

Charter Township of Northville

**Financial Report
with Supplemental Information
December 31, 2007**

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 (the "Township") as of and for the year ended December 31, 2007, 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 remaining fund information of the Charter Township of Northville as of December 31, 2007 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

April 10, 2008

Charter Township of Northville

Management's Discussion and Analysis

Overview of the Financial Statements

This annual report consists of four parts - management's discussion and analysis, the basic financial statements, required supplemental information, and other supplemental information, which presents combining statements for nonmajor governmental funds and fiduciary funds. 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, this "component unit" is 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 that 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 used for their intended purposes. All of the Township's fiduciary activities are reported in a separate combined balance sheet. 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 \$120 million. This was an increase over 2006 of approximately \$4.5 million. Business-type activities comprise \$87.2 million while governmental activities make up \$32.7 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	
	2007	2006	2007	2006	2007	2006
Assets						
Current assets	\$ 29,668	\$ 27,960	\$ 34,328	\$ 32,183	\$ 63,996	\$ 60,143
Noncurrent assets	34,512	33,298	58,977	55,285	93,489	88,583
Total assets	64,180	61,258	93,305	87,468	157,485	148,726
Liabilities						
Current liabilities	15,116	14,383	1,176	1,665	16,292	16,048
Long-term liabilities	16,347	17,122	4,962	69	21,309	17,191
Total liabilities	31,463	31,505	6,138	1,734	37,601	33,239
Net Assets						
Invested in capital assets -						
Net of related debt	15,401	13,445	49,543	50,441	64,944	63,886
Restricted	6,995	6,889	-	-	6,995	6,889
Unrestricted	10,321	9,419	37,624	35,293	47,945	44,712
Total net assets	<u>\$ 32,717</u>	<u>\$ 29,753</u>	<u>\$ 87,167</u>	<u>\$ 85,734</u>	<u>\$ 119,884</u>	<u>\$ 115,487</u>

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue						
Program revenue:						
Charges for services	\$ 1,843	\$ 2,042	\$ 13,596	\$ 13,744	\$ 15,439	\$ 15,786
Operating grants and contributions	350	644	-	-	350	644
Capital grants and contributions	29	1,844	-	-	29	1,844
General revenue:						
Property taxes	12,193	11,588	-	-	12,193	11,588
State-shared revenue	1,468	1,454	-	-	1,468	1,454
Unrestricted investment earnings	1,309	1,110	1,816	1,563	3,125	2,673
Transfers	200	42	(200)	(42)	-	-
Special items and other	1,377	(52)	-	-	1,377	(52)
Total revenue	18,769	18,672	15,212	15,265	33,981	33,937
Program Expenses						
General government	2,679	2,972	-	-	2,679	2,972
Public safety:						
Police and fire	9,614	8,475	-	-	9,614	8,475
Building department	898	932	-	-	898	932
Community and economic development	336	393	-	-	336	393
Recreation and culture	1,580	1,343	-	-	1,580	1,343
Interest on long-term debt	698	916	-	-	698	916
Water and sewer	-	-	13,779	12,756	13,779	12,756
Total program expenses	15,805	15,031	13,779	12,756	29,584	27,787
Change in Net Assets	<u>\$ 2,964</u>	<u>\$ 3,641</u>	<u>\$ 1,433</u>	<u>\$ 2,509</u>	<u>\$ 4,397</u>	<u>\$ 6,150</u>

Charter Township of Northville

Management's Discussion and Analysis (Continued)

Governmental Activities

Revenues for governmental activities totaled approximately \$18.8 million in 2007. A total of \$12.2 million was in the form of property tax collections, an increase of approximately \$605,000 over 2006. This increase reflects a significant growth in taxable value in the Township. State-shared revenue continues to be of concern. While it provided nearly \$1.5 million, we are uncertain what will happen in 2008 given the State's financial difficulties. The amount collected in 2007 was approximately \$14,000 more than what was received in 2006. Charges in services, primarily for inspections, generated approximately \$1.8 million.

Business-type Activities

Northville Township's business-type activities relate to water and sewer operations. Revenues for the business-type activities were approximately \$15.2 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 (WTUA), Wayne County, and the Ypsilanti Community Utility Authority (YCUA). Northville Township is participating in a WTUA/YCUA project to expand the YCUA treatment facilities to ensure continued sewage treatment services for the community. This project is almost complete at this time.

Current Economic Events

Northville Township continues to experience good growth in the community. This is seen in continued growth in the housing, commercial, and industrial markets (although not as significant growth as in the past). Our state equalized value (SEV) is approximately \$2.36 billion, which is approximately \$416 million more than our taxable value (TV) for 2007 (relating to 2008 revenues). 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 it looks for solutions, revenue sharing continues to be under attack. The governor's proposed budget for 2007/2008 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 have taken to provide managerial and financial stability is a 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 2007 with a fund balance of \$3.4 million, including \$1.9 million reserved for a long-term receivable. Several factors affected operating results. First, state-shared revenue has incurred constant declines or minimal growth. This was a result of the State's continued structural budget problems and the state's economy. However, tax revenue was up once again due to increased taxable values and investment income was up due to improved interest rates. Expenditures were within expectations (actually below final budget).

The General Fund budget is amended semiannually. This is primarily done to prevent over-expenditures. Significant 2007 budget amendments included the budget for capital outlay related to the purchase of land in the Township.

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 approximately \$6,000 over the budgeted expenditures.

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.

Charter Township of Northville

Statement of Net Assets December 31, 2007

	Primary Government			Component Unit (EDC)
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 20,724,902	\$ 2,738,396	\$ 23,463,298	\$ 100
Cash segregated for capital (Notes 3 and 4)	-	27,795,534	27,795,534	-
Receivables:				
Taxes	6,496,861	-	6,496,861	-
Customers	-	1,617,132	1,617,132	-
Special assessments	-	46,067	46,067	-
Other	-	206,721	206,721	-
Prepaid items and other assets	219,783	51,311	271,094	-
Restricted assets - Unspent bond proceeds	-	1,873,628	1,873,628	-
Due from other governmental units	2,226,144	-	2,226,144	-
Internal balances	295	(295)	-	-
Investments in joint ventures (Note 13)	2,454,285	6,123,134	8,577,419	-
Special assessments - Net of current portion	118,965	183,252	302,217	-
Nondepreciable capital assets (Note 6)	14,552,385	1,505,607	16,057,992	-
Depreciable capital assets - Net (Note 6)	17,386,129	51,164,724	68,550,853	-
Total assets	64,179,749	93,305,211	157,484,960	100
Liabilities				
Accounts payable and accrued liabilities	557,753	834,920	1,392,673	-
Deferred revenue (Note 5)	13,165,579	190,708	13,356,287	-
Noncurrent liabilities (Note 8):				
Due within one year	1,392,493	150,401	1,542,894	-
Due in more than one year	16,347,081	4,961,538	21,308,619	-
Total liabilities	31,462,906	6,137,567	37,600,473	-
Net Assets				
Invested in capital assets - Net of related debt	15,401,190	49,543,959	64,945,149	-
Restricted:				
Police and fire	5,955,142	-	5,955,142	-
Shared services	670,015	-	670,015	-
Debt service	369,343	-	369,343	-
Unrestricted	10,321,153	37,623,685	47,944,838	100
Total net assets	\$ 32,716,843	\$ 87,167,644	\$ 119,884,487	\$ 100

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	\$ 2,678,955	\$ 540,487	\$ -	\$ 2,422
Public safety:				
Police and fire	9,614,413	570,697	103,851	370
Building department	898,056	680,111	-	-
Community and economic development	336,423	45,208	109,883	-
Recreation and culture	1,580,297	6,000	135,945	-
Interest on long-term debt	697,494	-	-	26,450
Total governmental activities	15,805,638	1,842,503	349,679	29,242
Business-type activities:				
Water and sewer	12,683,067	10,266,714	1,549,807	654,605
Solid waste	1,095,782	1,124,396	-	-
Total business-type activities	13,778,849	11,391,110	1,549,807	654,605
Total primary government	<u>\$ 29,584,487</u>	<u>\$ 13,233,613</u>	<u>\$ 1,899,486</u>	<u>\$ 683,847</u>
Component unit - Economic Development Corporation	<u>\$ 6,193</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
General revenues:				
Property taxes				
State-shared revenues				
Unrestricted investment earnings				
Special item - Gain on sale of capital assets				
Transfers				
Total general revenues				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

Statement of Activities
Year Ended December 31, 2007

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit (EDC)
Governmental Activities	Business-type Activities	Total	
\$ (2,136,046)	\$ -	\$ (2,136,046)	\$ -
(8,939,495)	-	(8,939,495)	-
(217,945)	-	(217,945)	-
(181,332)	-	(181,332)	-
(1,438,352)	-	(1,438,352)	-
(671,044)	-	(671,044)	-
(13,584,214)	-	(13,584,214)	-
-	(211,941)	(211,941)	-
-	28,614	28,614	-
-	(183,327)	(183,327)	-
(13,584,214)	(183,327)	(13,767,541)	-
-	-	-	(5,193)
12,193,135	-	12,193,135	-
1,468,024	-	1,468,024	-
1,308,717	1,816,818	3,125,535	237
1,377,993	-	1,377,993	-
200,000	(200,000)	-	-
16,547,869	1,616,818	18,164,687	237
2,963,655	1,433,491	4,397,146	(4,956)
29,753,188	85,734,153	115,487,341	5,056
\$ 32,716,843	\$ 87,167,644	\$ 119,884,487	\$ 100

Charter Township of Northville

	Special Revenue Funds			
	General Fund	Police	Fire	Shared Services
Assets				
Cash and investments (Note 3)	\$ 2,344,678	\$ 6,968,145	\$ 4,007,061	\$ 1,608,192
Receivables:				
Taxes	708,496	2,439,947	2,439,947	908,471
Special assessments	75,309	-	-	-
Prepaid items and other assets	64,221	64,161	67,238	-
Due from other governmental units	1,868,867	85,367	-	-
Due from other funds (Note 7)	171,257	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 5,232,828</u>	<u>\$ 9,557,620</u>	<u>\$ 6,514,246</u>	<u>\$ 2,516,663</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 316,397	\$ 28,868	\$ 15,964	\$ 23,295
Due to other funds (Note 7)	-	69,651	82,005	-
Deferred revenue (Note 5)	1,497,299	5,023,119	4,897,117	1,823,353
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,813,696	5,121,638	4,995,086	1,846,648
Fund Balances				
Reserved for long-term receivable	1,868,867	-	-	-
Unreserved - Reported in:				
General Fund - Undesignated	1,550,265	-	-	-
Special Revenue Funds	-	4,435,982	1,519,160	670,015
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	3,419,132	4,435,982	1,519,160	670,015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 5,232,828</u>	<u>\$ 9,557,620</u>	<u>\$ 6,514,246</u>	<u>\$ 2,516,663</u>

**Governmental Funds
Balance Sheet
December 31, 2007**

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,796,826	\$ 20,724,902
-	6,496,861
43,656	118,965
24,163	219,783
18,363	1,972,597
<u>295</u>	<u>171,552</u>
<u>\$ 5,883,303</u>	<u>\$ 29,704,660</u>

\$ 956	\$ 385,480
19,601	171,257
<u>43,656</u>	<u>13,284,544</u>
64,213	13,841,281
-	1,868,867
-	1,550,265
4,044,424	10,669,581
1,405,323	1,405,323
<u>369,343</u>	<u>369,343</u>
<u>5,819,090</u>	<u>15,863,379</u>
<u>\$ 5,883,303</u>	<u>\$ 29,704,660</u>

Charter Township of Northville

Governmental Funds Reconciliation of Fund Balances to the Statement of Net Assets Year Ended December 31, 2007

Fund Balance - Total Governmental Funds \$ 15,863,379

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 31,938,514

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 253,547

Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures 118,965

Investments in joint ventures are not financial resources and are not reported in the funds 2,454,285

Long-term liabilities are not due and payable in the current period and are not reported in the funds (17,739,574)

Accrued interest is not due and payable in the current period and is not reported in the funds (172,273)

Net Assets - Governmental Activities **\$ 32,716,843**

Charter Township of Northville

	Special Revenue Funds			
	General Fund	Police	Fire	Shared Services
Revenue				
Property taxes	\$ 1,405,947	\$ 4,546,416	\$ 4,546,498	\$ 1,694,274
Licensing and enforcement	-	254,739	-	-
Federal sources	-	53,557	370	-
State sources	1,447,049	-	-	-
Local sources	-	-	-	-
Building department	680,111	-	-	-
Proceeds from sale of land	1,997,000	-	-	-
Fees, interest, and sundry	1,061,270	646,034	179,892	68,385
Total revenue	6,591,377	5,500,746	4,726,760	1,762,659
Expenditures				
Legislative	1,275,798	-	-	-
Clerk	354,618	-	-	-
Treasurer	918,435	-	-	-
Police department	-	5,781,724	-	-
Fire department	-	-	3,336,674	-
Building department	836,152	-	-	-
Planning and zoning	226,540	-	-	-
Shared services	-	-	-	1,464,980
Community development programs	-	-	-	-
Capital outlay	2,231,001	-	-	-
Debt service	-	-	70,785	-
Total expenditures	5,842,544	5,781,724	3,407,459	1,464,980
Excess of Revenue Over (Under) Expenditures	748,833	(280,978)	1,319,301	297,679
Other Financing Sources (Uses)				
Transfers in (Note 7)	313,710	-	-	70,000
Transfers out (Note 7)	(1,231,927)	(521,253)	(856,216)	-
Total other financing sources (uses)	(918,217)	(521,253)	(856,216)	70,000
Net Change in Fund Balances	(169,384)	(802,231)	463,085	367,679
Fund Balances - Beginning of year	3,588,516	5,238,213	1,056,075	302,336
Fund Balances - End of year	<u>\$ 3,419,132</u>	<u>\$ 4,435,982</u>	<u>\$ 1,519,160</u>	<u>\$ 670,015</u>

**Governmental Funds
Statement of Revenue, Expenditures, and
Changes in Fund Balances
Year Ended December 31, 2007**

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 12,193,135
-	254,739
109,883	163,810
-	1,447,049
26,450	26,450
-	680,111
-	1,997,000
<u>509,458</u>	<u>2,465,039</u>
645,791	19,227,333
-	1,275,798
-	354,618
-	918,435
132,990	5,914,714
-	3,336,674
-	836,152
-	226,540
172,645	1,637,625
109,883	109,883
69,479	2,300,480
<u>1,413,491</u>	<u>1,484,276</u>
<u>1,898,488</u>	<u>18,395,195</u>
(1,252,697)	832,138
2,738,686	3,122,396
<u>(313,000)</u>	<u>(2,922,396)</u>
<u>2,425,686</u>	<u>200,000</u>
1,172,989	1,032,138
<u>4,646,101</u>	<u>14,831,241</u>
<u>\$ 5,819,090</u>	<u>\$ 15,863,379</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, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 1,032,138

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:

Capital outlay	\$ 3,265,376	
Net book value of assets disposed	(640,471)	
Depreciation expense	<u>(1,458,181)</u>	1,166,724

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 20,975

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 (60,121)

Equity interest in the 35th District Courthouse Authority is not reported in the governmental funds 21,579

Equity interest in the Northville Parks and Recreation Commission is not reported in the governmental funds 85,428

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it decreases long-term debt) 789,033

Changes in accumulated employee sick and vacation pay are recorded when earned in the statement of activities (89,850)

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 (2,251)

Change in Net Assets of Governmental Activities **\$ 2,963,655**

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Net Assets December 31, 2007

	Water and Sewer	Nonmajor Fund - Solid Waste	Total
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 2,242,028	\$ 496,368	\$ 2,738,396
Cash segregated for capital (Notes 3 and 4)	27,795,534	-	27,795,534
Receivables:			
Customers	1,617,132	-	1,617,132
Special assessments	46,067	-	46,067
Other	206,721	-	206,721
Prepaid items and other assets	51,311	-	51,311
Restricted assets - Unspent bond proceeds	<u>1,873,628</u>	<u>-</u>	<u>1,873,628</u>
Total current assets	33,832,421	496,368	34,328,789
Noncurrent assets:			
Special assessments receivable - Net of current portion	183,252	-	183,252
Investments in joint venture (Note 13)	6,123,134	-	6,123,134
Capital assets:			
Nondepreciable capital assets (Note 6)	1,505,607	-	1,505,607
Depreciable capital assets - Net (Note 6)	<u>51,164,724</u>	<u>-</u>	<u>51,164,724</u>
Total noncurrent assets	<u>58,976,717</u>	<u>-</u>	<u>58,976,717</u>
Total assets	92,809,138	496,368	93,305,506
Liabilities			
Current liabilities:			
Current portion of long-term debt (Note 8)	150,401	-	150,401
Accounts payable and accrued liabilities	753,751	81,169	834,920
Deferred revenue (Note 5)	-	190,708	190,708
Due to other funds (Note 7)	<u>295</u>	<u>-</u>	<u>295</u>
Total current liabilities	904,447	271,877	1,176,324
Noncurrent liabilities - Long-term debt - Net of current portion (Note 8)	<u>4,961,538</u>	<u>-</u>	<u>4,961,538</u>
Total liabilities	<u>5,865,985</u>	<u>271,877</u>	<u>6,137,862</u>
Net Assets			
Investment in capital assets - Net of related debt	49,543,959	-	49,543,959
Unrestricted	<u>37,399,194</u>	<u>224,491</u>	<u>37,623,685</u>
Total net assets	<u>\$ 86,943,153</u>	<u>\$ 224,491</u>	<u>\$ 87,167,644</u>

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2007

	Water and Sewer	Nonmajor Fund - Solid Waste	Total
Operating Revenue			
Water sales and sewer services	\$ 10,266,714	\$ -	\$ 10,266,714
Solid waste charges	-	1,124,396	1,124,396
Federal source grant revenue	30,424	-	30,424
Other revenue	169,513	-	169,513
Total operating revenue	10,466,651	1,124,396	11,591,047
Operating Expenses			
Cost of water	3,731,219	-	3,731,219
Cost of sewage disposal	4,818,240	-	4,818,240
Collection and recycling charges	-	1,032,782	1,032,782
Salaries and wages	1,019,294	-	1,019,294
Fringe benefits	403,967	-	403,967
System maintenance and operation	216,324	-	216,324
General and administrative	613,459	63,000	676,459
Depreciation	1,746,698	-	1,746,698
Total operating expenses	12,549,201	1,095,782	13,644,983
Operating Income (Loss)	(2,082,550)	28,614	(2,053,936)
Nonoperating Revenue (Expense)			
Interest expense	(133,866)	-	(133,866)
Customer connection fees	1,349,870	-	1,349,870
Interest income	1,798,259	18,559	1,816,818
Transfers out	(200,000)	-	(200,000)
Total nonoperating revenue	2,814,263	18,559	2,832,822
Income - Before contributions	731,713	47,173	778,886
Capital Contributions - Lines constructed by developers	654,605	-	654,605
Change in Net Assets	1,386,318	47,173	1,433,491
Net Assets - Beginning of year	85,556,835	177,318	85,734,153
Net Assets - End of year	\$ 86,943,153	\$ 224,491	\$ 87,167,644

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Cash Flows Year Ended December 31, 2007

	Water and Sewer	Nonmajor Fund - Solid Waste
Cash Flows from Operating Activities		
Receipts from customers	\$ 10,209,870	\$ 1,129,660
Receipts from other governmental units - Grants	30,424	-
Payments to suppliers	(11,522,068)	(1,168,200)
Payments to employees	(1,429,618)	-
Payments for retiree health care	(200,000)	-
	<u>(2,911,392)</u>	<u>(38,540)</u>
Net cash used in operating activities	(2,911,392)	(38,540)
Cash Flows from Capital and Related Financing Activities		
Collection of customer assessments (principal and interest)	69,892	-
Proceeds from debt	5,000,000	-
(Payments to) proceeds from other funds	(180,921)	181,216
Purchase of capital assets	(3,321,043)	-
Connection fees	1,349,870	-
	<u>2,917,798</u>	<u>181,216</u>
Net cash provided by capital and related financing activities	2,917,798	181,216
Cash Flows from Investing Activities - Interest received on investments		
	<u>1,782,641</u>	<u>18,559</u>
Net Increase in Cash and Cash Equivalents	1,789,047	161,235
Cash and Cash Equivalents - Beginning of year	<u>30,122,143</u>	<u>335,133</u>
Cash and Cash Equivalents - End of year	<u>\$ 31,911,190</u>	<u>\$ 496,368</u>
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and investments	\$ 4,115,656	\$ 496,368
Cash segregated for capital	27,795,534	-
Total cash and cash equivalents	<u>\$ 31,911,190</u>	<u>\$ 496,368</u>

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Cash Flows (Continued) Year Ended December 31, 2007

	Water and Sewer	Nonmajor Fund - Solid Waste
	<u> </u>	<u> </u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities		
Operating (loss) income	\$ (2,082,550)	\$ 28,614
Adjustments to reconcile operating (loss) income to net cash from operating activities:		
Depreciation and amortization	1,746,698	-
Change in investment in joint venture	(1,517,941)	-
Payments for retiree health care	(200,000)	-
Changes in assets and liabilities:		
Receivables	(226,357)	-
Prepaid items and other assets	31,779	-
Accounts payable and accrued liabilities	(651,922)	(72,418)
Deferred revenue	-	5,264
Accumulated compensated absences	(11,099)	-
	<u> </u>	<u> </u>
Net cash used in operating activities	<u>\$ (2,911,392)</u>	<u>\$ (38,540)</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2007, developers constructed water and sewer lines with an estimated value of \$654,605 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, 2007

Assets - Cash and cash equivalents (Note 3)	<u>\$ 10,125,878</u>
Liabilities	
Accounts payable	\$ 8,635
Tax collections distributable	5,718,662
Bonds and deposits	<u>4,398,581</u>
 Total liabilities	 <u>\$ 10,125,878</u>

Charter Township of Northville

**Notes to Financial Statements
December 31, 2007**

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 Northville Township Brownfield Authority, created in 2007, is governed by a seven-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 of the insignificance of its activity. The sole purpose of the Authority is to promote revitalization of environmentally distressed areas within the boundaries of the Township.

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.

Charter Township of Northville

**Notes to Financial Statements
December 31, 2007**

Note I - Summary of Significant Accounting Policies (Continued)

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.

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.

Charter Township of Northville

**Notes to Financial Statements
December 31, 2007**

Note I - Summary of Significant Accounting Policies (Continued)

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.

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 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.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 nearly \$1.9 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.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

The Township's 2006 tax is levied and collectible on December 1, 2006, and is recognized as revenue in the year ended December 31, 2007, when the proceeds of the levy are budgeted and available for the financing of operations.

The Township's tax levy for the year ended December 31, 2007 was as follows:

	<u>Millage Rate</u>	<u>Levy</u>
Operating	0.6824	\$ 1,323,663
Police and fire	4.7000	9,116,668
Shared services	<u>0.8750</u>	<u>1,697,252</u>
Total	<u>6.2574</u>	<u>\$ 12,137,583</u>

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

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, 2007

Note I - 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 one year. 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 and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Note I - 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.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

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. When an expense has been incurred for purposes for which both restricted and unrestricted net assets are available, it is the Township's policy to first apply to restricted net assets.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

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, 2007			\$ (699,064)
Current year building permit revenue			680,111
Related expenses:			
Direct costs	\$ 836,152		
Estimated indirect costs	<u>387,293</u>	<u>1,223,445</u>	
Current year expenses in excess of revenue			<u>(543,334)</u>
Cumulative shortfall			<u>\$ (1,242,398)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943 as amended) 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 its 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. The Township's deposits and investment policies are in accordance with statutory authority.

Charter Township of Northville

**Notes to Financial Statements
December 31, 2007**

Note 3 - Deposits and Investments (Continued)

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$19,376,416 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, 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.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a policy for custodial credit risk. At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. government or agency bond or notes	\$ 10,493,132	Counterparty

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 3 - Deposits and Investments (Continued)

At year end, the Township had investments in five government investment funds that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These funds are fully liquid for withdrawal at any time and the price per unit does not fluctuate with interest earned according to the amount and duration of investment. These pools are not rated and each of the five funds fully complies with Michigan's Public Act 20 of 1943 as amended. At year end, the Township had \$30,432,759 in this type of fund at Comerica Bank, \$3,389,528 at Merrill Lynch (Active Assets Money Trust), \$6,640,685 at Fifth Third Securities, Inc. (Fifth Third Institutional Money Market), and \$124,683 with MBIA Asset Management Group (Michigan CLASS).

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. At year end, the average maturities of investments are as follows:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>Weighted Average Maturity</u>
U.S. government or agency bond or notes	\$ 10,493,132	8.83 years

Note 4 - Cash Segregated for Capital - Water and Sewer

Segregated assets at December 31, 2007 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, 2007

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	\$ -	\$ 13,039,577	\$ 13,039,577	\$ -
Special assessments	118,965	-	118,965	-
Forfeitures	-	126,002	126,002	-
Other	-	-	-	190,708
Total	<u>\$ 118,965</u>	<u>\$ 13,165,579</u>	<u>\$ 13,284,544</u>	<u>\$ 190,708</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, 2007

Note 6 - Capital Assets

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

	Balance January 1, 2007	Reclassifi- cations	Additions	Disposals and Adjustments	Balance December 31, 2007
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 12,919,764	\$ -	\$ 2,262,621	\$ 630,000	\$ 14,552,385
Construction in progress	184,158	(184,158)	-	-	-
Subtotal	13,103,922	(184,158)	2,262,621	630,000	14,552,385
Capital assets being depreciated:					
Bike paths	457,730	-	1,462	-	459,192
Buildings and improvements	17,330,246	184,158	466,847	-	17,981,251
Vehicles:					
Police and fire	2,002,049	-	283,779	168,766	2,117,062
Other	362,086	-	57,100	55,923	363,263
Furniture and equipment	2,697,460	-	94,855	47,511	2,744,804
Computer equipment	772,710	-	98,712	8,974	862,448
Subtotal	23,622,281	184,158	1,002,755	281,174	24,528,020
Accumulated depreciation:					
Bike paths	145,197	-	30,200	-	175,397
Buildings and improvements	2,179,632	-	588,616	-	2,768,248
Vehicles:					
Police and fire	1,461,386	-	252,445	158,422	1,555,409
Other	283,866	-	52,388	55,925	280,329
Furniture and equipment	1,364,080	-	357,643	47,382	1,674,341
Computer equipment	520,252	-	176,889	8,974	688,167
Subtotal	5,954,413	-	1,458,181	270,703	7,141,891
Net capital assets being depreciated	17,667,868	184,158	(455,426)	10,471	17,386,129
Net capital assets	\$ 30,771,790	\$ -	\$ 1,807,195	\$ 640,471	\$ 31,938,514

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 6 - Capital Assets (Continued)

Business-type Activities	Balance January 1, 2007	Additions	Disposals and Adjustments	Balance December 31, 2007
Capital assets not being depreciated - Construction in progress	\$ -	\$ 1,505,607	\$ -	\$ 1,505,607
Capital assets being depreciated:				
Water and sewer systems	63,951,996	2,273,036	-	66,225,032
Buildings and improvements	1,549,786	-	-	1,549,786
Equipment	<u>3,341,084</u>	<u>197,005</u>	<u>1,525</u>	<u>3,536,564</u>
Subtotal	68,842,866	2,470,041	1,525	71,311,382
Accumulated depreciation:				
Water and sewer systems	15,314,218	1,352,638	-	16,666,856
Buildings and improvements	1,883,051	61,991	-	1,945,042
Equipment	<u>1,204,216</u>	<u>332,069</u>	<u>1,525</u>	<u>1,534,760</u>
Subtotal	<u>18,401,485</u>	<u>1,746,698</u>	<u>1,525</u>	<u>20,146,658</u>
Net capital assets being depreciated	<u>50,441,381</u>	<u>723,343</u>	<u>-</u>	<u>51,164,724</u>
Net capital assets	<u>\$ 50,441,381</u>	<u>\$ 2,228,950</u>	<u>\$ -</u>	<u>\$ 52,670,331</u>

For the business-type activities, all depreciation expense was charged to the Water and Sewer Fund. For the governmental activities, depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 576,077
Public safety:	
Police and fire	789,825
Building department	64,180
Recreation and culture	<u>28,099</u>

Total governmental activities \$ 1,458,181

Business-type activities - Water and sewer \$ 1,746,698

Construction Commitments - The Township has active construction projects at year end. At year end, the Township's commitment with contractors for the water tower and related projects is \$1,873,628.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

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	\$ 69,651
	Fire Fund	82,005
	Other nonmajor governmental funds	<u>19,601</u>
Total General Fund		171,257
Other nonmajor governmental funds	Water and Sewer Fund	<u>295</u>
Total		<u>\$ 171,552</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

Fund Transferred From	Fund Transferred To	Amount
General Fund	Nonmajor governmental funds	\$ 1,231,927 (1) (3) (4)
Fire Fund	General Fund	313,710 (2)
	Nonmajor governmental funds	<u>542,506 (3) (4)</u>
	Total Fire Fund	856,216
Police Fund	Nonmajor governmental funds	521,253 (3)
Nonmajor governmental funds	Shared Services Fund	70,000 (3)
	Nonmajor governmental funds	<u>243,000 (3)</u>
	Total nonmajor governmental funds	<u>313,000</u>
	Total governmental funds	2,922,396
Water and Sewer Fund	Nonmajor governmental funds	<u>200,000 (4)</u>
	Total	<u>\$ 3,122,396</u>

(1) Transfers for capital improvements

(2) Transfers for repayment of loan

(3) Transfers for debt service

(4) Transfers for retiree health care

Charter Township of Northville

Notes to Financial Statements December 31, 2007

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:							
Amount of issue - \$3,270,000							
Maturing through 2020	5.00%	\$100,000	\$ 200,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
2006 General Obligation Bonds:							
Amount of issue - \$2,645,000	3.75% - 4.00%	\$15,000-					
Maturing through 2020		\$295,000	2,645,000	-	35,000	2,610,000	15,000
1993 General Obligation Bonds:							
Amount of issue - \$260,000							
Maturing through 2008	5.80%	-	25,000	-	25,000	-	-
1995 Special Assessment Bonds:							
Amount of issue - \$230,000							
Maturing through 2010	5.85% - 6.05%	\$20,000	75,000	-	15,000	60,000	20,000
2003 General Obligation Limited Tax Bonds:							
Amount of issue - \$15,000,000	3.00% - 4.75%	\$600,000-					
Maturing through 2023		\$1,100,000	14,250,000	-	550,000	13,700,000	600,000
Installment purchase agreements:							
2000 Fire Truck:							
Amount of agreement - \$500,000							
Maturing through 2008	5.14%	\$67,324	131,357	-	64,033	67,324	67,324
Total bonds and installment purchase agreements							
			17,326,357	-	789,033	16,537,324	802,324
Estimated self-insurance claims							
			160,000	212,649	212,649	160,000	160,000
Accumulated compensated absences							
			952,400	482,354	392,504	1,042,250	430,169
Total governmental activities							
			\$ 18,438,757	\$ 695,003	\$ 1,394,186	\$ 17,739,574	\$ 1,392,493
Business-type Activities							
2007 Capital Improvement Bonds:							
Amount of issue - \$5,000,000	4.00% - 4.05%	\$100,000-					
Maturing through 2027		\$400,000	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 100,000
Accumulated compensated absences							
			123,038	43,475	54,574	111,939	50,401
Total business-type activities							
			\$ 123,038	\$ 5,043,475	\$ 54,574	\$ 5,111,939	\$ 150,401

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 8 - Long-term Debt (Continued)

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

		Governmental Activities		
		Principal	Interest	Total
2008		\$ 802,324	\$ 686,331	\$ 1,488,655
2009		790,000	660,629	1,450,629
2010		835,000	632,179	1,467,179
2011		960,000	601,012	1,561,012
2012		990,000	563,136	1,553,136
2013-2017		5,315,000	2,207,168	7,522,168
2018-2022		5,745,000	1,010,843	6,755,843
2023		1,100,000	52,250	1,152,250
	Total	<u>\$ 16,537,324</u>	<u>\$ 6,413,548</u>	<u>\$ 22,950,872</u>

		Business-type Activities		
		Principal	Interest	Total
2008		\$ 100,000	\$ 299,200	\$ 399,200
2009		100,000	194,800	294,800
2010		100,000	190,800	290,800
2011		100,000	186,800	286,800
2012		200,000	180,800	380,800
2013-2017		1,000,000	784,000	1,784,000
2018-2022		1,500,000	534,000	2,034,000
2023-2027		1,900,000	200,400	2,100,400
	Total	<u>\$ 5,000,000</u>	<u>\$ 2,570,800</u>	<u>\$ 7,570,800</u>

Defeased Debt - In prior years, the Township defeased certain bonds by placing the proceeds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2007, \$2,550,000 of bonds outstanding are considered to be defeased.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

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.

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>2007</u>	<u>2006</u>
Estimated liability - Beginning of year	\$ 160,000	\$ 160,000
Estimated claims incurred, including changes in estimates	212,649	262,797
Claim payments	<u>(212,649)</u>	<u>(262,797)</u>
Estimated liability - End of year	<u>\$ 160,000</u>	<u>\$ 160,000</u>

Note 10 - Defined Benefit Pension Plan

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 supplemental 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.

Annual Pension Costs - For the year ended December 31, 2007, the Township's annual pension cost of \$977,255 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, 2006, 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 12.9 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 29 years.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 10 - Defined Benefit Pension Plan (Continued)

Three-year trend information as of December 31 follows:

	Fiscal Year Ended December 31		
	2007	2006	2005
Annual pension costs (APC)	\$ 977,255	\$ 495,525	\$ 349,230
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -
	Actuarial Valuation as of December 31		
	2006	2005	2004
Actuarial value of assets	\$ 8,006,422	\$ 4,833,704	\$ 3,852,475
Actuarial accrued liability (AAL)			
(entry age)	\$ 12,621,031	\$ 7,125,462	\$ 5,357,806
Unfunded AAL (UAAL)	\$ 4,614,609	\$ 2,291,758	\$ 1,505,331
Funded ratio	63%	68%	72%
Covered payroll	\$ 4,582,370	\$ 3,046,487	\$ 2,330,991
UAAL as a percentage of payroll	101%	75%	65%

Note 11 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time employees not enrolled in the defined benefit plan 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 \$297,373 during the current year and employees contributed \$7,165.

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 healthcare plan, with no contribution required by the participant. The Township purchases Medicare supplemental insurance for retirees eligible for Medicare. Expenditures for postemployment healthcare benefits are recognized as the insurance premiums become due; during the year, this totaled approximately \$105,000.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 12 - Other Postemployment Benefits (Continued)

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 healthcare coverage over the working life of the employee, rather than at the time the healthcare premiums are paid. The new pronouncement is effective for the year ending December 31, 2009.

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 \$6,831,000 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 an 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 an 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 \$3,150,000 at December 31, 2007, of which the Township guarantees nearly 15.70 percent, or approximately \$494,550. Complete financial statements of the Courthouse can be obtained from the administrative offices at 660 Plymouth Road, Plymouth, MI 48170.

Charter Township of Northville

Notes to Financial Statements December 31, 2007

Note 13 - Joint Ventures (Continued)

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 the 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 \$975,000 for the Recreation Commission's operations. The Township is unaware of any circumstances that would cause an 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.

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

Joint Venture	Governmental Activities	Business-type Activities	Total
Western Township Utilities Authority (WTUA)	\$ -	\$ 6,123,134	\$ 6,123,134
35th District Court System	480,661	-	480,661
Northville Parks and Recreation Commission	1,973,624	-	1,973,624
Total	<u>\$ 2,454,285</u>	<u>\$ 6,123,134</u>	<u>\$ 8,577,419</u>

Note 14 - Contingent Liabilities

In the regular course of business, the Township is exposed to various litigation. As of December 31, 2007, the monetary exposure to the Township cannot be determined but could be significant.

Required Supplemental Information

Charter Township of Northville

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenues				
Property taxes	\$ 1,367,900	\$ 1,407,602	\$ 1,405,947	\$ (1,655)
State sources	1,437,000	1,495,324	1,447,049	(48,275)
Building department	1,260,000	688,000	680,111	(7,889)
Fees, interest, and sundry	<u>972,772</u>	<u>3,100,976</u>	<u>3,371,980</u>	<u>271,004</u>
Total revenues	5,037,672	6,691,902	6,905,087	213,185
Expenditures				
Legislative	1,064,750	1,283,581	1,275,798	7,783
Clerk	347,300	357,550	354,618	2,932
Treasurer	923,000	932,600	918,435	14,165
Building department	886,550	861,050	836,152	24,898
Planning and zoning	288,257	263,382	226,540	36,842
Capital outlay	-	2,231,001	2,231,001	-
Transfers to other funds	<u>1,331,927</u>	<u>1,231,927</u>	<u>1,231,927</u>	<u>-</u>
Total expenditures	<u>4,841,784</u>	<u>7,161,091</u>	<u>7,074,471</u>	<u>86,620</u>
Excess of Revenues Over (Under)				
Expenditures	195,888	(469,189)	(169,384)	<u>\$ 299,805</u>
Fund Balance - Beginning of year	<u>3,588,516</u>	<u>3,588,516</u>	<u>3,588,516</u>	
Fund Balance - End of year	<u>\$ 3,784,404</u>	<u>\$ 3,119,327</u>	<u>\$ 3,419,132</u>	

Charter Township of Northville

	Police Fund			Variance with Amended Budget
	Original Budget	Amended Budget	Actual	
Revenues				
Property taxes	\$ 4,555,777	\$ 4,545,148	\$ 4,546,416	\$ 1,268
Other revenue	<u>733,482</u>	<u>900,064</u>	<u>954,330</u>	<u>54,266</u>
Total revenues	5,289,259	5,445,212	5,500,746	55,534
Expenditures	<u>7,003,610</u>	<u>7,118,523</u>	<u>6,302,977</u>	<u>815,546</u>
Excess of Revenues Over (Under) Expenditures	(1,714,351)	(1,673,311)	(802,231)	<u>\$ 871,080</u>
Fund Balance - Beginning of year	<u>5,238,213</u>	<u>5,238,213</u>	<u>5,238,213</u>	
Fund Balance - End of year	<u>\$ 3,523,862</u>	<u>\$ 3,564,902</u>	<u>\$ 4,435,982</u>	

**Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Funds
Year Ended December 31, 2007**

Fire Fund				Shared Services Fund			
Original Budget	Amended Budget	Actual	Variance with Amended Budget	Original Budget	Amended Budget	Actual	Variance with Amended Budget
\$ 4,555,777	\$ 4,545,230	\$ 4,546,498	\$ 1,268	\$ 1,696,300	\$ 1,694,152	\$ 1,694,274	\$ 122
<u>110,000</u>	<u>142,785</u>	<u>180,262</u>	<u>37,477</u>	<u>39,740</u>	<u>128,754</u>	<u>138,385</u>	<u>9,631</u>
4,665,777	4,688,015	4,726,760	38,745	1,736,040	1,822,906	1,832,659	9,753
<u>4,628,097</u>	<u>4,713,514</u>	<u>4,263,675</u>	<u>449,839</u>	<u>1,109,713</u>	<u>1,448,778</u>	<u>1,464,980</u>	<u>(16,202)</u>
37,680	(25,499)	463,085	<u>\$ 488,584</u>	626,327	374,128	367,679	<u>\$ (6,449)</u>
<u>1,056,075</u>	<u>1,056,075</u>	<u>1,056,075</u>		<u>302,336</u>	<u>302,336</u>	<u>302,336</u>	
<u>\$ 1,093,755</u>	<u>\$ 1,030,576</u>	<u>\$ 1,519,160</u>		<u>\$ 928,663</u>	<u>\$ 676,464</u>	<u>\$ 670,015</u>	

Charter Township of Northville

Note to Required Supplemental Information Year Ended December 31, 2007

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, 2007 is not known. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America 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:

- The budget process begins in August via an e-mail distribution to various Township departments.
- In August, a preliminary operating budget is adopted for the following year.
- 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.
- 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 is 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 - There were no significant budget overruns in the current year.

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 Health Care
Assets						
Cash and investments	\$ -	\$ 195,162	\$ 1,618,237	\$ 10,730	\$ 15,745	\$ 2,182,023
Receivables - Special assessments	-	-	-	-	-	-
Due from other governmental units	18,363	-	-	-	-	-
Prepaid expenses and other assets	-	3,572	-	53	-	20,538
Due from other funds	-	295	-	-	-	-
Total assets	<u>\$ 18,363</u>	<u>\$ 199,029</u>	<u>\$ 1,618,237</u>	<u>\$ 10,783</u>	<u>\$ 15,745</u>	<u>\$ 2,202,561</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ 693	\$ -	\$ -	\$ -	\$ -
Due to other funds	18,363	1,238	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	18,363	1,931	-	-	-	-
Fund Balances - Unreserved	-	197,098	1,618,237	10,783	15,745	2,202,561
Total liabilities and fund balances	<u>\$ 18,363</u>	<u>\$ 199,029</u>	<u>\$ 1,618,237</u>	<u>\$ 10,783</u>	<u>\$ 15,745</u>	<u>\$ 2,202,561</u>

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007**

Special Revenue Funds	Debt Service Funds				Total Nonmajor Governmental Funds
Capital Projects Fund	Gerald Avenue	Beck Road Park	Land Acquisition	Building Authority	Total Nonmajor Governmental Funds
\$ 1,405,323	\$ 306,947	\$ 4,718	\$ 35,023	\$ 22,918	\$ 5,796,826
-	43,656	-	-	-	43,656
-	-	-	-	-	18,363
-	-	-	-	-	24,163
-	-	-	-	-	295
<u>\$ 1,405,323</u>	<u>\$ 350,603</u>	<u>\$ 4,718</u>	<u>\$ 35,023</u>	<u>\$ 22,918</u>	<u>\$ 5,883,303</u>
\$ -	\$ -	\$ 263	\$ -	\$ -	\$ 956
-	-	-	-	-	19,601
-	43,656	-	-	-	43,656
-	43,656	263	-	-	64,213
1,405,323	306,947	4,455	35,023	22,918	5,819,090
<u>\$ 1,405,323</u>	<u>\$ 350,603</u>	<u>\$ 4,718</u>	<u>\$ 35,023</u>	<u>\$ 22,918</u>	<u>\$ 5,883,303</u>

Charter Township of Northville

	Special Revenue Funds					
	Community	Youth	General Capital	Special		Retiree Health
	Development Block Grant	Assistance	Outlay	Operations Team	D.A.R.E.	Care
Revenue						
Federal sources	\$ 109,883	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-
Fees, interest, and sundry	-	146,475	77,738	36,660	1,360	96,170
Total revenue	109,883	146,475	77,738	36,660	1,360	96,170
Expenditures						
Police department	-	-	-	38,487	-	94,503
Shared services	-	172,645	-	-	-	-
Community development programs	109,883	-	-	-	-	-
Capital outlay	-	-	26,149	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	109,883	172,645	26,149	38,487	-	94,503
Excess of Revenue Over (Under)						
Expenditures	-	(26,170)	51,589	(1,827)	1,360	1,667
Other Financing Sources (Uses)						
Transfers in	-	-	504,000	-	-	850,000
Transfers out	-	-	(313,000)	-	-	-
Total other financing sources (uses)	-	-	191,000	-	-	850,000
Net Change in Fund Balances	-	(26,170)	242,589	(1,827)	1,360	851,667
Fund Balances - Beginning of year	-	223,268	1,375,648	12,610	14,385	1,350,894
Fund Balances - End of year	\$ -	\$ 197,098	\$ 1,618,237	\$ 10,783	\$ 15,745	\$ 2,202,561

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2007

Special Revenue Funds	Debt Service Funds				Total Nonmajor Governmental Funds
Capital Projects	Gerald Avenue	Beck Road Park	Land Acquisition	Building Authority	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,883
-	-	26,450	-	-	26,450
<u>71,810</u>	<u>51,095</u>	<u>259</u>	<u>4,697</u>	<u>23,194</u>	<u>509,458</u>
71,810	51,095	26,709	4,697	23,194	645,791
-	-	-	-	-	132,990
-	-	-	-	-	172,645
-	-	-	-	-	109,883
43,330	-	-	-	-	69,479
<u>-</u>	<u>20,525</u>	<u>26,713</u>	<u>224,291</u>	<u>1,141,962</u>	<u>1,413,491</u>
<u>43,330</u>	<u>20,525</u>	<u>26,713</u>	<u>224,291</u>	<u>1,141,962</u>	<u>1,898,488</u>
28,480	30,570	(4)	(219,594)	(1,118,768)	(1,252,697)
-	-	-	243,000	1,141,686	2,738,686
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(313,000)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>243,000</u>	<u>1,141,686</u>	<u>2,425,686</u>
28,480	30,570	(4)	23,406	22,918	1,172,989
<u>1,376,843</u>	<u>276,377</u>	<u>4,459</u>	<u>11,617</u>	<u>-</u>	<u>4,646,101</u>
<u>\$ 1,405,323</u>	<u>\$ 306,947</u>	<u>\$ 4,455</u>	<u>\$ 35,023</u>	<u>\$ 22,918</u>	<u>\$ 5,819,090</u>

Charter Township of Northville

Other Supplemental Information Combining Balance Sheet Fiduciary Funds - Agency Funds December 31, 2007

	Tax Collection	Water and Sewer Agency	Township Escrow	Total
Assets - Cash and cash equivalents	<u>\$ 5,718,662</u>	<u>\$ 1,148,151</u>	<u>\$ 3,259,065</u>	<u>\$ 10,125,878</u>
Liabilities				
Accounts payable	\$ -	\$ 5,301	\$ 3,334	\$ 8,635
Tax collections distributable	5,718,662	-	-	5,718,662
Bonds and deposits	<u>-</u>	<u>1,142,850</u>	<u>3,255,731</u>	<u>4,398,581</u>
Total liabilities	<u>\$ 5,718,662</u>	<u>\$ 1,148,151</u>	<u>\$ 3,259,065</u>	<u>\$ 10,125,878</u>