

NORTHFIELD TOWNSHIP

Report on Audit of Financial Statements

For the Year Ended June 30, 2017

NORTHFIELD TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Marlene Chockley
Clerk - Kathy Manley
Treasurer - Lenore Zelenock

TOWNSHIP BOARD

Tawn Beliger
Janet Chick
Marlene Chockley
Wayne Dockett
Kathy Manley
Jacquelyn Otto
Lenore Zelenock

TOWNSHIP ATTORNEYS

Paul E. Burns

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

November 28, 2017

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, Michigan, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northfield Township, Michigan, as of June 30, 2017, 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 54 - 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis June 30, 2017

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, 2017. 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 sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

Fund Financial Statements

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

The Township has three kinds of funds:

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

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

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

Notes to the financial statements

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

Other information

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

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

Financial Analysis of the Township as a Whole

The Township's net position at the end of the fiscal year was \$18,165,266. This is a \$531,084 increase over last year's net position of \$17,634,182. 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>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Assets						
Current and other assets	\$ 3,016,158	\$ 3,288,876	\$ 3,390,071	\$ 3,534,045	\$ 6,406,229	\$ 6,822,921
Capital assets	7,634,588	7,055,815	8,903,481	9,056,508	16,538,069	16,112,323
Total assets	<u>10,650,746</u>	<u>10,344,691</u>	<u>12,293,552</u>	<u>12,590,553</u>	<u>22,944,298</u>	<u>22,935,244</u>
Deferred outflows of resources						
Pension	134,285	269,017			134,285	269,017
Liabilities						
Other liabilities	825,613	656,859	119,365	38,220	944,978	695,079
Long-term liabilities	2,700,310	3,145,607	1,224,690	1,729,393	3,925,000	4,875,000
Total liabilities	<u>3,525,923</u>	<u>3,802,466</u>	<u>1,344,055</u>	<u>1,767,613</u>	<u>4,869,978</u>	<u>5,570,079</u>
Deferred inflows of resources						
Pension	43,339				43,339	
Net position:						
Invested in capital assets, net of debt	4,934,278	3,910,208	7,678,791	7,327,115	12,613,069	11,237,323
Restricted	1,337,695	1,248,417	2,061,651	2,470,218	3,399,346	3,718,635
Unrestricted	943,796	1,652,617	1,209,055	1,025,607	2,152,851	2,678,224
Total net position	<u>\$ 7,215,769</u>	<u>\$ 6,811,242</u>	<u>\$ 10,949,497</u>	<u>\$ 10,822,940</u>	<u>\$ 18,165,266</u>	<u>\$ 17,634,182</u>

Summary of Changes in Net Position

	Governmental		Business-type		Total	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Revenues:						
Program revenues:						
Charges for services	\$ 505,407	\$ 402,857	\$ 1,356,181	\$ 2,145,579	\$ 1,861,588	\$ 2,548,436
Operating grants and contributions	287,057	1,500			287,057	1,500
Capital grants and contributions			28,400	25,560	28,400	25,560
General revenues:						
State shared revenues	731,574	649,431			731,574	649,431
Property taxes	2,641,385	2,586,008			2,641,385	2,586,008
Interest	2,377	1,007	75,200	55,314	77,577	56,321
Other	369,173	502,300	5,589	9,387	374,762	511,687
Gain on sale of assets		11,740				11,740
Total revenues	4,536,973	4,154,843	1,465,370	2,235,840	6,002,343	6,390,683
Expenses						
General government	993,629	967,539			993,629	967,539
Fire protection	949,852	675,496			949,852	675,496
Police protection	1,790,994	1,776,194			1,790,994	1,776,194
Community center/community development	147,549	140,639			147,549	140,639
Public works/roads	176,469	167,815			176,469	167,815
Interest on long-term debt	73,953	86,843			73,953	86,843
Sewer system			1,338,813	1,240,403	1,338,813	1,240,403
Total expenses	4,132,446	3,814,526	1,338,813	1,240,403	5,471,259	5,054,929
Changes in net position	404,527	340,317	126,557	995,437	531,084	1,335,754
Beginning net position	6,811,242	6,470,925	10,822,940	9,827,503	17,634,182	16,298,428
Ending net position	\$ 7,215,769	\$ 6,811,242	\$ 10,949,497	\$ 10,822,940	\$ 18,165,266	\$ 17,634,182

Financial Analysis of the Township’s Funds

The Township’s General Fund had expenditures over revenues totaling \$814,151. This is due to large expenses for roads and pathways. The General Fund also made a large transfer to the Fire Fund.

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

The revenues exceeded expenditures for the Fire Fund in the amount of \$297,196 which is a large increase compared to the prior year. This is due to a large grant and a large transfer in.

The Law Enforcement Fund had revenues over expenditures of \$26,090 which is a smaller increase compared to last year. This is due to an increase in tax revenue and a reimbursement from the State for personal property taxes.

The Township’s sole proprietary fund, the Sewage Disposal System Fund, reported net gain of \$126,557. The slight increase is due to a slight increase in billings and SAD interest.

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 \$174,663. 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 \$881,854 of capital assets. Acquisitions included:

\$	360,728	Land purchase
	336,436	Non-motorized trail (construction in progress)
	184,690	Equipment

Additionally, the Township acquired land worth \$72,235 at no cost to the Township.

The business-type funds spent \$196,711 to complete a sewer expansion project that was classified as construction in progress in the prior year. The sewer expansion project was completed during the year and capitalized at a total cost of \$637,331. This expansion relates to the Whitmore Lake SAD charges.

The governmental funds made debt payments of \$445,297 during the year making the total outstanding of \$2,700,310.

The business-type funds made debt payments of \$504,703 during the year making the total outstanding of \$1,224,690.

Economic Conditions and Future Activities

After several years of fluctuations in State Shared Revenues, the Township saw an increase of 6% this year. The Township also saw a new source of State revenue for delinquent tax reimbursement of \$45,972.

Management is hopeful taxable values continue to increase as they have this year.

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, 2017**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 2,710,874	\$ 912,902	\$ 3,623,776
Cash and investments - restricted		917,250	917,250
Receivables			
Taxes	10,569		10,569
State shared revenues	118,063		118,063
Accounts	24,396	411,887	436,283
Interest	396		396
Special assessments - restricted		1,144,401	1,144,401
Prepaid expenses	123,348		123,348
Intergovernmental	(3,631)	3,631	
Land contract receivable			
Current	3,214		3,214
Non-current	28,929		28,929
Capital assets, not being depreciated			
Non-depreciated	1,189,667	226,918	1,416,585
Depreciated, net	6,444,921	8,676,563	15,121,484
Total assets	10,650,746	12,293,552	22,944,298
DEFERRED OUTFLOW OF RESOURCES			
Pension investment activities	52,575		52,575
Pension change in actuarial assumptions	50,444		50,444
Pension contributions	31,266		31,266
Total deferred outflow of resources	134,285		134,285
DEFERRED INFLOW OF RESOURCES			
Pension expense	43,339		43,339
LIABILITIES			
Accounts payable	386,620	83,248	469,868
Accrued compensated absences	226,267	36,117	262,384
Net pension liability	212,726		212,726
Long term obligations			
Due within one year	486,404	113,596	600,000
Due beyond one year	2,213,906	1,111,094	3,325,000
Total liabilities	3,525,923	1,344,055	4,869,978
NET POSITION			
Invested in capital assets, net of related debt	4,934,278	7,678,791	12,613,069
Restricted	1,337,695	2,061,651	3,399,346
Unrestricted	943,796	1,209,055	2,152,851
Total net position	\$ 7,215,769	\$ 10,949,497	\$ 18,165,266

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

NORTHFIELD TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ (993,629)	\$ 451,592	\$	\$	\$ (542,037)	\$	\$ (542,037)
Fire protection	(949,852)	20,631	285,557		(643,664)		(643,664)
Police protection	(1,790,994)	33,184	1,500		(1,756,310)		(1,756,310)
Community development	(2,500)				(2,500)		(2,500)
Community center/recreation	(145,049)				(145,049)		(145,049)
Public works/roads	(176,469)				(176,469)		(176,469)
Interest on long-term debt	(73,953)				(73,953)		(73,953)
Total governmental	(4,132,446)	505,407	287,057		(3,339,982)		(3,339,982)
BUSINESS-TYPE ACTIVITIES							
Sewer system	(1,338,813)	1,356,181		28,400		45,768	45,768
Total	\$ (5,471,259)	\$ 1,861,588	\$ 287,057	\$ 28,400	(3,339,982)	45,768	(3,294,214)
General revenues							
Property taxes					2,641,385		2,641,385
State revenue sources					731,574		731,574
Interest income - cash and equivalents					2,377	2,631	5,008
Interest income - special assessments						72,569	72,569
Franchise fees					97,249		97,249
Rental income					21,160		21,160
Fines and forfeitures					130,081		130,081
Other income					48,448	5,589	54,037
Donated assets					72,235		72,235
Total general revenues					3,744,509	80,789	3,825,298
Changes in net position					404,527	126,557	531,084
Net position, July 1, 2016					6,811,242	10,822,940	17,634,182
Net position, June 30, 2017					\$ 7,215,769	\$ 10,949,497	\$ 18,165,266

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

FUND FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Law Enforcement Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ 858,482	\$ 828,728	\$ 521,821	\$ 501,843	\$ 2,710,874
Receivables					
Taxes receivable	1,641	2,412	5,423	1,093	10,569
State shared revenues	118,063				118,063
Accounts	23,816			580	24,396
Interest	396				396
Library	32,143				32,143
Due from other funds	1,494	11,282	25,228	4,963	42,967
Prepaid expenditures	122,551	319		478	123,348
Total assets	<u>\$ 1,158,586</u>	<u>\$ 842,741</u>	<u>\$ 552,472</u>	<u>\$ 508,957</u>	<u>\$ 3,062,756</u>
LIABILITIES					
Accounts payable	\$ 322,920	\$ 9,783	\$ 24,525	\$ 26,447	\$ 383,675
Due to other funds	45,130			1,494	46,624
Due to others	1,188		1,731		2,919
Total liabilities	<u>369,238</u>	<u>9,783</u>	<u>26,256</u>	<u>27,941</u>	<u>433,218</u>
FUND BALANCE					
Nonspendable - prepaid items	122,551	319		478	123,348
Nonspendable - library receivable	32,143				32,143
Restricted - fire		530,768			530,768
Restricted - law enforcement			526,216	251,198	777,414
Restricted - community development				27,932	27,932
Restricted - debt service				1,581	1,581
Committed - building department				167,560	167,560
Assigned for future budget deficit		301,871		32,267	334,138
Unassigned	634,654				634,654
Total fund balances	<u>789,348</u>	<u>832,958</u>	<u>526,216</u>	<u>481,016</u>	<u>2,629,538</u>
Total liabilities and fund balances	<u>\$ 1,158,586</u>	<u>\$ 842,741</u>	<u>\$ 552,472</u>	<u>\$ 508,957</u>	<u>\$ 3,062,756</u>

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

NORTHFIELD TOWNSHIP

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2017**

Total fund balance per balance sheet		\$ 2,629,538
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Historical cost	\$ 12,261,707	
Accumulated depreciation	<u>(4,627,119)</u>	
Capital assets net of accumulated depreciation		7,634,588
<p>Pension related activities are not a consumption of current resources and therefore are reported as deferred outflows of resources in the Statement of Net Position.</p>		
Investments deficient (in excess) of projections	52,575	
Differences in actuarial assumptions	50,444	
Differences in actuarial experience to actual	(43,339)	
Contributions subsequent to measurement date	<u>31,266</u>	
Deferred outflows of resources related to pension activities		90,946
<p>Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements.</p>		
Net pension liability		(212,726)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:</p>		
Long-term debt	(2,700,310)	
Compensated absences	<u>(226,267)</u>	
Total		<u>(2,926,577)</u>
Net position of governmental activities		<u><u>\$ 7,215,769</u></u>

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

NORTHFIELD TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Law Enforcement Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
REVENUES					
Taxes	\$ 263,055	\$ 632,987	\$ 1,480,666	\$ 264,677	\$ 2,641,385
Grant		284,357			284,357
State shared revenues and tax reimbursement	690,176	11,282	25,228	4,888	731,574
Licenses and permits			3,386	168,681	172,067
Contributions		1,200	1,500		2,700
Rental income	12,760	8,400		254,086	275,246
Franchise fees	97,249				97,249
Charges for services	280,211	20,631	29,798	2,700	333,340
Fines and forfeitures			17,730	112,351	130,081
Interest	2,377				2,377
Other income	41,240	1,282	4,652	1,274	48,448
Total revenues	<u>1,387,068</u>	<u>960,139</u>	<u>1,562,960</u>	<u>808,657</u>	<u>4,718,824</u>
EXPENDITURES					
Current:					
General government	959,757			109,527	1,069,284
Fire rescue		865,206			865,206
Police protection			1,459,917	160,732	1,620,649
Community center	107,120				107,120
Roads	121,606				121,606
Community development	2,500				2,500
Public works	38,072			16,791	54,863
Capital outlay:					
General government	360,728				360,728
Recreation	336,436				336,436
Police protection			111,953		111,953
Fire protection		72,737			72,737
Debt service:					
Principal				445,297	445,297
Interest/fees				73,953	73,953
Total expenditures	<u>1,926,219</u>	<u>937,943</u>	<u>1,571,870</u>	<u>806,300</u>	<u>5,242,332</u>
Excess of revenues over (under) expenditures	<u>(539,151)</u>	<u>22,196</u>	<u>(8,910)</u>	<u>2,357</u>	<u>(523,508)</u>

NORTHFIELD TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - continued
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Law Enforcement Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		275,000	35,000		310,000
Transfers (out)	(275,000)			(35,000)	(310,000)
Total other financing sources (uses)	<u>(275,000)</u>	<u>275,000</u>	<u>35,000</u>	<u>(35,000)</u>	
Net changes in fund balances	(814,151)	297,196	26,090	(32,643)	(523,508)
FUND BALANCE, JULY 1, 2016	<u>1,603,499</u>	<u>535,762</u>	<u>500,126</u>	<u>513,659</u>	<u>3,153,046</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 789,348</u>	<u>\$ 832,958</u>	<u>\$ 526,216</u>	<u>\$ 481,016</u>	<u>\$ 2,629,538</u>

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

NORTHFIELD TOWNSHIP

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Net change in fund balances - governmental funds \$ (523,508)

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

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

Capital outlay	\$ 881,854
Depreciation expense	(375,316)
Donated assets	<u>72,235</u>

Total 578,773

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

Pension expense (47,668)

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:
Bonds/contracts payable 445,297

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

(48,367)

Change in net position of governmental activities \$ 404,527

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

NORTHFIELD TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2017

	Sewage Disposal System Fund	
CURRENT ASSETS		
Cash	\$ 890,657	
Investments	22,245	
Sewer billings receivable	389,017	
Due from other funds	3,631	
Other receivables	22,870	
Total current assets		\$ 1,328,420
RESTRICTED ASSETS		
Cash	900,670	
Investments	16,580	
Special assessments receivable - capital and debt	1,144,401	
Total restricted assets		2,061,651
PLANT, PROPERTY AND EQUIPMENT		
Non-depreciated	226,918	
Depreciated, net	8,676,563	
Net plant, property, and equipment		8,903,481
Total assets		12,293,552
CURRENT LIABILITIES		
Accounts payable	83,248	
Accrued compensated absences	36,117	
Contracts payable - current portion	113,596	
Total current liabilities		232,961
LONG-TERM LIABILITIES		
Contracts payable - less current portion		1,111,094
Total liabilities		1,344,055
NET POSITION		
Invested in capital assets, net of related debt	7,678,791	
Restricted for capital and debt	2,061,651	
Unrestricted	1,209,055	
Total net position		\$ 10,949,497

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, 2017**

		<u>Sewage Disposal System Fund</u>
OPERATING REVENUES		
User charges		\$ 1,356,181
OPERATING EXPENSES		
Salaries and wages	\$ 296,625	
Employee benefits/payroll taxes	146,860	
Depreciation	349,738	
Other operating expenses	481,499	
		<u>1,274,722</u>
Total operating expenses		<u>1,274,722</u>
Operating income		81,459
NON-OPERATING REVENUES AND (EXPENSES)		
Interest income - cash and cash equivalents	2,631	
Interest income - special assessments	72,569	
Other revenues	5,589	
Interest expense	(62,529)	
Bond fees	(1,562)	
		<u>16,698</u>
Total non-operating revenues and (expenses)		<u>16,698</u>
Net income before capital contributions		98,157
CAPITAL CONTRIBUTIONS		
Connection fees		<u>28,400</u>
Change in net position		126,557
NET POSITION, JULY 1, 2016		<u>10,822,940</u>
NET POSITION, JUNE 30, 2017		<u><u>\$ 10,949,497</u></u>

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

NORTHFIELD TOWNSHIP

**STATEMENT OF CASH FLOWS
SEWAGE DISPOSAL SYSTEM FUND
FOR THE YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers		\$ 1,313,104
Cash payments to employees		(282,184)
Cash payments to suppliers of goods and services		<u>(564,347)</u>
Net cash provided by operating activities		466,573
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Connection fees received	\$ 28,400	
Special assessments and interest received	280,890	
Other revenue (expense)	5,589	
Acquisition of capital assets	(196,711)	
Repayment of principal on bonds/contracts	(568,794)	
Investment activity	<u>1,174,534</u>	
Net cash (used in) capital and related financing activities		723,908
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and cash equivalents		<u>2,631</u>
Net increase in cash and cash equivalents		1,193,112
CASH AND CASH EQUIVALENTS AT, JULY 1, 2016		<u>598,215</u>
CASH AND CASH EQUIVALENTS AT, JUNE 30, 2017		<u><u>\$ 1,791,327</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income		\$ 81,459
Adjustments to reconcile operating income to net cash (used in) operating activities:		
Depreciation	\$ 349,738	
Change in assets and liabilities:		
(Increase) decrease in receivables	(22,731)	
(Increase) decrease in prepaid expenses	252	
(Increase) decrease in other receivables	(23,290)	
Increase (decrease) in accounts payable/accrued compensated absences	<u>81,145</u>	
Total adjustments		<u>385,114</u>
Net cash provided by operating activities		<u><u>\$ 466,573</u></u>

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

NORTHFIELD TOWNSHIP
STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2017

	Current Tax Collection Fund	Trust and Agency Fund	Payroll Fund	Totals
ASSETS				
Cash	\$	\$ 60,984	\$ 7,143	\$ 68,127
Due from other funds	26			26
Due from others		7,944	857	8,801
Total assets	\$ 26	\$ 68,928	\$ 8,000	\$ 76,954
 LIABILITIES				
Bank overdraft	\$ 26	\$	\$	\$ 26
Due to others		68,928	8,000	76,928
Total liabilities	\$ 26	\$ 68,928	\$ 8,000	\$ 76,954

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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB standards, the basic financial statements include both government-wide and fund financial statements.

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

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

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

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The Township reports the following major governmental funds:

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

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

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

The Township reports the following major enterprise fund:

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

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

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

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

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. CAPITAL ASSETS

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

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

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

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

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

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

D. ACCRUED COMPENSATED ABSENCES

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017, expenditures exceeded appropriations in several departments in the General Fund.

F. PROPERTY TAXES

Property tax revenues are recognized in the fiscal year for which the taxes are levied. Property taxes are levied on December 1 each year. These taxes become liens on the property at that date. These taxes are due on February 14, with the final collection date of February 28. The delinquent real property taxes of Northfield Township are purchased by Washtenaw County. The county sold tax notes, the proceeds of which will be used to pay the Township for these property taxes. The 2016 adjusted taxable value of the Township totaled \$330,827,368. The Township levied the following millages during the current fiscal year ended June 30, 2017:

General operating	0.7952
Fire	1.9134
Police	4.4757
Public safety building	<u>0.8001</u>
Total millage	<u><u>7.9844</u></u>

G. OTHER FINANCING SOURCES (USES)

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

H. INVESTMENTS

Investments are stated at market value.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. CASH AND INVESTMENTS

Cash and investments include amounts in demand deposits and time deposits, including both negotiable and non-negotiable certificates of deposit.

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, contributors, by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Township Board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the Township Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

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

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

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

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

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

For the year ended June 30, 2017 the Township records deferred outflow of resources relating to pension differences in expected investment returns compared to actual, changes in experience, and changes in actuarial assumptions. In addition, the Township records deferred outflow of resources for pension contributions made subsequent to Net Pension Liability measurement date of December 31, 2016.

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

Deferred outflow/(inflow) of resources related to pension activities as of June 30, 2017 are as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences in experience	\$	\$ (43,339)
Differences in actuarial assumptions	50,444	
Differences in investment expectations versus actual	52,575	
Contributions made subsequent to pension liability measurement date	31,266	
Totals	<u>\$ 134,285</u>	<u>\$ (43,339)</u>

O. DEFINED PENSION BENEFIT PLAN

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017, 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 \$3,214 started on February 22, 1993. The total outstanding balance at June 30, 2017 was \$32,143.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2017 was as follows:

	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 420,268	\$ 432,963	\$	\$ 853,231
Construction in progress		336,436		336,436
Total cost - assets not being depreciated	<u>420,268</u>	<u>769,399</u>		<u>1,189,667</u>
Capital assets being depreciated:				
Buildings	8,659,747			8,659,747
Equipment	<u>2,227,603</u>	<u>184,690</u>		<u>2,412,293</u>
Total cost	<u>10,887,350</u>	<u>184,690</u>		<u>11,072,040</u>
Less accumulated depreciation for:				
Buildings	(2,440,496)	(194,488)		(2,634,984)
Equipment	<u>(1,811,307)</u>	<u>(180,828)</u>		<u>(1,992,135)</u>
Total accumulated depreciation	<u>(4,251,803)</u>	<u>(375,316)</u>		<u>(4,627,119)</u>
Capital assets being depreciated, net	<u>6,635,547</u>	<u>(190,626)</u>		<u>6,444,921</u>
Governmental activities capital assets, net	<u>\$ 7,055,815</u>	<u>\$ 578,773</u>	\$	<u>7,634,588</u>
Related long-term debt outstanding at June 30, 2017				<u>(2,700,310)</u>
Governmental activities capital assets, net of related long-term debt				<u>\$ 4,934,278</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 4 - CAPITAL ASSETS - continued

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 226,918	\$	\$	\$ 226,918
Construction in progress	440,620	196,711		637,331
Total capital assets not being depreciated	667,538	196,711		864,249
Capital assets being depreciated:				
Plant and equipment	14,911,991			14,911,991
Less accumulated depreciation for:				
Plant and equipment	(6,523,021)	(349,738)		(6,872,759)
Capital assets being depreciated, net	8,388,970	(349,738)		8,039,232
Business-type activities capital assets, net	\$ 9,056,508	\$ (153,027)	\$	8,903,481
Less: related long-term debt outstanding as of June 30, 2017				(1,224,690)
Business-type activities capital assets net of related debt				\$ 7,678,791

Depreciation expense was distributed to the various activities as follows:

Governmental activities:	
General government	\$ 11,693
Fire protection and medical rescue	163,216
Police protection	162,478
Recreation	30,356
Community center	7,573
Subtotal	375,316
Business-type activities:	
Sewer service	349,738
Total	\$ 725,054

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS

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

Bonds Payable

1. General Obligation Unlimited Tax Refunding bonds were issued on July 30, 2012 for \$2,415,000 to refund the 2001 bonds related to the financing of the public safety building. Principal payments range from \$215,000 to \$265,000 due annually in April and maturing on April 2022. Interest is charged at 2.35%, payable semi-annually. The outstanding balance of the bonds at June 30, 2017 was \$1,265,000.

2. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the public safety building (84.43%) as well as the Seven Mile sewer project (15.57%). Principal payments range from \$223,000 to \$300,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The governmental fund outstanding balance of the bonds at June 30, 2017 was \$1,435,310.

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

	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>	<u>Amount Due Within One Year</u>
Bonds Payable					
General Obligation Bond, Series 2012 Refunding of 7 Mile Extension	\$ 1,495,000	\$	\$ (230,000)	\$ 1,265,000	\$ 250,000
General Obligation Bond, Series 2012 Refunding of 2002/2003 Public Safety Building Bonds	1,650,607		(215,297)	1,435,310	236,404
Total bonds payable	<u>3,145,607</u>		<u>(445,297)</u>	<u>2,700,310</u>	<u>486,404</u>
Compensated absences					
General government	177,900	48,367		226,267	37,646
Governmental activities long term obligations	<u>\$ 3,323,507</u>	<u>\$ 48,367</u>	<u>\$ (445,297)</u>	<u>\$ 2,926,577</u>	<u>\$ 524,050</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS - continued

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

	Bonds Payable	
	Principal	Interest
Year Ending:		
2018	\$ 486,404	\$ 63,458
2019	481,404	52,027
2020	477,183	40,714
2021	518,290	29,500
2022	509,068	17,320
2023	227,961	5,357
	<hr/>	<hr/>
Totals	\$ 2,700,310	\$ 208,376

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS - continued

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

1. Loan payable to Michigan Municipal Bond Authority to finance the refunding bonds for the 1992 Junior Lien bonds originally issued in 1992. A net present value savings of \$84,344 was created by issuing these refunding bonds due to a decrease in interest rates. Principal payable in annual installments ranging from \$30,000 to \$45,000 starting April 2006, and maturing on April 2022. Interest is paid semi-annually charged at 2.00% to 5.00%. Outstanding balance of the bonds was \$225,000 at June 30, 2017.
2. Loan payable to Washtenaw County to finance the refunding bonds for the various expansion project bonds. A net present value savings of \$243,781 was created by issuing these refunding bonds due to a decrease in interest rates. Principal payable in annual installments ranging from \$400,000 to \$555,000 starting May 2008, and maturing on May 2017. Interest is paid semi-annually charged at 4.25%. This bond was repaid in full during the year ended June 30, 2017.
3. General Obligation Limited Tax Refunding bonds were issued on July 30, 2012 for \$2,930,000 to refund the 2002 and 2003 bonds related to the financing of the Public Safety Building (84.43%) as well as the Seven Mile Sewer Project (15.57%). Principal payments range from \$223,000 to \$300,000 due annually in April and maturing on April 2023. Interest is charged at 2.35%, payable semi-annually. The business-type fund outstanding balance portion of the bonds at June 30, 2017 was \$264,690.
4. General Obligation Limited Tax Special Assessment Bonds were issued on February 10, 2017 for \$760,000 to finance the construction of the Whitmore Lake Sewer Special Assessment District. Principal payments of \$25,000 and \$55,000 are due annually beginning April 2017 and maturing in April 2035. Interest is paid semi-annually at 2.00% to 4.00%. The outstanding balance portion of the bonds at June 30, 2017 was \$735,000.

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

<u>Bonds Payable</u>	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>	<u>Amount Due Within One Year</u>
1. General Obligation Bond, Series 2004B (1992 Junion Lien refunding)	\$ 265,000	\$	\$ (40,000)	\$ 225,000	\$ 45,000
2. General Obligation Bond, Series 2007 (1997 Expansion, 8 Mile Pump and N. Territorial)	400,000		(400,000)		
3. General Obligation Bond, Series 2012 (7 Mile Extension refunding)	304,393		(39,703)	264,690	43,596
4. General Obligation Bond, Series 2016 (Whitmore Lake SAD)	<u>760,000</u>		<u>(25,000)</u>	<u>735,000</u>	<u>25,000</u>
Total bonds payable	1,729,393		(504,703)	1,224,690	113,596
Compensated absences					
Business-type	<u>21,676</u>	<u>14,441</u>		<u>36,117</u>	<u>7,830</u>
Total business-type activities long-term debt	<u>\$ 1,751,069</u>	<u>\$ 14,441</u>	<u>\$ (504,703)</u>	<u>\$ 1,260,807</u>	<u>\$ 121,426</u>

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS - continued

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

	Bonds Payable		
	Principal	Interest	Total
2018	\$ 113,596	\$ 39,133	\$ 152,729
2019	113,596	35,640	149,236
2020	112,818	32,090	144,908
2021	116,710	28,446	145,156
2022	120,931	24,711	145,642
2023 - 2027	227,039	90,508	317,547
2028 - 2032	255,000	55,689	310,689
2033 - 2035	165,000	11,959	176,959
Totals	\$ 1,224,690	\$ 318,176	\$ 1,542,866

NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN

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

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

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

The plan name is "Group Pension Plan" #GN 53402 through John Hancock Financial. A summary of the plan's activity for the period July 1, 2016 to June 30, 2017, is as follows:

Current year contributions	
Township portion	\$ 71,630
Employee portion	35,815
Total contributions	\$ 107,445

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 - DEFINED BENEFIT PLAN

Plan Description

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

Benefits Provided

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

Employees covered by benefit terms

At the December 31, 2016 valuation date, the following employees were covered by the benefit terms:

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 - DEFINED BENEFIT PLAN - continued

Contributions

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

The Township contributes 10% of covered wages, with the enrolled employees contributing the remainder of the actuarial determined rate. The employee contribution for the year ended June 30, 2017 was 3.70% of eligible wages to fund the plan. The Township contributed \$59,011 to the plan during the reporting period.

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the December 31, 2016 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%.

Salary Increases: 3.75%

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

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

Mortality rates used were based on the 2014 Healthy Annuitant Annuity Mortality table, Employee Mortality table, and Juvenile Mortality table with a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009 to 2013.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 - DEFINED BENEFIT PLAN - continued

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

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

Discount Rate

The discount rate used to measure the total pension liability is 8.00% for 2016. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 - DEFINED BENEFIT PLAN - continued

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2015	\$ 1,800,358	\$ 1,457,229	\$ 343,129
Changes for the year			
Service cost	72,652		72,652
Interest on total pension liability	146,935		146,935
Changes in benefits	3,918		3,918
Difference between expected and actual experience	(106,981)		(106,981)
Changes in assumptions			
Employer contributions		59,011	(59,011)
Employee contributions		19,534	(19,534)
Net investment income		171,765	(171,765)
Benefit payments, including employee refunds			
Administrative expense		(3,383)	3,383
Other changes			
Net changes	<u>116,524</u>	<u>246,927</u>	<u>(130,403)</u>
Balances as of 12/31/16	<u>\$ 1,916,882</u>	<u>\$ 1,704,156</u>	<u>\$ 212,726</u>

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

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

	1% Decrease	Current Discount	1% Increase
	7.00%	Rate	9.00%
		8.00%	
Net Pension Liability at 12/31/16	\$ 212,726	\$ 212,726	\$ 212,726
Changes in Net Pension Liability (NPL) from change in discount rate	<u>362,111</u>		<u>(293,576)</u>
Calculated NPL	<u>\$ 574,837</u>	<u>\$ 212,726</u>	<u>\$ (80,850)</u>

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 - DEFINED BENEFIT PLAN - continued

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

For the year ended June 30, 2017, the Township recognized pension expense of \$111,350. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources	Totals
Differences in experience	\$	\$ (43,339)	\$ (43,339)
Differences in assumptions	50,444		50,444
Excess (Deficit) of investment returns	52,575		52,575
Total to be amortized as pension expense	103,019	(43,339)	59,680
Contributions subsequent to the measurement date	31,266		31,266
Totals	<u>\$ 134,285</u>	<u>\$ (43,339)</u>	<u>\$ 90,946</u>

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

Year Ended	Expense
2018	\$ 23,580
2019	23,579
2020	18,895
2021	(9,423)
2022	1,014
2023-2024	2,035
Total	<u>\$ 59,680</u>

The amounts reported as deferred outflow of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ended June 30, 2017.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 8 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivables and payables exist at June 30, 2017. 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	\$ 1,494	Downtown Development Authority	\$ 1,494
Law Enforcement Fund	25,228	General Fund	25,228
Fire Fund	11,282	General Fund	11,282
Public Safety Fund	4,888	General Fund	4,888
Current Tax Fund	26	General Fund	26
Sewer Fund	3,631	General Fund	3,631
Building Fund	75	General Fund	75
Total interfund balances	\$ 46,624		\$ 46,624

Interfund transfers for the year ended June 30, 2017 were as follows:

Transfer In	Transfer Out	Purpose	Amount
Law Enforcement Fund	Federal Narcotics Fund	Pay operating expenditures	\$ 35,000
Fire Fund	General Fund	Pay operating expenditures	25,000
Fire Fund	General Fund	Fire truck replacement	250,000
			\$ 310,000

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

As of June 30, 2017 deposits and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 4,588,907	\$ 4,588,907	\$
Non-negotiable certificates of deposit	35,452		35,452
Total deposits	4,624,359	4,588,907	35,452
Investments			
Negotiable certificates of deposit	38,825		38,825
Total investments	38,825		38,825
Total deposits and investments	\$ 4,663,184	\$ 4,588,907	\$ 74,277

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

Statement of Net Position:

Cash and investments	\$ 3,623,776
Restricted cash and investments	917,250
	4,541,026

Fiduciary Funds

Cash	68,127
Total cash and investments	\$ 4,609,153

The carrying amount of cash and investments is stated at \$4,609,153 as of June 30, 2017. The difference between the carrying amounts and the amounts mentioned above stem from cash on hand of \$500, other outstanding items of \$54,531.

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Custodial Credit Risk

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

Insured by FDIC	\$ 285,452
Uninsured and uncollateralized	4,338,907
Total	\$ 4,624,359

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, 2017, none of the Township's investments were exposed to custodial credit risk.

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

Concentration of Credit Risk

Concentration of credit risk is the risk attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy requires diversification with a primary focus on safety. However, the policy does not place a fixed percentage limit for any one issuer.

<u>Investment Type/Issuer</u>	<u>Percent of Portfolio</u>
Non-negotiable CD	
First National Bank	48%
Negotiable CD	
Standard Federal Bank	52%
	100%

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Interest Rate Risk

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

As of June 30, 2017 the Township had the following investment maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>		
	<u>Value</u>	<u>Less than 1</u>	<u>1 - 5</u>
Negotiable CD	\$ 38,825	\$	\$ 38,825
Non-negotiable CD's	35,452	35,452	
	<u>\$ 74,277</u>	<u>\$ 35,452</u>	<u>\$ 38,825</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, 2017, the Township's investments were not rated.

NOTE 10 - STATEMENT OF CASH FLOWS

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

NORTHFIELD TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 11 - GRANT ACTIVITIES

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

NOTE 12 - ASSETS RESTRICTED FOR CAPITAL AND DEBT

Restricted assets in the Sewage Disposal System Fund as of June 30, 2017 consisted of the following:

	<u>Sewage Disposal System Fund</u>
Cash and investments	\$ 917,250
Special assessment receivables	<u>1,144,401</u>
Total	<u><u>\$ 2,061,651</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgets</u>		<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$	\$ 263,500	\$ 263,055	\$ (445)
State revenue sources		652,000	690,176	38,176
Charges for services		344,365	377,460	33,095
Interest		1,000	2,377	1,377
Miscellaneous revenue		28,610	54,000	25,390
Total revenues		<u>1,277,475</u>	<u>1,387,068</u>	<u>97,593</u>
EXPENDITURES				
Township board		43,265	38,825	4,440
Supervisor		14,877	14,802	75
Township manager		151,120	131,496	19,624
Elections		21,600	21,564	36
Clerk		80,636	82,431	(1,795)
Board of review		20,233	18,964	1,269
Treasurer		97,460	88,525	8,935
Assessor		108,318	102,396	5,922
Township hall and grounds		132,503	121,606	10,897
Professional fees		113,200	122,139	(8,939)
Community development		2,500	2,500	
Zoning and planning departments		126,719	106,644	20,075
Street lights		35,520	38,072	(2,552)
Roads		200,950	458,127	(257,177)
Community Center		119,335	107,120	12,215
Solid waste management		2,000		2,000
Contingency - liens		5,000	3,041	1,959
Recreation board		10,000	4,059	5,941
Parks		16,684	16,500	184
Capital outlay		364,940	362,713	2,227
Rent - PSB		84,696	84,695	1
Total expenditures		<u>1,251,405</u>	<u>1,926,219</u>	<u>(174,663)</u>
Excess of revenues over (under) expenditures		26,070	(539,151)	(77,070)
OTHER FINANCING SOURCES (USES)				
Transfers (out)		(25,000)	(275,000)	(250,000)
Net change in fund balance		1,070	(814,151)	(77,070)
FUND BALANCE, JULY 1, 2016		<u>1,603,499</u>	<u>1,603,499</u>	<u>1,603,499</u>
FUND BALANCE, JUNE 30, 2017		<u>\$ 1,604,569</u>	<u>\$ 789,348</u>	<u>\$ (77,070)</u>

NORTHFIELD TOWNSHIP

LAW ENFORCEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 1,480,666	\$
Local stabilization reimbursement			25,228	
Fines and court fees			17,730	
Traffic tickets and impound fees			4,240	
Liquor law license fees			3,386	
Contributions			1,500	
Charges for services			25,558	
Miscellaneous			4,652	
Total revenues	1,548,906	1,548,906	1,562,960	14,054
EXPENDITURES	1,577,902	1,580,048	1,571,870	8,178
Excess of revenues over (under) expenditures	(28,996)	(31,142)	(8,910)	22,232
OTHER FINANCING SOURCES (USES)				
Sale of assets	15,000	15,000		(15,000)
Transfer in	35,000	35,000	35,000	
Total other financing sources (uses)	50,000	50,000	35,000	(15,000)
Net change in fund balance	21,004	18,858	26,090	7,232
FUND BALANCE, JULY 1, 2016	500,126	500,126	500,126	
FUND BALANCE, JUNE 30, 2017	\$ 521,130	\$ 518,984	\$ 526,216	\$ 7,232

NORTHFIELD TOWNSHIP

FIRE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 632,987	\$
Grant income			284,357	
Rental income			8,400	
Local stabilization reimbursement			11,282	
Charges for services			20,631	
Other income			1,282	
Contributions			1,200	
Total revenues	<u>648,212</u>	<u>965,012</u>	<u>960,139</u>	<u>(4,873)</u>
EXPENDITURES				
Salaries			300,794	
Payroll taxes			22,797	
Insurance - benefits			26,214	
Grant expense			296,374	
Pension			8,813	
Medical testing			885	
Uniforms			3,994	
Controller			6,589	
Audit fees			2,250	
Vehicle			73,984	
Training and development			6,649	
Membership fees			1,655	
Contractual services			1,762	
Dispatch services			12,026	
Telephone			6,773	
Supplies			7,364	
Insurance and bonds			49,876	
Office overhead			33,311	
PSB lease			84,695	
Printing and postage			147	
Utilities			5,185	
Repairs and maintenance			35,138	
Equipment			10,484	
Computers			3,828	
Tax chargebacks/drains			491	
Miscellaneous			814	
Personnel allocation			(64,949)	
Total expenditures	<u>724,955</u>	<u>1,284,856</u>	<u>937,943</u>	<u>346,913</u>
Excess of revenues over (under) expenditures	<u>(76,743)</u>	<u>(319,844)</u>	<u>22,196</u>	<u>342,040</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	52,000	52,000		(52,000)
Transfer in	25,000	275,000	275,000	
Total other financing sources (uses)	<u>77,000</u>	<u>327,000</u>	<u>275,000</u>	<u>(52,000)</u>
Net change in fund balance	257	7,156	297,196	290,040
FUND BALANCE, JULY 1, 2016	<u>535,762</u>	<u>535,762</u>	<u>535,762</u>	
FUND BALANCE, JUNE 30, 2017	<u>\$ 536,019</u>	<u>\$ 542,918</u>	<u>\$ 832,958</u>	<u>\$ 290,040</u>

NORTHFIELD TOWNSHIP

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2017**

Schedule of Employer Contributions

	<u>For the Plan Year Ended December 31, 2016</u>	<u>For the Plan Year Ended December 31, 2015</u>	<u>For the Plan Year Ended December 31, 2014</u>
Actuarial determined contributions	\$ 56,582	\$ 58,396	\$ 55,589
Contributions in relation to the actuarial determined contribution	59,011	58,396	55,589
Contribution deficiency (excess)	\$ 2,429	\$	\$
Covered employee payroll	\$ 565,824	\$ 583,960	\$ 555,890
Contributions as a percentage of covered payroll	10.43%	10.00%	10.00%

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

Amortization method	Level percentage of payroll, open
Remaining amortization period	Unfunded accrued liability - 23 years gain/ (loss) on investments - 22 years, Plan amendments - 22 years
Asset valuation method	5 years smoothed
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	Age 60. Early retirement with reduced benefits at 55 with 15 years of service or 50 with 25 years of service or with normal benefits at age 55 with 20 years of service.
Mortality	50% Female/50% Male 2014 Healthy Annuitant Annuity Mortality table, Employee Mortality table, and Juvenile Mortality table

Previous Actuarial Methods and Assumptions

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

NORTHFIELD TOWNSHIP

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2017**

	For the Plan Year Ended <u>December 31, 2016</u>	For the Plan Year Ended <u>December 31, 2015</u>	For the Plan Year Ended <u>December 31, 2014</u>
Total pension liability			
Service cost	\$ 72,652	\$ 71,768	\$ 68,319
Interest	146,935	125,742	110,821
Changes in benefit terms	3,918	(14,904)	
Differences between expected and actual experience	(106,981)	64,631	
Changes of assumptions		64,856	
Benefit payments, including refunds of employee contributions			
	<u>116,524</u>	<u>312,093</u>	<u>179,140</u>
Net change in total pension liability	116,524	312,093	179,140
Total pension liability - beginning	<u>1,800,358</u>	<u>1,488,265</u>	<u>1,309,125</u>
Total pension liability - ending	<u>\$ 1,916,882</u>	<u>\$ 1,800,358</u>	<u>\$ 1,488,265</u>
Plan fiduciary net position			
Contributions - employer	\$ 59,011	\$ 58,396	\$ 55,589
Contributions - employee	19,534	15,385	54,529
Net investment income	171,765	(22,425)	81,669
Benefit payments, including refunds of employee contributions			
Administrative expenses	<u>(3,383)</u>	<u>(3,196)</u>	<u>(3,030)</u>
Net change in plan fiduciary net position	246,927	48,160	188,757
Plan fiduciary net position, beginning	<u>1,457,229</u>	<u>1,409,069</u>	<u>1,220,312</u>
Plan fiduciary net position, ending	<u>\$ 1,704,156</u>	<u>\$ 1,457,229</u>	<u>\$ 1,409,069</u>
Net pension liability			
Total pension liability and plan fiduciary net position	<u>\$ 212,726</u>	<u>\$ 343,129</u>	<u>\$ 79,196</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.90%</u>	<u>80.94%</u>	<u>94.68%</u>
Covered employee payroll	<u>\$ 565,824</u>	<u>\$ 583,956</u>	<u>\$ 555,890</u>
Net pension liability as a percentage of covered employee payroll	<u>37.60%</u>	<u>58.76%</u>	<u>14.25%</u>

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

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

NORTHFIELD TOWNSHIP

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE - BUDGETARY INFORMATION

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

Budget Overruns

In funds that were required by law to adopt budgets, during the year ended June 30, 2017 expenditures exceeded appropriations as follows:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
General Fund			
Clerk	\$ 80,636	\$ 82,431	\$ (1,795)
Professional fees	113,200	122,139	(8,939)
Street lights	35,520	38,072	(2,552)
Roads	200,950	458,127	(257,177)
	<u>\$ 430,306</u>	<u>\$ 700,769</u>	<u>\$ (270,463)</u>

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

NORTHFIELD TOWNSHIP
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	SPECIAL REVENUE FUNDS						DEBT SERVICE	Totals
	Building Department Fund	Fire Truck Fund	Narcotics Fund	Federal Narcotics Fund	Public Contribution Fund	Downtown Development Authority Fund	Public Safety Building Fund	
ASSETS								
Cash and investments	\$ 175,616	\$	\$ 145,046	\$ 113,309	\$ 569	\$ 60,207	\$ 7,096	\$ 501,843
Taxes receivable							1,093	1,093
Accounts receivable		580						580
Prepaid expense			318				160	478
Due from other funds	75						4,888	4,963
Total assets	<u>\$ 175,691</u>	<u>\$ 580</u>	<u>\$ 145,364</u>	<u>\$ 113,309</u>	<u>\$ 569</u>	<u>\$ 60,207</u>	<u>\$ 13,237</u>	<u>\$ 508,957</u>
LIABILITIES								
Accounts payable	\$ 4,364	\$ 580	\$	\$ 157	\$ 70	\$ 9,780	\$ 11,496	\$ 26,447
Due to other funds						1,494		1,494
Total liabilities	<u>4,364</u>	<u>580</u>		<u>157</u>	<u>70</u>	<u>11,274</u>	<u>11,496</u>	<u>27,941</u>
FUND BALANCE								
Nonspendable - prepaid			318				160	478
Restricted								
Law enforcement			145,046	106,152				251,198
Community development					499	27,433		27,932
Committed								
Building department	167,560							167,560
Debt service							1,581	1,581
Assigned for future budget deficit	3,767			7,000		21,500		32,267
Total fund balances	<u>171,327</u>		<u>145,364</u>	<u>113,152</u>	<u>499</u>	<u>48,933</u>	<u>1,741</u>	<u>481,016</u>
Total liabilities and fund balance	<u>\$ 175,691</u>	<u>\$ 580</u>	<u>\$ 145,364</u>	<u>\$ 113,309</u>	<u>\$ 569</u>	<u>\$ 60,207</u>	<u>\$ 13,237</u>	<u>\$ 508,957</u>

NORTHFIELD TOWNSHIP

**COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2017**

	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Payroll Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$	\$ 60,984	\$ 7,143	\$ 68,127
Due from other funds	26			26
Due from others		7,944	857	8,801
	<u>26</u>	<u>7,944</u>	<u>857</u>	<u>8,801</u>
Total assets	<u>\$ 26</u>	<u>\$ 68,928</u>	<u>\$ 8,000</u>	<u>\$ 76,954</u>
 LIABILITIES				
Bank overdraft	\$ 26	\$	\$	\$ 26
Due to others		68,928	8,000	76,928
	<u>26</u>	<u>68,928</u>	<u>8,000</u>	<u>76,928</u>
Total liabilities	<u>\$ 26</u>	<u>\$ 68,928</u>	<u>\$ 8,000</u>	<u>\$ 76,954</u>

NORTHFIELD TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUNDS		Totals
	Building Department Fund	Fire Truck Fund	Narcotics Fund	Federal Narcotics Fund	Public Contributions Fund	Downtown Development Authority Fund	Building Authority Fund	
REVENUES								
Taxes	\$	\$	\$	\$	\$	\$	\$ 264,677	\$ 264,677
Local stabilization reimbursement							4,888	4,888
Fines and forfeits			66,661	45,690				112,351
Charges for services	2,700							2,700
Licenses and permits	168,681							168,681
Rental income						254,086		254,086
Other income	130	580			475		89	1,274
Total revenues	<u>171,511</u>	<u>580</u>	<u>66,661</u>	<u>45,690</u>	<u>475</u>	<u>254,086</u>	<u>269,654</u>	<u>808,657</u>
EXPENDITURES								
General government	99,529				327		9,671	109,527
Police protection			15,441	145,291				160,732
Public works						16,791		16,791
Debt service								
Principal						215,297	230,000	445,297
Interest and fees						38,789	35,164	73,953
Total expenditures	<u>99,529</u>	<u>580</u>	<u>15,441</u>	<u>145,291</u>	<u>327</u>	<u>16,791</u>	<u>254,086</u>	<u>806,300</u>
Excess of revenues over (under) expenditures	<u>71,982</u>	<u>580</u>	<u>51,220</u>	<u>(99,601)</u>	<u>148</u>	<u>(16,791)</u>	<u>(5,181)</u>	<u>2,357</u>
OTHER FINANCING SOURCES (USES)								
Transfers (out)				(35,000)				(35,000)
Net changes in fund balances	71,982	580	51,220	(134,601)	148	(16,791)	(5,181)	(32,643)
FUND BALANCE, (DEFICIT) JULY 1, 2016	<u>99,345</u>	<u>(580)</u>	<u>94,144</u>	<u>247,753</u>	<u>351</u>	<u>65,724</u>	<u>6,922</u>	<u>513,659</u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 171,327</u>	<u>\$</u>	<u>\$ 145,364</u>	<u>\$ 113,152</u>	<u>\$ 499</u>	<u>\$ 48,933</u>	<u>\$ 1,741</u>	<u>\$ 481,016</u>

INDIVIDUAL FUNDS

GENERAL FUND

NORTHFIELD TOWNSHIP

**GENERAL FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash and investments		\$ 858,482
Taxes receivable		1,641
Interest receivable		396
State shared revenue receivable		118,063
Accounts receivable - other		23,816
Due from other funds		1,494
Prepaid expenditures		122,551
Land contract receivable - Northfield Township Area Library		<u>32,143</u>
Total assets		<u><u>\$ 1,158,586</u></u>

LIABILITIES

Accounts payable	\$ 322,920	
Due to others	1,188	
Due to other funds	<u>45,130</u>	
Total liabilities		\$ 369,238

FUND BALANCE

Nonspendable - prepaid items	122,551	
Nonspendable - Library receivable	32,143	
Unassigned	<u>634,654</u>	
Total fund balance		<u>789,348</u>
Total liabilities and fund balance		<u><u>\$ 1,158,586</u></u>

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 263,500	\$ 263,055	\$ (445)
State revenue sources	652,000	690,176	38,176
Charges for services	344,365	377,460	33,095
Interest	1,000	2,377	1,377
Miscellaneous revenue	28,610	54,000	25,390
Total revenues	<u>1,289,475</u>	<u>1,387,068</u>	<u>97,593</u>
EXPENDITURES			
Township board	43,265	38,825	4,440
Supervisor	14,877	14,802	75
Township manager	151,120	131,496	19,624
Elections	21,600	21,564	36
Clerk	80,636	82,431	(1,795)
Board of review	20,233	18,964	1,269
Treasurer	97,460	88,525	8,935
Assessor	108,318	102,396	5,922
Township hall and grounds	132,503	121,606	10,897
Professional fees	113,200	122,139	(8,939)
Community development	2,500	2,500	
Zoning and planning departments	126,719	106,644	20,075
Street lights	35,520	38,072	(2,552)
Roads	200,950	458,127	(257,177)
Community Center	119,335	107,120	12,215
Solid waste mangement	2,000		2,000
Contingency - liens	5,000	3,041	1,959
Recreation board	10,000	4,059	5,941
Parks	16,684	16,500	184
Capital outlay	364,940	362,713	2,227
Rent - PSB	84,696	84,695	1
Total expenditures	<u>1,751,556</u>	<u>1,926,219</u>	<u>(174,663)</u>
Excess of revenues over (under) expenditures	(462,081)	(539,151)	(77,070)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(275,000)	(275,000)	
Net change in fund balance	(737,081)	(814,151)	(77,070)
FUND BALANCE, JULY 1, 2016	<u>1,603,499</u>	<u>1,603,499</u>	
FUND BALANCE, JUNE 30, 2017	<u>\$ 866,418</u>	<u>\$ 789,348</u>	<u>\$ (77,070)</u>

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
TAXES	\$ 263,500	\$ 263,055	\$ (445)
STATE REVENUE SOURCES			
State shared revenues		685,603	
Local community stabilization reimbursement		4,573	
Total state revenue sources	652,000	690,176	38,176
CHARGES FOR SERVICES			
Tax administration fees		150,104	
Sewer administration		48,560	
Cablevision franchise fees		97,249	
Fiber footage fees		10,371	
Planning and zoning fees		21,925	
Mobile home park fees		2,874	
Summer tax collection fees		13,665	
Duplicating		82	
Penalties and interest on taxes		7,868	
Community Center		22,353	
Licenses and fines		2,409	
Total charges for services	344,365	377,460	33,095
INTEREST	1,000	2,377	1,377
MISCELLANEOUS REVENUE			
Rental income		12,760	
Miscellaneous		23,937	
Reimbursements		17,303	
Total miscellaneous revenue	28,610	54,000	25,390
Total revenues	\$ 1,289,475	\$ 1,387,068	\$ 97,593

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Fees	\$	\$ 10,000	\$
Payroll taxes		765	
Membership and dues		10,350	
Printing and publishing		6,511	
Transportation		10,000	
Miscellaneous		1,199	
	43,265	38,825	4,440
TOTAL TOWNSHIP BOARD			
SUPERVISOR			
Supervisor's salary		12,500	
Payroll taxes		993	
Miscellaneous		1,309	
	14,877	14,802	75
TOTAL SUPERVISOR			
TOWNSHIP MANAGER			
Salaries		94,283	
Payroll taxes		11,360	
Insurance - benefits		2,069	
Pension		5,061	
Controller		52,709	
Contracted services		7,076	
Communication		306	
Training and development		410	
Personnel allocation		(41,964)	
Miscellaneous		186	
	151,120	131,496	19,624
TOTAL TOWNSHIP MANAGER			
ELECTIONS			
Fees		10,550	
Payroll taxes		59	
Office supplies		7,289	
Contractual services		675	
Printing and postage		2,991	
	21,600	21,564	36
TOTAL ELECTIONS			

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CLERK			
Clerk's salary		12,500	
Deputy clerk's salary		40,900	
Payroll taxes		4,237	
Insurance - benefits		7,357	
Pension		4,060	
Recording secretary		12,855	
Miscellaneous		522	
Total clerk	80,636	82,431	(1,795)
BOARD OF REVIEW			
Fees		825	
Recording secretary		1,280	
Payroll taxes		63	
Printing and publishing		682	
Tax tribunal and drains		16,114	
Total board of review	20,233	18,964	1,269
TREASURER			
Treasurer's salary		12,500	
Deputy/clerical salaries		56,431	
Payroll taxes		5,220	
Insurance - benefits		11,465	
Pension		1,685	
Legal fees		6,000	
Tax roll preparation		2,355	
Contracted services		11,025	
Postage		4,469	
Fuel and mileage		682	
Miscellaneous		2,002	
Personnel allocation		(25,309)	
Total treasurer	97,460	88,525	8,935

NORTHFIELD TOWNSHIP

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
ASSESSOR			
Salaries		42,480	
Payroll taxes		3,250	
Insurance - benefits		18,932	
Pension		4,218	
Supplies		778	
Fuel and mileage		154	
Contracted services		63,705	
Postage and printing		3,121	
Miscellaneous		38	
Personnel allocation		(34,280)	
	108,318	102,396	5,922
TOWNSHIP HALL AND GROUNDS			
Salaries		5,895	
Payroll taxes		451	
Insurance		26,255	
PSB allocation		33,403	
Janitor fees		12,825	
Office supplies		10,251	
Telephone		6,464	
Postage		2,673	
Utilities		198	
Repairs and maintenance		20,065	
Tax chargebacks		1,050	
Miscellaneous		10	
Equipment rental		5,756	
Personnel allocation		(3,690)	
	132,503	121,606	10,897
	113,200	122,139	(8,939)
PROFESSIONAL FEES			
	2,500	2,500	
COMMUNITY DEVELOPMENT			

NORTHFIELD TOWNSHIP

GENERAL FUND

**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
ZONING AND PLANNING DEPARTMENTS			
Board of appeals fees		6,306	
Salaries - recording secretary		9,620	
Payroll taxes		1,309	
Training and development		1,530	
Department allocation		23,467	
Planning commission fees		10,800	
Printing and publications		2,753	
Professional fees		35,051	
Zoning administration		10,938	
Code enforcement		4,100	
Fuel and mileage		570	
Miscellaneous		200	
Total zoning and planning departments	126,719	106,644	20,075
STREET LIGHTS	35,520	38,072	(2,552)
ROADS	200,950	458,127	(257,177)
COMMUNITY CENTER			
Salaries		50,373	
Payroll taxes		4,015	
Insurance - benefits		9,650	
Pension		4,496	
Programs		13,772	
Janitorial service		2,142	
Senior nutrition		2,415	
Supplies		1,723	
Dues		110	
Telephone		2,492	
Printing and publications		1,488	
Insurance - general liability		1,552	
Utilities		2,874	
Repair and maintenance		7,961	
Small equipment		1,051	
Miscellaneous		1,006	
Total community center	119,335	107,120	12,215

NORTHFIELD TOWNSHIP

GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SOLID WASTE MANAGEMENT	<u>2,000</u>	<u></u>	<u>2,000</u>
CONTINGENCY - LIENS	<u>5,000</u>	<u>3,041</u>	<u>1,959</u>
RECREATION BOARD	<u>10,000</u>	<u>4,059</u>	<u>5,941</u>
PARKS	<u>16,684</u>	<u>16,500</u>	<u>184</u>
CAPITAL OUTLAY	<u>364,940</u>	<u>362,713</u>	<u>2,227</u>
RENT - PSB	<u>84,696</u>	<u>84,695</u>	<u>1</u>
Total expenditures	<u><u>\$ 1,751,556</u></u>	<u><u>\$ 1,926,219</u></u>	<u><u>\$ (174,663)</u></u>

BUILDING DEPARTMENT FUND

NORTHFIELD TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET
JUNE 30, 2017

ASSETS

Cash	\$ 175,616
Due from other funds	<u>75</u>

Total assets	<u><u>\$ 175,691</u></u>
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LIABILITIES

Accounts payable	\$ 4,364
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FUND BALANCE	<u>171,327</u>
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Total liabilities and fund balance	<u><u>\$ 175,691</u></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, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Building permit fees	\$	\$ 168,681	\$
Contractor's registration		2,700	
Other income		130	
	128,060	171,511	43,451
EXPENDITURES			
Inspections		46,140	
Other professional services		1,679	
Telephone		440	
Supplies		40	
Personnel allocation		47,515	
Controller		2,635	
Insurance		1,080	
	138,255	99,529	38,726
Net change in fund balance	(10,195)	71,982	82,177
FUND BALANCE, JULY 1, 2016	99,345	99,345	
FUND BALANCE, JUNE 30, 2017	\$ 89,150	\$ 171,327	\$ 82,177

FIRE FUND

NORTHFIELD TOWNSHIP

**FIRE FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash	\$ 828,728
Taxes	2,412
Prepaid expenses	319
Due from other funds	<u>11,282</u>

Total assets

\$ 842,741

LIABILITIES

Accounts payable	\$ 9,783
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FUND BALANCE

Restricted - Fire	<u>832,958</u>
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Total liabilities and fund balance

\$ 842,741

NORTHFIELD TOWNSHIP

FIRE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$	\$ 632,987	\$
Grant income		284,357	
Rental income		8,400	
Local stabilization reimbursement		11,282	
Charges for services		20,631	
Other income		1,282	
Contributions		1,200	
Total revenues	<u>965,012</u>	<u>960,139</u>	<u>(4,873)</u>
EXPENDITURES			
Salaries		300,794	
Payroll taxes		22,797	
Insurance - benefits		26,214	
Grant expense		296,374	
Pension		8,813	
Medical testing		885	
Uniforms		3,994	
Controller		6,589	
Audit fees		2,250	
Vehicle		73,984	
Training and development		6,649	
Membership fees		1,655	
Contractual services		1,762	
Dispatch services		12,026	
Telephone		6,773	
Supplies		7,364	
Insurance and bonds		49,876	
Office overhead		33,311	
PSB lease		84,695	
Printing and postage		147	
Utilities		5,185	
Repairs and maintenance		35,138	
Equipment		10,484	
Computers		3,828	
Tax chargebacks/drains		491	
Miscellaneous		814	
Personnel allocation		(64,949)	
Total expenditures	<u>1,284,856</u>	<u>937,943</u>	<u>346,913</u>
Excess of revenues over (under) expenditures	<u>(319,844)</u>	<u>22,196</u>	<u>342,040</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets	52,000		(52,000)
Transfers in	275,000	275,000	
Total other financing sources (uses)	<u>327,000</u>	<u>275,000</u>	<u>(52,000)</u>
Net change in fund balance	<u>7,156</u>	<u>297,196</u>	<u>290,040</u>
FUND BALANCE, JULY 1, 2016	<u>535,762</u>	<u>535,762</u>	
FUND BALANCE, JUNE 30, 2017	<u>\$ 542,918</u>	<u>\$ 832,958</u>	<u>\$ 290,040</u>

FIRE TRUCK FUND

NORTHFIELD TOWNSHIP

**FIRE TRUCK FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Due from others

\$ 580

LIABILITIES

Accounts payable

\$ 580

NORTHFIELD TOWNSHIP

**FIRE TRUCK FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES	
Miscellaneous income	\$ 580
EXPENDITURES	<hr/>
Net change in fund balance	580
FUND BALANCE (DEFICIT), JULY 1, 2016	<hr/> (580)
FUND BALANCE, JUNE 30, 2017	<hr/> <hr/> \$

LAW ENFORCEMENT FUND

NORTHFIELD TOWNSHIP

**LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash		\$ 521,821
Taxes receivable		5,423
Due from other funds		<u>25,228</u>

Total assets \$ 552,472

LIABILITIES

Accounts payable	\$ 24,525	
Due to others	<u>1,731</u>	

Total liabilities \$ 26,256

FUND BALANCE

Restricted - law enforcement		<u>526,216</u>
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Total liabilities and fund balance \$ 552,472

NORTHFIELD TOWNSHIP

LAW ENFORCEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 1,480,666	\$
Local stabilization reimbursement		25,228	
Fines and court fees		17,730	
Traffic tickets and impound fees		4,240	
Liquor law license fees		3,386	
Contributions		1,500	
Charges for services		25,558	
Miscellaneous		4,652	
Total revenues	1,548,906	1,562,960	14,054
EXPENDITURES			
	1,580,048	1,571,870	8,178
Excess of revenues over (under) expenditures	(31,142)	(8,910)	22,232
OTHER FINANCING SOURCES (USES)			
Sale of assets	15,000		(15,000)
Transfers in	35,000	35,000	
Total other financing sources (uses)	50,000	35,000	(15,000)
Net change in fund balance	18,858	26,090	7,232
FUND BALANCE, JULY 1, 2016	500,126	500,126	
FUND BALANCE, JUNE 30, 2017	\$ 518,984	\$ 526,216	\$ 7,232

NORTHFIELD TOWNSHIP

**LAW ENFORCEMENT FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
Salaries	\$	\$ 864,148	\$
Payroll taxes		67,007	
Insurance - benefits		146,902	
Professional fees		44,250	
Pension		67,587	
Controller		6,589	
Membership dues		636	
Printing and postage		328	
Transportation		20,029	
Insurance and bonds		55,098	
Repairs and maintenance		12,833	
Telephone		16,153	
Supplies		5,983	
Equipment rental		2,608	
Office overhead		33,311	
PSB lease		84,695	
Contractual services		13,646	
Dispatch services		63,347	
Personnel allocation		64,949	
Tax chargebacks		1,097	
Miscellaneous		674	
	<hr/>	<hr/>	<hr/>
Total expenditures	<u><u>\$ 1,580,048</u></u>	<u><u>\$ 1,571,870</u></u>	<u><u>\$ 8,178</u></u>

NARCOTICS FUND

NORTHFIELD TOWNSHIP

**NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash	\$ 145,046
Prepaid expenses	<u>318</u>

Total assets	<u><u>\$ 145,364</u></u>
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FUND BALANCE

Restricted - public safety	<u><u>\$ 145,364</u></u>
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NORTHFIELD TOWNSHIP

NARCOTICS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$ 58,000	\$ 66,661	\$ 8,661
EXPENDITURES			
Public safety projects		15,441	
Total expenditures	56,000	15,441	40,559
Net change in fund balance	2,000	51,220	49,220
FUND BALANCE, JULY 1, 2016	94,144	94,144	
FUND BALANCE, JUNE 30, 2017	\$ 96,144	\$ 145,364	\$ 49,220

FEDERAL NARCOTICS FUND

NORTHFIELD TOWNSHIP

**FEDERAL NARCOTICS FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash	<u>\$ 113,309</u>
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LIABILITIES

Accounts payable	\$ 157
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FUND BALANCE

Restricted - public safety	<u>113,152</u>
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Total liabilities and fund balance	<u>\$ 113,309</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, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Forfeitures	\$ 100,000	\$ 45,690	\$ (54,310)
EXPENDITURES			
Supplies - miscellaneous		10,044	
Capital outlay		135,247	
Total expenditures	234,000	145,291	88,709
Excess of revenues over (under) expenditures	(134,000)	(99,601)	34,399
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(35,000)	(35,000)	
Net change in fund balance	(169,000)	(134,601)	34,399
FUND BALANCE, JULY 1, 2016	247,753	247,753	
FUND BALANCE, JUNE 30, 2017	\$ 78,753	\$ 113,152	\$ 34,399

PUBLIC CONTRIBUTIONS FUND

NORTHFIELD TOWNSHIP
PUBLIC CONTRIBUTIONS FUND
BALANCE SHEET
JUNE 30, 2017

ASSETS

Cash	<u>\$ 569</u>
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LIABILITIES

Accounts payable	\$ 70
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FUND BALANCE

<u>499</u>

Total liabilities and fund balance

<u>\$ 569</u>

NORTHFIELD TOWNSHIP

**PUBLIC CONTRIBUTIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Donations	\$ 500	\$ 475	\$ 25
EXPENDITURES	<u>500</u>	<u>327</u>	<u>173</u>
Net change in fund balance		148	148
FUND BALANCE, JULY 1, 2016	<u>351</u>	<u>351</u>	<u></u>
FUND BALANCE, JUNE 30, 2017	<u>\$ 351</u>	<u>\$ 499</u>	<u>\$ 148</u>

DOWNTOWN DEVELOPMENT AUTHORITY FUND

NORTHFIELD TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
JUNE 30, 2017

ASSETS

Cash	<u><u>\$ 60,207</u></u>
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LIABILITIES

Accounts payable	9,780
Due to other funds	<u>1,494</u>

Total liabilities	11,274
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FUND BALANCE

	<u>48,933</u>
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Total liabilities and fund balance	<u><u>\$ 60,207</u></u>
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NORTHFIELD TOWNSHIP

**DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	\$	\$	\$
EXPENDITURES			
Project fees	25,538	16,791	8,747
Net change in fund balance	(25,538)	(16,791)	8,747
FUND BALANCE, JULY 1, 2016	65,724	65,724	
FUND BALANCE, JUNE 30, 2017	\$ 40,186	\$ 48,933	\$ 8,747

BUILDING AUTHORITY DEBT SERVICE FUND

NORTHFIELD TOWNSHIP

**BUILDING AUTHORITY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

Rental income \$ 254,086

EXPENDITURES

Debt service

Principal 215,297

Interest/fees 38,789

Total expenditures 254,086

Net change in fund balance

FUND BALANCE, JULY 1, 2016

FUND BALANCE, JUNE 30, 2017 \$

PUBLIC SAFETY BUILDING DEBT SERVICE FUND

NORTHFIELD TOWNSHIP

**PUBLIC SAFETY BUILDING DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash	\$	7,096
Taxes receivable		1,093
Prepaid expenses		160
Due from other funds		<u>4,888</u>

Total assets \$ 13,237

LIABILITIES

Accounts payable	\$	11,496
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FUND BALANCE

Restricted - debt		<u>1,741</u>
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Total liabilities and fund balance \$ 13,237

NORTHFIELD TOWNSHIP

**PUBLIC SAFETY BUILDING DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

Property taxes	\$ 264,677
Local stabilization reimbursement	4,888
Other income	89

Total revenues 269,654

EXPENDITURES

Supplies	1,059
Cleaning services	9,942
Contracted services	6,728
Telephone	5,814
Insurance	7,462
Utilities	63,207
Repairs and maintenance	15,176
Tax chargebacks	213
Bond - principal	230,000
Bond - interest	35,164
Overhead allocation	(99,930)

Total expenditures 274,835

Net change in fund balance (5,181)

FUND BALANCE, JULY 1, 2016 6,922

FUND BALANCE, JUNE 30, 2017 \$ 1,741

SEWAGE DISPOSAL SYSTEM FUND

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF NET POSITION
JUNE 30, 2017

CURRENT ASSETS

Cash	\$ 890,657	
Investments	22,245	
Sewer billings receivable	389,017	
Due from other funds	3,631	
Other receivable	<u>22,870</u>	
Total current assets		\$ 1,328,420

RESTRICTED ASSETS

Cash and investments - capital and debt	917,250	
Special assessments receivable	<u>1,144,401</u>	
Total restricted assets		2,061,651

PLANT, PROPERTY AND EQUIPMENT

Land	226,918	
Plant	2,229,393	
Plant expansion	12,109,445	
Equipment	<u>1,210,484</u>	
	15,776,240	
Less: accumulated depreciation	<u>(6,872,759)</u>	
Net plant, property, and equipment		<u>8,903,481</u>
Total assets		<u>\$ 12,293,552</u>

CURRENT LIABILITIES

Accounts payable	\$ 83,248	
Accrued compensated absences	36,117	
Bonds payable - current portion	<u>113,596</u>	
Total current liabilities		\$ 232,961

LONG-TERM LIABILITIES

Bonds payable - less current portion		<u>1,111,094</u>
Total liabilities		1,344,055

NET POSITION

		<u>10,949,497</u>
Total liabilities and net position		<u>\$ 12,293,552</u>

NORTHFIELD TOWNSHIP

**SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

OPERATING REVENUES

User charges \$ 1,356,181

OPERATING EXPENSES

Salaries and wages	\$ 296,625
Payroll taxes	21,445
Insurance - benefits	100,216
Pension	25,199
Training and development	630
Testing	3,874
Operating supplies	49,132
Uniforms	2,413
Professional services	30,624
Controller	18,448
Supplies	1,563
Equipment	59,654
Contracted services	42,160
Administration fees	37,500
Telephone	4,946
Transportation	4,022
Printing and postage	3,585
Insurance and bonds	30,171
Utilities	118,764
Repairs and maintenance	72,766
Equipment rental	1,247
Depreciation	349,738

Total operating expenses 1,274,722

Operating income 81,459

NON-OPERATING REVENUES AND (EXPENSES)

Interest income - cash and equivalents	2,631
Interest - special assessments	72,569
Other revenues	5,589
Interest expense	(62,529)
Agent fees	(1,562)

Total non-operating revenues and (expenses) 16,698

Net income before capital contributions 98,157

CAPITAL CONTRIBUTIONS

Connection fees 28,400

Change in net position 126,557

NET POSITION, JULY 1, 2016 10,822,940

NET POSITION, JUNE 30, 2017 \$ 10,949,497

NORTHFIELD TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers		\$ 1,313,104
Cash payments to employees		(282,184)
Cash payments to suppliers of goods and services		<u>(564,347)</u>
Net cash provided by operating activities		466,573

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Connection fees received	\$ 28,400	
Special assessments and interest received	280,890	
Other revenue (expense)	5,589	
Acquisition of capital assets	(196,711)	
Repayment of principal on bonds/contracts	(568,794)	
Investment activity	<u>1,174,534</u>	
Net cash (used in) capital and related financing activities		723,908

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and cash equivalents		<u>2,631</u>
Net increase in cash and cash equivalents		1,193,112

CASH AND CASH EQUIVALENTS AT, JULY 1, 2016

598,215

CASH AND CASH EQUIVALENTS AT, JUNE 30, 2017

\$ 1,791,327

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income		\$ 81,459
Adjustments to reconcile operating income to net cash (used in) operating activities:		
Depreciation	\$ 349,738	
Change in assets and liabilities:		
(Increase) decrease in receivables	(22,731)	
(Increase) decrease in prepaid expenses	252	
(Increase) decrease in other receivables	(23,290)	
Increase in accounts payable/accrued compensated absences	<u>81,145</u>	
Total adjustments		<u>385,114</u>
Net cash provided by operating activities		<u><u>\$ 466,573</u></u>

CURRENT TAX COLLECTION FUND

NORTHFIELD TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2017

ASSETS

Due from other funds

\$ 26

LIABILITIES

Bank overdraft

\$ 26

TRUST AND AGENCY FUND

NORTHFIELD TOWNSHIP

**TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash	\$ 60,984
Due from others	<u>7,944</u>

Total assets	<u><u>\$ 68,928</u></u>
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LIABILITIES

Due to others	<u><u>\$ 68,928</u></u>
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PAYROLL FUND

NORTHFIELD TOWNSHIP

**PAYROLL FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS

Cash	\$	7,143
Due from others		<u>857</u>

Total assets	\$	<u><u>8,000</u></u>
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LIABILITIES

Due to others	\$	<u><u>8,000</u></u>
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