

# **NORTHFIELD TOWNSHIP**

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**Report on Audit of Financial Statements**

**For the Year Ended June 30, 2016**

**NORTHFIELD TOWNSHIP**

**TOWNSHIP OFFICIALS**

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

**TOWNSHIP BOARD**

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

**TOWNSHIP ATTORNEYS**

Paul E. Burns

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**  
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**John M. Pfeffer, C.P.A.**  
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INDEPENDENT AUDITORS' REPORT

October 25, 2016

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

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, Michigan, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, Michigan, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 -13 and 55 - 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other information*

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

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

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

## **MANAGEMENT DISCUSSION AND ANALYSIS**



**Management Discussion and Analysis**  
**June 30, 2016**

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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, 2016. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

**Overview of the Financial Statements**

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

***Government-wide Financial Statements***

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

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

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

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

***Fund Financial Statements***

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

The Township has three kinds of funds:

**Governmental funds** are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net position.

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

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

#### ***Notes to the financial statements***

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

#### ***Other information***

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

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

#### **Financial Analysis of the Township as a Whole**

The Township's net position at the end of the fiscal year was \$17,634,182. This is a \$1,335,754 increase over last year's net position of \$16,298,428. This increase is typical for the Township.

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

**Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	6/30/2016	6/30/2015	6/30/2016	6/30/2015	6/30/2016	6/30/2015
<b>Assets</b>						
Current and other assets	\$ 3,288,876	\$ 3,175,066	\$ 3,534,045	\$ 2,747,608	\$ 6,822,921	\$ 5,922,674
Capital assets	7,055,815	7,225,887	9,056,508	8,760,069	16,112,323	15,985,956
<b>Total assets</b>	<u>10,344,691</u>	<u>10,400,953</u>	<u>12,590,553</u>	<u>11,507,677</u>	<u>22,935,244</u>	<u>21,908,630</u>
<b>Deferred outflows of resources</b>						
Pension	269,017	46,453			269,017	46,453
<b>Liabilities</b>						
Other liabilities	656,859	330,500	38,220	75,298	695,079	405,798
Long-term liabilities	3,145,607	3,645,981	1,729,393	1,604,876	4,875,000	5,250,857
<b>Total liabilities</b>	<u>3,802,466</u>	<u>3,976,481</u>	<u>1,767,613</u>	<u>1,680,174</u>	<u>5,570,079</u>	<u>5,656,655</u>
<b>Net position:</b>						
Invested in capital assets, net of debt	3,910,208	3,579,906	7,327,115	7,155,193	11,237,323	10,735,099
Restricted	1,248,417	1,262,051	2,470,218	1,604,878	3,718,635	2,866,929
Unrestricted	1,652,617	1,628,968	1,025,607	1,067,432	2,678,224	2,696,400
<b>Total net position</b>	<u>\$ 6,811,242</u>	<u>\$ 6,470,925</u>	<u>\$ 10,822,940</u>	<u>\$ 9,827,503</u>	<u>\$ 17,634,182</u>	<u>\$ 16,298,428</u>

**Summary of Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	6/30/2016	6/30/2015	6/30/2016	6/30/2015	6/30/2016	6/30/2015
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 402,857	\$ 351,282	\$ 2,145,579	\$ 1,347,388	\$ 2,548,436	\$ 1,698,670
Operating grants and contributions	1,500	9,845			1,500	9,845
Capital grants and contributions			25,560	7,100	25,560	7,100
<b>General revenues:</b>						
State shared revenues	649,431	650,034			649,431	650,034
Property taxes	2,586,008	2,533,109			2,586,008	2,533,109
Interest	1,082	180	53,449	68,496	54,531	68,676
Other	502,300	314,269	9,387	5,024	511,687	319,293
Net (decrease) in fair value of investments	(75)	124	1,865	3,209	1,790	3,333
Gain on sale of assets	11,740				11,740	
<b>Total revenues</b>	<u>4,154,843</u>	<u>3,858,843</u>	<u>2,235,840</u>	<u>1,431,217</u>	<u>6,390,683</u>	<u>5,290,060</u>
<b>Expenses</b>						
General government	967,539	848,636			967,539	848,636
Fire protection	675,496	662,416			675,496	662,416
Police protection	1,776,194	1,633,149			1,776,194	1,633,149
Community center/community development	140,639	136,216			140,639	136,216
Public works/roads	167,815	159,903			167,815	159,903
Interest on long-term debt	86,843	99,336			86,843	99,336
Sewer system			1,240,403	1,951,849	1,240,403	1,951,849
<b>Total expenses</b>	<u>3,814,526</u>	<u>3,539,656</u>	<u>1,240,403</u>	<u>1,951,849</u>	<u>5,054,929</u>	<u>5,491,505</u>
<b>Transfers</b>		(15,000)		15,000		
<b>Changes in net position</b>	<u>340,317</u>	<u>304,187</u>	<u>995,437</u>	<u>(505,632)</u>	<u>1,335,754</u>	<u>(201,445)</u>
<b>Beginning net position</b>	<u>6,470,925</u>	<u>6,166,738</u>	<u>9,827,503</u>	<u>10,333,135</u>	<u>16,298,428</u>	<u>16,499,873</u>
<b>Ending net position</b>	<u>\$ 6,811,242</u>	<u>\$ 6,470,925</u>	<u>\$ 10,822,940</u>	<u>\$ 9,827,503</u>	<u>\$ 17,634,182</u>	<u>\$ 16,298,428</u>

**Financial Analysis of the Township’s Funds**

The Township’s General Fund had revenues over expenditures totaling \$53,336. This is a larger increase for this year compared to last year.

The other major governmental funds of the Township are the Law Enforcement and Fire Fund.

The revenues exceeded expenditures for the Fire Fund in the amount of \$86,556 which is an improvement over the prior year.

The Law Enforcement Fund had revenues over expenditures of \$44,595 which is an increase compared to a loss last year.

The Township’s sole proprietary fund, the Sewage Disposal System Fund, reported net gain of \$995,437. The increase is due to a new special assessment.

**General Fund Budgetary Highlights**

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total actual expenditures were less than budgeted appropriations by \$99,182. The budget was amended during the year to account for immaterial amounts in order to bring it closer to economic reality.

**Capital Asset and Debt Administration**

The governmental funds purchased \$193,092 of capital assets. Acquisitions included:

\$	865	Land purchase
	52,096	Building renovations
	140,131	Equipment

The business-type funds purchased \$643,732 of capital assets. These included \$440,620 of construction in progress and \$203,112 of vehicles and equipment. The construction in progress relates to a plant expansion, which is expected to cost \$774,060 and is 57% complete.

The governmental funds made debt payments of \$500,374 during the year making the total outstanding of \$3,145,607.

The business-type funds made debt payments of \$635,483 during the year making the total outstanding of \$1,729,393.

**Economic Conditions and Future Activities**

After several years of fluctuations in State Shared Revenues, the Township continued to see an increase the last few years, but this year showed a slight decrease in revenue sharing.

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

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

**Contacting the Township’s Financial Management**

This report is designed to provide a general overview of the Township’s financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Northfield Township at 8350 Main Street, Whitmore Lake, MI 48189.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENTAL-WIDE FINANCIAL STATEMENTS**

**NORTHFIELD TOWNSHIP**

**STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 2,936,007	\$ 694,078	\$ 3,630,085
Cash and investments - restricted		1,117,496	1,117,496
Receivables			
Taxes	9,472		9,472
State shared revenues	112,636		112,636
Accounts	51,608	369,497	421,105
Special assessments - restricted		1,352,722	1,352,722
Prepaid expenses	123,796	252	124,048
Deposit on property	20,000		20,000
Land contract receivable			
Current	3,215		3,215
Non-current	32,142		32,142
Capital assets, not being depreciated			
Non-depreciated	420,268	667,538	1,087,806
Depreciated, net	6,635,547	8,388,970	15,024,517
<b>Total assets</b>	<b>10,344,691</b>	<b>12,590,553</b>	<b>22,935,244</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension investment activities	127,322		127,322
Pension change in actuarial assumptions	57,650		57,650
Pension contributions	26,595		26,595
Pension experience	57,450		57,450
<b>Total deferred outflow of resources</b>	<b>269,017</b>		<b>269,017</b>
<b>LIABILITIES</b>			
Accounts payable	135,000	16,544	151,544
Accrued compensated absences	177,900	21,676	199,576
Net pension liability	343,129		343,129
Unearned revenues	830		830
Long term obligations			
Due within one year	445,297	504,703	950,000
Due beyond one year	2,700,310	1,224,690	3,925,000
<b>Total liabilities</b>	<b>3,802,466</b>	<b>1,767,613</b>	<b>5,570,079</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	3,910,208	7,327,115	11,237,323
Restricted	1,248,417	2,470,218	3,718,635
Unrestricted	1,652,617	1,025,607	2,678,224
<b>Total net position</b>	<b>\$ 6,811,242</b>	<b>\$ 10,822,940</b>	<b>\$ 17,634,182</b>

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



**NORTHFIELD TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Eliminations	Total
			Grants and Contributions	Capital Contributions				
<b>GOVERNMENTAL ACTIVITIES</b>								
General government	\$ (1,005,389)	\$ 354,064	\$	\$	\$ (651,325)	\$	\$ 37,850	\$ (613,475)
Fire protection	(713,344)	17,361			(695,983)		37,848	(658,135)
Police protection	(1,814,042)	31,432	1,500		(1,781,110)		37,848	(1,743,262)
Community development	(2,500)				(2,500)			(2,500)
Community center/recreation	(138,139)				(138,139)			(138,139)
Public works/roads	(167,815)				(167,815)			(167,815)
Interest on long-term debt	(86,843)				(86,843)			(86,843)
<b>Total governmental activities</b>	<u>(3,928,072)</u>	<u>402,857</u>	<u>1,500</u>		<u>(3,523,715)</u>		<u>113,546</u>	<u>(3,410,169)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Sewer system	(1,240,403)	2,145,579		25,560		930,736		930,736
<b>Total</b>	<u>\$ (5,168,475)</u>	<u>\$ 2,548,436</u>	<u>\$ 1,500</u>	<u>\$ 25,560</u>	<u>(3,523,715)</u>	<u>930,736</u>	<u>113,546</u>	<u>(2,479,433)</u>
<b>General revenues</b>								
Property taxes					2,586,008			2,586,008
State shared revenues					649,431			649,431
Interest income - cash and equivalents					1,082	5,346		6,428
Interest income - special assessments						48,103		48,103
Franchise fees					99,310			99,310
Rental income					273,726		(113,546)	160,180
Fines and forfeitures					216,911			216,911
Other income					25,899	9,387		35,286
Net increase in the fair value of investments					(75)	1,865		1,790
Gain on sale of assets					11,740			11,740
<b>Total general revenues</b>					<u>3,864,032</u>	<u>64,701</u>	<u>(113,546)</u>	<u>3,815,187</u>
<b>Changes in net position</b>					<u>340,317</u>	<u>995,437</u>		<u>1,335,754</u>
<b>Net position, July 1, 2015</b>					<u>6,470,925</u>	<u>9,827,503</u>		<u>16,298,428</u>
<b>Net position, June 30, 2016</b>					<u>\$ 6,811,242</u>	<u>\$ 10,822,940</u>	<u>\$</u>	<u>\$ 17,634,182</u>

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

**FUND FINANCIAL STATEMENTS**

**NORTHFIELD TOWNSHIP**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<b>General Fund</b>	<b>Fire Fund</b>	<b>Law Enforcement Fund</b>	<b>Non major Funds</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and investments	\$ 1,377,835	\$ 535,786	\$ 496,827	\$ 525,559	\$ 2,936,007
Receivables					
Taxes receivable	1,417	2,177	4,873	1,005	9,472
State shared revenues	112,636				112,636
Accounts	34,971	160	4,058		39,189
Library	35,357				35,357
Deposit escrow	20,000				20,000
Due from other funds	11,050	600	1,367		13,017
Prepaid expenditures	122,011	499	862	424	123,796
<b>Total assets</b>	<b>\$ 1,715,277</b>	<b>\$ 539,222</b>	<b>\$ 507,987</b>	<b>\$ 526,988</b>	<b>\$ 3,289,474</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 107,312	\$ 3,460	\$ 5,612	\$ 12,731	\$ 129,115
Due to other funds	3,566			598	4,164
Due to others	70		2,249		2,319
Unearned revenue	830				830
<b>Total liabilities</b>	<b>111,778</b>	<b>3,460</b>	<b>7,861</b>	<b>13,329</b>	<b>136,428</b>
<b>FUND BALANCE</b>					
Nonspendable - prepaid items	122,011	499	862	424	123,796
Nonspendable - library receivable	35,357				35,357
Restricted - fire		535,263		(580)	534,683
Restricted - law enforcement			499,264	172,578	671,842
Restricted - community development				35,075	35,075
Restricted - debt service				6,817	6,817
Committed - building department				65,783	65,783
Assigned for future budget deficit				233,562	233,562
Unassigned	1,446,131				1,446,131
<b>Total fund balances</b>	<b>1,603,499</b>	<b>535,762</b>	<b>500,126</b>	<b>513,659</b>	<b>3,153,046</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,715,277</b>	<b>\$ 539,222</b>	<b>\$ 507,987</b>	<b>\$ 526,988</b>	<b>\$ 3,289,474</b>

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

**NORTHFIELD TOWNSHIP**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION  
OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2016**

<b>Total fund balance per balance sheet</b>		\$ 3,153,046
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Historical cost	\$ 11,307,618	
Accumulated depreciation	<u>(4,251,803)</u>	
<b>Capital assets net of accumulated depreciation</b>		7,055,815
<p>Pension related activities are not a consumption of current resources and therefore are reported as deferred outflows of resources in the Statement of Net Position.</p>		
Investments deficient (in excess) of projections	127,322	
Differences in actuarial assumptions	57,650	
Differences in actuarial experience to actual	57,450	
Contributions subsequent to measurement date	<u>26,595</u>	
<b>Deferred outflows of resources related to pension activities</b>		269,017
<p>Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements.</p>		
Net pension liability		(343,129)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:</p>		
Long-term debt	(3,145,607)	
Compensated absences	<u>(177,900)</u>	
<b>Total</b>		<u>(3,323,507)</u>
<b>Net position of governmental activities</b>		<u><u>\$ 6,811,242</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, 2016**

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Law Enforcement Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
<b>REVENUES</b>					
Taxes	\$ 263,030	\$ 632,874	\$ 1,415,162	\$ 274,942	\$ 2,586,008
State shared revenues	649,431				649,431
Licenses and permits			3,165	88,403	91,568
Contributions		1,000	1,500		2,500
Rental income	10,260			263,466	273,726
Franchise fees	99,310				99,310
Charges for services	263,111	17,361	28,267	2,550	311,289
Fines and forfeitures			19,740	197,171	216,911
Interest	1,082				1,082
Net decrease in the fair value of investments	(75)				(75)
Other income	12,370	7,296	4,516	717	24,899
<b>Total revenues</b>	<u>1,298,519</u>	<u>658,531</u>	<u>1,472,350</u>	<u>827,249</u>	<u>4,256,649</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	896,938			82,603	979,541
Fire rescue		549,259			549,259
Police protection			1,478,413	139,899	1,618,312
Community center/recreation	100,210				100,210
Roads	132,155				132,155
Community development	2,500				2,500
Public works	35,419			241	35,660
<b>Debt service:</b>					
Principal		45,856		454,518	500,374
Interest/fees		2,269		84,574	86,843
<b>Capital outlay:</b>					
General government	52,961				52,961
Police protection				140,131	140,131
<b>Total expenditures</b>	<u>1,220,183</u>	<u>597,384</u>	<u>1,478,413</u>	<u>901,966</u>	<u>4,197,946</u>
<b>Excess of revenues over (under) expenditures</b>	<u>78,336</u>	<u>61,147</u>	<u>(6,063)</u>	<u>(74,717)</u>	<u>58,703</u>

NORTHFIELD TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS - continued  
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Fire Fund	Law Enforcement Fund	Non-major Funds	Total
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of assets		409	15,658		16,067
Transfers in		25,000	35,000		60,000
Transfers (out)	(25,000)			(35,000)	(60,000)
<b>Total other financing sources (uses)</b>	(25,000)	25,409	50,658	(35,000)	16,067
<b>Net changes in fund balances</b>	53,336	86,556	44,595	(109,717)	74,770
<b>FUND BALANCE, JULY 1, 2015</b>	1,550,163	449,206	455,531	623,376	3,078,276
<b>FUND BALANCE, JUNE 30, 2016</b>	\$ 1,603,499	\$ 535,762	\$ 500,126	\$ 513,659	\$ 3,153,046

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

**NORTHFIELD TOWNSHIP**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

**Net change in fund balances - governmental funds** \$ 74,770

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

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

Capital outlay	\$ 193,092
Depreciation expense	(358,837)
Loss on disposal of assets	<u>(4,327)</u>

**Total** (170,072)

Some pension contributions in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds.

Pension expense	(41,369)
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Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of:

Capital leases	45,856
Bonds/contracts payable	<u>454,518</u>

**Total** 500,374

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

<u>(23,386)</u>
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**Change in net position of governmental activities** \$ 340,317

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

**NORTHFIELD TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2016**

	<b>Sewage Disposal System Fund</b>	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 694,078	
Sewer billings receivable	366,286	
Prepaid expenses	252	
Due from other funds	687	
Other receivables	2,524	
<b>Total current assets</b>		\$ 1,063,827
<b>RESTRICTED ASSETS</b>		
Cash, cash equivalents and investments - capital and debt	1,117,496	
Special assessments receivable - capital and debt	1,352,722	
<b>Total restricted assets</b>		2,470,218
<b>PLANT, PROPERTY AND EQUIPMENT</b>		
Non-depreciated	667,538	
Depreciated, net	8,388,970	
<b>Net plant, property, and equipment</b>		9,056,508
<b>Total assets</b>		12,590,553
<b>CURRENT LIABILITIES</b>		
Accounts payable	16,544	
Accrued compensated absences	21,676	
Contracts payable - current portion	504,703	
<b>Total current liabilities</b>		542,923
<b>LONG-TERM LIABILITIES</b>		
Contracts payable - less current portion		1,224,690
<b>Total liabilities</b>		1,767,613
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	7,327,115	
Restricted for capital and debt	2,470,218	
Unrestricted	1,025,607	
<b>Total net position</b>		\$ 10,822,940

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



**NORTHFIELD TOWNSHIP**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2016**

		<u>Sewage Disposal System Fund</u>
<b>OPERATING REVENUES</b>		
User charges		\$ 1,345,579
<b>OPERATING EXPENSES</b>		
Salaries and wages	\$ 265,611	
Employee benefits/payroll taxes	151,156	
Depreciation	347,293	
Other operating expenses	369,125	
		<u>1,133,185</u>
<b>Total operating expenses</b>		<u>1,133,185</u>
<b>Operating income</b>		212,394
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Bond issuance, costs	(46,842)	
Interest income - cash and cash equivalents	5,346	
Interest income - special assessments	48,103	
Net increase in the fair value of investments	1,865	
Other revenues	9,387	
Interest expense	(59,314)	
Bond fees	(1,062)	
Special assessment revenue	800,000	
		<u>757,483</u>
<b>Total non-operating revenues and (expenses)</b>		<u>757,483</u>
<b>Net loss before capital contributions</b>		969,877
<b>CAPITAL CONTRIBUTIONS</b>		
Connection fees		<u>25,560</u>
<b>Change in net position</b>		995,437
<b>NET POSITION, JULY 1, 2015</b>		<u>9,827,503</u>
<b>NET POSITION, JUNE 30, 2016</b>		<u><u>\$ 10,822,940</u></u>

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

**NORTHFIELD TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**SEWAGE DISPOSAL SYSTEM FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers		\$ 1,367,949
Cash payments to employees		(264,964)
Cash payments to suppliers of goods and services		<u>(553,858)</u>
<b>Net cash provided by operating activities</b>		549,127
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond proceeds	\$ 760,000	
Connection fees received	25,560	
Special assessments and interest received	304,711	
Other revenue (expense)	9,387	
Acquisition of capital assets	(643,732)	
Repayment of principal on bonds/contracts	(742,701)	
Investment purchase	<u>(922,305)</u>	
<b>Net cash (used in) capital and related financing activities</b>		(1,209,080)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on cash and cash equivalents		1,445
<b>Net (decrease) in cash and cash equivalents</b>		(658,508)
<b>CASH AND CASH EQUIVALENTS AT, JULY 1, 2015</b>		<u>1,256,723</u>
<b>CASH AND CASH EQUIVALENTS AT, JUNE 30, 2016</b>		<u><u>\$ 598,215</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income		\$ 212,394
Adjustments to reconcile operating income to net cash (used in) operating activities:		
Depreciation	\$ 347,293	
Change in assets and liabilities:		
(Increase) decrease in receivables	22,370	
(Increase) decrease in prepaid expenses	5,693	
(Increase) decrease in other receivables	(1,545)	
Increase (decrease) in accounts payable/accrued compensated absences	<u>(37,078)</u>	
<b>Total adjustments</b>		<u>336,733</u>
<b>Net cash provided by operating activities</b>		<u><u>\$ 549,127</u></u>

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

**NORTHFIELD TOWNSHIP**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2016**

	<b>Current Tax Collection Fund</b>	<b>Trust and Agency Fund</b>	<b>Payroll Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash	\$ 1,232	\$ 48,271	\$ 8,473	\$ 57,976
Due from other funds	41	3,500	25	3,566
Due from others	<u>          </u>	<u>6,688</u>	<u>851</u>	<u>7,539</u>
<b>Total assets</b>	<u><u>\$ 1,273</u></u>	<u><u>\$ 58,459</u></u>	<u><u>\$ 9,349</u></u>	<u><u>\$ 69,081</u></u>
<b>LIABILITIES</b>				
Due to other funds	\$	\$ 10,720	\$ 2,386	\$ 13,106
Due to others	<u>1,273</u>	<u>47,739</u>	<u>6,963</u>	<u>55,975</u>
<b>Total liabilities</b>	<u><u>\$ 1,273</u></u>	<u><u>\$ 58,459</u></u>	<u><u>\$ 9,349</u></u>	<u><u>\$ 69,081</u></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, 2016

#### **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 standards, the basic financial statements include both government-wide and fund financial statements.

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

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

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

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

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Law Enforcement Fund accounts for all the activity associated with providing police protection services. This fund is primarily supported through the collection of property taxes.

The Fire Fund accounts for all the activity associated with providing fire and medical rescue services. This fund is primarily supported through the collection of property taxes.

The Township reports the following major enterprise fund:

The Sewage Disposal System Fund accounts for all the activity associated with the operations and maintenance of a sewage treatment system.

**B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source. The former being a decrease in fund balances and the later being an increase in fund balances.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

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

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

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

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

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains three agency funds. One accounts for the collection and disbursement of property taxes, another is a clearing account for payroll transactions and the final one accounts for monies held in escrow for certain development projects.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**C. CAPITAL ASSETS**

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

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

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

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

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

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

**D. ACCRUED COMPENSATED ABSENCES**

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



**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**E. BUDGETARY DATA**

The Board of Trustees follows the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township Board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township Board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended June 30, 2016, expenditures exceeded appropriations in the Narcotics Fund.

**F. PROPERTY TAXES**

Property tax revenues are recognized in the fiscal year for which the taxes are levied. Property taxes are levied on December 1 each year. These taxes become liens on the property at that date. These taxes are due on February 14, with the final collection date of February 28. The delinquent real property taxes of Northfield Township are purchased by Washtenaw County. The county sold tax notes, the proceeds of which will be used to pay the Township for these property taxes. The 2015 adjusted taxable value of the Township totaled \$328,981,868. The Township levied the following millages during the current fiscal year ended June 30, 2016:

General operating	0.7996
Fire	1.9238
Police	4.3017
Public safety building	<u>0.8358</u>
Total millage	<u><u>7.8609</u></u>

**G. OTHER FINANCING SOURCES (USES)**

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

**H. INVESTMENTS**

Investments are stated at market value.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**I. CASH AND CASH EQUIVALENTS**

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

**J. USE OF ESTIMATES**

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

**K. RISK MANAGEMENT**

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

**L. RECEIVABLES**

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

**M. EQUITY**

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

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

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

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**N. DEFERRED OUTFLOW OF RESOURCES**

Under GASB standards the Township will report two new sections in the Statement of Net Position (Government Wide Statements) and in the Balance Sheet (Fund Statements) which are called Deferred Outflow (previously called assets).

These separate financial statement elements which meet the definition of deferred outflow are no longer considered assets.

Deferred outflow of resources represent a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met.

For the year ended June 30, 2016 the Township records deferred outflow of resources relating to pension differences from expected investment returns compared to actual, changes in experience, and changes in actuarial assumptions. In addition, the Township records deferred outflow of resources for pension contributions made subsequent to Net Pension Liability measurement date of December 31, 2015.

Deferred outflow of resources as of June 30, 2016 are as follows:

<b><u>Deferred Outflow of Resources</u></b>	
Differences in experience	\$ 57,450
Differences in actuarial assumptions	57,650
Differences in investment expectations versus actual	127,322
Contributions made subsequent to pension liability measurement date	<u>26,595</u>
<b>Totals</b>	<b><u>\$ 269,017</u></b>

**O. DEFERRED INFLOW OF RESOURCES**

In addition to liabilities, the Statement of Net Position and governmental fund balance sheet will report a separate section for deferred inflow of resources. Deferred inflow of resources represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Township has no items that qualify as a deferred inflow of resources as of June 30, 2016.

**P. DEFINED PENSION BENEFIT PLAN**

For purposes of measuring the Net Pension Liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**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, 2016, 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, 2016 was \$35,357.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2016 was as follows:

	<b>Balance 7/1/2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2016</b>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 419,403	\$ 865	\$	\$ 420,268
<b>Total cost - assets not being depreciated</b>	419,403	865		420,268
<b>Capital assets being depreciated:</b>				
Buildings	8,607,651	52,096		8,659,747
Equipment	2,245,780	140,131	(158,308)	2,227,603
<b>Total cost</b>	10,853,431	192,227	(158,308)	10,887,350
<b>Less accumulated depreciation for:</b>				
Buildings	(2,246,963)	(193,533)		(2,440,496)
Equipment	(1,799,984)	(165,304)	153,981	(1,811,307)
<b>Total accumulated depreciation</b>	(4,046,947)	(358,837)	153,981	(4,251,803)
<b>Capital assets being depreciated, net</b>	6,806,484	(166,610)	(4,327)	6,635,547
<b>Governmental activities capital assets, net</b>	\$ 7,225,887	\$ (165,745)	\$ (4,327)	7,055,815
<b>Related long-term debt outstanding at June 30, 2016</b>				(3,145,607)
<b>Governmental activities capital assets, net of related long-term debt</b>				\$ 3,910,208

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 4 - CAPITAL ASSETS - continued**

	<b>Balance 7/1/2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2016</b>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 226,918			\$ 226,918
Construction in progress		440,620		440,620
<b>Total capital assets   not being depreciated</b>	226,918	440,620		667,538
<b>Capital assets being depreciated:</b>				
Plant and equipment	14,708,879	203,112		14,911,991
<b>Less accumulated depreciation for:</b>				
Plant and equipment	(6,175,728)	(347,293)		(6,523,021)
<b>Capital assets being depreciated, net</b>	8,533,151	(144,181)		8,388,970
<b>Business-type activities   capital assets, net</b>	\$ 8,760,069	\$ 296,439	\$	9,056,508
<b>Less: related long-term debt outstanding as of June 30, 2016</b>				(1,729,393)
<b>Business-type activities capital assets net of related debt</b>				<b>\$ 7,327,115</b>

Depreciation expense was distributed to the various activities as follows:

<b>Governmental activities:</b>	
General government	\$ 10,737
Fire protection and medical rescue	160,106
Police protection	150,065
Recreation	30,356
Community center	7,573
<b>Subtotal</b>	358,837
 <b>Business-type activities:</b>	
Sewer service	347,293
<b>Total</b>	<b>\$ 706,130</b>

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS**

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

**Capital Leases**

1. On September 26, 2005 the Township entered into a lease agreement with Kansas State Bank of Manhattan to purchase two (2) fire trucks and refinance a medical rescue truck. The Township is required to make annual payments in arrears of \$13,575 for the first three years and \$48,109 for the remaining seven years. At the end of the lease term title to all leased assets passes to the Township. Interest of 4.85% is being charged on the lease. The lease expired on October 1, 2015 and was paid in full on June 30, 2016.

**Bonds Payable**

1. General Obligation Unlimited Tax Refunding bonds were issued on July 30, 2012 for \$2,415,000 to refund the 2001 bonds related to the financing of the public safety building. Principal payments range from \$215,000 to \$265,000 due annually in April and maturing on April 2022. Interest is charged at 2.35%, payable semi-annually. The outstanding balance of the bonds at June 30, 2016 was \$1,495,000.
2. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the public safety building (84.43%) as well as the Seven Mile sewer project (15.57%). Principal payments range from \$223,000 to \$300,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The governmental fund outstanding balance of the bonds at June 30, 2016 was \$1,650,607.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS - continued**

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

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/2016</u>	<u>Amount Due Within One Year</u>
<b>Capitalized Lease</b>					
Kansas State Bank	\$ 45,856	\$	\$ (45,856)	\$	\$
<b>Bonds Payable</b>					
General Obligation Bond, Series 2012 Refunding of 2001 Public Safety Building Bonds	1,730,000		(235,000)	1,495,000	230,000
General Obligation Bond, Series 2012 Refunding of 2002/2003 Public Safety Building Bonds	1,870,125		(219,518)	1,650,607	215,297
<b>Total bonds payable</b>	<u>3,600,125</u>		<u>(454,518)</u>	<u>3,145,607</u>	<u>445,297</u>
<b>Compensated absences</b>					
General government	154,514	23,386		177,900	
<b>Governmental activities         long term obligations</b>	<u>\$ 3,800,495</u>	<u>\$ 23,386</u>	<u>\$ (500,374)</u>	<u>\$ 3,323,507</u>	<u>\$ 445,297</u>



**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 5 - LONG-TERM OBLIGATIONS - continued**

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

	<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>
<b>Year Ending:</b>		
2017	\$ 445,297	\$ 73,922
2018	486,404	63,458
2019	481,404	52,027
2020	477,183	40,714
2021	518,290	29,500
2022-2023	737,029	22,677
	<hr/>	<hr/>
<b>Totals</b>	<b>\$ 3,145,607</b>	<b>\$ 282,298</b>

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 5 - LONG TERM OBLIGATIONS - continued**

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

1. Loan payable to Michigan Municipal Bond Authority to finance the refunding bonds for the 1992 junior lien bonds originally issued in 1992. A net present value savings of \$84,344 was created by issuing these refunding bonds due to decline in interest rates. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2006, and maturing on April 2022. Interest is paid semi-annually charged at 2.00% to 5.00%. Outstanding balance of the bonds was \$265,000 at June 30, 2016.
2. Loan payable to Washtenaw County to finance the refunding bonds for the various expansion project bonds. A net present value savings of \$243,781 was created by issuing these refunding bonds due to decline in interest rates. Principal payable in annual installments ranging from \$400,000 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 \$400,000 at June 30, 2016.
3. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the Public Safety Building (84.43%) as well as the Seven Mile Sewer Project (15.57%). Principal payments range from \$223,000 to \$300,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The business-type fund outstanding balance portion of the bonds at June 30, 2016 was \$304,393.
4. General Obligation Limited Tax Special Assessment Bonds were issued on February 10, 2016 for \$760,000 to finance the construction of the Whitmore Lake Sewer Special Assessment District. Principal payments of \$25,000 and \$55,000 are due annually beginning April 2017 and maturing in April 2035. Interest is paid semi-annually at 2.00% to 4.00%. The outstanding balance portion of the bonds at June 30, 2016 was \$760,000.

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

<b><u>Bonds Payable</u></b>	<b><u>Balance 7/1/2015</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance 6/30/2016</u></b>	<b><u>Amount Due Within One Year</u></b>
Michigan Municipal Bond Authority:					
1992 junior lien refunding	\$ 305,000	\$	\$ (40,000)	\$ 265,000	\$ 40,000
Expansion - 2007 refunding	955,000		(555,000)	400,000	400,000
Expansion - Seven Mile refunding	344,876		(40,483)	304,393	39,703
Whitmore Lake SAD, Series 2016		760,000		760,000	25,000
<b>Total bonds payable</b>	<b>1,604,876</b>	<b>760,000</b>	<b>(635,483)</b>	<b>1,729,393</b>	<b>504,703</b>
<b>Compensated absences</b>					
Business-type	21,030	646		21,676	
<b>Total business-type activities long-term debt</b>	<b>\$ 1,625,906</b>	<b>\$ 760,646</b>	<b>\$ (635,483)</b>	<b>\$ 1,751,069</b>	<b>\$ 504,703</b>

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 5 - LONG TERM OBLIGATIONS - continued**

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

	<b>Bonds Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 504,703	\$ 71,099	\$ 575,802
2018	113,596	46,139	159,735
2019	113,596	42,146	155,742
2020	112,818	38,096	150,914
2021	116,710	33,952	150,662
2022-2026	302,970	119,705	422,675
2027-2031	245,000	73,800	318,800
2032-2035	220,000	22,000	242,000
<b>Totals</b>	<b>\$ 1,729,393</b>	<b>\$ 446,937</b>	<b>\$ 2,176,330</b>

**NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN**

The Township participates in a defined contribution plan for full-time employees and is a fully insured plan funded by both employer (2/3) and employee (1/3) contributions. Under the plan the employee is allowed to contribute pre-tax dollars up to 10% of their annual compensation. All participants are vested 100% immediately. The Northfield Township Area Library participates with the Township in this plan and is included in all subsequent data regarding the plan.

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

Employer contributes	10% of wages
Employee contributes	<u>5%</u> of wages
Annual contribution to pension plan	<u>15%</u> of wages

The plan name is "Group Pension Plan" #GN 53402 through John Hancock Financial. A summary of the plan's activity for the period July 1, 2015 to June 30, 2016, is as follows:

Current year contributions	
Township portion	\$ 77,262
Employee portion	38,631
<b>Total contributions</b>	<b>\$ 115,893</b>

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 7 - DEFINED BENEFIT PLAN**

**Plan Description**

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

**Benefits Provided**

The defined benefit plan is open to all full time union police officers. The plan calls for benefits to be paid as 2.25% of the final average compensation with a maximum of 80%. Final average compensation is calculated based on the employee's final 3 years wages. The plan has a vesting period of 6 years, with normal retirement at age 60 and early retirement eligible at age 55 with 20 years of continuous service with unreduced benefits or at age 55 with 15 years of continuous service or age 50 with 25 years of continuous service with reduced benefits.

***Employees covered by benefit terms***

At the December 31, 2015 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>10</u>
	<u><u>13</u></u>

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 7 - DEFINED BENEFIT PLAN - continued**

***Contributions***

The Township is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The Township contributes 10% of covered wages, with the enrolled employees contributing the remainder of the actuarial determined rate. The employee contribution for the year ended June 30, 2016 was 3.20% of eligible wages to fund the plan. The Township contributed \$58,396 to the plan during the reporting period.

***Net Pension Liability***

The employer's Net Pension Liability was measured as of December 31, 2015, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

***Actuarial assumptions***

The total pension liability in the December 31, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%.

Salary Increases: 3.75%

Investment rate of return: 7.75%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with price inflation of 2.5%.

Mortality rates used were based on the 2014 Healthy annuitant annuity Mortality table, Employee Mortality table, and Juvenile Mortality table with a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study in 2015.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 7 - DEFINED BENEFIT PLAN - continued**

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	57.50%	5.02%
Global Fixed Income	20.00%	2.18%
Real Assets	12.50%	4.23%
Diversifying Strategies	10.00%	6.56%

**Discount Rate**

The discount rate used to measure the total pension liability is 8.00% for 2015. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 7 - DEFINED BENEFIT PLAN - continued**

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balance at 12/31/2014</b>	\$ 1,488,265	\$ 1,409,069	\$ 79,196
<b>Changes for the year</b>			
Service cost	71,768		71,768
Interest on total pension liability	125,742		125,742
Changes in benefits	(14,904)		(14,904)
Difference between expected and actual experience	64,631		64,631
Changes in assumptions	64,856		64,856
Employer contributions		58,396	(58,396)
Employee contributions		15,385	(15,385)
Net investment income		(22,425)	22,425
Benefit payments, including employee refunds			
Administrative expense		(3,196)	3,196
Other changes			
<b>Net changes</b>	<u>312,093</u>	<u>48,160</u>	<u>263,933</u>
<b>Balances as of 12/31/15</b>	<u>\$ 1,800,358</u>	<u>\$ 1,457,229</u>	<u>\$ 343,129</u>

**Sensitivity of the Net Pension Liability to changes in the discount rate**

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% point lower (7.00%) or 1% higher (9.00%) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>7.00%</b>	<b>Rate</b>	<b>9.00%</b>
		<b>8.00%</b>	
Net Pension Liability at 12/31/15	\$ 343,129	\$ 343,129	\$ 343,129
Changes in Net Pension Liability (NPL) from change in discount rate	<u>357,204</u>		<u>(289,455)</u>
Calculated NPL	<u>\$ 700,333</u>	<u>\$ 343,129</u>	<u>\$ 53,674</u>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 7 - DEFINED BENEFIT PLAN - continued**

**Pension Expense and Deferred Outflow/Inflow of Resources Related to Pension**

For the year ended June 30, 2016, the Township recognized pension expense of \$98,646. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences in experience	\$ 57,450	\$
Differences in assumptions	57,650	
Excess (Deficit) of investment returns	127,322	
Contributions subsequent to the measurement date	26,595	
<b>Totals</b>	<b>\$ 269,017</b>	<b>\$</b>

The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ended June 30, 2016.

Amounts reported as deferred outflow and inflow of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended</b>	<b>Expense</b>
2017	\$ 47,389
2018	47,389
2019	47,388
2020	42,704
2021	14,387
2022-2024	43,165
<b>Total</b>	<b>\$ 242,422</b>



**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS**

Interfund receivables and payables exist at June 30, 2016. 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:

	<b>Interfund Receivable</b>		<b>Interfund Payable</b>
General Fund	\$ 10,720	Trust and Agency Fund	\$ 10,720
General Fund	330	Payroll Fund	330
Law Enforcement Fund	598	Federal Narcotics Fund	598
Law Enforcement Fund	769	Payroll Fund	769
Fire Fund	600	Payroll Fund	600
Sewer Fund	687	Payroll Fund	687
Trust and Agency Fund	3,500	General Fund	3,500
Current Tax Fund	41	General Fund	41
Payroll Fund	25	General Fund	25
<b>Total interfund balances</b>	<b>\$ 17,270</b>		<b>\$ 17,270</b>

Interfund transfers for the year ended June 30, 2016 were as follows:

<b>Transfer In</b>	<b>Transfer Out</b>	<b>Purpose</b>	<b>Amount</b>
Law Enforcement Fund	Federal Narcotics Fund	Pay operating expenditures	\$ 35,000
Fire Fund	General Fund	Pay operating expenditures	25,000
			<b>\$ 60,000</b>

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers acceptance of United States banks, commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits are in accordance with statutory authority.

As of June 30, 2016 deposits and investments consist of the following:

	<b>Total</b>	<b>Cash</b>	<b>Investments</b>
<b>Deposits</b>			
Checking accounts	\$ 3,293,708	\$ 3,293,708	\$
Money market accounts	1	1	
Non-Negotiable certificates of deposit	1,661,033		1,661,033
<b>Total deposits</b>	4,954,742	3,293,709	1,661,033
<b>Investments</b>			
Negotiable certificates of deposit	38,715		38,715
<b>Total investments</b>	38,715		38,715
<b>Total deposits and investments</b>	\$ 4,993,457	\$ 3,293,709	\$ 1,699,748

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

**Statement of Net Position:**

Cash and investments	\$ 3,625,262
Restricted cash and investments	1,117,496
	4,742,758

**Fiduciary Funds**

Cash	57,976
<b>Total cash and investments</b>	\$ 4,800,734

The carrying amount of cash and investments is stated at \$4,800,734 as of June 30, 2016. The difference between the carrying amounts and the amounts mentioned above stem from cash on hand of \$600, outstanding checks and deposits.

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued**

**Custodial Credit Risk**

Deposits - This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township does not have a deposit policy for custodial credit risk. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Insured by FDIC	\$ 1,910,535
Uninsured and uncollateralized	<u>3,044,207</u>
<b>Total</b>	<b><u><u>\$ 4,954,742</u></u></b>

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

As of June 30, 2016, the Township's investments were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 1,699,249
Uninsured and uncollateralized	<u>499</u>
<b>Total</b>	<b><u><u>\$ 1,699,748</u></u></b>

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

**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. None of the Township's investments in any one issuer exceed 5 percent or more of total investments:

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued**

**Interest Rate Risk**

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

As of June 30, 2016 the Township had the following investment maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>		
	<u>Value</u>	<u>Less than 1</u>	<u>1 - 5</u>
Negotiable CD	\$ 38,715	\$	\$ 38,715
Non-negotiable CD's	1,661,033	1,625,977	35,056
	<u>\$ 1,699,748</u>	<u>\$ 1,625,977</u>	<u>\$ 73,771</u>

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for U.S. Treasuries and money market accounts. As of June 30, 2016, the Township's investments were not rated.

**NOTE 10 - STATEMENT OF CASH FLOWS**

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

**NORTHFIELD TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 11 - GRANT ACTIVITIES**

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

**NOTE 12 - ASSETS RESTRICTED FOR CAPITAL AND DEBT**

Restricted assets in the Sewage Disposal System Fund as of June 30, 2016 consisted of the following:

	<b><u>Sewage Disposal System Fund</u></b>
Cash and investments	\$ 1,117,496
Special assessment receivables	<u>1,352,722</u>
<b>Total</b>	<b><u><u>\$ 2,470,218</u></u></b>

**NOTE 13 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 15, 2016, which is the date the financial statements were available to be issued. Management has determined the Township has one material recognizable event, which was the purchase of property. The Township placed \$20,000 in escrow during the year ended June 30, 2016 toward the purchase of 8.2 acres and 15.3 acres of land, with a total purchase price of \$329,000. The land purchase was completed in September 2016.

**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, 2016**

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$	\$ 263,700	\$ 263,030	\$ (670)
State shared revenues		655,000	649,431	(5,569)
Charges for services		342,809	362,421	19,612
Interest		300	1,082	782
Net decrease in the fair value of investments			(75)	(75)
Miscellaneous revenue		18,155	22,630	4,475
<b>Total revenues</b>	<b>1,497,019</b>	<b>1,279,964</b>	<b>1,298,519</b>	<b>18,555</b>
<b>EXPENDITURES</b>				
Township board		39,265	37,523	1,742
Supervisor		14,877	13,534	1,343
Township manager		152,766	144,743	8,023
Elections		16,950	12,025	4,925
Clerk		64,476	59,607	4,869
Board of review		24,153	10,783	13,370
Treasurer		84,127	82,930	1,197
Assessor		138,082	131,470	6,612
Township hall and grounds		148,065	132,158	15,907
Professional fees		67,200	66,374	826
Community development		2,500	2,500	
Zoning and planning departments		118,753	98,424	20,329
Street lights		37,020	35,419	1,601
Roads		132,250	132,155	95
Community Center		105,083	100,210	4,873
Solid waste management		4,000	4,000	
Contingency - liens		2,275		2,275
Capital outlay		79,700	68,506	11,194
Rent - PSB		87,823	87,822	1
<b>Total expenditures</b>	<b>1,439,794</b>	<b>1,319,365</b>	<b>1,220,183</b>	<b>99,182</b>
<b>Excess of revenues over (under) expenditures</b>	<b>57,225</b>	<b>(39,401)</b>	<b>78,336</b>	<b>117,737</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(25,000)	(25,000)	(25,000)	
<b>Net change in fund balance</b>	<b>32,225</b>	<b>(64,401)</b>	<b>53,336</b>	<b>117,737</b>
<b>FUND BALANCE, JULY 1, 2015</b>	<b>1,550,163</b>	<b>1,550,163</b>	<b>1,550,163</b>	
<b>FUND BALANCE, JUNE 30, 2016</b>	<b>\$ 1,582,388</b>	<b>\$ 1,485,762</b>	<b>\$ 1,603,499</b>	<b>\$ 117,737</b>

**NORTHFIELD TOWNSHIP**

**LAW ENFORCEMENT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$	\$	\$ 1,415,162	\$
Fines and court fees			19,740	
Traffic tickets and impound fees			2,320	
Liquor law license fees			3,165	
Contributions			1,500	
Charges for services			25,947	
Miscellaneous			4,516	
<b>Total revenues</b>	<u>1,470,285</u>	<u>1,470,285</u>	<u>1,472,350</u>	<u>2,065</u>
<b>EXPENDITURES</b>				
Salaries			784,515	
Payroll taxes			60,767	
Life insurance			7,646	
Medical testing			307	
Professional fees			42,850	
Pension			61,937	
Insurance - health			144,256	
Accountant			7,007	
Membership dues			745	
Printing and postage			667	
Transportation			17,347	
Insurance and bonds			44,815	
Repairs and maintenance			16,650	
Telephone			14,390	
Supplies			4,732	
Equipment rental			1,379	
Office overhead			37,848	
PSB lease			87,822	
Contractual services			18,273	
Dispatch services			63,347	
Personnel allocation			59,072	
Tax chargebacks			2,041	
<b>Total expenditures</b>	<u>1,508,272</u>	<u>1,509,272</u>	<u>1,478,413</u>	<u>30,859</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(37,987)</u>	<u>(38,987)</u>	<u>(6,063)</u>	<u>32,924</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	3,000	16,000	15,658	
Transfer in	35,000	35,000	35,000	
<b>Total other financing sources (uses)</b>	<u>38,000</u>	<u>51,000</u>	<u>50,658</u>	<u>(342)</u>
<b>Net change in fund balance</b>	13	12,013	44,595	32,582
<b>FUND BALANCE, JULY 1, 2015</b>	<u>455,531</u>	<u>455,531</u>	<u>455,531</u>	
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ 455,544</u>	<u>\$ 467,544</u>	<u>\$ 500,126</u>	<u>\$ 32,582</u>



**NORTHFIELD TOWNSHIP**

**FIRE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgets		Actual	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$	\$	\$ 632,874	\$
Charges for services			17,361	
Other income			8,296	
<b>Total revenues</b>	<u>647,873</u>	<u>647,873</u>	<u>658,531</u>	<u>10,658</u>
<b>EXPENDITURES</b>				
Salaries			266,888	
Payroll taxes			20,262	
Hospitalization			23,991	
Life insurance			845	
Pension			7,931	
Medical testing			949	
Uniforms			7,840	
Controller			7,007	
Audit fees			2,250	
Transportation			7,185	
Training and development			9,202	
Membership fees			1,430	
Contractual services			1,505	
Dispatch services			11,793	
Telephone			5,746	
Supplies			8,682	
Insurance and bonds			49,502	
Office overhead			37,848	
PSB lease			87,822	
Printing and postage			37	
Utilities			7,318	
Repairs and maintenance			32,172	
Debt - principal			45,856	
Debt - interest			2,269	
Tax chargebacks/drains			914	
Capital outlay			9,212	
Personnel allocation			(59,072)	
<b>Total expenditures</b>	<u>673,865</u>	<u>674,965</u>	<u>597,384</u>	<u>77,581</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(25,992)</u>	<u>(27,092)</u>	<u>61,147</u>	<u>88,239</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	1,000	1,000	409	
Transfer in	25,000	25,000	25,000	
<b>Total other financing sources (uses)</b>	<u>26,000</u>	<u>26,000</u>	<u>25,409</u>	<u>(591)</u>
<b>Net change in fund balance</b>	8	(1,092)	86,556	87,648
<b>FUND BALANCE, JULY 1, 2015</b>	<u>449,206</u>	<u>449,206</u>	<u>449,206</u>	
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ 449,214</u>	<u>\$ 448,114</u>	<u>\$ 535,762</u>	<u>\$ 87,648</u>

**NORTHFIELD TOWNSHIP**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Schedule of Employer Contributions**

	<b>For the Plan Year Ended December 31, 2015</b>	<b>For the Plan Year Ended December 31, 2014</b>
Actuarial determined contributions	\$ 58,396	\$ 55,589
Contributions in relation to the actuarial determined contribution	58,396	55,589
Contribution deficiency (excess)	\$	\$
Covered employee payroll	\$ 583,960	\$ 555,890
Contributions as a percentage of covered payroll	10.00%	10.00%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

Amortization method	Level percentage of payroll, open
Remaining amortization period	23 years
Asset valuation method	5 years smoothed
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	Age 60, early retirement with reduced benefits at 55 with 15 years of service or 50 with 25 years of service with unreduced benefits at age 55 with 20 years of service.
	50% Female/50% Male 2014 Healthy Annuitant Annuity
Mortality	Mortality table, Employee Mortality table, and Juvenile Mortality table

**Previous Actuarial Methods and Assumptions**

A ten year smoothed asset valuation method was used for the time period of 2005 through 2014. Employee contributions have varied each year between 2.16% and 3.96%.

**NORTHFIELD TOWNSHIP**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>For the Plan Year Ended December 31, 2015</b>	<b>For the Plan Year Ended December 31, 2014</b>
<b>Total pension liability</b>		
Service cost	\$ 71,768	\$ 68,319
Interest	125,742	110,821
Changes in benefit terms	(14,904)	
Differences between expected and actual experience	64,631	
Changes of assumptions	64,856	
Benefit payments, including refunds of employee contributions	<u>                    </u>	<u>                    </u>
<b>Net change in total pension liability</b>	312,093	179,140
<b>Total pension liability - beginning</b>	<u>1,488,265</u>	<u>1,309,125</u>
<b>Total pension liability - ending</b>	<u><u>\$ 1,800,358</u></u>	<u><u>\$ 1,488,265</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 58,396	\$ 55,589
Contributions - employee	15,385	54,529
Net investment income	(22,425)	81,669
Benefit payments, including refunds of employee contributions	<u>                    </u>	<u>                    </u>
Administrative expenses	(3,196)	(3,030)
<b>Net change in plan fiduciary net position</b>	48,160	188,757
<b>Plan fiduciary net position, beginning</b>	<u>1,409,069</u>	<u>1,220,312</u>
<b>Plan fiduciary net position, ending</b>	<u><u>\$ 1,457,229</u></u>	<u><u>\$ 1,409,069</u></u>
<b>Net pension liability</b>		
<b>Total pension liability and plan fiduciary net position</b>	<u><u>\$ 343,129</u></u>	<u><u>\$ 79,196</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u>80.94%</u>	<u>94.68%</u>
Covered employee payroll	<u><u>\$ 583,956</u></u>	<u><u>\$ 555,890</u></u>
Net pension liability as a percentage of covered employee payroll	<u>58.76%</u>	<u>14.25%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**NORTHFIELD TOWNSHIP**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016**

**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, 2016 expenditures exceeded appropriations as follows:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
Narcotics Fund	\$ 66,000	\$ 98,243	\$ (32,243)

**SUPPLEMENTARY INFORMATION**

## **COMBINING FINANCIAL STATEMENTS**

**NORTHFIELD TOWNSHIP**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	SPECIAL REVENUE FUNDS						DEBT SERVICE	Totals
	Building Department Fund	Fire Truck Fund	Narcotics Fund	Federal Narcotics Fund	Public Contribution Fund	Downtown Development Authority Fund	Public Safety Building Fund	
<b>ASSETS</b>								
Cash and investments	\$ 102,943	\$	\$ 94,438	\$ 249,701	\$ 351	\$ 65,724	\$ 12,402	\$ 525,559
Taxes receivable							1,005	1,005
Prepaid expense			319				105	424
<b>Total assets</b>	<u>\$ 102,943</u>	<u>\$</u>	<u>\$ 94,757</u>	<u>\$ 249,701</u>	<u>\$ 351</u>	<u>\$ 65,724</u>	<u>\$ 13,512</u>	<u>\$ 526,988</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 3,598	\$ 580	\$ 613	\$ 1,350	\$	\$	\$ 6,590	\$ 12,731
Due to other funds				598				598
<b>Total liabilities</b>	<u>3,598</u>	<u>580</u>	<u>613</u>	<u>1,948</u>			<u>6,590</u>	<u>13,329</u>
<b>FUND BALANCE</b>								
Nonspendable - prepaid			319				105	424
Restricted								
Fire protection		(580)						(580)
Law enforcement			93,825	78,753				172,578
Community development					351	34,724		35,075
Committed								
Building department	65,783							65,783
Debt service							6,817	6,817
Assigned for future budget deficit	33,562			169,000		31,000		233,562
<b>Total fund balances</b>	<u>99,345</u>	<u>(580)</u>	<u>94,144</u>	<u>247,753</u>	<u>351</u>	<u>65,724</u>	<u>6,922</u>	<u>513,659</u>
<b>Total liabilities and fund balance</b>	<u>\$ 102,943</u>	<u>\$</u>	<u>\$ 94,757</u>	<u>\$ 249,701</u>	<u>\$ 351</u>	<u>\$ 65,724</u>	<u>\$ 13,512</u>	<u>\$ 526,988</u>



**NORTHFIELD TOWNSHIP**

**COMBINING BALANCE SHEET  
ALL AGENCY FUNDS  
JUNE 30, 2016**

	<b>Current Tax Collection Fund</b>	<b>Trust and Agency Fund</b>	<b>Payroll Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash	\$ 1,232	\$ 48,271	\$ 8,473	\$ 57,976
Due from other funds	41	3,500	25	3,566
Due from others		6,688	851	7,539
<b>Total assets</b>	<b>\$ 1,273</b>	<b>\$ 58,459</b>	<b>\$ 9,349</b>	<b>\$ 69,081</b>
 <b>LIABILITIES</b>				
Due to other funds	\$	\$ 10,720	\$ 2,385	\$ 13,105
Due to others	1,273	47,739	6,964	55,976
<b>Total liabilities</b>	<b>\$ 1,273</b>	<b>\$ 58,459</b>	<b>\$ 9,349</b>	<b>\$ 69,081</b>

**NORTHFIELD TOWNSHIP**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUNDS		Totals
	Building Department Fund	Fire Truck Fund	Narcotics Fund	Federal Narcotics Fund	Public Contributions Fund	Downtown Development Authority Fund	Building Authority Fund	
<b>REVENUES</b>								
Taxes	\$	\$	\$	\$	\$	\$	\$ 274,942	\$ 274,942
Fines and forfeits			92,543	104,628				197,171
Charges for services	2,550							2,550
Licenses and permits	88,403							88,403
Rental income						263,466		263,466
Other income	56						661	717
<b>Total revenues</b>	<u>91,009</u>		<u>92,543</u>	<u>104,628</u>		<u>263,466</u>	<u>275,603</u>	<u>827,249</u>
<b>EXPENDITURES</b>								
General government	71,526				4,812		6,265	82,603
Police protection			98,243	41,656				139,899
Public works						241		241
Capital outlay								
Law				140,131				140,131
Debt service								
Principal						219,518	235,000	454,518
Interest and fees						43,948	40,626	84,574
<b>Total expenditures</b>	<u>71,526</u>		<u>98,243</u>	<u>181,787</u>	<u>4,812</u>	<u>241</u>	<u>263,466</u>	<u>901,966</u>
<b>Excess of revenues over (under) expenditures</b>	<u>19,483</u>		<u>(5,700)</u>	<u>(77,159)</u>	<u>(4,812)</u>	<u>(241)</u>	<u>(6,288)</u>	<u>(74,717)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers (out)				(35,000)				(35,000)
<b>Net changes in fund balances</b>	19,483		(5,700)	(112,159)	(4,812)	(241)	(6,288)	(109,717)
<b>FUND BALANCE, JULY 1, 2015</b>	<u>79,862</u>	<u>(580)</u>	<u>99,844</u>	<u>359,912</u>	<u>5,163</u>	<u>65,965</u>	<u>13,210</u>	<u>623,376</u>
<b>FUND BALANCE, (DEFICIT) JUNE 30, 2016</b>	<u>\$ 99,345</u>	<u>\$ (580)</u>	<u>\$ 94,144</u>	<u>\$ 247,753</u>	<u>\$ 351</u>	<u>\$ 65,724</u>	<u>\$ 6,922</u>	<u>\$ 513,659</u>

**INDIVIDUAL FUNDS**

**GENERAL FUND**

**NORTHFIELD TOWNSHIP**

**GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash and investments		\$ 1,377,835
Taxes receivable		1,417
Deposit escrow		20,000
Accounts receivable - county		9,555
State shared revenue receivable		112,636
Accounts receivable - other		25,416
Due from other funds		11,050
Prepaid expenditures		122,011
Land contract receivable - Northfield Township Area Library		<u>35,357</u>

**Total assets**

\$ 1,715,277

**LIABILITIES**

Accounts payable	\$ 107,312
Due to others	70
Due to other funds	3,566
Unearned revenue	<u>830</u>

**Total liabilities**

\$ 111,778

**FUND BALANCE**

Nonspendable - prepaid items	122,011
Nonspendable - Library receivable	35,357
Unassigned	<u>1,446,131</u>

**Total fund balance**

1,603,499

**Total liabilities and fund balance**

\$ 1,715,277

**NORTHFIELD TOWNSHIP**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$ 263,700	\$ 263,030	\$ (670)
State shared revenues	655,000	649,431	(5,569)
Charges for services	342,809	362,421	19,612
Interest	300	1,082	782
Net decrease in the fair value of investments		(75)	(75)
Miscellaneous revenue	18,155	22,630	4,475
<b>Total revenues</b>	<u>1,279,964</u>	<u>1,298,519</u>	<u>18,555</u>
<b>EXPENDITURES</b>			
Township board	39,265	37,523	1,742
Supervisor	14,877	13,534	1,343
Township manager	152,766	144,743	8,023
Elections	16,950	12,025	4,925
Clerk	64,476	59,607	4,869
Board of review	24,153	10,783	13,370
Treasurer	84,127	82,930	1,197
Assessor	138,082	131,470	6,612
Township hall and grounds	148,065	132,158	15,907
Professional fees	67,200	66,374	826
Community development	2,500	2,500	
Zoning and planning departments	118,753	98,424	20,329
Street lights	37,020	35,419	1,601
Roads	132,250	132,155	95
Community Center	105,083	100,210	4,873
Solid waste mangement	4,000	4,000	
Contingency - liens	2,275		2,275
Capital outlay	79,700	68,506	11,194
Rent - PSB	87,823	87,822	1
<b>Total expenditures</b>	<u>1,319,365</u>	<u>1,220,183</u>	<u>99,182</u>
<b>Excess of revenues over (under) expenditures</b>	(39,401)	78,336	117,737
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(25,000)	(25,000)	
<b>Net change in fund balance</b>	(64,401)	53,336	117,737
<b>FUND BALANCE, JULY 1, 2015</b>	<u>1,550,163</u>	<u>1,550,163</u>	
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ 1,485,762</u>	<u>\$ 1,603,499</u>	<u>\$ 117,737</u>

**NORTHFIELD TOWNSHIP**

**GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>TAXES</b>	\$ 263,700	\$ 263,030	\$ (670)
<b>STATE SHARED REVENUES</b>	655,000	649,431	(5,569)
<b>CHARGES FOR SERVICES</b>			
Tax administration fees		144,810	
Sewer administration		48,560	
Cablevision franchise fees		99,310	
Fiber footage fees		10,516	
Zoning fees		21,405	
Mobile home park fees		2,851	
Summer tax collection fees		13,580	
Duplicating		120	
Penalties and interest on taxes		4,259	
Community Center		16,442	
Licenses and fines		568	
<b>Total charges for services</b>	342,809	362,421	19,612
<b>INTEREST</b>	300	1,082	782
<b>GAIN (LOSS) ON INVESTMENTS</b>		(75)	(75)
<b>MISCELLANEOUS REVENUE</b>			
Rental income		10,260	
Miscellaneous		18	
Reimbursements		12,352	
<b>Total miscellaneous revenue</b>	18,155	22,630	4,475
<b>Total revenues</b>	\$ 1,279,964	\$ 1,298,519	\$ 18,555

**NORTHFIELD TOWNSHIP**

**GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>TOWNSHIP BOARD</b>			
Fees	\$	\$ 10,000	\$
Payroll taxes		796	
Membership and dues		9,121	
Printing and publishing		7,606	
Transportation		10,000	
<b>Total township board</b>	<b>39,265</b>	<b>37,523</b>	<b>1,742</b>
<b>SUPERVISOR</b>			
Supervisor's salary		12,500	
Payroll taxes		956	
Miscellaneous		78	
<b>Total supervisor</b>	<b>14,877</b>	<b>13,534</b>	<b>1,343</b>
<b>TOWNSHIP MANAGER</b>			
Salaries		102,487	
Payroll taxes		12,244	
Insurance - benefits		2,475	
Pension		7,700	
Controller		56,059	
Contracted services		3,516	
Communication		655	
Training and development		698	
Personnel allocation		(41,091)	
<b>Total township manager</b>	<b>152,766</b>	<b>144,743</b>	<b>8,023</b>
<b>ELECTIONS</b>			
Fees		7,125	
Office supplies		1,915	
Contractual services		990	
Printing and postage		1,995	
<b>Total elections</b>	<b>16,950</b>	<b>12,025</b>	<b>4,925</b>



**NORTHFIELD TOWNSHIP**

**GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>CLERK</b>			
Clerk's salary		12,500	
Deputy clerk's salary		32,979	
Payroll taxes		3,691	
Insurance - benefits		1,743	
Recording secretary		5,945	
Miscellaneous		44	
Pension		2,705	
<b>Total clerk</b>	<b>64,476</b>	<b>59,607</b>	<b>4,869</b>
<b>BOARD OF REVIEW</b>			
Fees		969	
Recording secretary		1,520	
Payroll taxes		74	
Printing and publishing		640	
Tax tribunal and drains		7,580	
<b>Total board of review</b>	<b>24,153</b>	<b>10,783</b>	<b>13,370</b>
<b>TREASURER</b>			
Treasurer's salary		12,500	
Deputy/clerical salaries		58,090	
Payroll taxes		5,281	
Insurance - benefits		4,905	
Pension		4,368	
Legal fees		6,000	
Tax roll preparation		1,582	
Dues and subscriptions		100	
Postage		3,480	
Fuel and mileage		339	
Miscellaneous		2,775	
Personnel allocation		(16,490)	
<b>Total treasurer</b>	<b>84,127</b>	<b>82,930</b>	<b>1,197</b>

**NORTHFIELD TOWNSHIP**

**GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>ASSESSOR</b>			
Salaries		38,624	
Payroll taxes		2,955	
Insurance - benefits		23,170	
Pension		3,718	
Supplies		843	
Fuel and mileage		113	
Contracted services		58,705	
Postage and printing		3,329	
Dues		13	
<b>Total assessor</b>	<b>138,082</b>	<b>131,470</b>	<b>6,612</b>
<b>TOWNSHIP HALL AND GROUNDS</b>			
Salaries		5,730	
Payroll taxes		438	
Insurance		26,596	
PSB allocation		37,850	
Janitor fees		8,285	
Office supplies		10,724	
Telephone		7,776	
Postage		4,746	
Utilities		197	
Repairs and maintenance		25,202	
Tax chargebacks		666	
Miscellaneous		42	
Equipment rental		3,906	
<b>Total township hall and grounds</b>	<b>148,065</b>	<b>132,158</b>	<b>15,907</b>
<b>PROFESSIONAL FEES</b>	<b>67,200</b>	<b>66,374</b>	<b>826</b>
<b>COMMUNITY DEVELOPMENT</b>	<b>2,500</b>	<b>2,500</b>	

**NORTHFIELD TOWNSHIP**  
**GENERAL FUND**  
**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>ZONING AND PLANNING DEPARTMENTS</b>			
Board of appeals fees		2,700	
Salaries - recording secretary		4,925	
Payroll taxes		1,193	
Training and development		164	
Department allocation		5,530	
Planning commission fees		13,300	
Printing and publications		2,766	
Professional fees		50,443	
Zoning administration		2,778	
Code enforcement		14,043	
Fuel and mileage		517	
Supplies		65	
	<hr/>	<hr/>	<hr/>
<b>Total zoning and planning departments</b>	118,753	98,424	20,329
	<hr/>	<hr/>	<hr/>
<b>STREET LIGHTS</b>	37,020	35,419	1,601
	<hr/>	<hr/>	<hr/>
<b>ROADS</b>	132,250	132,155	95
	<hr/>	<hr/>	<hr/>
<b>COMMUNITY CENTER</b>			
Salaries		47,859	
Payroll taxes		3,571	
Insurance - benefits		8,954	
Pension		4,046	
Programs		18,150	
Janitorial service		3,190	
Senior nutrition		1,628	
Supplies		1,945	
Dues		255	
Telephone		2,027	
Printing and publications		1,786	
Insurance - general liability		1,345	
Utilities		2,648	
Repair and maintenance		2,744	
Small equipment		62	
	<hr/>	<hr/>	<hr/>
<b>Total community center</b>	105,083	100,210	4,873
	<hr/>	<hr/>	<hr/>

NORTHFIELD TOWNSHIP

GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SOLID WASTE MANAGEMENT	<u>4,000</u>	<u>4,000</u>	<u></u>
CONTINGENCY - LIENS	<u>2,275</u>	<u></u>	<u>2,275</u>
CAPITAL OUTLAY	<u>79,700</u>	<u>68,506</u>	<u>11,194</u>
RENT - PSB	<u>87,823</u>	<u>87,822</u>	<u>1</u>
Total expenditures	<u>\$ 1,319,365</u>	<u>\$ 1,220,183</u>	<u>\$ 99,182</u>

**BUILDING DEPARTMENT FUND**

**NORTHFIELD TOWNSHIP**  
**BUILDING DEPARTMENT FUND**  
**BALANCE SHEET**  
**JUNE 30, 2016**

**ASSETS**

Cash and investments	<u>\$ 102,943</u>
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**LIABILITIES**

Accounts payable	\$ 3,598
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**FUND BALANCE**

99,345

**Total liabilities and fund balance**

\$ 102,943

**NORTHFIELD TOWNSHIP**

**BUILDING DEPARTMENT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Building permit fees	\$	\$ 88,403	\$
Contractor's registration		2,550	
Other income		56	
	<b>88,890</b>	<b>91,009</b>	<b>2,119</b>
<b>EXPENDITURES</b>			
Inspections		50,956	
Other professional services		900	
Telephone		38	
Supplies		1,216	
Personnel allocation		15,613	
Controller		2,803	
	<b>75,144</b>	<b>71,526</b>	<b>3,618</b>
<b>Total expenditures</b>	<b>75,144</b>	<b>71,526</b>	<b>3,618</b>
<b>Net change in fund balance</b>	<b>13,746</b>	<b>19,483</b>	<b>5,737</b>
<b>FUND BALANCE, JULY 1, 2015</b>	<b>79,862</b>	<b>79,862</b>	
<b>FUND BALANCE, JUNE 30, 2016</b>	<b>\$ 93,608</b>	<b>\$ 99,345</b>	<b>\$ 5,737</b>

**FIRE FUND**



**NORTHFIELD TOWNSHIP**

**FIRE FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash and investments	\$ 535,786
Taxes	2,177
Prepaid expenses	499
Due from others	160
Due from other funds	<u>600</u>
<b>Total assets</b>	<b><u><u>\$ 539,222</u></u></b>

**LIABILITIES**

Accounts payable	\$ 3,460
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**FUND BALANCE**

Restricted - Fire	<u>535,762</u>
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<b>Total liabilities and fund balance</b>	<b><u><u>\$ 539,222</u></u></b>
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**NORTHFIELD TOWNSHIP**

**FIRE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$	\$ 632,874	\$
Charges for services		17,361	
Other income		7,296	
Contributions		1,000	
<b>Total revenues</b>	<u>647,873</u>	<u>658,531</u>	<u>10,658</u>
<b>EXPENDITURES</b>			
Salaries		266,888	
Payroll taxes		20,262	
Hospitalization		23,991	
Life insurance		845	
Pension		7,931	
Medical testing		949	
Uniforms		7,840	
Controller		7,007	
Audit fees		2,250	
Transportation		7,185	
Training and development		9,202	
Membership fees		1,430	
Contractual services		1,505	
Dispatch services		11,793	
Telephone		5,746	
Supplies		8,682	
Insurance and bonds		49,502	
Office overhead		37,848	
PSB lease		87,822	
Printing and postage		37	
Utilities		7,318	
Repairs and maintenance		32,172	
Debt - principal		45,856	
Debt - interest		2,269	
Tax chargebacks/drains		914	
Capital outlay		9,212	
Personnel allocation		(59,072)	
<b>Total expenditures</b>	<u>674,965</u>	<u>597,384</u>	<u>77,581</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(27,092)</u>	<u>61,147</u>	<u>88,239</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of assets	1,000	409	
Transfers in	25,000	25,000	
<b>Total other financing sources (uses)</b>	<u>26,000</u>	<u>25,409</u>	<u>(591)</u>
<b>Net change in fund balance</b>	<u>(1,092)</u>	<u>86,556</u>	<u>87,648</u>
<b>FUND BALANCE, JULY 1, 2015</b>	<u>449,206</u>	<u>449,206</u>	
<b>FUND BALANCE, JUNE 30, 2016</b>	<u>\$ 448,114</u>	<u>\$ 535,762</u>	<u>\$ 87,648</u>

**FIRE TRUCK FUND**

**NORTHFIELD TOWNSHIP**

**FIRE TRUCK FUND  
BALANCE SHEET  
JUNE 30, 2016**

**LIABILITIES**

Accounts payable

\$ 580

**FUND BALANCE (DEFICIT)**

(580)

**Total liabilities and fund balance**

\$

**NORTHFIELD TOWNSHIP**

**FIRE TRUCK FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

**REVENUES**

Interest income \$

**EXPENDITURES**

\_\_\_\_\_

**Net change in fund balance**

**FUND BALANCE (DEFICIT), JULY 1, 2015**

\_\_\_\_\_ (580)

**FUND BALANCE (DEFICIT), JUNE 30, 2016**

\$ (580)

**LAW ENFORCEMENT FUND**

**NORTHFIELD TOWNSHIP**

**LAW ENFORCEMENT FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash and investments		\$ 496,827
Accounts receivable		4,058
Taxes receivable		4,873
Due from other funds		1,367
Prepaid expenditures		<u>862</u>
<b>Total assets</b>		<b><u>\$ 507,987</u></b>

**LIABILITIES**

Accounts payable	\$ 5,612	
Due to others	<u>2,249</u>	
<b>Total liabilities</b>		<b>\$ 7,861</b>

**FUND BALANCE**

Restricted - law enforcement		<u>500,126</u>
<b>Total liabilities and fund balance</b>		<b><u>\$ 507,987</u></b>

**NORTHFIELD TOWNSHIP**

**LAW ENFORCEMENT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Taxes	\$	\$ 1,415,162	\$
Fines and court fees		19,740	
Traffic tickets and impound fees		2,320	
Liquor law license fees		3,165	
Contributions		1,500	
Charges for services		25,947	
Miscellaneous		4,516	
	1,470,285	1,472,350	2,065
<b>Total revenues</b>			
<b>EXPENDITURES</b>			
	1,509,272	1,478,413	30,859
<b>Excess of revenues over (under) expenditures</b>	(38,987)	(6,063)	32,924
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of assets	16,000	15,658	
Transfers in	35,000	35,000	
	51,000	50,658	(342)
<b>Total other financing sources (uses)</b>			
<b>Net change in fund balance</b>	12,013	44,595	32,582
<b>FUND BALANCE, JULY 1, 2015</b>	455,531	455,531	
<b>FUND BALANCE, JUNE 30, 2016</b>	\$ 467,544	\$ 500,126	\$ 32,582



**NORTHFIELD TOWNSHIP**  
**LAW ENFORCEMENT FUND**  
**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
Salaries	\$	\$ 784,515	\$
Payroll taxes		60,767	
Life insurance		7,646	
Medical testing		307	
Professional fees		42,850	
Pension		61,937	
Insurance - health		144,256	
Controller		7,007	
Membership dues		745	
Printing and postage		667	
Transportation		17,347	
Insurance and bonds		44,815	
Repairs and maintenance		16,650	
Telephone		14,390	
Supplies		4,732	
Equipment rental		1,379	
Office overhead		37,848	
PSB lease		87,822	
Contractual services		18,273	
Dispatch services		63,347	
Personnel allocation		59,072	
Tax chargebacks		2,041	
	<u>\$ 1,509,272</u>	<u>\$ 1,478,413</u>	<u>\$ 30,859</u>
<b>Total expenditures</b>			

**NARCOTICS FUND**

**NORTHFIELD TOWNSHIP**

**NARCOTICS FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash and investments	\$ 94,438
Prepaid expenses	<u>319</u>

<b>Total assets</b>	<b><u><u>\$ 94,757</u></u></b>
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**LIABILITIES**

Accrued expenses	\$ 613
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**FUND BALANCE**

Restricted - public safety	<u>94,144</u>
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<b>Total liabilities and fund balance</b>	<b><u><u>\$ 94,757</u></u></b>
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**NORTHFIELD TOWNSHIP**

**NARCOTICS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Forfeitures	\$ 92,000	\$ 92,543	\$ 543
<b>EXPENDITURES</b>			
Public safety projects		91,952	
Capital outlay		6,291	
<b>Total expenditures</b>	66,000	98,243	(32,243)
<b>Net change in fund balance</b>	26,000	(5,700)	(31,700)
<b>FUND BALANCE, JULY 1, 2015</b>	99,844	99,844	
<b>FUND BALANCE, JUNE 30, 2016</b>	\$ 125,844	\$ 94,144	\$ (31,700)

**FEDERAL NARCOTICS FUND**

**NORTHFIELD TOWNSHIP**

**FEDERAL NARCOTICS FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash and investments \$ 249,701

**LIABILITIES**

Accounts payable \$ 1,350  
Due to other funds 598

**Total liabilities** \$ 1,948

**FUND BALANCE**

Restricted - public safety 247,753

**Total liabilities and fund balance** \$ 249,701

**NORTHFIELD TOWNSHIP**

**FEDERAL NARCOTICS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Forfeitures	\$ 105,000	\$ 104,628	\$ (372)
<b>EXPENDITURES</b>			
Supplies - miscellaneous		18,790	
Capital outlay		162,997	
<b>Total expenditures</b>	<b>248,000</b>	<b>181,787</b>	<b>66,213</b>
<b>Excess of revenues over (under)         expenditures</b>	<b>(143,000)</b>	<b>(77,159)</b>	<b>65,841</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(35,000)	(35,000)	
<b>Net change in fund balance</b>	<b>(178,000)</b>	<b>(112,159)</b>	<b>65,841</b>
<b>FUND BALANCE, JULY 1, 2015</b>	<b>359,912</b>	<b>359,912</b>	
<b>FUND BALANCE, JUNE 30, 2016</b>	<b>\$ 181,912</b>	<b>\$ 247,753</b>	<b>\$ 65,841</b>

**PUBLIC CONTRIBUTIONS FUND**



**NORTHFIELD TOWNSHIP**  
**PUBLIC CONTRIBUTIONS FUND**  
**BALANCE SHEET**  
**JUNE 30, 2016**

**ASSETS**

Cash and investments

\$ 351

**FUND BALANCE**

\$ 351

**NORTHFIELD TOWNSHIP**

**PUBLIC CONTRIBUTIONS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$	\$	\$
EXPENDITURES	<u>4,950</u>	<u>4,812</u>	<u>138</u>
Net change in fund balance	(4,950)	(4,812)	138
 FUND BALANCE, JULY 1, 2015	 <u>5,163</u>	 <u>5,163</u>	 <u></u>
FUND BALANCE, JUNE 30, 2016	<u>\$ 213</u>	<u>\$ 351</u>	<u>\$ 138</u>

**DOWNTOWN DEVELOPMENT AUTHORITY FUND**

**NORTHFIELD TOWNSHIP**  
**DOWNTOWN DEVELOPMENT AUTHORITY FUND**  
**BALANCE SHEET**  
**JUNE 30, 2016**

**ASSETS**

Cash and investments

\$ 65,724

**FUND BALANCE**

Restricted - local improvement

\$ 65,724

**NORTHFIELD TOWNSHIP**

**DOWNTOWN DEVELOPMENT AUTHORITY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>	\$	\$	\$
<b>EXPENDITURES</b>			
Project fees	4,200	241	3,959
<b>Net change in fund balance</b>	(4,200)	(241)	3,959
<b>FUND BALANCE, JULY 1, 2015</b>	65,965	65,965	
<b>FUND BALANCE, JUNE 30, 2016</b>	\$ 61,765	\$ 65,724	\$ 3,959

**BUILDING AUTHORITY DEBT SERVICE FUND**

**NORTHFIELD TOWNSHIP**

**BUILDING AUTHORITY DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

**REVENUES**

Rental income \$ 263,466

**EXPENDITURES**

Debt service  
Principal 219,518  
Interest/fees 43,948

**Total expenditures** 263,466

**Net change in fund balance**

**FUND BALANCE, JULY 1, 2015**                     

**FUND BALANCE, JUNE 30, 2016** \$

**PUBLIC SAFETY BUILDING DEBT SERVICE FUND**



**NORTHFIELD TOWNSHIP**

**PUBLIC SAFETY BUILDING DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash and investments	\$ 12,402
Taxes receivable	1,005
Prepaid expenses	<u>105</u>

**Total assets** \$ 13,512

**LIABILITIES**

Accounts payable	\$ 6,590
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**FUND BALANCE**

Restricted - debt	<u>6,922</u>
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**Total liabilities and fund balance** \$ 13,512

**NORTHFIELD TOWNSHIP**  
**PUBLIC SAFETY BUILDING DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**REVENUES**

Property taxes	\$ 274,942
Other income	661
	275,603
<b>Total revenues</b>	<b>275,603</b>

**EXPENDITURES**

Supplies	925
Cleaning services	10,190
Contracted services	8,867
Telephone	4,162
Insurance	7,046
Utilities	61,907
Repairs and maintenance	26,303
Tax chargebacks	411
Bond - principal	235,000
Bond - interest	40,626
Overhead allocation	(113,546)
	281,891
<b>Total expenditures</b>	<b>281,891</b>

<b>Net change in fund balance</b>	(6,288)
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<b>FUND BALANCE, JULY 1, 2015</b>	13,210
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<b>FUND BALANCE, JUNE 30, 2016</b>	\$ 6,922
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**SEWAGE DISPOSAL SYSTEM FUND**

**NORTHFIELD TOWNSHIP**  
**SEWAGE DISPOSAL SYSTEM FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 694,078	
Sewer billings receivable	366,286	
Prepaid expenses	252	
Due from other funds	687	
Accrued interest receivable	1,563	
Other receivable	961	
<b>Total current assets</b>		\$ 1,063,827

**RESTRICTED ASSETS**

Cash, cash equivalents and investments - capital and debt	1,117,496	
Special assessments receivable	1,352,722	
<b>Total restricted assets</b>		2,470,218

**PLANT, PROPERTY AND EQUIPMENT**

Land	226,918	
Construction in progress	440,620	
Plant	2,229,393	
Plant expansion	11,472,114	
Equipment	1,210,484	
	15,579,529	
Less: accumulated depreciation	(6,523,021)	
<b>Net plant, property, and equipment</b>		9,056,508

<b>Total assets</b>		<b>\$ 12,590,553</b>
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**CURRENT LIABILITIES**

Accounts payable	\$ 16,544	
Accrued compensated absences	21,676	
Bonds payable - current portion	504,703	
<b>Total current liabilities</b>		\$ 542,923

**LONG-TERM LIABILITIES**

Bonds payable - less current portion		1,224,690
<b>Total liabilities</b>		1,767,613

**NET POSITION**

		10,822,940
<b>Total liabilities and net position</b>		<b>\$ 12,590,553</b>

**NORTHFIELD TOWNSHIP**  
**SEWAGE DISPOSAL SYSTEM FUND**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>OPERATING REVENUES</b>		
User charges		\$ 1,345,579
<b>OPERATING EXPENSES</b>		
Salaries and wages	\$ 265,611	
Payroll taxes	20,279	
Insurance - benefits	106,193	
Pension	24,684	
Training and development	670	
Testing	4,630	
Operating supplies	47,453	
Uniforms	1,178	
Professional services	70,055	
Membership and dues	620	
Contracted services	32,556	
Administration fees	37,500	
Telephone	5,701	
Transportation	4,768	
Printing and postage	2,461	
Insurance and bonds	21,112	
Utilities	93,616	
Repairs and maintenance	45,719	
Equipment rental	1,086	
Depreciation	<u>347,293</u>	
<b>Total operating expenses</b>		<u>1,133,185</u>
<b>Operating income</b>		212,394
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Interest income - cash and equivalents	5,346	
Interest - special assessments	48,103	
Net increase in the fair value of investments	1,865	
Other revenues	9,387	
Interest expense	(59,314)	
Special assessment revenue	800,000	
Agent fees	(1,062)	
Bond issuance costs	<u>(46,842)</u>	
<b>Total non-operating revenues and (expenses)</b>		<u>757,483</u>
<b>Net loss before capital contributions</b>		969,877
<b>CAPITAL CONTRIBUTIONS</b>		
Connection fees		<u>25,560</u>
<b>Change in net position</b>		995,437
<b>NET POSITION, JULY 1, 2015</b>		<u>9,827,503</u>
<b>NET POSITION, JUNE 30, 2016</b>		<u><u>\$ 10,822,940</u></u>

**NORTHFIELD TOWNSHIP**

**SEWAGE DISPOSAL SYSTEM FUND  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from customers	\$ 1,367,949
Cash payments to employees	(264,964)
Cash payments to suppliers of goods and services	<u>(553,858)</u>
<b>Net cash provided by operating activities</b>	<b>549,127</b>

**CASH FLOWS FROM CAPITAL  
AND RELATED FINANCING ACTIVITIES**

Bond proceeds	\$ 760,000
Connection fees received	25,560
Special assessments and interest received	304,711
Other revenue (expense)	9,387
Acquisition of capital assets	(643,732)
Repayment of principal on bonds/contracts	(742,701)
Investment purchase	<u>(922,305)</u>
<b>Net cash (used in) capital and related financing activities</b>	<b>(1,209,080)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on cash and cash equivalents	1,445
<b>Net (decrease) in cash and cash equivalents</b>	<b>(658,508)</b>

**CASH AND CASH EQUIVALENTS AT, JULY 1, 2015**

1,256,723

**CASH AND CASH EQUIVALENTS AT, JUNE 30, 2016**

\$ 598,215

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 212,394
Adjustments to reconcile operating income to net cash (used in) operating activities:	
Depreciation	\$ 347,293
Change in assets and liabilities:	
(Increase) decrease in receivables	22,370
(Increase) decrease in prepaid expenses	5,693
(Increase) decrease in other receivables	(1,545)
Increase in accounts payable/accrued compensated absences	<u>(37,078)</u>
<b>Total adjustments</b>	<u>336,733</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 549,127</u></u>

**CURRENT TAX COLLECTION FUND**

**NORTHFIELD TOWNSHIP**  
**CURRENT TAX COLLECTION FUND**  
**BALANCE SHEET**  
**JUNE 30, 2016**

**ASSETS**

Cash	\$ 1,232
Due from other funds	<u>41</u>
<b>Total assets</b>	<b><u><u>\$ 1,273</u></u></b>

**LIABILITIES**

Due to others	<b><u><u>\$ 1,273</u></u></b>
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**TRUST AND AGENCY FUND**

**NORTHFIELD TOWNSHIP**

**TRUST AND AGENCY FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash	\$ 48,271
Due from other funds	3,500
Due from others	<u>6,688</u>
<b>Total assets</b>	<b><u><u>\$ 58,459</u></u></b>

**LIABILITIES**

Due to other funds	\$ 10,720
Due to others	<u>47,739</u>
<b>Total liabilities</b>	<b><u><u>\$ 58,459</u></u></b>

**PAYROLL FUND**

**NORTHFIELD TOWNSHIP**

**PAYROLL FUND  
BALANCE SHEET  
JUNE 30, 2016**

**ASSETS**

Cash	\$	8,473
Due from other funds		25
Due from others		851
		<hr/>

**Total assets** \$ 9,349

**LIABILITIES**

Due to other funds	\$	2,386
Due to others		6,963
		<hr/>

**Total liabilities** \$ 9,349