in fund balance	(103,854)	(21,638)	(24,056)	(2,418)
FUND BALANCE, JULY 1, 2006	<u>99,925</u>	<u>99,925</u>	<u>99,925</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ (3,929)</u>	<u>\$ 78,287</u>	<u>\$ 75,869</u>	<u>\$ (2,418)</u>

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$	\$	\$ 1,477,834	\$
Fines and court fees			41,816	
Traffic tickets and impound fees			7,270	
Liquor law license fees			2,885	
Justice training fund			3,976	
Interest			7,784	
Donations			200	
Insurance proceeds			5,271	
Charges for services			16,806	
Other revenue			408	
Total revenues	1,553,984	1,534,984	1,564,250	29,266
EXPENDITURES	1,649,780	1,619,330	1,643,215	(23,885)
Excess of revenues over (under) expenditures	(95,796)	(84,346)	(78,965)	5,381
OTHER FINANCING SOURCES				
Disposal of capital assets		6,000	10,886	4,886
Lease proceeds			24,515	24,515
Transfers in	10,000	10,000	10,000	
Total other financing sources	10,000	16,000	45,401	29,401
Net change in fund balance	(85,796)	(68,346)	(33,564)	34,782
FUND BALANCE, JULY 1, 2006	250,693	250,693	250,693	
FUND BALANCE, JUNE 30, 2007	\$ 164,897	\$ 182,347	\$ 217,129	\$ 34,782

NORTHFIELD TOWNSHIP
SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2007

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

POLICE EMPLOYEES

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (Overfunded) Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2006	\$ 401,658	\$559,388	\$ 157,730	71.8%	\$ 544,569	29.0%

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Building Department Fund	Fire Protection Fund	Fire Truck Fund
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 32,352	\$ 242,190	\$ 102,397
Taxes receivable		31,741	8,681
Accounts receivable - other			
Due from other funds	105	8,722	1,419
Prepaid expenditures	1,899		
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 34,356</u>	<u>\$ 282,653</u>	<u>\$ 112,497</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 177	\$	\$
Accrued compensated absences	10,351		
Due to other funds	723	77,060	
Deferred revenues		17,166	
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	11,251	94,226	
FUND BALANCE	<u>23,105</u>	<u>188,427</u>	<u>112,497</u>
Total liabilities and fund balance	<u>\$ 34,356</u>	<u>\$ 282,653</u>	<u>\$ 112,497</u>

Medical Rescue Fund	Law Enforcement Fund	Narcotics Fund	Downtown Development Authority Fund	Totals
\$ 17,052	\$ 167,084	\$ 13,949	\$ 114,815	\$ 689,839
29,137	126,428			195,987
2,361	4,196			6,557
83,958	31,292	224		125,720
1,315	12,716			15,930
<u>\$ 133,823</u>	<u>\$ 341,716</u>	<u>\$ 14,173</u>	<u>\$ 114,815</u>	<u>\$ 1,034,033</u>

\$ 1,938	\$ 13,174	\$	\$ 1,805	\$ 17,094
2,016	111,189			123,556
54,000	224			160,718
		904	27,807	17,166
57,954	124,587	904	29,612	318,534
75,869	217,129	13,269	85,203	715,499
<u>\$ 133,823</u>	<u>\$ 341,716</u>	<u>\$ 14,173</u>	<u>\$ 114,815</u>	<u>\$ 1,034,033</u>

NORTHFIELD TOWNSHIP
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2007

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 180,469	\$ 203,899	\$ 384,368
Due from other funds	<u>27,807</u>	<u>3,432</u>	<u>31,239</u>
Total assets	<u>\$ 208,276</u>	<u>\$ 207,331</u>	<u>\$ 415,607</u>
 <u>LIABILITIES</u>			
LIABILITIES			
Due to other funds	\$ 132,885	\$ 18,867	\$ 151,752
Due to others	75,391	103,964	179,355
Performance bonds	<u> </u>	<u>84,500</u>	<u>84,500</u>
Total liabilities	<u>\$ 208,276</u>	<u>\$ 207,331</u>	<u>\$ 415,607</u>

NORTHFIELD TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Building Department Fund	Fire Protection Fund	Fire Truck Fund	Medical Rescue Fund
REVENUES				
Taxes	\$	\$ 331,156	\$ 87,742	\$ 329,882
Grant - federal				6,007
Fines and forfeits				
Charges for services	1,545	3,001		6,821
Licenses and permits	95,304			
Interest	2,852	6,013	5,168	6,013
Donations				
Other revenue	<u>746</u>	<u>5,683</u>	<u>1,016</u>	<u>3,208</u>
Total revenues	<u>100,447</u>	<u>345,853</u>	<u>93,926</u>	<u>351,931</u>
EXPENDITURES				
General government	102,093			
Fire protection		311,030	117	
Medical rescue				436,902
Police protection				
Debt service	<u></u>	<u>42,435</u>	<u>104,267</u>	<u>8,085</u>
Total expenditures	<u>102,093</u>	<u>353,465</u>	<u>104,384</u>	<u>444,987</u>
Excess of revenues over (under) expenditures	<u>(1,646)</u>	<u>(7,612)</u>	<u>(10,458)</u>	<u>(93,056)</u>
OTHER FINANCING SOURCES (USES)				
Disposal of capital assets	575			
Lease proceeds				9,000
Transfers in	<u></u>	<u></u>	<u></u>	<u>60,000</u>
Total other financing sources (uses)	<u>575</u>	<u></u>	<u></u>	<u>69,000</u>
Net changes in fund balances	(1,071)	(7,612)	(10,458)	(24,056)
FUND BALANCE, JULY 1, 2006	<u>24,176</u>	<u>196,039</u>	<u>122,955</u>	<u>99,925</u>
FUND BALANCE, JUNE 30, 2007	<u>\$ 23,105</u>	<u>\$ 188,427</u>	<u>\$ 112,497</u>	<u>\$ 75,869</u>

Law Enforcement Fund	Narcotics Fund	Downtown Development Authority Fund	Totals
\$ 1,477,834	\$	\$ 54,897	\$ 2,281,511
3,976			9,983
49,086	6,778		55,864
16,806			28,173
2,885			98,189
7,784	85	4,189	32,104
200			200
<u>5,679</u>			<u>16,332</u>
<u>1,564,250</u>	<u>6,863</u>	<u>59,086</u>	<u>2,522,356</u>
		34,840	136,933
			311,147
			436,902
1,617,316	4,995		1,622,311
<u>25,899</u>			<u>180,686</u>
<u>1,643,215</u>	<u>4,995</u>	<u>34,840</u>	<u>2,687,979</u>
<u>(78,965)</u>	<u>1,868</u>	<u>24,246</u>	<u>(165,623)</u>
10,886			11,461
24,515			33,515
<u>10,000</u>			<u>70,000</u>
<u>45,401</u>			<u>114,976</u>
(33,564)	1,868	24,246	(50,647)
<u>250,693</u>	<u>11,401</u>	<u>60,957</u>	<u>766,146</u>
<u>\$ 217,129</u>	<u>\$ 13,269</u>	<u>\$ 85,203</u>	<u>\$ 715,499</u>

NORTHFIELD TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Building Authority	Public Safety Building	Total
REVENUES			
Property taxes	\$	\$ 254,023	\$ 254,023
Rental income	259,735		259,735
Miscellaneous		1,851	1,851
	<u>259,735</u>	<u>1,851</u>	<u>1,851</u>
Total revenues	<u>259,735</u>	<u>255,874</u>	<u>515,609</u>
EXPENDITURES			
Loan - principal	115,000	150,000	265,000
Loan - interest	144,735	152,700	297,435
Office overhead		154	154
	<u>259,735</u>	<u>154</u>	<u>154</u>
Total expenditures	<u>259,735</u>	<u>302,854</u>	<u>562,589</u>
Net changes in fund balances		(46,980)	(46,980)
FUND BALANCE, JULY 1, 2006	<u></u>	<u>122,823</u>	<u>122,823</u>
FUND BALANCE, JUNE 30, 2007	<u>\$</u>	<u>\$ 75,843</u>	<u>\$ 75,843</u>

INDIVIDUAL FUNDS

GENERAL
FUND

NORTHFIELD TOWNSHIP
GENERAL FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 502,579
Taxes receivable	34,980
State shared revenue receivable	102,574
Accounts receivable - other	62,230
Due from other funds	97,003
Due from township area library	64,285
Prepaid expenditures	<u>20,452</u>
Total assets	<u>\$ 884,103</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 41,464
Accrued compensated absences	5,180
Due to others	23,038
Due to other funds	1,110
Contingent liability	<u>100,000</u>
Total liabilities	\$ 170,792

FUND BALANCE

Reserved	64,285
Unreserved	<u>649,026</u>
Total fund balance	<u>713,311</u>
Total liabilities and fund balance	<u>\$ 884,103</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 275,578	\$ 277,384	\$ 1,806
Licenses and permits		35	35
State shared revenues	608,740	590,888	(17,852)
Charges for services	264,940	260,529	(4,411)
Interest	50,000	79,056	29,056
Miscellaneous revenue	<u>50,600</u>	<u>46,680</u>	<u>(3,920)</u>
Total revenues	<u>1,249,858</u>	<u>1,254,572</u>	<u>4,714</u>
EXPENDITURES			
Township board	35,113	34,034	1,079
Supervisor	128,810	129,195	(385)
Elections	9,500	7,915	1,585
Clerk	70,947	66,687	4,260
Board of review	18,270	9,218	9,052
Treasurer	85,018	81,496	3,522
Township hall and grounds	170,010	166,711	3,299
Zoning and planning departments	147,207	121,108	26,099
Professional fees	200,000	197,635	2,365
Downtown Development Authority		2,469	(2,469)
Human services contract	4,600	4,600	
Roads	17,795	20,031	(2,236)
Street lights	15,000	17,724	(2,724)
Capital outlay	8,500	6,608	1,892
Clean up and recycling	3,500	2,511	989
Recreation	250		250
Debt service	86,578	86,578	
Senior Center	<u>99,186</u>	<u>90,622</u>	<u>8,564</u>
Total expenditures	<u>1,100,284</u>	<u>1,045,142</u>	<u>55,142</u>
Excess of revenues over (under) expenditures	<u>149,574</u>	<u>209,430</u>	<u>59,856</u>
OTHER FINANCING SOURCES (USES)			
Disposition of capital assets		1,000	1,000
Transfers (out)	<u>(70,000)</u>	<u>(70,000)</u>	
Total other financing sources (uses)	<u>(70,000)</u>	<u>(69,000)</u>	<u>1,000</u>
Net change in fund balance	79,574	140,430	60,856
FUND BALANCE, JULY 1, 2006	<u>572,881</u>	<u>572,881</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 652,455</u>	<u>\$ 713,311</u>	<u>\$ 60,856</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TAXES	<u>\$ 275,578</u>	<u>\$ 277,384</u>	<u>\$ 1,806</u>
LICENSES AND PERMITS	<u></u>	<u>35</u>	<u>35</u>
STATE SHARED REVENUES	<u>608,740</u>	<u>590,888</u>	<u>(17,852)</u>
CHARGES FOR SERVICES			
Tax administration fees		143,388	
Cablevision franchise fees		69,315	
Fiber footage fees		9,303	
Zoning fees		11,838	
Board of appeals		1,000	
May clean up		916	
Site plan reviews		4,650	
Split applications		1,500	
Mobile home park fees		4,134	
Summer tax collection fees		13,635	
Duplicating	<u></u>	<u>850</u>	<u></u>
Total charges for services	<u>264,940</u>	<u>260,529</u>	<u>(4,411)</u>
INTEREST	<u>50,000</u>	<u>79,056</u>	<u>29,056</u>
MISCELLANEOUS REVENUE			
Sewer/library administration reimbursement		36,200	
Other reimbursement		1,295	
Rental income		3,600	
Senior citizens		5,560	
Contributions	<u></u>	<u>25</u>	<u></u>
Total miscellaneous revenue	<u>50,600</u>	<u>46,680</u>	<u>(3,920)</u>
Total revenues	<u>\$ 1,249,858</u>	<u>\$ 1,254,572</u>	<u>\$ 4,714</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 9,350	\$
Payroll taxes		716	
Insurance		719	
Pension		1,021	
Membership and dues		16,842	
Legal		2,068	
Printing and publishing		2,818	
Miscellaneous		500	
	<u>35,113</u>	<u>34,034</u>	<u>1,079</u>
Total township board			
SUPERVISOR			
Supervisor's salary		39,934	
Payroll taxes		7,872	
Insurance		7,762	
Pension		4,823	
Assessor		53,252	
Clerical		10,769	
Dues and subscriptions		75	
Training and development		1,012	
Transportation		603	
Postage		3,007	
Miscellaneous		86	
	<u>128,810</u>	<u>129,195</u>	<u>(385)</u>
Total supervisor			
ELECTIONS			
Fees		6,128	
Office supplies		886	
Printing and publishing		901	
	<u>9,500</u>	<u>7,915</u>	<u>1,585</u>
Total elections			
CLERK			
Clerk's salary		40,864	
Payroll taxes		4,171	
Insurance		613	
Pension		3,936	
Recording secretary		2,560	
Deputy clerk's salary		13,661	
Transportation		234	
Training and development		648	
	<u>70,947</u>	<u>66,687</u>	<u>4,260</u>
Total clerk			

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
BOARD OF REVIEW			
Fees		1,827	
Payroll taxes		140	
Tax tribunal and drains		6,025	
Training and development		280	
Printing and publication		946	
	<u> </u>	<u> </u>	<u> </u>
Total board of review	<u>18,270</u>	<u>9,218</u>	<u>9,052</u>
TREASURER			
Treasurer's salary		40,364	
Payroll taxes		3,256	
Insurance		16,412	
Pension		3,936	
Deputy treasurer's salary		2,205	
Legal fees		9,397	
Transportation		465	
Dues and subscriptions		45	
Training and development		476	
Postage		3,167	
Miscellaneous		1,773	
	<u> </u>	<u> </u>	<u> </u>
Total treasurer	<u>85,018</u>	<u>81,496</u>	<u>3,522</u>
TOWNSHIP HALL AND GROUNDS			
Clerical salary		33,440	
Payroll taxes		2,964	
Insurance		43,153	
Pension		3,202	
PSB allocation		33,118	
Janitor fees		8,093	
Office supplies		10,285	
Telephone		6,655	
Postage		2,732	
Utilities		6,032	
Repairs and maintenance		12,795	
Equipment rental		4,142	
Miscellaneous		100	
	<u> </u>	<u> </u>	<u> </u>
Total township hall and grounds	<u>170,010</u>	<u>166,711</u>	<u>3,299</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
ZONING AND PLANNING DEPARTMENTS			
Salaries - recording secretary		3,995	
Payroll taxes		1,257	
Department allocation		68,739	
Planning commission fees		14,450	
Board of appeals fees		1,975	
Office supplies		274	
Printing and publications		2,248	
Planning consultant		20,300	
Legal fees		6,759	
Training and development		545	
Transportation		566	
	<u>147,207</u>	<u>121,108</u>	<u>26,099</u>
Total zoning and planning departments			
PROFESSIONAL FEES			
Contingency		100,000	
Accountant		13,104	
Audit		3,700	
Engineer		11,760	
Other fees		4,147	
Legal		64,924	
	<u>200,000</u>	<u>197,635</u>	<u>2,365</u>
Total professional fees			
DOWNTOWN DEVELOPMENT AUTHORITY		2,469	(2,469)
HUMAN SERVICES CONTRACT	4,600	4,600	
ROADS	17,795	20,031	(2,236)
STREET LIGHTS	15,000	17,724	(2,724)
CAPITAL OUTLAY	8,500	6,608	1,892
CLEAN UP AND RECYCLING	3,500	2,511	989
RECREATION	250		250
DEBT SERVICE	86,578	86,578	

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
SENIOR CENTER			
Salaries		44,586	
Payroll taxes		3,405	
Pension		3,508	
Janitorial service		8,524	
Supplies		1,586	
Dues		195	
Telephone		1,557	
Postage		78	
Transportation		542	
Printing		781	
Insurance		18,318	
Utilities		4,180	
Repair and maintenance		2,998	
Training		364	
	<u> </u>	<u> </u>	<u> </u>
Total senior center	<u>99,186</u>	<u>90,622</u>	<u>8,564</u>
Total expenditures	<u>\$ 1,100,284</u>	<u>\$ 1,045,142</u>	<u>\$ 55,142</u>

BUILDING
DEPARTMENT
FUND

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash	\$ 32,352
Due from other funds	105
Prepaid expenses	<u>1,899</u>
Total assets	<u>\$ 34,356</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 177
Accrued compensated absences	10,351
Due to other funds	<u>723</u>
Total liabilities	\$ 11,251

FUND BALANCE

	<u>23,105</u>
Total liabilities and fund balance	<u>\$ 34,356</u>

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
REVENUES			
Building permit fees	\$	\$ 95,304	\$
Contractor's registration		1,545	
Interest income		2,852	
Other income		746	
	<u>109,000</u>	<u>100,447</u>	<u>(8,553)</u>
EXPENDITURES			
Salaries		95,433	
Payroll taxes		7,898	
Hospitalization		22,386	
Life insurance		1,676	
Pension		9,391	
Inspections		18,717	
Training and development		1,356	
Accounting services		5,395	
Supplies		280	
Membership dues		290	
Audit fees		900	
Telephone		1,162	
Printing and publishing		62	
Utilities		2,245	
Insurance - general and bonds		2,552	
Repairs and maintenance		333	
Transportation		756	
Personnel allocation		(68,739)	
	<u>110,878</u>	<u>102,093</u>	<u>8,785</u>
Excess of revenues over (under) expenditures	(1,878)	(1,646)	232
OTHER FINANCING SOURCES			
Disposal of capital assets		575	575
Net change in fund balance	(1,878)	(1,071)	807
FUND BALANCE, JULY 1, 2006	<u>24,176</u>	<u>24,176</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 22,298</u>	<u>\$ 23,105</u>	<u>\$ 807</u>

FIRE
PROTECTION
FUND

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 242,190
Taxes receivable	31,741
Due from other funds	<u>8,722</u>
Total assets	<u>\$ 282,653</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 17,166
Due to other funds	<u>77,060</u>
Total liabilities	\$ 94,226

FUND BALANCE

	<u>188,427</u>
Total liabilities and fund balance	<u>\$ 282,653</u>

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 331,156	\$
Charges for services		3,001	
Interest		6,013	
Other revenue		<u>5,683</u>	
Total revenues	<u>360,613</u>	<u>345,853</u>	<u>(14,760)</u>
EXPENDITURES			
Salaries		127,387	
Payroll taxes		10,016	
Hospitalization insurance		9,611	
Life insurance		496	
Pension		3,240	
Medical testing		845	
Training and development		1,899	
Accounting services		2,178	
Membership dues		889	
Audit fees		1,425	
Legal fees		3,465	
Contractual services		729	
Telephone		3,682	
Printing and postage		736	
Transportation		3,947	
Supplies		4,664	
Insurance and bonds		26,539	
Utilities		5,280	
Building lease		43,289	
Small equipment		3,658	
Office overhead		33,118	
Cleaning services		1,298	
Dispatch services		3,903	
Repairs and maintenance		10,058	
Uniforms		3,849	
Equipment rental		1,492	
Downtown Development Authority		2,976	
Drains/assessments		361	
Loan - principal		28,000	
Loan - interest		<u>14,435</u>	
Total expenditures	<u>403,510</u>	<u>353,465</u>	<u>50,045</u>
Net change in fund balance	(42,897)	(7,612)	35,285
FUND BALANCE, JULY 1, 2006	<u>196,039</u>	<u>196,039</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 153,142</u>	<u>\$ 188,427</u>	<u>\$ 35,285</u>

FIRE TRUCK
FUND

NORTHFIELD TOWNSHIP
FIRE TRUCK FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS	
Cash	\$ 102,397
Taxes receivable	8,681
Due from other funds	<u>1,419</u>
Total assets	<u>\$ 112,497</u>

FUND BALANCE

FUND BALANCE	<u>\$ 112,497</u>
--------------	-------------------

NORTHFIELD TOWNSHIP
FIRE TRUCK FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$	\$ 87,742	\$
Interest		5,168	
Miscellaneous		<u>1,016</u>	
Total revenues	<u>104,001</u>	<u>93,926</u>	<u>(10,075)</u>
EXPENDITURES			
Loan - principal		85,000	
Loan - interest		19,267	
Miscellaneous		<u>117</u>	
Total expenditures	<u>104,265</u>	<u>104,384</u>	<u>(119)</u>
Net change in fund balance	(264)	(10,458)	(10,194)
FUND BALANCE, JULY 1, 2006	<u>122,955</u>	<u>122,955</u>	
FUND BALANCE, JUNE 30, 2007	<u><u>\$ 122,691</u></u>	<u><u>\$ 112,497</u></u>	<u><u>\$ (10,194)</u></u>

MEDICAL
RESCUE
FUND

NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 17,052
Accounts receivable	2,361
Taxes receivable	29,137
Due from other funds	83,958
Prepaid expenditures	<u>1,315</u>
Total assets	<u>\$ 133,823</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,938
Accrued compensated absences	2,016
Due to other funds	<u>54,000</u>
Total liabilities	\$ 57,954

FUND BALANCE

	<u>75,869</u>
Total liabilities and fund balance	<u>\$ 133,823</u>

NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 329,882	\$
Charges for services		6,821	
Interest		6,013	
Grant - federal		6,007	
Other revenue		3,208	
Total revenues	<u>348,414</u>	<u>351,931</u>	<u>3,517</u>
EXPENDITURES			
Salaries		200,775	
Payroll taxes		15,492	
Hospitalization		9,611	
Life insurance		496	
Pension		3,240	
Medical testing		1,568	
Accounting services		2,177	
Audit fees		1,425	
Transportation		7,330	
Training and development		3,527	
Legal fees		3,466	
Membership fees		889	
Contractual services		728	
Dispatch services		7,248	
Telephone		6,838	
Supplies		8,662	
Printing and postage		1,360	
Insurance and bonds		26,538	
Grant equipment		8,250	
Office overhead		33,119	
PSB lease		43,289	
Utilities		5,280	
Repairs and maintenance		27,425	
Rental equipment		1,493	
DDA		2,964	
Tribunals/drains		1,054	
Capital outlay		12,658	
Debt service		8,085	
Total expenditures	<u>430,052</u>	<u>444,987</u>	<u>(14,935)</u>
Excess of revenues over (under) expenditures	<u>(81,638)</u>	<u>(93,056)</u>	<u>(11,418)</u>
OTHER FINANCING SOURCES			
Loan proceeds		9,000	9,000
Transfers in	<u>60,000</u>	<u>60,000</u>	
Total other financing sources	<u>60,000</u>	<u>69,000</u>	<u>9,000</u>
Net change in fund balance	(21,638)	(24,056)	(2,418)
FUND BALANCE, JULY 1, 2006	<u>99,925</u>	<u>99,925</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 78,287</u>	<u>\$ 75,869</u>	<u>\$ (2,418)</u>

LAW
ENFORCEMENT
FUND

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 167,084
Taxes receivable	126,428
Due from other funds	31,292
Accounts receivable - other	4,196
Prepaid expenditures	<u>12,716</u>
Total assets	<u>\$ 341,716</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 13,174
Accrued compensated absences	111,189
Due to other funds	<u>224</u>

Total liabilities \$ 124,587

FUND BALANCE

217,129

Total liabilities and fund balance \$ 341,716

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,477,834	\$
Fines and court fees		41,816	
Traffic tickets and impound fees		7,270	
Liquor law license fees		2,885	
Justice training fund		3,976	
Interest		7,784	
Donations		200	
Insurance proceeds		5,271	
Charges for services		16,806	
Other income		408	
	<u>1,534,984</u>	<u>1,564,250</u>	<u>29,266</u>
Total revenues	1,534,984	1,564,250	29,266
EXPENDITURES	<u>1,619,330</u>	<u>1,643,215</u>	<u>(23,885)</u>
	<u>1,619,330</u>	<u>1,643,215</u>	<u>(23,885)</u>
Excess of revenues over (under) expenditures	<u>(84,346)</u>	<u>(78,965)</u>	<u>(5,381)</u>
OTHER FINANCING SOURCES			
Disposal of capital assets	6,000	10,886	4,886
Lease proceeds		24,515	24,515
Transfers in	<u>10,000</u>	<u>10,000</u>	
	<u>16,000</u>	<u>45,401</u>	<u>29,401</u>
Total other financing sources	16,000	45,401	29,401
Net change in fund balance	(68,346)	(33,564)	34,782
FUND BALANCE, JULY 1, 2006	<u>250,693</u>	<u>250,693</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 182,347</u>	<u>\$ 217,129</u>	<u>\$ 34,782</u>

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$	\$ 874,164	\$
Payroll taxes		65,807	
Life insurance		10,893	
Professional fees		48,455	
Pension		70,165	
Unemployment		73	
Insurance - health		119,790	
Uniforms and gear		1,750	
Membership dues		847	
Printing and postage		1,835	
Transportation		27,649	
Insurance and bonds		73,103	
Repairs and maintenance		15,638	
Tax tribunals/drains		7,136	
Capital outlay		30,100	
Telephone		10,313	
Supplies		7,633	
Grant purchases		3,285	
Training and development		1,466	
Downtown Development Authority		13,282	
Office overhead		66,240	
PSB lease		86,578	
Equipment rental		6,292	
Contractual services		12,315	
Dispatch services		62,507	
Debt service		25,899	
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 1,619,330	\$ 1,643,215	\$ (23,885)

NARCOTICS
FUND

NORTHFIELD TOWNSHIP
NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 13,949
Due from other funds	<u>224</u>
Total assets	<u>\$ 14,173</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 904
--------------------	--------

FUND BALANCE

13,269

Total liabilities and fund balance	<u>\$ 14,173</u>
------------------------------------	------------------

NORTHFIELD TOWNSHIP
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Grant income	\$	\$ 224	\$
Forfeitures		6,554	
Interest		<u>85</u>	
Total revenues	900	6,863	5,963
EXPENDITURES			
Public safety projects	<u>5,500</u>	<u>4,995</u>	<u>505</u>
Net change in fund balance	(4,600)	1,868	6,468
FUND BALANCE, JULY 1, 2006	<u>11,401</u>	<u>11,401</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 6,801</u>	<u>\$ 13,269</u>	<u>\$ 6,468</u>

DOWNTOWN DEVELOPMENT
AUTHORITY
FUND

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents

\$ 114,815

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 1,805

Due to other funds

27,807

Total liabilities

\$ 29,612

FUND BALANCE

85,203

Total liabilities and fund balance

\$ 114,815

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 54,897	\$
Interest		4,189	
Total revenues	<u>53,773</u>	<u>59,086</u>	<u>5,313</u>
EXPENDITURES			
Streetlights		10,044	
Streetscape project		1,699	
Professional fees		19,597	
Dues		<u>3,500</u>	
Total expenditures	<u>43,407</u>	<u>34,840</u>	<u>8,567</u>
Net change in fund balance	10,366	24,246	13,880
FUND BALANCE, JULY 1, 2006	<u>60,957</u>	<u>60,957</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 71,323</u>	<u>\$ 85,203</u>	<u>\$ 13,880</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, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Rental income	\$ 259,735	\$ 259,735	\$
EXPENDITURES			
Principal	115,000	115,000	
Interest	<u>144,735</u>	<u>144,735</u>	
Total expenditures	<u>259,735</u>	<u>259,735</u>	
Net change in fund balance			
FUND BALANCE, JULY 1, 2006			
FUND BALANCE, JUNE 30, 2007	<u>\$</u>	<u>\$</u>	<u>\$</u>

PUBLIC SAFETY BUILDING
DEBT SERVICE FUND

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 51,689
Taxes receivable	24,628
Due from other funds	<u>4,109</u>
Total assets	<u>\$ 80,426</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,583
------------------	----------

FUND BALANCE

75,843

Total liabilities and fund balance

\$ 80,426

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, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 254,023	\$
Miscellaneous		<u>1,851</u>	
Total revenues	<u>302,700</u>	<u>255,874</u>	<u>(46,826)</u>
EXPENDITURES			
Professional fees		1,400	
Supplies		3,017	
Cleaning services		10,938	
Contracted services		480	
Telephone		11,004	
Insurance		22,730	
Utilities		84,715	
Repairs and maintenance		29,868	
Tax chargebacks		344	
Loan - principal		150,000	
Loan - interest		152,700	
Loan - agent fees		1,250	
Overhead allocation		<u>(165,592)</u>	
Total expenditures	<u>303,950</u>	<u>302,854</u>	<u>1,096</u>
Net change in fund balance	(1,250)	(46,980)	(45,730)
FUND BALANCE, JULY 1, 2006	<u>122,823</u>	<u>122,823</u>	
FUND BALANCE, JUNE 30, 2007	<u>\$ 121,573</u>	<u>\$ 75,843</u>	<u>\$ (45,730)</u>

SEWAGE DISPOSAL
SYSTEM
FUND

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,186,042	
Sewer billings receivable	312,907	
Special assessment receivable	2,446,463	
Accrued interest receivable	16,228	
Due from other funds	55,509	
Prepaid expenses	<u>5,359</u>	
Total current assets		\$ 4,022,508

RESTRICTED ASSETS

Cash and cash equivalents - expansion projects	1,498,693	
Due from county - construction funds	<u>702,109</u>	
Total restricted assets		2,200,802

PLANT, PROPERTY AND EQUIPMENT

Land	226,918	
Plant	2,229,393	
Plant expansion	10,805,275	
Equipment	<u>609,106</u>	
	13,870,692	
Less: accumulated depreciation	<u>(3,526,100)</u>	
Net plant, property, and equipment		10,344,592

CONSTRUCTION IN PROGRESS

	<u>446,481</u>	
Total assets		<u>\$ 17,014,383</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 45,842	
Accrued compensated absences	27,611	
Contracts payable - current portion	<u>480,000</u>	
Total current liabilities		\$ 553,453

LONG-TERM LIABILITIES

Contracts payable - less current portion	<u>6,165,000</u>	
Total liabilities		6,718,453

FUND EQUITY

Retained earnings	<u>10,295,930</u>	
Total liabilities and fund equity		<u>\$ 17,014,383</u>

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

OPERATING REVENUES

User charges	\$ 1,236,552
--------------	--------------

OPERATING EXPENSES

Salaries and wages	\$	276,942
Payroll taxes		20,589
Hospitalization		63,363
Life insurance		4,002
Pension		25,982
Training and development		1,167
Testing		3,732
Operating supplies		46,867
Uniforms		5,070
Professional services		13,885
Membership and dues		2,028
Contracted services		46,261
Administration fees		35,000
Telephone		7,808
Transportation		3,682
Printing and postage		4,673
Insurance and bonds		39,916
Utilities		125,443
Repairs and maintenance		160,652
Depreciation		<u>331,029</u>

Total operating expenses	<u>1,218,091</u>
--------------------------	------------------

Operating income	18,461
------------------	--------

NON-OPERATING REVENUES AND (EXPENSES)

Loss on disposal of capital assets		(575)
Other income		348
Interest income - cash and equivalents		183,943
Interest - special assessments		156,954
Interest expense		(378,274)
Bond fees		<u>(750)</u>

Total non-operating revenues and (expenses)	<u>(38,354)</u>
---	-----------------

Net (loss) before capital contributions	(19,893)
---	----------

CAPITAL CONTRIBUTIONS

Tap-in fees	<u>31,500</u>
-------------	---------------

Net income	<u>\$ 11,607</u>
------------	------------------

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income	\$	18,461
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities		

Depreciation	\$	331,029	
Other income		348	
Changes in assets and liabilities			
(Increase) in sewer billings receivable		(14,181)	
(Increase) in due from county		(37,372)	
Decrease in due from other funds		52,991	
(Increase) in prepaid expenses		(5,359)	
(Decrease) in accounts payable/accrued compensated absences		<u>(23,751)</u>	

Total adjustments		<u>303,705</u>	
-------------------	--	----------------	--

Net cash provided by operating activities		322,166	
---	--	---------	--

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

Proceeds from sale of capital assets	145	
Tap-in fees collected	31,500	
Special assessments received	418,847	
Purchase of equipment/system	(500,914)	
Interest paid on long-term bonds	(378,274)	
Bond fees	(750)	
Repayment of principal on bonds/contracts	<u>(445,000)</u>	

Net cash provided (used) by capital and related financing activities		(874,446)	
---	--	-----------	--

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES

Interest on cash and cash equivalents		<u>167,715</u>	
---------------------------------------	--	----------------	--

Net (decrease) in cash and cash equivalents		(384,565)	
---	--	-----------	--

CASH AND CASH EQUIVALENTS AT JULY 1, 2006		<u>3,069,300</u>	
---	--	------------------	--

CASH AND CASH EQUIVALENTS AT JUNE 30, 2007	\$	<u><u>2,684,735</u></u>	
--	----	-------------------------	--

CURRENT
TAX
COLLECTION
FUND

NORTHFIELD TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash	\$ 180,469
Due from other funds	<u>27,807</u>
Total assets	<u>\$ 208,276</u>

LIABILITIES

LIABILITIES

Due to other funds	\$ 132,885
Due to others	<u>75,391</u>
Total liabilities	<u>\$ 208,276</u>

TRUST
AND
AGENCY
FUND

NORTHFIELD TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 203,899
Due from other funds	<u>3,432</u>
Total assets	<u>\$ 207,331</u>

LIABILITIES

LIABILITIES

Performance bonds	\$ 84,500
Due to other funds	18,867
Due to others	<u>103,964</u>
Total liabilities	<u>\$ 207,331</u>