

NORTHFIELD TOWNSHIP

Report on Audit of Financial Statements

For the Year Ended June 30, 2013

NORTHFIELD TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Marilyn Engstrom
Clerk - Shelle Manning
Treasurer - Kathy Braun

TOWNSHIP BOARD

Kathy Braun
Janet Chick
Marilyn Engstrom
Wayne Dockett
Shelle Manning
Jacquelyn Otto
Tracy Thomas

TOWNSHIP ATTORNEYS

Paul E. Burns

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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October 30, 2013

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

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township as of and for the year ended June 30, 2013, which collectively comprise Northfield Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township as of June 30, 2013, 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 48 - 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis June 30, 2013

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, 2013. 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.

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

Fund Financial Statements

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

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net 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 were \$15,597,952. This is a \$508,167 increase over last year's net position of \$15,089,785. 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	
	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Assets						
Current and other assets	\$ 2,913,304	\$ 2,616,708	\$ 4,045,086	\$ 4,346,824	\$ 6,958,390	\$ 6,963,532
Capital assets	<u>7,173,911</u>	<u>7,349,851</u>	<u>9,209,182</u>	<u>9,506,352</u>	<u>16,383,093</u>	<u>16,856,203</u>
Total assets	<u>10,087,215</u>	<u>9,966,559</u>	<u>13,254,268</u>	<u>13,853,176</u>	<u>23,341,483</u>	<u>23,819,735</u>
Liabilities						
Other liabilities	265,984	325,482	34,165	27,633	300,149	353,115
Long-term liabilities	<u>4,616,902</u>	<u>4,991,835</u>	<u>2,826,480</u>	<u>3,385,000</u>	<u>7,443,382</u>	<u>8,376,835</u>
Total liabilities	<u>4,882,886</u>	<u>5,317,317</u>	<u>2,860,645</u>	<u>3,412,633</u>	<u>7,743,531</u>	<u>8,729,950</u>
Net position:						
Invested in capital assets, net of debt	2,557,009	2,358,016	6,382,702	6,121,352	8,939,711	8,479,368
Restricted			2,830,878	3,077,509	2,830,878	3,077,509
Unrestricted	<u>2,647,320</u>	<u>2,291,226</u>	<u>1,180,043</u>	<u>1,241,682</u>	<u>3,827,363</u>	<u>3,532,908</u>
Total net position	<u>\$ 5,204,329</u>	<u>\$ 4,649,242</u>	<u>\$ 10,393,623</u>	<u>\$ 10,440,543</u>	<u>\$ 15,597,952</u>	<u>\$ 15,089,785</u>

	Summary of Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Revenues:						
Program revenues:						
Charges for services	\$ 649,103	\$ 615,395	\$ 1,180,697	\$ 1,122,630	\$ 1,829,800	\$ 1,738,025
Operating grants and contributions	20,859	10,948			20,859	10,948
Capital grants and contributions	68,591	98,130	7,100	28,400	75,691	126,530
General revenues:						
State shared revenues	604,327	592,068			604,327	592,068
Property taxes	2,482,426	2,585,926			2,482,426	2,585,926
Interest	10,296	13,240	115,424	220,912	125,720	234,152
Other	418,163	363,196	4,621		422,784	363,196
Net (decrease) in fair value of investments	(24,995)	93	(96,279)		(121,274)	93
Total revenues and transfers	4,228,770	4,278,996	1,211,563	1,371,942	5,440,333	5,650,938
Expenses						
General government	837,115	933,801			837,115	933,801
Fire protection	776,804	771,653			776,804	771,653
Police protection	1,542,208	1,500,416			1,542,208	1,500,416
Senior center/community development	128,132	161,389			128,132	161,389
Public works/roads	127,089	81,051			127,089	81,051
Interest on long-term debt	262,335	235,931	1,258,483		1,520,818	235,931
Sewer system				1,322,506		1,322,506
Total expenses	3,673,683	3,684,241	1,258,483	1,322,506	4,932,166	5,006,747
Changes in net position	555,087	594,755	(46,920)	49,436	508,167	644,191
Beginning net position	4,649,242	4,054,487	10,440,543	10,391,107	15,089,785	14,445,594
Ending net position	\$ 5,204,329	\$ 4,649,242	\$ 10,393,623	\$ 10,440,543	\$ 15,597,952	\$ 15,089,785

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$177,953. This is primarily due to significant less operating salaries.

The other major governmental funds of the Township are the Law Enforcement, Fire, Public Safety Debt Service and Building Authority Debt Service funds. The expenditures exceeded revenues for the Fire Fund due to less charges for services. The Law Enforcement Fund had revenues over expenditures primarily like last year.

The two debt service funds had large refunding bonds issued during the year making these major funds.

The Township's sole proprietary fund, the Sewage Disposal System Fund, reported net (loss) of \$46,920. The decrease is due to large unrealized investment losses and bond issuance costs.

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 \$76,141. 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 \$131,812 of capital assets. Acquisitions included two new public safety vehicles and project costs incurred on the non-motorized path.

The Township issued two separate bonds to refund a total of 4 separate previously issued bonds. The Township used these issuances to reduce the rate of interest. These issuances totaled \$5,345,000 across both the governmental and business-type funds.

Economic Conditions and Future Activities

After several years of decreases in which the Township experienced a drop from \$590,000 in 2007 to a low of \$524,000 in 2010 the Township has experienced two years of continued growth in state revenue sharing bringing them back to 2007 levels and anticipates the trend to continue into the next year where projections exceed \$600,000.

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, 2013**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<u>ASSETS</u>			
ASSETS			
Cash, cash equivalents and investments	\$ 2,680,471	\$ 875,645	\$ 3,556,116
Cash, cash equivalents and investments - restricted		1,611,758	1,611,758
Receivables			
Taxes	17,659		17,659
State shared revenues	102,206		102,206
Accounts	44,469	339,456	383,925
Interest	3,079	9,266	12,345
Special assessments - restricted		1,202,671	1,202,671
Prepaid expenses	20,421	6,290	26,711
Land contract receivable			
Current	3,214		3,214
Non-current	41,785		41,785
Capital assets, not being depreciated			
Non-depreciated	393,802	260,173	653,975
Depreciated, net	6,780,109	8,949,009	15,729,118
Total assets	10,087,215	13,254,268	23,341,483
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	117,114	21,666	138,780
Accrued compensated absences	148,870	12,499	161,369
Non-current liabilities			
Due within one year	465,279	613,458	1,078,737
Due beyond one year	4,151,623	2,213,022	6,364,645
Total liabilities	4,882,886	2,860,645	7,743,531
<u>NET POSITION</u>			
NET POSITION			
Invested in capital assets, net of related debt	2,557,009	6,382,702	8,939,711
Restricted for debt and capital		2,830,878	2,830,878
Unrestricted	2,647,320	1,180,043	3,827,363
Total net position	\$ 5,204,329	\$ 10,393,623	\$ 15,597,952

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

NORTHFIELD TOWNSHIP

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Contributions</u>
GOVERNMENTAL ACTIVITIES				
General government	\$ (837,115)	\$ 306,508	\$ 2,500	\$
Fire protection	(776,804)	10,045		
Police protection	(1,542,208)	292,750	18,223	
Community development	(8,300)		136	
Senior center/recreation	(119,832)	39,800		68,591
Public works/roads	(127,089)			
Interest on long-term debt	(262,335)			
Total governmental activities	<u>(3,673,683)</u>	<u>649,103</u>	<u>20,859</u>	<u>68,591</u>
BUSINESS-TYPE ACTIVITIES				
Sewer system	(1,258,483)	1,180,697		7,100
Total	<u>\$ (4,932,166)</u>	<u>\$ 1,829,800</u>	<u>\$ 20,859</u>	<u>\$ 75,691</u>

General revenues

- Property taxes
- States shared revenues
- Interest income - cash and equivalents
- Interest income - special assessments
- Franchise fees
- Rental income
- Other income
- Net (decrease) in the fair value of investments

Total general revenues

Changes in net position

Net position, July 1, 2012

Net position, June 30, 2013

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

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

Governmental Activities	Business-type Activities	Total
\$ (528,107)	\$	\$ (528,107)
(766,759)		(766,759)
(1,231,235)		(1,231,235)
(8,164)		(8,164)
(11,441)		(11,441)
(127,089)		(127,089)
(262,335)		(262,335)
<u>(2,935,130)</u>		<u>(2,935,130)</u>
	(70,686)	(70,686)
<u>(2,935,130)</u>	<u>(70,686)</u>	<u>(3,005,816)</u>
2,482,426		2,482,426
604,327		604,327
10,296	32,045	42,341
	83,379	83,379
88,812		88,812
296,527		296,527
32,824	4,621	37,445
(24,995)	(96,279)	(121,274)
<u>3,490,217</u>	<u>23,766</u>	<u>3,513,983</u>
555,087	(46,920)	508,167
<u>4,649,242</u>	<u>10,440,543</u>	<u>15,089,785</u>
<u>\$ 5,204,329</u>	<u>\$ 10,393,623</u>	<u>\$ 15,597,952</u>

FUND FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General	Fire Fund	Law Enforcement Fund
<u>ASSETS</u>			
ASSETS			
Cash and investments	\$ 1,236,849	\$ 432,986	\$ 546,020
Receivables			
Interest	3,079		
Taxes	2,578	4,030	9,020
State shared revenues	102,206		
Accounts	23,332		2,040
Library	44,999		
Due from other funds	26,370	808	
Prepaid expenditures	13,382	1,398	5,641
Total assets	\$ 1,452,795	\$ 439,222	\$ 562,721
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 45,083	\$ 6,220	\$ 31,543
Accrued compensated absences	4,889	13,882	119,213
Due to other funds	66		8,015
Due to others	6,003		
Total liabilities	56,041	20,102	158,771
FUND BALANCE			
Nonspendable - prepaid items	13,382	1,398	5,641
Nonspendable - library receivable	44,999		
Restricted - building department			
Restricted - fire		417,722	
Restricted - law enforcement			398,309
Restricted - community development			
Restricted - debt service			
Unassigned	1,338,373		
Total fund balances	1,396,754	419,120	403,950
Total liabilities and fund balances	\$ 1,452,795	\$ 439,222	\$ 562,721

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

Public Safety Building Debt Service Fund	Non-major Funds	Totals
\$ 67,385	\$ 397,231	\$ 2,680,471
		3,079
1,901	130	17,659
		102,206
		25,372
		44,999
		27,178
		20,421
<u>\$ 69,286</u>	<u>\$ 397,361</u>	<u>\$ 2,921,385</u>
\$ 12,535	\$ 15,730	\$ 111,111
	10,886	148,870
		8,081
		6,003
<u>12,535</u>	<u>26,616</u>	<u>274,065</u>
		20,421
		44,999
	39,421	39,421
	1,341	419,063
	238,261	636,570
	91,722	91,722
56,751		56,751
		1,338,373
<u>56,751</u>	<u>370,745</u>	<u>2,647,320</u>
<u>\$ 69,286</u>	<u>\$ 397,361</u>	<u>\$ 2,921,385</u>

NORTHFIELD TOWNSHIP

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013**

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

Total fund balance per balance sheet \$ 2,647,320

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds.

Historical cost \$ 10,741,210
Accumulated depreciation (3,567,299)

Capital assets net of accumulated depreciation 7,173,911

Some liabilities are not due and payable in the current period
and therefore are not reported in the funds. These include:

Long-term debt (4,616,902)

Net position of governmental activities \$ 5,204,329

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, 2013**

	General Fund	Fire Fund	Law Enforcement Fund
REVENUES			
Taxes	\$ 263,361	\$ 594,262	\$ 1,328,840
State shared revenues	604,327		
Grant income	68,591		13,873
Licenses and permits			2,589
Contributions	2,000		4,350
Rental income	13,566		
Franchise fees	88,812		
Charges for services	264,986	10,045	32,787
Fines and forfeitures			27,331
Interest	10,296		
Net (decrease) in the fair value of investments	(24,995)		
Miscellaneous			32,824
Total revenues	1,290,944	604,307	1,442,594
EXPENDITURES			
Current:			
General government	751,993		
Fire rescue		591,814	
Police protection			1,400,329
Senior citizens/recreation	111,830		
Roads	96,110		
Community development	5,950		
Public works	36,626		
Debt service:			
Principal		39,806	
Interest/fees		8,318	
Capital outlay:			
General government	6,586		
Police protection			
Public works	74,586		
Total expenditures	1,083,681	639,938	1,400,329
Excess of revenues over (under) expenditures	207,263	(35,631)	42,265
OTHER FINANCING SOURCES (USES)			
Bond proceeds			
Bond issuance costs			
Transfers in		29,310	42,500
Transfers (out)	(29,310)		
Total other financing sources (uses)	(29,310)	29,310	42,500
Net changes in fund balances	177,953	(6,321)	84,765
FUND BALANCE, JULY 1, 2012	1,218,801	425,441	319,185
FUND BALANCE, JUNE 30, 2013	\$ 1,396,754	\$ 419,120	\$ 403,950

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

Building Authority Debt Service Fund	Public Safety Building Debt Service Fund	Non-major Funds	Total
\$	\$ 295,963	\$	\$ 2,482,426
			604,327
			82,464
		55,452	58,041
		636	6,986
282,961			296,527
			88,812
	25,000	870	333,688
		230,043	257,374
			10,296
			(24,995)
			32,824
<u>282,961</u>	<u>320,963</u>	<u>287,001</u>	<u>4,228,770</u>
	25,258	40,537	817,788
		91	591,905
		46,355	1,446,684
			111,830
			96,110
		2,350	8,300
			36,626
2,628,279	2,590,000		5,258,085
94,682	85,536		188,536
			6,586
		50,640	50,640
			74,586
<u>2,722,961</u>	<u>2,700,794</u>	<u>139,973</u>	<u>8,687,676</u>
<u>(2,440,000)</u>	<u>(2,379,831)</u>	<u>147,028</u>	<u>(4,458,906)</u>
2,473,799	2,415,000		4,888,799
(33,799)	(40,000)		(73,799)
			71,810
		(42,500)	(71,810)
<u>2,440,000</u>	<u>2,375,000</u>	<u>(42,500)</u>	<u>4,815,000</u>
	(4,831)	104,528	356,094
	61,582	266,217	2,291,226
<u>\$</u>	<u>\$ 56,751</u>	<u>\$ 370,745</u>	<u>\$ 2,647,320</u>

NORTHFIELD TOWNSHIP

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

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

Net change in fund balances - governmental funds	\$ 356,094
--	------------

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

Capital outlay	\$ 131,813
Depreciation expense	<u>(307,753)</u>

Total	(175,940)
--------------	------------------

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	39,806
Bonds/contracts payable	<u>5,223,926</u>

Total	5,263,732
--------------	------------------

Proceeds from the issuance of debt is recorded as a financing source in the governmental funds, but is recorded as a liability in the Statement of Net Position.

Bond proceeds	<u>(4,888,799)</u>
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Change in net position of governmental activities	<u><u>\$ 555,087</u></u>
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The notes of the financial statements are an integral part of this statement.

NORTHFIELD TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

	<u>ASSETS</u>	<u>Sewage Disposal System Fund</u>
CURRENT ASSETS		
Cash, cash equivalents and investments	\$ 875,645	
Sewer billings receivable	333,993	
Interest receivable	9,266	
Due from other funds	5,463	
Prepaid expenses	6,290	
Total current assets		\$ 1,230,657
RESTRICTED ASSETS		
Cash, cash equivalents and investments - capital and debt	1,611,758	
Special assessments receivable - capital and debt	1,202,671	
Total restricted assets		2,814,429
PLANT, PROPERTY AND EQUIPMENT		
Non-depreciated	260,173	
Depreciated, net	8,949,009	
Net plant, property, and equipment		9,209,182
Total assets		<u>13,254,268</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	21,666	
Accrued compensated absences	12,499	
Contracts payable - current portion	613,458	
Total current liabilities		647,623
LONG-TERM LIABILITIES		
Contracts payable - less current portion		<u>2,213,022</u>
Total liabilities		<u>2,860,645</u>
<u>NET POSITION</u>		
NET POSITION		
Invested in capital assets, net of related debt	6,382,702	
Restricted for capital and debt	2,830,878	
Unrestricted	1,180,043	
Total net position		<u>\$ 10,393,623</u>

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, 2013**

		<u>Sewage Disposal System Fund</u>
OPERATING REVENUES		
User charges		\$ 1,180,697
OPERATING EXPENSES		
Salaries and wages	\$ 261,575	
Employee benefits/payroll taxes	110,766	
Depreciation	330,425	
Other operating expenses	408,075	
		<u>1,110,841</u>
Total operating expenses		<u>1,110,841</u>
Operating income		69,856
NON-OPERATING REVENUES AND (EXPENSES)		
Interest income - cash and equivalents	32,045	
Interest income - special assessments	83,379	
Net (decrease) in the fair value of investments	(96,279)	
Other revenues	4,621	
Interest expense	(140,395)	
Bond fees	(7,247)	
		<u>(123,876)</u>
Total non-operating revenues and (expenses)		<u>(123,876)</u>
Net income before capital contributions		(54,020)
CAPITAL CONTRIBUTIONS		
Connection fees		<u>7,100</u>
Change in net position		(46,920)
NET POSITION, JULY 1, 2012		<u>10,440,543</u>
NET POSITION, JUNE 30, 2013		<u><u>\$ 10,393,623</u></u>

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

NORTHFIELD TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Sewage Disposal System Fund
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Cash received from users	\$ 1,165,875
Cash payments to employees	(265,997)
Cash payments to suppliers	(508,737)
Cash receipts from other funds, net	6,620
Net cash provided by operating activities	397,761
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	
Bond proceeds	\$ 456,201
Connection fees received	7,100
Special assessments received	245,993
Interest/fees on long-term bonds	(147,642)
Acquisition of capital assets	(33,255)
Repayment of principal on bonds/contracts	(1,014,721)
Net cash (used in) capital and related financing activities	(486,324)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	
Interest on cash and cash equivalents	32,704
Purchase of investments, net	(57,335)
Net cash (used in) investing activities	(24,631)
Net decrease in cash and cash equivalents	(113,194)
CASH AND CASH EQUIVALENTS AT, JULY 1, 2012	791,187
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2013	\$ 677,993
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income	\$ 69,856
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	\$ 330,425
Other income	4,621
Change in assets and liabilities:	
Decrease in sewer billings receivable	(19,443)
Decrease in due from other funds	6,620
(Increase) in prepaid expenses	(850)
Increase in accounts payable/accrued compensated absences	6,532
Total adjustments	327,905
Net cash provided by operating activities	\$ 397,761

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

NORTHFIELD TOWNSHIP

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2013**

	Current Tax Collection Fund	Trust and Agency Fund	Payroll Fund	Totals
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 8,942	\$ 61,453	\$ 7,029	\$ 77,424
Due from other funds	48	251	7,782	8,081
Total assets	\$ 8,990	\$ 61,704	\$ 14,811	\$ 85,505
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 8,990	\$ 9,947	\$ 13,704	\$ 32,641
Due to others			1,107	1,107
Performance deposits		51,757		51,757
Total liabilities	\$ 8,990	\$ 61,704	\$ 14,811	\$ 85,505

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, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 & 63 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

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

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

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

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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 Building Authority Debt Service Fund account for the debt service related to the Public Safety Building Fund, and is financed through the rent charged to various Township departments utilizing the building.

The Public Safety Debt Service Fund accounts for the millage collected to pay for a portion of the Public Safety Building.

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, 2013**

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.

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

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. CAPITAL ASSETS

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

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property is considered 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, 2013**

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, 2013, expenditures exceeded appropriations in four functional activities.

F. PROPERTY TAXES

Property tax revenues are recognized in the fiscal year for which the taxes are levied. Property taxes are levied on December 1 each year. These taxes become liens on the property at that date. These taxes are due on February 14, with the final collection date of February 28. The delinquent real property taxes of Northfield Township are purchased by Washtenaw County. The county sold tax notes, the proceeds of which will be used to pay the Township for these property taxes. The 2012 adjusted taxable value of the Township totaled \$309,407,132. The Township levied the following millages during the current fiscal year ended June 30, 2013:

General Township	.7997
Fire	1.9240
Police	4.3022
Public safety building	<u>.9583</u>
Total millage	<u>7.9842</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 cost.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. CASH EQUIVALENTS

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

J. USE OF ESTIMATES

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

K. RISK MANAGEMENT

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

L. RECEIVABLES

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

M. EQUITY

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

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

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, 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, 2013 was \$45,000.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2013 was as follows:

	Balance 7/1/2012	Additions	Deletions	Balance 6/30/2013
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 312,630	\$ 6,586	\$ 11,440	\$ 319,216
Construction in progress	11,440	74,586	11,440	74,586
Total cost - assets not being depreciated	324,070	81,172	11,440	393,802
Capital assets being depreciated:				
Buildings	8,244,703	11,440		8,256,143
Equipment	2,040,625	50,640		2,091,265
Total cost (B)	10,285,328	62,080		10,347,408
Less accumulated depreciation for:				
Buildings	(1,703,766)	(174,006)		(1,877,772)
Equipment	(1,555,780)	(133,747)		(1,689,527)
Total accumulated depreciation	(3,259,546)	(307,753)		(3,567,299)
Capital assets being depreciated, net	7,025,782	(245,673)		6,780,109
Governmental activities capital assets, net	\$ 7,349,852	\$ (164,501)	\$ 11,440	\$ 7,173,911
Related long-term debt outstanding at June 30, 2013				(4,616,902)
Governmental activities capital assets, net of related long-term debt				\$ 2,557,009

(B) Assets being depreciated.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 4 - CAPITAL ASSETS - continued

	Balance 7/1/2012	Additions	Deletions	Balance 6/30/2013
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$	\$ 33,255	\$	\$ 33,255
Land	226,918			226,918
Total capital assets not being depreciated	226,918	33,255		260,173
Capital assets being depreciated:				
Plant and equipment	14,484,322			14,484,322
Less accumulated depreciation for:				
Plant and equipment	(5,204,888)	(330,425)		(5,535,313)
Capital assets being depreciated, net	9,279,434	(330,425)		8,949,009
Business-type activities capital assets, net	\$ 9,506,352	\$ (297,170)	\$	\$ 9,209,182
Less: related long-term debt outstanding as of June 30, 2013				(2,826,480)
Business-type activities capital assets net of related debt				\$ 6,382,702

Depreciation expense was distributed to the various activities as follows:

Governmental activities:	
General government	\$ 19,328
Fire protection and medical rescue	184,899
Police protection	95,524
Recreation	429
Senior center	7,573
Subtotal	307,753
 Business-type activities:	
Sewer service	330,425
Total	\$ 638,178

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - LONG-TERM DEBT

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

Capital Leases

1. On September 26, 2005 the Township entered into a lease agreement with Kansas State Bank of Manhattan to purchase two (2) fire trucks and refinance of a medical rescue truck. The Township is required to make annual payments in arrears of \$13,575 for the first three years and \$48,109 for the remaining seven years. At the end of the lease term title to all leased assets passes to the Township. Interest of 4.85% is being charged on the lease. The lease is scheduled to expire on October 1, 2015. The outstanding principal balance was \$131,382 at June 30, 2013.

Bonds Payable

1. Bonds payable for the financing of the construction costs for the public safety building. Principal payments ranging from \$50,000 to \$275,000 are due annually on April 1 and maturing on April 1, 2022. Interest is charged at 6.0% to 4.0%, payable semi-annually. This bond was refunded during the year.
2. Bonds payable for the financing of the construction costs for the public safety building. Principal payments ranging from \$75,000 to \$250,000 are due annually on April 1 and maturing on April 1, 2023. Interest is charged at 3.25% to 5.0%, payable semi-annually. This bond was refunded during the year.
3. Bonds payable for the financing of the construction costs for the public safety building. Principal payments ranging from \$15,000 to \$50,000 are due annually on April and maturing on April 1, 2023. Interest is charged at 3.10% to 5.10%, payable semi-annually. This bond was refunded during the year.
4. General Obligation Unlimited Tax Refunding bonds were issued on July 30, 2012 for \$2,415,000 to refund the 2001 bonds related to the financing of the public safety building. Principal payments range from \$215,000 to \$260,000 due annually in April and maturing on April 2022. Interest is charged at 2.35%, payable semi-annually. The outstanding balance of the bonds at June 30, 2013 was \$2,200,000.
5. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the public safety building as well as the Seven Mile sewer project. Principal payments range from \$223,000 to \$280,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The governmental fund outstanding balance of the bonds at June 30, 2013 was \$2,285,520.

Installment Obligations

1. Installment obligation payable to Ann Arbor Township to reimburse such Township for shared costs of a road repair project. Principal payments ranging between \$10,000 and \$5,647 are due annually on July 1 and the obligation will be fully satisfied on July 1, 2013. This obligation does not accrue interest. This debt was extinguished during this fiscal year.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - LONG-TERM DEBT - continued

Installment Obligations (continued)

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

	<u>Balance 7/1/2012</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/2013</u>	<u>Amount Due Within One Year</u>
Capitalized Lease					
Kansas State Bank	\$ 171,188	\$	\$ 39,806	\$ 131,382	\$ 41,737
Bonds Payable					
National City	2,375,000		2,375,000		
National City	2,100,000		2,100,000		
National City	340,000		340,000		
PNC Bank		2,415,000	215,000	2,200,000	235,000
PNC Bank		2,473,799	188,279	2,285,520	208,542
Total bonds payable	<u>4,815,000</u>	<u>4,888,799</u>	<u>5,218,279</u>	<u>4,485,520</u>	<u>443,542</u>
Installment Loans Payable					
Ann Arbor Township	5,647		5,647		
Governmental activities capital assets, net	<u>\$ 4,991,835</u>	<u>\$ 4,888,799</u>	<u>\$ 5,263,732</u>	<u>\$ 4,616,902</u>	<u>\$ 485,279</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - LONG-TERM DEBT - continued

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

	<u>Capitalized Leases</u>		<u>Bonds Payable</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending:						
2014	\$ 41,737	\$ 6,372	\$ 443,542	\$ 105,410	\$ 485,279	\$ 111,782
2015	43,761	4,348	441,853	94,987	485,614	99,335
2016	45,884	2,225	454,518	84,603	500,402	86,828
2017			445,297	73,922	445,297	73,922
2018			486,404	63,458	486,404	63,458
2019 - 2023			2,213,906	144,918	2,213,906	144,918
Totals	<u>\$ 131,382</u>	<u>\$ 12,945</u>	<u>\$ 4,485,520</u>	<u>\$ 567,298</u>	<u>\$ 4,616,902</u>	<u>\$ 580,243</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - LONG TERM DEBT - continued

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

1. Loan payable to Washtenaw County to finance the sanitary sewer system expansion at Seven Mile Road. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2006, and maturing on April 2022. Interest is paid semi-annually charged at 3.7% to 4.5%. These bonds were refunded during the year.
2. Loan payable to Michigan Municipal Bond Authority to finance the refunding bonds for the 1992 junior lien bonds originally issued in 1992. A net present value savings of \$84,344 was created by issuing these refunding bonds due to decline in interest rates. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2006, and maturing on April 2022. Interest is paid semi-annually charged at 2.0% to 4.5%. Outstanding balance of the bonds was \$375,000 at June 30, 2013.
3. Loan payable to Washtenaw County to finance the refunding bonds for the various expansion project bonds. A net present value savings of \$243,781 was created by issuing these refunding bonds due to decline in interest rates. Principal payable in annual installments ranging from \$485,000 to \$555,000 starting May 2008, and maturing on May 2017. Interest is paid semi-annually charged at 4.25%. Outstanding balance of the bonds was \$2,030,000 at June 30, 2013.
4. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the Public Safety Building as well as the Seven Mile Sewer Project. Principal payments range from \$223,000 to \$280,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The business-type fund outstanding balance portion of the bonds at June 30, 2013 was \$421,480.

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

Bonds Payable	Balance 7/1/2012	Additions	Deletions	Balance 6/30/2013	Amount Due Within One Year
Expansion - Seven Mile	\$ 450,000	\$	\$ 450,000	\$	\$
Expansion - Seven Mile refunding		456,201	34,721	421,480	38,458
Expansion - 2007 refunding	2,525,000		495,000	2,030,000	540,000
Michigan Municipal Bond Authority: 1992 junior lien refunding	410,000		35,000	375,000	35,000
Total business-type activities long-term debt	\$ 3,385,000	\$ 456,201	\$ 1,014,721	\$ 2,826,480	\$ 613,458

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - LONG TERM DEBT - continued

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

	Bonds Payable		
	Principal	Interest	Total
2014	\$ 613,458	\$ 112,918	\$ 726,376
2015	608,147	87,665	695,812
2016	635,482	62,631	698,113
2017	479,703	36,392	516,095
2018	88,596	16,739	105,335
2019 - 2023	401,094	37,299	438,393
Totals	\$ 2,826,480	\$ 353,644	\$ 3,180,124

NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN

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

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

Employer contributes	10% of wages
Employee contributes	<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, 2012 to June 30, 2013, is as follows:

Current year contributions	
Township portion	\$ 62,767
Employee portion	31,383
Total contributions	\$ 94,150

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 7 - DEFINED BENEFIT PENSION PLAN

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

As of December 31, 2012, the police department had twelve (12) covered employees. Covered payroll for the year then ended was \$519,348.

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

Employees contribute 5% of gross wages to the plan.

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

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

The pension benefit obligation was determined as part of an actuarial valuation of the plan as of December 31, 2010. Significant actuarial assumptions used in determining the pension benefit obligation include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.5% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year (annually) after retirement.

At December 31, 2012, the unfunded pension benefit obligation was \$26,628, determined as follows:

Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits	\$
Terminated employees not yet receiving benefits	157,983
Non-vested terminated employees	
Current employees	
Accumulated employee contribution, including allocated investment income	339,186
Employer financed	623,237
Total pension benefit obligation	<u>1,120,406</u>
Net position available for benefits, at cost (at market)	1,147,034
(Over) funded actuarial accrued liability	<u>\$ (26,628)</u>

The total Township contributions were \$48,601.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivables and payables exist at June 30, 2013. These represent short-term borrowings and amounts owed for reimbursements between other funds.

The following is a summary of the outstanding borrowings between the various funds of the Township:

	Interfund Receivable		Interfund Payable
General Fund	\$ 8,990	Current Tax Collection Fund	\$ 8,990
General Fund	7,433	Payroll Fund	7,433
General Fund	9,947	Trust and Agency Fund	9,947
Payroll Fund	7,782	Law Enforcement Fund	7,782
Medical Rescue Fund	808	Payroll Fund	808
Sewer Fund	5,463	Payroll Fund	5,463
Trust and Agency Fund	18	General Fund	18
Trust and Agency Fund	233	Law Enforcement Fund	233
Current Tax Collection Fund	48	General Fund	48
Total interfund balances	\$ 40,722		\$ 40,722

Interfund transfers for the year ended June 30, 2013 were as follows:

Transfer In	Transfer Out	Purpose	Amount
Fire Fund	General Fund	Pay operating expenditures	\$ 29,310
Law Enforcement Fund	Federal Narcotics Fund	Pay operating expenditures	35,000
Law Enforcement Fund	Narcotics Fund	Pay operating expenditures	7,500
			\$ 71,810

NOTE 9 - SEGMENT INFORMATION - BUSINESS-TYPE ACTIVITIES

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

	Fund
Operating revenues	\$ 1,180,697
Depreciation	330,425
Operating income	69,856
Net working capital	1,180,043
Total assets	13,254,268
Total fund equity	10,393,623

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 10 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

As of June 30, 2013 deposits and investments consist of the following:

Cash and cash equivalents:	
Checking accounts	\$ 2,897,958
Money market fund	325,506
	<hr/>
Total cash and investments	3,223,464
	<hr/>
Investments	
Negotiable certificates of deposit	282,192
Municipal bonds	110,564
Corporate bonds	98,350
U.S. Governmental securities	1,694,824
	<hr/>
Total investments	2,185,930
	<hr/>
Total cash, cash equivalents and investments	\$ 5,409,394
	<hr/> <hr/>

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

Statement of Net Assets:	
Cash, cash equivalents and investments	\$ 3,547,054
Restricted cash, cash equivalents and investments	1,627,848
	<hr/>
Total	5,174,902
	<hr/>
Fiduciary Funds	
Cash and cash equivalents	70,394
	<hr/>
Total cash, cash equivalents and investments	\$ 5,245,296
	<hr/> <hr/>

The carrying amount of cash, cash equivalents and investments is stated at \$5,245,296 as of June 30, 2013. The difference between the carrying amounts and the amounts mentioned above stem from cash on hand of \$600, outstanding checks and deposits of \$240,097 and deposits in transit of \$75,399.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 10 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Custodial Credit Risk

Deposits - This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township does not have a deposit policy for custodial credit risk. 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	\$	250,000
Insured by SIPC		250,000
Excess SIPC insurance		75,506
Uninsured and uncollateralized		2,647,958
Total	\$	3,223,464

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, 2013, the Township's investments were exposed to custodial credit risk as follows:

Insured by FDIC	\$	282,192
Insured by SIPC		250,000
Excess SIPC insurance		1,653,738
Total	\$	2,185,930

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

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

Concentration of Credit Risk

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

<u>Investment Type</u>	<u>Issuer</u>	<u>Percent of Portfolio</u>
US Agencies	Federal Home Loan Bank	34%
US Agencies	Federal National Mortgage Association	42%
Negotiable CD	Wells Fargo Bank	11%
Municipal Bond	Wayne County, MI	5%

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 10 - 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, 2013 the Township had the following investment maturities:

<u>Investment Type</u>	<u>Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
U.S. Agencies	\$ 1,694,824	\$	\$ 34,513	\$ 30,977	\$ 1,629,334
Negotiable CD's	282,192		35,235	246,957	
Municipal Bonds	110,564	110,564			
Corporate Bonds	98,350				98,350
	<u>\$ 2,185,930</u>	<u>\$ 110,564</u>	<u>\$ 69,748</u>	<u>\$ 277,934</u>	<u>\$ 1,727,684</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, 2013, the Township's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Rating by S & P</u>	<u>Amount</u>
Corporate Bond	AAA	\$ 98,350
Municipal Bond	BBB	110,564
Negotiable Certificates of Deposit	Unrated	282,192
Government Securities	AA+	1,694,824
		<u>\$ 2,185,930</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 11 - STATEMENT OF CASH FLOWS

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

	<u>6/30/2012</u>	<u>6/30/2013</u>
Current assets		
Cash and cash equivalents	<u>\$ 791,187</u>	<u>\$ 677,993</u>

NOTE 12 - 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 13 - ASSETS RESTRICTED FOR CAPITAL AND DEBT

Restricted assets in the Sewage Disposal System Fund as of June 30, 2013 consisted of the following:

	<u>Sewage Disposal System Fund</u>
Cash, cash equivalents and investments	\$ 1,611,758
Special assessment receivables	<u>1,219,120</u>
Total	<u><u>\$ 2,830,878</u></u>

NOTE 14 - SUBSEQUENT EVENT

From the period of July 1, 2013 to October 30, 2013 the fair market value of investments at Northfield Township decreased by \$176,274.

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, 2013**

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$	\$	\$ 263,361	\$
State shared revenues			604,327	
Charges for services			340,237	
Interest			10,296	
Net (decrease) in the fair value of investments			(24,995)	
Miscellaneous revenue			97,718	
Total revenues	<u>1,162,582</u>	<u>1,263,882</u>	<u>1,290,944</u>	<u>27,062</u>
EXPENDITURES				
Township board			28,450	
Supervisor			30,509	
Elections			11,884	
Clerk			60,676	
Township manager			37,584	
Board of review			10,699	
Treasurer			94,328	
Assessor			80,428	
Township hall and grounds			144,816	
Zoning and planning departments			64,887	
Professional fees			75,243	
Community development			5,950	
Roads			170,696	
Street lights			36,626	
Capital outlay			13,711	
Contingency - liens			11,044	
Rent - PSB			94,320	
Senior Center			111,830	
Total expenditures	<u>1,155,252</u>	<u>1,159,822</u>	<u>1,083,681</u>	<u>76,141</u>
Excess of revenues over (under) expenditures	7,330	104,060	207,263	103,203
OTHER SOURCES FINANCING (USES)				
Transfers (out)	<u>(25,000)</u>	<u>(29,310)</u>	<u>(29,310)</u>	
Net change in fund balance	(17,670)	74,750	177,953	103,203
FUND BALANCE, JULY 1, 2012	<u>1,218,201</u>	<u>1,218,801</u>	<u>1,218,801</u>	
FUND BALANCE, JUNE 30, 2013	<u>\$ 1,200,531</u>	<u>\$ 1,293,551</u>	<u>\$ 1,396,754</u>	<u>\$ 103,203</u>

NORTHFIELD TOWNSHIP

FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 594,262	\$
Charges for services			6,428	
Donations			3,617	
Total revenues	<u>602,150</u>	<u>604,750</u>	<u>604,307</u>	<u>(443)</u>
EXPENDITURES				
Salaries			279,269	
Payroll taxes			21,161	
Hospitalization			15,957	
Life insurance			949	
Pension			7,700	
Medical testing			689	
Uniforms			2,029	
Accounting services			7,800	
Audit fees			3,060	
Transportation			12,257	
Training and development			3,583	
Membership fees			1,575	
Contractual services			3,439	
Dispatch services			9,809	
Telephone			6,368	
Supplies			6,217	
Insurance and bonds			79,394	
Office overhead			42,945	
PSB lease			94,320	
Printing and postage			75	
Utilities			10,470	
Repairs and maintenance			31,096	
Debt - principal			39,806	
Debt - interest			8,318	
Tax chargebacks/drains			30	
Capital outlay			3,801	
Personnel allocation			(52,179)	
Total expenditures	<u>648,680</u>	<u>667,240</u>	<u>639,938</u>	<u>27,302</u>
Excess of revenues over (under) expenditures	(46,530)	(62,490)	(35,631)	26,859
OTHER SOURCES FINANCING (USES)				
Transfers in	<u>25,000</u>	<u>29,310</u>	<u>29,310</u>	
Net change in fund balance	(21,530)	(33,180)	(6,321)	26,859
FUND BALANCE, JULY 1, 2012	<u>425,441</u>	<u>425,441</u>	<u>425,441</u>	
FUND BALANCE, JUNE 30, 2013	<u>\$ 403,911</u>	<u>\$ 392,261</u>	<u>\$ 419,120</u>	<u>\$ 26,859</u>

NORTHFIELD TOWNSHIP

LAW ENFORCEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$	\$	\$ 1,328,840	\$
Fines and court fees			27,331	
Traffic tickets and impound fees			1,660	
Liquor law license fees			2,589	
Contributions			4,350	
Grant			13,873	
Charges for services			31,127	
Miscellaneous			32,824	
Total revenues	1,381,550	1,408,815	1,442,594	33,779
EXPENDITURES	1,365,498	1,434,578	1,400,329	34,249
Excess of revenues over (under) expenditures	16,052	(25,763)	42,265	68,028
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	35,000	42,500	7,500
Net change in fund balance	51,052	9,237	84,765	75,528
FUND BALANCE, JULY 1, 2012	319,185	319,185	319,185	
FUND BALANCE, JUNE 30, 2013	<u>\$ 370,237</u>	<u>\$ 328,422</u>	<u>\$ 403,950</u>	<u>\$ 75,528</u>

NORTHFIELD TOWNSHIP

**SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

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

POLICE EMPLOYEES

<u>Actuarial Valuation Date</u>	Actuarial	Actuarial	(Overfunded)	Funded	Covered	UAAL as a
	Value of	Accrued	Accrued	Ratio	Payroll	Percentage
	Assets	Liability (AAL)	(UAAL)			of Covered
						Payroll
December 31, 2006	\$ 401,658	\$ 559,388	\$ 157,730	71.8 %	\$ 544,569	29.0 %
December 31, 2007	\$ 504,152	\$ 628,353	\$ 124,201	80.2 %	\$ 526,406	23.6 %
December 31, 2008	\$ 612,725	\$ 795,570	\$ 182,845	77.0 %	\$ 580,748	31.5 %
December 31, 2009	\$ 746,968	\$ 844,450	\$ 97,482	88.5 %	\$ 580,250	16.8 %
December 31, 2010	\$ 886,790	\$ 931,684	\$ 44,894	95.2 %	\$ 541,276	8.3 %
December 31, 2011	\$ 1,020,012	\$ 1,010,034	\$ (9,978)	101.0 %	\$ 483,692	(2.1) %
December 31, 2012	\$ 1,147,034	\$ 1,120,406	\$ (26,628)	102.4 %	\$ 519,348	(5.1) %

No current actuarial data could be provided at the time of these financial statements.

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2013**

	Building Department Fund	Fire Fund	Fire Truck Fund	Law Enforcement Fund
<u>ASSETS</u>				
ASSETS				
Cash and investments	\$ 53,557	\$ 432,986	\$ 1,211	\$ 546,020
Taxes receivable		4,030	130	9,020
Accounts receivable - other				2,040
Due from other funds		808		
Prepaid expenditures		1,398		5,641
	\$ 53,557	\$ 439,222	\$ 1,341	\$ 562,721
Total assets	\$ 53,557	\$ 439,222	\$ 1,341	\$ 562,721
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 3,250	\$ 6,220	\$	\$ 31,543
Accrued compensated absences	10,886	13,882		119,213
Due to other funds				8,015
	14,136	20,102		158,771
Total liabilities	14,136	20,102		158,771
FUND BALANCE	39,421	419,120	1,341	403,950
Total liabilities and fund balance	\$ 53,557	\$ 439,222	\$ 1,341	\$ 562,721

<u>Narcotics Fund</u>	<u>Federal Narcotics Fund</u>	<u>Public Contribution Fund</u>	<u>Downtown Development Authority Fund</u>	<u>Totals</u>
\$ 34,179	\$ 216,562	\$ 500	\$ 91,222	\$ 1,376,237
				13,180
				2,040
				808
				7,039
<u>\$ 34,179</u>	<u>\$ 216,562</u>	<u>\$ 500</u>	<u>\$ 91,222</u>	<u>\$ 1,399,304</u>
\$	\$ 12,480	\$	\$	\$ 53,493
				143,981
				8,015
	12,480			205,489
<u>34,179</u>	<u>204,082</u>	<u>500</u>	<u>91,222</u>	<u>1,193,815</u>
<u>\$ 34,179</u>	<u>\$ 216,562</u>	<u>\$ 500</u>	<u>\$ 91,222</u>	<u>\$ 1,399,304</u>

NORTHFIELD TOWNSHIP

**COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2013**

	Current Tax Collection Fund	Trust and Agency Fund	Payroll Fund	Totals
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 8,942	\$ 61,453	\$ 7,029	\$ 77,424
Due from other funds	48	251	7,782	8,081
Total assets	\$ 8,990	\$ 61,704	\$ 14,811	\$ 85,505
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 8,990	\$ 9,947	\$ 13,704	\$ 32,641
Due to others			1,107	1,107
Performance deposits		51,757		51,757
Total liabilities	\$ 8,990	\$ 61,704	\$ 14,811	\$ 85,505

NORTHFIELD TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Building Department Fund	Fire Fund	Fire Truck Fund	Law Enforcement Fund
REVENUES				
Taxes	\$	\$ 594,262	\$	\$ 1,328,840
Fines and forfeits				27,331
Charges for services	870	10,045		32,787
Licenses and permits	55,452			2,589
Donations				4,350
Grant				13,873
Miscellaneous				32,824
Total revenues	56,322	604,307		1,442,594
EXPENDITURES				
General government	40,537			
Fire protection		591,814	91	
Police protection				1,400,329
Public works				
Debt service		48,124		
Total expenditures	40,537	639,938	91	1,400,329
Excess of revenues over (under) expenditures	15,785	(35,631)	(91)	42,265
OTHER FINANCING SOURCES (USES)				
Transfers in		29,310		42,500
Transfers (out)				
Total other financing sources (uses)		29,310		42,500
Net changes in fund balances	15,785	(6,321)	(91)	84,765
FUND BALANCE, JULY 1, 2012	23,636	425,441	1,432	319,185
FUND BALANCE, JUNE 30, 2013	\$ 39,421	\$ 419,120	\$ 1,341	\$ 403,950

Narcotics Fund	Federal Narcotics Fund	Public Contributions Fund	Downtown Development Authority Fund	Totals
\$ 4,988	\$ 225,055	\$	\$	\$ 1,923,102
				257,374
				43,702
				58,041
		500	136	4,986
				13,873
				32,824
<u>4,988</u>	<u>225,055</u>	<u>500</u>	<u>136</u>	<u>2,333,902</u>
				40,537
				591,905
3,484	93,511			1,497,324
			2,350	2,350
				48,124
<u>3,484</u>	<u>93,511</u>		<u>2,350</u>	<u>2,180,240</u>
<u>1,504</u>	<u>131,544</u>	<u>500</u>	<u>(2,214)</u>	<u>153,662</u>
				71,810
<u>(7,500)</u>	<u>(35,000)</u>			<u>(42,500)</u>
<u>(7,500)</u>	<u>(35,000)</u>			<u>29,310</u>
(5,996)	96,544	500	(2,214)	182,972
<u>40,175</u>	<u>107,538</u>		<u>93,436</u>	<u>1,010,843</u>
<u>\$ 34,179</u>	<u>\$ 204,082</u>	<u>\$ 500</u>	<u>\$ 91,222</u>	<u>\$ 1,193,815</u>

NORTHFIELD TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Building Authority	Public Safety Building	Total
REVENUES			
Property taxes	\$	\$ 295,963	\$ 295,963
Insurance claim		25,000	25,000
Rental income	282,961		282,961
Total revenues	282,961	320,963	603,924
EXPENDITURES			
Building overhead		25,258	25,258
Loan - principal	2,628,279	2,590,000	5,218,279
Loan - interest	94,682	85,536	180,218
Total expenditures	2,722,961	2,700,794	5,423,755
Excess of revenues over (under) expenditures	(2,440,000)	(2,379,831)	(4,819,831)
OTHER FINANCING SOURCES (USES)			
Bond issuance costs	(33,799)	(40,000)	(73,799)
Bond proceeds	2,473,799	2,415,000	4,888,799
Total other financing sources (uses)	2,440,000	2,375,000	4,815,000
Net changes in fund balances		(4,831)	(4,831)
FUND BALANCE, JULY 1, 2012		61,582	61,582
FUND BALANCE, JUNE 30, 2013	\$	\$ 56,751	\$ 56,751

INDIVIDUAL FUNDS

GENERAL FUND

NORTHFIELD TOWNSHIP

**GENERAL FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

ASSETS

Cash and investments	\$ 1,236,849
Interest receivable	3,079
Taxes receivable	2,578
State shared revenue receivable	102,206
Accounts receivable - other	23,332
Due from other funds	26,370
Prepaid expenditures	13,382
Land contract receivable - Northfield Township Area Library	44,999
	<hr/>
Total assets	\$ 1,452,795
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 45,083
Accrued compensated absences	4,889
Due to others	6,003
Due to other funds	66
	<hr/>
Total liabilities	\$ 56,041

FUND BALANCE

Nonspendable - prepaid items	13,382
Nonspendable - Library receivable	44,999
Unassigned	1,338,373
	<hr/>
Total fund balance	1,396,754
	<hr/>
Total liabilities and fund balance	\$ 1,452,795
	<hr/> <hr/>

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 245,500	\$ 263,361	\$ 17,861
State shared revenues	595,000	604,327	9,327
Charges for services	321,600	340,237	18,637
Interest	5,200	10,296	5,096
Net (decrease) in the fair value of investments		(24,995)	(24,995)
Miscellaneous revenue	96,582	97,718	1,136
Total revenues	<u>1,263,882</u>	<u>1,290,944</u>	<u>27,062</u>
EXPENDITURES			
Township board	31,280	28,450	2,830
Supervisor	30,680	30,509	171
Elections	11,545	11,884	(339)
Clerk	64,133	60,676	3,457
Township manager	40,241	37,584	2,657
Board of review	22,953	10,699	12,254
Treasurer	96,239	94,328	1,911
Assessor	85,454	80,428	5,026
Township hall and grounds	171,485	144,816	26,669
Zoning and planning departments	93,163	64,887	28,276
Professional fees	87,100	75,243	11,857
Community development	5,950	5,950	
Roads	153,100	170,696	(17,596)
Street lights	36,250	36,626	(376)
Capital outlay	14,240	13,711	529
Contingency - liens		11,044	(11,044)
Rent - PSB	96,368	94,320	2,048
Senior Center	119,641	111,830	7,811
Total expenditures	<u>1,159,822</u>	<u>1,083,681</u>	<u>76,141</u>
Excess of revenues over (under) expenditures	104,060	207,263	103,203
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(29,310)	(29,310)	
Net change in fund balance	74,750	177,953	103,203
FUND BALANCE, JULY 1, 2012	<u>1,218,801</u>	<u>1,218,801</u>	
FUND BALANCE, JUNE 30, 2013	<u>\$ 1,293,551</u>	<u>\$ 1,396,754</u>	<u>\$ 103,203</u>

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
TAXES	\$ 245,500	\$ 263,361	\$ 17,861
STATE SHARED REVENUES	595,000	604,327	9,327
CHARGES FOR SERVICES			
Tax administration fees		132,105	
Sewer administration		39,000	
Cablevision franchise fees		88,812	
Fiber footage fees		9,339	
Zoning fees		8,250	
Site plan reviews		6,010	
Split applications		650	
Mobile home park fees		2,457	
Summer tax collection fees		13,465	
Duplicating		349	
Senior citizens		39,800	
Total charges for services	321,600	340,237	18,637
INTEREST	5,200	10,296	5,096
GAIN (LOSS) ON INVESTMENTS		(24,995)	(24,995)
MISCELLANEOUS REVENUE			
Grant - pathway		68,591	
Other reimbursement		13,561	
Rental income		13,566	
Donations		2,000	
Total miscellaneous revenue	96,582	97,718	1,136
Total revenues	\$ 1,263,882	\$ 1,290,944	\$ 27,062

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 9,458	\$
Payroll taxes		724	
Insurance		86	
Pension		113	
Membership and dues		9,961	
Printing and publishing		5,244	
Miscellaneous		2,864	
	<u>31,280</u>	<u>28,450</u>	<u>2,830</u>
TOTAL township board			
SUPERVISOR			
Supervisor's salary		25,105	
Payroll taxes		1,220	
Insurance - benefits		2,395	
Pension		1,789	
	<u>30,680</u>	<u>30,509</u>	<u>171</u>
TOTAL supervisor			
TOWNSHIP MANAGER			
Salaries		8,292	
Payroll taxes		4,386	
Insurance - benefits		2,237	
Pension		829	
Controller		52,000	
Personnel allocation		(30,160)	
	<u>40,241</u>	<u>37,584</u>	<u>2,657</u>
TOTAL township manager			
ELECTIONS			
Fees		6,326	
Office supplies		2,634	
Printing and postage		2,924	
	<u>11,545</u>	<u>11,884</u>	<u>(339)</u>
TOTAL elections			

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
CLERK			
Clerk's salary		31,911	
Deputy clerk's salary		17,577	
Payroll taxes		3,786	
Insurance - benefits		261	
Pension		1,764	
Recording secretary		4,895	
Dues		180	
Miscellaneous		302	
Total clerk	64,133	60,676	3,457
BOARD OF REVIEW			
Fees		1,458	
Payroll taxes		112	
Tax tribunal and drains		9,129	
Total board of review	22,953	10,699	12,254
TREASURER			
Treasurer's salary		23,865	
Clerical salaries		54,780	
Payroll taxes		6,016	
Insurance - benefits		6,117	
Pension		5,445	
Legal fees		6,000	
Tax roll preparation		1,380	
Dues and subscriptions		100	
Postage		2,475	
Miscellaneous		858	
Personnel allocation		(12,708)	
Total treasurer	96,239	94,328	1,911

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
ASSESSOR			
Salaries		65,635	
Payroll taxes		5,003	
Insurance - benefits		887	
Pension		6,000	
Supplies		75	
Membership dues		390	
Transportation		339	
Postage		2,099	
Total assessor	85,454	80,428	5,026
TOWNSHIP HALL AND GROUNDS			
Salaries		5,080	
Payroll taxes		389	
Insurance - general liability		31,717	
PSB allocation		42,945	
Janitor fees		4,985	
Office supplies		7,716	
Telephone		5,213	
Postage		4,397	
Transportation		1,922	
Utilities		3,549	
Repairs and maintenance		29,455	
Tax chargebacks		57	
Training and development		3,481	
Equipment rental		3,910	
Total township hall and grounds	171,485	144,816	26,669

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
ZONING AND PLANNING DEPARTMENTS			
Board of appeals fees		2,000	
Salaries - recording secretary		4,240	
Payroll taxes		711	
Department allocation		6,354	
Planning commission fees		7,300	
Printing and publications		1,361	
Planning consultant		32,774	
Code enforcement		8,492	
Legal fees		1,655	
Total zoning and planning departments	93,163	64,887	28,276
PROFESSIONAL FEES	87,100	75,243	11,857
COMMUNITY DEVELOPMENT	5,950	5,950	
ROADS	153,100	170,696	(17,596)
STREET LIGHTS	36,250	36,626	(376)
CAPITAL OUTLAY	14,240	13,711	529
CONTINGENCY - LIENS		11,044	(11,044)
RENT - PSB	96,368	94,320	2,048

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
SENIOR CENTER			
Salaries		40,270	
Payroll taxes		3,339	
Insurance - benefits		10,524	
Pension		2,702	
Programs		30,043	
Janitorial service		6,970	
Supplies		1,063	
Dues		220	
Telephone		2,067	
Postage		846	
Printing		568	
Insurance - general liability		2,253	
Utilities		2,689	
Repair and maintenance		7,925	
Small equipment		351	
Total senior center	119,641	111,830	7,811
 Total expenditures	\$ 1,159,822	\$ 1,083,681	\$ 76,141

BUILDING DEPARTMENT FUND

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET
JUNE 30, 2013

ASSETS

ASSETS

Cash and cash equivalents	\$ 53,557
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 3,250
Accrued compensated absences	<u>10,886</u>

Total liabilities	\$ 14,136
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FUND BALANCE

Unreserved	<u>39,421</u>
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Total liabilities and fund balance	<u>\$ 53,557</u>
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NORTHFIELD TOWNSHIP

BUILDING DEPARTMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Building permit fees	\$	\$ 55,452	\$
Contractor's registration		870	
Total revenues	48,800	56,322	7,522
EXPENDITURES			
Inspections		30,316	
Other professional services		2,460	
Telephone		260	
Insurance - general and bonds		687	
Repairs and maintenance		610	
Personnel allocation		6,204	
Total expenditures	42,052	40,537	1,515
Net change in fund balance	6,748	15,785	9,037
FUND BALANCE, JULY 1, 2012	23,636	23,636	
FUND BALANCE, JUNE 30, 2013	\$ 30,384	\$ 39,421	\$ 9,037

FIRE FUND

NORTHFIELD TOWNSHIP

**FIRE FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

ASSETS

Cash and cash equivalents	\$	432,986
Taxes		4,030
Due from other funds		808
Prepaid expenditures		<u>1,398</u>
Total assets	\$	<u><u>439,222</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	6,220
Accrued compensated absences		<u>13,882</u>
Total liabilities	\$	20,102

FUND BALANCE

Nonspendable - prepaid items		1,398
Restricted - fire		<u>417,722</u>
Total fund balance		<u>419,120</u>
Total liabilities and fund balance	\$	<u><u>439,222</u></u>

NORTHFIELD TOWNSHIP

FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$	\$ 594,262	\$
Charges for services		6,428	
Insurance proceeds		3,617	
Total revenues	<u>604,750</u>	<u>604,307</u>	<u>(443)</u>
EXPENDITURES			
Salaries		279,269	
Payroll taxes		21,161	
Hospitalization		15,957	
Life insurance		949	
Pension		7,700	
Medical testing		689	
Uniforms		2,029	
Accounting services		7,800	
Audit fees		3,060	
Transportation		12,257	
Training and development		3,583	
Membership fees		1,575	
Contractual services		3,439	
Dispatch services		9,809	
Telephone		6,368	
Supplies		6,217	
Insurance and bonds		79,394	
Office overhead		42,945	
PSB lease		94,320	
Printing and postage		75	
Utilities		10,470	
Repairs and maintenance		31,096	
Debt - principal		39,806	
Debt - interest		8,318	
Tax chargebacks/drains		30	
Capital outlay		3,801	
Personnel allocation		(52,179)	
Total expenditures	<u>667,240</u>	<u>639,938</u>	<u>27,302</u>
Excess of revenues over (under) expenditures	<u>(62,490)</u>	<u>(35,631)</u>	<u>26,859</u>
OTHER FINANCING SOURCES			
Transfers in	<u>29,310</u>	<u>29,310</u>	
Net change in fund balance	<u>(33,180)</u>	<u>(6,321)</u>	<u>26,859</u>
FUND BALANCE, JULY 1, 2012	<u>425,441</u>	<u>425,441</u>	
FUND BALANCE, JUNE 30, 2013	<u>\$ 392,261</u>	<u>\$ 419,120</u>	<u>\$ 26,859</u>

FIRE TRUCK FUND

NORTHFIELD TOWNSHIP

**FIRE TRUCK FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

ASSETS

Cash	\$	1,211
Taxes receivable		<u>130</u>
Total assets	\$	<u><u>1,341</u></u>

FUND BALANCE

FUND BALANCE	\$	<u><u>1,341</u></u>
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NORTHFIELD TOWNSHIP

**FIRE TRUCK FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUES	\$
EXPENDITURES	
Miscellaneous	<u>91</u>
Net change in fund balance	(91)
FUND BALANCE, JULY 1, 2012	<u>1,432</u>
FUND BALANCE, JUNE 30, 2013	<u><u>\$ 1,341</u></u>

LAW ENFORCEMENT FUND

NORTHFIELD TOWNSHIP

**LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

ASSETS

Cash and cash investments	\$	546,020
Accounts receivable		2,040
Taxes receivable		9,020
Prepaid expenditures		<u>5,641</u>
Total assets	\$	<u>562,721</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	31,543
Accrued compensated absences		119,213
Due to funds		<u>8,015</u>
Total liabilities	\$	158,771

FUND BALANCE

Nonspendable prepaid items		5,641
Restricted - law enforcement		<u>398,309</u>
Total fund balance		<u>403,950</u>
Total liabilities and fund balance	\$	<u>562,721</u>

NORTHFIELD TOWNSHIP

LAW ENFORCEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,328,840	\$
Fines and court fees		27,331	
Traffic tickets and impound fees		1,660	
Liquor law license fees		2,589	
Contributions		4,350	
Grant		13,873	
Charges for services		31,127	
Miscellaneous		32,824	
Total revenues	1,408,815	1,442,594	33,779
EXPENDITURES			
	1,434,578	1,400,329	34,249
Excess of revenues over (under) expenditures	(25,763)	42,265	68,028
OTHER FINANCING SOURCES (USES)			
Transfers in	35,000	42,500	7,500
Net change in fund balance	9,237	84,765	75,528
FUND BALANCE, JULY 1, 2012	319,185	319,185	
FUND BALANCE, JUNE 30, 2013	\$ 328,422	\$ 403,950	\$ 75,528

NORTHFIELD TOWNSHIP
LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
Salaries	\$	\$ 695,525	\$
Payroll taxes		54,288	
Life insurance		7,743	
Medical testing		81	
Professional fees		42,660	
Pension		52,390	
Insurance - health		125,152	
Accountant		7,800	
Uniforms and gear		2,003	
Membership dues		1,248	
Printing and postage		434	
Transportation		32,616	
Insurance and bonds		33,979	
Repairs and maintenance		17,827	
Telephone		12,894	
Supplies		6,918	
Training and development		2,009	
Equipment rental		1,692	
Office overhead		42,945	
PSB lease		94,320	
Contractual services		17,571	
Dispatch services		63,347	
Grant costs		21,458	
Computer		2,416	
Capital outlay		8,573	
Personnel allocation		52,179	
Debt service - interest		261	
	<u>\$ 1,434,578</u>	<u>\$ 1,400,329</u>	<u>\$ 34,249</u>
Total expenditures			

NARCOTICS FUND

NORTHFIELD TOWNSHIP

**NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

ASSETS

Cash and cash equivalents

\$ 34,179

FUND BALANCE

FUND BALANCE

Restricted - public safety

\$ 34,179

NORTHFIELD TOWNSHIP

NARCOTICS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$ 5,000	\$ 4,988	\$ (12)
EXPENDITURES			
Public safety projects		3,374	
Miscellaneous		110	
Total expenditures	3,900	3,484	416
Excess of revenues over (under) expenditures	1,100	1,504	404
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(7,500)	(7,500)	
Net change in fund balance	(6,400)	(5,996)	404
FUND BALANCE, JULY 1, 2012	40,175	40,175	
FUND BALANCE, JUNE 30, 2013	\$ 33,775	\$ 34,179	\$ 404

FEDERAL NARCOTICS FUND

NORTHFIELD TOWNSHIP

**FEDERAL NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

ASSETS

Cash and cash equivalents	<u>\$ 216,562</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 12,480
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FUND BALANCE

Restricted - public safety	<u>204,082</u>
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Total liabilities and fund balance	<u><u>\$ 216,562</u></u>
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NORTHFIELD TOWNSHIP

FEDERAL NARCOTICS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$ 225,000	\$ 225,055	\$ 55
EXPENDITURES			
Supplies		918	
Capital outlay		92,593	
Total expenditures	94,411	93,511	900
Excess of revenues over (under) expenditures	130,589	131,544	955
OTHER FINANCING SOURCES (USES)			
Transfers out	(35,000)	(35,000)	
FUND BALANCE, JULY 1, 2012	107,538	107,538	
FUND BALANCE, JUNE 30, 2013	\$ 203,127	\$ 204,082	\$ 955

PUBLIC CONTRIBUTIONS FUND

NORTHFIELD TOWNSHIP
PUBLIC CONTRIBUTIONS FUND
BALANCE SHEET
JUNE 30, 2013

ASSETS

ASSETS

Cash and cash equivalents

\$ 500

FUND BALANCE

FUND BALANCE

\$ 500

NORTHFIELD TOWNSHIP

**PUBLIC CONTRIBUTIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUES	
Donations	\$ 500
EXPENDITURES	<hr/>
Net change in fund balance	500
FUND BALANCE, JULY 1, 2012	<hr/>
FUND BALANCE, JUNE 30, 2013	<u>\$ 500</u>

DOWNTOWN DEVELOPMENT AUTHORITY FUND

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
JUNE 30, 2013

ASSETS

ASSETS

Cash and cash equivalents

\$ 91,222

FUND BALANCE

FUND BALANCE

Restricted - local improvement

\$ 91,222

NORTHFIELD TOWNSHIP

**DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Donations	\$	\$ 136	\$ 136
EXPENDITURES			
Project fees		1,500	
Farmer's market		850	
Total expenditures	3,250	2,350	900
Net change in fund balance	(3,250)	(2,214)	1,036
FUND BALANCE, JULY 1, 2012	93,436	93,436	
FUND BALANCE, JUNE 30, 2013	\$ 90,186	\$ 91,222	\$ 1,036

BUILDING AUTHORITY DEBT SERVICE FUND

NORTHFIELD TOWNSHIP

**BUILDING AUTHORITY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Rental income	\$ 282,961	\$ 282,961	\$
EXPENDITURES			
Debt service			
Principal		2,628,279	
Interest/fees		94,682	
Total expenditures	2,722,961	2,722,961	
Excess of revenues over (under) expenditures	(2,440,000)	(2,440,000)	
OTHER FINANCING SOURCES (USES)			
Bond issuance costs	(33,799)	(33,799)	
Bond proceeds	2,473,799	2,473,799	
Total other financing sources (uses)	2,440,000	2,440,000	
Net change in fund balance			
FUND BALANCE, JULY 1, 2012			
FUND BALANCE, JUNE 30, 2013	\$	\$	\$

PUBLIC SAFETY BUILDING DEBT SERVICE FUND

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2013

ASSETS

ASSETS

Cash	\$ 67,385
Taxes receivable	1,901
	<hr/>
Total assets	\$ 69,286
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 12,535
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FUND BALANCE

Restricted - debt	56,751
	<hr/>
Total liabilities and fund balance	\$ 69,286
	<hr/> <hr/>

NORTHFIELD TOWNSHIP
PUBLIC SAFETY BUILDING DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

REVENUES

Property taxes	\$ 295,963
Insurance proceeds	25,000
	320,963
Total revenues	320,963

EXPENDITURES

Supplies	983
Cleaning services	10,335
Contracted services	8,139
Telephone	3,437
Insurance	7,051
Utilities	86,919
Repairs and maintenance	37,146
Tax chargebacks	83
Bond - principal	2,590,000
Bond - interest	85,536
Overhead allocation	(128,835)
	2,700,794
Total expenditures	2,700,794

Excess of revenues over (under) expenditures	(2,379,831)
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OTHER FINANCING SOURCES (USES)

Bond issuance costs	(40,000)
Bond proceeds	2,415,000
	2,375,000
Total other financing sources (uses)	2,375,000

Net change in fund balance	(4,831)
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FUND BALANCE, JULY 1, 2012	61,582
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FUND BALANCE, JUNE 30, 2013	\$ 56,751
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SEWAGE DISPOSAL SYSTEM FUND

NORTHFIELD TOWNSHIP

**SEWAGE DISPOSAL SYSTEM FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

CURRENT ASSETS

Cash, cash equivalents and investments	\$ 875,645	
Sewer billings receivable	333,993	
Interest receivable	9,266	
Due from other funds	5,463	
Prepaid expenses	6,290	
Total current assets		\$ 1,230,657

RESTRICTED ASSETS

Cash, cash equivalents and investments capital and debt	1,611,758	
Special assessments receivable	1,202,671	
Total restricted assets		2,814,429

PLANT, PROPERTY AND EQUIPMENT

Construction in progress	33,255	
Land	226,918	
Plant	2,229,393	
Plant expansion	11,332,596	
Equipment	922,333	
	14,744,495	
Less: accumulated depreciation	(5,535,313)	
Net plant, property, and equipment		9,209,182
Total assets		<u>\$ 13,254,268</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 21,666	
Accrued compensated absences	12,499	
Bonds payable - current portion	613,458	
Total current liabilities		\$ 647,623

LONG-TERM LIABILITIES

Bonds payable - less current portion		2,213,022
Total liabilities		2,860,645

NET ASSETS

Total liabilities and fund equity		<u>\$ 13,254,268</u>
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NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

OPERATING REVENUES		
User charges		\$ 1,180,697
OPERATING EXPENSES		
Salaries and wages	\$ 261,575	
Payroll taxes	20,349	
Insurance - benefits	67,971	
Pension	22,446	
Training and development	520	
Testing	2,825	
Operating supplies	55,713	
Uniforms	3,835	
Professional services	23,980	
Membership and dues	144	
Contracted services	52,672	
Administration fees	35,000	
Telephone	5,030	
Transportation	5,854	
Printing and postage	2,668	
Insurance and bonds	23,379	
Utilities	113,115	
Repairs and maintenance	82,254	
Equipment rental	1,086	
Depreciation	<u>330,425</u>	
Total operating expenses		<u>1,110,841</u>
Operating income		69,856
NON-OPERATING REVENUES AND (EXPENSES)		
Interest income - cash and equivalents	32,045	
Interest - special assessments	83,379	
Net (decrease) in the fair value of investments	(96,279)	
Other revenues	4,621	
Interest expense	(140,395)	
Bond fees	<u>(7,247)</u>	
Total non-operating revenues and (expenses)		<u>(123,876)</u>
Net income before capital contributions		(54,020)
CAPITAL CONTRIBUTIONS		
Connection fees		<u>7,100</u>
Change in net position		(46,920)
NET ASSETS, JULY 1, 2012		<u>10,440,543</u>
NET ASSETS, JUNE 30, 2013		<u><u>\$ 10,393,623</u></u>

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income		\$ 69,856
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	\$ 330,425	
Other revenues	4,621	
Changes in assets and liabilities		
(Increase) in sewer billings receivable	(19,443)	
Decrease in due from other funds	6,620	
(Increase) in prepaid expenses	(850)	
Increase in accounts payable/accrued compensated absences	6,532	
Total adjustments		327,905
Net cash provided by operating activities		397,761

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

Bond proceeds	456,201	
Connection fees received	7,100	
Special assessments received	245,993	
Interest and fees paid on long-term bonds	(147,642)	
Acquisition of capital assets	(33,255)	
Repayment of principal on bonds	(1,014,721)	
Net cash (used in) capital and related financing activities		(486,324)

CASH FLOWS (USED IN) BY INVESTING ACTIVITIES

Interest on cash and cash equivalents	32,704	
Sale of investments	(57,335)	
Net cash (used in) investing activities		(24,631)

Net decrease in cash and cash equivalents (113,194)

CASH AND CASH EQUIVALENTS AT JULY 1, 2012 791,187

CASH AND CASH EQUIVALENTS AT JUNE 30, 2013 \$ 677,993

CURRENT TAX COLLECTION FUND

NORTHFIELD TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2013

ASSETS

ASSETS

Cash and equivalents	\$ 8,942
Due from other funds	<u>48</u>
Total assets	<u><u>\$ 8,990</u></u>

LIABILITIES

LIABILITIES

\$ 8,990

TRUST AND AGENCY FUND

NORTHFIELD TOWNSHIP

**TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2013**

ASSETS

ASSETS

Cash and cash equivalents	\$ 61,453
Due from other funds	<u>251</u>
Total assets	<u><u>\$ 61,704</u></u>

LIABILITIES

LIABILITIES

Due to other funds	\$ 9,947
Due to others	<u>51,757</u>
Total liabilities	<u><u>\$ 61,704</u></u>

PAYROLL FUND

NORTHFIELD TOWNSHIP

PAYROLL FUND
BALANCE SHEET
JUNE 30, 2013

ASSETS

ASSETS

Cash	\$ 7,029
Due from other funds	7,782
	<hr/>
Total assets	\$ 14,811
	<hr/> <hr/>

LIABILITIES

LIABILITIES

Due to other funds	\$ 13,704
Due to others	1,107
	<hr/>
Total liabilities	\$ 14,811
	<hr/> <hr/>