

Charter Township of Northville

**Financial Report
with Supplemental Information
December 31, 2004**

Charter Township of Northville

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Northville
Wayne County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Northville as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Northville's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Northville as of December 31, 2004 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Board of Trustees
Charter Township of Northville

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Northville's basic financial statements. The accompanying other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

March 11, 2005

Charter Township of Northville

Management's Discussion and Analysis

Overview of the Financial Statements

Northville Township's 2004 annual report is presented in conformity with the requirements of GASB 34, as it was in 2003. This annual report consists of five parts - management's discussion and analysis, the basic financial statements, required supplementary information, other supplemental information that presents combining statements for nonmajor governmental funds and fiduciary funds, and a statistical section. The basic financial statements include two kinds of statements that present different views of the Township. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

Government-wide Statements

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid (full accrual).

The two government-wide financial statements report the Township's net assets and how they have changed. Net assets, the difference between the Township's assets and liabilities, are one way to measure the Township's financial health or position.

The government-wide financial statements of the Township are divided into three categories:

- **Governmental Activities** - Most of the Township's basic services are included here, such as the police, fire, building, community development departments, and general administration. Property taxes, state-shared revenue, charges for services, and a special operating millage provide most of the funding.
- **Business-type Activities** - The Township charges fees to customers to help it cover the cost of services it provides. The Township's water and sewer system operations are treated as business-type activities.
- **Component Unit** - The Township includes one other entity in its reports, the Economic Development Corporation. Although legally separate, these "component units" are important because the Township is financially accountable.

Charter Township of Northville

Management's Discussion and Analysis (Continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and bond covenants. The Township Board establishes other funds to control and manage money for particular purposes.

The Township has three kinds of funds:

- **Governmental Funds** - Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.
- **Proprietary Funds** - Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long- and short-term financial information.
- **Fiduciary Funds** - The Township is responsible for ensuring that the assets reported in these funds are for their intended purposes. All of the Township's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance operations.

Financial Overview

Northville Township has combined total net assets of \$99 million. This was an increase over 2003 of \$9 million. Business-type activities comprise of \$76 million, and governmental activities make up \$23 million of the total net assets.

Charter Township of Northville

Management's Discussion and Analysis (Continued)

In a condensed format, the table below shows a comparison of the net assets as of the current date to the prior year (in thousands of dollars):

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current assets	\$ 25,051	\$ 34,121	\$ 29,176	\$ 23,817	\$ 54,227	\$ 57,938
Noncurrent assets	30,445	19,058	48,444	47,052	78,889	66,110
Total assets	55,496	53,179	77,620	70,869	133,116	124,048
Current liabilities	13,589	12,161	1,292	1,420	14,881	13,581
Long-term liabilities	18,677	19,417	64	399	18,741	19,816
Total liabilities	32,266	31,578	1,356	1,819	33,622	33,397
Net assets:						
Invested in capital assets -						
Net of related debt	9,418	8,533	46,443	45,105	55,861	53,638
Restricted	5,264	6,636	-	-	5,264	6,636
Unrestricted	8,548	6,432	29,821	23,945	38,369	30,377
Net assets	<u>\$ 23,230</u>	<u>\$ 21,601</u>	<u>\$ 76,264</u>	<u>\$ 69,050</u>	<u>\$ 99,494</u>	<u>\$ 90,651</u>

The following table shows the changes in net assets (in thousands of dollars):

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenue						
Program revenue:						
Charges for services	\$ 2,685	\$ 2,735	\$ 8,320	\$ 7,533	\$ 11,005	\$ 10,268
Operating grants and contributions	366	770	8,451	8,559	8,817	9,329
Capital grants and contributions	40	3	1,977	3,440	2,017	3,443
General revenue:						
Property taxes	9,503	8,435	-	-	9,503	8,435
State-shared revenue	1,485	1,554	-	-	1,485	1,554
Unrestricted investment earnings	322	350	347	300	669	650
Transfers	-	375	-	(375)	-	-
Special items and other	(40)	5	-	-	(40)	5
Total revenue	14,361	14,227	19,095	19,457	33,456	33,684
Program Expenses						
General government	3,195	2,732	-	-	3,195	2,732
Public safety:						
Police and fire	6,633	5,486	-	-	6,633	5,486
Building department	938	864	-	-	938	864
Community and economic development	286	512	-	-	286	512
Recreation and culture	946	1,400	-	-	946	1,400
Interest on long-term debt	734	834	-	-	734	834
Water and sewer	-	-	11,881	11,739	11,881	11,739
Total program expenses	12,732	11,828	11,881	11,739	24,613	23,567
Change in Net Assets	<u>\$ 1,629</u>	<u>\$ 2,399</u>	<u>\$ 7,214</u>	<u>\$ 7,718</u>	<u>\$ 8,843</u>	<u>\$ 10,117</u>

Charter Township of Northville

Management's Discussion and Analysis (Continued)

Governmental Activities

Revenues for governmental activities totaled approximately \$14.4 million in 2004. A total of \$9.5 million was in the form of property tax collections, an increase of \$1.1 million over 2003. This increase reflects a significant growth in taxable value of \$186,667,879 or 13.32 percent. State-shared revenue continues to be of concern. While they provide nearly \$1.5 million, we are uncertain what will happen in 2005 given the State's financial difficulties. The amount collected in 2004 is \$69,000 less than what was received in 2003. Charges in services, primarily for inspections, generated nearly \$2.7 million.

Business-type Activities

Northville Township's business-type activities relate to water and sewer operations. Revenues for the business-type activities were approximately \$19.1 million. Water is provided to Northville Township residents via the Detroit Water and Sewer Department. Sewage treatment is provided by contracts with Western Township Utility Authority (WTUC), Wayne County, and the Ypsilanti Community Utility Authority (YCAU). Northville Township is participating in a WTUC/YCAU project to expand the YCAU treatment facilities to ensure continued sewage treatment services for community. This project is 60 percent complete at this time and is on budget.

Current Economic Events

Northville Township continues to experience good growth in the community. This is seen in continually strong housing, commercial, and industrial markets. Our state equalized value (SEV) is approximately \$1.9 billion, which is \$300,000 more than our taxable value (TV). This is significant because taxes are based on taxable value, not SEV.

Revenue sharing is the most significant budgetary concern at this time. The State of Michigan is experiencing significant budgeting problems, and as they look for solutions, revenue sharing continues to be under attack. The governor's proposed budget for 2004/2005 calls for a level funding for state revenue-sharing payments. Unfortunately, we are significantly below earlier levels. However, there is continued growth in the community. One additional step we take to provide managerial and financial stability is an eight-year strategic forecasting plan. This plan will serve as our guide as we develop future budgets and strategies.

Charter Township of Northville

Management's Discussion and Analysis (Continued)

Financial Analysis of Township Funds and Budgets

The General Fund ended 2004 with a fund balance of \$3,176,090, including \$2,115,580 reserved for long-term receivable. Several factors affected operating results. First, state-shared revenue was below original projections. This was a result of the State's continued structural budget problems and the state's economy. Tax revenue was up approximately \$115,000 due to increased taxable value. Investment income was down about \$11,000 from last year. Expenditures were greater than expectations (\$79,854 above final budget). This is reflective of various accruals and capital expenditures made at the end of the year.

The General Fund budget is amended semiannually. This is primarily done to prevent over-expenditures. The 2004 semiannual budget amendments increased the transfer to other funds by approximately \$1.4 million, which related to the senior citizens construction project, which is expected to be repaid to the Township in the future.

Police and fire operations are funded separately through a dedicated millage. These funds are expended exclusively for operations of police and fire, respectively. Both funds ended the year overall within line with budget expectations.

The Shared Services Fund consists of the recreation, senior citizens, and youth assistance operations. Northville Township has a contractual arrangement with the City of Northville to provide these services to the community. These operations are funded separately through a dedicated millage. This fund ended the year overall above budget expectations due to various capital expenditures toward year end.

Capital

Northville Township continues the construction of the municipal building project that was started in 2003. Debt was issued and construction started early in 2003. This project is near completion at year end.

Contact Us

This report is intended to aid our residents and other interested parties in understanding Northville Township's financial condition. Should you have further questions, please contact the Finance Department at the Finance Building.

Charter Township of Northville

Statement of Net Assets December 31, 2004

	Primary Government			Component Unit (EDC)
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 15,232,333	\$ 6,420,191	\$ 21,652,524	\$ 4,928
Cash segregated for capital (Notes 3 and 4)	-	20,709,268	20,709,268	-
Receivables:				
Taxes	7,222,430	-	7,222,430	-
Customers	-	1,647,075	1,647,075	-
Special assessments	90	93,237	93,327	-
Other	-	242,970	242,970	-
Prepaid expenses and other assets	158,358	30,625	188,983	-
Due from other governmental units	2,470,919	-	2,470,919	-
Internal balances	(32,845)	32,845	-	-
Investments in joint ventures (Note 13)	2,185,514	1,563,586	3,749,100	-
Special assessments - Net of current portion	136,502	92,416	228,918	-
Nondepreciable capital assets (Note 6)	25,370,703	-	25,370,703	-
Depreciable capital assets - Net (Note 6)	2,752,126	46,787,978	49,540,104	-
Total assets	55,496,130	77,620,191	133,116,321	4,928
Liabilities				
Accounts payable and accrued liabilities	1,819,252	759,742	2,578,994	-
Deferred revenue (Note 5)	10,566,842	164,024	10,730,866	-
Noncurrent liabilities (Note 8):				
Due within one year	1,202,581	368,429	1,571,010	-
Due in more than one year	18,677,063	64,207	18,741,270	-
Total liabilities	32,265,738	1,356,402	33,622,140	-
Net Assets				
Invested in capital assets - Net of related debt	9,417,817	46,442,978	55,860,795	-
Restricted:				
Police and fire	5,017,124	-	5,017,124	-
Shared services	362	-	362	-
Debt service	247,154	-	247,154	-
Unrestricted	8,547,935	29,820,811	38,368,746	4,928
Total net assets	\$ 23,230,392	\$ 76,263,789	\$ 99,494,181	\$ 4,928

Charter Township of Northville

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 3,194,531	\$ 458,268	\$ -	\$ 14,218
Public safety:				
Police and fire	6,632,940	316,682	183,173	-
Building department	938,465	1,643,764	-	-
Community and economic development	286,453	119,386	22,019	-
Recreation and culture	946,227	147,333	160,641	-
Interest on long-term debt	733,582	-	-	25,920
Total governmental activities	12,732,198	2,685,433	365,833	40,138
Business-type activities	11,881,191	8,319,541	8,450,664	1,977,340
Total primary government	<u>\$ 24,613,389</u>	<u>\$ 11,004,974</u>	<u>\$ 8,816,497</u>	<u>\$ 2,017,478</u>
Component unit - Economic Development Corporation	\$ -	\$ -	\$ -	\$ -
General revenues:				
Property taxes				
State-shared revenues				
Unrestricted investment earnings				
Special item - Loss on sale of capital assets				
Total general revenues and special item				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

Statement of Activities
Year Ended December 31, 2004

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit (EDC)
\$ (2,722,045)	\$ -	\$ (2,722,045)	\$ -
(6,133,085)	-	(6,133,085)	-
705,299	-	705,299	-
(145,048)	-	(145,048)	-
(638,253)	-	(638,253)	-
(707,662)	-	(707,662)	-
(9,640,794)	-	(9,640,794)	-
-	6,866,354	6,866,354	-
(9,640,794)	6,866,354	(2,774,440)	-
9,503,319	-	9,503,319	-
1,484,897	-	1,484,897	-
322,400	347,629	670,029	55
(40,378)	-	(40,378)	-
11,270,238	347,629	11,617,867	55
1,629,444	7,213,983	8,843,427	55
21,600,948	69,049,806	90,650,754	4,873
\$ 23,230,392	\$ 76,263,789	\$ 99,494,181	\$ 4,928

Charter Township of Northville

	Special Revenue Funds				
	General Fund	Police	Fire	Shared Services	Capital Projects Funds
Assets					
Cash and investments (Note 3)	\$ 1,623,432	\$ 5,383,632	\$ 2,117,550	\$ 800,969	\$ 3,169,603
Receivables:					
Taxes	750,657	3,597,493	1,541,783	1,332,497	-
Special assessments	34,471	-	-	-	-
Prepaid expenses and other assets	50,186	58,714	49,060	-	-
Due from other governmental units	2,115,580	-	-	-	-
Due from other funds (Note 7)	183,255	-	-	12,000	58
Total assets	<u>\$ 4,757,581</u>	<u>\$ 9,039,839</u>	<u>\$ 3,708,393</u>	<u>\$ 2,145,466</u>	<u>\$ 3,169,661</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 407,793	\$ 83,326	\$ 49,126	\$ 202,459	\$ 867,863
Due to other funds (Note 7)	44,845	52,304	22,944	-	-
Deferred revenue (Note 5)	1,128,853	5,275,643	2,247,765	1,942,645	-
Total liabilities	1,581,491	5,411,273	2,319,835	2,145,104	867,863
Fund Balances					
Reserved for long-term receivable	2,115,580	-	-	-	-
Unreserved - Reported in:					
General Fund - Undesignated	1,060,510	-	-	-	-
Special Revenue Funds	-	3,628,566	1,388,558	362	-
Capital Projects Funds	-	-	-	-	2,301,798
Debt Service Funds	-	-	-	-	-
Total fund balances	<u>3,176,090</u>	<u>3,628,566</u>	<u>1,388,558</u>	<u>362</u>	<u>2,301,798</u>
Total liabilities and fund balances	<u>\$ 4,757,581</u>	<u>\$ 9,039,839</u>	<u>\$ 3,708,393</u>	<u>\$ 2,145,466</u>	<u>\$ 3,169,661</u>

**Governmental Funds
Balance Sheet
December 31, 2004**

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,137,147	\$ 15,232,333
-	7,222,430
102,121	136,592
398	158,358
86,675	2,202,255
-	195,313
<u>\$ 2,326,341</u>	<u>\$ 25,147,281</u>

\$ 1,111	\$ 1,611,678
108,065	228,158
108,528	10,703,434
217,704	12,543,270
-	2,115,580
-	1,060,510
1,861,483	6,878,969
-	2,301,798
<u>247,154</u>	<u>247,154</u>
<u>2,108,637</u>	<u>12,604,011</u>
<u>\$ 2,326,341</u>	<u>\$ 25,147,281</u>

Charter Township of Northville

Governmental Funds Reconciliation of Fund Balances to the Statement of Net Assets Year Ended December 31, 2004

Fund Balance - Total Governmental Funds \$ 12,604,011

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds	28,122,829
Revenue-sharing revenue due from State not received within 60 days of year end is not available currently and is not recorded in the funds	268,664
Special assessment receivables are expected to be collected over several years, and are not available to pay for current year expenditures	136,592
Investments in joint ventures are not financial resources and are not reported in the funds	2,185,514
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(19,879,644)
Accrued interest is not due and payable in the current period and is not reported in the funds	<u>(207,574)</u>

Net Assets - Governmental Activities **\$ 23,230,392**

Charter Township of Northville

	Special Revenue Funds			
	General Fund	Police	Fire	Shared Services
Revenue				
Property taxes	\$ 1,035,614	\$ 4,655,541	\$ 2,015,340	\$ 1,796,824
Licensing and enforcement	-	183,391	-	-
Federal sources	-	134,318	-	-
State sources	1,475,327	-	-	-
Local sources	-	-	-	-
Building department	1,643,764	-	-	-
Fees, interest, and sundry	644,988	208,547	26,199	168,447
Total revenue	4,799,693	5,181,797	2,041,539	1,965,271
Expenditures				
Legislative	1,432,674	-	-	-
Clerk	341,885	-	-	-
Treasurer	760,364	-	-	-
Police department	-	4,431,337	-	-
Fire department	-	-	1,836,212	-
Building department	907,834	-	-	-
Planning and zoning	263,729	-	-	-
Shared services	-	-	-	4,487,050
Community development programs	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	101,942	226,999
Total expenditures	3,706,486	4,431,337	1,938,154	4,714,049
Excess of Revenue Over (Under) Expenditures	1,093,207	750,460	103,385	(2,748,778)
Other Financing Sources (Uses)				
Transfers in (Note 7)	-	-	-	512,000
Transfers out (Note 7)	(2,634,018)	-	-	-
Total other financing sources (uses)	(2,634,018)	-	-	512,000
Net Change in Fund Balances	(1,540,811)	750,460	103,385	(2,236,778)
Fund Balances - Beginning of year	4,716,901	2,878,106	1,285,173	2,237,140
Fund Balances - End of year	<u>\$ 3,176,090</u>	<u>\$ 3,628,566</u>	<u>\$ 1,388,558</u>	<u>\$ 362</u>

**Governmental Funds
Statement of Revenue, Expenditures, and
Changes in Fund Balances
Year Ended December 31, 2004**

Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,503,319
-	-	183,391
-	22,019	156,337
-	-	1,475,327
-	25,920	25,920
-	-	1,643,764
126,510	305,123	1,479,814
126,510	353,062	14,467,872
-	-	1,432,674
-	-	341,885
-	-	760,364
-	45,090	4,476,427
-	-	1,836,212
-	-	907,834
-	-	263,729
-	142,677	4,629,727
-	22,724	22,724
8,504,500	83,349	8,587,849
614,438	308,238	1,251,617
9,118,938	602,078	24,511,042
(8,992,428)	(249,016)	(10,043,170)
930,493	1,449,050	2,891,543
-	(257,525)	(2,891,543)
<u>930,493</u>	<u>1,191,525</u>	<u>-</u>
(8,061,935)	942,509	(10,043,170)
<u>10,363,733</u>	<u>1,166,128</u>	<u>22,647,181</u>
<u>\$ 2,301,798</u>	<u>\$ 2,108,637</u>	<u>\$ 12,604,011</u>

Charter Township of Northville

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2004

Net Change in Fund Balances - Total Governmental Funds \$ (10,043,170)

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

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	10,635,010
Revenue-sharing revenues are recorded in the statement of activities when the revenue is earned; they are not reported in the funds until collected or collectible within 60 days of year end	9,570
Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 60 days of year end	(48,723)
Equity interest in the Northville Parks and Recreation Commission is not reported in the governmental funds	749,080
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it decreases long-term debt)	413,726
Changes in accumulated employee sick and vacation pay are recorded when earned in the statement of activities	(8,417)
Changes in estimated general liability claims are recorded when incurred in the statement of activities	(80,000)
Increase in accrued interest on bonds, installment purchase obligations, and capital leases is an expenditure in the statement of activities, but not in the governmental funds	2,368

Change in Net Assets of Governmental Activities **\$ 1,629,444**

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Net Assets December 31, 2004

	Water and Sewer	Nonmajor Fund - Solid Waste	Total
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 6,214,012	\$ 206,179	\$ 6,420,191
Cash segregated for capital (Notes 3 and 4)	20,709,268	-	20,709,268
Receivables:			
Customers	1,647,075	-	1,647,075
Special assessments	93,237	-	93,237
Other	242,970	-	242,970
Prepaid expenses	30,625	-	30,625
Due from other funds (Note 7)	9,835	23,010	32,845
Total current assets	28,947,022	229,189	29,176,211
Noncurrent assets:			
Special assessments receivable - Net of current portion	92,416	-	92,416
Investments in joint venture (Note 13)	1,563,586	-	1,563,586
Capital assets - Net (Note 6)	46,787,978	-	46,787,978
Total noncurrent assets	48,443,980	-	48,443,980
Total assets	77,391,002	229,189	77,620,191
Liabilities			
Current liabilities:			
Current portion of long-term debt (Note 8)	368,429	-	368,429
Accounts payable and accrued liabilities	695,302	64,440	759,742
Deferred revenue (Note 5)	-	164,024	164,024
Total current liabilities	1,063,731	228,464	1,292,195
Noncurrent liabilities - Long-term debt - Net of current portion (Note 8)			
	64,207	-	64,207
Total liabilities	1,127,938	228,464	1,356,402
Net Assets			
Investment in capital assets - Net of related debt	46,442,978	-	46,442,978
Unrestricted	29,820,086	725	29,820,811
Total net assets	<u>\$ 76,263,064</u>	<u>\$ 725</u>	<u>\$ 76,263,789</u>

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2004

	Water and Sewer	Nonmajor Fund - Solid Waste	Total
Operating Revenue			
Water sales and sewer services	\$ 7,650,061	\$ -	\$ 7,650,061
Solid waste charges	-	669,480	669,480
Federal source grant revenue	116,966	-	116,966
Other revenue	<u>469,821</u>	-	<u>469,821</u>
Total operating revenue	8,236,848	669,480	8,906,328
Operating Expenses			
Cost of water	2,788,117	-	2,788,117
Cost of sewage disposal	4,189,334	-	4,189,334
Collection and recycling charges	-	779,769	779,769
Salaries and wages	777,471	-	777,471
Fringe benefits	344,762	-	344,762
System maintenance and operation	799,207	-	799,207
General and administrative	720,079	16,195	736,274
Depreciation	1,429,035	-	1,429,035
Total operating expenses	<u>11,048,005</u>	<u>795,964</u>	<u>11,843,969</u>
Operating Loss	(2,811,157)	(126,484)	(2,937,641)
Nonoperating Revenue (Expense)			
Customer connection fees	7,863,877	-	7,863,877
Interest income	345,640	1,989	347,629
Interest expense	<u>(37,222)</u>	-	<u>(37,222)</u>
Total nonoperating revenue	<u>8,172,295</u>	<u>1,989</u>	<u>8,174,284</u>
Income (Loss) - Before contributions and transfers	5,361,138	(124,495)	5,236,643
Capital Contributions - Lines constructed by developers	<u>1,977,340</u>	-	<u>1,977,340</u>
Change in Net Assets	7,338,478	(124,495)	7,213,983
Net Assets - Beginning of year	<u>68,924,586</u>	<u>125,220</u>	<u>69,049,806</u>
Net Assets - End of year	<u>\$ 76,263,064</u>	<u>\$ 725</u>	<u>\$ 76,263,789</u>

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Cash Flows Year Ended December 31, 2004

	Water and Sewer	Nonmajor Fund - Solid Waste
Cash Flows from Operating Activities		
Receipts from customers	\$ 7,763,583	\$ 725,384
Receipts from other governmental units - Grants	132,890	-
Payments to suppliers	(6,928,423)	(775,831)
Payments to employees	(1,115,637)	-
Internal activity - Payments from (to) other funds	2,794	(34,705)
Net cash used in operating activities	(144,793)	(85,152)
Cash Flows from Capital and Related Financing Activities		
Collection of customer assessments (principal and interest)	148,051	-
Purchase of capital assets	(454,919)	-
Connection fees	7,863,877	-
Principal and interest paid on joint venture debt	(2,313,240)	-
Principal and interest paid on capital debt	(385,413)	-
Net cash provided by capital and related financing activities	4,858,356	-
Cash Flows from Investing Activities - Interest received on investments		
	303,818	1,989
Net Increase (Decrease) in Cash and Cash Equivalents	5,017,381	(83,163)
Cash and Cash Equivalents - Beginning of year	21,905,899	289,342
Cash and Cash Equivalents - End of year	\$ 26,923,280	\$ 206,179
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and investments	\$ 6,214,012	\$ 206,179
Cash segregated for capital	20,709,268	-
Total cash and cash equivalents	\$ 26,923,280	\$ 206,179

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Cash Flows (Continued) Year Ended December 31, 2004

	Water and Sewer	Nonmajor Fund - Solid Waste
	<u> </u>	<u> </u>
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (2,811,157)	\$ (126,484)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	1,429,035	-
Income from investment in joint venture	(570,105)	-
Principal and interest paid on joint venture debt	2,313,240	-
Changes in assets and liabilities:		
Receivables	(356,295)	-
Other assets	10,863	-
Due from other governmental units	15,924	-
Due from other funds	2,794	-
Accounts payable	(178,367)	8,438
Due to other funds	-	(23,010)
Deferred revenue	-	55,904
Accumulated compensated absences	(725)	-
	<u> </u>	<u> </u>
Net cash used in operating activities	<u>\$ (144,793)</u>	<u>\$ (85,152)</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2004, developers constructed water and sewer lines with an estimated value of \$1,977,340 and donated them to the Township's Water and Sewer Enterprise Fund.

Charter Township of Northville

Fiduciary Funds - Agency Funds Combined Balance Sheet December 31, 2004

Assets - Cash and cash equivalents (Note 3)	<u>\$ 9,513,223</u>
Liabilities	
Accounts payable	\$ 32,616
Tax collections distributable	4,373,439
Bonds and deposits	<u>5,107,168</u>
 Total liabilities	 <u>\$ 9,513,223</u>

Charter Township of Northville

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Northville (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Northville:

Reporting Entity

The Township is governed by an elected seven-member Board of Trustees. As required by generally accepted accounting principles, these financial statements present the Charter Township of Northville and its component units. The component units discussed below are included in the Township's reporting entity because of the significance of their operational or financial relationships with the Township.

The Northville Township Building Authority is governed by a three-member board that is appointed by the Township Board of Trustees. Although it is legally separate from the Township, it is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings. The Northville Township Building Authority is inactive, and therefore is not included in the Township's financial report.

The Economic Development Corporation (the "EDC") is reported within the component unit column in the combined financial statements. It is reported in a separate column to emphasize that it is separate from the Township. The EDC was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Township so as to provide needed services and facilities of such enterprises to the residents of the Township. The EDC's governing body, which consists of nine individuals, is selected by the Township Board.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability. In addition, property taxes collected in December of the current year and January of the subsequent year are available; however, those taxes were levied for the following year's budget; therefore, this revenue has also been deferred.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

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 Police and Fire Funds are full-service departments whose main source of revenue comes from voter-approved millage on all real property. The funds provide safety, fire suppression, fire prevention, and emergency medical service in the Township.

The Shared Services Fund accounts for various recreation and culture activities within the Township. Revenues consist primarily of voter-approved millage on all real property.

The Capital Projects Fund accounts for the construction of a new township hall and police and fire headquarters. Revenues consist of interest income on investments and bond proceeds.

The Township reports the Water and Sewer Fund as its major proprietary fund. This Fund accounts for the results of operations that provide water and sewer services to citizens, financed primarily by a user charge for the provision of those services.

Additionally, the Township reports Agency Fund types. The Agency Funds account for assets held by the Township in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Township has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for sales and services. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Property Tax Revenue

The taxable valuation of the Township totaled approximately \$1.4 billion. Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2003 tax is levied and collectible on December 1, 2003, and is recognized as revenue in the year ended December 31, 2004, when the proceeds of the levy are budgeted and available for the financing of operations.

Charter Township of Northville

Notes to Financial Statements December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

The Township's tax levy for the year ended December 31, 2004 was as follows:

	Millage Rate	Levy
Operating	0.7110	\$ 996,264
Police and fire	4.7790	6,696,405
Shared services	<u>1.2608</u>	<u>1,766,651</u>
Total	<u>6.7508</u>	<u>\$ 9,459,320</u>

These amounts are recognized in the respective General and Special Revenue Funds financial statements as tax revenue, net of administrative fees.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., bike paths and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Governmental activities:

Bike paths	15 years
Buildings and improvements	30 years
Vehicles	5 years
Furniture and equipment	5 years
Computer equipment	3 years

Business-type activities:

Water and sewer systems	50-75 years
Buildings and improvements	25 years
Equipment	5-10 years

Compensated Absences - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Township oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and cumulative shortfall since January 1, 2000 is as follows:

Shortfall at January 1, 2004			\$ (211,834)
Current year building permit revenue			1,643,764
Related expenses:			
Direct costs	\$	907,834	
Estimated indirect costs		<u>811,194</u>	<u>1,719,028</u>
Current year shortfall			<u>(75,264)</u>
Cumulative shortfall			<u>\$ (287,098)</u>

Charter Township of Northville

Notes to Financial Statements December 31, 2004

Note 3 - Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated three banks for the deposit of Local Unit funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in accordance with the State statutory authority as listed above.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Primary Government	Component Unit
Cash and cash equivalents	\$ 15,232,333	\$ 6,420,191	\$ 9,513,223	\$ 31,165,747	\$ 4,928
Cash segregated for capital (Note 4)	-	20,709,268	-	20,709,268	-
Total	<u>\$ 15,232,333</u>	<u>\$ 27,129,459</u>	<u>\$ 9,513,223</u>	<u>\$ 51,875,015</u>	<u>\$ 4,928</u>

The breakdown between deposits and investments for the Township is as follows:

	Primary Government	Component Unit
Bank deposits (checking accounts, savings accounts, and certificates of deposit)	\$ 15,606,280	\$ 4,928
Investments in bank investment pools	26,803,409	-
U.S. government securities	9,464,728	-
Petty cash or cash on hand	598	-
Total	<u>\$ 51,875,015</u>	<u>\$ 4,928</u>

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 3 - Deposits and Investments (Continued)

The bank balance of the Township's deposits was \$15,896,387, of which \$300,000 is covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The deposits and investments of the component unit consist of bank deposits of \$4,928. The deposits were fully covered by federal depository insurance at December 31, 2004.

Investments

The Township's investments are categorized below to give an indication of the level of risk assumed by the entity at December 31, 2004. Risk Category 1 includes those investments that meet any of the following criteria:

- a. Insured
- b. Registered
- c. Held by the Township or its agent in the Township's name

Risk Categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department (or agent) in the Township's name. Category 3 includes investments held by:

- a. The counterparty
- b. The counterparty's trust department (or agent) but not in the Township's name

Charter Township of Northville

Notes to Financial Statements December 31, 2004

Note 3 - Deposits and Investments (Continued)

At year end, the Township's investment balances were categorized as follows:

	Category			Reported Amount (Fair Value)
	1	2	3	
U.S. government securities	\$ -	\$ 9,464,728	\$ -	\$ 9,464,728
Investments not subject to categorization - Bank investment pool funds	-	-	-	26,803,409
Total	\$ -	\$ 9,464,728	\$ -	\$ 36,268,137

The bank investment pools are regulated by the Michigan Banking Act, and the fair value of the position in the pool is the same as the value of the pool shares. Investments are normally categorized to give an indication of the level of risk assumed by the Township; however, these funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in these funds comply with the investment authority noted above.

Note 4 - Cash Segregated for Capital - Water and Sewer

Segregated assets at December 31, 2004 consist of bank deposits. These assets are segregated by Board resolution for replacement of plant, major repairs, acquisition of capacity, and facility expansion.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 5 - Deferred Revenue

On the fund-based statements, governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. Proprietary funds report deferred revenue only for amounts which are not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Governmental Funds/Activities			Proprietary Funds/Business- type Activities
	Unavailable	Unearned	Total	Unearned
Property taxes	\$ -	\$ 10,529,576	\$ 10,529,576	\$ -
Special assessments	136,592	-	136,592	-
Forfeitures	-	30,859	30,859	-
Other	-	6,407	6,407	164,024
Total	<u>\$ 136,592</u>	<u>\$ 10,566,842</u>	<u>\$ 10,703,434</u>	<u>\$ 164,024</u>

On the government-wide statements, since reporting is based on the full-accrual basis of accounting, both governmental and business-type activities report only the amount of unearned revenue as deferred.

Charter Township of Northville

Notes to Financial Statements December 31, 2004

Note 6 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance January 1, 2004	Reclassifi- cations	Additions	Disposals and Adjustments	Balance December 31, 2004
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 8,287,400	\$ -	\$ -	\$ -	\$ 8,287,400
Construction in progress	6,262,316	-	10,820,987	-	17,083,303
Subtotal	14,549,716	-	10,820,987	-	25,370,703
Capital assets being depreciated:					
Bike paths	439,003	-	11,755	-	450,758
Buildings and improvements	2,377,047	-	1,421	-	2,378,468
Vehicles:					
Police and fire	1,976,302	(25,834)	148,725	137,169	1,962,024
Other	300,661	25,834	68,967	57,195	338,267
Furniture and equipment	1,448,178	-	118,061	-	1,566,239
Computer equipment	180,996	-	100,282	34,214	247,064
Subtotal	6,722,187	-	449,211	228,578	6,942,820
Accumulated depreciation:					
Bike paths	50,794	-	34,702	-	85,496
Buildings and improvements	1,118,116	-	79,207	-	1,197,323
Vehicles:					
Police and fire	1,279,393	(23,681)	225,728	101,289	1,380,151
Other	172,632	23,681	31,731	26,784	201,260
Furniture and equipment	1,044,356	-	143,109	-	1,187,465
Computer equipment	118,793	-	53,633	33,427	138,999
Subtotal	3,784,084	-	568,110	161,500	4,190,694
Net capital assets being depreciated	2,938,103	-	(118,899)	67,078	2,752,126
Net capital assets	\$ 17,487,819	\$ -	\$ 10,702,088	\$ 67,078	\$ 28,122,829
Business-type Activities					
Capital assets being depreciated:					
Water and sewer systems	\$ 56,108,321	\$ -	\$ 2,200,568	\$ -	\$ 58,308,889
Buildings and improvements	1,357,344	-	122,190	-	1,479,534
Equipment	2,355,933	-	109,501	23,504	2,441,930
Subtotal	59,821,598	-	2,432,259	23,504	62,230,353
Accumulated depreciation:					
Water and sewer systems	11,624,581	-	1,164,204	-	12,788,785
Buildings and improvements	1,699,888	-	59,181	-	1,759,069
Equipment	712,375	-	205,650	23,504	894,521
Subtotal	14,036,844	-	1,429,035	23,504	15,442,375
Net capital assets	\$ 45,784,754	\$ -	\$ 1,003,224	\$ -	\$ 46,787,978

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 6 - Capital Assets (Continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:		
General government		\$ 175,642
Public safety:		
Police and fire		366,517
Building department		25,584
Recreation and culture		<u>367</u>
Total governmental activities		<u>\$ 568,110</u>

Construction Commitments - The Township has an active construction project at year end related to the \$15,000,000 bond issue for the Township Hall and Police and Fire Stations project. As of December 31, 2004, the Township spent approximately \$14,800,000, with a remaining commitment of approximately \$200,000.

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Police Fund	\$ 52,246
	Fire Fund	22,944
	Other governmental funds	<u>108,065</u>
Total General Fund		183,255
Special Revenue Funds -		
Shared Services Fund	General Fund	12,000
Capital Projects Fund -		
Capital Projects Fund	Police Fund	<u>58</u>
Total governmental funds		195,313

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
Proprietary Funds -		
Water and Sewer Fund	General Fund	\$ 9,835
Solid Waste Fund	General Fund	<u>23,010</u>
Total proprietary funds		<u>32,845</u>
Total		<u>\$ 228,158</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund Transfers

	Transfers Out		
	General Fund	General	
		Capital Outlay Fund	Total
Transfers in:			
General Capital Outlay Fund (1)	\$ 591,525	\$ -	\$ 591,525
Shared Services Fund (2)	512,000	-	512,000
Capital Projects Fund (1)	930,493	-	930,493
Retiree Healthcare Fund (4)	600,000	-	600,000
Land Acquisition Fund (3)	<u>-</u>	<u>257,525</u>	<u>257,525</u>
Total	<u>\$ 2,634,018</u>	<u>\$ 257,525</u>	<u>\$ 2,891,543</u>

- (1) Transfers for capital improvements
- (2) Transfers for general operations
- (3) Transfers for debt service
- (4) Transfers for retiree health care

Charter Township of Northville

Notes to Financial Statements December 31, 2004

Note 8 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Installment purchase agreements and capital leases are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received.

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General Obligation Bonds:							
1999 General Obligation Bonds		\$100,000 -					
Amount of issue - \$3,270,000							
Maturing through 2020	5.00% - 5.25%	\$300,000	\$ 3,050,000	\$ -	\$ 100,000	\$ 2,950,000	\$ 100,000
1993 General Obligation Bonds		\$20,000 -					
Amount of issue - \$260,000							
Maturing through 2008	5.50% - 5.80%	\$25,000	115,000	-	20,000	95,000	20,000
1995 Special Assessment Bonds		\$15,000 -					
Amount of issue - \$230,000							
Maturing through 2010	5.55% - 6.05%	\$20,000	120,000	-	15,000	105,000	15,000
2003 General Obligation Limited Tax Bonds		\$250,000 -					
Amount of issue - \$15,000,000							
Maturing through 2023	3.00% - 4.75%	\$1,100,000	15,000,000	-	-	15,000,000	250,000
Installment purchase agreements:							
1998 Installment agreement							
Amount of agreement - \$630,000							
Maturing through 2005	4.25%	\$150,000	275,000	-	125,000	150,000	150,000
2000 Fire Truck		\$57,925 -					
Amount of agreement - \$500,000							
Maturing through 2008	5.14%	\$67,324	305,276	-	55,092	250,184	57,925
2000 Fire Squad							
Amount of agreement - \$130,218							
Maturing through 2005	6.29%	\$29,314	56,892	-	27,578	29,314	29,314
1998 Land Contract		\$74,964 -					
Amount of agreement - \$700,000							
Maturing through 2008	5.50%	\$88,026	396,570	-	71,056	325,514	74,964
Total bonds and installment purchase agreements			19,318,738	-	413,726	18,905,012	697,203
Estimated self-insurance claims			80,000	80,000	-	160,000	160,000
Accumulated compensated absences			806,215	8,417	-	814,632	345,378
Total governmental activities			\$ 20,204,953	\$ 88,417	\$ 413,726	\$ 19,879,644	\$ 1,202,581
Business-type Activities							
General Obligation Bonds - 1989 Special Assessment Limited Tax Bonds		\$15,000 -					
Amount of issue - \$4,746,249							
Maturing through 2006	7.875%	\$330,000	\$ 680,000	\$ -	\$ 335,000	\$ 345,000	\$ 330,000
Accumulated compensated absences			88,361	-	725	87,636	38,429
Total business-type activities			\$ 768,361	\$ -	\$ 335,725	\$ 432,636	\$ 368,429

Charter Township of Northville

Notes to Financial Statements December 31, 2004

Note 8 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above bond and note obligations are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 697,203	\$ 809,547	\$ 1,506,750	\$ 330,000	\$ 14,175	\$ 344,175
2006	779,989	782,773	1,562,762	15,000	591	15,591
2007	837,470	752,972	1,590,442	-	-	-
2008	900,350	721,085	1,621,435	-	-	-
2009	770,000	687,827	1,457,827	-	-	-
2010-2014	4,770,000	2,930,124	7,700,124	-	-	-
2015-2019	5,750,000	1,839,586	7,589,586	-	-	-
2020-2023	4,400,000	504,919	4,904,919	-	-	-
Total	<u>\$ 18,905,012</u>	<u>\$ 9,028,833</u>	<u>\$ 27,933,845</u>	<u>\$ 345,000</u>	<u>\$ 14,766</u>	<u>\$ 359,766</u>

Note 9 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased insurance through the Michigan Municipal Workers' Compensation Fund for workers' compensation claims, and participates in the Michigan Municipal Risk Management Authority for claims relating to property loss, torts, errors and omissions, and medical benefits.

The Michigan Municipal Workers' Compensation Fund operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Township.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 9 - Risk Management (Continued)

The Township estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2004</u>	<u>2003</u>
Estimated liability - Beginning of year	\$ 80,000	\$ 235,000
Estimated claims incurred, including changes in estimates	336,951	149,414
Claim payments	<u>(256,951)</u>	<u>(304,414)</u>
Estimated liability - End of year	<u>\$ 160,000</u>	<u>\$ 80,000</u>

Note 10 - Defined Benefit Pension Plan and Postretirement Benefits

Plan Description - The Township participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers employees in the command and patrol divisions. The plan was approved on April 1, 1998. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the MERS for these employees was established by negotiation with the Township's competitive bargaining units. The Township is required to contribute up to 15 percent of the annual payroll, and employees are required to contribute amounts in excess of 15 percent.

Charter Township of Northville

Notes to Financial Statements December 31, 2004

Note 10 - Defined Benefit Pension Plan and Postretirement Benefits (Continued)

Annual Pension Costs - For the year ended December 31, 2004, the Township's annual pension cost of \$268,986 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2001, using the entry age actuarial cost method. Significant actuarial assumptions used include: (i) an 8 percent investment rate of return; (ii) projected salary increases of 4.5 percent to 8.66 percent per year, attributable to seniority/merit; and (iii) 2.5 percent per year cost of living adjustments. Both (i) and (ii) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percent of payroll on a closed basis. The remaining amortization period is 33 years.

Three-year trend information as of December 31 follows:

	Fiscal Year Ended December 31		
	2004	2003	2002
Annual pension costs (APC)	\$ 268,986	\$ 203,944	\$ 121,704
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -
	Actuarial Valuation as of December 31		
	2003	2002	2001
Actuarial value of assets	\$ 3,470,412	\$ 2,653,279	\$ 2,511,929
Actuarial accrued liability (AAL) (entry age)	\$ 4,760,486	\$ 3,470,420	\$ 3,177,500
Unfunded AAL (UAAL)	\$ 1,290,074	\$ 817,141	\$ 665,571
Funded ratio	73%	76%	79%
Covered payroll	\$ 2,026,925	\$ 1,008,047	\$ 766,781
UAAL as a percentage of payroll	64%	81%	87%

Note 11 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the Board of Trustees, the Township contributes 15 percent of employees' base earnings and voluntary employee contributions are allowed. In accordance with these requirements, the Township contributed \$447,463 during the current year, and employees contributed \$10,926.

Note 12 - Other Postemployment Benefits

The Township provides health benefits to certain full-time employees upon retirement in accordance with labor contracts. Currently, four employees are eligible. The Township includes pre-Medicare retirees and their dependents in its insured health care plan, with no contribution required by the participant. The Township purchases Medicare supplemental insurance for retirees eligible for Medicare. Expenditures for postemployment health care benefits are recognized as the insurance premiums become due; during the year, this amounted to approximately \$50,000.

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2009.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 13 - Joint Ventures

The Township is a member of the Western Township Utilities Authority (WTUA), which provides sewage disposal services to the residents of Canton, Northville, and Plymouth Townships. The participating communities provide annual funding for its operations. During the current year, the Township paid WTUA approximately \$4,995,000 for operations, debt, and capital. The Township's equity interest is recorded within the Water and Sewer Fund. The Township is unaware of any circumstances that would cause additional financial benefit or burden to the participating governments in the near future. Complete financial statements for WTUA can be obtained from the administrative offices at 40905 Joy Road, Canton, MI 48187.

The Township is a member of the 35th District Court System and has an equity interest in the 35th District Courthouse Authority (the "Courthouse"), which provides judicial services to the Township and various other surrounding communities. The Township appoints one member to the joint venture's board, which then approves the annual budget. The Township's equity interest is recorded within the governmental activities column in the statement of net assets. The Township is unaware of any circumstances that would cause additional financial benefit or burden to the participating governments in the near future. The Township and various other surrounding communities agreed to become guarantors of bonds issued by the Courthouse during 1999. There were bonds outstanding of \$3,700,000 at December 31, 2004, of which the Township guarantees approximately 13 percent, or approximately \$481,000. Complete financial statements of the Courthouse can be obtained from the administrative offices at 660 Plymouth Road, Plymouth, MI 48170.

The Township also participates in the Northville Parks and Recreation Commission as a joint venture with the City of Northville. Approval of the annual budget is required by the City and Township. The Recreation Commission has been subsidized to the extent that expenditures exceed operating revenue. The Township's equity interest is recorded within the governmental activities column in the statement of net assets. The participating communities provide annual funding for its operations. During the current year, the Township contributed approximately \$1,054,500 for the Commission's operations. The Township is unaware of any circumstances that would cause additional financial benefit or burden to the Township in the near future. Complete financial statements for the organization can be obtained from the administrative office at 215 West Main, Northville, MI 48167.

Charter Township of Northville

Notes to Financial Statements
December 31, 2004

Note 13 - Joint Ventures (Continued)

The investments in joint ventures are recorded in the financial statements as follows:

<u>Joint Venture</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Western Township Utilities Authority (WTUA)	\$ -	\$ 1,563,586	\$ 1,563,586
35th District Court System	584,013	-	584,013
Northville Parks and Recreation Commission	<u>1,601,501</u>	<u>-</u>	<u>1,601,501</u>
Total	<u>\$ 2,185,514</u>	<u>\$ 1,563,586</u>	<u>\$ 3,749,100</u>

Required Supplemental Information

Charter Township of Northville

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenues				
Property taxes	\$ 1,088,098	\$ 1,049,154	\$ 1,035,614	\$ (13,540)
State sources	1,628,663	1,628,663	1,475,327	(153,336)
Building department	1,565,000	1,661,000	1,643,764	(17,236)
Fees, interest, and sundry	353,366	571,266	644,988	73,722
Total revenues	4,635,127	4,910,083	4,799,693	(110,390)
Expenditures				
Legislative	1,108,800	1,396,030	1,432,674	(36,644)
Clerk	323,575	335,800	341,885	(6,085)
Treasurer	715,660	738,910	760,364	(21,454)
Constables	2,665	-	-	-
Building department	777,140	886,140	907,834	(21,694)
Planning and zoning	316,870	307,770	263,729	44,041
Transfers to other funds	1,151,000	2,596,000	2,634,018	(38,018)
Total expenditures	4,395,710	6,260,650	6,340,504	(79,854)
Excess of Revenues Over (Under)				
Expenditures	239,417	(1,350,567)	(1,540,811)	\$ (190,244)
Fund Balance - Beginning of year	4,380,993	4,716,901	4,716,901	
Fund Balance - End of year	\$ 4,620,410	\$ 3,366,334	\$ 3,176,090	

Charter Township of Northville

	Police Fund			Variance with Amended Budget
	Original Budget	Amended Budget	Actual	
Revenues				
Property taxes	\$ 4,638,000	\$ 4,655,541	\$ 4,655,541	\$ -
Other revenue	306,280	486,846	526,256	39,410
Transfers in from other funds	-	-	-	-
Total revenues	4,944,280	5,142,387	5,181,797	39,410
Expenditures	4,471,003	4,633,771	4,431,337	202,434
Excess of Revenues Over (Under) Expenditures	473,277	508,616	750,460	\$ 241,844
Fund Balance - Beginning of year	2,525,062	2,878,106	2,878,106	
Fund Balance - End of year	\$ 2,998,339	\$ 3,386,722	\$ 3,628,566	

**Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Funds
Year Ended December 31, 2004**

Fire Fund				Shared Services Fund			
Original Budget	Amended Budget	Actual	Variance with Amended Budget	Original Budget	Amended Budget	Actual	Variance with Amended Budget
\$ 2,101,000	\$ 2,015,340	\$ 2,015,340	\$ -	\$ 1,772,400	\$ 1,796,824	\$ 1,796,824	\$ -
24,500	19,315	26,199	6,884	15,000	15,000	168,447	153,447
-	-	-	-	-	-	512,000	512,000
2,125,500	2,034,655	2,041,539	6,884	1,787,400	1,811,824	2,477,271	665,447
2,060,540	2,173,390	1,938,154	235,236	3,480,700	3,480,700	4,714,049	(1,233,349)
64,960	(138,735)	103,385	<u>\$ 242,120</u>	(1,693,300)	(1,668,876)	(2,236,778)	<u>\$ (567,902)</u>
1,150,688	1,285,173	1,285,173		2,555,511	2,237,140	2,237,140	
<u>\$ 1,215,648</u>	<u>\$ 1,146,438</u>	<u>\$ 1,388,558</u>		<u>\$ 862,211</u>	<u>\$ 568,264</u>	<u>\$ 362</u>	

Charter Township of Northville

Note to Required Supplemental Information Year Ended December 31, 2004

Budgetary Information - The annual budget is prepared by the Township Supervisor and adopted by the Township Board; subsequent amendments are approved by the Township Board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at December 31, 2004 is not known. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with generally accepted accounting principles for the General Fund and all Special Revenue Funds, with the exception that operating transfers have been included in the "revenue" and/or "expenditures" categories, rather than as "other financing sources (uses)".

The Township follows procedures outlined below in establishing the budget reflected in the financial statements:

1. The budget process begins in August via an e-mail distribution to various Township departments.
2. In August, a preliminary operating budget is adopted for the following year.
3. In September, the budget is available for public viewing, a public hearing for truth and taxation takes place, and study sessions occur with the Board of Trustees.
4. In October, the final operating budget is adopted.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. Comparison of actual results of operations to the budgets of the General Fund and Major Special Revenue Funds as adopted by the Township Board are included in the required supplemental information of the basic financial statements. A comparison of the actual results of operations to the Nonmajor Special Revenue Funds budgets as adopted by the Township is available at the Township Hall for inspection.

Excess of Expenditures Over Budgeted Amounts - The Township had several expenditure budget overruns as follows:

	Amended Budget	Actual	Variance
General Fund:			
Legislative (1)	\$ 1,396,030	\$ 1,432,674	\$ (36,644)
Clerk (1)	335,800	341,885	(6,085)
Treasurer (1)	738,910	760,364	(21,454)
Building department (1)	886,140	907,834	(21,694)
Transfers to other funds (1) (2)	2,596,000	2,634,018	(38,018)
Special Revenue Fund - Shared Services (1) (2)	3,480,700	4,714,049	(1,233,349)

(1) Variance resulting from various accruals of expenses at the end of the year

(2) Variance resulting from various capital expenditures

Other Supplemental Information

Charter Township of Northville

	Special Revenue Funds					
	Community Development Block Grant	Youth Assistance	General Capital Outlay	Special Operations Team	D.A.R.E.	Retiree Healthcare
Assets						
Cash and investments	\$ 20,308	\$ 163,846	\$ 1,056,430	\$ 31,854	\$ 11,356	\$ 606,199
Receivables - Special assessments	-	-	-	-	-	-
Prepaid expenses and other assets	-	398	-	-	-	-
Due from other governmental units	86,675	-	-	-	-	-
Total assets	\$ 106,983	\$ 164,244	\$ 1,056,430	\$ 31,854	\$ 11,356	\$ 606,199
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ 1,096	\$ -	\$ 15	\$ -	\$ -
Due to other funds	106,983	1,082	-	-	-	-
Deferred revenue	-	6,407	-	-	-	-
Total liabilities	106,983	8,585	-	15	-	-
Fund Balances - Unreserved	-	155,659	1,056,430	31,839	11,356	606,199
Total liabilities and fund balances	\$ 106,983	\$ 164,244	\$ 1,056,430	\$ 31,854	\$ 11,356	\$ 606,199

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004**

Debt Service Funds			
Gerald Avenue	Beck Road Park	Land Acquisition	Total Nonmajor Governmental Funds
\$ 239,029	\$ 3,916	\$ 4,209	\$ 2,137,147
102,121	-	-	102,121
-	-	-	398
-	-	-	86,675
\$ 341,150	\$ 3,916	\$ 4,209	\$ 2,326,341
\$ -	\$ -	\$ -	\$ 1,111
-	-	-	108,065
102,121	-	-	108,528
102,121	-	-	217,704
239,029	3,916	4,209	2,108,637
\$ 341,150	\$ 3,916	\$ 4,209	\$ 2,326,341

Charter Township of Northville

	Special Revenue Funds					
	Community Development Block Grant	Youth Assistance	General Capital Outlay	Special Operations Team	D.A.R.E.	Retiree Healthcare
Revenue						
Federal sources	\$ 22,019	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-
Fees, interest, and sundry	574	159,242	58,637	40,496	3,417	6,199
Total revenue	22,593	159,242	58,637	40,496	3,417	6,199
Expenditures						
Police department	-	-	-	45,090	-	-
Shared services	-	142,677	-	-	-	-
Community development programs	22,724	-	-	-	-	-
Capital outlay	-	-	83,349	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	22,724	142,677	83,349	45,090	-	-
Excess of Revenue Over (Under) Expenditures	(131)	16,565	(24,712)	(4,594)	3,417	6,199
Other Financing Sources (Uses)						
Transfers in	-	-	591,525	-	-	600,000
Transfers out	-	-	(257,525)	-	-	-
Total other financing sources (uses)	-	-	334,000	-	-	600,000
Net Change in Fund Balances	(131)	16,565	309,288	(4,594)	3,417	606,199
Fund Balances - Beginning of year	131	139,094	747,142	36,433	7,939	-
Fund Balances - End of year	\$ -	\$ 155,659	\$ 1,056,430	\$ 31,839	\$ 11,356	\$ 606,199

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2004

Debt Service Funds			
Gerald Avenue	Beck Road Park	Land Acquisition	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 22,019
-	25,920	-	25,920
<u>35,521</u>	<u>49</u>	<u>988</u>	<u>305,123</u>
35,521	25,969	988	353,062
-	-	-	45,090
-	-	-	142,677
-	-	-	22,724
-	-	-	83,349
<u>22,784</u>	<u>25,920</u>	<u>259,534</u>	<u>308,238</u>
<u>22,784</u>	<u>25,920</u>	<u>259,534</u>	<u>602,078</u>
12,737	49	(258,546)	(249,016)
-	-	257,525	1,449,050
-	-	-	(257,525)
<u>-</u>	<u>-</u>	<u>257,525</u>	<u>1,191,525</u>
12,737	49	(1,021)	942,509
<u>226,292</u>	<u>3,867</u>	<u>5,230</u>	<u>1,166,128</u>
<u>\$ 239,029</u>	<u>\$ 3,916</u>	<u>\$ 4,209</u>	<u>\$ 2,108,637</u>

Charter Township of Northville

Other Supplemental Information
Combining Balance Sheet
Fiduciary Funds - Agency Funds
December 31, 2004

	Tax Collection	Water and Sewer Agency	Township Escrow	Totals
Assets - Cash and cash equivalents	<u>\$ 4,373,439</u>	<u>\$ 1,172,859</u>	<u>\$ 3,966,925</u>	<u>\$ 9,513,223</u>
Liabilities				
Accounts payable	\$ -	\$ 31,473	\$ 1,143	\$ 32,616
Tax collections distributable	4,373,439	-	-	4,373,439
Bonds and deposits	<u>-</u>	<u>1,141,386</u>	<u>3,965,782</u>	<u>5,107,168</u>
Total liabilities	<u>\$ 4,373,439</u>	<u>\$ 1,172,859</u>	<u>\$ 3,966,925</u>	<u>\$ 9,513,223</u>