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Certified Public Accountants

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November 10, 2014

Board of Trustees
Northfield Township
8350 Main Street
Whitmore Lake, Michigan 48189

Dear Honorable Board of Trustees:

In planning and performing our audit of the financial statements of Northfield Township as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Northfield Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified deficiencies in internal control that we consider to be material weaknesses:

A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in Northfield Township's internal control to be material weaknesses.

1. Establish Control over the Financial Reporting Process

Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to financial statements, in conformity with U.S. generally accepted accounting principles.

At times, management may choose to outsource certain accounting functions due to cost or training considerations. Such accounting functions and service providers must be governed by the control policies and procedures of the Township. Management is as responsible for outsourced functions performed by a service provider as it would be if your personnel performed such functions. Specifically, management is responsible for management decisions and functions: for designating an individual with suitable skill, knowledge, or experience to oversee any outsourced services; and for evaluating the adequacy and results of those services and accepting responsibility for them.

As part of the audit, management requested us to prepare a draft of your financial statements, including the related notes to financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management did not perform a detailed review of the financial statements. The absence of this control procedure is considered a material weakness because the potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the Company's internal control.

The existence of significant deficiencies or material weaknesses may already be known to management and may represent a conscious decision by management or those charged with governance to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions.

Response by Management

Management believes the perceived benefit of more control over the financial reporting process does not exceed the related cost. Therefore, management has chosen to continue to request the auditors to prepare the financial statements.

2. Segregate Accounting Duties

A good system of internal control provides for a proper segregation of the accounting functions. The Township does not have the proper segregation of duties over cash receipts and disbursements, accounts receivable, and accounts payable. Proper segregation is not always possible in a small organization, but limited segregation to the extent possible can and should be implemented to reduce the risk of errors or fraud. We recommend that management review the current assignment of accounting functions. Where possible, duties should be segregated to reduce the risk or errors or fraud.

Response by Management

Management has reviewed and continues to review the current assignment of accounting functions. Management believes that the cost of hiring of additional personnel will not substantiate the conceived benefits. However, management will continue to review methods of segregating duties without hiring additional personnel with the current staff.

The following are additional remarks which we do not consider to be material weaknesses but would like to discuss with the Board as part of our audit presentation.

1. The Township Board has adopted a fund balance policy and should designate funds accordingly.
2. All administrative charges between departments should be documented annually to determine the proper charges.
3. We recommend that receipting be done by the Treasurer at the Township hall. Currently monies are collected at the Senior Center.

Conclusion

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

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

This communication is intended solely for the information and use of management, Township Board of Trustees, and others with the organization, 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

Northfield Township

Audit Presentation

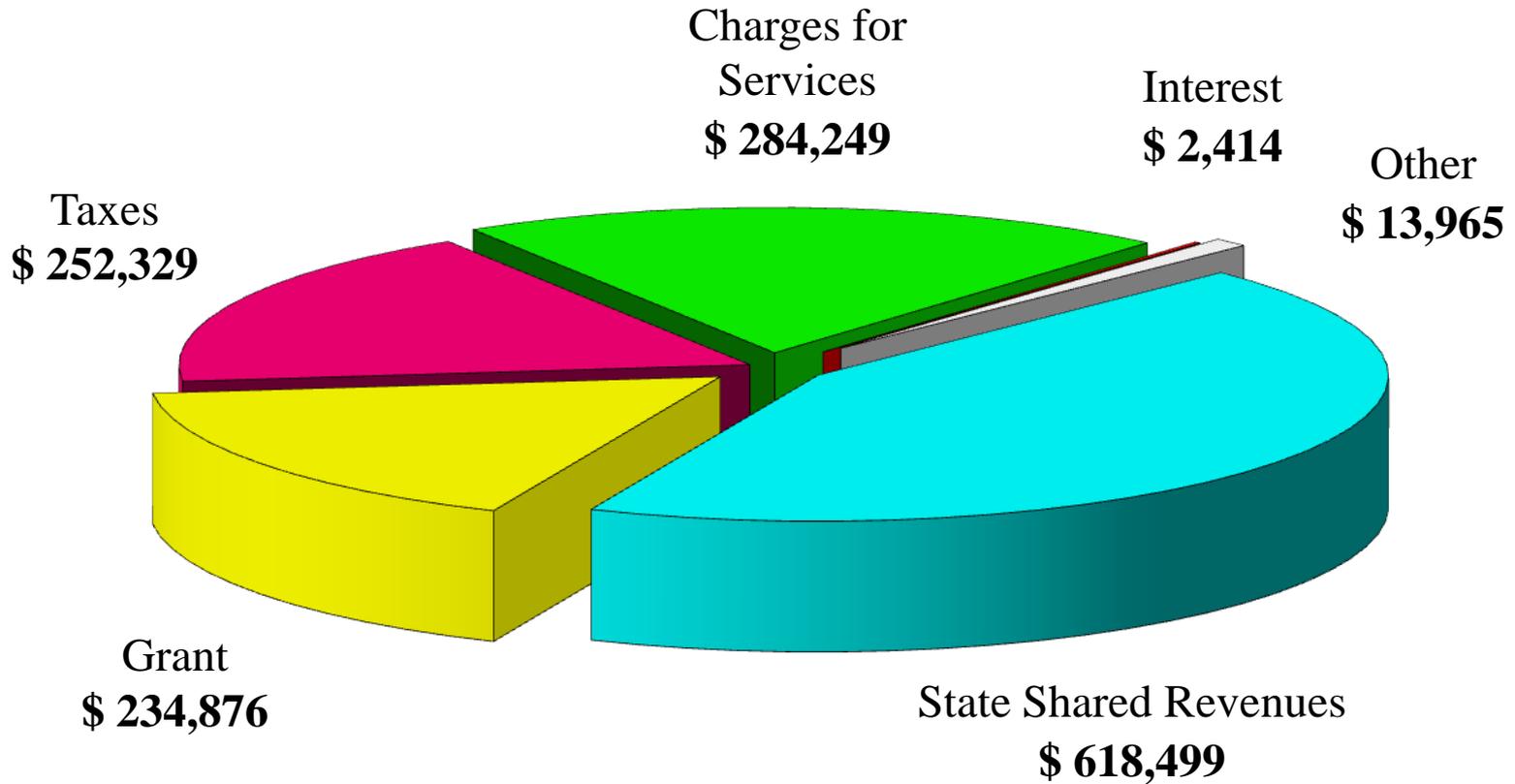
June 30, 2014



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Certified Public Accountants

BRIGHTON, MICHIGAN

**Northfield Township
General Fund Revenues
For The Year Ended June 30, 2014**

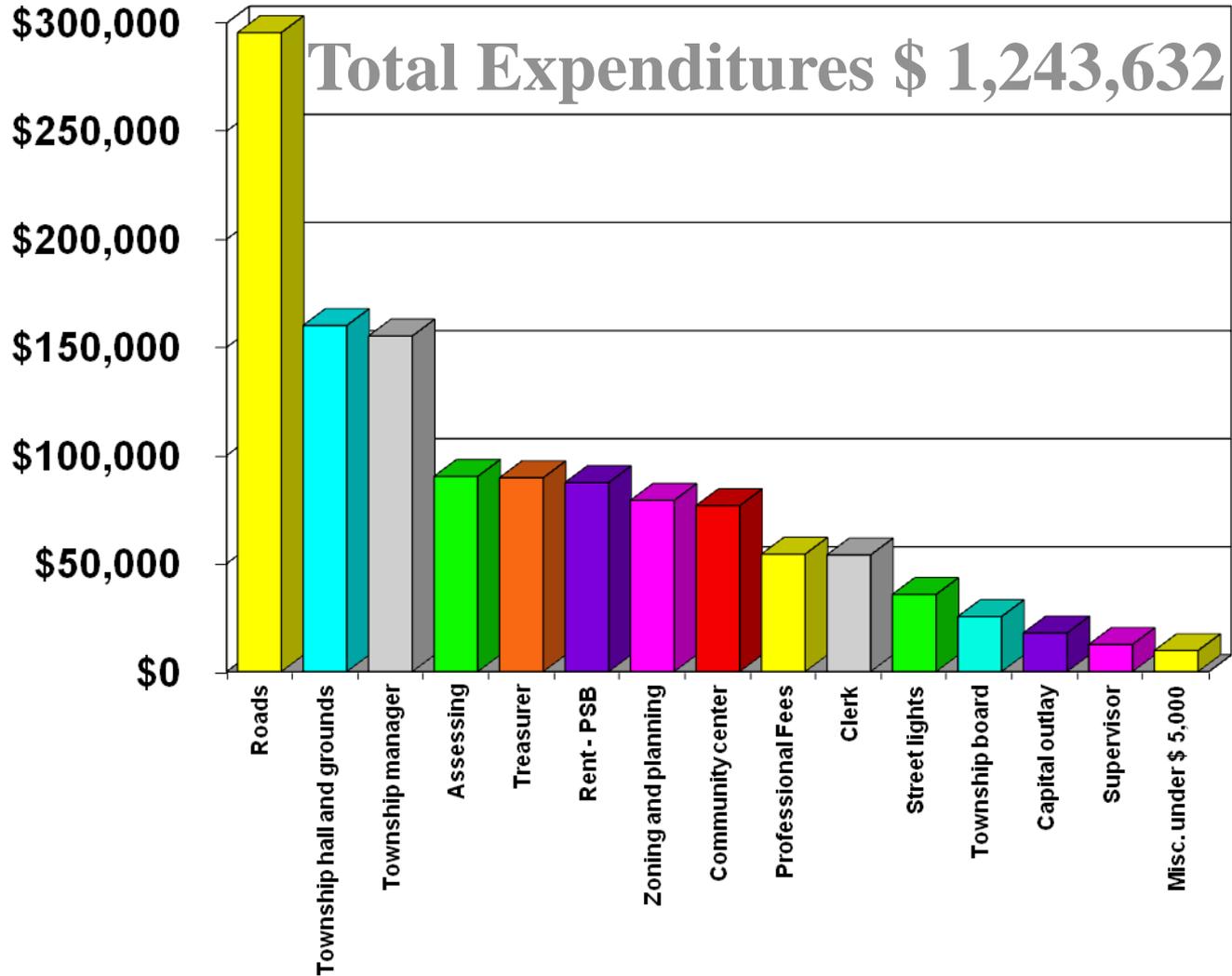


Total Revenues = \$ 1,406,332

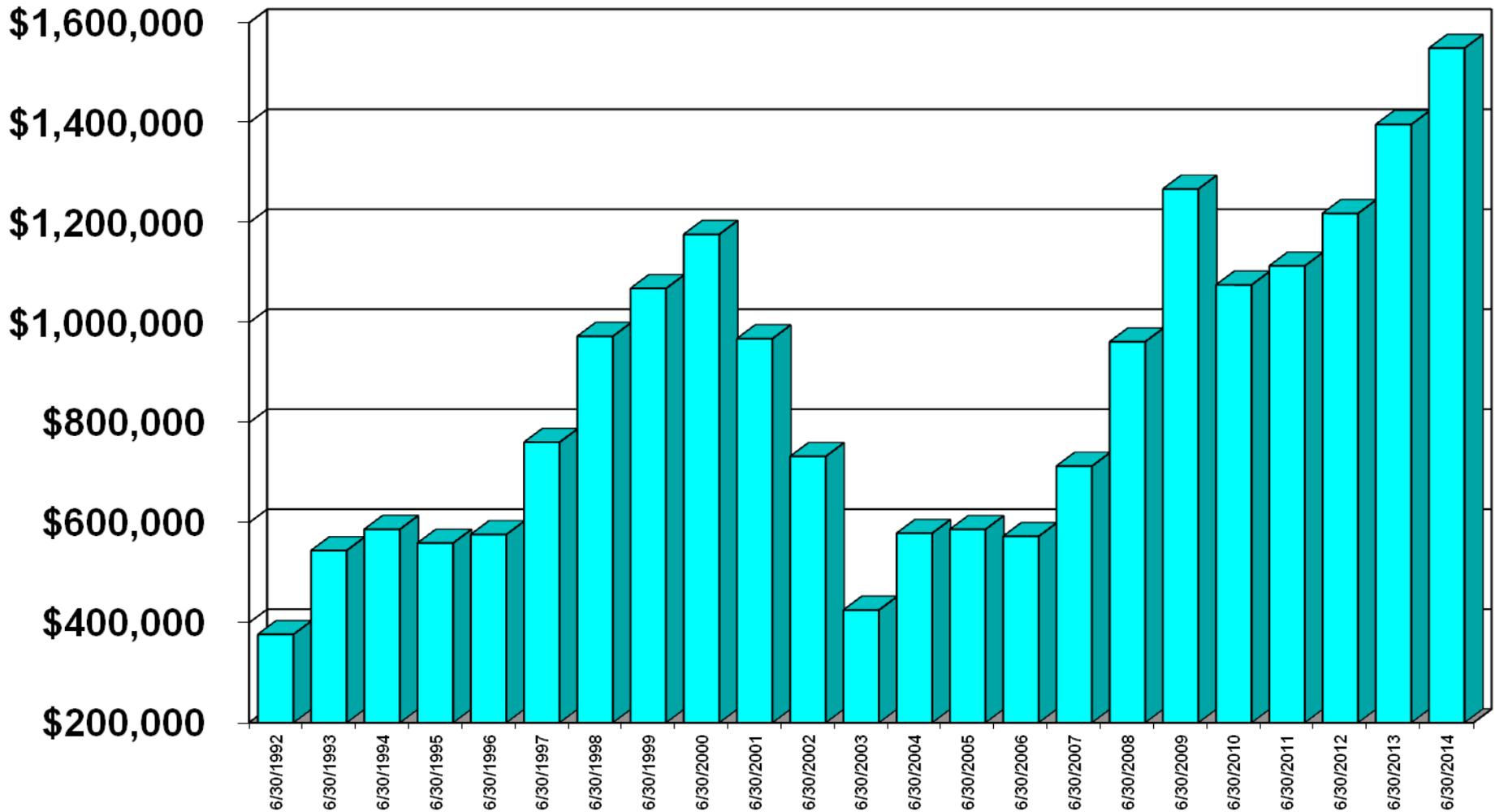
Northfield Township

General Fund Expenditures

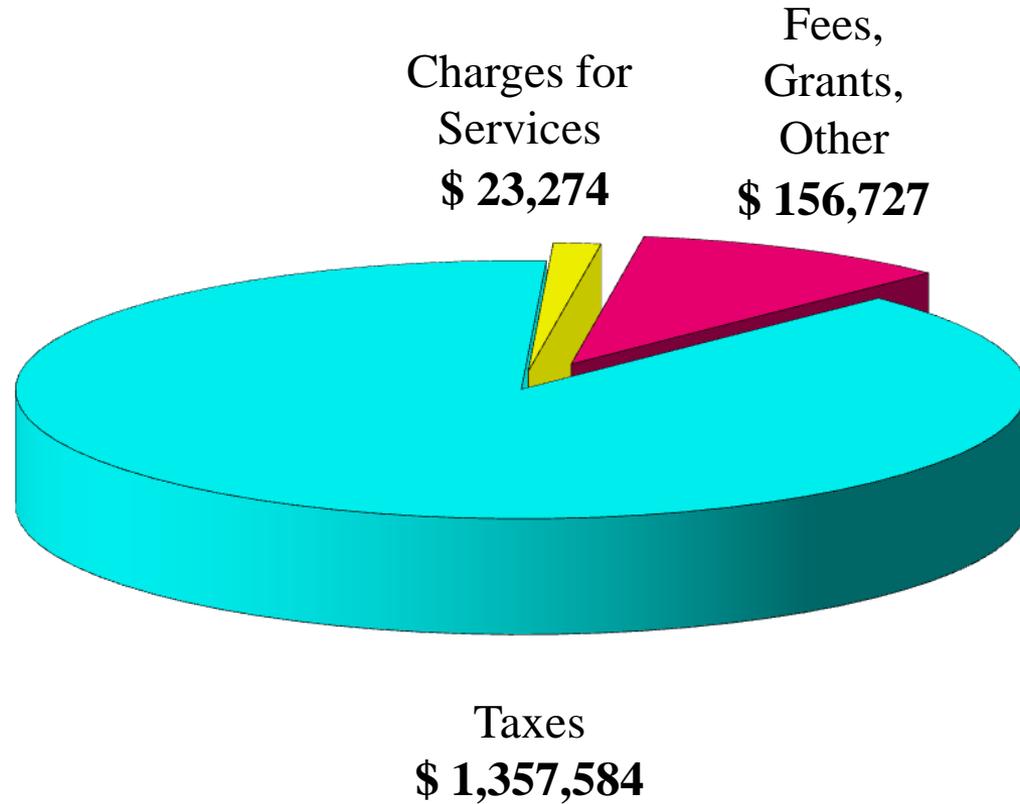
For The Year Ended June 30, 2014



Northfield Township General Fund Fund Balance Comparison June 30, 1992 - June 30, 2014

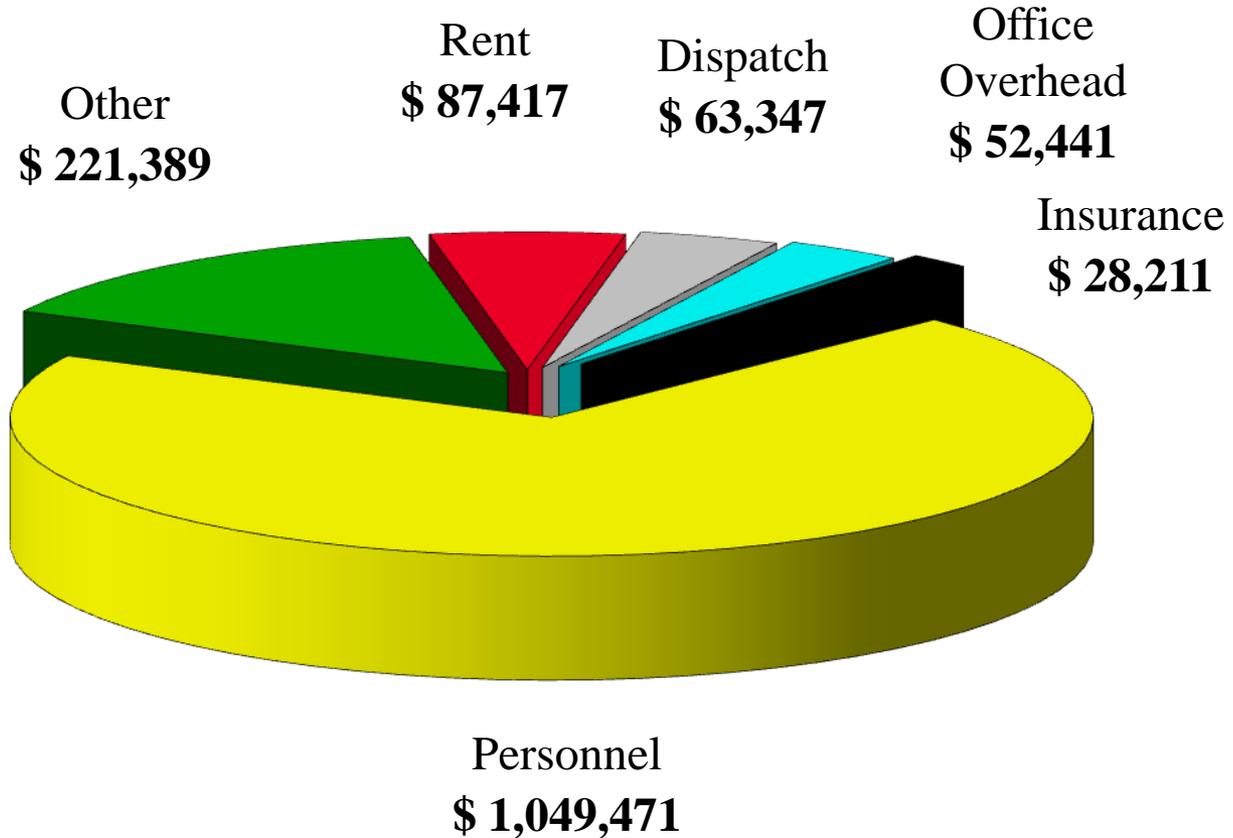


Northfield Township
Law Enforcement Fund Revenues
For The Year Ended June 30, 2014



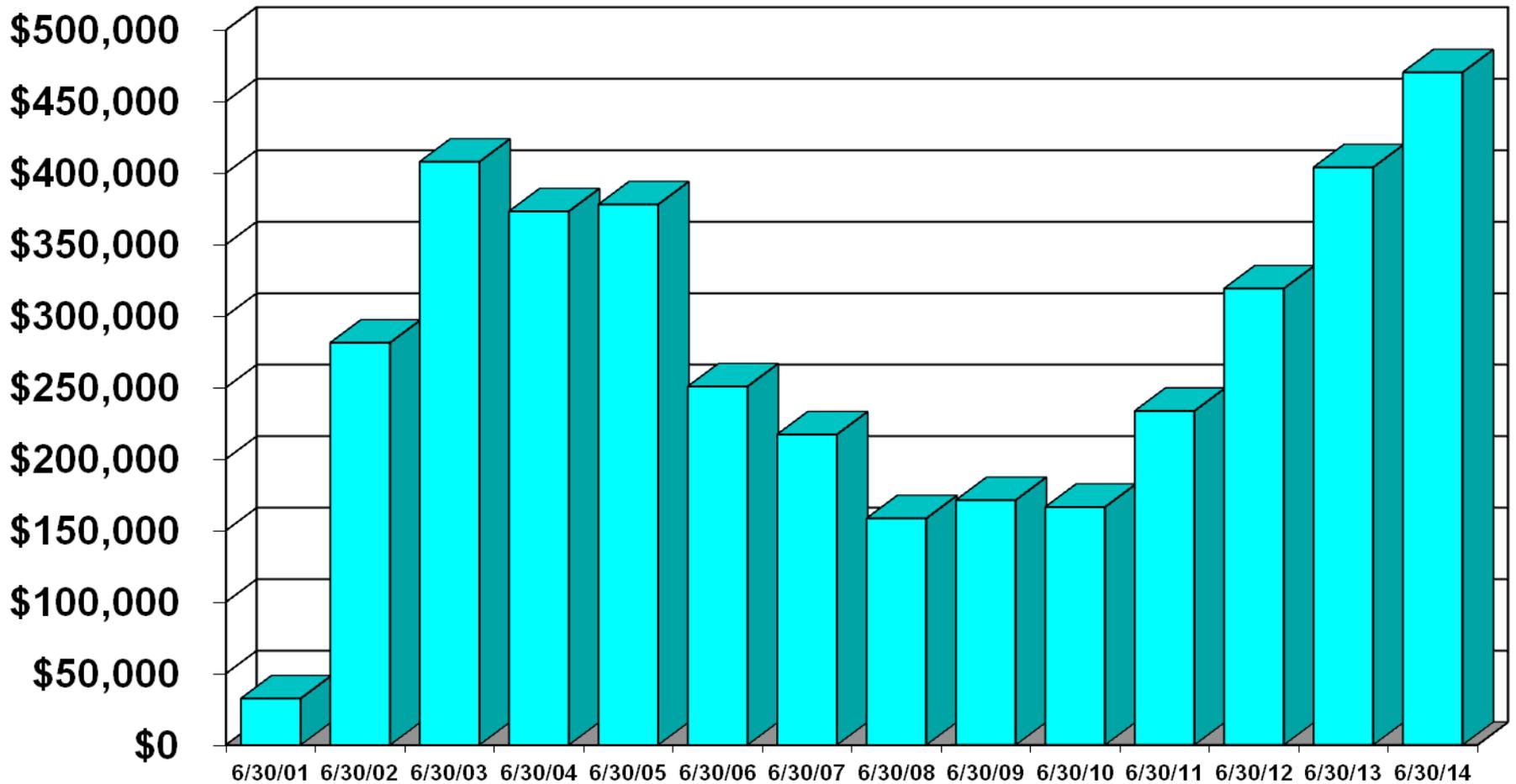
Total Revenues = \$ 1,537,585

Northfield Township
Law Enforcement Fund Expenditures
For The Year Ended June 30, 2014

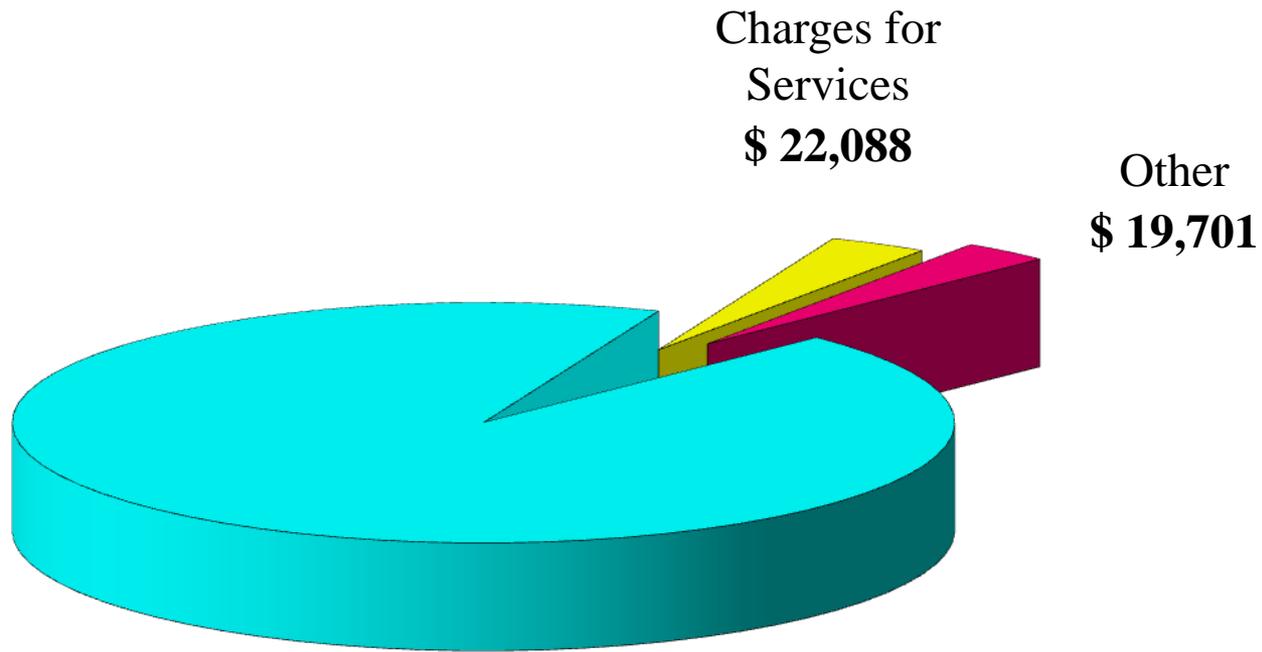


Total Expenditures = \$ 1,502,276

Northfield Township
Law Enforcement Fund
Fund Balance Comparison
June 30, 2001 - June 30, 2014



Northfield Township
Fire Fund Revenues
For The Year Ended June 30, 2014



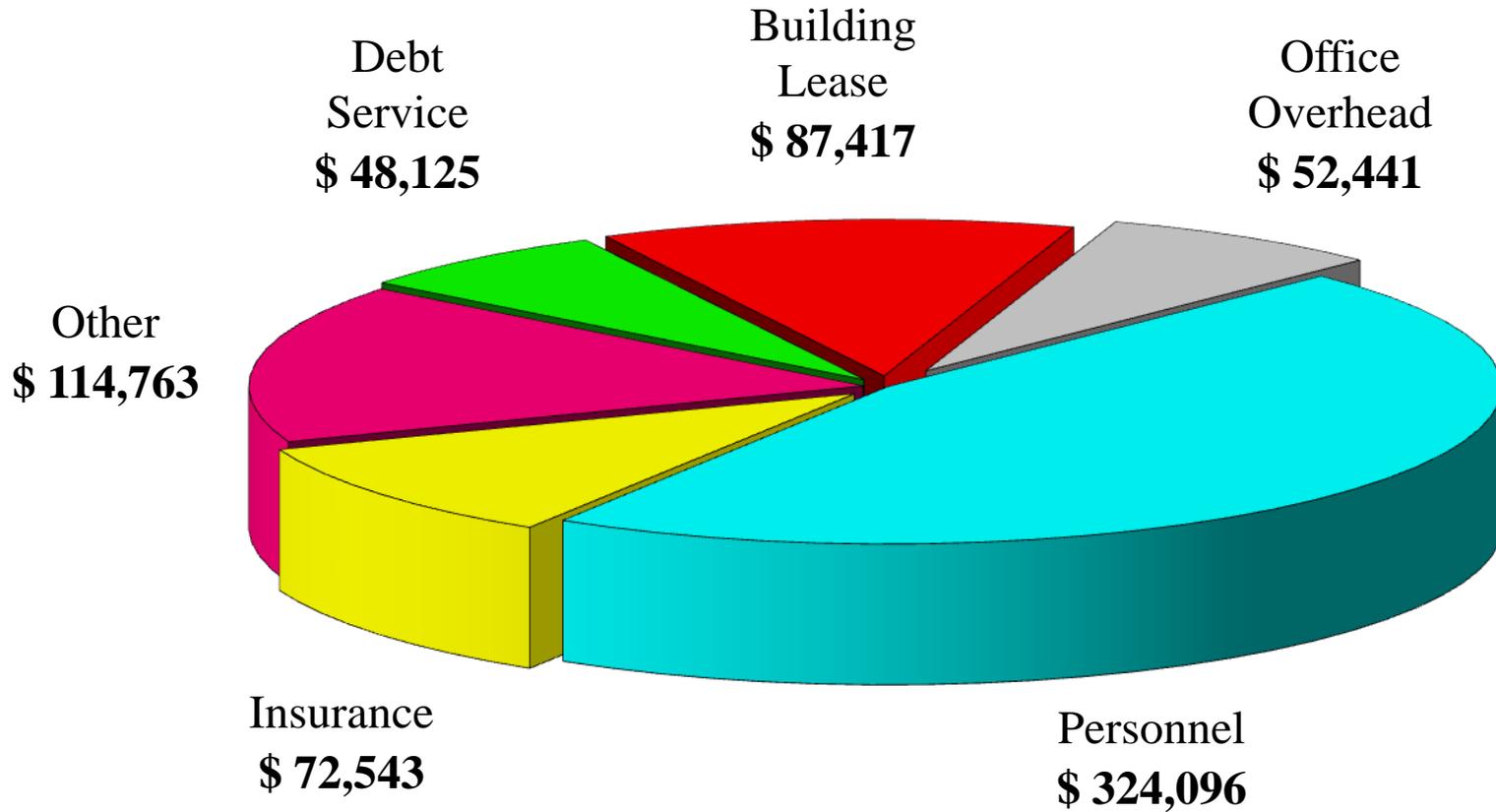
Taxes
\$ 607,117

Charges for
Services
\$ 22,088

Other
\$ 19,701

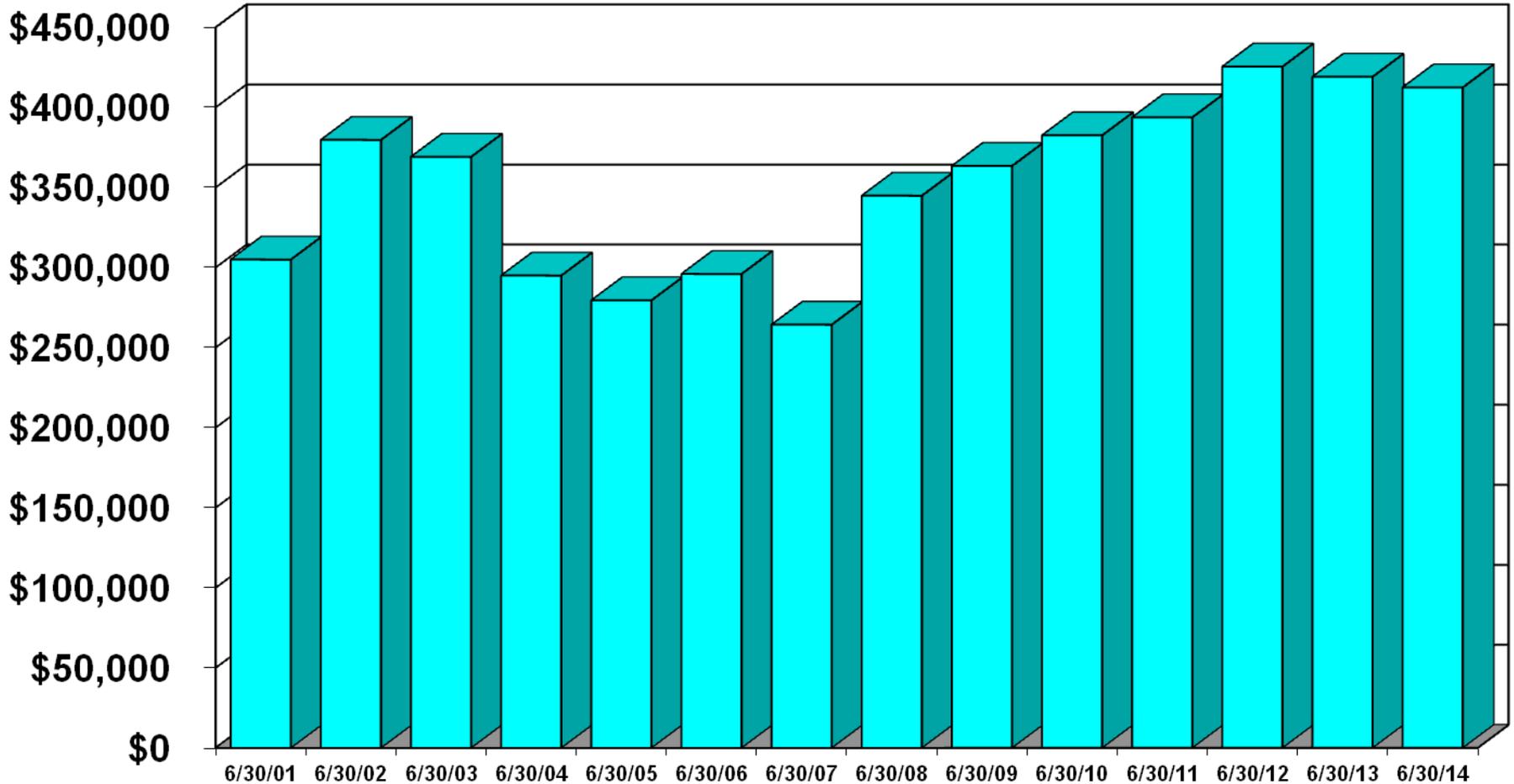
Total Revenues = \$ 648,906

**Northfield Township
Fire Fund Expenditures
For The Year Ended June 30, 2014**



Total Expenditures = \$ 699,385

Northfield Township Fire Fund Fund Balance Comparison June 30, 2001 - June 30, 2014



Note : The fiscal year ending June 30, 2009 the Fire Protection and Medical Rescue funds were consolidated into one fund.

NORTHFIELD TOWNSHIP

Report on Audit of Financial Statements

For the Year Ended June 30, 2014

NORTHFIELD TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Marilyn Engstrom
Clerk - Angela Westover
Treasurer - Kathy Braun

TOWNSHIP BOARD

Kathy Braun
Janet Chick
Wayne Dockett
Marilyn Engstrom
Jacquelyn Otto
Tracy Thomas
Angela Westover

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

9

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

Statement of Net Position

16

Statement of Activities

17

FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Funds

19

Reconciliation of Governmental Fund Balances to Net Position of Governmental Activities

20

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

21

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

22

Statement of Net Position - Proprietary Fund

23

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund

24

Statement of Cash Flows - Proprietary Fund

25

Statement of Net Position - All Agency Funds

26

NOTES TO FINANCIAL STATEMENTS

28

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

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

50

LAW ENFORCEMENT FUND

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

51

FIRE FUND

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

52

SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)

53

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

55

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

Combining Balance Sheet - Nonmajor Governmental Funds

58

Combining Balance Sheet - All Agency Funds

59

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds

60

TABLE OF CONTENTS

PAGE NUMBER

INDIVIDUAL FUNDS

GENERAL FUND

Balance Sheet	63
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	64
Statement of Revenues - Budget and Actual	65
Statement of Expenditures - Budget and Actual	66

BUILDING DEPARTMENT FUND

Balance Sheet	72
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	73

FIRE FUND

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

FIRE TRUCK FUND

Balance Sheet	78
Statement of Revenues, Expenditures and Changes in Fund Balance	79

LAW ENFORCEMENT FUND

Balance Sheet	81
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	82
Statement of Expenditures - Budget and Actual	83

NARCOTICS FUND

Balance Sheet	85
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	86

FEDERAL NARCOTICS FUND

Balance Sheet	88
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	89

PUBLIC CONTRIBUTIONS FUND

Balance Sheet	91
Statement of Revenues, Expenditures and Changes in Fund Balance	92

DOWNTOWN DEVELOPMENT AUTHORITY FUND

Balance Sheet	94
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	95

BUILDING AUTHORITY DEBT SERVICE FUND

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	97
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PUBLIC SAFETY BUILDING DEBT SERVICE FUND

Balance Sheet	99
Statement of Revenues, Expenditures and Changes in Fund Balance	100

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
SEWAGE DISPOSAL SYSTEM FUND	
Statement of Net Position	102
Statement of Revenues and Expenses	103
Statement of Cash Flows	104
CURRENT TAX COLLECTION FUND	
Balance Sheet	106
TRUST AND AGENCY FUND	
Balance Sheet	108
PAYROLL FUND	
Balance Sheet	110

October 27, 2014

Board of Trustees
Northfield Township
8350 Main Street
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, 2014, which collectively comprise Northfield Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 -13 and 50 - 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis
June 30, 2014

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, 2014. 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 Position. 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 position. Over time, increases or decreases in net position 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 position 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.

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 as other supplementary information.

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 position.

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 position at the end of the fiscal year was \$16,499,873. This is a \$901,921 increase over last year's net position of \$15,597,952. This increase is typical for the Township.

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

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Assets						
Current and other assets	\$ 3,408,202	\$ 2,913,304	\$ 3,556,126	\$ 4,045,086	\$ 6,964,328	\$ 6,958,390
Capital assets	7,249,396	7,173,911	9,028,100	9,209,182	16,277,496	16,383,093
Total assets	10,657,598	10,087,215	12,584,226	13,254,268	23,241,824	23,341,483
Liabilities						
Other liabilities	359,251	265,984	38,069	34,165	397,320	300,149
Long-term liabilities	4,131,609	4,616,902	2,213,022	2,826,480	6,344,631	7,443,382
Total liabilities	4,490,860	4,882,886	2,251,091	2,860,645	6,741,951	7,743,531
Net position:						
Invested in capital assets, net of debt	3,117,787	2,557,009	6,815,078	6,382,702	9,932,865	8,939,711
Restricted	937,024	907,253	2,213,022	2,830,878	3,150,046	3,738,131
Unrestricted	2,111,927	1,740,067	1,305,035	1,180,043	3,416,962	2,920,110
Total net position	\$ 6,166,738	\$ 5,204,329	\$ 10,333,135	\$ 10,393,623	\$ 16,499,873	\$ 15,597,952

	Summary of Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Revenues:						
Program revenues:						
Charges for services	\$ 855,779	\$ 649,103	\$ 1,160,295	\$ 1,180,697	\$ 2,016,074	\$ 1,829,800
Operating grants and contributions	266,902	20,859			266,902	20,859
Capital grants and contributions		68,591	3,550	7,100	3,550	75,691
General revenues:						
State shared revenues	618,499	604,327			618,499	604,327
Property taxes	2,501,328	2,482,426			2,501,328	2,482,426
Interest	2,414	10,296	82,170	115,424	84,584	125,720
Other	518,438	418,163	5,995	4,621	524,433	422,784
Net (decrease) in fair value of investments	(38,174)	(24,995)	(121,234)	(96,279)	(159,408)	(121,274)
Gain on sale of assets	5,779		5,000		10,779	
Total revenues	4,730,965	4,228,770	1,135,776	1,211,563	5,866,741	5,440,333
Expenses						
General government	900,519	837,115			900,519	837,115
Fire protection	803,213	776,804			803,213	776,804
Police protection	1,757,390	1,542,208			1,757,390	1,542,208
Community center/community development	97,691	128,132			97,691	128,132
Public works/roads	97,647	127,089			97,647	127,089
Interest on long-term debt	112,096	262,335			112,096	262,335
Sewer system			1,196,264	1,258,483	1,196,264	1,258,483
Total expenses	3,768,556	3,673,683	1,196,264	1,258,483	4,964,820	4,932,166
Changes in net position	962,409	555,087	(60,488)	(46,920)	901,921	508,167
Beginning net position	5,204,329	4,649,242	10,393,623	10,440,543	15,597,952	15,089,785
Ending net position	\$ 6,166,738	\$ 5,204,329	\$ 10,333,135	\$ 10,393,623	\$ 16,499,873	\$ 15,597,952

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$152,624. This is primarily due to an increase in State Shared revenues and a new grant for \$232,326.

The other major governmental funds of the Township are the Law Enforcement and Fire Fund. The expenditures exceeded revenues for the Fire Fund in the amount of \$6,688 which is about the same as last year.

The Law Enforcement Fund had revenues over expenditures of \$66,428 which is relatively close to last year.

The Township's sole proprietary fund, the Sewage Disposal System Fund, reported net loss of \$60,488. The decrease is due to an unrealized investment loss.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total actual expenditures were less than budgeted appropriations by \$24,889. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality.

Capital Asset and Debt Administration

The governmental funds purchased \$364,165 of capital assets. Acquisitions included two new public safety vehicles and project costs incurred on the non-motorized path.

The Township made debt payments of \$485,293 during the year making the total outstanding of \$4,131,609.

Economic Conditions and Future Activities

After several years of decreases in State Shared Revenues due to a decline in Michigan's economy, the Township continues to see an increase every year.

Management is hopeful taxable values continue to increase as they did this year with an increase of 2%.

The Township is in the process of fulfilling the State of Michigan Department of Treasury requirements of CVTRS (City, Village and Township Revenue Sharing) in order to receive those payments from the State of Michigan.

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 8350 Main Street, Whitmore Lake, MI 48189.

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**STATEMENT OF NET POSITION
JUNE 30, 2014**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments	\$ 2,855,831	\$ 333,740	\$ 3,189,571
Cash, cash equivalents and investments - restricted		1,888,682	1,888,682
Receivables			
Grant	232,326		232,326
Taxes	19,842		19,842
Special assessment	59,876		59,876
State shared revenues	105,899		105,899
Accounts	67,830	344,032	411,862
Interest	114	44	158
Special assessments - restricted		989,628	989,628
Prepaid expenses	24,699		24,699
Land contract receivable			
Current	3,214		3,214
Non-current	38,571		38,571
Capital assets, not being depreciated			
Non-depreciated	320,821	226,918	547,739
Depreciated, net	6,928,575	8,801,182	15,729,757
Total assets	10,657,598	12,584,226	23,241,824
LIABILITIES			
Accounts payable	196,278	29,398	225,676
Accrued compensated absences	162,973	8,671	171,644
Long term obligations			
Due within one year	485,614	608,147	1,093,761
Due beyond one year	3,645,995	1,604,875	5,250,870
Total liabilities	4,490,860	2,251,091	6,741,951
NET POSITION			
Invested in capital assets, net of related debt	3,117,787	6,815,078	9,932,865
Restricted	1,366,843	2,213,022	3,579,865
Unrestricted	1,682,108	1,305,035	2,987,143
Total net position	\$ 6,166,738	\$ 10,333,135	\$ 16,499,873

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

NORTHFIELD TOWNSHIP

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Contributions</u>
GOVERNMENTAL ACTIVITIES				
General government	\$ (900,519)	\$ 277,540	\$ 240,535	\$
Fire protection	(803,213)	22,088		
Police protection	(1,757,390)	27,999	1,000	
Community development	(2,000)		25,367	
Community center/recreation	(95,691)	16,804		
Public works/roads	(97,647)			
Interest on long-term debt	(112,096)			
Total governmental activities	<u>(3,768,556)</u>	<u>344,431</u>	<u>266,902</u>	
BUSINESS-TYPE ACTIVITIES				
Sewer system	(1,196,264)	1,160,295		3,550
Total	<u>\$ (4,964,820)</u>	<u>\$ 1,504,726</u>	<u>\$ 266,902</u>	<u>\$ 3,550</u>

General revenues

Property taxes
 State shared revenues
 Interest income - cash and equivalents
 Interest income - special assessments
 Franchise fees
 Rental income
 Fines and forfeitures
 Other income
 Net (decrease) in the fair value of investments
 Gain on sale of assets

Total general revenues

Changes in net position

Net position, July 1, 2013

Net position, June 30, 2014

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

**Net (Expenses) Revenue and
Changes in Net Positon**

Governmental Activities	Business-type Activities	Eliminations	Total
\$ (382,444)	\$	\$ 87,417	\$ (295,027)
(781,125)		87,417	(693,708)
(1,728,391)		87,417	(1,640,974)
23,367			23,367
(78,887)			(78,887)
(97,647)			(97,647)
(112,096)			(112,096)
<u>(3,157,223)</u>		<u>\$ 262,251</u>	<u>(2,894,972)</u>
	(32,419)		(32,419)
<u>(3,157,223)</u>	<u>(32,419)</u>	<u>262,251</u>	<u>(2,927,391)</u>
2,501,328			2,501,328
618,499			618,499
2,414	7,461		9,875
	74,709		74,709
92,535			92,535
272,212		(262,251)	9,961
511,348			511,348
153,691	5,995		159,686
(38,174)	(121,234)		(159,408)
5,779	5,000		10,779
<u>4,119,632</u>	<u>(28,069)</u>	<u>(262,251)</u>	<u>3,829,312</u>
962,409	(60,488)		901,921
<u>5,204,329</u>	<u>10,393,623</u>		<u>15,597,952</u>
<u>\$ 6,166,738</u>	<u>\$ 10,333,135</u>	<u>\$</u>	<u>\$ 16,499,873</u>

FUND FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General	Fire Fund	Law Enforcement Fund
ASSETS			
Cash and investments	\$ 1,150,365	\$ 413,563	\$ 453,729
Receivables			
Interest	114		
Taxes receivable	2,859	4,573	10,236
State shared revenues	105,899		
Accounts	60,012		2,395
Library	41,785		
Special assessments	59,876		
Grant	232,326		
Due from other funds	5,500		35,000
Prepaid expenditures	24,699		
	<u>\$ 1,683,435</u>	<u>\$ 418,136</u>	<u>\$ 501,360</u>
Total assets	\$ 1,683,435	\$ 418,136	\$ 501,360
 LIABILITIES			
Accounts payable	\$ 88,253	\$ 5,704	\$ 29,776
Accrued compensated absences	3,235		
Due to other funds	77		
Due to others	42,492		1,206
Bank overdraft			
	<u>134,057</u>	<u>5,704</u>	<u>30,982</u>
Total liabilities	134,057	5,704	30,982
 FUND BALANCE			
Nonspendable - prepaid items	24,699		
Nonspendable - library receivable	41,785		
Restricted - fire		412,432	
Restricted - law enforcement			470,378
Restricted - community development			
Restricted - debt service			
Committed - building department			
Assigned for budget deficit			
Unassigned	1,482,894		
	<u>1,549,378</u>	<u>412,432</u>	<u>470,378</u>
Total fund balances	1,549,378	412,432	470,378
Total liabilities and fund balances	\$ 1,683,435	\$ 418,136	\$ 501,360

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

<u>Non-major Funds</u>	<u>Totals</u>
\$ 838,174	\$ 2,855,831
	114
2,174	19,842
	105,899
	62,407
	41,785
	59,876
	232,326
	40,500
	24,699
<u>\$ 840,348</u>	<u>\$ 3,443,279</u>
\$ 28,201	\$ 151,934
	3,235
35,000	35,077
	43,698
646	646
<u>63,847</u>	<u>234,590</u>
	24,699
	41,785
	412,432
376,956	847,334
52,863	52,863
54,214	54,214
65,414	65,414
227,700	227,700
(646)	1,482,248
<u>776,501</u>	<u>3,208,689</u>
<u>\$ 840,348</u>	<u>\$ 3,443,279</u>

NORTHFIELD TOWNSHIP

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014**

Total fund balance per balance sheet		\$ 3,208,689
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Historical cost	\$ 10,963,030	
Accumulated depreciation	<u>(3,713,634)</u>	
 Capital assets net of accumulated depreciation		7,249,396
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:</p>		
Long-term debt	(4,131,609)	
Compensated absences	<u>(159,738)</u>	
Total		<u>(4,291,347)</u>
Net position of governmental activities		<u><u>\$ 6,166,738</u></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, 2014**

	General Fund	Fire Fund	Law Enforcement Fund
REVENUES			
Taxes	\$ 252,329	\$ 607,117	\$ 1,357,584
State shared revenues	618,499		
Grant income	234,876		
Licenses and permits			2,605
Contributions	589		1,000
Rental income	9,960		
Franchise fees	92,535		
Charges for services	233,304	22,088	25,394
Fines and forfeitures			28,075
Interest	2,414		
Net (decrease) in the fair value of investments	(38,174)		
Other income		19,701	122,927
Total revenues	1,406,332	648,906	1,537,585
EXPENDITURES			
Current:			
General government	826,698		
Fire rescue		628,360	
Police protection			1,403,862
Community center/recreation	76,735		
Roads	59,647		
Community development	2,000		
Public works	35,700		
Debt service:			
Principal		41,751	
Interest/fees		6,374	
Capital outlay:			
General government	6,980		
Police protection			98,414
Fire protection		22,900	
Public works	235,872		
Total expenditures	1,243,632	699,385	1,502,276
Excess of revenues over (under) expenditures	162,700	(50,479)	35,309
OTHER FINANCING SOURCES (USES)			
Sale of assets		3,058	3,986
Transfers in	22,790	40,733	35,000
Transfers (out)	(32,866)		(7,867)
Total other financing sources (uses)	(10,076)	43,791	31,119
Net changes in fund balances	152,624	(6,688)	66,428
FUND BALANCE, JULY 1, 2013	1,396,754	419,120	403,950
FUND BALANCE, JUNE 30, 2014	\$ 1,549,378	\$ 412,432	\$ 470,378

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

<u>Non-major Funds</u>	<u>Total</u>
\$ 284,298	\$ 2,501,328
	618,499
	234,876
60,410	63,015
30,437	32,026
262,252	272,212
	92,535
630	281,416
483,273	511,348
	2,414
	(38,174)
11,063	153,691
<u>1,132,363</u>	<u>4,725,186</u>
47,439	874,137
1,987	630,347
124,578	1,528,440
	76,735
	59,647
	2,000
2,300	38,000
443,542	485,293
105,722	112,096
	6,980
	98,414
	22,900
	235,872
<u>725,568</u>	<u>4,170,861</u>
<u>406,795</u>	<u>554,325</u>
	7,044
	98,523
<u>(57,790)</u>	<u>(98,523)</u>
<u>(57,790)</u>	<u>7,044</u>
349,005	561,369
<u>427,496</u>	<u>2,647,320</u>
<u>\$ 776,501</u>	<u>\$ 3,208,689</u>

NORTHFIELD TOWNSHIP

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Net change in fund balances - governmental funds \$ 561,369

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlay exceeded depreciation and losses on disposal is as follows:

Capital outlay	\$ 364,166	
Depreciation expense	(287,416)	
Loss on sale of assets	(1,265)	
	75,485	

Total 75,485

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 Position.

Repayment of:

Capital leases	41,751	
Bonds/contracts payable	443,542	
	485,293	

Total 485,293

Accrued absences for vacation for the employee is recorded on the Statement of Net Assets

(159,738)

Change in net position of governmental activities \$ 962,409

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

NORTHFIELD TOWNSHIP

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014**

	Sewage Disposal System Fund	
CURRENT ASSETS		
Cash, cash equivalents and investments	\$ 333,740	
Sewer billings receivable	343,884	
Interest receivable	44	
Accounts receivable	148	
Total current assets		\$ 677,816
RESTRICTED ASSETS		
Cash, cash equivalents and investments - capital and debt	1,888,682	
Special assessments receivable - capital and debt	989,628	
Total restricted assets		2,878,310
PLANT, PROPERTY AND EQUIPMENT		
Non-depreciated	226,918	
Depreciated, net	8,801,182	
Net plant, property, and equipment		9,028,100
Total assets		12,584,226
CURRENT LIABILITIES		
Accounts payable	29,398	
Accrued compensated absences	8,671	
Contracts payable - current portion	608,147	
Total current liabilities		646,216
LONG-TERM LIABILITIES		
Contracts payable - less current portion		1,604,875
Total liabilities		2,251,091
NET POSITION		
Invested in capital assets, net of related debt	6,815,078	
Restricted for capital and debt	2,878,310	
Unrestricted	639,747	
Total net position		\$ 10,333,135

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

NORTHFIELD TOWNSHIP

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014**

		<u>Sewage Disposal System Fund</u>
OPERATING REVENUES		
User charges		\$ 1,160,295
OPERATING EXPENSES		
Salaries and wages	\$ 251,913	
Employee benefits/payroll taxes	119,271	
Depreciation	332,408	
Other operating expenses	378,675	
		<u>1,082,267</u>
Total operating expenses		<u>1,082,267</u>
Operating income		78,028
NON-OPERATING REVENUES AND (EXPENSES)		
Sale of assets	5,000	
Interest income - cash and equivalents	7,461	
Interest income - special assessments	74,709	
Net (decrease) in the fair value of investments	(121,234)	
Other revenues	5,995	
Interest expense	(112,919)	
Bond fees	(1,078)	
		<u>(142,066)</u>
Total non-operating revenues and (expenses)		<u>(142,066)</u>
Net loss before capital contributions		(64,038)
CAPITAL CONTRIBUTIONS		
Connection fees		<u>3,550</u>
Change in net position		(60,488)
NET POSITION, JULY 1, 2013		<u>10,393,623</u>
NET POSITION, JUNE 30, 2014		<u><u>\$ 10,333,135</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, 2014

	Sewage Disposal System Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,164,922
Cash payments to employees	(264,412)
Cash payments to suppliers	(483,924)
Cash receipts from other funds	5,463
	422,049
Net cash provided by operating activities	422,049
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Sale of assets	\$ 5,000
Connection fees received	3,550
Special assessments received	287,752
Interest/fees on long-term bonds	(113,997)
Acquisition of capital assets	(126,385)
Repayment of principal on bonds/contracts	(613,458)
	(557,538)
Net cash (used in) capital and related financing activities	(557,538)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on cash and cash equivalents	16,683
Sale of investments	1,383,156
	1,399,839
Net cash provided by investing activities	1,399,839
Net increase in cash and cash equivalents	1,264,350
CASH AND CASH EQUIVALENTS AT, JULY 1, 2013	677,993
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2014	\$ 1,942,343
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 78,028
Adjustments to reconcile operating income to net cash (used in) operating activities:	
Depreciation	\$ 332,408
Other income	5,995
Change in assets and liabilities:	
(Increase) in sewer billings receivable	(10,039)
Decrease in due from other funds	5,463
(Increase) in prepaid expenses	6,290
Increase in accounts payable/accrued compensated absences	3,904
	344,021
Total adjustments	344,021
Net cash provided by operating activities	\$ 422,049

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

NORTHFIELD TOWNSHIP

**STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2014**

	Current Tax Collection Fund	Trust and Agency Fund	Payroll Fund	Totals
ASSETS				
Cash and cash equivalents	\$	\$ 75,322	\$ 19,204	\$ 94,526
Due from other funds	53	12	12	77
Due from others	40,620	2,425		43,045
Total assets	\$ 40,673	\$ 77,759	\$ 19,216	\$ 137,648
LIABILITIES				
Due to other funds	\$	\$ 5,500	\$	\$ 5,500
Due to others	40,673	72,259	19,216	132,148
Total liabilities	\$ 40,673	\$ 77,759	\$ 19,216	\$ 137,648

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, 2014**

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 & 63 - *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 Position 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 Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is 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 positions 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 positions 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 positions 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, 2014**

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 Fire Fund accounts for all the activity associated with providing fire and medical rescue 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 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. The former being a decrease in fund balances and the later being an increase in fund balances.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

Proprietary funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, proprietary 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.

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 two agency funds. One accounts for the collection and disbursement of property taxes and the other accounts for monies held in escrow for certain development projects.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. CAPITAL ASSETS

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

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".

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. BUDGETARY DATA

The board of trustees follows 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, 2014, 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. The 2013 adjusted taxable value of the Township totaled \$316,353,872. The Township levied the following millages during the current fiscal year ended June 30, 2014:

General Township	.7997
Fire	1.9240
Police	4.3022
Public safety building	<u>.9010</u>
Total millage	<u>7.9269</u>

G. OTHER FINANCING SOURCES (USES)

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

H. INVESTMENTS

Investments are stated at market value.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. CASH AND 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.

K. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

L. RECEIVABLES

When necessary the Township utilizes an allowance for uncollectable accounts to value its receivables. The Township considers all of its trade and special assessment receivables to be collectable.

M. EQUITY

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Township Board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the Township Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

When both restricted and unrestricted fund balances are available for use, it is the Township policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as restricted when constraints placed on net positions are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

O. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has no items that qualify at this time.

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, 2014, include any and all boards, agencies, funds and account groups under the jurisdiction of the Northfield Township Board.

NOTE 3 - LAND CONTRACT RECEIVABLE - 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, 2014 was \$41,785.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2014 was as follows:

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 319,216	\$ 1,605	\$	\$ 320,821
Construction in progress	74,586	235,872	(310,458)	
Total cost - assets not being depreciated	393,802	237,477	(310,458)	320,821
Capital assets being depreciated:				
Buildings	8,256,143	310,458		8,566,601
Equipment	2,091,265	126,688	(142,345)	2,075,608
Total cost	10,347,408	437,146	(142,345)	10,642,209
Less accumulated depreciation for:				
Buildings	(1,877,772)	(137,753)		(2,015,525)
Equipment	(1,689,527)	(149,663)	141,081	(1,698,109)
Total accumulated depreciation	(3,567,299)	(287,416)	141,081	(3,713,634)
Capital assets being depreciated, net	6,780,109	149,730	(1,264)	6,928,575
Governmental activities capital assets, net	\$ 7,173,911	\$ 387,207	\$ (311,722)	\$ 7,249,396
Related long-term debt outstanding at June 30, 2014				(4,131,609)
Governmental activities capital assets, net of related long-term debt				\$ 3,117,787

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 4 - CAPITAL ASSETS - continued

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 33,255	\$ 119,942	\$ (153,197)	\$
Land	226,918			226,918
Total capital assets not being depreciated	260,173	119,942	(153,197)	226,918
Capital assets being depreciated:				
Plant and equipment	14,484,322	184,581	(24,941)	14,643,962
Less accumulated depreciation for:				
Plant and equipment	(5,535,313)	(332,408)	24,941	(5,842,780)
Capital assets being depreciated, net	8,949,009	(147,827)		8,801,182
Business-type activities capital assets, net	\$ 9,209,182	\$ (27,885)	\$ (153,197)	\$ 9,028,100
Less: related long-term debt outstanding as of June 30, 2014				(2,213,022)
Business-type activities capital assets net of related debt				\$ 6,815,078

Depreciation expense was distributed to the various activities as follows:

Governmental activities:	
General government	\$ 10,970
Fire protection and medical rescue	157,799
Police protection	99,691
Recreation	11,383
Community center	7,573
Subtotal	287,416
 Business-type activities:	
Sewer service	332,408
Total	\$ 619,824

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - LONG-TERM OBLIGATIONS

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

Capital Leases

1. On September 26, 2005 the Township entered into a lease agreement with Kansas State Bank of Manhattan to purchase two (2) fire trucks and refinance of a 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 \$89,631 at June 30, 2014.

Bonds Payable

1. General Obligation Unlimited Tax Refunding bonds were issued on July 30, 2012 for \$2,415,000 to refund the 2001 bonds related to the financing of the public safety building. Principal payments range from \$215,000 to \$260,000 due annually in April and maturing on April 2022. Interest is charged at 2.35%, payable semi-annually. The outstanding balance of the bonds at June 30, 2014 was \$1,965,000.
2. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the public safety building as well as the Seven Mile sewer project. Principal payments range from \$223,000 to \$280,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The governmental fund outstanding balance of the bonds at June 30, 2014 was \$2,076,978.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - LONG-TERM OBLIGATIONS - continued

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

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/2014</u>	<u>Amount Due Within One Year</u>
Capitalized Lease					
Kansas State Bank	\$ 131,382	\$	\$ (41,751)	\$ 89,631	\$ 43,761
Bonds Payable					
General Obligation Bond, Series 2012 Refunding of 7 Mile Extension	2,200,000		(235,000)	1,965,000	235,000
General Obligation Bond, Series 2012 Refunding of 2002/2003 Public Safety Building Bonds	2,285,520		(208,542)	2,076,978	206,853
Total bonds payable	4,485,520		(443,542)	4,041,978	441,853
Governmental activities long term obligations	<u>\$ 4,616,902</u>	<u>\$</u>	<u>\$ (485,293)</u>	<u>\$ 4,131,609</u>	<u>\$ 485,614</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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:

	<u>Capitalized Leases</u>		<u>Bonds Payable</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending:						
2015	\$ 43,761	\$ 4,348	\$ 441,853	\$ 94,987	\$ 485,614	\$ 99,335
2016	45,870	2,225	454,518	84,603	500,388	86,828
2017			445,297	73,922	445,297	73,922
2018			486,404	63,458	486,404	63,458
2019			481,404	52,027	481,404	52,027
2020 - 2023			1,732,502	92,891	1,732,502	92,891
Totals	<u>\$ 89,631</u>	<u>\$ 6,573</u>	<u>\$ 4,041,978</u>	<u>\$ 461,888</u>	<u>\$ 4,131,609</u>	<u>\$ 468,461</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - LONG TERM OBLIGATIONS - continued

The following is a summary of bonds payable debt for the business-type activities:

1. 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 \$340,000 at June 30, 2014.
2. Loan payable to Washtenaw County 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 \$1,490,000 at June 30, 2014.
3. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the Public Safety Building as well as the Seven Mile Sewer Project. Principal payments range from \$223,000 to \$280,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The business-type fund outstanding balance portion of the bonds at June 30, 2014 was \$383,022.

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

<u>Bonds Payable</u>	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2014</u>	<u>Amount Due Within One Year</u>
Expansion - Seven Mile refunding	\$ 421,480		\$ (38,458)	\$ 383,022	\$ 38,147
Expansion - 2007 refunding	2,030,000		(540,000)	1,490,000	535,000
Michigan Municipal Bond Authority: 1992 junior lien refunding	375,000		(35,000)	340,000	35,000
Total business-type activities long-term debt	<u>\$ 2,826,480</u>	<u>\$</u>	<u>\$ (613,458)</u>	<u>\$ 2,213,022</u>	<u>\$ 608,147</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - LONG TERM OBLIGATIONS - continued

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

	Bonds Payable		
	Principal	Interest	Total
2015	\$ 608,147	\$ 87,665	695,812
2016	635,482	62,631	698,113
2017	479,703	36,392	516,095
2018	88,596	16,739	105,335
2019	88,596	13,746	102,342
2020 - 2023	312,498	23,553	336,051
Totals	\$ 2,213,022	\$ 240,726	\$ 2,453,748

NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN

The Township participates in a defined contribution plan for full-time employees and is a fully insured plan funded by both employer (2/3) and employee (1/3) contributions. Under the plan the employee is allowed to contribute pre-tax dollars 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	<u>5%</u> of wages
Annual contribution to pension plan	<u>15%</u> 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, 2013 to June 30, 2014, is as follows:

Current year contributions	
Township portion	\$ 68,978
Employee portion	34,663
Total contributions	\$ 103,641

NORTHFIELD TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 7 - DEFINED BENEFIT PLAN - MICHIGAN MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (MERS)

Plan Description

The Township Police Department participates in the Michigan Municipal Employees' Retirement System (MMERS), an agent multiple-employer defined benefit pension plan that covers all full time officers and supervisors of the Township. MMERS provides retirement benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing the system at 1134 Municipal Way, Lansing, Michigan 48917 or going to the system website at <http://www.mersofmich.com>.

Funding Policy

Full time covered employees are required to contribute 5% of their annual covered salaries and wages. The Township is required to contribute at an actuarially determined rate; which was at 9.95% for the year ended June 30, 2014. Effective July 1, 2015 the actuarially determined rate was 9.95%. The contribution requirements of the Township are determined through annual actuarial valuations.

Annual Pension Cost

The Township's annual pension cost (APC) is calculated based on the annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the Township's annual pension cost for the year, the amount actually contributed to the plan, and changes in the Township's net pension obligation (asset) to the MMERS plan:

Annual required contribution	\$ 58,308
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost (APC)	58,308
Total contributions made	<u>(1,354,184)</u>
(Decrease) in net pension obligation	(1,295,776)
Net pension obligation, July 1, 2013	<u>1,300,556</u>
Net pension obligation, June 30, 2014	<u>\$ 4,780</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 7 - DEFINED BENEFIT PLAN - MICHIGAN MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (MERS) - continued

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
06/30/12	50,836	100.0%	-
06/30/13	48,369	100.0%	-
06/30/14	58,308	100.0%	4,780

The annual required contribution was determined as part of an actuarial valuation at December 31, 2012 using the entry age normal actuarial method.

Significant actuarial assumptions used include:

- a) An 8.0% return on investment
- b) Projected salary increases of 4.5% per year compounded annually
- c) An inflation component of 4.5%
- d) Increase in average compensation for years just before retirement would not vary from those in prior years due to FAC loading.
- e) The percentage of active members withdrawing from the plan ranges from 20% to 2.4% on a sliding scale between 0 and 34 years of service
- f) An assumption that benefits will not increase after retirement

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a ten-year period. The unfunded actuarial liability is being amortized using a level dollar method on an open basis over 30 years.

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 100% funded. The actuarial accrued liability for benefits was \$1,300,556, and the actuarial value of assets was \$1,295,876, resulting in an underfunded actuarial accrued liability of \$4,680. The covered payroll (annual payroll of active employees covered by the plan) was \$583,084, and the ratio of the UAAL to covered payroll was 1.0%.

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivables and payables exist at June 30, 2014. 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:

	Interfund Receivable		Interfund Payable
General Fund	\$ 53	Current Tax Collection Fund	\$ 53
General Fund	12	Payroll Fund	12
General Fund	12	Trust and Agency Fund	12
Federal Narcotics Fund	35,000	Law Enforcement Fund	35,000
Trust and Agency Fund	5,500	General Fund	5,500
Total interfund balances	\$ 40,577		\$ 40,577

Interfund transfers for the year ended June 30, 2014 were as follows:

Transfer In	Transfer Out	Purpose	Amount
General Fund	DDA Fund	Pay operating expenditures	\$ 22,790
Law Enforcement Fund	Federal Narcotics Fund	Pay operating expenditures	35,000
Fire Fund	General fund	Pay operating expenditures	32,866
Fire Fund	Law Enforcement Fund	Pay operating expenditures	7,867
			\$ 98,523

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit union, 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's deposits are in accordance with statutory authority.

As of June 30, 2014 deposits and investments consist of the following:

Cash and cash equivalents:	
Checking accounts	\$ 3,497,565
Money market accounts	<u>2,058,578</u>
Total cash and investments	<u>5,556,143</u>
Investments	
Negotiable certificates of deposit	283,764
U.S. Governmental securities	<u>35,030</u>
Total investments	<u>318,794</u>
Total cash, cash equivalents and investments	<u><u>\$ 5,874,937</u></u>

Cash and investments are presented in the financial statements in the following areas:

Statement of Net Position:	
Cash, cash equivalents and investments	\$ 3,189,571
Restricted cash, cash equivalents and investments	<u>1,888,682</u>
Total	5,078,253
Fiduciary Funds	
Cash and cash equivalents	<u>94,526</u>
Total cash, cash equivalents and investments	<u><u>\$ 5,172,779</u></u>

The carrying amount of cash, cash equivalents and investments is stated at \$5,172,779 as of June 30, 2014. The difference between the carrying amounts and the amounts mentioned above stem from cash on hand of \$600, outstanding checks and deposits.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Custodial Credit Risk

Deposits - This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township does not have a deposit policy for custodial credit risk. 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.

Insured by FDIC	\$ 750,000
Uninsured and uncollateralized	4,806,142
Total	\$ 5,556,142

Investments - This is the risk that in the event of the failure of a counterparty to a transaction, the Township will not be able to recover the value of its investments. The Township does not have a policy to cover custodial credit risk of investments. The Township evaluates each financial institution with which it invests and assesses the level of risk of each institution. Investments are made only with those institutions with an acceptable estimated risk level.

As of June 30, 2014, the Township's investments were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 283,764
Insured by SIPC	35,030
Total	\$ 318,794

FDIC insurance covers up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts), and up to \$250,000 for the combined amount of all demand deposit accounts.

SIPC protects up to \$500,000 of cash and securities held by a brokerage firm in the event the brokerage firm goes out of business. There is a \$250,000 limit for cash.

Concentration of Credit Risk

Concentration of credit risk is the risk attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy requires diversification with a primary focus on safety. However, the policy does not place a fixed percentage limit for any one issuer, investments in any one issuer that represent 5 percent or more of total investments are:

<u>Investment Type</u>	<u>Issuer</u>	<u>Percent of Portfolio</u>
US Agencies	Federal Farm Credit Bank	11%
Negotiable CD	Wells Fargo Bank	78%
Negotiable CD	Standard Federal Bank	11%

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 9- DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates and could possibly adversely affect the fair values of investments and cash deposits. The Township's investment policy does not specifically limit investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

As of June 30, 2014 the Township had the following investment maturities:

<u>Investment Type</u>	<u>Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
U.S. Agencies (Callable 8/5/14)	\$ 35,030	\$	\$ 35,030	\$
Negotiable CD's	283,764		36,122	247,642
	<u>\$ 318,794</u>	<u>\$</u>	<u>\$ 71,152</u>	<u>\$ 247,642</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for U.S. Treasuries and money market accounts. As of June 30, 2014, the Township's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Rating by S & P</u>	<u>Amount</u>
Negotiable Certificates of Deposit	Unrated	\$ 283,764
Government Securities	AA+	35,030
		<u>\$ 318,794</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 10 - STATEMENT OF CASH FLOWS

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

	<u>6/30/2014</u>
Cash and cash equivalents	\$ 1,942,343
Investments	<u>280,079</u>
	<u>\$ 2,222,422</u>

NOTE 11 - GRANT ACTIVITIES

The Township has been a recipient of several grant funds for law enforcement, medical rescue, and recreation activities. These funds are subject to federal and state grant audit requirements.

NOTE 12 - ASSETS RESTRICTED FOR CAPITAL AND DEBT

Restricted assets in the Sewage Disposal System Fund as of June 30, 2014 consisted of the following:

	<u>Sewage Disposal System Fund</u>
Cash, cash equivalents and investments	\$ 1,888,682
Special assessment receivables	<u>989,628</u>
Total	<u>\$ 2,878,310</u>

REQUIRED SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 252,084	\$ 252,084	\$ 252,329	\$ 245
Grant	204,000	196,000	234,876	38,876
State shared revenues	610,000	610,000	618,499	8,499
Charges for services	328,510	311,810	322,508	10,698
Interest	5,700	5,700	2,414	(3,286)
Net (decrease) in the fair value of investments		(38,125)	(38,174)	(49)
Miscellaneous revenue	11,560	14,110	13,880	(230)
Total revenues	<u>1,411,854</u>	<u>1,351,579</u>	<u>1,406,332</u>	<u>54,753</u>
EXPENDITURES				
Township board	29,065	29,065	25,459	3,606
Supervisor	13,877	13,877	12,550	1,327
Elections	3,800	3,800	3,276	524
Clerk	46,810	54,985	53,964	1,021
Township manager	190,335	159,115	155,203	3,912
Board of review	22,953	7,953	3,932	4,021
Treasurer	88,310	87,605	89,655	(2,050)
Assessor	112,020	96,960	90,278	6,682
Township hall and grounds	133,278	155,278	160,074	(4,796)
Zoning and planning departments	88,676	75,676	79,198	(3,522)
Professional fees	60,400	60,400	54,308	6,092
Community development	2,000	2,000	2,000	
Roads	294,150	294,150	295,519	(1,369)
Street lights	36,000	36,000	35,700	300
Capital outlay	27,835	18,335	17,864	471
Contingency - liens	10,000	2,000	500	1,500
Rent - PSB	87,419	87,419	87,417	2
Community Center	103,888	83,903	76,735	7,168
Total expenditures	<u>1,350,816</u>	<u>1,268,521</u>	<u>1,243,632</u>	<u>24,889</u>
Excess of revenues over (under) expenditures	61,038	83,058	162,700	79,642
OTHER FINANCING SOURCES (USES)				
Transfer in		22,790	22,790	
Transfers (out)	(25,000)	(32,866)	(32,866)	
Total other financing sources (uses)	(25,000)	(10,076)	(10,076)	
Net change in fund balance	36,038	72,982	152,624	79,642
FUND BALANCE, JULY 1, 2013	<u>1,396,754</u>	<u>1,396,754</u>	<u>1,396,754</u>	
FUND BALANCE, JUNE 30, 2014	<u>\$ 1,432,792</u>	<u>\$ 1,469,736</u>	<u>\$ 1,549,378</u>	<u>\$ 79,642</u>

NORTHFIELD TOWNSHIP

LAW ENFORCEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$	\$	\$ 1,357,584	\$
Fines and court fees			28,075	
Traffic tickets and impound fees			2,120	
Liquor law license fees			2,605	
Contributions			1,000	
Charges for services			23,274	
Miscellaneous			122,927	
			<hr/>	
Total revenues	1,414,855	1,420,955	1,537,585	116,630
EXPENDITURES	<hr/> 1,415,372	<hr/> 1,500,712	<hr/> 1,502,276	<hr/> (1,564)
Excess of revenues over (under) expenditures	<hr/> (517)	<hr/> (79,757)	<hr/> 35,309	<hr/> 115,066
OTHER FINANCING SOURCES (USES)				
Sale of assets		4,000	3,986	(14)
Transfer (out)		(7,867)	(7,867)	
Transfers in	35,000	35,000	35,000	
			<hr/>	
Total other financing sources (uses)	<hr/> 35,000	<hr/> 31,133	<hr/> 31,119	<hr/> (14)
Net change in fund balance	34,483	(48,624)	66,428	115,052
FUND BALANCE, JULY 1, 2013	<hr/> 403,950	<hr/> 403,950	<hr/> 403,950	
FUND BALANCE, JUNE 30, 2014	<hr/> <u>\$ 438,433</u>	<hr/> <u>\$ 355,326</u>	<hr/> <u>\$ 470,378</u>	<hr/> <u>\$ 115,052</u>

NORTHFIELD TOWNSHIP

FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgets		Actual	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$	\$	\$ 607,117	\$
Charges for services			22,088	
Other income			19,701	
Total revenues	<u>619,040</u>	<u>630,040</u>	<u>648,906</u>	<u>18,866</u>
EXPENDITURES				
Salaries			276,738	
Payroll taxes			21,170	
Hospitalization			17,521	
Life insurance			967	
Pension			7,700	
Medical testing			422	
Uniforms			3,410	
Accounting services			7,982	
Audit fees			3,060	
Transportation			13,601	
Training and development			4,416	
Membership fees			1,701	
Contractual services			8,286	
Dispatch services			10,585	
Telephone			6,399	
Supplies			8,167	
Insurance and bonds			72,543	
Office overhead			52,441	
PSB lease			87,417	
Printing and postage			38	
Utilities			15,891	
Repairs and maintenance			23,177	
Debt - principal			41,751	
Debt - interest			6,374	
Tax chargebacks/drains			33,484	
Capital outlay			28,712	
Personnel allocation			(54,568)	
Total expenditures	<u>643,883</u>	<u>707,828</u>	<u>699,385</u>	<u>8,443</u>
Excess of revenues over (under) expenditures	<u>(24,843)</u>	<u>(77,788)</u>	<u>(50,479)</u>	<u>27,309</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets		3,000	3,058	58
Transfer (out)		40,733	40,733	
Total other financing sources (uses)	<u>25,000</u>	<u>43,733</u>	<u>43,791</u>	<u>58</u>
Net change in fund balance	157	(34,055)	(6,688)	27,367
FUND BALANCE, JULY 1, 2013	<u>419,120</u>	<u>419,120</u>	<u>419,120</u>	
FUND BALANCE, JUNE 30, 2014	<u>\$ 419,277</u>	<u>\$ 385,065</u>	<u>\$ 412,432</u>	<u>\$ 27,367</u>

NORTHFIELD TOWNSHIP

**SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2014**

POLICE EMPLOYEES

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>(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 %
December 31, 2008	\$ 612,725	\$ 795,570	\$ 182,845	77.0 %	\$ 580,748	31.5 %
December 31, 2009	\$ 746,968	\$ 844,450	\$ 97,482	88.5 %	\$ 580,250	16.8 %
December 31, 2010	\$ 886,790	\$ 931,684	\$ 44,894	95.2 %	\$ 541,276	8.3 %
December 31, 2011	\$ 1,020,012	\$ 1,010,034	\$ (9,978)	101.0 %	\$ 483,692	(2.1) %
December 31, 2012	\$ 1,147,034	\$ 1,120,406	\$ (26,628)	102.4 %	\$ 519,348	(5.1) %
December 31, 2013	\$ 1,295,876	\$ 1,300,556	\$ 4,680	99.6 %	\$ 583,084	.8 %

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE - BUDGETARY INFORMATION

Highlights of the budgetary process are disclosed in Note 1 of the Notes to the Financial Statements.

Budget Overruns

In funds that were required by law to adopt budgets, during the year ended June 30, 2014 expenditures exceeded appropriations in several areas as follows:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
General Fund:			
Treasurer	\$ 87,605	\$ 89,655	\$ (2,050)
Township hall and grounds	155,278	160,074	(4,796)
Zoning and planning	75,676	79,198	(3,522)
Roads	294,150	295,519	(1,369)
Law Enforcement Fund	1,500,712	1,502,276	(1,564)

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL
JUNE 30, 2014

SPECIAL REVENUE FUNDS

	Building Department Fund	Fire Truck Fund	Narcotics Fund	Federal Narcotics Fund
ASSETS				
Cash and investments	\$ 71,354	\$	\$ 46,246	\$ 554,584
Taxes receivable				
Total assets	\$ 71,354	\$	\$ 46,246	\$ 554,584
LIABILITIES				
Accounts payable	\$ 5,940	\$	\$	\$ 3,874
Due to other funds				35,000
Bank overdraft		646		
Total liabilities	5,940	646		38,874
FUND BALANCE				
Restricted				
Fire protection		(646)		
Law enforcement			46,246	330,710
Community development				
Committed				
Building department	65,414			
Debt service				
Assigned for budget deficit				185,000
Total fund balances	65,414	(646)	46,246	515,710
Total liabilities and fund balance	\$ 71,354	\$	\$ 46,246	\$ 554,584

<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUND</u>	
<u>Public Contribution Fund</u>	<u>Downtown Development Authority Fund</u>	<u>Public Safety Building Fund</u>	<u>Totals</u>
\$ 4,117	\$ 91,499	\$ 70,374	\$ 838,174
		2,174	2,174
<u>\$ 4,117</u>	<u>\$ 91,499</u>	<u>\$ 72,548</u>	<u>\$ 840,348</u>
\$ 53	\$	\$ 18,334	\$ 28,201
			35,000
			646
<u>53</u>		<u>18,334</u>	<u>63,847</u>
			(646)
			376,956
4,064	48,799		52,863
			65,414
		54,214	54,214
	42,700		227,700
<u>4,064</u>	<u>91,499</u>	<u>54,214</u>	<u>776,501</u>
<u>\$ 4,117</u>	<u>\$ 91,499</u>	<u>\$ 72,548</u>	<u>\$ 840,348</u>

NORTHFIELD TOWNSHIP

**COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2014**

	Current Tax Collection Fund	Trust and Agency Fund	Payroll Fund	Totals
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$	\$ 75,322	\$ 19,204	\$ 94,526
Due from other funds	53	12	12	77
Due from others	40,620	2,425		43,045
Total assets	\$ 40,673	\$ 77,759	\$ 19,216	\$ 137,648
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$	\$ 5,500	\$	\$ 5,500
Due to others	40,673	72,259	19,216	132,148
Total liabilities	\$ 40,673	\$ 77,759	\$ 19,216	\$ 137,648

NORTHFIELD TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	SPECIAL REVENUE FUNDS			
	Building Department Fund	Fire Truck Fund	Narcotics Fund	Federal Narcotics Fund
REVENUES				
Taxes	\$	\$	\$	\$
Fines and forfeits			29,373	453,900
Charges for services	630			
Licenses and permits	60,410			
Donations				
Rental income				
Other income	10,886			
	10,886			
Total revenues	71,926		29,373	453,900
EXPENDITURES				
General government	45,933			
Fire protection		1,987		
Police protection			17,306	107,272
Public works				
Debt service - principal				
Debt service - interest and fees				
Total expenditures	45,933	1,987	17,306	107,272
Excess of revenues over (under) expenditures	25,993	(1,987)	12,067	346,628
OTHER FINANCING SOURCES (USES)				
Transfers (out)				(35,000)
Net changes in fund balances	25,993	(1,987)	12,067	311,628
FUND BALANCE, JULY 1, 2013	39,421	1,341	34,179	204,082
FUND BALANCE, (DEFICIT) JUNE 30, 2014	\$ 65,414	\$ (646)	\$ 46,246	\$ 515,710

<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>		
<u>Public Contributions Fund</u>	<u>Downtown Development Authority Fund</u>	<u>Building Authority Fund</u>	<u>Public Safety Building Fund</u>	<u>Totals</u>
\$	\$	\$	\$ 284,298	\$ 284,298
				483,273
				630
5,070	25,367			60,410
		262,252		30,437
			177	262,252
				11,063
<u>5,070</u>	<u>25,367</u>	<u>262,252</u>	<u>284,475</u>	<u>1,132,363</u>
1,506				47,439
				1,987
				124,578
	2,300			2,300
		208,542	235,000	443,542
		53,710	52,012	105,722
<u>1,506</u>	<u>2,300</u>	<u>262,252</u>	<u>287,012</u>	<u>725,568</u>
<u>3,564</u>	<u>23,067</u>		<u>(2,537)</u>	<u>406,795</u>
	<u>(22,790)</u>			<u>(57,790)</u>
3,564	277		(2,537)	349,005
<u>500</u>	<u>91,222</u>		<u>56,751</u>	<u>427,496</u>
<u>\$ 4,064</u>	<u>\$ 91,499</u>	<u>\$</u>	<u>\$ 54,214</u>	<u>\$ 776,501</u>

INDIVIDUAL FUNDS

GENERAL FUND

NORTHFIELD TOWNSHIP

**GENERAL FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Cash and investments	\$ 1,150,365
Interest receivable	114
Taxes receivable	2,859
Special assessment	59,876
Grant receivable	232,326
State shared revenue receivable	105,899
Accounts receivable - other	60,012
Due from other funds	5,500
Prepaid expenditures	24,699
Land contract receivable - Northfield Township Area Library	<u>41,785</u>
Total assets	<u><u>\$ 1,683,435</u></u>

LIABILITIES

Accounts payable	\$ 88,253
Accrued compensated absences	3,235
Due to others	42,492
Due to other funds	<u>77</u>
Total liabilities	\$ 134,057

FUND BALANCE

Nonspendable - prepaid items	24,699
Nonspendable - Library receivable	41,785
Unassigned	<u>1,482,894</u>
Total fund balance	<u>1,549,378</u>
Total liabilities and fund balance	<u><u>\$ 1,683,435</u></u>

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 252,084	\$ 252,329	\$ 245
Grant	196,000	234,876	38,876
State shared revenues	610,000	618,499	8,499
Charges for services	311,810	322,508	10,698
Interest	5,700	2,414	(3,286)
Net (decrease) in the fair value of investments	(38,125)	(38,174)	(49)
Miscellaneous revenue	14,110	13,880	(230)
Total revenues	<u>1,351,579</u>	<u>1,406,332</u>	<u>54,753</u>
EXPENDITURES			
Township board	29,065	25,459	3,606
Supervisor	13,877	12,550	1,327
Township manager	159,115	155,203	3,912
Elections	3,800	3,276	524
Clerk	54,985	53,964	1,021
Board of review	7,953	3,932	4,021
Treasurer	87,605	89,655	(2,050)
Assessor	96,960	90,278	6,682
Township hall and grounds	155,278	160,074	(4,796)
Professional fees	60,400	54,308	6,092
Community development	2,000	2,000	
Zoning and planning departments	75,676	79,198	(3,522)
Street lights	36,000	35,700	300
Roads	294,150	295,519	(1,369)
Community Center	83,903	76,735	7,168
Contingency - liens	2,000	500	1,500
Capital outlay	18,335	17,864	471
Rent - PSB	87,419	87,417	2
Total expenditures	<u>1,268,521</u>	<u>1,243,632</u>	<u>24,889</u>
Excess of revenues over (under) expenditures	83,058	162,700	79,642
OTHER FINANCING SOURCES (USES)			
Transfer in	22,790	22,790	
Transfers (out)	(32,866)	(32,866)	
Total other financing sources (uses)	(10,076)	(10,076)	
Net change in fund balance	72,982	152,624	79,642
FUND BALANCE, JULY 1, 2013	<u>1,396,754</u>	<u>1,396,754</u>	
FUND BALANCE, JUNE 30, 2014	<u>\$ 1,469,736</u>	<u>\$ 1,549,378</u>	<u>\$ 79,642</u>

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
TAXES	\$ 252,084	\$ 252,329	\$ 245
STATE SHARED REVENUES	610,000	618,499	8,499
CHARGES FOR SERVICES			
Tax administration fees		133,477	
Sewer administration		39,000	
Cablevision franchise fees		92,535	
Fiber footage fees		8,586	
Zoning fees		15,133	
Mobile home park fees		3,139	
Summer tax collection fees		13,480	
Duplicating		269	
Community Center		16,804	
Total charges for services	311,810	322,423	10,613
INTEREST	5,700	2,414	(3,286)
GAIN (LOSS) ON INVESTMENTS	(38,125)	(38,174)	(49)
MISCELLANEOUS REVENUE			
Grant		234,876	
Other reimbursement		3,331	
Rental income		9,960	
Donations		589	
Miscellaneous		85	
Total miscellaneous revenue	210,110	248,841	38,731
Total revenues	\$ 1,351,579	\$ 1,406,332	\$ 54,753

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 8,958	\$
Payroll taxes		685	
Membership and dues		8,231	
Printing and publishing		7,347	
Miscellaneous		238	
Total township board	29,065	25,459	3,606
SUPERVISOR			
Supervisor's salary		12,500	
Payroll taxes		50	
Total supervisor	13,877	12,550	1,327
TOWNSHIP MANAGER			
Salaries		88,291	
Payroll taxes		10,825	
Insurance - benefits		14,104	
Pension		7,700	
Controller		53,213	
Contracted services		9,958	
Communication		848	
Fuel and mileage		276	
Training		851	
Personnel allocation		(30,863)	
Total township manager	159,115	155,203	3,912
ELECTIONS			
Fees		1,400	
Office supplies		1,442	
Printing and postage		434	
Total elections	3,800	3,276	524

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
CLERK			
Clerk's salary		16,485	
Deputy clerk's salary		28,518	
Payroll taxes		3,443	
Fuel		102	
Recording secretary		4,768	
Training		288	
Miscellaneous		360	
Total clerk	54,985	53,964	1,021
BOARD OF REVIEW			
Fees		1,356	
Payroll taxes		104	
Printing		506	
Tax tribunal and drains		1,966	
Total board of review	7,953	3,932	4,021
TREASURER			
Treasurer's salary		12,500	
Deputy/clerical salaries		64,548	
Payroll taxes		5,894	
Insurance - benefits		6,325	
Pension		4,087	
Legal fees		6,000	
Tax roll preparation		1,248	
Dues and subscriptions		100	
Postage		3,243	
Miscellaneous		504	
Personnel allocation		(14,794)	
Total treasurer	87,605	89,655	(2,050)

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
ASSESSOR			
Salaries		65,793	
Payroll taxes		5,160	
Insurance - benefits		8,818	
Pension		6,138	
Supplies		1,003	
Training		510	
Contracted services		235	
Membership dues		290	
Transportation		818	
Postage		1,513	
Total assessor	96,960	90,278	6,682
TOWNSHIP HALL AND GROUNDS			
Salaries		5,280	
Payroll taxes		404	
Insurance - benefits		253	
Insurance - general liability		26,977	
PSB allocation		52,442	
Janitor fees		4,574	
Office supplies		11,468	
Telephone		10,285	
Postage		4,708	
Utilities		432	
Repairs and maintenance		15,640	
Tax chargebacks		23,891	
Miscellaneous		186	
Equipment rental		3,534	
Total township hall and grounds	155,278	160,074	(4,796)

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
ZONING AND PLANNING DEPARTMENTS			
Board of appeals fees		1,300	
Salaries - recording secretary		5,108	
Payroll taxes		949	
Training		570	
Department allocation		7,397	
Planning commission fees		11,100	
Printing and publications		3,713	
Professional fees		38,821	
Code enforcement		10,068	
Miscellaneous		172	
Total zoning and planning departments	75,676	79,198	(3,522)
PROFESSIONAL FEES	60,400	54,308	6,092
COMMUNITY DEVELOPMENT	2,000	2,000	
ROADS	294,150	295,519	(1,369)
STREET LIGHTS	36,000	35,700	300
CAPITAL OUTLAY	18,335	17,864	471
CONTINGENCY - LIENS	2,000	500	1,500
RENT - PSB	87,419	87,417	2

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
COMMUNITY CENTER			
Salaries		26,895	
Payroll taxes		2,057	
Insurance - benefits		6,422	
Pension		3,140	
Programs		18,131	
Grant expense		1,790	
Janitorial service		7,434	
Supplies		1,481	
Dues		295	
Telephone		2,256	
Postage		660	
Insurance - general liability		1,320	
Utilities		2,538	
Repair and maintenance		2,207	
Small equipment		109	
Total community center	83,903	76,735	7,168
 Total expenditures	\$ 1,268,521	\$ 1,243,632	\$ 24,889

BUILDING DEPARTMENT FUND

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET
JUNE 30, 2014

ASSETS

Cash and cash equivalents		<u>\$ 71,354</u>
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LIABILITIES

Accounts payable	\$ 5,782	
Due to others	<u>158</u>	

Total liabilities		\$ 5,940
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FUND BALANCE

65,414

Total liabilities and fund balance		<u>\$ 71,354</u>
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NORTHFIELD TOWNSHIP

BUILDING DEPARTMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Building permit fees	\$	\$ 60,410	\$
Contractor's registration		630	
Other income		10,886	
	<u>56,500</u>	<u>71,926</u>	<u>15,426</u>
Total revenues			
EXPENDITURES			
Inspections		34,916	
Other professional services		2,496	
Telephone		524	
Insurance - general and bonds		600	
Personnel allocation		7,397	
	<u>49,527</u>	<u>45,933</u>	<u>3,594</u>
Total expenditures			
Net change in fund balance	6,973	25,993	19,020
FUND BALANCE, JULY 1, 2013	<u>39,421</u>	<u>39,421</u>	
FUND BALANCE, JUNE 30, 2014	<u>\$ 46,394</u>	<u>\$ 65,414</u>	<u>\$ 19,020</u>

FIRE FUND

NORTHFIELD TOWNSHIP

**FIRE FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Cash and cash equivalents	\$ 413,563
Taxes	<u>4,573</u>

Total assets	\$ <u>418,136</u>
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LIABILITIES

Accounts payable	5,704
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FUND BALANCE

Restricted - Fire	<u>412,432</u>
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Total liabilities and fund balance	\$ <u>418,136</u>
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NORTHFIELD TOWNSHIP

FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$	\$ 607,117	\$
Charges for services		22,088	
Other income		19,701	
Total revenues	<u>630,040</u>	<u>648,906</u>	<u>18,866</u>
EXPENDITURES			
Salaries		276,738	
Payroll taxes		21,170	
Hospitalization		17,521	
Life insurance		967	
Pension		7,700	
Medical testing		422	
Uniforms		3,410	
Accounting services		7,982	
Audit fees		3,060	
Transportation		13,601	
Training and development		4,416	
Membership fees		1,701	
Contractual services		8,286	
Dispatch services		10,585	
Telephone		6,399	
Supplies		8,167	
Insurance and bonds		72,543	
Office overhead		52,441	
PSB lease		87,417	
Printing and postage		38	
Utilities		15,891	
Repairs and maintenance		23,177	
Debt - principal		41,751	
Debt - interest		6,374	
Tax chargebacks/drains		33,484	
Capital outlay		28,712	
Personnel allocation		(54,568)	
Total expenditures	<u>707,828</u>	<u>699,385</u>	<u>8,443</u>
Excess of revenues over (under) expenditures	<u>(77,788)</u>	<u>(50,479)</u>	<u>27,309</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets	3,000	3,058	58
Transfers in	40,733	40,733	
Total other financing sources (uses)	<u>43,733</u>	<u>43,791</u>	<u>58</u>
Net change in fund balance	<u>(34,055)</u>	<u>(6,688)</u>	<u>27,367</u>
FUND BALANCE, JULY 1, 2013	<u>419,120</u>	<u>419,120</u>	
FUND BALANCE, JUNE 30, 2014	<u>\$ 385,065</u>	<u>\$ 412,432</u>	<u>\$ 27,367</u>

FIRE TRUCK FUND

NORTHFIELD TOWNSHIP

**FIRE TRUCK FUND
BALANCE SHEET
JUNE 30, 2014**

LIABILITIES

Accounts payable

\$ 646

FUND BALANCE (DEFICIT)

(646)

Total liabilities and fund balance

\$

NORTHFIELD TOWNSHIP

**FIRE TRUCK FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

REVENUES	\$
EXPENDITURES	
Chargebacks	<u>1,987</u>
Net change in fund balance	(1,987)
FUND BALANCE, JULY 1, 2013	<u>1,341</u>
FUND BALANCE (DEFICIT), JUNE 30, 2014	<u><u>\$ (646)</u></u>

LAW ENFORCEMENT FUND

NORTHFIELD TOWNSHIP

**LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Cash and cash investments		\$ 453,729
Accounts receivable		2,395
Taxes receivable		10,236
Due to other funds		<u>35,000</u>
Total assets		<u><u>\$ 501,360</u></u>

LIABILITIES

Accounts payable	\$ 29,776	
Due to others	<u>1,206</u>	
Total liabilities		\$ 30,982

FUND BALANCE

Restricted - law enforcement		<u>470,378</u>
Total liabilities and fund balance		<u><u>\$ 501,360</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, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,357,584	\$
Fines and court fees		28,075	
Traffic tickets and impound fees		2,120	
Liquor law license fees		2,605	
Contributions		1,000	
Charges for services		23,274	
Miscellaneous		122,927	
	1,420,955	1,537,585	116,630
Total revenues			
EXPENDITURES	1,500,712	1,502,276	(1,564)
Excess of revenues over (under) expenditures	(79,757)	35,309	115,066
OTHER FINANCING SOURCES (USES)			
Sales of assets		3,986	
Transfer out		(7,867)	
Transfers in		35,000	
	31,133	31,119	(14)
Total other financing sources (uses)			
Net change in fund balance	(48,624)	66,428	115,052
FUND BALANCE, JULY 1, 2013	403,950	403,950	
FUND BALANCE, JUNE 30, 2014	\$ 355,326	\$ 470,378	\$ 115,052

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$	\$ 741,484	\$
Payroll taxes		57,593	
Life insurance		8,405	
Medical testing		713	
Professional fees		42,760	
Pension		57,506	
Insurance - health		129,915	
Accountant		7,982	
Uniforms and gear		2,673	
Membership dues		1,746	
Printing and postage		400	
Transportation		29,483	
Insurance and bonds		28,211	
Repairs and maintenance		15,784	
Telephone		16,932	
Supplies		4,397	
Training and development		1,790	
Equipment rental		1,319	
Office overhead		52,441	
PSB lease		87,417	
Contractual services		17,547	
Dispatch services		63,347	
Computer		2,978	
Personnel allocation		54,568	
Tax chargebacks		74,885	
Total expenditures	\$ 1,500,712	\$ 1,502,276	\$ (1,564)

NARCOTICS FUND

NORTHFIELD TOWNSHIP

**NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Cash and cash equivalents

\$ 46,246

FUND BALANCE

Restricted - public safety

\$ 46,246

NORTHFIELD TOWNSHIP

NARCOTICS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$ 30,000	\$ 29,373	\$ (627)
EXPENDITURES			
Public safety projects		14,361	
Miscellaneous		2,945	
Total expenditures	17,900	17,306	594
Net change in fund balance	12,100	12,067	(33)
FUND BALANCE, JULY 1, 2013	34,179	34,179	
FUND BALANCE, JUNE 30, 2014	\$ 46,279	\$ 46,246	\$ (33)

FEDERAL NARCOTICS FUND

NORTHFIELD TOWNSHIP

**FEDERAL NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Cash and cash equivalents \$ 554,584

LIABILITIES

Accounts payable \$ 3,874
Due to other funds 35,000

Total 38,874

FUND BALANCE

Restricted - public safety 515,710

Total liabilities and fund balance \$ 554,584

NORTHFIELD TOWNSHIP

FEDERAL NARCOTICS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$ 443,000	\$ 453,900	\$ 10,900
EXPENDITURES			
Supplies		1,213	
Capital outlay		106,059	
Total expenditures	109,000	107,272	1,728
Excess of revenues over (under) expenditures	334,000	346,628	12,628
OTHER FINANCING SOURCES (USES)			
Transfers out	(35,000)	(35,000)	
Net change in fund balance	299,000	311,628	
FUND BALANCE, JULY 1, 2013	204,082	204,082	
FUND BALANCE, JUNE 30, 2014	\$ 503,082	\$ 515,710	\$ 12,628

PUBLIC CONTRIBUTIONS FUND

NORTHFIELD TOWNSHIP
PUBLIC CONTRIBUTIONS FUND
BALANCE SHEET
JUNE 30, 2014

ASSETS

Cash and cash equivalents	<u>\$ 4,117</u>
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LIABILITIES

Accounts payable	53
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FUND BALANCE

	<u>4,064</u>
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Total liabilities and fund balance

	<u>\$ 4,117</u>
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NORTHFIELD TOWNSHIP

**PUBLIC CONTRIBUTIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Donations	\$ 2,650	\$ 5,070	\$ 2,420
EXPENDITURES	<u>2,150</u>	<u>1,506</u>	<u>644</u>
Net change in fund balance	500	3,564	3,064
FUND BALANCE, JULY 1, 2013	<u>500</u>	<u>500</u>	
FUND BALANCE, JUNE 30, 2014	<u>\$ 1,000</u>	<u>\$ 4,064</u>	<u>\$ 3,064</u>

DOWNTOWN DEVELOPMENT AUTHORITY FUND

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
JUNE 30, 2014

ASSETS

Cash and cash equivalents	<u>\$ 91,499</u>
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FUND BALANCE

Restricted - local improvement	<u>\$ 91,499</u>
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NORTHFIELD TOWNSHIP

**DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Donations	\$	\$ 25,367	\$ 25,367
EXPENDITURES			
Project fees	31,190	2,300	28,890
Excess of revenues over (under) expenditures	(31,190)	23,067	54,257
OTHER FINANCING SOURCES (USES)			
Transfer out		(22,790)	(22,790)
Net change in fund balance	(31,190)	277	31,467
FUND BALANCE, JULY 1, 2013	91,222	91,222	
FUND BALANCE, JUNE 30, 2014	\$ 60,032	\$ 91,499	\$ 31,467

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, 2014**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Rental income	\$ 262,257	\$ 262,252	\$ (5)
EXPENDITURES			
Debt service			
Principal		208,542	
Interest/fees		53,710	
Total expenditures	262,257	262,252	5
Net change in fund balance			
FUND BALANCE, JULY 1, 2013			
FUND BALANCE, JUNE 30, 2014	\$	\$	\$

PUBLIC SAFETY BUILDING DEBT SERVICE FUND

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2014

ASSETS

Cash	\$ 70,374
Taxes receivable	<u>2,174</u>

Total assets	<u><u>\$ 72,548</u></u>
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LIABILITIES

Accounts payable	\$ 18,334
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FUND BALANCE

Restricted - debt	<u>54,214</u>
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Total liabilities and fund balance	<u><u>\$ 72,548</u></u>
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NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014

REVENUES

Property taxes	\$ 284,298
Other income	177
	284,475
Total revenues	284,475

EXPENDITURES

Supplies	1,075
Cleaning services	9,323
Contracted services	9,303
Telephone	3,512
Insurance	7,156
Utilities	82,272
Repairs and maintenance	29,540
Tax chargebacks	15,455
Bond - principal	235,000
Bond - interest	51,700
Overhead allocation	(157,324)
	287,012

Total expenditures	287,012
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Net change in fund balance	(2,537)
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FUND BALANCE, JULY 1, 2013	56,751
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FUND BALANCE, JUNE 30, 2014	\$ 54,214
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SEWAGE DISPOSAL SYSTEM FUND

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF NET POSITION
JUNE 30, 2014

CURRENT ASSETS

Cash, cash equivalents and investments	\$ 333,740	
Sewer billings receivable	343,884	
Interest receivable	44	
Accounts receivable	<u>148</u>	
Total current assets		\$ 677,816

RESTRICTED ASSETS

Cash, cash equivalents and investments capital and debt	1,888,682	
Special assessments receivable	<u>989,628</u>	
Total restricted assets		2,878,310

PLANT, PROPERTY AND EQUIPMENT

Land	226,918	
Plant	2,229,393	
Plant expansion	11,472,114	
Equipment	<u>942,455</u>	
	14,870,880	
Less: accumulated depreciation	<u>(5,842,780)</u>	
Net plant, property, and equipment		<u>9,028,100</u>
Total assets		<u><u>\$ 12,584,226</u></u>

CURRENT LIABILITIES

Accounts payable	\$ 29,398	
Accrued compensated absences	8,671	
Bonds payable - current portion	<u>608,147</u>	
Total current liabilities		\$ 646,216

LONG-TERM LIABILITIES

Bonds payable - less current portion		<u>1,604,875</u>
Total liabilities		2,251,091

NET POSITION

		<u>10,333,135</u>
Total liabilities and net position		<u><u>\$ 12,584,226</u></u>

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

OPERATING REVENUES		
User charges		\$ 1,160,295
OPERATING EXPENSES		
Salaries and wages	\$ 251,913	
Payroll taxes	19,271	
Insurance - benefits	77,113	
Pension	22,887	
Training and development	1,395	
Testing	1,319	
Operating supplies	38,669	
Uniforms	3,664	
Professional services	33,607	
Membership and dues	765	
Contracted services	37,569	
Administration fees	35,000	
Telephone	7,120	
Transportation	4,219	
Printing and postage	2,744	
Insurance and bonds	22,513	
Utilities	111,863	
Repairs and maintenance	70,866	
Equipment rental	1,090	
Depreciation	332,408	
Equipment	6,272	
Total operating expenses		<u>1,082,267</u>
Operating income		78,028
NON-OPERATING REVENUES AND (EXPENSES)		
Sale of assets	5,000	
Interest income - cash and equivalents	7,461	
Interest - special assessments	74,709	
Net (decrease) in the fair value of investments	(121,234)	
Other revenues	5,995	
Interest expense	(112,919)	
Bond fees	(1,078)	
Total non-operating revenues and (expenses)		<u>(142,066)</u>
Net loss before capital contributions		(64,038)
CAPITAL CONTRIBUTIONS		
Connection fees		<u>3,550</u>
Change in net position		(60,488)
NET POSITION, JULY 1, 2013		<u>10,393,623</u>
NET POSITION, JUNE 30, 2014		<u><u>\$ 10,333,135</u></u>

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income		\$ 78,028
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	\$ 332,408	
Other revenues	5,995	
Changes in assets and liabilities		
(Increase) in sewer billings receivable	(10,039)	
Decrease in due from other funds	5,463	
Decrease in prepaid expenses	6,290	
(Decrease) in accounts payable/accrued compensated absences	<u>3,904</u>	
Total adjustments		<u>344,021</u>
Net cash provided by operating activities		422,049

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Connection fees received	3,550	
Special assessments received	287,752	
Interest and fees paid on long-term bonds	(113,997)	
Acquisition of capital assets	(126,385)	
Repayment of principal on bonds	(613,458)	
Sale of assets	<u>5,000</u>	
Net cash (used in) capital and related financing activities		(557,538)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and cash equivalents	16,683	
Sale of investments	<u>1,383,156</u>	
Net cash provided by investing activities		<u>1,399,839</u>
Net decrease in cash and cash equivalents		1,264,350

CASH AND CASH EQUIVALENTS AT JULY 1, 2013		<u>677,993</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2014		<u><u>\$ 1,942,343</u></u>

CURRENT TAX COLLECTION FUND

NORTHFIELD TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2014

ASSETS

Due from others	\$ 40,620
Due from other funds	<u>53</u>
Total assets	<u><u>\$ 40,673</u></u>

LIABILITIES

Due to others	<u>\$ 40,673</u>
Total liabilities	<u><u>\$ 40,673</u></u>

TRUST AND AGENCY FUND

NORTHFIELD TOWNSHIP

**TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Cash and cash equivalents	\$ 75,322
Due from other funds	12
Due from others	<u>2,425</u>
Total assets	<u><u>\$ 77,759</u></u>

LIABILITIES

Due to other funds	\$ 5,500
Due to others	<u>72,259</u>
Total liabilities	<u><u>\$ 77,759</u></u>

PAYROLL FUND

NORTHFIELD TOWNSHIP

**PAYROLL FUND
BALANCE SHEET
JUNE 30, 2014**

ASSETS

Cash	\$	19,204
Due from other funds		<u>12</u>

Total assets	\$	<u><u>19,216</u></u>
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LIABILITIES

Due to others	\$	<u><u>19,216</u></u>
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