

Charter Township of Northville

**Financial Report
with Supplemental Information
December 31, 2008**

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, 2008, 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 units, each major fund, and the aggregate remaining fund information of the Charter Township of Northville as of December 31, 2008 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, as identified in the table of contents, 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 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 14, 2009

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 Charter Township of Northville (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 approximately \$119 million. This was a decrease from 2007 of approximately \$1 million. Business-type activities comprise \$86.2 million while governmental activities make up \$32.6 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	
	2008	2007	2008	2007	2008	2007
Assets						
Current assets	\$ 29,576	\$ 29,668	\$ 31,354	\$ 34,328	\$ 60,930	\$ 63,996
Noncurrent assets	34,937	34,512	61,297	58,977	96,234	93,489
Total assets	64,513	64,180	92,651	93,305	157,164	157,485
Liabilities						
Current liabilities	16,134	15,116	1,530	1,176	17,664	16,292
Long-term liabilities	15,762	16,347	4,866	4,962	20,628	21,309
Total liabilities	31,896	31,463	6,396	6,138	38,292	37,601
Net Assets						
Invested in capital assets -						
Net of related debt	16,465	15,401	48,767	49,543	65,232	64,944
Restricted	7,212	6,995	-	-	7,212	6,995
Unrestricted	8,940	10,321	37,488	37,624	46,428	47,945
Total net assets	<u>\$ 32,617</u>	<u>\$ 32,717</u>	<u>\$ 86,255</u>	<u>\$ 87,167</u>	<u>\$ 118,872</u>	<u>\$ 119,884</u>

Charter Township of Northville

Management's Discussion and Analysis (Continued)

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue						
Program revenue:						
Charges for services	\$ 2,218	\$ 1,843	\$ 11,074	\$ 13,596	\$ 13,292	\$ 15,439
Operating grants and contributions	398	350	1,880	-	2,278	350
Capital grants and contributions	-	29	361	-	361	29
General revenue:						
Property taxes	13,059	12,193	-	-	13,059	12,193
State-shared revenue	1,429	1,468	-	-	1,429	1,468
Unrestricted investment earnings	637	1,309	1,225	1,816	1,862	3,125
Transfers	40	200	(40)	(200)	-	-
Special items and other	44	1,377	-	-	44	1,377
Total revenue	17,825	18,769	14,500	15,212	32,325	33,981
Program Expenses						
General government	3,738	2,679	-	-	3,738	2,679
Public safety:						
Police and fire	10,346	9,614	-	-	10,346	9,614
Building department	834	898	-	-	834	898
Community and economic development	400	336	-	-	400	336
Recreation and culture	1,924	1,580	-	-	1,924	1,580
Interest on long-term debt	683	698	-	-	683	698
Water and sewer	-	-	15,436	13,779	15,436	13,779
Total program expenses	17,925	15,805	15,436	13,779	33,361	29,584
Change in Net Assets	\$ (100)	\$ 2,964	\$ (936)	\$ 1,433	\$ (1,036)	\$ 4,397

Governmental Activities

Revenues for governmental activities totaled approximately \$17.8 million in 2008. A total of \$13.1 million was in the form of property tax collections, an increase of approximately \$866,000 over 2007. Although there was an increase in the taxable value in the Township in the current year, property taxes are a concern as the Township projects significant decreases in 2009 and future years, due to the overall current economic conditions. State-shared revenue also continues to be of concern. While it provided approximately \$1.4 million, we are uncertain what will happen in 2009 given the State's financial difficulties. The amount collected in 2008 was approximately \$39,000 less than what was received in 2007. Charges in services, primarily for inspections, generated approximately \$2.2 million.

Charter Township of Northville

Management's Discussion and Analysis (Continued)

Business-type Activities

Northville Township's business-type activities relate to water and sewer operations. Revenues for the business-type activities were approximately \$14.5 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

In recent years, Northville Township has experienced good growth in the community. This is seen in continued growth in the housing, commercial, and industrial markets. Our taxable value is approximately \$2.1 billion, an increase of approximately \$200 million from 2007. The Township expects that the 2009 property tax revenues will decline as a result of the taxable value projected decreases (taxable value is projected at approximately \$2 billion).

Revenue sharing is also a significant budgetary concern. The State of Michigan is experiencing significant budgeting problems, and as it looks for solutions, revenue sharing continues to be under attack. The levels of funding have been relatively flat over the last few years, while the community has been experiencing significant growth. 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.

Financial Analysis of Township Funds and Budgets

The General Fund ended 2008 with a fund balance of \$3.3 million, including \$1.6 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. Expenditures were within expectations (slightly above final budget).

The General Fund budget is amended semiannually. This is primarily done to prevent over-expenditures. Significant 2008 budget amendments included the budget for legislative expenses.

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.

Charter Township of Northville

Management's Discussion and Analysis (Continued)

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 within line with budget expectations.

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, 2008

	Primary Government			Component Unit (EDC)
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 21,218,239	\$ 1,975,153	\$ 23,193,392	\$ 102
Cash segregated for capital (Notes 3 and 4)	-	26,853,352	26,853,352	-
Receivables:				
Taxes	6,333,603	-	6,333,603	-
Customers	-	1,856,896	1,856,896	-
Other	-	186,391	186,391	-
Due from other governmental units	1,909,862	191,742	2,101,604	-
Special assessments	-	266,180	266,180	-
Internal balances	(2,291)	2,291	-	-
Prepaid items and other assets	116,845	22,286	139,131	-
Investment in joint ventures (Note 13)	2,599,539	7,629,768	10,229,307	-
Capital assets:				
Nondepreciable capital assets (Note 6)	14,599,190	-	14,599,190	-
Depreciable capital assets - Net (Note 6)	17,601,130	53,667,000	71,268,130	-
Special assessments - Net of current portion	137,172	-	137,172	-
Total assets	64,513,289	92,651,059	157,164,348	102
Liabilities				
Accounts payable and accrued liabilities	1,733,840	1,146,508	2,880,348	-
Accrued interest	165,000	32,087	197,087	-
Deferred revenue (Note 5)	12,818,594	194,040	13,012,634	-
Noncurrent liabilities:				
Due within one year (Note 8)	1,416,268	156,984	1,573,252	-
Due in more than one year - Long-term debt (Note 8)	15,762,579	4,866,568	20,629,147	-
Total liabilities	31,896,281	6,396,187	38,292,468	-
Net Assets				
Invested in capital assets - Net of related debt	16,465,320	48,767,000	65,232,320	-
Restricted for:				
Police and fire operations	5,559,683	-	5,559,683	-
Shared services	764,336	-	764,336	-
Debt service	887,793	-	887,793	-
Unrestricted	8,939,876	37,487,872	46,427,748	102
Total net assets	\$ 32,617,008	\$ 86,254,872	\$ 118,871,880	\$ 102

Charter Township of Northville

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,738,047	\$ 520,469	\$ -	\$ -
Public safety:				
Police and fire	10,345,758	727,992	106,864	-
Building department	834,378	819,443	-	-
Community and economic development	399,671	34,945	146,489	-
Recreation and culture	1,923,676	115,388	144,253	-
Interest on long-term debt	683,335	-	-	-
Total governmental activities	17,924,865	2,218,237	397,606	-
Business-type activities:				
Water and sewer	14,226,522	9,922,292	1,879,681	360,990
Solid waste	1,185,965	1,152,172	-	-
Total business-type activities	15,412,487	11,074,464	1,879,681	360,990
Total primary government	\$ 33,337,352	\$ 13,292,701	\$ 2,277,287	\$ 360,990
Component unit - Economic Development Corp	\$ -	\$ -	\$ -	\$ -
General revenues:				
Property taxes				
State-shared revenue				
Unrestricted investment earnings				
Gain on sale of capital assets				
Total general revenues				
Transfers				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

Statement of Activities
Year Ended December 31, 2008

Primary Government			Component Unit (EDC)
Governmental Activities	Business-type Activities	Total	
\$ (3,217,578)	\$ -	\$ (3,217,578)	\$ -
(9,510,902)	-	(9,510,902)	-
(14,935)	-	(14,935)	-
(218,237)	-	(218,237)	-
(1,664,035)	-	(1,664,035)	-
(683,335)	-	(683,335)	-
(15,309,022)	-	(15,309,022)	-
-	(2,063,559)	(2,063,559)	-
-	(33,793)	(33,793)	-
-	(2,097,352)	(2,097,352)	-
(15,309,022)	(2,097,352)	(17,406,374)	-
13,058,573	-	13,058,573	-
1,429,285	-	1,429,285	-
636,533	1,224,580	1,861,113	2
44,796	-	44,796	-
15,169,187	1,224,580	16,393,767	2
40,000	(40,000)	-	-
(99,835)	(912,772)	(1,012,607)	2
32,716,843	87,167,644	119,884,487	100
\$ 32,617,008	\$ 86,254,872	\$ 118,871,880	\$ 102

Charter Township of Northville

Governmental Funds Balance Sheet December 31, 2008

	General Fund	Special Revenue Funds			Nonmajor Funds	Total
		Police	Fire	Shared Services		
Assets						
Cash and investments (Note 3)	\$ 2,602,958	\$ 5,936,660	\$ 4,969,434	\$ 1,751,270	\$ 5,957,917	\$ 21,218,239
Receivables:						
Taxes	690,693	2,419,546	2,337,721	885,643	-	6,333,603
Special assessments	103,429	-	-	-	33,743	137,172
Due from other governmental units	1,612,915	-	-	-	51,436	1,664,351
Due from other funds (Note 7)	180,037	-	25,750	-	-	205,787
Prepaid items and other assets	47,179	26,870	23,387	-	19,409	116,845
	<u>\$ 5,237,211</u>	<u>\$ 8,383,076</u>	<u>\$ 7,356,292</u>	<u>\$ 2,636,913</u>	<u>\$ 6,062,505</u>	<u>\$ 29,675,997</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 424,543	\$ 150,259	\$ 81,139	\$ 60,623	\$ 1,017,276	\$ 1,733,840
Due to other funds (Note 7)	352	110,736	44,084	-	52,906	208,078
Deferred revenue (Note 5)	1,489,233	4,913,054	4,690,413	1,776,954	33,743	12,903,397
	<u>1,914,128</u>	<u>5,174,049</u>	<u>4,815,636</u>	<u>1,837,577</u>	<u>1,103,925</u>	<u>14,845,315</u>
Fund Balances						
Reserved for long-term receivable:						
Long-term receivable	1,612,915	-	-	-	-	1,612,915
Designated for pending tax tribunals	28,000	95,000	95,000	35,000	-	253,000
Unreserved, reported in:						
General Fund - Undesignated	1,682,168	-	-	-	-	1,682,168
Special Revenue Funds	-	3,114,027	2,445,656	764,336	4,070,787	10,394,806
Debt Service Funds	-	-	-	-	887,793	887,793
	<u>3,323,083</u>	<u>3,209,027</u>	<u>2,540,656</u>	<u>799,336</u>	<u>4,958,580</u>	<u>14,830,682</u>
Total liabilities and fund balances	<u>\$ 5,237,211</u>	<u>\$ 8,383,076</u>	<u>\$ 7,356,292</u>	<u>\$ 2,636,913</u>	<u>\$ 6,062,505</u>	<u>\$ 29,675,997</u>

Charter Township of Northville

Governmental Funds **Reconciliation of the Fund Balances to the Statement of Net Assets** **Year Ended December 31, 2008**

Fund Balance Reported in Governmental Funds	\$ 14,830,682
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	32,200,320
Investments in joint ventures are not financial resources and are not reported in the funds	2,599,539
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	84,803
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	245,511
Bonds payable, estimated self-insurance claims, and accumulated compensated absences are not due and payable in the current period and are not reported in the funds	(17,178,847)
Accrued interest is not due and payable in the current period and is not reported in the funds	<u>(165,000)</u>
Net Assets of Governmental Activities	<u>\$ 32,617,008</u>

Charter Township of Northville

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2008

	General Fund	Police	Fire	Shared Services	Nonmajor Funds	Total
Revenue						
Property taxes	\$ 1,551,693	\$ 4,850,402	\$ 4,850,628	\$ 1,805,850	\$ -	\$ 13,058,573
Building department	819,443	-	-	-	-	819,443
Federal sources	-	25,732	-	-	146,489	172,221
State sources	1,437,321	-	-	-	-	1,437,321
Investment income	201,935	149,448	92,518	24,388	168,244	636,533
Licensing and enforcement	-	425,927	-	-	-	425,927
Other revenue	565,828	266,897	12,245	8,343	233,847	1,087,160
Total revenue	4,576,220	5,718,406	4,955,391	1,838,581	548,580	17,637,178
Expenditures - Current						
General government:						
Legislative	1,962,825	-	-	-	-	1,962,825
Treasurer	969,488	-	-	-	-	969,488
Clerk	458,476	-	-	-	-	458,476
Insurance and other functions	-	-	-	-	258,620	258,620
Public safety:						
Police department	-	6,136,436	-	-	741,483	6,877,919
Fire department	-	-	3,416,732	-	183,870	3,600,602
Building department	791,898	-	-	-	-	791,898
Community and economic development:						
Community development programs	-	-	-	-	146,489	146,489
Planning and zoning	253,182	-	-	-	-	253,182
Shared services	-	-	-	1,709,260	177,899	1,887,159
Capital outlay	-	-	-	-	55,081	55,081
Debt service	-	-	70,784	-	1,422,148	1,492,932
Total expenditures	4,435,869	6,136,436	3,487,516	1,709,260	2,985,590	18,754,671
Excess of Revenue Over (Under) Expenditures	140,351	(418,030)	1,467,875	129,321	(2,437,010)	(1,117,493)
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	8,175	36,621	-	-	44,796
Transfers in (Note 7)	940,000	-	-	-	3,216,643	4,156,643
Transfers out (Note 7)	(1,176,400)	(817,100)	(483,000)	-	(1,640,143)	(4,116,643)
Total other financing (uses) sources	(236,400)	(808,925)	(446,379)	-	1,576,500	84,796
Net Change in Fund Balances	(96,049)	(1,226,955)	1,021,496	129,321	(860,510)	(1,032,697)
Fund Balances - Beginning of year	3,419,132	4,435,982	1,519,160	670,015	5,819,090	15,863,379
Fund Balances - End of year	\$ 3,323,083	\$ 3,209,027	\$ 2,540,656	\$ 799,336	\$ 4,958,580	\$ 14,830,682

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, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ (1,032,697)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,666,684
Depreciation expense	(1,404,878)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	(8,036)
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	(34,162)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	802,324
Change in accrued interest payable and other	7,273
Increase in accumulated employee sick and vacation pay reported in the statement of activities does not require the use of current resources, and therefore is not reported in the fund statements until they come due for payment	(241,597)
Equity interest in the 35th District Courthouse Authority is not reported in the governmental funds	38,209
Equity interest in the Northville Parks and Recreation Commission is not reported in the governmental funds	107,045
Change in Net Assets of Governmental Activities	<u>\$ (99,835)</u>

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Net Assets December 31, 2008

	Enterprise Funds		
	Water and Sewer	Nonmajor Solid Waste	Total
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 1,468,869	\$ 506,284	\$ 1,975,153
Cash segregated for capital purposes (Notes 3 and 4)	26,853,352	-	26,853,352
Receivables:			
Special assessments	266,180	-	266,180
Customers	1,856,896	-	1,856,896
Other	186,391	-	186,391
Due from other governmental units	191,742	-	191,742
Due from other funds (Note 7)	2,291	-	2,291
Prepaid items and other assets	22,286	-	22,286
Total current assets	30,848,007	506,284	31,354,291
Noncurrent assets:			
Investment in joint venture (Note 13)	7,629,768	-	7,629,768
Capital assets - Depreciable assets - Net (Note 6)	53,667,000	-	53,667,000
Total noncurrent assets	61,296,768	-	61,296,768
Total assets	92,144,775	506,284	92,651,059
Liabilities			
Current liabilities:			
Accounts payable and other accrued liabilities	1,035,029	111,479	1,146,508
Accrued interest	32,087	-	32,087
Deferred revenue (Note 5)	-	194,040	194,040
Current portion of long-term debt (Note 8)	156,984	-	156,984
Total current liabilities	1,224,100	305,519	1,529,619
Noncurrent liabilities - Long-term debt - Net of current portion (Note 8)	4,866,568	-	4,866,568
Total liabilities	6,090,668	305,519	6,396,187
Net Assets			
Invested in capital assets - Net of related debt	48,767,000	-	48,767,000
Unrestricted	37,287,107	200,765	37,487,872
Total net assets	<u>\$ 86,054,107</u>	<u>\$ 200,765</u>	<u>\$ 86,254,872</u>

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2008

	Enterprise Funds		
	Water and Sewer	Non-Major Solid Waste	Total
Operating Revenue			
Water sales and sewer services	\$ 9,748,749	\$ -	\$ 9,748,749
Solid waste charges	-	1,152,172	1,152,172
Federal source grant revenue	30,036	-	30,036
Other revenue	205,266	-	205,266
Total operating revenue	9,984,051	1,152,172	11,136,223
Operating Expenses			
Cost of water	3,620,642	-	3,620,642
Cost of sewage disposal	4,631,086	-	4,631,086
Salaries and wages	965,686	-	965,686
Collection and recycling charges	-	1,121,465	1,121,465
Fringe benefits	378,902	-	378,902
System maintenance and operation	356,210	-	356,210
General and administrative	531,265	64,500	595,765
Depreciation	1,845,284	-	1,845,284
Total operating expenses	12,329,075	1,185,965	13,515,040
Operating Loss	(2,345,024)	(33,793)	(2,378,817)
Nonoperating Revenue (Expenses)			
Interest income	1,214,513	10,067	1,224,580
Interest expense	(197,747)	-	(197,747)
Refunding to developers	(1,699,700)	-	(1,699,700)
Special assessments	173,543	-	173,543
Customer connection fees	1,644,379	-	1,644,379
Loss - Before contributions	(1,210,036)	(23,726)	(1,233,762)
Capital Contributions - Lines constructed by developers	360,990	-	360,990
Transfers Out	(40,000)	-	(40,000)
Change in Net Assets	(889,046)	(23,726)	(912,772)
Net Assets - Beginning of year	86,943,153	224,491	87,167,644
Net Assets - End of year	<u>\$ 86,054,107</u>	<u>\$ 200,765</u>	<u>\$ 86,254,872</u>

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Cash Flows Year Ended December 31, 2008

	Enterprise Funds	
	Water and Sewer	Nonmajor Solid Waste
Cash Flow from Operating Activities		
Receipts from customers	\$ 9,714,251	\$ 1,155,504
Receipts from other governmental units - Grants	30,036	-
Payments to suppliers	(10,397,775)	(1,155,655)
Payments to employees	(1,328,610)	-
Payments for retiree health care	(40,000)	-
Net cash used in operating activities	(2,022,098)	(151)
Cash Flows from Noncapital Financing Activities -		
Repayments of loans made to other funds	(2,586)	-
Cash Flows from Capital and Related Financing Activities		
Special assessment collections	149,240	-
Purchase of capital assets	(2,480,963)	-
Principal and interest paid on capital debt	(399,526)	-
Collection of connection fees	1,644,379	-
Refunding of connection fees	(1,699,700)	-
Net cash used in capital and related financing activities	(2,786,570)	-
Cash Flows from Investment Activities - Interest received on investments	1,222,285	10,067
Net (Decrease) Increase in Cash and Cash Equivalents	(3,588,969)	9,916
Cash and Cash Equivalents - Beginning of year	31,911,190	496,368
Cash and Cash Equivalents - End of year	\$ 28,322,221	\$ 506,284
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and investments	\$ 1,468,869	\$ 506,284
Cash segregated for capital	26,853,352	-
Total cash and cash equivalents	\$ 28,322,221	\$ 506,284

Charter Township of Northville

Proprietary Funds - Enterprise Funds Statement of Cash Flows (Continued) Year Ended December 31, 2008

	Enterprise Funds	
	Water and Sewer	Nonmajor Solid Waste
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (2,345,024)	\$ (33,793)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	1,845,284	-
Change in investments in joint ventures	(1,506,634)	-
Payments for retiree healthcare	(40,000)	-
Changes in assets and liabilities:		
Receivables	(239,764)	-
Due from others	(191,742)	-
Prepaid and other assets	29,025	-
Accounts payable	415,144	30,310
Deferred revenue	-	3,332
Accrued and other liabilities	11,613	-
Net cash used in operating activities	<u>\$ (2,022,098)</u>	<u>\$ (151)</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2008, developers constructed water and sewer lines with an estimated value of \$360,990 and donated them to the Township's Water and Sewer Fund.

Charter Township of Northville

Fiduciary Funds Statement of Fiduciary Net Assets December 31, 2008

	<u>Agency Funds</u>
Assets - Cash and cash equivalents (Note 3)	<u>\$ 8,312,051</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 16,348
Tax collections distributable	5,272,225
Bonds and deposits	<u>3,023,478</u>
Total liabilities	<u>\$ 8,312,051</u>

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note I - 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 Charter Township of Northville 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, 2008

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 units. 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 certain legally separate component units 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, fiduciary fund, and component unit 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, 2008

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. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with 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 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, 2008

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 a 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 \$2.1 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 2007 tax is levied and collectible on December 1, 2007 and is recognized as revenue in the year ended December 31, 2008, when the proceeds of the levy are budgeted and available for the financing of operations. 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.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

The Township's tax levy for the year ended December 31, 2008 was as follows:

<u>Purpose</u>	<u>Millage Rate</u>	<u>Revenue</u>
General operating	0.6824 \$	1,424,790
Police and fire special voted mills	4.7000	9,813,175
Shared services special voted mills	0.8750	1,826,921
Total	<u>6.2574 \$</u>	<u>13,064,886</u>

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.

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.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Governmental activities:

Bike paths and similar items	15 years
Building 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.

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. 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, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

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 the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Shortfall at January 1, 2008		\$ (1,242,398)
Current year permit revenue		819,443
Related expenses:		
Direct costs	\$ 791,898	
Estimated indirect costs	<u>420,538</u>	<u>1,212,436</u>
Current year shortfall		<u>(392,993)</u>
Cumulative shortfall at December 31, 2008		<u>\$ (1,635,391)</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.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 3 - Deposits and Investments (Continued)

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 bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above.

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 \$13,737,889 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.

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:

Investment	Fair Value	Weighted Average Maturity
U.S. government agency bond or notes	\$ 13,980,385	10.91 years

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the Township had investments in five government investment funds that are operated in a manner consistent with 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 the investment. At year end, the credit risks of investments are as follows:

Investment	Fair Value	Rating	Rating Organization
U.S. government agency bond or notes	\$ 14,451,934	AAA	S&P
Bank investment pool	26,719,827	AAA	S&P

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 4 - Cash Segregated for Capital - Water and Sewer

Segregated assets at December 31, 2008 consist of bank deposits. These assets are segregated by board resolution for replacement of plant, major repairs, acquisition of capacity, and facility expansion.

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. 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 unearned revenue as deferred. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Governmental Funds			Enterprise Funds
	Unavailable	Unearned	Total	
Property taxes	\$ -	\$ 12,707,758	\$ 12,707,758	\$ -
Special assessments	84,803	52,369	137,172	-
Forfeitures	-	58,467	58,467	-
Other	-	-	-	194,040
Total	<u>\$ 84,803</u>	<u>\$ 12,818,594</u>	<u>\$ 12,903,397</u>	<u>\$ 194,040</u>

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 6 - Capital Assets

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

	Balance January 1, 2008	Additions	Disposals	Balance December 31, 2008
Governmental Activities				
Capital assets not being depreciated - Land	\$ 14,552,385	\$ 46,805	\$ -	\$ 14,599,190
Capital assets being depreciated:				
Bike paths	459,192	362,127	-	821,319
Buildings and improvements	17,981,251	9,904	-	17,991,155
Vehicles	2,480,325	674,131	443,230	2,711,226
Furniture and equipment	2,744,804	495,701	-	3,240,505
Computer equipment	862,448	78,016	41,751	898,713
Subtotal	24,528,020	1,619,879	484,981	25,662,918
Accumulated depreciation:				
Bike paths	175,397	35,035	-	210,432
Buildings and improvements	2,768,248	580,719	-	3,348,967
Vehicles	1,835,738	306,855	443,230	1,699,363
Furniture and equipment	1,674,341	389,780	-	2,064,121
Computer equipment	688,167	92,489	41,751	738,905
Subtotal	7,141,891	1,404,878	484,981	8,061,788
Net capital assets being depreciated	17,386,129	215,001	-	17,601,130
Net capital assets	\$ 31,938,514	\$ 261,806	\$ -	\$ 32,200,320
Business-type Activities				
	Balance January 1, 2008	Reclassifications	Additions	Balance December 31, 2008
Capital assets not being depreciated - Construction in progress	\$ 1,505,607	\$ (1,505,607)	\$ -	\$ -
Capital assets being depreciated:				
Water and sewer systems	66,225,032	1,505,607	2,663,604	70,394,243
Buildings and improvements	1,549,786	-	-	1,549,786
Equipment	3,536,564	-	178,349	3,714,913
Subtotal	71,311,382	1,505,607	2,841,953	75,658,942
Accumulated depreciation:				
Water and sewer systems	16,666,856	-	1,405,875	18,072,731
Buildings and improvements	724,268	-	61,991	786,259
Equipment	2,755,534	-	377,418	3,132,952
Subtotal	20,146,658	-	1,845,284	21,991,942
Net capital assets being depreciated	51,164,724	1,505,607	996,669	53,667,000
Net capital assets	\$ 52,670,331	\$ -	\$ 996,669	\$ 53,667,000

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 6 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 469,930
Police and fire	869,017
Building department	29,414
Recreation and culture	36,517
	<hr/>
Total governmental activities	\$ 1,404,878
	<hr/>
Business-type activities - Water and sewer	\$ 1,845,284
	<hr/>

Construction Commitments - The Township has no significant active construction projects at year end.

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	\$ 84,986
	Fire Fund	44,084
	Other nonmajor governmental funds	50,967
	Total General Fund	<hr/> 180,037
Fire Fund	Police Fund	25,750
Water and Sewer Fund	General Fund	352
	Other nonmajor governmental funds	1,939
	Total Water and Sewer Fund	<hr/> 2,291
	Total	<hr/> <hr/> \$ 208,078

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.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

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

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 1,176,400
Fire Fund	Nonmajor governmental funds	483,000
Police Fund	Nonmajor governmental funds	817,100
Nonmajor governmental funds	General Fund	940,000
	Nonmajor governmental funds	<u>700,143</u>
	Total nonmajor governmental funds	1,640,143
Water and Sewer Fund	Nonmajor governmental funds	<u>40,000</u>
	Total	<u>\$ 4,156,643</u>

The transfers from the General Fund to the nonmajor governmental funds represent the use of unrestricted resources to finance capital improvements, debt service, and retiree health care.

The transfers from the Fire Fund and the Police Fund to the nonmajor governmental funds represent the use of resources to finance debt service and retiree health care.

The transfers from the nonmajor governmental funds to the General Fund represent the transfer of unrestricted funds from the Capital Projects Fund. The transfers from the nonmajor governmental funds to other nonmajor governmental funds represent transfers to finance debt service.

The transfers from the Water and Sewer Fund to the nonmajor governmental funds represent the use of resources to finance retiree health care.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

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 Township) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

The Township's outstanding bond obligations are as follows:

Description	Amount
Governmental Activities:	
<u>General Obligations:</u>	
2003 General Obligation Limited Bonds:	
Amount of issue - \$15,000,000	
Maturing through 2023	
Interest rate 3.00% - 4.75%	\$ 13,100,000
2006 General Obligation Bonds:	
Amount of issue - \$2,645,000	
Maturing through 2020	
Interest rate 3.75% - 4.00%	2,595,000
Subtotal	15,695,000
<u>Special Assessment Bonds:</u>	
1995 Special Assessment Bonds:	
Amount of issue - \$230,000	
Maturing through 2010	
Interest rate 5.85% - 6.05%	40,000
Total governmental activity bonds	\$ 15,735,000
Business-type Activities:	
<u>General Obligations:</u>	
2007 Capital Improvement Bonds: Amount of issue - \$5,000,000	
Maturing through 2027	
Interest rate 4.00% - 4.05%	\$ 4,900,000

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 8 - Long-term Debt (Continued)

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 16,410,000	\$ -	\$ 715,000	\$ 15,695,000	\$ 770,000
Special assessment bonds	60,000	-	20,000	40,000	20,000
Installment purchase agreements	67,324	-	67,324	-	-
Total bonds payable	16,537,324	-	802,324	15,735,000	790,000
Estimated self-insurance claims (Note 9)	160,000	212,837	212,837	160,000	160,000
Accumulated compensated absences	1,042,250	671,766	430,169	1,283,847	466,268
Total governmental activities	\$ 17,739,574	\$ 884,603	\$ 1,445,330	\$ 17,178,847	\$ 1,416,268
Business-type Activities					
General obligation bonds	\$ 5,000,000	\$ -	\$ 100,000	\$ 4,900,000	\$ 100,000
Accumulated compensated absences	111,939	62,014	50,401	123,552	56,984
Total business-type activities	\$ 5,111,939	\$ 62,014	\$ 150,401	\$ 5,023,552	\$ 156,984

Total interest expense for the year was approximately \$888,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 790,000	\$ 660,629	\$ 1,450,629	\$ 100,000	\$ 194,800	\$ 294,800
2010	835,000	632,179	1,467,179	100,000	190,800	290,800
2011	960,000	601,011	1,561,011	100,000	186,800	286,800
2012	990,000	563,136	1,553,136	200,000	180,800	380,800
2013	1,005,000	524,074	1,529,074	200,000	172,800	372,800
2014-2018	5,530,000	1,990,230	7,520,230	1,100,000	742,000	1,842,000
2019-2023	5,625,000	755,957	6,380,957	1,500,000	474,000	1,974,000
2024-2027	-	-	-	1,600,000	129,600	1,729,600
Total	\$ 15,735,000	\$ 5,727,216	\$ 21,462,216	\$ 4,900,000	\$ 2,271,600	\$ 7,171,600

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, 2008, \$2,550,000 of bonds outstanding are considered to be defeased.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

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 League 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 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>2008</u>	<u>2007</u>
Estimated liability - Beginning of year	\$ 160,000	\$ 160,000
Estimated claims incurred, including changes in estimates	212,837	212,649
Claim payments	<u>(212,837)</u>	<u>(212,649)</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 Michigan Municipal Employees' Retirement System (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.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 10 - Defined Benefit Pension Plan (Continued)

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 annual payroll, and employees are required to contribute amounts in excess of 15 percent.

Annual Pension Cost - For the year ended December 31, 2008, the Township's annual pension cost of \$1,076,195 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2007, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent to 12.9 percent per year, attributable to seniority/merit, and (c) 2.5 percent per year cost of living adjustments. Both (a) and (b) 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 percentage of payroll on a closed basis. The remaining amortization period is 28 years.

Three-year Trend Information

	Fiscal Year Ended December 31		
	2008	2007	2006
Annual pension cost (APC)	\$ 1,076,195	\$ 977,255	\$ 495,525
Percentage of APC contributed	100.0 %	100.0 %	100.0 %

	Fiscal Year Ended December 31		
	2007	2006	2005
Actuarial value of assets	\$ 9,352,788	\$ 8,006,422	\$ 4,833,704
Actuarial accrued liability (AAL) (entry age)	14,838,978	12,621,031	7,125,462
Unfunded AAL (UAAL)	5,486,190	4,614,609	2,291,758
Funded ratio	63.0 %	63.4 %	67.8 %
Covered payroll	4,964,854	4,582,370	3,046,487
UAAL as a percentage of covered payroll	110.5 %	100.7 %	75.2 %

Charter Township of Northville

Notes to Financial Statements December 31, 2008

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 \$312,023 during the current year and employees contributed \$7,474.

Note 12 - Other Postemployment Benefits (OPEB)

New Accounting Pronouncement - The Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in 2004.

GASB Statement No. 45 establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) and related liabilities and note disclosures for other plans in which the Township participates. GASB No. 45 was effective for the Township for the year beginning January 1, 2008. The changes in financial reporting as a result of this statement are outlined below.

Plan Description - The Township provides health benefits to certain full-time employees upon retirement in accordance with labor contracts. Full-time employees who have completed 25 years of service (15 years if management) can retire and receive benefits under this plan. There is effectively a minimum retirement age of 50 years for fire and water and sewer employees. 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.

This is a single employer defined benefit plan administered by the Township. Administrative costs are paid by the plan. Currently, nine retirees and one beneficiary are eligible for healthcare benefits and there are 92 active employees that are expected to retire and receive benefits in the future.

Funding Policy - The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. However, as shown below, the Township has made contributions to advance-fund these benefits, as determined by the Township Council through annual budget resolutions. Contributions for postemployment healthcare benefits totaled \$1,119,097, consisting of \$104,669 in payments of current premiums and \$1,014,428 in advance funding.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 12 - Other Postemployment Benefits (OPEB) (Continued)

Funding Progress - For the year ended December 31, 2008, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2007. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,119,097
Annual OPEB cost	1,119,097
Amounts contributed:	
Payments of current premiums	(104,669)
Advance funding	<u>(1,014,428)</u>
OPEB obligation - Beginning of year	<u>-</u>
OPEB obligation - End of year	<u>\$ -</u>

The schedule of employer contributions and the net OPEB obligation is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed	Net OPEB Obligation
12/31/08	1/1/07	\$ 1,119,097	100.0	\$ -

* The required contribution is expressed to the Township as a percentage of payroll.

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c) *	UAAL as a Percentage of Covered Payroll **
1/1/07	\$ 1,014,428	\$ 9,086,172	\$ 8,071,744	11.2	\$ -	\$ -

* Covered payroll - Not available

** UAAL as a percentage of covered payroll - Not available

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 12 - Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The annual required contribution was determined as part of an actuarial valuation at January 1, 2007, using the entry age actuarial cost method. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial assumptions included a 5.75 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2007 was 30 years.

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 \$6,138,000 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.

Charter Township of Northville

Notes to Financial Statements December 31, 2008

Note 13 - Joint Ventures (Continued)

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 \$2,980,000 at December 31, 2008, of which the Township guarantees nearly 16.45 percent, or \$490,210. 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 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 \$1,014,000 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:

<u>Joint Venture</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Western Township Utilities Authority (WTUA)	\$ -	\$ 7,629,768	\$ 7,629,768
35th District Court System	518,870	-	518,870
Northville Parks and Recreation Commission	<u>2,080,669</u>	<u>-</u>	<u>2,080,669</u>
Total	<u>\$ 2,599,539</u>	<u>\$ 7,629,768</u>	<u>\$ 10,229,307</u>

Note 14 - Contingent Liabilities

In the regular course of business, the Township is exposed to various litigation. As of December 31, 2008, 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, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Property taxes	\$ 1,489,843	\$ 1,551,693	\$ 1,551,693	\$ -
Building department	700,000	1,008,906	819,443	(189,463)
State sources	1,435,200	1,444,329	1,437,321	(7,008)
Interest, transfers in, and miscellaneous	1,610,800	1,815,152	1,707,763	(107,389)
Total revenue	5,235,843	5,820,080	5,516,220	(303,860)
Expenditures - Current				
General government:				
Legislative	1,292,652	2,082,455	1,962,825	119,630
Treasurer	922,588	966,358	969,488	(3,130)
Clerk	426,202	459,200	458,476	724
Total general government expenditures	2,641,442	3,508,013	3,390,789	117,224
Building department	823,712	815,356	791,898	23,458
Planning and zoning	293,689	260,314	253,182	7,132
Transfer to other funds	1,176,400	1,176,400	1,176,400	-
Total expenditures	4,935,243	5,760,083	5,612,269	147,814
Net Change in Fund Balance	300,600	59,997	(96,049)	(156,046)
Fund Balance - Beginning of year	3,419,132	3,419,132	3,419,132	-
Fund Balance - End of year	<u>\$ 3,719,732</u>	<u>\$ 3,479,129</u>	<u>\$ 3,323,083</u>	<u>\$ (156,046)</u>

Charter Township of Northville

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds - Police Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Property taxes	\$ 4,871,621	\$ 4,850,402	\$ 4,850,402	\$ -
Interest, transfers in, and miscellaneous	761,629	926,082	876,179	(49,903)
Total revenue	5,633,250	5,776,484	5,726,581	(49,903)
Expenditures - Current				
Public safety	6,109,133	6,228,124	6,136,436	91,688
Transfers to other funds	177,100	817,100	817,100	-
Total expenditures	6,286,233	7,045,224	6,953,536	91,688
Net Change in Fund Balance	(652,983)	(1,268,740)	(1,226,955)	41,785
Fund Balance - Beginning of year	4,435,982	4,435,982	4,435,982	-
Fund Balance - End of year	<u>\$ 3,782,999</u>	<u>\$ 3,167,242</u>	<u>\$ 3,209,027</u>	<u>\$ 41,785</u>

Charter Township of Northville

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds - Fire Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Property taxes	\$ 4,871,621	\$ 4,850,628	\$ 4,850,628	\$ -
Interest, transfers in, and miscellaneous	117,900	106,108	141,384	35,276
Total revenue	4,989,521	4,956,736	4,992,012	35,276
Expenditures - Current				
Public safety	4,485,403	3,753,850	3,487,516	266,334
Transfers to other funds	353,000	483,000	483,000	-
Total expenditures	4,838,403	4,236,850	3,970,516	266,334
Net Change in Fund Balance	151,118	719,886	1,021,496	301,610
Fund Balance - Beginning of year	1,519,160	1,519,160	1,519,160	-
Fund Balance - End of year	<u>\$ 1,670,278</u>	<u>\$ 2,239,046</u>	<u>\$ 2,540,656</u>	<u>\$ 301,610</u>

Charter Township of Northville

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds - Shared Services Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Property taxes	\$ 1,813,902	\$ 1,805,850	\$ 1,805,850	\$ -
Interest, transfers in, and miscellaneous	35,000	32,342	32,731	389
Total revenue	1,848,902	1,838,192	1,838,581	389
Expenditures - Current - Recreation and culture	1,236,072	1,649,663	1,709,260	(59,597)
Net Change in Fund Balance	612,830	188,529	129,321	(59,208)
Fund Balance - Beginning of year	670,015	670,015	670,015	-
Fund Balance - End of year	<u>\$ 1,282,845</u>	<u>\$ 858,544</u>	<u>\$ 799,336</u>	<u>\$ (59,208)</u>

Charter Township of Northville

Note to Required Supplemental Information Year Ended December 31, 2008

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, 2008 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 Appropriations in Budgeted Funds - There were no significant budget overruns in the current year in any of the funds except the Shared Services Fund. The overrun of \$59,597 was a result of various accruals recorded as of year end relating to services performed in 2008, paid in 2009.

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	\$ -	\$ 151,438	\$ 1,655,162	\$ 25,797	\$ 17,506	\$ 3,220,221
Receivables:						
Special assessments	-	-	-	-	-	-
Due from other governmental units	51,436	-	-	-	-	-
Prepaid items and other assets	-	19,409	-	-	-	-
Total assets	\$ 51,436	\$ 170,847	\$ 1,655,162	\$ 25,797	\$ 17,506	\$ 3,220,221
Liabilities and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 2,306	\$ -	\$ -	\$ -	\$ 1,014,970
Due to other funds	51,436	1,470	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	51,436	3,776	-	-	-	1,014,970
Fund Balances - Unreserved, reported in						
Special Revenue Funds	-	167,071	1,655,162	25,797	17,506	2,205,251
Debt Service Funds	-	-	-	-	-	-
Total fund balances	-	167,071	1,655,162	25,797	17,506	2,205,251
Total liabilities and fund balances	\$ 51,436	\$ 170,847	\$ 1,655,162	\$ 25,797	\$ 17,506	\$ 3,220,221

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008**

Debt Service Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
Gerald Avenue	Beck Road Park	Land Acquisition	Building Authority	Capital Projects	
\$ 318,948	\$ 4,987	\$ 39,614	\$ 524,244	\$ -	\$ 5,957,917
33,743	-	-	-	-	33,743
-	-	-	-	-	51,436
-	-	-	-	-	19,409
\$ 352,691	\$ 4,987	\$ 39,614	\$ 524,244	\$ -	\$ 6,062,505
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,017,276
-	-	-	-	-	52,906
33,743	-	-	-	-	33,743
33,743	-	-	-	-	1,103,925
-	-	-	-	-	4,070,787
318,948	4,987	39,614	524,244	-	887,793
318,948	4,987	39,614	524,244	-	4,958,580
\$ 352,691	\$ 4,987	\$ 39,614	\$ 524,244	\$ -	\$ 6,062,505

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
Revenue						
Federal sources	\$ 146,489	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	5,019	38,006	1,288	361	73,843
Other revenue	-	142,853	-	65,846	1,400	-
Total revenue	146,489	147,872	38,006	67,134	1,761	73,843
Expenditures - Current						
General government	-	-	-	-	-	258,620
Public safety	-	-	-	52,120	-	873,233
Community development programs	146,489	-	-	-	-	-
Shared services	-	177,899	-	-	-	-
Capital outlay	-	-	55,081	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	146,489	177,899	55,081	52,120	-	1,131,853
Excess of Revenue Over (Under)						
Expenditures	-	(30,027)	(17,075)	15,014	1,761	(1,058,010)
Other Financing Sources (Uses)						
Transfers in	-	-	278,700	-	-	1,060,700
Transfers out	-	-	(224,700)	-	-	-
Total other financing sources (uses)	-	-	54,000	-	-	1,060,700
Net Change in Fund Balances	-	(30,027)	36,925	15,014	1,761	2,690
Fund Balances - Beginning of year	-	197,098	1,618,237	10,783	15,745	2,202,561
Fund Balances - End of year	\$ -	\$ 167,071	\$ 1,655,162	\$ 25,797	\$ 17,506	\$ 2,205,251

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2008

Debt Service Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
Gerald Avenue	Beck Road Park	Land Acquisition	Building Authority	Capital projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,489
12,388	532	2,591	24,096	10,120	168,244
23,748	-	-	-	-	233,847
36,136	532	2,591	24,096	10,120	548,580
-	-	-	-	-	258,620
-	-	-	-	-	925,353
-	-	-	-	-	146,489
-	-	-	-	-	177,899
-	-	-	-	-	55,081
24,135	-	222,700	1,175,313	-	1,422,148
24,135	-	222,700	1,175,313	-	2,985,590
12,001	532	(220,109)	(1,151,217)	10,120	(2,437,010)
-	-	224,700	1,652,543	-	3,216,643
-	-	-	-	(1,415,443)	(1,640,143)
-	-	224,700	1,652,543	(1,415,443)	1,576,500
12,001	532	4,591	501,326	(1,405,323)	(860,510)
306,947	4,455	35,023	22,918	1,405,323	5,819,090
\$ 318,948	\$ 4,987	\$ 39,614	\$ 524,244	\$ -	\$ 4,958,580

Charter Township of Northville

Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds December 31, 2008

	Agency Funds			
	Tax Collection Fund	Water and Sewer Agency Fund	Township Escrow Fund	Total Agency Funds
Assets - Cash and cash equivalents	\$ 5,272,225	\$ 1,082,791	\$ 1,957,035	\$ 8,312,051
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 3,554	\$ 12,794	\$ 16,348
Tax collections distributable	5,272,225	-	-	5,272,225
Bonds and deposits	-	1,079,237	1,944,241	3,023,478
Total liabilities	\$ 5,272,225	\$ 1,082,791	\$ 1,957,035	\$ 8,312,051