

Northfield Township

Audit Presentation

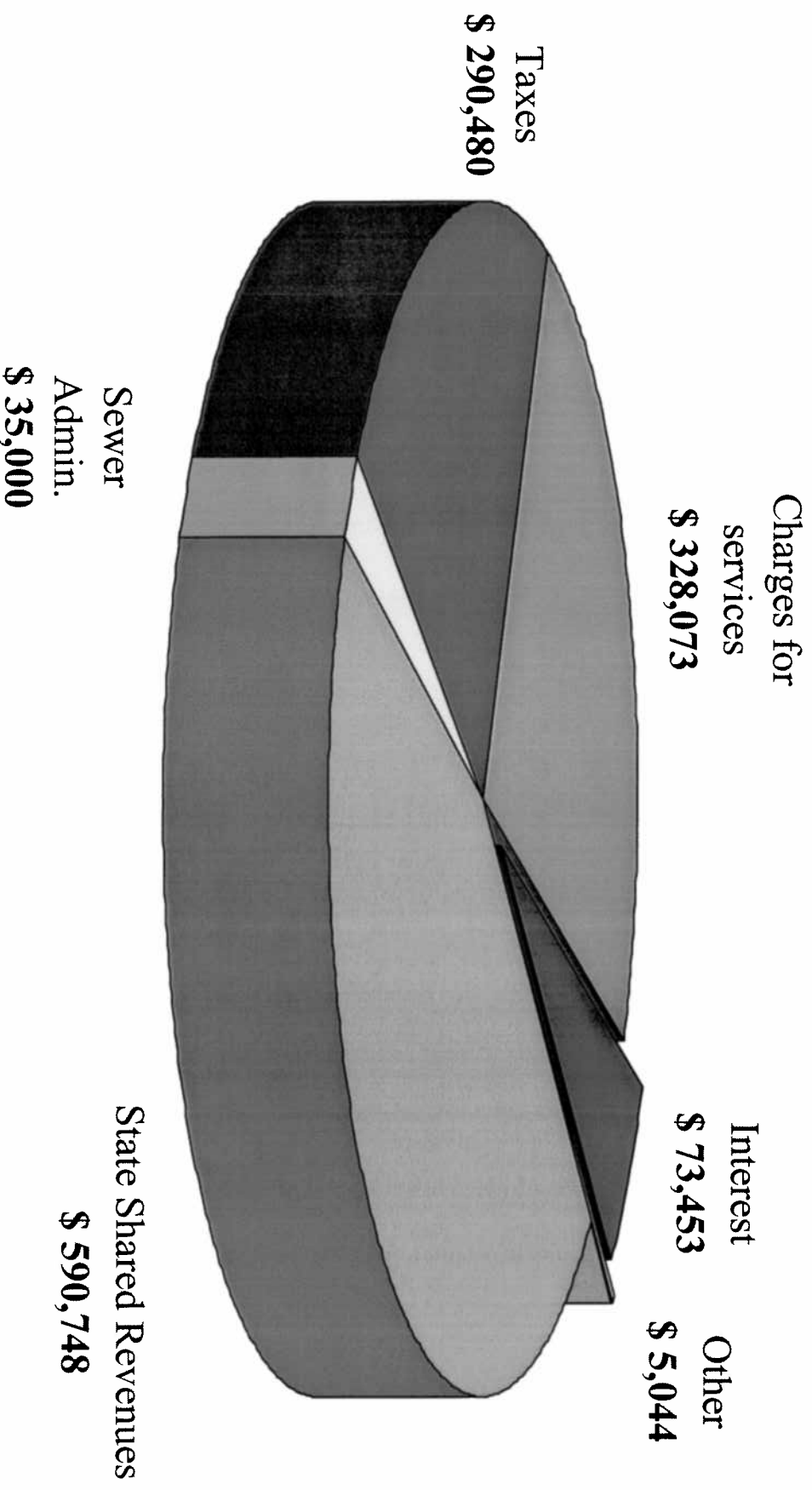
June 30, 2008

PHP

PEEPPER, HANNIFORD & PALKA
Certified Public Accountants

BRIGHTON, MICHIGAN

Northfield Township
General Fund Revenues
For The Year Ended June 30, 2008

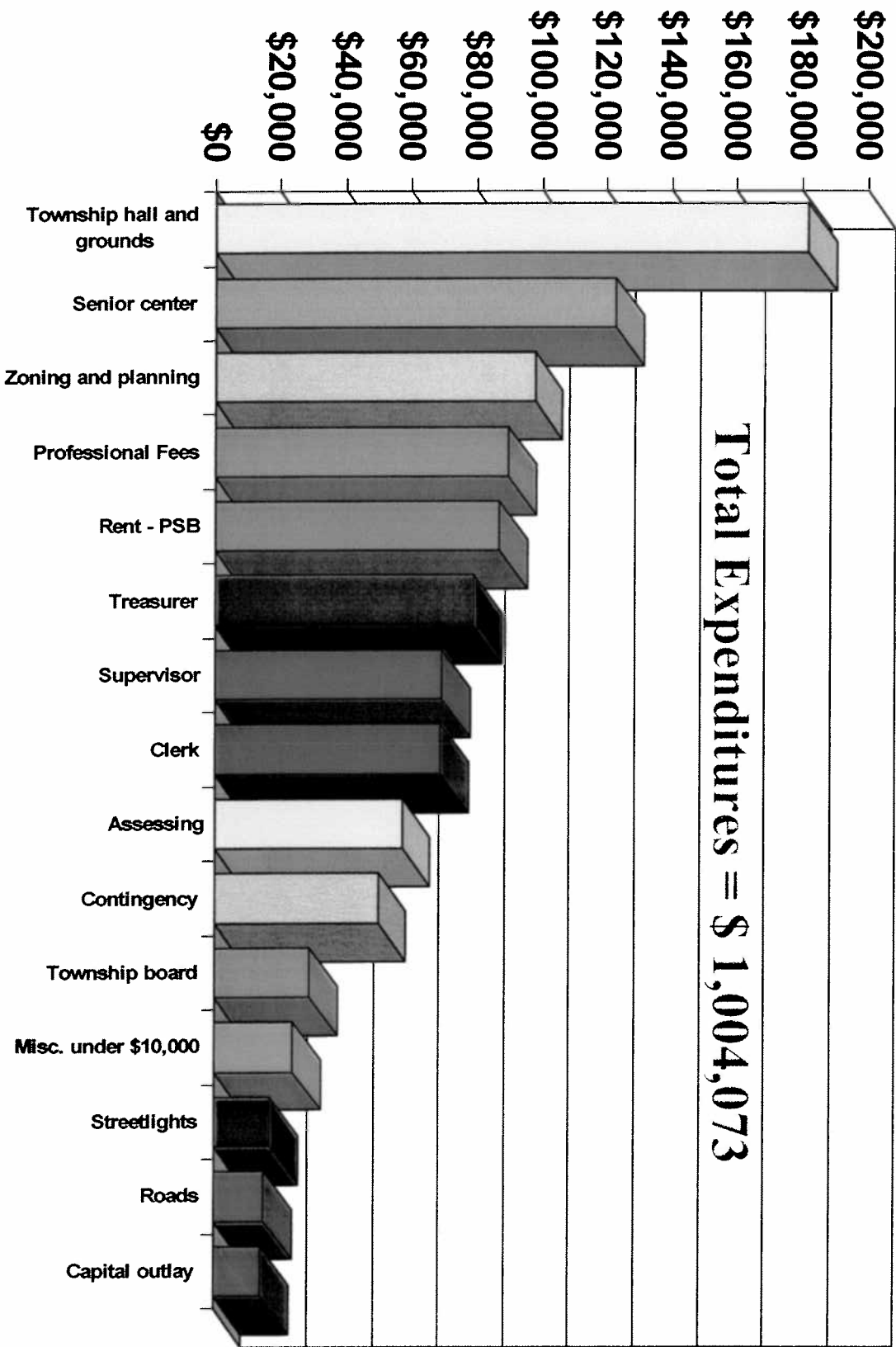


Total Revenues = \$ 1,322,798

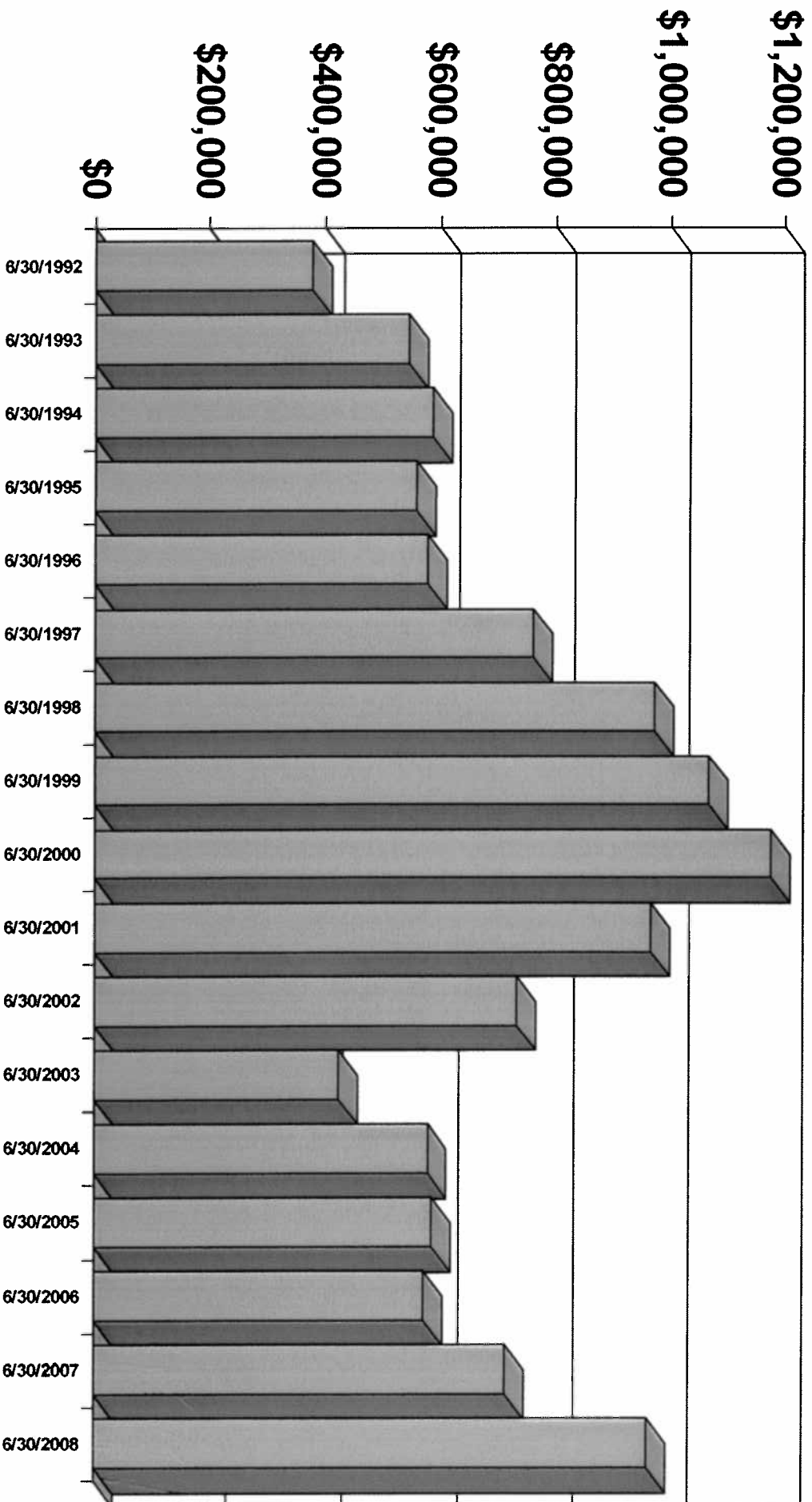
Northfield Township

General Fund Expenditures

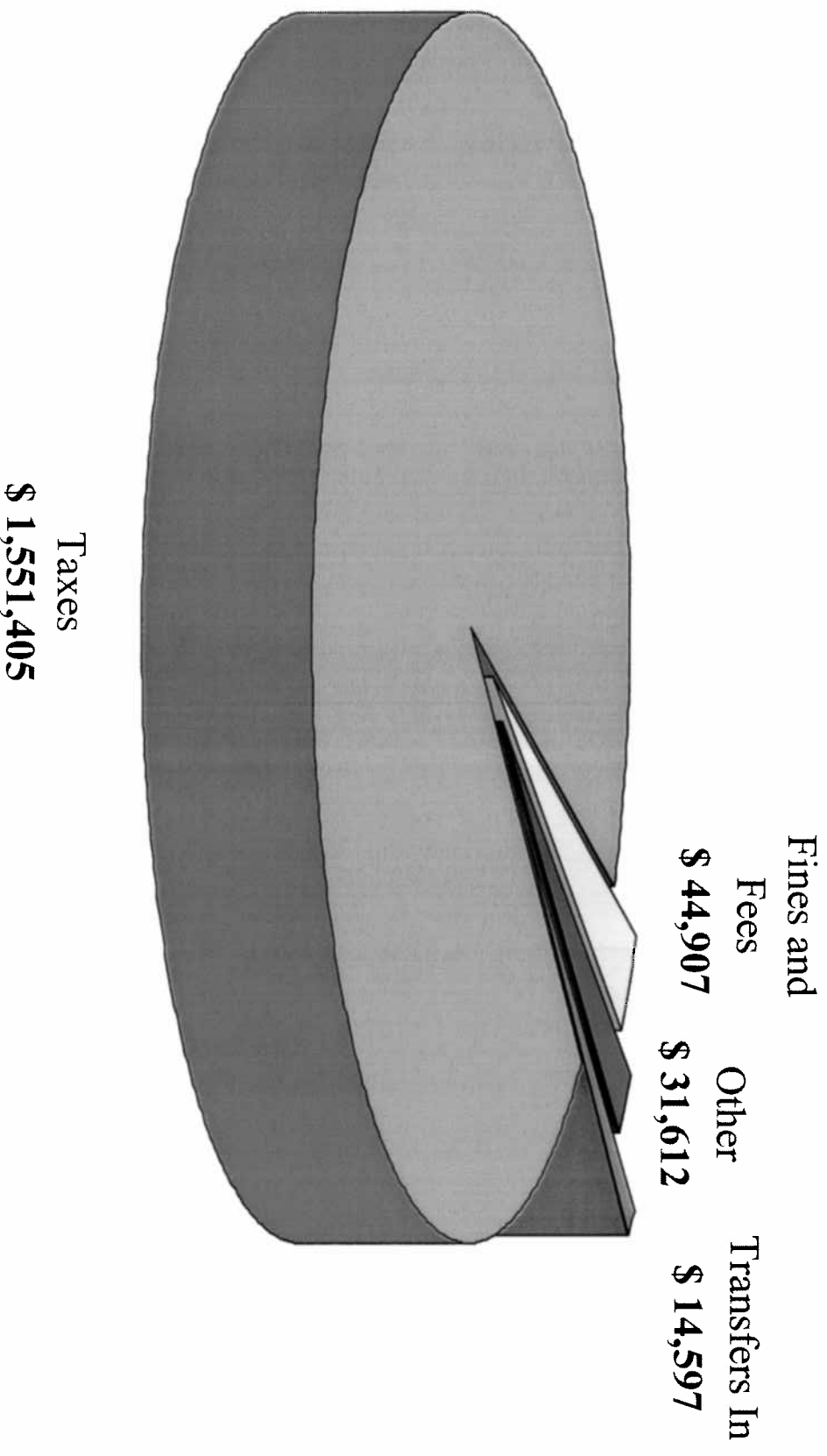
For The Year Ended June 30, 2008



Northfield Township
General Fund
Fund Balance Comparison
June 30, 1992 - June 30, 2008

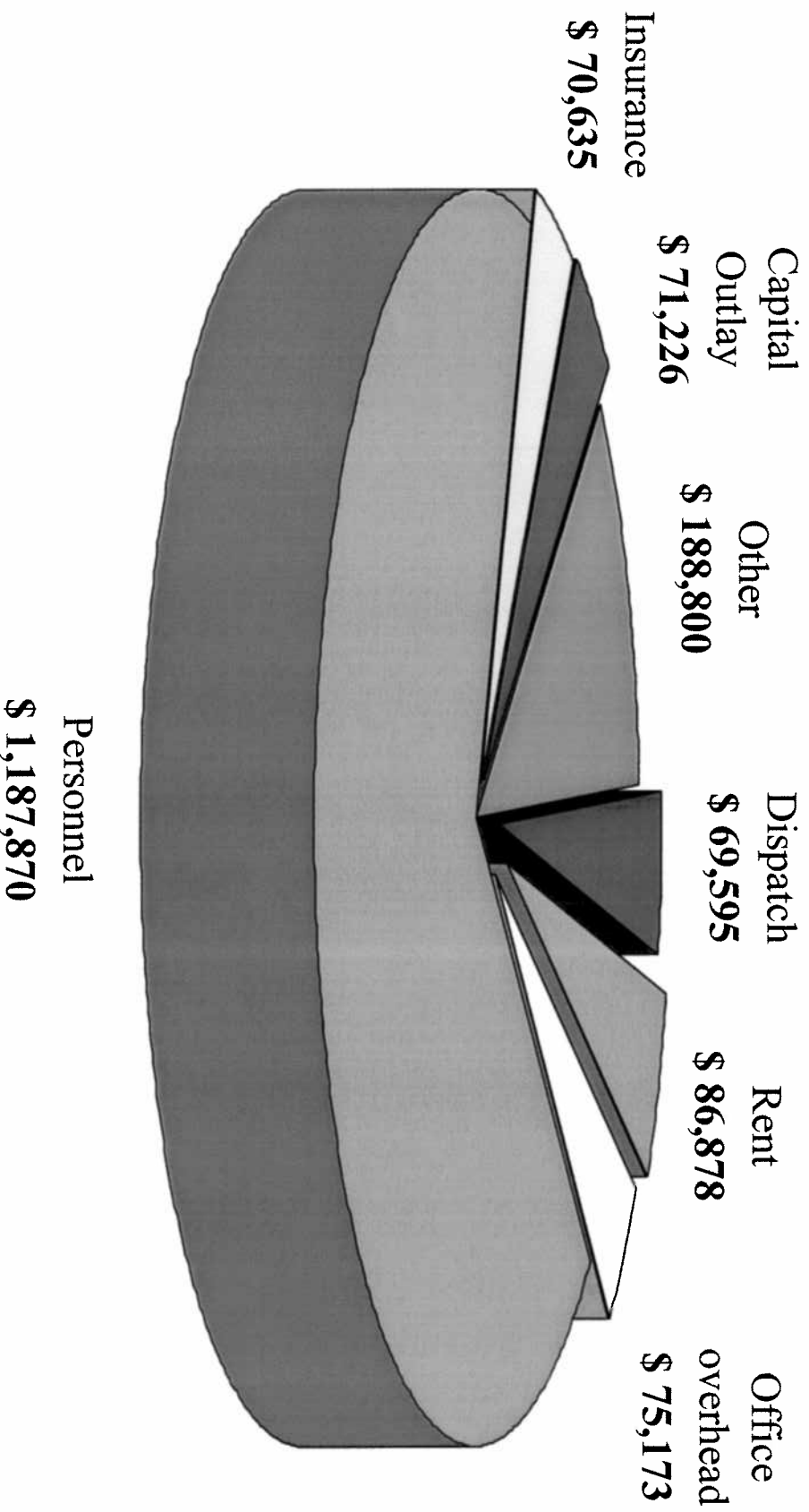


Northfield Township
Law Enforcement Fund Revenues & Transfers In
For The Year Ended June 30, 2008



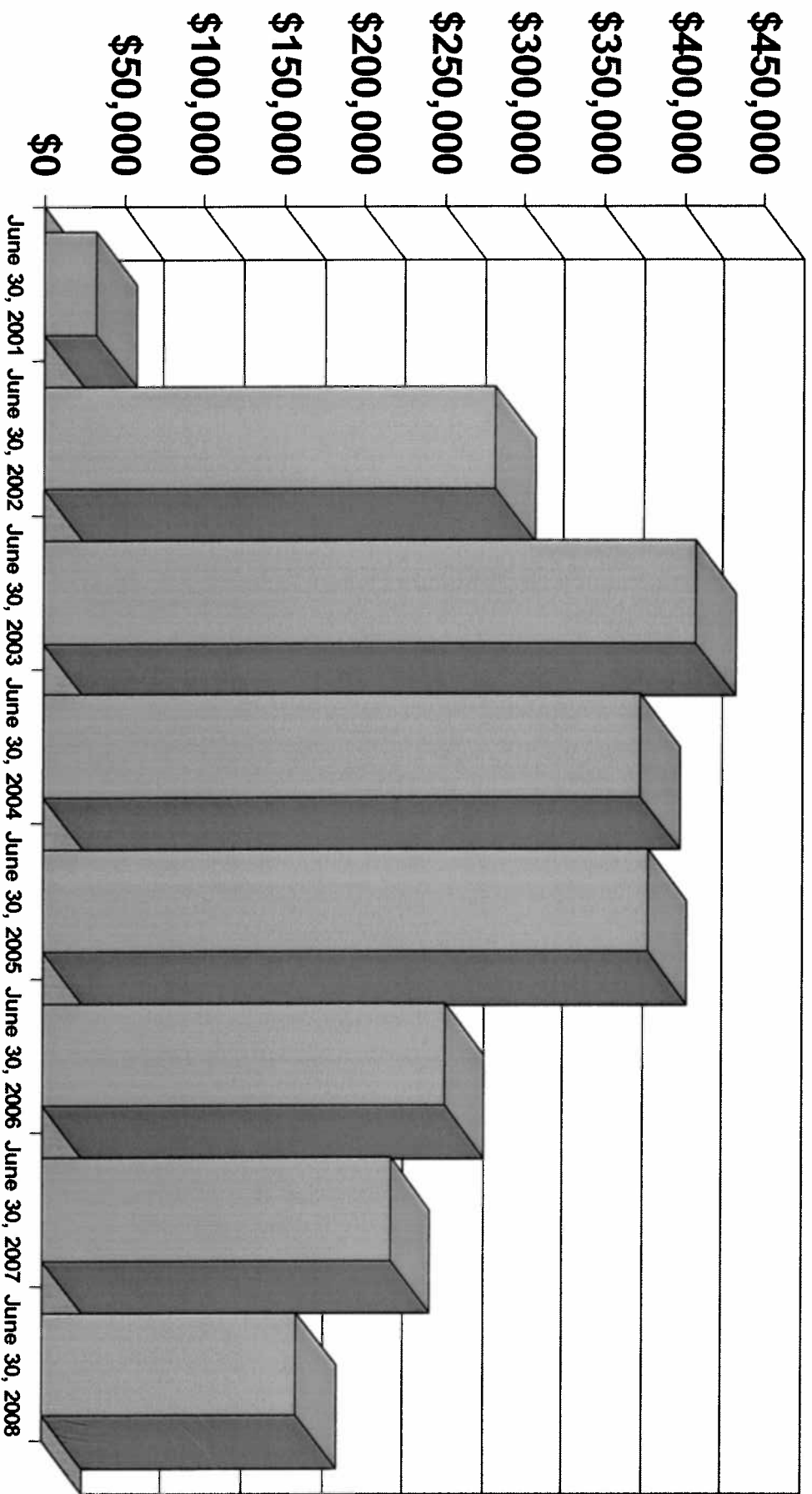
Total Revenues & Transfers = \$ 1,642,521

**Northfield Township
Law Enforcement Fund Expenditures
For The Year Ended June 30, 2008**

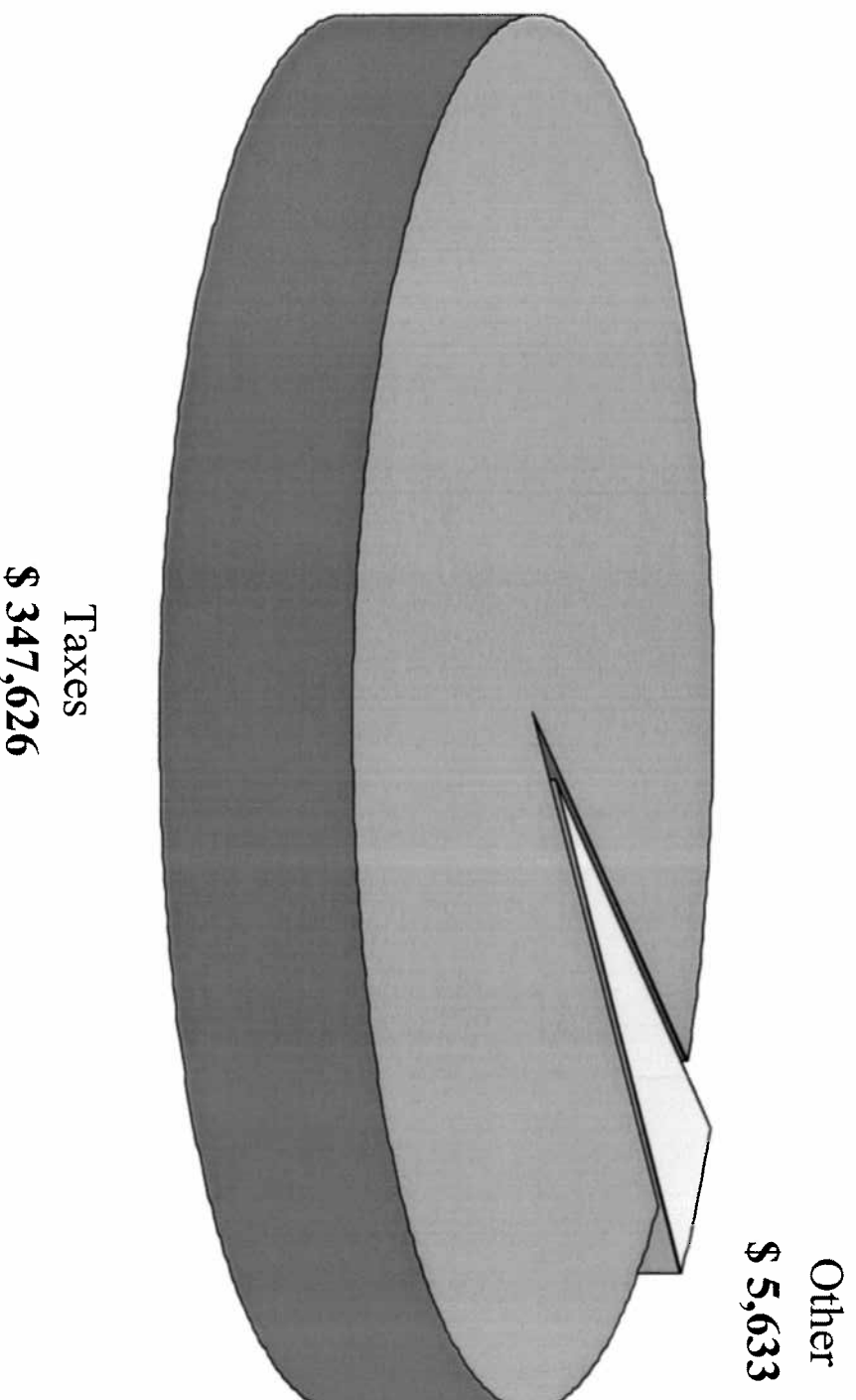


Total Expenditures = \$ 1,750,177

**Northfield Township
Law Enforcement Fund
Fund Balance Comparison
June 30, 2001 - June 30, 2008**

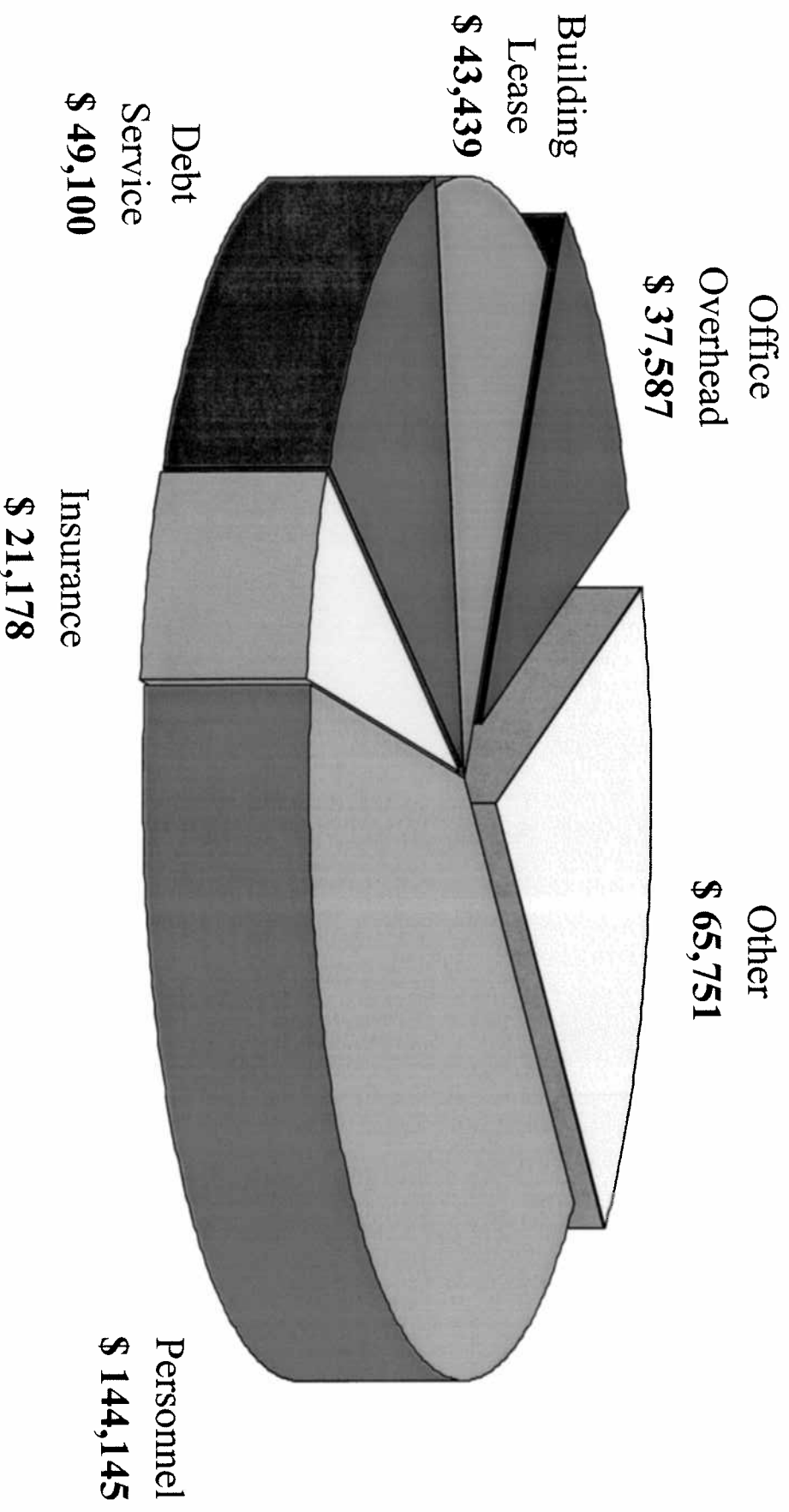


Northfield Township
Fire Protection Fund Revenues
For The Year Ended June 30, 2008



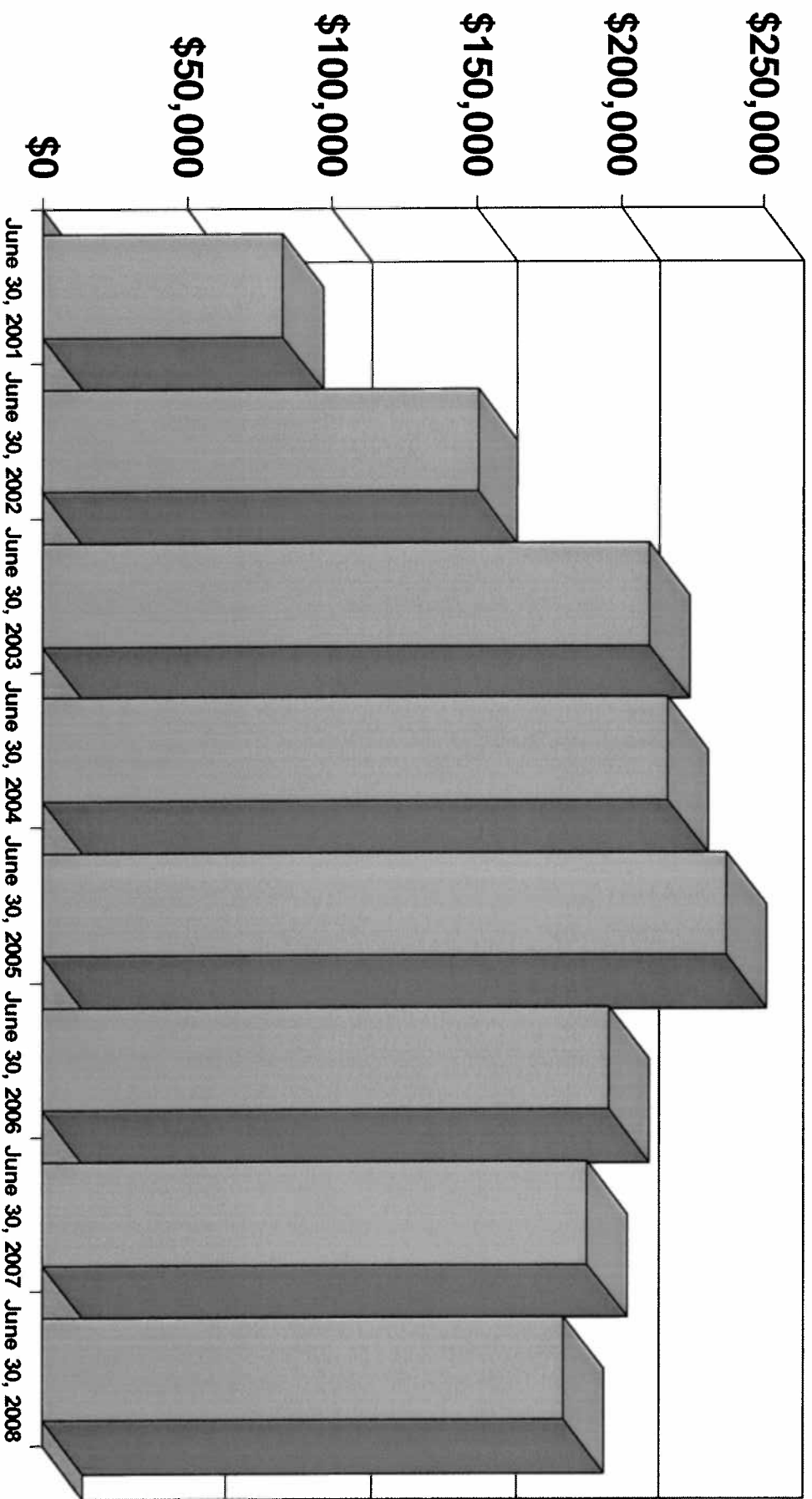
Total Revenues = \$ 353,259

**Northfield Township
Fire Protection Fund Expenditures
For The Year Ended June 30, 2008**

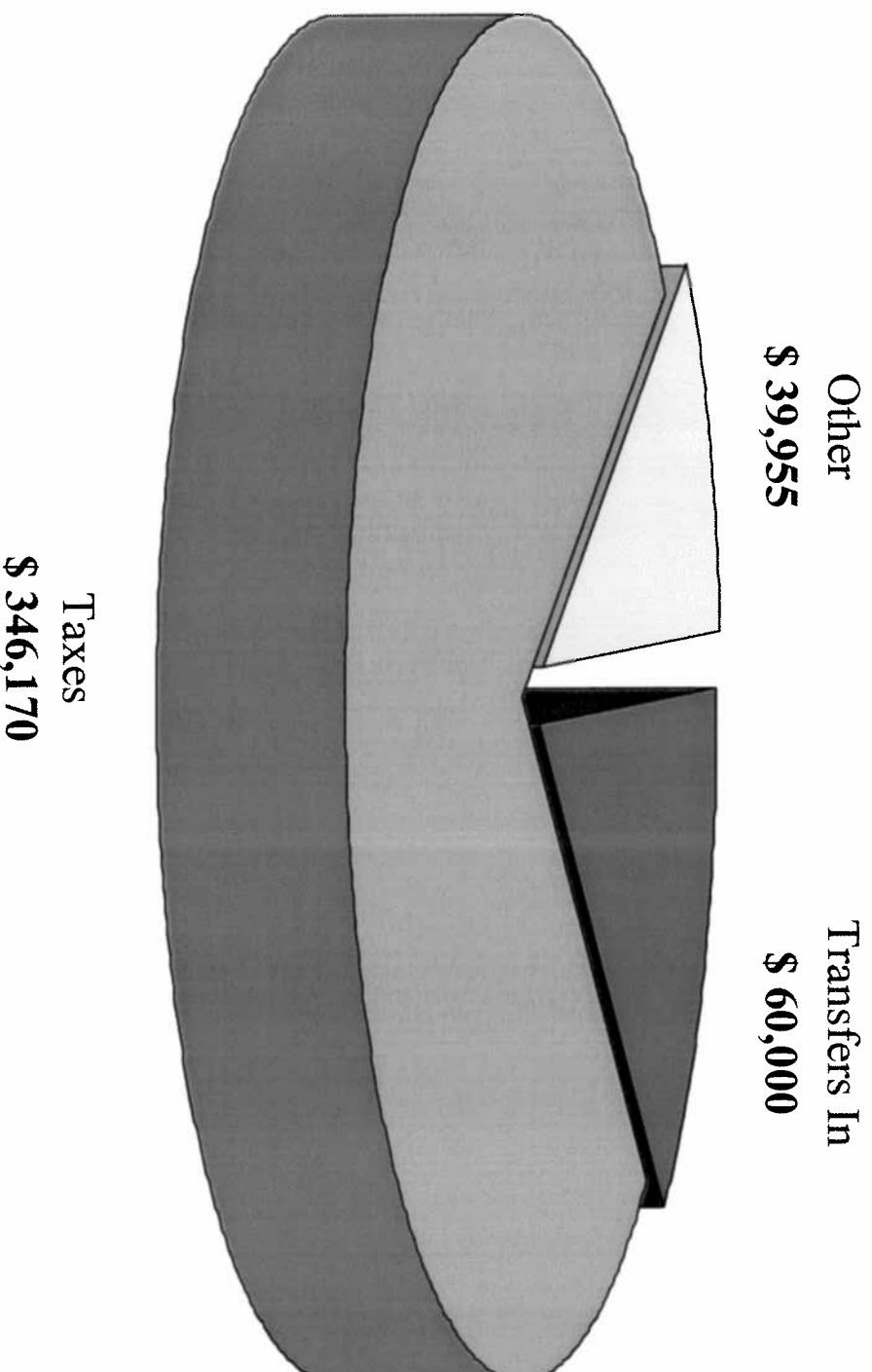


Total Expenditures = \$ 361,200

**Northfield Township
Fire Protection Fund
Fund Balance Comparison
June 30, 2001 - June 30, 2008**

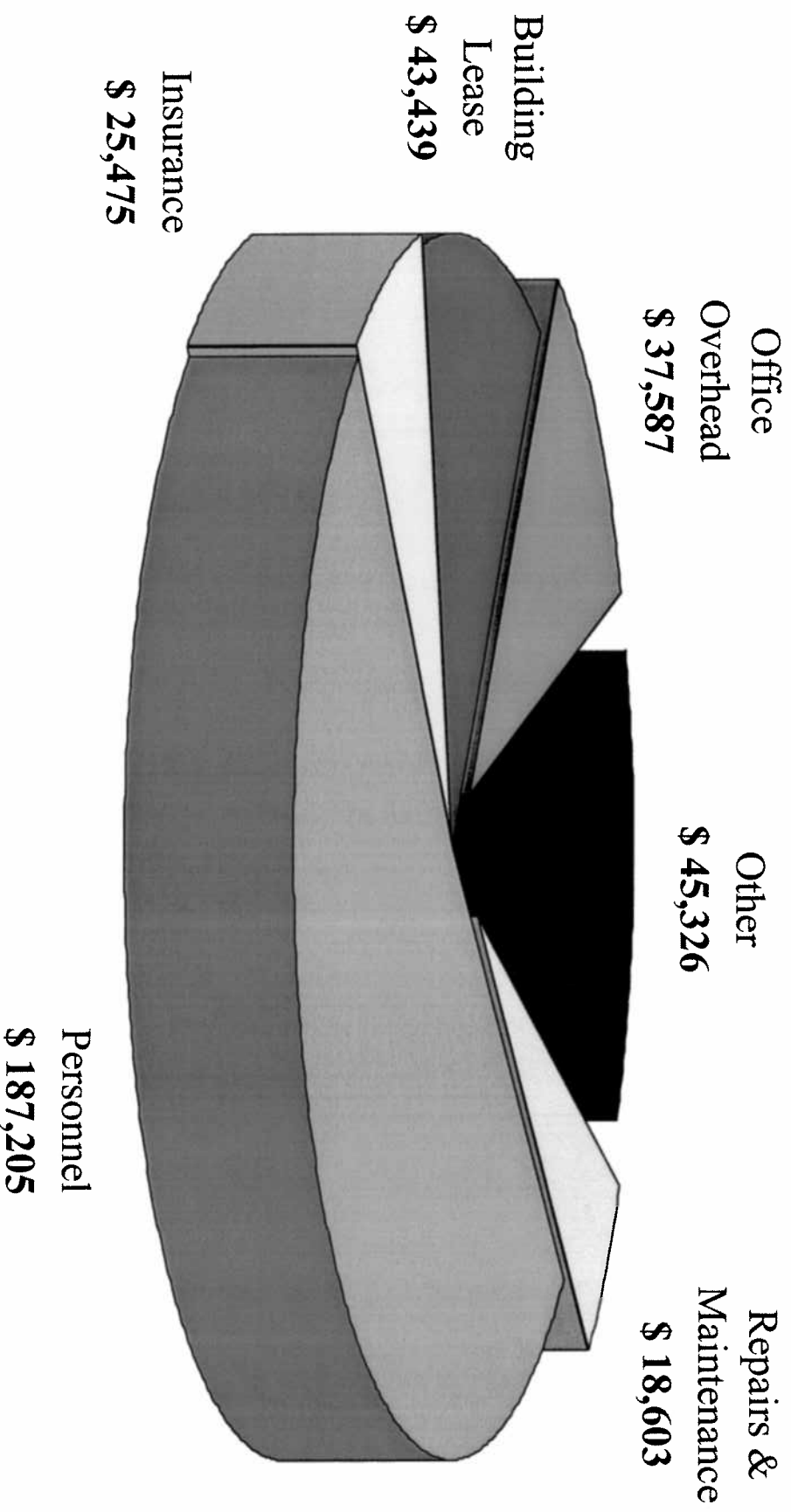


Northfield Township
Medical Rescue Fund Revenues & Transfers In
For The Year Ended June 30, 2008



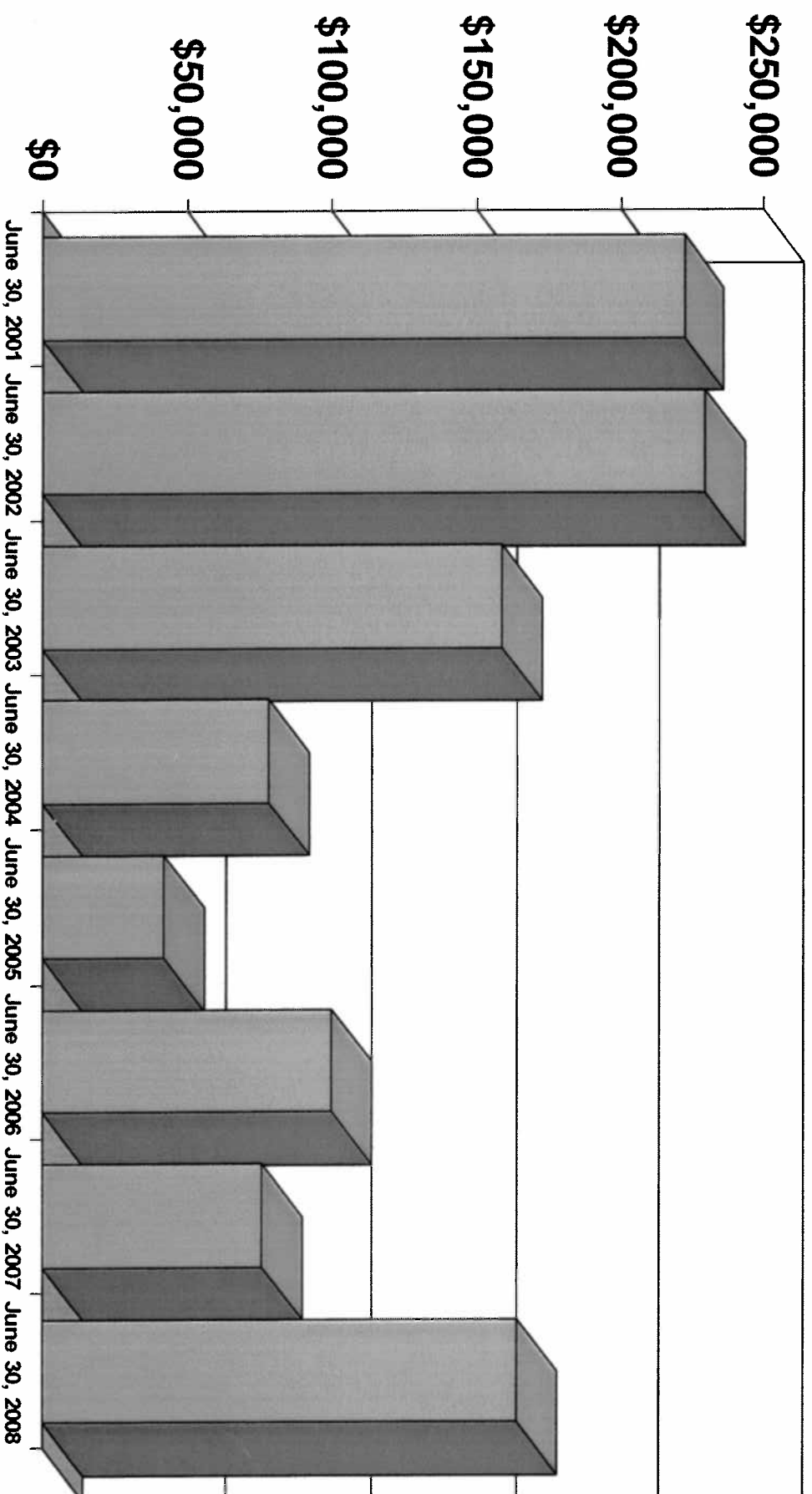
Total Revenues & Transfers = \$ 446,125

**Northfield Township
Medical Rescue Fund Expenditures
For The Year Ended June 30, 2008**



Total Expenditures = \$ 357,635

Northfield Township
Medical Rescue Fund
Fund Balance Comparison
June 30, 2001 - June 30, 2008



NORTHFIELD TOWNSHIP

REPORT ON
AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

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 Fund | 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 |
|---|----|

LAW ENFORCEMENT FUND

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

| | |
|--|----|
| SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED) | 45 |
|--|----|

TABLE OF CONTENTS

PAGE NUMBER

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

| | |
|--|----|
| Combining Balance Sheet - All Special Revenue Funds | 48 |
| Combining Balance Sheet - All Agency Funds | 49 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds | 50 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Debt Service Funds | 51 |

INDIVIDUAL FUNDS

GENERAL FUND

| | |
|---|----|
| Balance Sheet | 54 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 55 |
| Statement of Revenues - Budget and Actual | 56 |
| Statement of Expenditures - Budget and Actual | 57 |

BUILDING DEPARTMENT FUND

| | |
|---|----|
| Balance Sheet | 62 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 63 |

FIRE PROTECTION FUND

| | |
|---|----|
| Balance Sheet | 65 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 66 |

FIRE TRUCK FUND

| | |
|---|----|
| Balance Sheet | 68 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 69 |

MEDICAL RESCUE FUND

| | |
|---|----|
| Balance Sheet | 71 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 72 |

LAW ENFORCEMENT FUND

| | |
|---|----|
| Balance Sheet | 74 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 75 |
| Statement of Expenditures - Budget and Actual | 76 |

TABLE OF CONTENTS

PAGE NUMBER

| | |
|---|----|
| NARCOTICS FUND | |
| Balance Sheet | 78 |
| Statement of Revenues, Expenditures and Changes in Fund | |
| Balance - Budget and Actual | 79 |
| DOWNTOWN DEVELOPMENT AUTHORITY FUND | |
| Balance Sheet | 81 |
| Statement of Revenues, Expenditures and Changes in Fund | |
| Balance - Budget and Actual | 82 |
| BUILDING AUTHORITY DEBT SERVICE FUND | |
| Statement of Revenues, Expenditures and Changes in Fund | |
| Balance - Budget and Actual | 84 |
| PUBLIC SAFETY BUILDING DEBT SERVICE FUND | |
| Balance Sheet | 86 |
| Statement of Revenues, Expenditures and Changes in Fund Balance | 87 |
| SEWAGE DISPOSAL SYSTEM FUND | |
| Balance Sheet | 89 |
| Statement of Revenues and Expenses | 90 |
| Statement of Cash Flows | 91 |
| CURRENT TAX COLLECTION FUND | |
| Balance Sheet | 93 |
| TRUST AND AGENCY FUND | |
| Balance Sheet | 95 |



PFEFFER • HANNIFORD • PALKA
Certified Public Accountants

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

Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

December 4, 2008

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, 2008, 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, 2008, 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 through 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northfield Township's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, 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, 2008

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, 2008. 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 \$13,677,323. This is a \$358,200 increase over last year's net assets of \$13,319,123.

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 | |
|---|----------------------------|--------------|-----------------------------|---------------|---------------|---------------|
| | 6/30/2008 | 6/30/2007 | 6/30/2008 | 6/30/2007 | 6/30/2008 | 6/30/2007 |
| Current and other assets | | | | | | |
| Capital assets | \$ 2,175,563 | \$ 1,836,734 | \$ 5,253,190 | \$ 6,223,310 | \$ 7,428,753 | \$ 8,060,044 |
| | 8,324,795 | 8,565,455 | 10,661,856 | 10,791,073 | 18,986,651 | 19,356,528 |
| Total assets | 10,500,358 | 10,402,189 | 15,915,046 | 17,014,383 | 26,415,404 | 27,416,572 |
| Other liabilities | 380,596 | 332,081 | 95,425 | 73,453 | 476,021 | 405,534 |
| Long-term liabilities | 6,682,060 | 7,046,915 | 5,580,000 | 6,645,000 | 12,262,060 | 13,691,915 |
| Total liabilities | 7,062,656 | 7,378,996 | 5,675,425 | 6,718,453 | 12,738,081 | 14,097,449 |
| Net assets: | | | | | | |
| Invested in capital assets, net of debt | 1,642,735 | 1,518,540 | 5,081,856 | 4,146,073 | 6,724,591 | 5,664,613 |
| Unrestricted | 1,794,967 | 1,504,653 | 5,157,765 | 6,149,857 | 6,952,732 | 7,654,510 |
| Total net assets | \$ 3,437,702 | \$ 3,023,193 | \$ 10,239,621 | \$ 10,295,930 | \$ 13,677,323 | \$ 13,319,123 |

Summary of Changes in Net Assets

| | Governmental Activities | | Business-type Activities | | Total |
|------------------------------------|----------------------------|--------------|-----------------------------|--------------|---------------------------|
| | 6/30/2008 | 6/30/2007 | 6/30/2008 | 6/30/2007 | 6/30/2008 6/30/2007 |
| Revenues: | | | | | |
| Program revenues: | | | | | |
| Charges for services | \$ 470,386 | \$ 415,011 | \$ 1,237,100 | \$ 1,236,552 | \$ 1,707,486 \$ 1,651,563 |
| Operating grants and contributions | 1,945 | 10,432 | | | 1,945 10,432 |
| Capital grants and contributions | | | 38,500 | 31,500 | 38,500 31,500 |
| General revenues: | | | | | |
| State shared revenues | 590,748 | 590,888 | | | 590,748 590,888 |
| Property taxes | 2,975,205 | 2,812,918 | | | 2,975,205 2,812,918 |
| Interest | 91,033 | 111,160 | 269,596 | 340,897 | 360,629 452,057 |
| Other | 356,304 | 364,589 | 2,011 | (227) | 358,315 364,362 |
| Total revenues | 4,485,621 | 4,304,998 | 1,547,207 | 1,608,722 | 6,032,828 5,913,720 |
| Expenses | | | | | |
| General government | 931,480 | 1,041,879 | | | 931,480 1,041,879 |
| Fire protection | 463,331 | 462,647 | | | 463,331 462,647 |
| Medical rescue | 413,421 | 483,688 | | | 413,421 483,688 |
| Police protection | 1,755,409 | 1,687,370 | | | 1,755,409 1,687,370 |
| Senior center/recreation | 132,988 | 102,795 | | | 132,988 102,795 |
| Public works/roads | 53,532 | 57,382 | | | 53,532 57,382 |
| Interest on long-term debt | 320,951 | 338,940 | | | 320,951 338,940 |
| Sewer system | | | 1,603,516 | 1,597,115 | 1,603,516 1,597,115 |
| Total expenses | 4,071,112 | 4,174,701 | 1,603,516 | 1,597,115 | 5,674,628 5,771,816 |
| Changes in net assets | 414,509 | 130,297 | (56,309) | 11,607 | 358,200 141,904 |
| Beginning net assets | 3,023,193 | 2,892,896 | 10,295,930 | 10,284,323 | 13,319,123 13,177,219 |
| Ending net assets | \$ 3,437,702 | \$ 3,023,193 | \$10,239,621 | \$10,295,930 | \$13,677,323 \$13,319,123 |

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$318,725 before its net transfers out of \$70,000 were made. The Township's fund balance increased by \$248,725 for the fiscal year ended June 30, 2008. Operating results were typical for General Fund activity with slight decreases in expenditures for professional fees.

The other major governmental fund of the Township is the Law Enforcement Fund. The expenditures exceeded revenues for this fund due to a decrease in transfers from the General Fund.

The Township's sole business-type fund, the Sewage Disposal System Fund, reported net loss of \$56,309. The increase in losses are due to rising operating costs, and decrease of users being added to the system.

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 actual expenditures exceeded appropriations by \$38,690. 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 \$84,928 of new capital assets, while retiring \$20,700 of capital assets. This is primarily due to the purchase of a law enforcement vehicle, and digital video equipment. The Township disposed of two (2) vehicles in the fiscal year.

The governmental funds issued \$48,978 of long-term debt while retiring \$413,833 of this debt. This is due in large part from the purchase of aforementioned equipment. Total debt of \$6,682,060 was outstanding as of June 30, 2008.

The business-type fund issued \$4,965,000 of refunding bonds to restructure their debt service, and spent \$211,490 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.

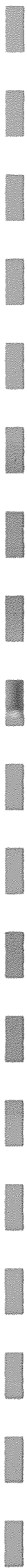
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2008

| | Primary Government | | |
|---|--------------------|---------------|---------------|
| | Governmental | Business-type | Total |
| | Activities | Activities | |
| <u>ASSETS</u> | | | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,770,689 | \$ 1,271,151 | \$ 3,041,840 |
| Cash and cash equivalents - restricted | | 1,456,111 | 1,456,111 |
| Receivables | | | |
| Taxes | 30,812 | | 30,812 |
| State shared revenues | 97,600 | | 97,600 |
| Accounts | 75,044 | 316,819 | 391,863 |
| Intergovernmental | 101,850 | | 101,850 |
| Special assessments - restricted | | 2,202,860 | 2,202,860 |
| Library | 61,242 | | 61,242 |
| Prepaid expenses | 38,326 | 6,249 | 44,575 |
| Capital assets - net of depreciation | 8,324,795 | 10,661,856 | 18,986,651 |
| | | | |
| Total assets | 10,500,358 | 15,915,046 | 26,415,404 |
| <u>LIABILITIES</u> | | | |
| LIABILITIES | | | |
| Accounts payable | 90,923 | 59,815 | 150,738 |
| Accounts payable - intergovernmental | | 12,401 | 12,401 |
| Accrued compensated absences | 133,322 | 23,209 | 156,531 |
| Due to others | 6,351 | | 6,351 |
| Contingent liability | 150,000 | | 150,000 |
| Capital leases payable | | | |
| Current | 150,004 | | 150,004 |
| Non-current | 437,056 | | 437,056 |
| Bonds/Contracts payable | | | |
| Current | 295,000 | 545,000 | 840,000 |
| Non-current | 5,800,000 | 5,035,000 | 10,835,000 |
| | | | |
| Total liabilities | 7,062,656 | 5,675,425 | 12,738,081 |
| <u>NET ASSETS</u> | | | |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 1,642,735 | 5,081,856 | 6,724,591 |
| Unrestricted | 1,794,967 | 5,157,765 | 6,952,732 |
| | | | |
| Total net assets | \$ 3,437,702 | \$ 10,239,621 | \$ 13,677,323 |

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



Net (Expenses) Revenue and Changes in Net Assets

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ (614,211) | \$ | \$ (614,211) |
| (463,303) | | (463,303) |
| (373,843) | | (373,843) |
| (1,674,450) | | (1,674,450) |
| (98,491) | | (98,491) |
| (53,532) | | (53,532) |
| (320,951) | | (320,951) |
| (3,598,781) | | (3,598,781) |
| | (327,916) | (327,916) |
| (3,598,781) | (327,916) | (3,926,697) |
| 2,975,205 | | 2,975,205 |
| 590,748 | | 590,748 |
| 91,033 | 121,263 | 212,296 |
| | 148,333 | 148,333 |
| 90,527 | | 90,527 |
| 264,235 | | 264,235 |
| 1,542 | 2,011 | 3,553 |
| 4,013,290 | 271,607 | 4,284,897 |
| 414,509 | (56,309) | 358,200 |
| 3,023,193 | 10,295,930 | 13,319,123 |
| <u>\$ 3,437,702</u> | <u>\$ 10,239,621</u> | <u>\$ 13,677,323</u> |

FUND
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

| | General | Law Enforcement Fund | Non-major Funds | Totals |
|---|---------------------|----------------------------|--------------------|---------------------|
| <u>ASSETS</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 838,159 | \$ 242,746 | \$ 689,784 | \$ 1,770,689 |
| Receivables | | | | |
| Taxes | 3,649 | 11,329 | 15,834 | 30,812 |
| State shared revenues | 97,600 | | | 97,600 |
| Accounts | 69,459 | 5,585 | | 75,044 |
| Library | 61,242 | | | 61,242 |
| Due from other funds | 95,072 | 26,476 | 63,315 | 184,863 |
| Prepaid expenditures | 13,443 | 21,208 | 3,675 | 38,326 |
| | <u>13,443</u> | <u>21,208</u> | <u>3,675</u> | <u>38,326</u> |
| Total assets | <u>\$ 1,178,624</u> | <u>\$ 307,344</u> | <u>\$ 772,608</u> | <u>\$ 2,258,576</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 50,545 | \$ 17,202 | \$ 23,176 | \$ 90,923 |
| Accrued compensated absences | 4,773 | 116,096 | 12,453 | 133,322 |
| Due to other funds | 4,919 | 15,594 | 62,500 | 83,013 |
| Due to others | 6,351 | | | 6,351 |
| Contingent liability | 150,000 | | | 150,000 |
| | <u>150,000</u> | <u></u> | <u></u> | <u>150,000</u> |
| Total liabilities | <u>216,588</u> | <u>148,892</u> | <u>98,129</u> | <u>463,609</u> |
| FUND BALANCE | | | | |
| Unreserved | 962,036 | | 7,271 | 969,307 |
| Reserved for public safety | | 158,452 | 457,767 | 616,219 |
| Reserved for debt service | | | 75,068 | 75,068 |
| Reserved for community development | | | 134,373 | 134,373 |
| | <u>962,036</u> | <u>158,452</u> | <u>674,479</u> | <u>1,794,967</u> |
| Total fund balances | <u>962,036</u> | <u>158,452</u> | <u>674,479</u> | <u>1,794,967</u> |
| Total liabilities and fund balances | <u>\$ 1,178,624</u> | <u>\$ 307,344</u> | <u>\$ 772,608</u> | <u>\$ 2,258,576</u> |

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

NORTHFIELD TOWNSHIP
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
JUNE 30, 2008

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

| | | |
|---|--------------------|---------------------|
| Total fund balance per balance sheet | | \$ 1,794,967 |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | | |
| Historical cost | \$ 10,513,419 | |
| Depreciation | <u>(2,188,624)</u> | |
| Capital assets net of depreciation | | 8,324,795 |
| Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include: | | |
| Capital leases payable | (587,060) | |
| Bonds payable | <u>(6,095,000)</u> | |
| Total | | <u>(6,682,060)</u> |
| Net assets of governmental activities | | <u>\$ 3,437,702</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
FOR THE YEAR ENDED JUNE 30, 2008

| | General Fund | Law Enforcement Fund | Non-major Funds | Total |
|---|-------------------|----------------------------|--------------------|---------------------|
| REVENUES | | | | |
| Taxes | \$ 290,480 | \$ 1,551,405 | \$ 1,133,320 | \$ 2,975,205 |
| State shared revenues | 590,748 | | | 590,748 |
| Licenses and permits | 198 | | 76,432 | 76,630 |
| Contributions | | 50 | 1,895 | 1,945 |
| Rental income | 3,600 | | 260,635 | 264,235 |
| Franchise fees | 90,527 | | | 90,527 |
| Charges for services | 272,546 | 31,562 | 40,301 | 344,409 |
| Fines and forfeitures | | 44,907 | 4,440 | 49,347 |
| Interest | 73,453 | | 17,580 | 91,033 |
| Miscellaneous | 1,246 | | 296 | 1,542 |
| Total revenues | <u>1,322,798</u> | <u>1,627,924</u> | <u>1,534,899</u> | <u>4,485,621</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 826,950 | | 77,288 | 904,238 |
| Fire rescue | | | 312,100 | 312,100 |
| Medical rescue | | | 354,986 | 354,986 |
| Police protection | | 1,653,884 | 114 | 1,653,998 |
| Senior citizens/recreation | 125,415 | | | 125,415 |
| Public works | 37,401 | | 16,131 | 53,532 |
| Debt service: | | | | |
| Principal | | 22,837 | 390,996 | 413,833 |
| Interest/fees | | 2,230 | 318,722 | 320,952 |
| Capital outlay: | | | | |
| General government | 14,307 | | 17,050 | 31,357 |
| Medical rescue | | | 2,649 | 2,649 |
| Police protection | | 71,226 | | 71,226 |
| Total expenditures | <u>1,004,073</u> | <u>1,750,177</u> | <u>1,490,036</u> | <u>4,244,286</u> |
| Excess of revenues over (under) expenditures | 318,725 | (122,253) | 44,863 | 241,335 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Lease proceeds | | 48,979 | | 48,979 |
| Transfers in | | 14,597 | 60,000 | 74,597 |
| Transfers (out) | (70,000) | | (4,597) | (74,597) |
| Total other financing sources (uses) | <u>(70,000)</u> | <u>63,576</u> | <u>55,403</u> | <u>48,979</u> |
| Net changes in fund balances | 248,725 | (58,677) | 100,266 | 290,314 |
| FUND BALANCE, JULY 1, 2007 | <u>713,311</u> | <u>217,129</u> | <u>574,213</u> | <u>1,504,653</u> |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 962,036</u> | <u>\$ 158,452</u> | <u>\$ 674,479</u> | <u>\$ 1,794,967</u> |

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

NORTHFIELD TOWNSHIP
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

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

| | |
|--|------------|
| Net change in fund balances - governmental funds | \$ 290,314 |
|--|------------|

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 | \$ 84,928 | |
| Depreciation expense | <u>(325,588)</u> | |
| Total | | (240,660) |

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 / installment notes payable | 143,833 | |
| Bonds payable | <u>270,000</u> | |
| Total | | 413,833 |

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>(48,978)</u> |
| Change in net assets of governmental activities | <u><u>\$ 414,509</u></u> |

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

NORTHFIELD TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

| ASSETS | | <u>Sewer Disposal System Fund</u> |
|---|--------------------|-----------------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,271,151 | |
| Sewer billings receivable | 316,819 | |
| Special assessment receivable | 2,202,860 | |
| Prepaid expenses | <u>6,249</u> | |
| Total current assets | | \$ 3,797,079 |
| RESTRICTED ASSETS | | |
| Cash and cash equivalents - expansion projects | | 1,456,111 |
| PLANT, PROPERTY AND EQUIPMENT | | |
| Land | 226,918 | |
| Plant | 2,229,393 | |
| Plant expansion | 11,345,046 | |
| Equipment | <u>727,306</u> | |
| | 14,528,663 | |
| Less: accumulated depreciation | <u>(3,866,807)</u> | |
| Net plant, property, and equipment | | <u>10,661,856</u> |
| Total assets | | 15,915,046 |
| <u>LIABILITIES</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable | 59,815 | |
| Accrued compensated absences | 23,209 | |
| Due to other funds | 12,401 | |
| Contracts payable - current portion | <u>545,000</u> | |
| Total current liabilities | | 640,425 |
| LONG-TERM LIABILITIES | | |
| Contracts payable - less current portion | | <u>5,035,000</u> |
| Total liabilities | | <u>5,675,425</u> |
| <u>NET ASSETS</u> | | |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 5,081,856 | |
| Unrestricted | <u>5,157,765</u> | |
| Total net assets | | <u><u>\$ 10,239,621</u></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, 2008

| | <u>Sewer Disposal System Fund</u> |
|---|-----------------------------------|
| OPERATING REVENUES | |
| User charges | \$ 1,237,100 |
| OPERATING EXPENSES | |
| Salaries and wages | \$ 283,537 |
| Payroll taxes | 22,027 |
| Hospitalization | 69,062 |
| Life insurance | 4,488 |
| Pension | 26,537 |
| Training and development | 590 |
| Testing | 3,894 |
| Operating supplies | 58,304 |
| Uniforms | 3,840 |
| Professional services | 14,161 |
| Membership and dues | 2,205 |
| Contracted services | 28,241 |
| Administration fees | 35,000 |
| Telephone | 9,834 |
| Transportation | 4,354 |
| Printing and postage | 3,137 |
| Insurance and bonds | 37,653 |
| Utilities | 128,831 |
| Repairs and maintenance | 164,803 |
| Small equipment | 5,019 |
| Depreciation | <u>340,707</u> |
| Total operating expenses | <u>1,246,224</u> |
| Operating (loss) | (9,124) |
| NON-OPERATING REVENUES AND (EXPENSES) | |
| Other income | 2,011 |
| Interest income - cash and equivalents | 121,263 |
| Interest income - special assessments | 148,333 |
| Interest expense | (356,642) |
| Bond fees | <u>(650)</u> |
| Total non-operating revenues and (expenses) | <u>(85,685)</u> |
| Net (loss) before capital contributions | (94,809) |
| CAPITAL CONTRIBUTIONS | |
| Tap-in fees | <u>38,500</u> |
| Change in net assets | (56,309) |
| NET ASSETS, JULY 1, 2007 | <u>10,295,930</u> |
| NET ASSETS, JUNE 30, 2008 | <u><u>\$ 10,239,621</u></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, 2008

| | | Sewage Disposal System Fund |
|--|-------------|--------------------------------------|
| CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Cash received from users | | \$ 1,233,188 |
| Cash payments to employees | | (287,939) |
| Cash payments to suppliers | | (606,886) |
| Cash receipts from other funds, net | | 67,910 |
| Cash receipts from county construction | | 702,109 |
| | | <hr/> |
| Net cash provided by operating activities | | 1,108,382 |
| CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Tap-in fees collected | \$ 38,500 | |
| Special assessments received | 391,936 | |
| Purchase of equipment/system | (211,490) | |
| Interest paid on long-term bonds | (356,642) | |
| Bond fees | (650) | |
| Proceeds on issuance of bonds | 4,965,000 | |
| Repayment of principal on bonds/contracts | (6,030,000) | |
| | | <hr/> |
| Net cash (used in) capital and related financing activities | | (1,203,346) |
| CASH FLOWS PROVIDED BY INVESTING ACTIVITIES | | |
| Interest on cash and cash equivalents | | 137,491 |
| | | <hr/> |
| Net increase in cash and cash equivalents | | 42,527 |
| CASH AND CASH EQUIVALENTS AT, JULY 1, 2007 | | 2,684,735 |
| | | <hr/> |
| CASH AND CASH EQUIVALENTS AT, JUNE 30, 2008 | | \$ 2,727,262 |
| | | <hr/> <hr/> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Operating (loss) | | \$ (9,124) |
| Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities: | | |
| Depreciation | \$ 340,707 | |
| Other income | 2,011 | |
| Change in assets and liabilities: | | |
| (Increase) in sewer billings receivable | (3,912) | |
| Decrease in due from county | 702,109 | |
| Decrease in due from other funds | 55,509 | |
| (Increase) in prepaid expenses | (890) | |
| Increase in accounts payable/accrued compensated absences | 9,571 | |
| Increase in due to other funds | 12,401 | |
| | | <hr/> |
| Total adjustments | | 1,117,506 |
| | | <hr/> |
| Net cash provided by operating activities | | \$ 1,108,382 |
| | | <hr/> <hr/> |

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, 2008

| | Current Tax Collection Fund | Trust and Agency Fund | Totals |
|---------------------------|-----------------------------------|-----------------------------|-------------------|
| <u>ASSETS</u> | | | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 63,450 | \$ 20,642 | \$ 84,092 |
| Due from county | 30,072 | | 30,072 |
| Due from other funds | | 3,042 | 3,042 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 93,522</u> | <u>\$ 23,684</u> | <u>\$ 117,206</u> |
| <u>LIABILITIES</u> | | | |
| LIABILITIES | | | |
| Due to other funds | \$ 87,216 | \$ | \$ 87,216 |
| Due to others | 6,306 | 18,484 | 24,790 |
| Performance bonds | | 5,200 | 5,200 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>\$ 93,522</u> | <u>\$ 23,684</u> | <u>\$ 117,206</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, 2008

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, 2008

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 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.

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.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total 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.

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 a capital asset 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.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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, 2008, expenditures exceeded appropriations in several functional activities.

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 2007 adjusted taxable value of the Township totaled \$358,112,857. The Township levies the following millage 2007:

| | |
|------------------------|---------------|
| General Township | .7997 |
| Fire | .9640 |
| Fire truck | .2465 |
| Medical rescue | .9600 |
| Police | 4.3022 |
| Public safety building | <u>.8003</u> |
| Total millage | <u>8.0727</u> |

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

The accompanying financial statements of Northfield Township as of June 30, 2008, include any and all boards, agencies, funds and account groups under the jurisdiction of the Northfield Township Board.

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, 2008 was \$61,071.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental funds for the year ended June 30, 2008 was as follows:

| | Balance 7/1/2007 | Additions | Deletions | Balance 6/30/2008 |
|--|---------------------|---------------------|-----------------|----------------------|
| Land | \$ 299,926 | \$ 2,639 | \$ | \$ 302,565 |
| Building and improvements | 8,070,394 | 15,550 | | 8,085,944 |
| Machinery and equipment | 2,078,871 | 66,739 | (20,700) | 2,124,910 |
| Total capital assets | 10,449,191 | 84,928 | (20,700) | 10,513,419 |
| Accumulated depreciation | (1,883,736) | (325,588) | 20,700 | (2,188,624) |
| Governmental activities capital assets, net | \$ 8,565,455 | \$ (240,660) | \$ | \$ 8,324,795 |

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 \$6,682,060 of debt associated with these capital assets.

Depreciation expense was distributed to the various activities as follows:

| | |
|---------------------------------------|-------------------|
| General government | \$ 14,074 |
| Fire protection and medical rescue | 207,017 |
| Police protection | 96,924 |
| Senior center | 7,573 |
| Total | \$ 325,588 |

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

| | Balance 7/1/2007 | Additions | Deletions | Balance 6/30/2008 |
|---------------------------------|----------------------|-------------------|-------------------|----------------------|
| FIXED ASSETS | | | | |
| Land | \$ 226,918 | \$ | \$ | \$ 226,918 |
| Plant | 2,229,393 | | | 2,229,393 |
| Plant expansion | 10,805,275 | 539,771 | | 11,345,046 |
| Equipment | 609,106 | 118,200 | | 727,306 |
| Total capital assets | \$ 13,870,692 | \$ 657,971 | \$ | \$ 14,528,663 |
| ACCUMULATED DEPRECIATION | \$ 3,526,100 | \$ 340,707 | \$ | \$ 3,866,807 |
| CONSTRUCTION IN PROGRESS | \$ 446,481 | \$ 90,294 | \$ 536,775 | \$ |

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

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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, 2008.
2. 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, 2008 was \$8,160.
3. 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, 2008 was \$3,184.
4. On November 19, 2007 the Township entered into a lease agreement with Ford Motor Credit to purchase a 2008 Crown Victoria police cruiser. The Township is required to make three annual payments of \$8,939 until the lease expires in November of 2009. At the end of the lease term, the Township has a \$1 bargain purchase option. Interest of 6.9% is being charged on the lease. The outstanding principal balance of June 30, 2008 was \$16,185.
5. On September 12, 2007 the Township entered into a lease agreement with Fleetwood Financial to purchase digital video equipment for police cruisers. The Township is required to make annual payments of \$8,822 until the lease expires in September 2011. At the end of the lease term title passes to the Township. Interest of 3.00% is being charged on the lease. The outstanding principal balance at June 30, 2008 was \$32,793.

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, 2008 was \$3,100,000.
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, 2008 was \$2,575,000.
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, 2008 was \$420,000.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 5 - LONG-TERM DEBT - continued

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, 2008 was \$52,886.
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, 2008 was \$193,957.

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

| | Balance 7/1/2007 | Additions | Payments | Balance 6/30/2008 | Amount Due Within One Year |
|--|---------------------|-----------|------------|----------------------|----------------------------------|
| Capitalized Lease | | | | | |
| General Motors Acceptance Corporation | \$ 8,246 | \$ | \$ 8,246 | \$ | \$ |
| General Motors Acceptance Corporation | 6,951 | | 6,951 | | |
| Ford Motor Credit | 15,800 | | 7,640 | 8,160 | 8,160 |
| Mine Safety | 6,180 | | 2,996 | 3,184 | 3,184 |
| Kansas State Bank | 279,895 | | | 279,895 | |
| Ford Motor Credit | | 16,185 | | 16,185 | 7,822 |
| Fleetwood Financial | | 32,793 | | 32,793 | 7,838 |
| Total capitalized leases | 317,072 | 48,978 | 25,833 | 340,217 | 27,004 |
| Bonds Payable | | | | | |
| National City | 3,250,000 | | 150,000 | 3,100,000 | 175,000 |
| National City | 2,675,000 | | 100,000 | 2,575,000 | 100,000 |
| National City | 440,000 | | 20,000 | 420,000 | 20,000 |
| Total bonds payable | 6,365,000 | | 270,000 | 6,095,000 | 295,000 |
| Installment Loans Payable | | | | | |
| J.P. Morgan Chase | 80,886 | | 28,000 | 52,886 | 28,000 |
| J.P. Morgan Chase | 283,957 | | 90,000 | 193,957 | 95,000 |
| Total installment loans payable | 364,843 | | 118,000 | 246,843 | 123,000 |
| Governmental activities capital assets, net | \$ 7,046,915 | \$ 48,978 | \$ 413,833 | \$ 6,682,060 | \$ 445,004 |

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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 |
| 2008-2009 | \$ 27,004 | \$ 16,379 | \$ 295,000 | \$ 270,785 | \$ 123,000 | \$ 12,713 | \$ 445,004 | \$ 299,877 |
| 2009-2010 | 50,971 | 14,901 | 320,000 | 255,665 | 123,843 | 6,378 | 494,814 | 276,944 |
| 2010-2011 | 44,525 | 12,406 | 320,000 | 239,475 | | | 364,525 | 251,881 |
| 2011-2012 | 46,530 | 10,401 | 345,000 | 223,225 | | | 391,530 | 233,626 |
| 2012-2013 | 39,806 | 8,303 | 375,000 | 209,100 | | | 414,806 | 217,403 |
| 2013-2018 | 131,381 | 12,945 | 2,100,000 | 802,725 | | | 2,231,381 | 815,670 |
| 2018-2023 | | | 2,340,000 | 306,190 | | | 2,340,000 | 306,190 |
| Totals | \$ 340,217 | \$ 75,335 | \$ 6,095,000 | \$ 2,307,165 | \$ 246,843 | \$ 19,091 | \$ 6,682,060 | \$ 2,401,591 |

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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, 2008:

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. These bonds were refunded with a refunding bond issued in September 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 Eight 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. These bonds were refunded with a refunding bond issued in September 2007.
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. These bonds were refunded with a refunding bond issued in September 2007.
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 \$550,000 at June 30, 2008.
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 \$540,000 at June 30, 2008.
6. Loan payable to Washtenaw to finance the refunding bonds for the various expansion project bonds. A net present value savings of \$243,781 was created by issuing these refunding bonds due to decline in interest rates. Principal payable in annual installments ranging from \$485,000 to \$555,000 starting May 2008, and maturing on May 2017. Interest is paid semi-annually charged at 4.25%. Outstanding balance of the bonds was \$4,490,000 at June 30, 2008.

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

| | Balance 7/1/2007 | Additions | Deletions | Balance 6/30/2008 | Amount Due Within One Year |
|--|---------------------|---------------------|---------------------|----------------------|----------------------------------|
| Washtenaw County | | | | | |
| Expansion - 1997 | \$ 2,275,000 | \$ | \$ 2,275,000 | \$ | \$ |
| Eight Mile Pump Station | 1,050,000 | | 1,050,000 | | |
| Expansion - North Territorial | 2,175,000 | | 2,175,000 | | |
| Expansion - Seven Mile | 575,000 | | 25,000 | 550,000 | 25,000 |
| Expansion - 2007 refunding | | 4,965,000 | 475,000 | 4,490,000 | 490,000 |
| Michigan Municipal Bond Authority: | | | | | |
| 1992 junior lien refunding | 570,000 | | 30,000 | 540,000 | 30,000 |
| Total business-type activities long-term debt | <u>\$ 6,645,000</u> | <u>\$ 4,965,000</u> | <u>\$ 6,030,000</u> | <u>\$ 5,580,000</u> | <u>\$ 545,000</u> |

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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 | | |
|-------------|---------------------|---------------------|---------------------|
| | Principle | Interest | Total |
| 2008 - 2009 | \$ 545,000 | \$ 234,986 | \$ 779,986 |
| 2009 - 2010 | 540,000 | 212,599 | 752,599 |
| 2010 - 2011 | 545,000 | 190,339 | 735,339 |
| 2011 - 2012 | 565,000 | 167,751 | 732,751 |
| 2012 - 2013 | 555,000 | 144,076 | 699,076 |
| 2013 - 2018 | 2,450,000 | 349,187 | 2,799,187 |
| 2018 - 2022 | 380,000 | 43,863 | 423,863 |
| Totals | <u>\$ 5,580,000</u> | <u>\$ 1,342,801</u> | <u>\$ 6,922,801</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, 2007 to June 30, 2008, is as follows:

| | |
|--|---------------------|
| Balance in guaranteed account July 1, 2007 | \$ 2,367,836 |
| Current year contributions | |
| Township portion | \$ 93,582 |
| Employee portion | <u>55,990</u> |
| Total contributions | 149,572 |
| Distributions/fees | (11,487) |
| Investment losses plus asset charges | <u>(259,642)</u> |
| Balance in guaranteed account June 30, 2008. | <u>\$ 2,246,279</u> |

Interest has been credited to June 30, 2008.

A contribution of \$93,582 was made in the fiscal year ended June 30, 2008.

Total payroll was \$2,000,491, for the fiscal year ended June 30, 2008.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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, 2007, the police department had twelve (12) covered employees and twenty-one (21) total employees. Covered payroll for the year then ended was \$526,406.

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, 2007. 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, 2007, the unfunded pension benefit obligation was \$ 124,201, determined as follows:

| | |
|--|------------|
| Pension benefit obligation | |
| Retirees and beneficiaries currently receiving benefits | \$ |
| Terminated employees not yet receiving benefits | 59,395 |
| Non-vested terminated employees | |
| Current employees | |
| Accumulated employee contribution, including allocated investment income | 317,539 |
| Employer financed | 251,419 |
| | <hr/> |
| Total pension benefit obligation | 628,353 |
| Net assets available for benefits, at cost (at market) | 504,152 |
| | <hr/> |
| Unfunded actuarial accrued liability | \$ 124,201 |
| | <hr/> |

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivables and payables exist at June 30, 2008. 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>Interfund Receivable</u> | | <u>Interfund Receivable</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| General Fund | \$ 56,099 | Current Tax Collection Fund | \$ 56,099 |
| General Fund | 901 | Narcotics Fund | 901 |
| General Fund | 11,261 | Law Enforcement Fund | 11,261 |
| General Fund | 9,594 | Building Department Fund | 9,594 |
| General Fund | 4,816 | Medical Rescue Fund | 4,816 |
| General Fund | 12,401 | Sewer Fund | 12,401 |
| Fire Protection Fund | 4,773 | Current Tax Collection Fund | 4,773 |
| Fire Protection Fund | 42,955 | Medical Rescue Fund | 42,955 |
| Law Enforcement Fund | 21,301 | Current Tax Collection Fund | 21,301 |
| Law Enforcement Fund | 4,374 | Narcotics Fund | 4,374 |
| Law Enforcement Fund | 801 | Fire Protection Fund | 801 |
| Medical Rescue Fund | 4,753 | Current Tax Collection Fund | 4,753 |
| Public Safety Building Debt Service Fund | 2,167 | General Fund | 2,167 |
| Public Safety Building Debt Service Fund | 2,167 | Fire Protection Fund | 2,167 |
| Public Safety Building Debt Service Fund | 4,333 | Law Enforcement Fund | 4,333 |
| Public Safety Building Debt Service Fund | 2,167 | Medical Rescue Fund | 2,167 |
| Trust and Agency Fund | 2,752 | General Fund | 2,752 |
| Trust and Agency Fund | 290 | Current Tax Collection Fund | 290 |
| | <u>\$ 187,905</u> | | <u>\$ 187,905</u> |
| Total interfund receivables | | | |

Interfund transfers for the year ended June 30, 2008 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 | 10,000 |
| Law Fund | Narcotics Fund | Pay operating expenditures | 4,597 |
| | | | <u>\$ 74,597</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 | \$ 1,237,100 |
| Depreciation | 340,707 |
| Operating (loss) | (9,124) |
| Net working capital | 1,498,794 |
| Total assets | 15,915,046 |
| Total fund equity | 10,239,621 |

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

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. 40 risk disclosures for the Township's deposits are as follows:

| <u>Deposits</u> | <u>Primary Government</u> | <u>Fiduciary Funds</u> | <u>Total</u> | <u>Bank Balance</u> |
|--------------------------------|-------------------------------|----------------------------|---------------------|-------------------------|
| Insured | \$ 300,000 | \$ | \$ 300,000 | \$ 300,000 |
| Uninsured and uncollateralized | 4,197,351 | 84,092 | 4,281,443 | 4,450,065 |
| Total deposits | <u>\$ 4,497,351</u> | <u>\$ 84,092</u> | <u>\$ 4,581,443</u> | <u>\$ 4,750,065</u> |

The Township has a board approved investment policy.

The Township's cash and investments are subject to types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As year end, the Township had \$4,450,065 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

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>6/30/2007</u> | <u>6/30/2008</u> |
|---------------------------------|---------------------|---------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 1,186,042 | \$ 1,271,151 |
| Restricted assets | | |
| Cash and cash equivalents | 1,498,693 | 1,456,111 |
| Total cash and cash equivalents | <u>\$ 2,684,735</u> | <u>\$ 2,727,262</u> |

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 12 - CONTINGENT LIABILITIES

A former consultant for the Township has instituted a suit against the Township for reimbursement in excess of \$140,000 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 \$140,000.

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 \$140,000. 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 in previous fiscal years. These funds are subject to federal grant audit requirements.

NOTE 14 - 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 15 - 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, 2008 there were no individuals receiving these benefits. There are two individuals 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, 2008. 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, 2008

| | Budgets | | | Variance with Final Budget Favorable (Unfavorable) |
|---|------------|------------|------------|--|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | \$ | \$ | \$ 290,480 | \$ |
| Licenses and permits | | | 198 | |
| State shared revenues | | | 590,748 | |
| Charges for services | | | 328,073 | |
| Interest | | | 73,453 | |
| Miscellaneous revenue | | | 39,846 | |
| | | | | |
| Total revenues | 1,285,525 | 1,267,525 | 1,322,798 | 55,273 |
| EXPENDITURES | | | | |
| Township board | | | 29,177 | |
| Supervisor | | | 69,498 | |
| Elections | | | 6,090 | |
| Clerk | | | 68,990 | |
| Board of review | | | 7,608 | |
| Treasurer | | | 79,324 | |
| Assessor | | | 57,361 | |
| Township hall and grounds | | | 181,918 | |
| Zoning and planning departments | | | 97,729 | |
| Professional fees | | | 139,557 | |
| Downtown Development Authority | | | 2,820 | |
| Human services contract | | | 4,600 | |
| Roads | | | 15,422 | |
| Street lights | | | 17,364 | |
| Capital outlay | | | 14,307 | |
| Clean up and recycling | | | 15 | |
| Recreation | | | 2,827 | |
| Rent - PSB | | | 86,878 | |
| Senior Center | | | 122,588 | |
| | | | | |
| Total expenditures | 980,383 | 965,383 | 1,004,073 | (38,690) |
| | | | | |
| Excess of revenues over (under) expenditures | 305,142 | 302,142 | 318,725 | 16,583 |
| OTHER SOURCES FINANCING (USES) | | | | |
| Transfers (out) | (70,000) | (95,000) | (70,000) | 25,000 |
| | | | | |
| Net change in fund balance | 235,142 | 207,142 | 248,725 | 41,583 |
| | | | | |
| FUND BALANCE, JULY 1, 2007 | 713,311 | 713,311 | 713,311 | |
| | | | | |
| FUND BALANCE, JUNE 30, 2008 | \$ 948,453 | \$ 920,453 | \$ 962,036 | \$ 41,583 |

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budgets | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|------------|------------|--------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ | \$ | \$ 1,551,405 | \$ |
| Fines and court fees | | | 44,907 | |
| Traffic tickets and impound fees | | | 5,570 | |
| Liquor law license fees | | | 2,916 | |
| Justice training fund | | | 1,283 | |
| Interest | | | 2,628 | |
| Donations | | | 50 | |
| Insurance proceeds | | | 3,846 | |
| Charges for services | | | 15,319 | |
| Total revenues | 1,648,000 | 1,611,553 | 1,627,924 | 16,371 |
| EXPENDITURES | 1,663,370 | 1,712,860 | 1,750,177 | (37,317) |
| Excess of revenues over (under) expenditures | (15,370) | (101,307) | (122,253) | (20,946) |
| OTHER SOURCES FINANCING (USES) | | | | |
| Disposal of capital assets | 6,000 | 6,000 | | (6,000) |
| Lease proceeds | | 16,200 | 48,979 | 32,779 |
| Transfers in | 10,000 | 10,000 | 14,597 | 4,597 |
| Total other financing sources | 16,000 | 32,200 | 63,576 | 31,376 |
| Net change in fund balance | 630 | (69,107) | (58,677) | 10,430 |
| FUND BALANCE, JULY 1, 2007 | 217,129 | 217,129 | 217,129 | |
| FUND BALANCE, JUNE 30, 2008 | \$ 217,759 | \$ 148,022 | \$ 158,452 | \$ 10,430 |

NORTHFIELD TOWNSHIP
SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2008

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% |
| December 31, 2007 | \$ 504,152 | \$ 628,353 | \$ 124,201 | 80.2% | \$ 526,406 | 23.6% |

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS



| <u>Medical Rescue Fund</u> | <u>Law Enforcement Fund</u> | <u>Narcotics Fund</u> | <u>Downtown Development Authority Fund</u> | <u>Totals</u> |
|------------------------------------|-------------------------------------|---------------------------|--|-------------------|
| \$ 213,789 | \$ 242,746 | \$ 18,350 | \$ 136,576 | \$ 865,862 |
| 3,416 | 11,329 | | | 22,372 |
| | 5,585 | | | 5,585 |
| 4,753 | 26,476 | | | 78,957 |
| 3,057 | 21,208 | | | 24,883 |
| <u>\$ 225,015</u> | <u>\$ 307,344</u> | <u>\$ 18,350</u> | <u>\$ 136,576</u> | <u>\$ 997,659</u> |
| | | | | |
| \$ 4,781 | \$ 17,202 | \$ | \$ 2,203 | \$ 27,878 |
| 5,937 | 116,096 | | | 128,549 |
| 49,938 | 15,594 | 5,275 | | 83,369 |
| 60,656 | 148,892 | 5,275 | 2,203 | 239,796 |
| 164,359 | 158,452 | 13,075 | 134,373 | 757,863 |
| <u>\$ 225,015</u> | <u>\$ 307,344</u> | <u>\$ 18,350</u> | <u>\$ 136,576</u> | <u>\$ 997,659</u> |

NORTHFIELD TOWNSHIP
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2008

| | Current Tax Collection Fund | Trust and Agency Fund | Totals |
|---------------------------|-----------------------------------|-----------------------------|-------------------|
| | | | |
| <u>ASSETS</u> | | | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 63,450 | \$ 20,642 | \$ 84,092 |
| Due from county | 30,072 | | 30,072 |
| Due from other funds | | 3,042 | 3,042 |
| | | | |
| Total assets | <u>\$ 93,522</u> | <u>\$ 23,684</u> | <u>\$ 117,206</u> |
| | | | |
| <u>LIABILITIES</u> | | | |
| LIABILITIES | | | |
| Due to other funds | \$ 87,216 | \$ | \$ 87,216 |
| Due to others | 6,306 | 18,484 | 24,790 |
| Performance bonds | | 5,200 | 5,200 |
| | | | |
| Total liabilities | <u>\$ 93,522</u> | <u>\$ 23,684</u> | <u>\$ 117,206</u> |



| <u>Law Enforcement Fund</u> | <u>Narcotics Fund</u> | <u>Downtown Development Authority Fund</u> | <u>Totals</u> |
|-------------------------------------|---------------------------|--|-------------------|
| \$ 1,551,405 | \$ | \$ 62,050 | \$ 2,396,127 |
| 44,907 | 4,440 | | 49,347 |
| 22,172 | | | 62,473 |
| 2,916 | | | 79,348 |
| 2,628 | 77 | 3,251 | 15,875 |
| 50 | | | 445 |
| 3,846 | | | 4,121 |
| <u>1,627,924</u> | <u>4,517</u> | <u>65,301</u> | <u>2,607,736</u> |
| | | 16,131 | 110,192 |
| | | | 312,100 |
| | | | 357,635 |
| 1,725,110 | 114 | | 1,725,224 |
| 25,067 | | | 179,200 |
| <u>1,750,177</u> | <u>114</u> | <u>16,131</u> | <u>2,684,351</u> |
| <u>(122,253)</u> | <u>4,403</u> | <u>49,170</u> | <u>(76,615)</u> |
| 48,979 | | | 48,979 |
| 14,597 | | | 74,597 |
| | (4,597) | | (4,597) |
| <u>63,576</u> | <u>(4,597)</u> | | <u>118,979</u> |
| (58,677) | (194) | 49,170 | 42,364 |
| <u>217,129</u> | <u>13,269</u> | <u>85,203</u> | <u>715,499</u> |
| <u>\$ 158,452</u> | <u>\$ 13,075</u> | <u>\$ 134,373</u> | <u>\$ 757,863</u> |

NORTHFIELD TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | Building Authority | Public Safety Building | Total |
|------------------------------|-----------------------|---------------------------|------------------|
| REVENUES | | | |
| Property taxes | \$ | \$ 288,598 | \$ 288,598 |
| Interest income | | 4,333 | 4,333 |
| Rental income | 260,635 | | 260,635 |
| Donations | | 1,500 | 1,500 |
| Miscellaneous | | 21 | 21 |
| | | | |
| Total revenues | <u>260,635</u> | <u>294,452</u> | <u>555,087</u> |
| EXPENDITURES | | | |
| Loan - principal | 120,000 | 150,000 | 270,000 |
| Loan - interest | 140,635 | 143,700 | 284,335 |
| Office overhead | | 1,527 | 1,527 |
| | | | |
| Total expenditures | <u>260,635</u> | <u>295,227</u> | <u>555,862</u> |
| | | | |
| Net changes in fund balances | | (775) | (775) |
| | | | |
| FUND BALANCE, JULY 1, 2007 | | <u>75,843</u> | <u>75,843</u> |
| | | | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$</u> | <u>\$ 75,068</u> | <u>\$ 75,068</u> |

INDIVIDUAL FUNDS

GENERAL
FUND

NORTHFIELD TOWNSHIP
GENERAL FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

| | |
|---------------------------------|--------------|
| Cash and cash equivalents | \$ 838,159 |
| Taxes receivable | 3,649 |
| State shared revenue receivable | 97,600 |
| Accounts receivable - lien | 65,537 |
| Accounts receivable - other | 3,922 |
| Due from other funds | 95,072 |
| Due from township area library | 61,242 |
| Prepaid expenditures | 13,443 |
| | <hr/> |
| Total assets | \$ 1,178,624 |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|------------------------------|------------|
| Accounts payable | \$ 50,545 |
| Accrued compensated absences | 4,773 |
| Due to others | 6,351 |
| Due to other funds | 4,919 |
| Contingent liability | 150,000 |
| | <hr/> |
| Total liabilities | \$ 216,588 |

FUND BALANCE

| | |
|------------------------------------|--------------|
| Reserved | 61,242 |
| Unreserved | 900,794 |
| | <hr/> |
| Total fund balance | 962,036 |
| | <hr/> |
| Total liabilities and fund balance | \$ 1,178,624 |

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|-------------------|-------------------|--|
| REVENUES | | | |
| Taxes | \$ 290,802 | \$ 290,480 | \$ (322) |
| Licenses and permits | | 198 | 198 |
| State shared revenues | 589,829 | 590,748 | 919 |
| Charges for services | 270,294 | 328,073 | 57,779 |
| Interest | 70,000 | 73,453 | 3,453 |
| Miscellaneous revenue | 46,600 | 39,846 | (6,754) |
| Total revenues | <u>1,267,525</u> | <u>1,322,798</u> | <u>55,273</u> |
| EXPENDITURES | | | |
| Township board | 33,551 | 29,177 | 4,374 |
| Supervisor | 79,025 | 69,498 | 9,527 |
| Elections | 7,000 | 6,090 | 910 |
| Clerk | 71,978 | 68,990 | 2,988 |
| Board of review | 13,270 | 7,608 | 5,662 |
| Treasurer | 87,226 | 79,324 | 7,902 |
| Assessor | 55,172 | 57,361 | (2,189) |
| Township hall and grounds | 173,850 | 181,918 | (8,068) |
| Zoning and planning departments | 92,909 | 97,729 | (4,820) |
| Professional fees | 92,000 | 139,557 | (47,557) |
| Downtown Development Authority | | 2,820 | (2,820) |
| Human services contract | 4,600 | 4,600 | |
| Roads | 30,000 | 15,422 | 14,578 |
| Street lights | 15,000 | 17,364 | (2,364) |
| Capital outlay | 2,100 | 14,307 | (12,207) |
| Clean up and recycling | 3,500 | 15 | 3,485 |
| Recreation | 3,650 | 2,827 | 823 |
| Rent - PSB | 101,278 | 86,878 | 14,400 |
| Senior Center | 99,274 | 122,588 | (23,314) |
| Total expenditures | <u>965,383</u> | <u>1,004,073</u> | <u>(38,690)</u> |
| Excess of revenues over (under) expenditures | 302,142 | 318,725 | 16,583 |
| OTHER SOURCES FINANCING (USES) | | | |
| Transfers (out) | (95,000) | (70,000) | 25,000 |
| Net change in fund balance | 207,142 | 248,725 | 41,583 |
| FUND BALANCE, JULY 1, 2007 | <u>713,311</u> | <u>713,311</u> | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 920,453</u> | <u>\$ 962,036</u> | <u>\$ 41,583</u> |

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------|--------------|--|
| TAXES | \$ 290,802 | \$ 290,480 | \$ (322) |
| LICENSES AND PERMITS | | 198 | 198 |
| STATE SHARED REVENUES | 589,829 | 590,748 | 919 |
| CHARGES FOR SERVICES | | | |
| Elections | | 4,449 | |
| Tax administration fees | | 153,100 | |
| Cablevision franchise fees | | 90,527 | |
| Fiber footage fees | | 9,398 | |
| Zoning fees | | 14,350 | |
| Site plan reviews | | 3,779 | |
| Split applications | | 900 | |
| Mobile home park fees | | 2,862 | |
| Summer tax collection fees | | 13,410 | |
| Duplicating | | 801 | |
| Senior citizens | | 34,497 | |
| Total charges for services | 270,294 | 328,073 | 57,779 |
| INTEREST | 70,000 | 73,453 | 3,453 |
| MISCELLANEOUS REVENUE | | | |
| Sewer/library administration reimbursement | | 35,000 | |
| Other reimbursement | | 1,246 | |
| Rental income | | 3,600 | |
| Total miscellaneous revenue | 46,600 | 39,846 | (6,754) |
| Total revenues | \$ 1,267,525 | \$ 1,322,798 | \$ 55,273 |

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--------------------------|--------|-----------|--|
| TOWNSHIP BOARD | | | |
| Fees | \$ | \$ 11,000 | \$ |
| Payroll taxes | | 842 | |
| Insurance | | 791 | |
| Pension | | 1,021 | |
| Membership and dues | | 8,877 | |
| Printing and publishing | | 5,618 | |
| Miscellaneous | | 1,028 | |
| | | | |
| Total township board | 33,551 | 29,177 | 4,374 |
| SUPERVISOR | | | |
| Supervisor's salary | | 39,934 | |
| Payroll taxes | | 5,908 | |
| Insurance - benefits | | 17,082 | |
| Pension | | 5,464 | |
| Dues and subscriptions | | 90 | |
| Training and development | | 473 | |
| Transportation | | 522 | |
| Miscellaneous | | 25 | |
| | | | |
| Total supervisor | 79,025 | 69,498 | 9,527 |
| ELECTIONS | | | |
| Fees | | 3,273 | |
| Office supplies | | 2,337 | |
| Printing and postage | | 480 | |
| | | | |
| Total elections | 7,000 | 6,090 | 910 |
| CLERK | | | |
| Clerk's salary | | 40,864 | |
| Payroll taxes | | 4,659 | |
| Insurance - benefits | | 775 | |
| Pension | | 3,936 | |
| Recording secretary | | 3,630 | |
| Deputy clerk's salary | | 13,140 | |
| Membership and dues | | 30 | |
| Transportation | | 422 | |
| Training and development | | 1,534 | |
| | | | |
| Total clerk | 71,978 | 68,990 | 2,988 |

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---------------------------|---------------|---------------|---|
| BOARD OF REVIEW | | | |
| Fees | | 1,698 | |
| Payroll taxes | | 130 | |
| Tax tribunal and drains | | 4,522 | |
| Training and development | | 560 | |
| Printing and publication | | 698 | |
| | | | |
| Total board of review | <u>13,270</u> | <u>7,608</u> | <u>5,662</u> |
| TREASURER | | | |
| Treasurer's salary | | 40,389 | |
| Payroll taxes | | 3,142 | |
| Insurance - benefits | | 14,576 | |
| Pension | | 3,936 | |
| Department allocation | | 3,740 | |
| Deputy treasurer's salary | | 681 | |
| Legal fees | | 6,000 | |
| Tax roll preparation | | 270 | |
| Transportation | | 395 | |
| Dues and subscriptions | | 45 | |
| Training and development | | 1,469 | |
| Postage | | 3,600 | |
| Miscellaneous | | 1,081 | |
| | | | |
| Total treasurer | <u>87,226</u> | <u>79,324</u> | <u>7,902</u> |
| ASSESSOR | | | |
| Salaries | | 53,638 | |
| Payroll taxes | | 682 | |
| Postage | | 3,041 | |
| | | | |
| Total assessor | <u>55,172</u> | <u>57,361</u> | <u>(2,189)</u> |

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---------------------------------------|----------------|----------------|---|
| TOWNSHIP HALL AND GROUNDS | | | |
| Salaries | | 40,180 | |
| Payroll taxes | | 3,066 | |
| Insurance - benefits | | 7,728 | |
| Insurance - general liability | | 42,036 | |
| Pension | | 3,351 | |
| PSB allocation | | 37,587 | |
| Janitor fees | | 3,167 | |
| Office supplies | | 9,841 | |
| Telephone | | 5,236 | |
| Postage | | 4,046 | |
| Utilities | | 6,266 | |
| Repairs and maintenance | | 13,916 | |
| Equipment rental | | 5,498 | |
| | <u>173,850</u> | <u>181,918</u> | <u>(8,068)</u> |
| Total township hall and grounds | | | |
| ZONING AND PLANNING DEPARTMENTS | | | |
| Salaries - recording secretary | | 3,335 | |
| Zoning administrator | | 13,055 | |
| Payroll taxes | | 773 | |
| Department allocation | | 25,268 | |
| Planning commission fees | | 8,800 | |
| Board of appeals fees | | 1,300 | |
| Office supplies | | 9 | |
| Printing and publications | | 1,499 | |
| Planning consultant | | 19,930 | |
| Code enforcement | | 15,825 | |
| Legal fees | | 6,533 | |
| Training and development | | 1,250 | |
| Transportation | | 152 | |
| | <u>92,909</u> | <u>97,729</u> | <u>(4,820)</u> |
| Total zoning and planning departments | | | |
| PROFESSIONAL FEES | | | |
| Contingency | | 50,000 | |
| Accountant | | 19,185 | |
| Audit | | 3,500 | |
| Engineer | | 7,639 | |
| Other fees | | 601 | |
| Legal | | 58,632 | |
| | <u>92,000</u> | <u>139,557</u> | <u>(47,557)</u> |
| Total professional fees | | | |

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--------------------------------|------------|--------------|--|
| DOWNTOWN DEVELOPMENT AUTHORITY | | 2,820 | (2,820) |
| HUMAN SERVICES CONTRACT | 4,600 | 4,600 | |
| ROADS | 30,000 | 15,422 | 14,578 |
| STREET LIGHTS | 15,000 | 17,364 | (2,364) |
| CAPITAL OUTLAY | 2,100 | 14,307 | (12,207) |
| CLEAN UP AND RECYCLING | 3,500 | 15 | 3,485 |
| RECREATION | 3,650 | 2,827 | 823 |
| RENT - PSB | 101,278 | 86,878 | 14,400 |
| SENIOR CENTER | | | |
| Salaries | | 45,013 | |
| Payroll taxes | | 3,438 | |
| Insurance - benefits | | 16,974 | |
| Pension | | 3,512 | |
| Programs | | 29,104 | |
| Janitorial service | | 8,274 | |
| Supplies | | 1,988 | |
| Dues | | 220 | |
| Telephone | | 1,282 | |
| Postage | | 631 | |
| Transportation | | 776 | |
| Printing | | 710 | |
| Insurance - general liability | | 4,422 | |
| Utilities | | 4,720 | |
| Repair and maintenance | | 1,163 | |
| Training | | 361 | |
| Total senior center | 99,274 | 122,588 | (23,314) |
| Total expenditures | \$ 965,383 | \$ 1,004,073 | \$ (38,690) |

BUILDING
DEPARTMENT
FUND

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

| | | |
|------------------|----|----------------------|
| ASSETS | | |
| Cash | \$ | 26,455 |
| Prepaid expenses | | <u>618</u> |
| Total assets | \$ | <u><u>27,073</u></u> |

LIABILITIES AND FUND BALANCE

| | | |
|------------------------------------|----|----------------------|
| LIABILITIES | | |
| Accounts payable | \$ | 3,692 |
| Accrued compensated absences | | 6,516 |
| Due to other funds | | <u>9,594</u> |
| Total liabilities | \$ | 19,802 |
| FUND BALANCE | | <u>7,271</u> |
| Total liabilities and fund balance | \$ | <u><u>27,073</u></u> |

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-------------------------------|-----------------|-----------------|--|
| REVENUES | | | |
| Building permit fees | \$ | \$ 76,432 | \$ |
| Contractor's registration | | 1,090 | |
| Interest income | | 589 | |
| Other income | | 116 | |
| | <u>89,750</u> | <u>78,227</u> | <u>(11,523)</u> |
| Total revenues | | | |
| EXPENDITURES | | | |
| Salaries | | 52,183 | |
| Payroll taxes | | 4,285 | |
| Hospitalization | | 7,076 | |
| Life insurance | | 795 | |
| Pension | | 5,459 | |
| Inspections | | 39,418 | |
| Other professional services | | 7,080 | |
| Supplies | | 124 | |
| Membership dues | | 185 | |
| Audit fees | | 1,000 | |
| Telephone | | 590 | |
| Utilities | | 2,227 | |
| Insurance - general and bonds | | 2,155 | |
| Repairs and maintenance | | 327 | |
| Transportation | | 165 | |
| Personnel allocation | | (29,008) | |
| | <u>107,876</u> | <u>94,061</u> | <u>13,815</u> |
| Total expenditures | | | |
| Net change in fund balance | (18,126) | (15,834) | 2,292 |
| FUND BALANCE, JULY 1, 2007 | <u>23,105</u> | <u>23,105</u> | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 4,979</u> | <u>\$ 7,271</u> | <u>\$ 2,292</u> |

FIRE
PROTECTION
FUND

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

| | |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 129,897 |
| Taxes receivable | 5,829 |
| Due from other funds | <u>47,728</u> |
| Total assets | <u>\$ 183,454</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|--------------------|----------|
| Due to other funds | \$ 2,968 |
|--------------------|----------|

FUND BALANCE

| | |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>180,486</u> |
| | <u>\$ 183,454</u> |

NORTHFIELD TOWNSHIP
FIRE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--------------------------------|-------------------|-------------------|---|
| REVENUES | | | |
| Taxes | \$ | \$ 347,626 | \$ |
| Charges for services | | 28 | |
| Interest | | 5,605 | |
| | | | |
| Total revenues | <u>348,700</u> | <u>353,259</u> | <u>4,559</u> |
| EXPENDITURES | | | |
| Salaries | | 120,188 | |
| Payroll taxes | | 9,296 | |
| Hospitalization insurance | | 11,232 | |
| Life insurance | | 462 | |
| Pension | | 2,967 | |
| Other professional services | | 809 | |
| Training and development | | 2,817 | |
| Accounting services | | 1,200 | |
| Membership dues | | 898 | |
| Audit fees | | 1,500 | |
| Legal fees | | 1,281 | |
| Contractual services | | 1,825 | |
| Telephone | | 4,265 | |
| Printing and postage | | 481 | |
| Transportation | | 6,748 | |
| Supplies | | 4,327 | |
| Insurance and bonds | | 21,178 | |
| Utilities | | 4,430 | |
| Building lease | | 43,439 | |
| Small equipment | | 4,711 | |
| Office overhead | | 37,587 | |
| Dispatch services | | 2,812 | |
| Repairs and maintenance | | 16,243 | |
| Uniforms | | 6,267 | |
| Equipment rental | | 1,263 | |
| Downtown Development Authority | | 3,399 | |
| Drains/assessments | | 475 | |
| Loan - principal | | 30,996 | |
| Loan - interest | | 18,104 | |
| | | | |
| Total expenditures | <u>32,166</u> | <u>361,200</u> | <u>(329,034)</u> |
| | | | |
| Net change in fund balance | 316,534 | (7,941) | (324,475) |
| FUND BALANCE, JULY 1, 2007 | <u>188,427</u> | <u>188,427</u> | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 504,961</u> | <u>\$ 180,486</u> | <u>\$ (324,475)</u> |

FIRE TRUCK
FUND

NORTHFIELD TOWNSHIP
FIRE TRUCK FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

Cash

\$ 98,049

Taxes receivable

1,798

Total assets

\$ 99,847

FUND BALANCE

FUND BALANCE

\$ 99,847

NORTHFIELD TOWNSHIP
FIRE TRUCK FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------|-------------------|------------------|--|
| REVENUES | | | |
| Taxes | \$ | \$ 88,876 | \$ |
| Interest | | 3,500 | |
| Miscellaneous | | 7 | |
| | <u>93,500</u> | <u>92,383</u> | <u>(1,117)</u> |
| Total revenues | | | |
| EXPENDITURES | | | |
| Loan - principal | | 90,000 | |
| Loan - interest | | 14,908 | |
| Miscellaneous | | 125 | |
| | <u>104,624</u> | <u>105,033</u> | <u>(409)</u> |
| Total expenditures | | | |
| Net change in fund balance | (11,124) | (12,650) | (1,526) |
| FUND BALANCE, JULY 1, 2007 | <u>112,497</u> | <u>112,497</u> | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 101,373</u> | <u>\$ 99,847</u> | <u>\$ (1,526)</u> |

MEDICAL
RESCUE
FUND

NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

| | |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 213,789 |
| Taxes receivable | 3,416 |
| Due from other funds | 4,753 |
| Prepaid expenditures | <u>3,057</u> |
| Total assets | <u>\$ 225,015</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|------------------------------|---------------|
| Accounts payable | \$ 4,781 |
| Accrued compensated absences | 5,937 |
| Due to other funds | <u>49,938</u> |

Total liabilities \$ 60,656

FUND BALANCE

164,359

Total liabilities and fund balance \$ 225,015

NORTHFIELD TOWNSHIP
MEDICAL RESCUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------|------------|--|
| REVENUES | | | |
| Taxes | \$ | \$ 346,170 | \$ |
| Charges for services | | 13,291 | |
| Interest | | 225 | |
| Donation | | 395 | |
| Insurance reimbursement | | 25,892 | |
| Other revenue | | 152 | |
| Total revenues | 703,055 | 386,125 | (316,930) |
| EXPENDITURES | | | |
| Salaries | | 160,033 | |
| Payroll taxes | | 12,074 | |
| Hospitalization | | 11,531 | |
| Life insurance | | 600 | |
| Pension | | 2,967 | |
| Uniforms | | 1,062 | |
| Accounting services | | 4,000 | |
| Other professional fees | | 809 | |
| Audit fees | | 1,500 | |
| Transportation | | 4,499 | |
| Training and development | | 3,965 | |
| Legal fees | | 1,281 | |
| Membership fees | | 398 | |
| Contractual services | | 756 | |
| Dispatch services | | 7,467 | |
| Telephone | | 4,265 | |
| Supplies | | 3,123 | |
| Insurance and bonds | | 25,475 | |
| Office overhead | | 37,587 | |
| PSB lease | | 43,439 | |
| Utilities | | 4,430 | |
| Repairs and maintenance | | 18,603 | |
| Rental equipment | | 1,263 | |
| DDA | | 3,385 | |
| Tribunals/drains | | 474 | |
| Capital outlay | | 2,649 | |
| Total expenditures | 755,322 | 357,635 | 397,687 |
| Excess of revenues over (under) expenditures | (52,267) | 28,490 | 80,757 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 60,000 | 60,000 | |
| Net change in fund balance | 7,733 | 88,490 | 80,757 |
| FUND BALANCE, JULY 1, 2007 | 75,869 | 75,869 | |
| FUND BALANCE, JUNE 30, 2008 | \$ 83,602 | \$ 164,359 | \$ 80,757 |

LAW
ENFORCEMENT
FUND

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

| | |
|---------------------------|---------------|
| Cash and cash equivalents | \$ 242,746 |
| Taxes receivable | 11,329 |
| Due from other funds | 26,476 |
| Accounts payable - other | 5,585 |
| Prepaid expenditures | <u>21,208</u> |

| | |
|--------------|--------------------------|
| Total assets | <u><u>\$ 307,344</u></u> |
|--------------|--------------------------|

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|------------------------------|---------------|
| Accounts payable | \$ 17,202 |
| Accrued compensated absences | 116,096 |
| Due to other funds | <u>15,594</u> |

| | |
|-------------------|------------|
| Total liabilities | \$ 148,892 |
|-------------------|------------|

FUND BALANCE

158,452

| | |
|------------------------------------|--------------------------|
| Total liabilities and fund balance | <u><u>\$ 307,344</u></u> |
|------------------------------------|--------------------------|

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---|-------------------|-------------------|--|
| REVENUES | | | |
| Taxes | \$ | \$ 1,551,405 | \$ |
| Fines and court fees | | 44,907 | |
| Traffic tickets and impound fees | | 5,570 | |
| Liquor law license fees | | 2,916 | |
| Justice training fund | | 1,283 | |
| Interest | | 2,628 | |
| Donations | | 50 | |
| Insurance proceeds | | 3,846 | |
| Charges for services | | 15,319 | |
| | <u>1,611,553</u> | <u>1,627,924</u> | <u>16,371</u> |
| Total revenues | | | |
| | 1,611,553 | 1,627,924 | 16,371 |
| EXPENDITURES | <u>1,712,860</u> | <u>1,750,177</u> | <u>(37,317)</u> |
| Excess of revenues over (under) expenditures | <u>(101,307)</u> | <u>(122,253)</u> | <u>(20,946)</u> |
| OTHER SOURCES FINANCING (USES) | | | |
| Disposal of capital assets | 6,000 | | (6,000) |
| Lease proceeds | 16,200 | 48,979 | 32,779 |
| Transfers in | 10,000 | 14,597 | 4,597 |
| | <u>32,200</u> | <u>63,576</u> | <u>31,376</u> |
| Total other financing sources | | | |
| | 32,200 | 63,576 | 31,376 |
| Net change in fund balance | (69,107) | (58,677) | 10,430 |
| FUND BALANCE, JULY 1, 2007 | <u>217,129</u> | <u>217,129</u> | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 148,022</u> | <u>\$ 158,452</u> | <u>\$ 10,430</u> |

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--------------------------------|---------------------|---------------------|---|
| EXPENDITURES | | | |
| Salaries | \$ | \$ 873,775 | \$ |
| Payroll taxes | | 66,588 | |
| Life insurance | | 10,789 | |
| Professional fees | | 49,167 | |
| Pension | | 71,122 | |
| Insurance - health | | 165,596 | |
| Uniforms and gear | | 1,968 | |
| Membership dues | | 1,310 | |
| Printing and postage | | 2,326 | |
| Transportation | | 28,569 | |
| Insurance and bonds | | 70,635 | |
| Repairs and maintenance | | 19,746 | |
| Tax tribunals/drains | | 2,062 | |
| Capital outlay | | 71,226 | |
| Telephone | | 14,011 | |
| Supplies | | 7,389 | |
| Training and development | | 3,059 | |
| Downtown Development Authority | | 15,174 | |
| Office overhead | | 75,173 | |
| PSB lease | | 86,878 | |
| Equipment rental | | 2,873 | |
| Contractual services | | 16,079 | |
| Dispatch services | | 69,595 | |
| Debt service - principal | | 22,837 | |
| Debt service - interest | | 2,230 | |
| | <u> </u> | <u> </u> | <u> </u> |
| Total expenditures | <u>\$ 1,712,860</u> | <u>\$ 1,750,177</u> | <u>\$ (37,317)</u> |

NARCOTICS
FUND

NORTHFIELD TOWNSHIP
NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 18,350

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 5,275

FUND BALANCE

13,075

Total liabilities and fund balance

\$ 18,350

NORTHFIELD TOWNSHIP
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---|-----------------|------------------|--|
| REVENUES | | | |
| Forfeitures | \$ | \$ 4,440 | \$ |
| Interest | | 77 | |
| | | | |
| Total revenues | 600 | 4,517 | 3,917 |
| EXPENDITURES | | | |
| Public safety projects | <u>5,500</u> | <u>114</u> | <u>5,386</u> |
| | | | |
| Excess of revenues over (under) expenditures | (4,900) | 4,403 | 9,303 |
| OTHER FINANCING (USES) | | | |
| Transfers (out) | <u></u> | <u>(4,597)</u> | <u>(4,597)</u> |
| | | | |
| Net change in fund balance | (4,900) | (194) | 4,706 |
| FUND BALANCE, JULY 1, 2007 | <u>13,269</u> | <u>13,269</u> | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 8,369</u> | <u>\$ 13,075</u> | <u>\$ 4,706</u> |

DOWNTOWN DEVELOPMENT
AUTHORITY
FUND

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

Cash and cash equivalents

\$ 136,576

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 2,203

FUND BALANCE

134,373

Total liabilities and fund balance

\$ 136,576

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|-----------------------------|------------------|-------------------|--|
| REVENUES | | | |
| Taxes | \$ | \$ 62,050 | \$ |
| Interest | | 3,251 | |
| | | | |
| Total revenues | <u>60,000</u> | <u>65,301</u> | <u>5,301</u> |
| EXPENDITURES | | | |
| Streetlights | | 10,124 | |
| Streetscape project | | 1,150 | |
| Professional fees | | 4,357 | |
| Supplies | | 500 | |
| | | | |
| Total expenditures | <u>54,282</u> | <u>16,131</u> | <u>38,151</u> |
| | | | |
| Net change in fund balance | 5,718 | 49,170 | 43,452 |
| FUND BALANCE, JULY 1, 2007 | <u>85,203</u> | <u>85,203</u> | |
| FUND BALANCE, JUNE 30, 2008 | <u>\$ 90,921</u> | <u>\$ 134,373</u> | <u>\$ 43,452</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, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|-----------------------------|-----------------------------|-----------------------------|---|
| REVENUES | | | |
| Rental income | <u>\$ 260,635</u> | <u>\$ 260,635</u> | <u>\$</u> |
| EXPENDITURES | | | |
| Debt | | | |
| Principal | | 120,000 | |
| Interest | | <u>140,635</u> | |
| Total expenditures | <u>260,635</u> | <u>260,635</u> | |
| Net change in fund balance | | | |
| FUND BALANCE, JULY 1, 2007 | <u> </u> | <u> </u> | <u> </u> |
| FUND BALANCE, JUNE 30, 2008 | <u><u>\$</u></u> | <u><u>\$</u></u> | <u><u>\$</u></u> |

PUBLIC SAFETY BUILDING
DEBT SERVICE FUND

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

| | |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 66,668 |
| Taxes receivable | 4,791 |
| Due from other funds | <u>10,834</u> |
| Total assets | <u>\$ 82,293</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|------------------|----------|
| Accounts payable | \$ 7,225 |
|------------------|----------|

FUND BALANCE

| | |
|------------------------------------|------------------|
| Total liabilities and fund balance | <u>75,068</u> |
| | <u>\$ 82,293</u> |

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

| | | |
|-----------------------------|----|----------------------|
| REVENUES | | |
| Property taxes | \$ | 288,598 |
| Donations | | 1,500 |
| Interest income | | 4,333 |
| Miscellaneous | | <u>21</u> |
| Total revenues | | <u>294,452</u> |
| EXPENDITURES | | |
| Capital outlays | | 17,050 |
| Professional fees | | 1,200 |
| Supplies | | 957 |
| Cleaning services | | 14,597 |
| Contracted services | | 6,684 |
| Telephone | | 7,019 |
| Insurance | | 22,428 |
| Utilities | | 94,297 |
| Repairs and maintenance | | 23,612 |
| Tax chargebacks | | 366 |
| Loan - principal | | 150,000 |
| Loan - interest | | 143,700 |
| Loan - agent fees | | 1,250 |
| Overhead allocation | | <u>(187,933)</u> |
| Total expenditures | | <u>295,227</u> |
| Net change in fund balance | | (775) |
| FUND BALANCE, JULY 1, 2007 | | <u>75,843</u> |
| FUND BALANCE, JUNE 30, 2008 | \$ | <u><u>75,068</u></u> |

SEWAGE DISPOSAL
SYSTEM
FUND

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

CURRENT ASSETS

| | |
|-------------------------------|--------------|
| Cash and cash equivalents | \$ 1,271,151 |
| Sewer billings receivable | 316,819 |
| Special assessment receivable | 2,202,860 |
| Prepaid expenses | <u>6,249</u> |

Total current assets \$ 3,797,079

RESTRICTED ASSETS

Cash and cash equivalents - expansion projects 1,456,111

PLANT, PROPERTY AND EQUIPMENT

| | |
|--------------------------------|--------------------|
| Land | 226,918 |
| Plant | 2,229,393 |
| Plant expansion | 11,345,046 |
| Equipment | <u>727,306</u> |
| | 14,528,663 |
| Less: accumulated depreciation | <u>(3,866,807)</u> |

Net plant, property, and equipment 10,661,856

Total assets \$ 15,915,046

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

| | |
|-------------------------------------|----------------|
| Accounts payable | \$ 59,815 |
| Accrued compensated absences | 23,209 |
| Due to other funds | 12,401 |
| Contracts payable - current portion | <u>545,000</u> |

Total current liabilities \$ 640,425

LONG-TERM LIABILITIES

Contracts payable - less current portion 5,035,000

Total liabilities 5,675,425

FUND EQUITY

10,239,621

Total liabilities and fund equity \$ 15,915,046

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

OPERATING REVENUES

| | |
|--------------|--------------|
| User charges | \$ 1,237,100 |
|--------------|--------------|

OPERATING EXPENSES

| | |
|--------------------------|----------------|
| Salaries and wages | \$ 283,537 |
| Payroll taxes | 22,027 |
| Hospitalization | 69,062 |
| Life insurance | 4,488 |
| Pension | 26,537 |
| Training and development | 590 |
| Testing | 3,894 |
| Operating supplies | 58,304 |
| Uniforms | 3,840 |
| Professional services | 14,161 |
| Membership and dues | 2,205 |
| Contracted services | 28,241 |
| Administration fees | 35,000 |
| Telephone | 9,834 |
| Transportation | 4,354 |
| Printing and postage | 3,137 |
| Insurance and bonds | 37,653 |
| Utilities | 128,831 |
| Repairs and maintenance | 164,803 |
| Small equipment | 5,019 |
| Depreciation | <u>340,707</u> |

| | |
|--------------------------|------------------|
| Total operating expenses | <u>1,246,224</u> |
|--------------------------|------------------|

| | |
|------------------|---------|
| Operating (loss) | (9,124) |
|------------------|---------|

NON-OPERATING REVENUES AND (EXPENSES)

| | |
|--|--------------|
| Other income | 2,011 |
| Interest income - cash and equivalents | 121,263 |
| Interest - special assessments | 148,333 |
| Interest expense | (356,642) |
| Bond fees | <u>(650)</u> |

| | |
|---|-----------------|
| Total non-operating revenues and (expenses) | <u>(85,685)</u> |
|---|-----------------|

| | |
|---|----------|
| Net (loss) before capital contributions | (94,809) |
|---|----------|

CAPITAL CONTRIBUTIONS

| | |
|-------------|---------------|
| Tap-in fees | <u>38,500</u> |
|-------------|---------------|

| | |
|------------|---------------------------|
| Net (loss) | <u><u>\$ (56,309)</u></u> |
|------------|---------------------------|

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES

| | | |
|--|---------------|------------------|
| Operating (loss) | | \$ (9,124) |
| Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities | | |
| Depreciation | \$ 340,707 | |
| Other income | 2,011 | |
| Changes in assets and liabilities | | |
| (Increase) in sewer billings receivable | (3,912) | |
| Decrease in due from county | 702,109 | |
| Decrease in due from other funds | 55,509 | |
| (Increase) in prepaid expenses | (890) | |
| Increase in accounts payable/accrued compensated absences | 9,571 | |
| Increase in due to other funds | <u>12,401</u> | |
| Total adjustments | | <u>1,117,506</u> |
| Net cash provided by operating activities | | 1,108,382 |

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

| | | |
|---|--------------------|-------------|
| Tap-in fees collected | 38,500 | |
| Special assessments received | 391,936 | |
| Purchase of equipment/system | (211,490) | |
| Interest paid on long-term bonds | (356,642) | |
| Bond fees | (650) | |
| Proceeds on issuance of bonds | 4,965,000 | |
| Repayment of principal on bonds/contracts | <u>(6,030,000)</u> | |
| Net cash provided (used) by capital and related financing activities | | (1,203,346) |

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES

| | |
|---|----------------|
| Interest on cash and cash equivalents | <u>137,491</u> |
| Net increase in cash and cash equivalents | 42,527 |

| | |
|---|------------------|
| CASH AND CASH EQUIVALENTS AT JULY 1, 2007 | <u>2,684,735</u> |
|---|------------------|

| | |
|--|----------------------------|
| CASH AND CASH EQUIVALENTS AT JUNE 30, 2008 | <u><u>\$ 2,727,262</u></u> |
|--|----------------------------|

CURRENT
TAX
COLLECTION
FUND

NORTHFIELD TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

Cash and cash equivalents
Due from county

\$ 63,450
30,072

Total assets

\$ 93,522

LIABILITIES

LIABILITIES

Due to other funds
Due to others

\$ 87,216
6,306

Total liabilities

\$ 93,522

TRUST
AND
AGENCY
FUND

NORTHFIELD TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

ASSETS

Cash and cash equivalents
Due from other funds

\$ 20,642
3,042

Total assets

\$ 23,684

LIABILITIES

LIABILITIES

Performance bonds
Due to others

\$ 5,200
18,484

Total liabilities

\$ 23,684

2008

NORTHFIELD TOWNSHIP

Clark's copy

COMMENTS AND RECOMMENDATIONS

For The Year Ended June 30, 2008



PFEFFER • HANNIFORD • PALKA
Certified Public Accountants

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

Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

December 4, 2008

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

Dear Honorable Board of Trustees:

During our audit of the Northfield Township we came across the following matter that we would like to discuss with you as part of our audit presentation for the year ending June 30, 2008.

The matter which we would like to discuss with you is as follows:

Auditing standards require us to communicate to you significant deficiencies in your internal controls and accounting procedures. There are certain issues (deficiencies) which were previously considered general comments, but under new standards are now considered significant deficiencies.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's or detected by the entity's internal control.

We consider the following to be a material weakness of the Township.

- Historically, the Township has relied on independent external auditors in the preparation of their financial statements and required disclosures. The Township has determined that the cost/benefit of preparing the financial statements and disclosures are best served by continuing this practice.
- As in most small organizations, the Township has a lack of segregation of duties in its accounting department.

Northfield Township

The following are other comments relating to the Township's accounting and record keeping procedures:

- Various charges for services are not being billed consistently, and are not being reconciled to the general ledger. Also, receipts are being remitted to various departments, and not through the existing internal control structure of the Township. To ensure proper collection, bonding, and safeguarding of assets these amounts should be remitted to the Township hall.
- Property liens are being recorded by the Township for services performed. A receivable has been recorded to show amounts to be received when property title is transferred. The Township should evaluate the likelihood of collecting these amounts, and record an allowance for uncollectible portions.
- Fuel charges are reported in a monthly statement for the various protection services. The individual receipts are not being attached to this statement. The Township should attach these receipts, and determine which vehicle was filled. Also, portions of these statements were not kept with the accounts payable records. The entire approved invoice, and related receipts should be kept at the Township hall.
- Not all invoices/payments could be located in the accounts payable files, and are not being signed off by a responsible individual. The State of Michigan now requires that an original invoice be approved by a designated responsible individual.
- While reviewing cash activity we noticed some instances where control can be improved. The Township uses a common checking account for many funds, and some funds had been overdrawn. In essence, one fund may be borrowing funds from others interest free. Steps should be taken to avoid this. The Township has several old outstanding checks, and should look into reissuing these checks or escheating them to the State of Michigan. Also, a new bank account was opened with an account that is not interest bearing. The balance is significant, and the Township may wish to evaluate if it were better to have this account bear interest.

Conclusion

Thank you for your assistance and hospitality toward our firm while conducting the audit of the Northfield Township.

If you should have any questions, comments or concerns please do not hesitate to call us.

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants