

NORTHFIELD
TOWNSHIP

Report on Audit of Financial Statements

For the Year Ended June 30, 2009

NORTHFIELD TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Deb Mozurkewich
Clerk - Shelle Manning
Treasurer - Cynthia Wilson

TOWNSHIP BOARD

Wayne Dockett
Sam Iaquinto
Shelle Manning
Deb Mozurkewich
Dan Rowe
Dan Smith
Cynthia Wilson

TOWNSHIP ATTORNEYS

Paul E. Burns

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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November 11, 2009

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

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, as of and for the year ended June 30, 2009, which collectively comprise the Northfield Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Northfield Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and other required supplementary information on pages 8 through 12 and 46 through 51 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northfield Township's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis
June 30, 2009

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, 2009. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report 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 assets.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net assets at the end of the fiscal year were \$14,047,494. This is a \$370,171 increase over last year's net assets of \$13,677,323.

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

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	6/30/2009	6/30/2008	6/30/2009	6/30/2008	6/30/2009	6/30/2008
Current and other assets	\$ 2,411,950	\$ 2,175,563	\$ 4,916,525	\$ 5,253,190	\$ 7,328,475	\$ 7,428,753
Capital assets	8,000,881	8,324,795	10,380,811	10,661,856	18,381,692	18,986,651
Total assets	10,412,831	10,500,358	15,297,336	15,915,046	25,710,167	26,415,404
Other liabilities	291,290	380,596	53,681	95,425	344,971	476,021
Long-term liabilities	6,282,702	6,682,060	5,035,000	5,580,000	11,317,702	12,262,060
Total liabilities	6,573,992	7,062,656	5,088,681	5,675,425	11,662,673	12,738,081
Net assets:						
Invested in capital assets, net of debt	1,763,826	1,642,735	5,345,811	5,081,856	7,109,637	6,724,591
Restricted	40,239		3,478,441		3,518,680	
Unrestricted	2,034,774	1,794,967	1,384,403	5,157,765	3,419,177	6,952,732
Total net assets	\$ 3,838,839	\$ 3,437,702	\$ 10,208,655	\$ 10,239,621	\$ 14,047,494	\$ 13,677,323

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	6/30/2009	6/30/2008	6/30/2009	6/30/2008	6/30/2009	6/30/2008
Revenues:						
Program revenues:						
Charges for services	\$ 401,304	\$ 470,386	\$ 1,226,198	\$ 1,237,100	\$ 1,627,502	\$ 1,707,486
Operating grants and contributions	75,660	1,945			75,660	1,945
Capital grants and contributions				38,500		38,500
General revenues:						
State shared revenues	558,137	590,748			558,137	590,748
Property taxes	2,989,124	2,975,205			2,989,124	2,975,205
Interest	21,555	91,033	179,127	269,596	200,682	360,629
Other	354,464	356,304	2,868	2,011	357,332	358,315
Sale of capital assets			1,000		1,000	
Total revenues and transfers	<u>4,400,244</u>	<u>4,485,621</u>	<u>1,409,193</u>	<u>1,547,207</u>	<u>5,809,437</u>	<u>6,032,828</u>
Expenses						
General government	790,995	931,480			790,995	931,480
Fire protection	949,830	876,752			949,830	876,752
Police protection	1,696,427	1,755,409			1,696,427	1,755,409
Senior center/recreation	134,575	132,988			134,575	132,988
Public works/roads	247,591	53,532			247,591	53,532
Interest on long-term debt	297,689	320,951			297,689	320,951
Sewer system			1,447,159	1,603,516	1,447,159	1,603,516
Total expenses	<u>4,117,107</u>	<u>4,071,112</u>	<u>1,447,159</u>	<u>1,603,516</u>	<u>5,564,266</u>	<u>5,674,628</u>
Changes in net assets before special item and transfers	283,137	414,509	(37,966)	(56,309)	245,171	358,200
Transfers	(7,000)		7,000			
Special item - contingency reversal	<u>125,000</u>				<u>125,000</u>	
Changes in net assets	401,137	414,509	(30,966)	(56,309)	370,171	358,200
Beginning net assets	<u>3,437,702</u>	<u>3,023,193</u>	<u>10,239,621</u>	<u>10,295,930</u>	<u>13,677,323</u>	<u>13,319,123</u>
Ending net assets	<u>\$ 3,838,839</u>	<u>\$ 3,437,702</u>	<u>\$ 10,208,655</u>	<u>\$ 10,239,621</u>	<u>\$ 14,047,494</u>	<u>\$ 13,677,323</u>

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$179,963 before its reversed \$125,000 of its contingency from prior fiscal years. The Township's fund balance increased by \$305,610 for the fiscal year ended June 30, 2009.

The other major governmental funds of the Township are the Law Enforcement and the Fire funds. The expenditures exceeded revenues for the Law Enforcement Fund due to a decrease in transfers from the General Fund. The Fire Fund combined with Medical Reserve this year end had \$16,437 of expenditures over revenues.

The Township's sole proprietary fund, the Sewage Disposal System Fund, reported net loss of \$37,966. The increases in losses are due to rising operating costs, and decrease of users being added to the system.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total actual expenditures exceeded appropriations by \$18,661. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality, and anticipated higher election and road expenditures. The Township expenditures exceeded appropriations in several activities.

Capital Asset and Debt Administration

The governmental funds purchased \$2,198 of land, while retiring no capital assets.

The governmental funds issued \$45,647 of long-term debt while retiring \$445,005 of this debt. This is due in large part from the finance of shared road project. Total debt of \$6,282,702 was outstanding as of June 30, 2009.

The business-type fund issued no new debt during the year, retired \$545,000 of previously existing debt, and spent \$60,279 for current year sewage treatment equipment (generators).

Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment.

Contacting the Township's Financial Management

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<u>ASSETS</u>			
ASSETS			
Cash, cash equivalents and investments	\$ 1,705,373	\$ 1,030,628	\$ 2,736,001
Cash, cash equivalents and investments - restricted for debt and capital	40,239	1,350,775	1,391,014
Receivables			
Taxes	339,815		339,815
State shared revenues	81,816		81,816
Accounts	152,299	396,521	548,820
Interest		6,202	6,202
Internal balances	(526)	526	
Prepaid expenses	35,078	4,207	39,285
Land contract receivable			
Current	3,215		3,215
Non-current	54,641		54,641
Special assessments receivable - restricted for debt and capital			
Current		187,290	187,290
Non-current		1,940,376	1,940,376
Capital assets			
Nondepreciated	304,763	226,918	531,681
Depreciated, net	7,696,118	10,153,893	17,850,011
	<u>10,412,831</u>	<u>15,297,336</u>	<u>25,710,167</u>
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	150,592	26,374	176,966
Accrued compensated absences	115,698	27,307	143,005
Contingent liability	25,000		25,000
Noncurrent liabilities			
Due within one year	504,813	540,000	1,044,813
Due beyond one year	5,777,889	4,495,000	10,272,889
	<u>6,573,992</u>	<u>5,088,681</u>	<u>11,662,673</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	1,763,826	5,345,811	7,109,637
Restricted for debt and capital	40,239	3,478,441	3,518,680
Unrestricted	2,034,774	1,384,403	3,419,177
	<u>\$ 3,838,839</u>	<u>\$ 10,208,655</u>	<u>\$ 14,047,494</u>

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

NORTHFIELD TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES			
General government	\$ (790,995)	\$ 270,881	\$
Fire protection	(949,830)	8,510	75,560
Police protection	(1,696,427)	75,566	100
Senior center/recreation	(134,575)	46,347	
Public works/roads	(247,591)		
Interest on long-term debt	(297,689)		
	<hr/>	<hr/>	<hr/>
Total governmental activities	(4,117,107)	401,304	75,660
BUSINESS-TYPE ACTIVITIES			
Sewer system	(1,447,159)	1,226,198	
	<hr/>	<hr/>	<hr/>
Total	\$ (5,564,266)	\$ 1,627,502	\$ 75,660
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

General revenues
Property taxes
States shared revenues
Interest income - cash and equivalents
Interest income - special assessments
Franchise fees
Rental income
Other income
Sale of capital assets
Transfers
Special item - contingency litigation recovery

Total general revenues, transfers and
and special item

Changes in net assets

Net assets, July 1, 2008

Net assets, June 30, 2009

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

Net (Expenses) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (520,114)	\$	\$ (520,114)
(865,760)		(865,760)
(1,620,761)		(1,620,761)
(88,228)		(88,228)
(247,591)		(247,591)
(297,689)		(297,689)
<u>(3,640,143)</u>		<u>(3,640,143)</u>
	(220,961)	(220,961)
<u>(3,640,143)</u>	<u>(220,961)</u>	<u>(3,861,104)</u>
2,989,124		2,989,124
558,137		558,137
21,555	44,331	65,886
	134,796	134,796
78,517		78,517
267,785		267,785
8,162	2,868	11,030
	1,000	1,000
(7,000)	7,000	
<u>125,000</u>		<u>125,000</u>
<u>4,041,280</u>	<u>189,995</u>	<u>4,231,275</u>
401,137	(30,966)	370,171
<u>3,437,702</u>	<u>10,239,621</u>	<u>13,677,323</u>
<u>\$ 3,838,839</u>	<u>\$ 10,208,655</u>	<u>\$ 14,047,494</u>

FUND
FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

<u>ASSETS</u>	General	Fire Fund	Law Enforcement Fund
ASSETS			
Cash and cash equivalents	\$ 1,068,993	\$ 353,311	\$ 72,676
Receivables			
Taxes	47,599	78,339	165,918
State shared revenues	81,816		
Accounts	56,247	27,749	28,253
Land contract receivable	57,856		
Due from other funds	13,458	105	5,288
Prepaid expenditures	16,897	1,207	16,527
Total assets	\$ 1,342,866	\$ 460,711	\$ 288,662
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 19,204	\$ 91,181	\$ 17,331
Accrued compensated absences	3,109	6,063	99,815
Due to other funds	17,395	59	301
Due to others	10,512		
Contingent liability	25,000		
Total liabilities	75,220	97,303	117,447
FUND BALANCE			
Unreserved	1,157,164	362,201	154,688
Reserved for prepaid expenditures	16,897	1,207	16,527
Reserved for long-term receivables	93,585		
Reserved for public safety			
Reserved for debt service			
Reserved for community development			
Total fund balances	1,267,646	363,408	171,215
	\$ 1,342,866	\$ 460,711	\$ 288,662

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

<u>Other non-major Funds</u>	<u>Totals</u>
\$ 250,632	\$ 1,745,612
47,959	339,815
	81,816
11,297	123,546
	57,856
32,331	51,182
447	35,078
<u>\$ 342,666</u>	<u>\$ 2,434,905</u>

\$ 12,364	\$ 140,080
6,711	115,698
5,200	22,955
	10,512
	25,000
<u>24,275</u>	<u>314,245</u>

(12,308)	1,661,745
447	35,078
	93,585
123,043	123,043
77,397	77,397
129,812	129,812
<u>318,391</u>	<u>2,120,660</u>
<u>\$ 342,666</u>	<u>\$ 2,434,905</u>

NORTHFIELD TOWNSHIP
 RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2009

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

Total fund balance per balance sheet		\$ 2,120,660
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 10,515,617	
Accumulated depreciation	<u>(2,514,736)</u>	
Capital assets net of accumulated depreciation		8,000,881
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Capital leases payable	(313,212)	
Installment loans payable	(169,490)	
Bonds payable	<u>(5,800,000)</u>	
Total		<u>(6,282,702)</u>
Net assets of governmental activities		<u><u>\$ 3,838,839</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, 2009

	General Fund	Fire Fund	Law Enforcement Fund
REVENUES			
Taxes	\$ 288,462	\$ 691,936	\$ 1,547,358
State shared revenues	558,137		
Grant income		75,535	
Licenses and permits	118		2,514
Contributions		25	100
Rental income	3,600		7,500
Franchise fees	78,517		
Charges for services	280,024	8,510	21,843
Fines and forfeitures			40,979
Interest	17,605	1,718	257
Miscellaneous	1,852	506	
Total revenues	<u>1,228,315</u>	<u>778,230</u>	<u>1,620,551</u>
EXPENDITURES			
Current:			
General government	723,332		
Fire rescue		740,190	
Police protection			1,586,967
Senior citizens/recreation	127,002		
Roads	86,503		
Public works	108,430		
Debt service:			
Principal		31,184	23,821
Interest/fees		16,427	2,655
Capital outlay:			
General government	3,085		
Fire rescue		6,866	
Police protection			2,545
Total expenditures	<u>1,048,352</u>	<u>794,667</u>	<u>1,615,988</u>
Excess of revenues over (under) expenditures	<u>179,963</u>	<u>(16,437)</u>	<u>4,563</u>
OTHER FINANCING SOURCES (USES)			
Loan proceeds	45,647		
Transfers in		215,486	8,200
Transfers (out)	(45,000)		
Total other financing sources (uses)	<u>647</u>	<u>215,486</u>	<u>8,200</u>
Net change in fund balances before special item	180,610	199,049	12,763
Special item - litigation contingency recovery	<u>125,000</u>		
Net changes in fund balances	305,610	199,049	12,763
FUND BALANCE, JULY 1, 2008	<u>962,036</u>	<u>164,359</u>	<u>158,452</u>
FUND BALANCE, JUNE 30, 2009	<u>\$ 1,267,646</u>	<u>\$ 363,408</u>	<u>\$ 171,215</u>

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

Other non-major Funds	Total
\$ 461,368	\$ 2,989,124
	558,137
	75,535
34,122	36,754
	125
256,685	267,785
	78,517
450	310,827
12,744	53,723
1,975	21,555
5,804	8,162
<u>773,148</u>	<u>4,400,244</u>
	53,780
	777,112
	740,190
4,146	1,591,113
	127,002
	86,503
52,658	161,088
390,000	445,005
278,607	297,689
	3,085
	6,866
	2,545
<u>779,191</u>	<u>4,238,198</u>
<u>(6,043)</u>	<u>162,046</u>
	45,647
	223,686
<u>(185,686)</u>	<u>(230,686)</u>
<u>(185,686)</u>	<u>38,647</u>
(191,729)	200,693
	125,000
(191,729)	325,693
510,120	1,794,967
<u>\$ 318,391</u>	<u>\$ 2,120,660</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, 2009

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

Net change in fund balances - governmental funds	\$	325,693
--	----	---------

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

Capital outlay	\$	2,198	
Depreciation expense		<u>(326,112)</u>	
Total			(323,914)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of:			
Capital leases		27,005	
Installment loans payable		123,000	
Bonds payable		<u>295,000</u>	
Total			445,005

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

Installment loans payable		<u>(45,647)</u>	
Change in net assets of governmental activities	\$	<u><u>401,137</u></u>	

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

NORTHFIELD TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009

ASSETS

		<u>Sewage Disposal System Fund</u>
CURRENT ASSETS		
Cash, cash equivalents and investments	\$ 1,030,628	
Accounts receivable - other	15,642	
Sewer billings receivable	380,879	
Interest receivable	6,202	
Due from other funds	526	
Prepaid expenses	<u>4,207</u>	
Total current assets		\$ 1,438,084
RESTRICTED ASSETS		
Cash, cash equivalents and investments - capital and debt	1,350,775	
Special assessments receivable - capital and debt		
Current	187,290	
Non-current	<u>1,940,376</u>	
Total restricted assets		3,478,441
PLANT, PROPERTY AND EQUIPMENT		
Nondepreciated	226,918	
Depreciated, net	10,153,893	
Net plant, property, and equipment		<u>10,380,811</u>
Total assets		<u>15,297,336</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	26,374	
Accrued compensated absences	27,307	
Contracts payable - current portion	<u>540,000</u>	
Total current liabilities		593,681
LONG-TERM LIABILITIES		
Contracts payable - less current portion		<u>4,495,000</u>
Total liabilities		<u>5,088,681</u>

NET ASSETS

NET ASSETS		
Invested in capital assets, net of related debt	5,345,811	
Restricted for capital and debt	3,478,441	
Unrestricted	<u>1,384,403</u>	
Total net assets		<u>\$ 10,208,655</u>

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

NORTHFIELD TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Sewage Disposal System Fund</u>	
OPERATING REVENUES		
User charges		\$ 1,226,198
OPERATING EXPENSES		
Salaries and wages	\$ 298,229	
Payroll taxes	22,501	
Hospitalization	68,260	
Life insurance	3,530	
Pension	26,972	
Training and development	99	
Testing	2,642	
Operating supplies	56,426	
Uniforms	4,300	
Professional services	13,343	
Membership and dues	2,022	
Contracted services	32,631	
Administration fees	35,000	
Telephone	6,971	
Transportation	4,256	
Printing and postage	4,137	
Insurance and bonds	36,204	
Utilities	137,668	
Repairs and maintenance	113,372	
Small equipment	1,029	
Miscellaneous	257	
Depreciation	341,324	
Total operating expenses		1,211,173
Operating (loss)		15,025
NON-OPERATING REVENUES AND (EXPENSES)		
Other income	2,868	
Interest income - cash and equivalents	44,331	
Interest income - special assessments	134,796	
Interest expense	(234,986)	
Bond fees	(1,000)	
Gain on disposal of capital assets	1,000	
Total non-operating revenues and (expenses)		(52,991)
Net (loss) before transfers		(37,966)
TRANSFERS IN		7,000
Change in net assets		(30,966)
NET ASSETS, JULY 1, 2008		10,239,621
NET ASSETS, JUNE 30, 2009		\$ 10,208,655

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, 2009

		<u>Sewage Disposal System Fund</u>
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Cash received from users		\$ 1,162,138
Cash payments to employees		(294,131)
Cash payments to suppliers		(615,793)
Cash payments to other funds, net		<u>(12,927)</u>
Net cash provided by operating activities		239,287
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Sale of capital assets	\$ 1,000	
Special assessments received	209,990	
Purchase of equipment/system	(60,279)	
Interest paid on long-term bonds	(234,986)	
Bond fees	(1,000)	
Transfers in	7,000	
Repayment of principal on bonds/contracts	<u>(545,000)</u>	
Net cash (used in) capital and related financing activities		(623,275)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Interest on cash and cash equivalents	38,129	
Purchases of investments	<u>(1,451,493)</u>	
Net cash (used in) investing activities		<u>(1,413,364)</u>
Net decrease in cash and cash equivalents		(1,797,352)
CASH AND CASH EQUIVALENTS AT, JULY 1, 2008		<u>2,727,262</u>
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2009		<u><u>\$ 929,910</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income		\$ 15,025
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation	\$ 341,324	
Other income	2,868	
Change in assets and liabilities:		
(Increase) in accounts receivable	(15,642)	
(Increase) in sewer billings receivable	(64,060)	
(Increase) in due from other funds	(526)	
Decrease in prepaid expenses	2,042	
(Decrease) in accounts payable/accrued compensated absences	(29,343)	
(Decrease) in due to other funds	<u>(12,401)</u>	
Total adjustments		<u>224,262</u>
Net cash provided by operating activities		<u><u>\$ 239,287</u></u>

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

NORTHFIELD TOWNSHIP
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2009

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$	\$ 39,286	\$ 39,286
Due from others	37,888		37,888
Due from other funds	<u>16,832</u>	<u>49</u>	<u>16,881</u>
Total assets	<u>\$ 54,720</u>	<u>\$ 39,335</u>	<u>\$ 94,055</u>
<u>LIABILITIES</u>			
LIABILITIES			
Bank overdraft	\$ 9,214	\$	\$ 9,214
Due to other funds	43,035	2,599	45,634
Due to others	2,471		2,471
Performance deposits		<u>36,736</u>	<u>36,736</u>
Total liabilities	<u>\$ 54,720</u>	<u>\$ 39,335</u>	<u>\$ 94,055</u>

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

NOTES
TO
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

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.

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

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

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

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

C. CAPITAL ASSETS

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

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

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

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

E. BUDGETARY DATA

The board of trustees 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, 2009, expenditures exceeded appropriations in several functional activities. See the notes to required supplementary information for additional details.

F. PROPERTY TAXES

Property tax revenues are recognized in the fiscal year for which the taxes are levied. Property taxes are levied on December 1 each year. These taxes become liens on the property at that date. These taxes are due on February 14, with the final collection date of February 28. The delinquent real property taxes of Northfield Township are purchased by Washtenaw County. The county sold tax notes, the proceeds of which will be used to pay the Township for these property taxes. This has yet to take place. The 2008 adjusted taxable value of the Township totaled \$363,337,801. The Township levied the following millages during the current fiscal year ended June 30, 2009:

General Township	.7997
Fire	1.9240
Fire truck	.3000
Police	4.3022
Public safety building	<u>.8525</u>
Total millage	<u>8.1784</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.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. INVESTMENTS

Investments are stated at cost.

I. CASH EQUIVALENTS

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

J. USE OF ESTIMATES

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

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. FUND BALANCES

Fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans, if any, that are subject to change.

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, 2009, 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, 2009 was \$57,856.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2009 was as follows:

	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 302,565	\$ 2,198	\$	\$ 304,763
Capital assets being depreciated:				
Buildings	8,085,944			8,085,944
Equipment	2,124,910			2,124,910
Total cost depreciable	10,210,854			10,210,854
Less accumulated depreciation for:				
Buildings	(1,045,002)	(164,041)		(1,209,043)
Equipment	(1,143,622)	(162,071)		(1,305,693)
Total accumulated depreciation	(2,188,624)	(326,112)		(2,514,736)
Capital assets being depreciated, net	8,022,230	(326,112)		7,696,118
Governmental activities capital assets, net	\$ 8,324,795	\$ (323,914)		8,000,881
Related long-term debt outstanding at June 30, 2009				6,237,055
Governmental activities capital assets, net of related long-term debt				\$ 1,763,826

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 4 - CAPITAL ASSETS- continued

	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 226,918	\$	\$	\$ 226,918
Capital assets being depreciated:				
Plant and equipment	14,301,745	60,279	6,781	14,355,243
Less accumulated depreciation for:				
Plant and equipment	(3,866,807)	(341,324)	(6,781)	(4,201,350)
Capital assets being depreciated, net	10,434,938	(281,045)		10,153,893
Business-type activities capital assets, net	\$ 10,661,856	\$ (281,045)	\$	10,380,811
Less: related long-term debt outstanding as of June 30, 2009				(5,035,000)
Business-type activities capital assets net of related debt				\$ 5,345,811

Depreciation expense was distributed to the various activities as follows:

Governmental activities:	
General government	\$ 12,996
Fire protection and medical rescue	202,774
Police protection	102,769
Senior center	7,573
Subtotal	326,112
Business-type activities:	
Sewer service	341,324
Total	\$ 667,436

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 - LONG-TERM DEBT

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

Capital Leases

1. On September 26, 2005 the Township into a lease agreement with Kansas State Bank of Manhattan to purchase two (2) fire trucks and refinance of one medical rescue truck. The Township is required to make annual payments in arrears of \$13,575 for the first three years and \$48,109 for the remaining seven years. At the end of the lease term title to all leased assets passes to the Township. Interest of 4.85% is being charged on the lease. The lease is scheduled to expire on October 1, 2015. The outstanding principal balance was \$279,895 at June 30, 2009.
2. On October 6, 2006 the Township entered into a lease with Ford Motor Credit to purchase a 2007 Ford Crown Victoria. The Township is required to make three annual payments of \$8,715 until the lease expires in October of 2008. At the end of the lease term, the Township has a \$1 bargain purchase option. Interest of 6.80% is being charged on the lease. This lease was paid in full as of June 30, 2009.
3. On April 12, 2006 the Township entered into a lease agreement with Mine Safety Appliances Company to purchase a thermal imaging camera. The Township is required to make semi-annual payments of \$1,666 in April and October until the lease expires in April 2009. At the end of the lease, a free and clear title passes to the Township. Interest of 6.165% is being charged on the lease. This lease was paid in full as of June 30, 2009.
4. On November 19, 2007 the Township entered into a lease agreement with Ford Motor Credit to purchase a 2008 Crown Victoria police cruiser. The Township is required to make three annual payments of \$8,939 until the lease expires in November of 2009. At the end of the lease term, the Township has a \$1 bargain purchase option. Interest of 6.9% is being charged on the lease. The outstanding principal balance of June 30, 2009 was \$8,362.
5. On September 12, 2007 the Township entered into a lease agreement with Fleetwood Financial to purchase digital video equipment for police cruisers. The Township is required to make annual payments of \$8,822 until the lease expires in September 2011. At the end of the lease term title passes to the Township. Interest of 3.00% is being charged on the lease. The outstanding principal balance at June 30, 2009 was \$24,955.

Bonds Payable

1. Bonds payable for the financing of the construction costs for the public safety building. Principal payments ranging from \$50,000 to \$275,000 are due annually on April 1 and maturing on April 1, 2022. Interest is charged at 6.0% to 4.0%, payable semi-annually. The outstanding balance of the note at June 30, 2009 was \$2,925,000.
2. Bonds payable for the financing of the construction costs for the public safety building. Principal payments ranging from \$75,000 to \$250,000 are due annually on April 1 and maturing on April 1, 2023. Interest is charged at 3.25% to 5.0%, payable semi-annually. The outstanding balance of the note at June 30, 2009 was \$2,475,000.
3. Bonds payable for the financing of the construction costs for the public safety building. Principal payments ranging from \$15,000 to \$50,000 are due annually on April and maturing on April 1, 2023. Interest is charged at 3.10% to 5.10%, payable semi-annually. The outstanding balance of the note at June 30, 2009 was \$400,000.

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 - LONG-TERM DEBT - continued

Installment Loans Payable

1. Installment loan payable to J.P. Morgan Chase for the financing of a pumper truck. Principal payments ranging from \$15,000 to \$24,886 are due annually on December 1 and mature December 2009. Interest is charged at 5.15%, payable annually. The outstanding balance of the note at June 30, 2009 was \$24,886.
2. Installment loan payable to J.P. Morgan Chase for the financing of a platform truck. Principal payments ranging from \$35,000 to \$98,957 are due annually on December 1 and mature December 2009. Interest is charged at 5.15%, payable annually. The outstanding balance of the note at June 30, 2009 was \$98,957.
3. Installment obligation payable to Ann Arbor Township to reimburse such Township for shared costs of a road repair project. Principal payments ranging between \$10,000 and \$5,647 are due annually on July 1 and the obligation will be fully satisfied on July 1, 2013. This obligation does not accrue interest. The outstanding balance on June 30, 2009 was \$45,647.

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

	Balance 7/1/2008	Additions	Payments	Balance 6/30/2009	Amount Due Within One Year
Capitalized Lease					
Ford Motor Credit	\$ 8,160	\$	\$ 8,160	\$	\$
Mine Safety	3,184		3,184		
Kansas State Bank	279,895			279,895	34,534
Ford Motor Credit	16,185		7,823	8,362	8,362
Fleetwood Financial	32,793		7,838	24,955	8,074
Total capitalized leases	<u>340,217</u>		<u>27,005</u>	<u>313,212</u>	<u>50,970</u>
Bonds Payable					
National City	3,100,000		175,000	2,925,000	175,000
National City	2,575,000		100,000	2,475,000	125,000
National City	420,000		20,000	400,000	20,000
Total bonds payable	<u>6,095,000</u>		<u>295,000</u>	<u>5,800,000</u>	<u>320,000</u>
Installment Loans Payable					
Ann Arbor Township		45,647		45,647	10,000
J.P. Morgan Chase	52,886		28,000	24,886	24,886
J.P. Morgan Chase	193,957		95,000	98,957	98,957
Total installment loans payable	<u>246,843</u>	<u>45,647</u>	<u>123,000</u>	<u>169,490</u>	<u>133,843</u>
Governmental activities capital assets, net	<u>\$ 6,682,060</u>	<u>\$ 45,647</u>	<u>\$ 445,005</u>	<u>\$ 6,282,702</u>	<u>\$ 504,813</u>

NORTHFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 - LONG-TERM DEBT - continued

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

Year Ending:	Capitalized Leases		Bonds Payable		Installment Loans Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009-2010	\$ 50,970	\$ 14,901	\$ 320,000	\$ 255,665	\$ 133,843	\$ 6,378	\$ 504,813	\$ 276,944
2010-2011	44,525	12,406	320,000	239,475	10,000		374,525	251,881
2011-2012	46,530	10,401	345,000	223,225	10,000		401,530	233,626
2012-2013	39,806	8,303	375,000	209,100	10,000		424,806	217,403
2013-2014	41,737	6,372	375,000	193,775	5,647		422,384	200,147
2014-2019	89,644	6,573	2,205,000	713,850			2,294,644	720,423
2019-2023			1,860,000	201,290			1,860,000	201,290
Totals	<u>\$ 313,212</u>	<u>\$ 58,956</u>	<u>\$ 5,800,000</u>	<u>\$ 2,036,380</u>	<u>\$ 169,490</u>	<u>\$ 6,378</u>	<u>\$ 6,282,702</u>	<u>\$ 2,101,714</u>

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 - LONG TERM DEBT - continued

The following is a summary of bonds payable debt for the business-type activities for the year ending June 30, 2009:

1. Loan payable to Washtenaw County to finance the sanitary sewer system expansion at Seven Mile Road. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2006, and maturing on April 2022. Interest is paid semi-annually charged at 3.7% to 4.5%. Outstanding balance of the bonds was \$525,000 at June 30, 2009.
2. 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 \$510,000 at June 30, 2009.
3. Loan payable to Washtenaw to finance the refunding bonds for the various expansion project bonds. A net present value savings of \$243,781 was created by issuing these refunding bonds due to decline in interest rates. Principal payable in annual installments ranging from \$485,000 to \$555,000 starting May 2008, and maturing on May 2017. Interest is paid semi-annually charged at 4.25%. Outstanding balance of the bonds was \$4,000,000 at June 30, 2009.

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

<u>Bonds Payable</u>	<u>Balance 7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2009</u>	<u>Amount Due Within One Year</u>
Expansion - Seven Mile	\$ 550,000	\$	\$ 25,000	\$ 525,000	\$ 25,000
Expansion - 2007 refunding	4,490,000		490,000	4,000,000	485,000
Michigan Municipal Bond Authority: 1992 junior lien refunding	<u>540,000</u>		<u>30,000</u>	<u>510,000</u>	<u>30,000</u>
Total business-type activities long-term debt	<u>\$ 5,580,000</u>	<u>\$</u>	<u>\$ 545,000</u>	<u>\$ 5,035,000</u>	<u>\$ 540,000</u>

NORTHFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 - LONG TERM DEBT - (continued)

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

	Bonds Payable		
	Principal	Interest	Total
2009 - 2010	\$ 540,000	\$ 212,599	\$ 752,599
2010 - 2011	545,000	190,339	735,339
2011 - 2012	565,000	167,750	732,750
2012 - 2013	555,000	144,076	699,076
2013 - 2014	600,000	120,764	720,764
2014 - 2019	1,945,000	245,749	2,190,749
2019 - 2023	285,000	26,537	311,537
Totals	\$ 5,035,000	\$ 1,107,814	\$ 6,142,814

NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN

The defined contribution plan of Northfield Township is a fully insured plan funded by both employer (2/3) and employee (1/3) contributions. An employee may make voluntary contributions of up to 10% of their annual compensation. All participants are vested 100% immediately. The Northfield Township Area Library participates with the Township in this plan and is included in all subsequent data regarding the plan.

A participant includes all full-time employees as of the beginning of the anniversary date or June 1st of each year. The annual contributions are based on the following formula:

Employer contributes 10% of wages
 Employee contributes 5% of wages

Annual contribution
 to pension plan 15% of wages

The plan name is "Group Pension Plan" #GN 53402 through John Hancock Financial. A summary of the plan's activity for the period July 1, 2008 to June 30, 2009, is as follows:

Balance in guaranteed account July 1, 2008	\$ 2,246,279
Current year contributions	
Township portion	\$ 96,058
Employee portion	46,029
Total contributions	142,087
Distributions/fees	(90,413)
Investment losses plus asset charges	(479,211)
Balance in guaranteed account June 30, 2009.	\$ 1,818,742

Interest has been credited to June 30, 2009.

A contribution of \$16,208 was made in the fiscal year ended June 30, 2009.

Total covered payroll was \$219,192, for the fiscal year ended June 30, 2009.

NORTHFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 7 - DEFINED BENEFIT PENSION PLAN

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

As of December 31, 2008, the police department had eleven (11) covered employees and twenty (20) total employees. Covered payroll for the year then ended was \$580,748.

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

Employees contribute 5% of gross wages to the plan.

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

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

The pension benefit obligation was determined as part of an actuarial valuation of the plan as of December 31, 2007. Significant actuarial assumptions used in determining the pension benefit obligation include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year (annually) after retirement.

At December 31, 2008, the unfunded pension benefit obligation was \$ 182,845, determined as follows:

Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits	\$
Terminated employees not yet receiving benefits	60,075
Non-vested terminated employees	
Current employees	
Accumulated employee contribution, including allocated investment income	337,628
Employer financed	<u>397,867</u>
Total pension benefit obligation	795,570
Net assets available for benefits, at cost (at market)	<u>612,725</u>
Unfunded actuarial accrued liability	<u><u>\$ 182,845</u></u>

NORTHFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivables and payables exist at June 30, 2009. 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	\$ 13,458	\$ 17,395
Building Department Fund	35	
Fire Fund	105	59
Law Enforcement Fund	5,288	301
Narcotics Fund		5,200
Downtown Development Authority Fund	32,296	
Sewer Disposal System Fund	526	
Current Tax Collection Fund	16,832	43,035
Trust and Agency Fund	49	2,599
Total interfund balances	\$ 68,589	\$ 68,589

Interfund transfers for the year ended June 30, 2009 were as follows:

Transfer In	Transfer Out	Purpose	Amount
Sewage Disposal System Fund	General Fund	Pay operating expenditures	\$ 7,000
Medical Rescue Fund	General Fund	Pay operating expenditures	35,000
Law Enforcement Fund	General Fund	Pay operating expenditures	3,000
Law Enforcement Fund	Narcotics Fund (non-major)	Pay operating expenditures	5,200
Fire Fund	Medical Rescue Fund	Combined related funds	180,486
			\$ 230,686

NOTE 9 - SEGMENT INFORMATION - BUSINESS-TYPE ACTIVITIES

Selected financial information with respect to the enterprise fund maintained by the Township for sewage disposal service is as follows:

	Sewage Disposal Fund
Operating revenues	\$ 1,226,198
Depreciation	341,324
Operating income	15,025
Net working capital	1,384,403
Total assets	15,297,336
Total fund equity	10,208,655

NORTHFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 10 - 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, 2009 deposits and investments consist of the following:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 529,117
Money market accounts	15,877
Investment pools	2,160,000
Cash on hand	600
Total cash and cash equivalents	2,705,594
Investments:	
Negotiable certificate of deposit	1,033,523
Government securities	417,970
Total investments	1,451,493
Total cash and investments	\$ 4,157,087

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

Statement of Net Assets:	
Cash and cash equivalents	\$ 2,675,522
Investments	1,451,493
Total	4,127,015
Fiduciary Funds:	
Cash and cash equivalents	30,072
Total cash and investments	\$ 4,157,087

NORTHFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 10 - 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. At year end, the Township had \$ -0- of its deposits with financial institutions (checking and savings accounts and certificates of deposits) that were uninsured and uncollateralized. 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.

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. At the year end, the Township had \$3,540,226 of investments that were uninsured and uncollateralized. 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.

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 Home Loan Bank	5%
Negotiable CD	LaSalle Bank	5%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will 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, 2009 the Township had the following investment maturities:

<u>Investment Type</u>	<u>Cost Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
U.S. Agencies	\$ 417,970	\$	\$	\$ 417,970	\$
Negotiable CD's	1,033,523	\$	475,939	251,620	305,964
	<u>\$ 1,451,493</u>	<u>\$</u>	<u>\$ 475,939</u>	<u>\$ 669,590</u>	<u>\$ 305,964</u>

NORTHFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 10 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

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, 2009, the Township's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Rating by S & P</u>	<u>Amount</u>
Investment Pool	Unrated	\$ 2,160,000
Negotiable Certificate of Deposit	Unrated	1,033,523
Money Market Funds	Unrated	15,877
Government Securities	A-1+	<u>417,970</u>
		<u>\$ 3,627,370</u>

NOTE 11 - STATEMENT OF CASH FLOWS

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

	6/30/2008	6/30/2009
Current assets		
Cash and cash equivalents	\$ 1,271,151	\$ 929,910
Restricted assets		
Cash and cash equivalents	1,456,111	
Total cash and cash equivalents	\$ 2,727,262	\$ 929,910

NOTE 12 - CONTINGENT LIABILITIES

A former consultant for the Township has instituted a suit against the Township for reimbursement in excess of \$25,000 of engineering and consulting fees in conjunction with work allegedly performed on its sewage treatment system. It is probable that this amount will have to be paid from the Township, and accordingly, have accrued a contingent liability of \$25,000.

The Township is involved in various other legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

NOTE 13 - FEDERAL GRANT ACTIVITIES

The Township has been a recipient of several federal grant funds for law enforcement and medical rescue activities in previous fiscal years. These funds are subject to federal grant audit requirements.

NORTHFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 14 - PROJECT UNCERTAINTY

The Township has \$6,365,000 of bonds due for the public safety building. Currently, the Township has levied .7494 mills in order to service this debt. Cash flow projections are unclear as to whether the Township will be able to fulfill the debt service requirements from these existing bonds. The Township is considering various options to remedy this potential problem.

NOTE 15 - POST EMPLOYMENT BENEFITS

The Township approved a resolution to offer all eligible full-time employees/elected officials medical, hospitalization, and dental insurance. To be eligible one must complete twenty (20) years of service and have obtained the age of fifty-five (55). The Township only contributes the costs of having coverage as a single person. As of the year ended June 30, 2009 there were no individuals receiving these benefits. There are two individuals that may qualify to receive these benefits, but isn't expected to collect until next year.

There were no expenditures made on behalf of the individuals eligible for post employment benefits for the fiscal year ending June 30, 2009. The Township is funding this program on a pay-as-you-go basis, and has not obtained an actuarial evaluation of future obligations.

The Governmental Accounting Standards Board has released Statement Number 45, Accounting and Reporting by Employers for Post Employment Benefits Other Than Pensions. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" post employment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending June 30, 2010.

NOTE 16 - DEFICIT IN FUND BALANCE OF NONMAJOR FUND

As of June 30, 2009 the Building Department Fund had a deficit fund balance of \$11,861. Management is working on a deficit elimination plan to return this fund to a positive equity position.

NOTE 17 - ASSETS RESTRICTED FOR CAPITAL AND DEBT

Restricted assets in the Sewage Disposal System Fund as of June 30, 2009 consisted of the following:

	Sewage Disposal System Fund	Public Safety Building Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash, cash equivalents and investments	\$ 1,350,775	\$ 40,239	\$ 1,391,014
Special assessment receivables:			
Current	187,290		187,290
Long-term	<u>1,940,376</u>		<u>1,940,376</u>
Total	<u>\$ 3,478,441</u>	<u>\$ 40,239</u>	<u>\$ 3,518,680</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, 2009

	Budgets		Actual	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$	\$ 285,650	\$ 288,462	\$ 2,812
Licenses and permits			118	118
State shared revenues		563,000	558,137	(4,863)
Charges for services		313,841	323,541	9,700
Interest		20,000	17,605	(2,395)
Miscellaneous revenue		48,825	40,452	(8,373)
Total revenues	<u>1,240,916</u>	<u>1,231,316</u>	<u>1,228,315</u>	<u>(3,001)</u>
EXPENDITURES				
Township board		32,871	23,107	9,764
Supervisor		61,212	59,634	1,578
Elections		12,500	11,694	806
Clerk		108,980	107,065	1,915
Board of review		8,040	7,712	328
Treasurer		80,353	78,688	1,665
Assessor		87,831	76,389	11,442
Township hall and grounds		172,571	168,724	3,847
Zoning and planning departments		85,305	80,394	4,911
Professional fees		81,800	78,736	3,064
Downtown Development Authority			2,131	(2,131)
Human services contract		4,600	3,600	1,000
Roads		50,900	86,503	(35,603)
Street lights		17,500	16,206	1,294
Capital outlay		3,300	3,085	215
Clean up and recycling		2,150	2,121	29
Contingency			30,000	(30,000)
Rent - PSB		85,562	85,561	1
Senior Center		134,216	127,002	7,214
Total expenditures	<u>975,365</u>	<u>1,029,691</u>	<u>1,048,352</u>	<u>(18,661)</u>
Excess of revenues over (under) expenditures	<u>265,551</u>	<u>201,625</u>	<u>179,963</u>	<u>(21,662)</u>
OTHER SOURCES FINANCING (USES)				
Loan proceeds			45,647	45,647
Transfers (out)	(60,000)	(45,000)	(45,000)	
Total other financing sources (uses)	<u>(60,000)</u>	<u>(45,000)</u>	<u>647</u>	<u>45,647</u>
Net change in fund balance before special item	205,551	156,625	180,610	23,985
Special item - litigation contingency recovery			125,000	125,000
Net change in fund balance	205,551	156,625	305,610	148,985
FUND BALANCE, JULY 1, 2008	<u>962,036</u>	<u>962,036</u>	<u>962,036</u>	
FUND BALANCE, JUNE 30, 2009	<u>\$ 1,167,587</u>	<u>\$ 1,118,661</u>	<u>\$ 1,267,646</u>	<u>\$ 148,985</u>

NORTHFIELD TOWNSHIP
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgets		Actual	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$	\$	\$ 691,936	\$
Charges for services			6,399	
Grants			75,535	
Interest			1,718	
Donation			25	
Insurance reimbursement			2,111	
Other revenue			506	
Total revenues	<u>750,800</u>	<u>696,825</u>	<u>778,230</u>	<u>81,405</u>
EXPENDITURES				
Salaries			296,185	
Payroll taxes			22,613	
Hospitalization			29,113	
Life insurance			1,432	
Pension			8,700	
Uniforms			2,594	
Accounting services			4,000	
Audit fees			3,398	
Transportation			11,234	
Training and development			4,967	
Legal fees			2,031	
Membership fees			2,025	
Contractual services			653	
Dispatch services			11,490	
Telephone			7,632	
Supplies			13,862	
Insurance and bonds			48,587	
Office overhead			65,189	
PSB lease			85,562	
Utilities			8,805	
Repairs and maintenance			28,828	
Debt - principal			31,184	
Debt - interest			16,427	
DDA			5,130	
Tribunals/drains			625	
Grant			75,535	
Capital outlay			6,866	
Total expenditures	<u>750,266</u>	<u>730,346</u>	<u>794,667</u>	<u>(64,321)</u>
Excess of revenues over (under) expenditures	534	(33,521)	(16,437)	17,084
OTHER SOURCES FINANCING (USES)				
Transfers in		35,000	215,486	180,486
Net change in fund balance	534	1,479	199,049	197,570
FUND BALANCE, JULY 1, 2008	<u>164,359</u>	<u>164,359</u>	<u>164,359</u>	
FUND BALANCE, JUNE 30, 2009	<u>\$ 164,893</u>	<u>\$ 165,838</u>	<u>\$ 363,408</u>	<u>\$ 197,570</u>

NORTHFIELD TOWNSHIP
 LAW ENFORCEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 1,547,358	\$
Fines and court fees			37,889	
Traffic tickets and impound fees			3,090	
Liquor law license fees			2,514	
Interest			257	
Donations			100	
Rental income			7,500	
Insurance proceeds			5,420	
Charges for services			16,423	
Total revenues	1,625,918	1,610,718	1,620,551	9,833
EXPENDITURES	1,649,282	1,637,487	1,615,988	21,499
Excess of revenues over (under) expenditures	(23,364)	(26,769)	4,563	31,332
OTHER SOURCES FINANCING (USES)				
Transfers in		3,000	8,200	5,200
Net change in fund balance	(23,364)	(23,769)	12,763	36,532
FUND BALANCE, JULY 1, 2008	158,452	158,452	158,452	
FUND BALANCE, JUNE 30, 2009	\$ 135,088	\$ 134,683	\$ 171,215	\$ 36,532

NORTHFIELD TOWNSHIP
 SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)
 FOR THE YEAR ENDED JUNE 30, 2009

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

POLICE EMPLOYEES

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>(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%

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2009

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, 2009 expenditures exceeded appropriations in a few areas as follows:

	Final Budget	Actual Expenditures	Variance (Unfavorable)
General Fund:			
Downtown Development Authority	\$	\$ 2,131	\$ (2,131)
Roads	50,900	86,503	(35,603)
Contingency		30,000	(30,000)
Fire Fund	730,346	794,667	(64,321)
	\$ 781,246	\$ 913,301	\$ (132,055)

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

NORTHFIELD TOWNSHIP
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	Building Department Fund	Fire Truck Fund	Fire Fund	Law Enforcement Fund
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$	\$ 93,994	\$ 353,311	\$ 72,676
Taxes receivable		12,576	78,339	165,918
Accounts receivable - other	869		27,749	28,253
Due from other funds	35		105	5,288
Prepaid expenditures	447		1,207	16,527
Total assets	\$ 1,351	\$ 106,570	\$ 460,711	\$ 288,662
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Bank overdraft	\$ 3,730	\$	\$	\$
Accounts payable	2,771		91,181	17,331
Accrued compensated absences	6,711		6,063	99,815
Due to other funds			59	301
Total liabilities	13,212		97,303	117,447
FUND BALANCE (DEFICIT)	(11,861)	106,570	363,408	171,215
Total liabilities and fund balance	\$ 1,351	\$ 106,570	\$ 460,711	\$ 288,662

<u>Narcotics Fund</u>	<u>Downtown Development Authority Fund</u>	<u>Totals</u>
\$ 21,673	\$ 98,456	\$ 640,110
		256,833
		56,871
	32,296	37,724
		18,181
<u>\$ 21,673</u>	<u>\$ 130,752</u>	<u>\$ 1,009,719</u>

\$	\$	\$ 3,730
	940	112,223
		112,589
<u>5,200</u>		<u>5,560</u>
5,200	940	234,102
<u>16,473</u>	<u>129,812</u>	<u>775,617</u>
<u>\$ 21,673</u>	<u>\$ 130,752</u>	<u>\$ 1,009,719</u>

NORTHFIELD TOWNSHIP
 COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2009

	Current Tax Collection Fund	Trust and Agency Fund	Totals
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$	\$ 39,286	\$ 39,286
Due from others	37,888		37,888
Due from other funds	16,832	49	16,881
Total assets	\$ 54,720	\$ 39,335	\$ 94,055
<u>LIABILITIES</u>			
LIABILITIES			
Bank overdraft	\$ 9,214	\$	\$ 9,214
Due to other funds	43,035		43,035
Due to others	2,471	2,599	5,070
Performance deposits		36,736	36,736
Total liabilities	\$ 54,720	\$ 39,335	\$ 94,055

NORTHFIELD TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Building Department Fund	Fire Protection Fund	Fire Truck Fund	Fire Fund
REVENUES				
Taxes	\$	\$	\$ 107,887	\$ 691,936
Fines and forfeits				
Charges for services	450			8,510
Licenses and permits	34,122			
Interest	76		758	1,718
Grants				75,535
Donations				25
Rental income				
Other revenue				506
Total revenues	34,648		108,645	778,230
EXPENDITURES				
General government	53,780			
Fire protection				747,056
Police protection				
Public works				
Debt service			101,922	47,611
Total expenditures	53,780		101,922	794,667
Excess of revenues over (under) expenditures	(19,132)		6,723	(16,437)
OTHER FINANCING SOURCES (USES)				
Transfers in				215,486
Transfers (out)		(180,486)		
Total other financing sources (uses)		(180,486)		215,486
Net changes in fund balances	(19,132)	(180,486)	6,723	199,049
FUND BALANCE, JULY 1, 2008	7,271	180,486	99,847	164,359
FUND BALANCE, JUNE 30, 2009	\$ (11,861)	\$	\$ 106,570	\$ 363,408

<u>Law Enforcement Fund</u>	<u>Narcotics Fund</u>	<u>Downtown Development Authority Fund</u>	<u>Totals</u>
\$ 1,547,358	\$	\$ 46,889	\$ 2,394,070
37,889	12,744		50,633
19,513			28,473
2,514			36,636
257		1,008	3,817
			75,535
100			125
7,500			7,500
5,420		200	6,126
<u>1,620,551</u>	<u>12,744</u>	<u>48,097</u>	<u>2,602,915</u>
			53,780
			747,056
1,589,512	4,146		1,593,658
		52,658	52,658
26,476			176,009
<u>1,615,988</u>	<u>4,146</u>	<u>52,658</u>	<u>2,623,161</u>
4,563	8,598	(4,561)	(20,246)
8,200	(5,200)		223,686
			(185,686)
<u>8,200</u>	<u>(5,200)</u>		<u>38,000</u>
12,763	3,398	(4,561)	17,754
<u>158,452</u>	<u>13,075</u>	<u>134,373</u>	<u>757,863</u>
<u>\$ 171,215</u>	<u>\$ 16,473</u>	<u>\$ 129,812</u>	<u>\$ 775,617</u>

NORTHFIELD TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Building Authority	Public Safety Building	Total
REVENUES			
Property taxes	\$	\$ 306,592	\$ 306,592
Interest income		133	133
Rental income	256,685		256,685
Miscellaneous		5,604	5,604
	256,685	312,329	569,014
Total revenues			
EXPENDITURES			
Loan - principal	120,000	175,000	295,000
Loan - interest	136,685	135,000	271,685
	256,685	310,000	566,685
Total expenditures			
Net changes in fund balances		2,329	2,329
FUND BALANCE, JULY 1, 2008		75,068	75,068
FUND BALANCE, JUNE 30, 2009	\$	\$ 77,397	\$ 77,397

INDIVIDUAL FUNDS

GENERAL
FUND

NORTHFIELD TOWNSHIP
GENERAL FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS

Cash and cash equivalents		\$ 1,068,993
Taxes receivable		47,599
State shared revenue receivable		81,816
Accounts receivable - lien		35,729
Accounts receivable - other		20,518
Due from other funds		13,458
Prepaid expenditures		16,897
Land contract receivable - Northfield Township Area Library		<u>57,856</u>
 Total assets		 <u><u>\$ 1,342,866</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 19,204	
Accrued compensated absences	3,109	
Due to others	10,512	
Due to other funds	17,395	
Contingent liabilities	<u>25,000</u>	
 Total liabilities		 \$ 75,220

FUND BALANCE

Reserved for long-term receivables	93,585	
Reserved for prepaid items	16,897	
Unreserved	<u>1,157,164</u>	
 Total fund balance		 <u>1,267,646</u>
 Total liabilities and fund balance		 <u><u>\$ 1,342,866</u></u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 285,650	\$ 288,462	\$ 2,812
Licenses and permits		118	118
State shared revenues	563,000	558,137	(4,863)
Charges for services	313,841	323,541	9,700
Interest	20,000	17,605	(2,395)
Miscellaneous revenue	48,825	40,452	(8,373)
Total revenues	<u>1,231,316</u>	<u>1,228,315</u>	<u>(3,001)</u>
EXPENDITURES			
Township board	32,871	23,107	9,764
Supervisor	61,212	59,634	1,578
Elections	12,500	11,694	806
Clerk	108,980	107,065	1,915
Board of review	8,040	7,712	328
Treasurer	80,353	78,688	1,665
Assessor	87,831	76,389	11,442
Township hall and grounds	172,571	168,724	3,847
Zoning and planning departments	85,305	80,394	4,911
Professional fees	81,800	78,736	3,064
Downtown Development Authority		2,131	(2,131)
Human services contract	4,600	3,600	1,000
Roads	50,900	86,503	(35,603)
Street lights	17,500	16,206	1,294
Capital outlay	3,300	3,085	215
Clean up and recycling	2,150	2,121	29
Contingency		30,000	(30,000)
Rent - PSB	85,562	85,561	1
Senior Center	134,216	127,002	7,214
Total expenditures	<u>1,029,691</u>	<u>1,048,352</u>	<u>(18,661)</u>
Excess of revenues over (under) expenditures	<u>201,625</u>	<u>179,963</u>	<u>(21,662)</u>
OTHER FINANCING SOURCES (USES)			
Loan proceeds		45,647	45,647
Transfers (out)	(45,000)	(45,000)	
Total other financing sources (uses)	<u>(45,000)</u>	<u>647</u>	<u>45,647</u>
Net change in fund balance before special item	156,625	180,610	23,985
Special item - litigation contingency recovery		125,000	125,000
Net change in fund balance	156,625	305,610	148,985
FUND BALANCE, JULY 1, 2008	<u>962,036</u>	<u>962,036</u>	
FUND BALANCE, JUNE 30, 2009	<u>\$ 1,118,661</u>	<u>\$ 1,267,646</u>	<u>\$ 148,985</u>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
TAXES	\$ 285,650	\$ 288,462	\$ 2,812
LICENSES AND PERMITS		118	118
STATE SHARED REVENUES	563,000	558,137	(4,863)
CHARGES FOR SERVICES			
Tax administration fees		152,976	
Cablevision franchise fees		78,517	
Fiber footage fees		9,436	
Clean up		619	
Zoning fees		11,360	
Site plan reviews		5,900	
Split applications		750	
Mobile home park fees		4,134	
Summer tax collection fees		13,085	
Duplicating		417	
Senior citizens		46,347	
Total charges for services	313,841	323,541	9,700
INTEREST	20,000	17,605	(2,395)
MISCELLANEOUS REVENUE			
Sewer/library administration reimbursement		35,000	
Other reimbursement		1,852	
Rental income		3,600	
Total miscellaneous revenue	48,825	40,452	(8,373)
Total revenues	\$ 1,231,316	\$ 1,228,315	\$ (3,001)

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 10,625	\$
Payroll taxes		813	
Insurance		504	
Pension		726	
Membership and dues		4,156	
Printing and publishing		5,314	
Training		969	
	<hr/>	<hr/>	<hr/>
Total township board	32,871	23,107	9,764
	<hr/>	<hr/>	<hr/>
SUPERVISOR			
Supervisor's salary		39,934	
Payroll taxes		2,682	
Insurance - benefits		11,201	
Pension		3,983	
Dues and subscriptions		270	
Training and development		888	
Transportation		491	
Miscellaneous		185	
	<hr/>	<hr/>	<hr/>
Total supervisor	61,212	59,634	1,578
	<hr/>	<hr/>	<hr/>
ELECTIONS			
Fees		9,096	
Office supplies		1,038	
Printing and postage		1,560	
	<hr/>	<hr/>	<hr/>
Total elections	12,500	11,694	806
	<hr/>	<hr/>	<hr/>
CLERK			
Clerk's salary		39,364	
Payroll taxes		8,354	
Insurance - benefits		2,009	
Pension		3,925	
Controller		51,685	
Recording secretary		3,190	
Deputy clerk's salary		16,649	
Membership and dues		15	
Transportation		328	
Training and development		796	
Personnel allocation		(19,250)	
	<hr/>	<hr/>	<hr/>
Total clerk	108,980	107,065	1,915
	<hr/>	<hr/>	<hr/>

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
BOARD OF REVIEW			
Fees		1,656	
Payroll taxes		127	
Tax tribunal and drains		5,133	
Training and development		350	
Printing and publication		446	
Total board of review	8,040	7,712	328
TREASURER			
Treasurer's salary		40,364	
Payroll taxes		3,088	
Insurance - benefits		7,404	
Pension		3,925	
Department allocation		7,719	
Legal fees		6,270	
Tax roll preparation		2,129	
Transportation		344	
Dues and subscriptions		35	
Training and development		1,337	
Postage		1,800	
Miscellaneous		4,273	
Total treasurer	80,353	78,688	1,665
ASSESSOR			
Salaries		54,003	
Payroll taxes		3,582	
Insurance - benefits		300	
Pension		11,301	
Supplies		3,063	
Membership dues		881	
Transportation		225	
Personnel allocation		438	
Training		1,930	
Postage		666	
Total assessor	87,831	76,389	11,442

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP HALL AND GROUNDS			
Salaries		38,683	
Payroll taxes		3,141	
Insurance - benefits		7,499	
Insurance - general liability		34,039	
Pension		3,126	
PSB allocation		32,596	
Janitor fees		3,194	
Office supplies		10,109	
Telephone		5,303	
Postage		3,005	
Utilities		8,449	
Repairs and maintenance		14,028	
Equipment rental		5,536	
Miscellaneous		16	
Total township hall and grounds	172,571	168,724	3,847
ZONING AND PLANNING DEPARTMENTS			
Salaries - recording secretary		2,560	
Zoning administrator		15,770	
Payroll taxes		558	
Department allocation		19,297	
Planning commission fees		5,900	
Board of appeals fees		1,400	
Office supplies		78	
Printing and publications		2,053	
Planning consultant		12,798	
Code enforcement		15,513	
Legal fees		3,842	
Training and development		625	
Total zoning and planning departments	85,305	80,394	4,911
PROFESSIONAL FEES			
Audit		4,531	
Engineer		14,933	
Other fees		5,806	
Legal		53,466	
Total professional fees	81,800	78,736	3,064

NORTHFIELD TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
DOWNTOWN DEVELOPMENT AUTHORITY		2,131	(2,131)
HUMAN SERVICES CONTRACT	4,600	3,600	1,000
ROADS	50,900	86,503	(35,603)
STREET LIGHTS	17,500	16,206	1,294
CAPITAL OUTLAY	3,300	3,085	215
CLEAN UP AND RECYCLING	2,150	2,121	29
CONTINGENCY		30,000	(30,000)
RENT - PSB	85,562	85,561	1
SENIOR CENTER			
Salaries		45,362	
Payroll taxes		3,439	
Insurance - benefits		16,152	
Pension		3,502	
Programs		35,499	
Janitorial service		7,205	
Supplies		2,760	
Dues		220	
Telephone		1,605	
Postage		888	
Transportation		675	
Printing		545	
Insurance - general liability		3,365	
Utilities		4,097	
Repair and maintenance		1,341	
Training		347	
Total senior center	<u>134,216</u>	<u>127,002</u>	<u>7,214</u>
Total expenditures	<u>\$ 1,029,691</u>	<u>\$ 1,048,352</u>	<u>\$ (18,661)</u>

BUILDING
DEPARTMENT
FUND

NORTHFIELD TOWNSHIP
 BUILDING DEPARTMENT FUND
 BALANCE SHEET
 JUNE 30, 2009

ASSETS

ASSETS

Accounts receivable	\$	869
Prepaid expenses		447
Due from other funds		35
		<hr/>
Total assets	\$	<u><u>1,351</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Bank overdraft	\$	3,730
Accounts payable		2,771
Accrued compensated absences		6,711
		<hr/>
Total liabilities	\$	13,212

FUND BALANCE (DEFICIT)

Reserved for prepaid items		447
Unreserved		(12,308)
		<hr/>
Total fund balance		<u>(11,861)</u>
Total liabilities and fund balance (deficit)	\$	<u><u>1,351</u></u>

NORTHFIELD TOWNSHIP
 BUILDING DEPARTMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Building permit fees	\$	\$ 34,122	\$
Contractor's registration		450	
Interest income		76	
	<u>38,150</u>	<u>34,648</u>	<u>(3,502)</u>
Total revenues			
EXPENDITURES			
Salaries		36,195	
Payroll taxes		2,754	
Hospitalization		6,958	
Life insurance		534	
Pension		3,590	
Inspections		22,917	
Other professional services		3,300	
Supplies		100	
Printing and publishing		708	
Audit fees		1,133	
Telephone		836	
Utilities		1,160	
Insurance - general and bonds		1,966	
Repairs and maintenance		575	
Personnel allocation		(28,946)	
	<u>54,620</u>	<u>53,780</u>	<u>840</u>
Total expenditures			
Net change in fund balance	(16,470)	(19,132)	(2,662)
FUND BALANCE, JULY 1, 2008	<u>7,271</u>	<u>7,271</u>	
FUND BALANCE (DEFICIT), JUNE 30, 2009	<u>\$ (9,199)</u>	<u>\$ (11,861)</u>	<u>\$ (2,662)</u>

FIRE
PROTECTION
FUND

NORTHFIELD TOWNSHIP
 FIRE PROTECTION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	\$	\$	\$
EXPENDITURES			
Excess of revenues over (under) expenditures			
OTHER FINANCING (USES)			
Transfers (out)		(180,486)	(180,486)
Net change in fund balance		(180,486)	(180,486)
FUND BALANCE, JULY 1, 2008	180,486	180,486	
FUND BALANCE, JUNE 30, 2009	\$ 180,486	\$	\$ (180,486)

FIRE TRUCK
FUND

NORTHFIELD TOWNSHIP
FIRE TRUCK FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS

Cash	\$ 93,994
Taxes receivable	<u>12,576</u>
Total assets	<u><u>\$ 106,570</u></u>

FUND BALANCE

FUND BALANCE	<u><u>\$ 106,570</u></u>
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NORTHFIELD TOWNSHIP
 FIRE TRUCK FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 107,887	\$
Interest		758	
Total revenues	109,000	108,645	(355)
EXPENDITURES			
Loan - principal		95,000	
Loan - interest		6,821	
Miscellaneous		101	
Total expenditures	104,989	101,922	3,067
Net change in fund balance	4,011	6,723	2,712
FUND BALANCE, JULY 1, 2008	99,847	99,847	
FUND BALANCE, JUNE 30, 2009	\$ 103,858	\$ 106,570	\$ 2,712

FIRE FUND

NORTHFIELD TOWNSHIP
FIRE FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$	353,311
Accounts receivable		27,749
Taxes		78,339
Due from other funds		105
Prepaid expenditures		1,207
		<hr/>
Total assets	\$	<u><u>460,711</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	91,181
Accrued compensated absences		6,063
Due to other funds		59
		<hr/>
Total liabilities	\$	97,303

FUND BALANCE

Reserved for prepaid items		1,207
Unreserved		362,201
		<hr/>
Total fund balance		<u>363,408</u>
Total liabilities and fund balance	\$	<u><u>460,711</u></u>

NORTHFIELD TOWNSHIP
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 691,936	\$
Charges for services		6,399	
Grants		75,535	
Interest		1,718	
Donation		25	
Insurance reimbursement		2,111	
Other revenue		506	
	<u>696,825</u>	<u>778,230</u>	<u>81,405</u>
EXPENDITURES			
Salaries		296,185	
Payroll taxes		22,613	
Hospitalization		29,113	
Life insurance		1,432	
Pension		8,700	
Uniforms		2,594	
Accounting services		4,000	
Audit fees		3,398	
Transportation		11,234	
Training and development		4,967	
Legal fees		2,031	
Membership fees		2,025	
Contractual services		653	
Dispatch services		11,490	
Telephone		7,632	
Supplies		13,862	
Insurance and bonds		48,587	
Office overhead		65,189	
PSB lease		85,562	
Utilities		8,805	
Repairs and maintenance		28,828	
Debt - principal		31,184	
Debt - interest		16,427	
DDA		5,130	
Tribunals/drains		625	
Grant		75,535	
Capital outlay		6,866	
	<u>730,346</u>	<u>794,667</u>	<u>(64,321)</u>
Excess of revenues over (under) expenditures	(33,521)	(16,437)	17,084
OTHER FINANCING SOURCES			
Transfers in	35,000	215,486	180,486
Net change in fund balance	1,479	199,049	197,570
FUND BALANCE, JULY 1, 2008	164,359	164,359	
FUND BALANCE, JUNE 30, 2009	<u>\$ 165,838</u>	<u>\$ 363,408</u>	<u>\$ 197,570</u>

LAW
ENFORCEMENT
FUND

NORTHFIELD TOWNSHIP
 LAW ENFORCEMENT FUND
 BALANCE SHEET
 JUNE 30, 2009

ASSETS

Cash and cash equivalents	\$	72,676
Accounts receivable		28,253
Taxes receivable		165,918
Due from other funds		5,288
Prepaid expenditures		<u>16,527</u>
 Total assets	 \$	 <u><u>288,662</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	17,331
Accrued compensated absences		99,815
Due to other funds		<u>301</u>
 Total liabilities	 \$	 117,447

FUND BALANCE

Reserved for prepaid items		16,527
Unreserved		<u>154,688</u>
 Total fund balance		 <u>171,215</u>
 Total liabilities and fund balance	 \$	 <u><u>288,662</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, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,547,358	\$
Fines and court fees		37,889	
Traffic tickets and impound fees		3,090	
Liquor law license fees		2,514	
Interest		257	
Donations		100	
Rental income		7,500	
Insurance proceeds		5,420	
Charges for services		16,423	
	1,610,718	1,620,551	9,833
EXPENDITURES	1,637,487	1,615,988	21,499
Excess of revenues over (under) expenditures	(26,769)	4,563	31,332
OTHER FINANCING SOURCES			
Transfers in	3,000	8,200	5,200
Net change in fund balance	(23,769)	12,763	36,532
FUND BALANCE, JULY 1, 2008	158,452	158,452	
FUND BALANCE, JUNE 30, 2009	\$ 134,683	\$ 171,215	\$ 36,532

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
EXPENDITURES			
Salaries	\$	\$ 812,341	\$
Payroll taxes		63,831	
Life insurance		9,691	
Professional fees		43,820	
Pension		68,919	
Insurance - health		196,300	
Accountant		3,900	
Uniforms and gear		2,014	
Membership dues		800	
Printing and postage		1,416	
Transportation		18,260	
Insurance and bonds		67,487	
Repairs and maintenance		26,226	
Tax tribunals/drains		1,436	
Telephone		13,683	
Supplies		8,745	
Training and development		1,249	
Downtown Development Authority		11,474	
Office overhead		65,189	
PSB lease		85,562	
Equipment rental		1,425	
Contractual services		14,573	
Dispatch services		68,626	
Capital outlay		2,545	
Debt service - principal		23,821	
Debt service - interest		2,655	
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 1,637,487</u>	<u>\$ 1,615,988</u>	<u>\$ 21,499</u>

NARCOTICS
FUND

NORTHFIELD TOWNSHIP
NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS

Cash and cash equivalents

\$ 21,673

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 5,200

FUND BALANCE

16,473

Total liabilities and fund balance

\$ 21,673

NORTHFIELD TOWNSHIP
NARCOTICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES	\$ 12,600	\$ 12,744	\$ 144
EXPENDITURES			
Public safety projects	<u>4,700</u>	<u>4,146</u>	<u>554</u>
Excess of revenues over (under) expenditures	7,900	8,598	698
OTHER FINANCING (USES)			
Transfers (out)	<u> </u>	<u>(5,200)</u>	<u>(5,200)</u>
Net change in fund balance	7,900	3,398	(4,502)
FUND BALANCE, JULY 1, 2008	<u>13,075</u>	<u>13,075</u>	<u> </u>
FUND BALANCE, JUNE 30, 2009	<u><u>\$ 20,975</u></u>	<u><u>\$ 16,473</u></u>	<u><u>\$ (4,502)</u></u>

DOWNTOWN DEVELOPMENT
AUTHORITY
FUND

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$ 98,456
Due from other funds	<u>32,296</u>
Total assets	<u>\$ 130,752</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 940
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FUND BALANCE

	<u>129,812</u>
Total liabilities and fund balance	<u>\$ 130,752</u>

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 46,889	\$
Interest		1,008	
Other		200	
Total revenues	58,500	48,097	(10,403)
EXPENDITURES			
Roads		10,000	
Streetlights		10,129	
Streetscape project		18,900	
Professional fees		6,067	
Rent		7,500	
Supplies		62	
Total expenditures	54,130	52,658	1,472
Net change in fund balance	4,370	(4,561)	(8,931)
FUND BALANCE, JULY 1, 2008	134,373	134,373	
FUND BALANCE, JUNE 30, 2009	\$ 138,743	\$ 129,812	\$ (8,931)

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, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Rental income	\$ 260,635	\$ 256,685	\$ (3,950)
EXPENDITURES			
Debt service			
Principal		120,000	
Interest/fees		136,685	
Total expenditures	260,635	256,685	3,950
Net change in fund balance			
FUND BALANCE, JULY 1, 2008			
FUND BALANCE, JUNE 30, 2009	\$	\$	\$

PUBLIC SAFETY BUILDING
DEBT SERVICE FUND

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$ 40,239
Accounts receivable	10,428
Taxes receivable	<u>35,383</u>
 Total assets	 <u><u>\$ 86,050</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 8,653
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FUND BALANCE

	<u>77,397</u>
 Total liabilities and fund balance	 <u><u>\$ 86,050</u></u>

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES	
Property taxes	\$ 306,592
Interest income	133
	306,725
Total revenues	306,725
EXPENDITURES	
Capital outlays	98
Professional fees	230
Supplies	1,206
Cleaning services	8,129
Contracted services	8,111
Telephone	4,138
Insurance	21,879
Utilities	92,492
Repairs and maintenance	20,786
Tax chargebacks	301
Bond - principal	175,000
Bond - interest	134,700
Bond - agent fees	300
Overhead allocation	(162,974)
	304,396
Total expenditures	304,396
Net change in fund balance	2,329
FUND BALANCE, JULY 1, 2008	75,068
FUND BALANCE, JUNE 30, 2009	\$ 77,397

SEWAGE DISPOSAL
SYSTEM
FUND

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

CURRENT ASSETS

Cash, cash equivalents and investments	\$ 1,030,628	
Accounts receivable - other	15,642	
Sewer billings receivable	380,879	
Interest receivable	6,202	
Due from other funds	526	
Prepaid expenses	<u>4,207</u>	
Total current assets		\$ 1,438,084

RESTRICTED ASSETS

Cash, cash equivalents and investments capital and debt	1,350,775	
Special assessments receivable		
Current	187,290	
Non-current	<u>1,940,376</u>	
Total restricted assets		3,478,441

PLANT, PROPERTY AND EQUIPMENT

Land	226,918	
Plant	2,229,393	
Plant expansion	11,332,596	
Equipment	<u>793,254</u>	
	14,582,161	
Less: accumulated depreciation	<u>(4,201,350)</u>	
Net plant, property, and equipment		<u>10,380,811</u>
Total assets		<u><u>\$ 15,297,336</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 26,374	
Accrued compensated absences	27,307	
Bonds payable - current portion	<u>540,000</u>	
Total current liabilities		\$ 593,681

LONG-TERM LIABILITIES

Bonds payable - less current portion		<u>4,495,000</u>
Total liabilities		5,088,681

NET ASSETS

Total liabilities and fund equity		<u><u>\$ 15,297,336</u></u>
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NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

OPERATING REVENUES		
User charges		\$ 1,226,198
OPERATING EXPENSES		
Salaries and wages	\$ 298,229	
Payroll taxes	22,501	
Hospitalization	68,260	
Life insurance	3,530	
Pension	26,972	
Training and development	99	
Testing	2,642	
Operating supplies	56,426	
Uniforms	4,300	
Professional services	13,343	
Membership and dues	2,022	
Contracted services	32,631	
Administration fees	35,000	
Telephone	6,971	
Transportation	4,256	
Printing and postage	4,137	
Insurance and bonds	36,204	
Utilities	137,668	
Repairs and maintenance	113,372	
Small equipment	1,029	
Miscellaneous	257	
Depreciation	<u>341,324</u>	
Total operating expenses		<u>1,211,173</u>
Operating income		15,025
NON-OPERATING REVENUES AND (EXPENSES)		
Other income	2,868	
Interest income - cash and equivalents	44,331	
Interest - special assessments	134,796	
Interest expense	(234,986)	
Bond fees	(1,000)	
Gain on disposal of capital assets	<u>1,000</u>	
Total non-operating revenues and (expenses)		<u>(52,991)</u>
Net (loss) before transfers		(37,966)
TRANSFERS IN		<u>7,000</u>
Change in net assets		(30,966)
NET ASSETS, JULY 1, 2008		<u>10,239,621</u>
NET ASSETS, JUNE 30, 2009		<u><u>\$ 10,208,655</u></u>

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income		\$ 15,025
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities		
Depreciation	\$ 341,324	
Other income	2,868	
Changes in assets and liabilities		
(Increase) in accounts receivable - other	(15,642)	
(Increase) in sewer billings receivable	(64,060)	
(Increase) in due from other funds	(526)	
Decrease in prepaid expenses	2,042	
(Decrease) in accounts payable/accrued compensated absences	(29,343)	
(Decrease) in due to other funds	<u>(12,401)</u>	
 Total adjustments		 <u>224,262</u>
 Net cash provided by operating activities		 <u>239,287</u>

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

Special assessments received	209,990	
Sale of capital assets	1,000	
Purchase of equipment	(60,279)	
Interest paid on long-term bonds	(234,986)	
Bond fees	(1,000)	
Transfers in	7,000	
Repayment of principal on bonds	<u>(545,000)</u>	
 Net cash (used in) capital and related financing activities		 <u>(623,275)</u>

CASH FLOWS (USED IN) BY INVESTING ACTIVITIES

Interest on cash and cash equivalents	38,129	
Purchases of investments	<u>(1,451,493)</u>	
 Net cash (used in) investing activities		 <u>(1,413,364)</u>
 Net decrease in cash and cash equivalents		 <u>(1,797,352)</u>

CASH AND CASH EQUIVALENTS AT JULY 1, 2008		<u>2,727,262</u>
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CASH AND CASH EQUIVALENTS AT JUNE 30, 2009		<u>\$ 929,910</u>
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CURRENT
TAX
COLLECTION
FUND

NORTHFIELD TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS	
Due from other funds	\$ 16,832
Due from others	<u>37,888</u>
Total assets	<u><u>\$ 54,720</u></u>

LIABILITIES

LIABILITIES	
Bank overdraft	\$ 9,214
Due to other funds	43,035
Due to others	<u>2,471</u>
Total liabilities	<u><u>\$ 54,720</u></u>

TRUST
AND
AGENCY
FUND

NORTHFIELD TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$ 39,286
Due from other funds	<u>49</u>
Total assets	<u>\$ 39,335</u>

LIABILITIES

LIABILITIES

Performance deposits	\$ 36,736
Due to other funds	<u>2,599</u>
Total liabilities	<u>\$ 39,335</u>