

# **CHARTER TOWNSHIP OF BRIGHTON**

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## **Report on Audit of Financial Statements and Supplementary Information**

**For the Year Ended March 31, 2014**

**CHARTER TOWNSHIP OF BRIGHTON**

**TOWNSHIP OFFICIALS**

Supervisor - Thomas Murphy  
Clerk - Ann Bollin  
Treasurer - Lana Theis

**BOARD OF TRUSTEES**

Ann Bollin  
Cathy Doughty  
Lana Theis  
Thomas Murphy  
Patrick Michel  
Lucille Weaire  
J. Michael Slaton

**TOWNSHIP ATTORNEY**

John K. Harris  
Harris & Leterski

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**

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June 20, 2014

Board of Trustees  
Charter Township of Brighton  
4363 Buno Road  
Brighton, Michigan 48114

**INDEPENDENT AUDITORS' REPORT**

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton as of and for the year ended March 31, 2014, which collectively comprise the Charter Township of Brighton's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton as of March 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 - 13 and 47 - 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other information*

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

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

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

## **MANAGEMENT DISCUSSION AND ANALYSIS**

## **Management Discussion and Analysis**

### **March 31, 2014**

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Within this section of the Charter Township of Brighton's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2014. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

#### **Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

#### ***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net position changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

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

## ***Fund Financial Statements***

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

The Township has three kinds of funds:

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

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

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

## ***Notes to the financial statements***

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

## ***Other information***

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

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

## Financial Analysis of the Township as a Whole

The Township's net position at the end of the fiscal year was \$36,124,727. This is a \$902,970 increase over last year's net position of \$35,221,757.

The following tables provide a summary of the Township's financial activities and changes in net position:

	<b>Summary of Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>3/31/2014</b>	<b>3/31/2013</b>	<b>3/31/2014</b>	<b>3/31/2013</b>	<b>3/31/2014</b>	<b>3/31/2013</b>
Current and other assets	\$ 15,510,276	\$ 15,840,332	\$ 7,031,458	\$ 7,788,322	\$ 22,541,734	\$ 23,628,654
Capital assets	3,753,094	3,866,754	22,535,065	23,357,381	26,288,159	27,224,135
<b>Total assets</b>	<b>19,263,370</b>	<b>19,707,086</b>	<b>29,566,523</b>	<b>31,145,703</b>	<b>48,829,893</b>	<b>50,852,789</b>
Other liabilities	80,010	143,494	237,961	99,538	317,971	243,032
Long-term liabilities	432,195	1,788,000	11,955,000	13,600,000	12,387,195	15,388,000
<b>Total liabilities</b>	<b>512,205</b>	<b>1,931,494</b>	<b>12,192,961</b>	<b>13,699,538</b>	<b>12,705,166</b>	<b>15,631,032</b>
Net position:						
Invested in capital assets, net of related debt	3,753,094	3,866,754	10,580,065	9,757,381	14,333,159	13,624,135
Unrestricted	14,998,071	13,908,838	6,793,497	7,688,784	21,791,568	21,597,622
<b>Total net position</b>	<b>\$ 18,751,165</b>	<b>\$ 17,775,592</b>	<b>\$ 17,373,562</b>	<b>\$ 17,446,165</b>	<b>\$ 36,124,727</b>	<b>\$ 35,221,757</b>

### Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2014	3/31/2013	3/31/2014	3/31/2013	3/31/2014	3/31/2013
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 594,099	\$ 563,183	\$ 1,355,598	\$ 1,324,229	\$ 1,949,697	\$ 1,887,412
Operating grants and contributions		1,750				1,750
Capital contributions			244,950	102,600	244,950	102,600
General revenues						
State shared revenues	1,312,515	1,295,257			1,312,515	1,295,257
Property taxes	856,402	841,995			856,402	841,995
Interest	94,435	117,151	350,695	402,445	445,130	519,596
Other	533,875	432,534	99,166		633,041	432,534
<b>Total revenues</b>	<b>3,391,326</b>	<b>3,251,870</b>	<b>2,050,409</b>	<b>1,829,274</b>	<b>5,441,735</b>	<b>5,081,144</b>
<b>EXPENSES</b>						
General government	1,415,187	1,501,318			1,415,187	1,501,318
Public safety	129,752	73,415			129,752	73,415
Recreation	56,195	57,211			56,195	57,211
Public works/roads	773,533	296,217			773,533	296,217
Interest on long-term debt	41,086	59,859			41,086	59,859
Sewer system			2,123,012	2,073,421	2,123,012	2,073,421
<b>Total expenses</b>	<b>2,415,753</b>	<b>1,988,020</b>	<b>2,123,012</b>	<b>2,073,421</b>	<b>4,538,765</b>	<b>4,061,441</b>
Changes in net position	975,573	1,263,850	(72,603)	(244,147)	902,970	1,019,703
Beginning net position	17,775,592	16,511,742	17,446,165	17,690,312	35,221,757	34,202,054
<b>Ending net position</b>	<b>\$ 18,751,165</b>	<b>\$ 17,775,592</b>	<b>\$ 17,373,562</b>	<b>\$ 17,446,165</b>	<b>\$ 36,124,727</b>	<b>\$ 35,221,757</b>

The governmental funds experienced an increase in equity due to lower debt interest and steady expense.

The business-type activities showed a decrease in net position of \$72,603. The Township managed to keep expenses similar to the prior fiscal year, but the new users are not forthcoming for the waste water treatment plant. Additional users will be needed to remedy these losses.

### **Financial Analysis of the Township's Major Funds**

The Township's General Fund decreased its fund balance by \$491,824, due to a large transfer out to Municipal Water Capital Projects Fund.

The Municipal Water Capital Projects Fund increased its fund balance by \$335,237 due to large transfers needed to service water system debt.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net position of \$72,603, but an increase in cash and equivalents of \$549,400 from extensive General Fund loans. This system is fairly new in operations and is still adding users to its system.

### **General Fund Budgetary Highlights**

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Actual excess of revenues over expenditures exceeded that of the budget by \$758,566. Several immaterial budget amendments were made during the year to bring the budget closer to economic reality.

### **Capital Asset and Debt Administration**

The Township government acquired \$23,045 of new capital assets during the year. This was for a new township vehicle. The township disposed of \$24,350 of equipment as a trade in of an old vehicle.

The governmental funds issued no debt during the year, but paid \$1,355,805 of principal on the bonds associated with the water system. A total of \$432,195 remains for all governmental fund debt.

The business-type activities made no capital acquisitions for the year.

Total debt outstanding at the beginning of the year on business-type activities totaled \$13,600,000. During the year, the Township retired \$1,645,000 of debt, leaving \$11,955,000 at fiscal year end.

### **Economic Conditions and Future Activities**

The Township is also continuing its efforts to add new users onto its sewage treatment facility. Currently, the business-type funds are not self-sufficient. However, by adding new users onto its system, future borrowings from the General Fund may not be necessary.

### **Contacting the Township's Financial Management**

This report is designed to provide a general overview of the Township's financial position and to comply with finance-related regulations. If you have any further questions about this report or require additional information, please contact the Township manager at (810) 229-0550 or visit the Township Hall located at 4363 Buno Road, Brighton, Michigan 48114.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION  
MARCH 31, 2014

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b><u>ASSETS</u></b>			
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 12,339,258	\$ 3,640,961	\$ 15,980,219
Receivables			
Taxes	56,350		56,350
State shared revenues	192,493		192,493
Intergovernmental	2,383,748	(2,385,103)	(1,355)
Accounts	134,665	582,618	717,283
Special assessments	361,610	4,819,934	5,181,544
Prepaid expenses	42,152	6,388	48,540
Inventory		130,793	130,793
Bonds issuance - net of amortization		235,867	235,867
Capital assets			
Non-depreciable	684,734	1,395,224	2,079,958
Depreciable - net of accumulated depreciation	3,068,360	21,139,841	24,208,201
<b>Total assets</b>	<b>19,263,370</b>	<b>29,566,523</b>	<b>48,829,893</b>
<b><u>LIABILITIES</u></b>			
<b>LIABILITIES</b>			
Accounts payable	53,547	237,961	291,508
Accrued wages/taxes	26,463		26,463
Pollution remediation obligation			
Current	65,000		65,000
Non-current	367,195		367,195
Bonds payable			
Current		1,675,000	1,675,000
Non-current		10,280,000	10,280,000
<b>Total liabilities</b>	<b>512,205</b>	<b>12,192,961</b>	<b>12,705,166</b>
<b><u>NET POSITION</u></b>			
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	3,753,094	10,580,065	14,333,159
Unrestricted	14,998,071	6,793,497	21,791,568
<b>Total net position</b>	<b>\$ 18,751,165</b>	<b>\$ 17,373,562</b>	<b>\$ 36,124,727</b>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues</u>	
		<u>Charges for Services</u>	<u>Capital Contributions</u>
<b>GOVERNMENTAL ACTIVITIES</b>			
General government	\$ (1,415,187)	\$ 416,751	\$
Public works	(718,053)	94,487	
Recreation	(56,195)		
Roads	(48,105)	75,098	
Public safety	(129,752)	7,763	
Cemetery	(7,375)		
Interest on long-term debt	(41,086)		
<b>Total governmental activities</b>	<b>(2,415,753)</b>	<b>594,099</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>			
Sewer system	(2,123,012)	1,355,598	244,950
<b>Total</b>	<b>\$ (4,538,765)</b>	<b>\$ 1,949,697</b>	<b>\$ 244,950</b>
<b>General revenues</b>			
Property taxes			
State shared revenues			
Interest income			
Rental income			
Franchise fees			
Other income			
Sale of assets			
<b>Total general revenues</b>			
<b>Changes in net position</b>			
<b>Net position, April 1, 2013</b>			
<b>Net position, March 31, 2014</b>			

The notes are an integral part of the financial statements.

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (998,436)	\$	\$ (998,436)
(623,566)		(623,566)
(56,195)		(56,195)
26,993		26,993
(121,989)		(121,989)
(7,375)		(7,375)
(41,086)		(41,086)
<u>(1,821,654)</u>		<u>(1,821,654)</u>
	(522,464)	(522,464)
<u>(1,821,654)</u>	<u>(522,464)</u>	<u>(2,344,118)</u>
856,402		856,402
1,312,515		1,312,515
94,435	350,695	445,130
216,670		216,670
313,374		313,374
3,331		3,331
500	99,166	99,666
<u>2,797,227</u>	<u>449,861</u>	<u>3,247,088</u>
975,573	(72,603)	902,970
<u>17,775,592</u>	<u>17,446,165</u>	<u>35,221,757</u>
<u>\$ 18,751,165</u>	<u>\$ 17,373,562</u>	<u>\$ 36,124,727</u>

## **FUND FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2014**

	<b>General</b>	<b>Municipal Water Capital Projects Fund</b>	<b>Other Non-major Funds</b>	<b>Total</b>
<b><u>ASSETS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,486,751	\$ 316,215	\$ 536,292	\$ 12,339,258
Receivables				
Taxes	56,350			56,350
Special assessments	316,151		45,459	361,610
State shared revenues	192,493			192,493
Accounts	88,408	46,257		134,665
Due from other funds	2,395,197		644	2,395,841
Prepaid expenditures	35,420		6,732	42,152
<b>Total assets</b>	<b>\$ 14,570,770</b>	<b>\$ 362,472</b>	<b>\$ 589,127</b>	<b>\$ 15,522,369</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 47,325	\$	\$ 6,222	\$ 53,547
Accrued wages and vacations	26,463			26,463
Due to other funds	3,335		8,758	12,093
Deferred revenues	316,151		21,653	337,804
<b>Total liabilities</b>	<b>393,274</b>		<b>36,633</b>	<b>429,907</b>
<b>FUND BALANCES</b>				
Nonspendable - prepaid items	35,420			35,420
Restricted				
Building department			4,839	4,839
Public safety			50,206	50,206
Roads			265,394	265,394
Refuse			67,058	67,058
Aquatics			148,538	148,538
Streetlights			16,459	16,459
Debt service		362,472		362,472
Committed				
Roads	2,694,808			2,694,808
Debt/environmental remediation	3,056,254			3,056,254
Parks and recreation	771,399			771,399
Cemetery	50,628			50,628
Unassigned	7,568,987			7,568,987
<b>Total fund balance</b>	<b>14,177,496</b>	<b>362,472</b>	<b>552,494</b>	<b>15,092,462</b>
<b>Total liabilities and fund balances</b>	<b>\$ 14,570,770</b>	<b>\$ 362,472</b>	<b>\$ 589,127</b>	<b>\$ 15,522,369</b>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
MARCH 31, 2014

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

<b>Total fund balance per balance sheet</b>	\$ 15,092,462
---------------------------------------------	---------------

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

Historical cost	\$ 6,602,943
Depreciation	<u>(2,849,849)</u>

<b>Capital assets net of depreciation</b>	3,753,094
-------------------------------------------	-----------

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

Pollution remediation liability	(432,195)
---------------------------------	-----------

Deferred revenues on special assessments was recognized as  
revenue in the government-wide statements when they  
were assessed.

<u>337,804</u>
----------------

<b>Net position of governmental activities</b>	<u><u>\$ 18,751,165</u></u>
------------------------------------------------	-----------------------------

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b>General Fund</b>	<b>Municipal Capital Projects Fund</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>REVENUES</b>				
Taxes	\$ 856,402	\$	\$	\$ 856,402
Special assessments - principal	137,208		7,218	144,426
Intergovernmental - state	1,312,515			1,312,515
Licenses and permits	21,824		7,763	29,587
Rental income	216,670			216,670
Charges for services	394,927	1,606	167,979	564,512
Interest	60,434	4,117	3,107	67,658
Cable franchise fees	313,374			313,374
Miscellaneous	3,331			3,331
<b>Total revenues</b>	<b>3,316,685</b>	<b>5,723</b>	<b>186,067</b>	<b>3,508,475</b>
<b>EXPENDITURES</b>				
Current				
General government	1,378,032		1,661	1,379,693
Public works	553,684		164,369	718,053
Public safety	76,524		5,427	81,951
Recreation	56,195			56,195
Cemetery	4,770			4,770
Road improvements/maintenance	30,659		17,446	48,105
Capital outlay				
General government	23,045			23,045
Debt service				
Principal		1,305,000		1,305,000
Interest and fiscal charges		41,086		41,086
<b>Total expenditures</b>	<b>2,122,909</b>	<b>1,346,086</b>	<b>188,903</b>	<b>3,657,898</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,193,776</b>	<b>(1,340,363)</b>	<b>(2,836)</b>	<b>(149,423)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets			500	500
Transfers in		1,675,600	10,000	1,685,600
Transfers (out)	(1,685,600)			(1,685,600)
<b>Total other financing sources (uses)</b>	<b>(1,685,600)</b>	<b>1,675,600</b>	<b>10,500</b>	<b>500</b>
<b>Net changes in fund balances</b>	<b>(491,824)</b>	<b>335,237</b>	<b>7,664</b>	<b>(148,923)</b>
<b>FUND BALANCE, APRIL 1, 2013</b>	<b>14,669,320</b>	<b>27,235</b>	<b>544,830</b>	<b>15,241,385</b>
<b>FUND BALANCE, MARCH 31, 2014</b>	<b>\$ 14,177,496</b>	<b>\$ 362,472</b>	<b>\$ 552,494</b>	<b>\$ 15,092,462</b>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2014

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

<b>Net change in fund balances - governmental funds</b>	<b>\$ (148,923)</b>
---------------------------------------------------------	---------------------

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

Capital outlay	\$ 23,045
Depreciation expense	<u>(136,705)</u>

<b>Total</b>	<b>(113,660)</b>
--------------	------------------

Repayment of long-term liabilities is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the Statement  
of Net Position

Repayment of	
Bonds payable	1,305,000
Pollution remediation costs incurred	<u>50,805</u>

<b>Total long-term debt</b>	<b>1,355,805</b>
-----------------------------	------------------

Principal received on special assessments are income as they are  
levied annually for governmental funds, but they are income  
when they are levied for the Statement of Activities.

Principal collected on assessments	<u>(117,649)</u>
------------------------------------	------------------

<b>Change in net position of governmental activities</b>	<b><u>\$ 975,573</u></b>
----------------------------------------------------------	--------------------------

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 MARCH 31, 2014

**ASSETS**

**Sewer Fund**

**Assets**

Cash and cash equivalents	\$ 3,640,961
Receivables	
Accounts	582,618
Special assessments	4,819,934
Prepaid expenses	6,388
Inventory	130,793
Bond issuance costs - net of amortization of \$269,560	235,867
Due from other funds	925

**Total before capital assets**

9,417,486

**Capital assets**

Land	1,395,224
Utility systems	30,994,489

**Total cost**

32,389,713

Less accumulated depreciation

(9,854,648)

**Capital assets, net**

22,535,065

**Total assets**

31,952,551

**LIABILITIES**

**LIABILITIES**

Accounts payable	36,370
Due to other funds	2,386,028
New connections - escrow funds	201,591
Bonds payable	11,955,000

**Total liabilities**

14,578,989

**NET POSITION**

**NET POSITION**

Invested in capital assets, net of related debt	10,580,065
Unrestricted	6,793,497

**Total net position**

\$ 17,373,562

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u><b>Sewer Fund</b></u>
<b>OPERATING REVENUES</b>	
Utility billings	\$ 1,342,294
Other revenues	<u>13,304</u>
<b>Total operating revenues</b>	1,355,598
<b>OPERATING EXPENSES</b>	<u>1,523,637</u>
<b>Operating income (loss)</b>	<u>(168,039)</u>
<b>NON-OPERATING REVENUES</b>	
Income - consent judgement and contingency	99,166
Interest income - special assessments	343,384
Interest income - cash and equivalents	7,311
Interest and fees (expense)	<u>(599,375)</u>
<b>Total non-operating revenues (expenses)</b>	<u>(149,514)</u>
<b>Loss before capital contribution</b>	<u>(317,553)</u>
<b>CAPITAL CONTRIBUTIONS</b>	
Developer contributions (non-cash)	39,750
Tap-in fees collected	<u>205,200</u>
<b>Total capital contributions</b>	<u>244,950</u>
<b>Net income (loss)</b>	(72,603)
<b>NET POSITION, APRIL 1, 2013</b>	<u>17,446,165</u>
<b>NET POSITION, MARCH 31, 2014</b>	<u><u>\$ 17,373,562</u></u>

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**  
**STATEMENT OF CASH FLOWS**  
**SEWER FUND**  
**FOR THE YEAR ENDED MARCH 31, 2014**

<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Receipts from customers, and county	\$ 1,745,523	
Other receipts	19,631	
Payments to suppliers and others	<u>(942,632)</u>	
<b>Net cash from operating activities</b>		\$ 822,522
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Advances from General Fund	400,000	
Principal paid on bonds	(1,645,000)	
Interest paid on bonds and advances	(599,375)	
Collections of special assessment (principal and interest)	1,420,302	
Tap fees (new users)	<u>143,640</u>	
<b>Net cash from capital and related financing activities</b>		(280,433)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on cash and cash equivalents		<u>7,311</u>
<b>Net increase in cash</b>		549,400
<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2013</b>		<u>3,091,561</u>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2014</b>		<u><u>\$ 3,640,961</u></u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		
Operating (loss)		\$ (168,039)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation and amortization	\$ 895,761	
(Increase) in accounts and delinquent receivable	(14,803)	
(Increase) in prepaid expense	(61)	
Increase in accounts payable	25,254	
(Increase) in inventory	(55,980)	
(Increase) in due from other funds	(925)	
Increase in new connection escrow	141,119	
Increase in due to other funds	<u>196</u>	
<b>Total adjustments</b>		<u>990,561</u>
<b>Net cash from operating activities</b>		<u><u>\$ 822,522</u></u>

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**MARCH 31, 2014**

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
<b>ASSETS</b>				
Cash	\$ 202,232	\$ 194	\$ 979,112	\$ 1,181,538
Due from other funds			1,766	1,766
<b>Total assets</b>	<u>\$ 202,232</u>	<u>\$ 194</u>	<u>\$ 980,878</u>	<u>\$ 1,183,304</u>
 <b><u>LIABILITIES</u></b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 101	\$ 194	\$ 116	\$ 411
Due to others	<u>202,131</u>		<u>980,762</u>	<u>1,182,893</u>
<b>Total liabilities</b>	<u>\$ 202,232</u>	<u>\$ 194</u>	<u>\$ 980,878</u>	<u>\$ 1,183,304</u>

The notes are an integral part of the financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Township conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

**A. BASIC FINANCIAL STATEMENTS**

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

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

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

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

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

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The Township reports the following major governmental funds:

- The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Water Municipal Capital Projects Fund accounts for the debt payments related to the Township's participation in the Livingston Community Water Authority. This is expected to be financed by new user connection fees.

The Township reports the following major enterprise fund:

The Sewer Fund accounts for the activities associated with operating the Township's sewage treatment facility.

**B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. CAPITAL ASSETS**

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

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

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

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

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

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

**D. ACCRUED COMPENSATED ABSENCES**

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Personnel Policies".

**E. BUDGETARY DATA**

The Board of Trustees follows the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The Township manager prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended March 31, 2014, expenditures did not exceed appropriations in any fund in which budgeting was required by law.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. PROPERTY TAXES**

The Township's property taxes are levied and become a lien on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14, with the final collection date of February 28. The Township recognized the amount levied December 1, 2013 as revenue for the year ended March 31, 2014.

The 2013 adjusted taxable value totaled \$ 938,533,400. Taxes levied consisted of .9073 mills for Township operating purposes. The delinquent real property taxes of Charter Township of Brighton are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes.

**G. MANAGEMENT ESTIMATES**

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

**H. INVESTMENTS**

Investments are stated at fair value.

**I. CASH EQUIVALENTS**

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

**J. RISK MANAGEMENT**

The Township is exposed to various risks of loss pertaining to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for these claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**K. INVENTORIES AND PREPAID ITEMS**

Inventories are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

**L. CAPITALIZATION OF INTEREST**

A portion of the interest cost incurred on capital projects is capitalized on assets that require a period of time for construction or to otherwise prepare them for their intended use. Such amounts are amortized over the useful lives of the assets.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. INCOME TAXES**

As a governmental agency, the Township is exempt from both federal and state income taxes.

**N. FUND BALANCE REPORTING - GASB STATEMENT NO. 54**

The objective of this Statement is to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be consistently applied and by clarifying the existing governmental fund definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the resources reported in the governmental funds. Under this standard there are five classifications of non-spendable, restricted, committed, assigned and unassigned.

The hierarchy is as follows:

**Nonspendable Fund Balance**

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned.
- Amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund).

**Restricted Fund Balance**

- Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. This is the same definition used by GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis- for State and Local Governments, for restricted net assets.

**Committed Fund Balance**

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

**Assigned Fund Balance**

- For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.
- For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Unassigned Fund Balance**

- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.
- For all governmental funds other than the general fund, amount expended in excess of resources that are nonspendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

**O. UNASSIGNED - AMOUNTS THAT DO NOT FALL INTO ANY OTHER CATEGORY ABOVE**

This is the residual classification of amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

**NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Brighton as the primary government have been included in the financial statements. Several potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

**NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES**

Interfund transfers for the year ended March 31, 2014 were as follows:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
Pathways Fund	General Fund	<u>\$ 10,000</u>

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES (continued)**

Interfund balances between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2014:

	<b><u>Interfund Receivable</u></b>		<b><u>Interfund Payable</u></b>
General Fund	\$ 194	Current Tax	\$ 194
General Fund	1,200,000	Municipal Water CPF	1,200,000
General Fund	116	Construction Escrow	116
General Fund	101	Trust and Agency Fund	101
General Fund	1,186,028	Sewer Fund	1,186,028
Sewer Fund	925	General Fund	925
Future Road Fund	8,758	Road Projects	8,758
Construction Escrow	1,766	General Fund	1,766
Street Lighting Fund	644	General Fund	644
	<hr/>		<hr/>
<b>Total</b>	<b><u><u>\$ 2,398,532</u></u></b>		<b><u><u>\$ 2,398,532</u></u></b>

Interfund balances were eliminated between non-major funds on the fund financial statement balance sheet presentation.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2014, was as follows:

	<b>Balance 4/1/2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 3/31/2014</b>
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land	\$ 684,734	\$	\$	\$ 684,734
<b>Other capital assets:</b>				
Buildings and improvements	5,499,000			5,499,000
Vehicles and equipment	420,514	23,045	(24,350)	419,209
<b>Total other capital assets at historical cost</b>	<b>5,919,514</b>	<b>23,045</b>	<b>(24,350)</b>	<b>5,918,209</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(2,516,753)	(112,635)		(2,629,388)
Vehicles and equipment	(220,741)	(24,070)	24,350	(220,461)
<b>Total accumulated depreciation</b>	<b>(2,737,494)</b>	<b>(136,705)</b>	<b>24,350</b>	<b>(2,849,849)</b>
<b>Other capital assets, net</b>	<b>3,182,020</b>	<b>(113,660)</b>		<b>3,068,360</b>
<b>Governmental capital assets, net</b>	<b>\$ 3,866,754</b>	<b>\$ (113,660)</b>	<b>\$</b>	<b>\$ 3,753,094</b>

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

<b>Governmental activities:</b>	
General government	\$ 86,299
Public safety	47,801
Cemetery	2,605
	<u>\$ 136,705</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

**NOTE 4 - CAPITAL ASSETS (continued)**

	Balance 4/1/2013	Additions	Deletions	Balance 3/31/2014
<b>Business-type activities:</b>				
Capital assets not being depreciated				
Land - sewer	\$ 1,395,224	\$	\$	\$ 1,395,224
<b>Other capital assets:</b>				
Plant and collection system - sewer	30,932,239	39,750		30,971,989
Furniture and fixtures - sewer	22,500			22,500
<b>Total other capital assets at historical cost</b>	<b>30,954,739</b>	<b>39,750</b>		<b>30,994,489</b>
<b>Less accumulated depreciation for:</b>				
Plant and collection system - sewer	(8,970,082)	(862,066)		(9,832,148)
Furniture and fixtures - sewer	(22,500)			(22,500)
<b>Total accumulated depreciation</b>	<b>(8,992,582)</b>	<b>(862,066)</b>		<b>(9,854,648)</b>
<b>Other capital assets, net</b>	<b>21,962,157</b>	<b>(822,316)</b>		<b>21,139,841</b>
<b>Business-type capital assets, net</b>	<b>\$ 23,357,381</b>	<b>\$ (822,316)</b>	<b>\$</b>	<b>22,535,065</b>
<b>Related long-term debt outstanding at March 31, 2014</b>				<b>(11,955,000)</b>
<b>Governmental capital assets, net related long-term debt</b>				<b>\$ 10,580,065</b>

Depreciation was charged to functions as follows:

<b>Business-type activities:</b>	
Sewer service	<u>\$ 862,066</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

**NOTE 5 - EMPLOYEES' RETIREMENT SYSTEM - DEFINED BENEFIT PLAN**

The Township switched pension plans from Manulife (a defined contribution plan) to the Municipal Employee's Retirement System (MERS) (a defined benefit plan) effective March 15, 1998. The Township transferred \$107,975 from Manulife to MERS. The following describes the MERS plan:

**Plan Description**

The Township is in an agent multi-employer-defined benefit pension plan with the Municipal Employees' Retirement System (MERS), administered by the State of Michigan. Total Township payroll for the year ended March 31, 2014 was \$607,559.

MERS was organized pursuant to Section 12a of Act No. 156, Public Acts of 1851, (MSA 5.333(a); MCLA 46.12a), as amended, State of Michigan. MERS is regulated under Act No. 220 of the Public Acts of 1996, applicable sections of which have been approved by the State Pension Commission.

The Municipal Employees' Retirement System issues a publicly available report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

The Township Treasurer, Township Clerk, and full-time employees are eligible members of this plan.

Each member contributes five percent of his or her annual compensation. The percentage is selected by the member's municipality.

If a member leaves the employ of the municipality, or dies, without a retirement allowance or other benefit payable on his or her account, his or her accumulated contributions will be refunded to same, if living, or to the nominated beneficiary.

Benefits vest after 6 or more years of service, with rights to a deferred benefit commencing at age 60 (age 50 or 55 in certain cases).

The Local Unit makes monthly contributions based on the annual actuarial valuations. Significant actuarial assumptions used include, an 8.0% investment rate of return and projected salary increase of 4.5 % per year attributable to inflation with additional salary increases of 0% to 13.0% per year attributable to seniority/merit.

Total contributions for the Township for the year ended March 31, 2014 were \$11,603.

At December 31, 2012, the over-funded pension benefit obligation was \$198,826, determined as follows:

**ACTUARIAL ACCRUED LIABILITY**

<b>Retirees and beneficiaries currently receiving benefits</b>	\$ 837,754
<b>Terminated employees not yet receiving benefits (vested and non-vested)</b>	
Vested	83,044
Non-vested terminated	24,472
<b>Current employees -</b>	
Accumulated employee contributions including allocated investment income	159,507
Employer financed	<u>381,277</u>
<b>Total actuarial accrued liability</b>	1,486,054
<b>Net position available for benefits at actuarial value</b>	<u>1,684,880</u>
<b>Over-funded actuarial accrued liability</b>	<u>\$ 198,826</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

**NOTE 5 - EMPLOYEES' RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (continued)**

The Township's annual required contribution was \$1,044 as of April 1, 2014. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is 0.058159 for over funded liabilities. Total covered payroll for participants was \$413,551. The percent of over-funded actuarially accrued liability to payroll was .48%.

The annual Actuarial Report was not available at the time of writing report; this information could not be provided for the year ended December 31, 2013.

**NOTE 6 - LONG-TERM DEBT OBLIGATIONS**

**Contracts Payable**

The Township entered into a contract to repay bonds issued by Livingston County Drain Commission in which the proceeds of such bonds were used to construct and expand a sewer system. Currently, contracts payable are outstanding for business-type activities only.

Contracts payable currently outstanding are as follows:

<u>Purpose</u>	<u>Issuance Amount</u>	<u>Principal Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
<b>Business-type activities:</b>					
Livingston County Drain Commission					
Spencer Extension, 2005	\$ 760,000	\$ 35,000 — \$ 40,000	5/1/2024	3.50 — 5.00%	\$ 425,000
Livingston County Drain Commission					
Sewer Refunding, 2005	\$ 17,900,000	\$ 1,545,000 — \$ 1,645,000	10/1/2020	3.00 — 5.00%	<u>11,530,000</u>
<b>Total contracts payable outstanding</b>					<u><u>\$ 11,955,000</u></u>

**General Obligation Bonds**

The Township issued general obligation bonds to provide funds to advance refund bonds. General obligation bonds are outstanding for general government and business-type activities.

The 2003 Capital Improvement General Obligation Bond was paid off during the current fiscal year.

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 6 - LONG-TERM DEBT OBLIGATIONS (continued)**

Annual debt service requirements to maturity for the long-term debt of the Township are as follows:

<b>Year Ending March 31</b>	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2015	\$ 1,675,000	\$ 504,708
2016	1,690,000	429,018
2017	1,685,000	353,100
2018	1,690,000	277,143
2019	1,690,000	192,782
2020 - 2024	3,490,000	172,543
2025 - 2029	35,000	875
	<u>\$ 11,955,000</u>	<u>\$ 1,930,169</u>

**Pollution Remediation Obligation**

On January 15, 2009 a consent order was issued to conclude the litigation between the Township and the State of Michigan over the clean-up of the former Collett Road dump site. In the order the Township agreed to immediately pay \$1,350,000 to the State of Michigan and monitor the site and nearby groundwater for a period of up to ten (10) years. The Township has adopted GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, to account for its future obligation related to the consent order. As of March 31, 2014, the future monitoring costs to be borne by the Township were estimated at \$432,195. The estimate may change in the future due to unanticipated price increases, developments in technology or changes in existing laws and regulations.

**Changes in Long-Term Liabilities**

The following is a summary of changes in long-term liabilities of the Township for the year ended March 31, 2014:

	<b>Balance 4/1/2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 3/31/2014</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
2003 Capital improvement bond	\$ 1,305,000	\$	\$ 1,305,000	\$	\$
Pollution remediation obligation	483,000		50,805	432,195	65,000
<b>Governmental activity long-term liabilities</b>	1,788,000		1,355,805	432,195	65,000
<b>Business-type activities:</b>					
Contracts payable	13,600,000		1,645,000	11,955,000	1,675,000
<b>Total long-term liabilities</b>	<u>\$ 15,388,000</u>	<u>\$</u>	<u>\$ 3,000,805</u>	<u>\$ 12,387,195</u>	<u>\$ 1,740,000</u>

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 7 - DEFINED CONTRIBUTION PLAN**

The Township participates in the John Hancock Defined Contribution Pension Plan for Michigan Township Employees. This is a single-employer plan. All township trustees and the township supervisor are eligible to participate in the plan. The Township contributes 10% of the supervisor's compensation and 25% of the trustees compensation, while an employee may contribute 1% to 10% of compensation. Annual compensation used to determine the current year contribution is as of April 1, preceding the year. Contribution information is as follows:

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	<u>\$ 9,765</u>
-------------------------------------------	-----------------

This balance reflects contributions for the period from April 1, 2013 to March 31, 2014.

Effective April 1, 2009 the Township adopted a MERS Uniform Defined Contribution Program. The Township contributed 6% of the manager's compensation and the manager contributed 6% of compensation. The manager is the only participant in this program.

TOTAL CURRENT YEAR CONTRIBUTIONS	<u>\$ 4,802</u>
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**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

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

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

As of March 31, 2014 cash, cash equivalents and investments consist of the following:

**Cash and cash equivalents**

Deposits with financial institutions	\$ 16,403,505
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**Investments**

Negotiable certificates of deposit	871,063
External Investment Pool	105,226
Government Bonds	148,557

<b>Total investments</b>	1,124,846
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<b>Total cash, cash equivalents and investments</b>	\$ 17,528,351
-----------------------------------------------------	---------------

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

**Statement of Net Position**

Cash and cash equivalents	\$ 14,855,372
Investments	1,124,847
<b>Total</b>	15,980,219

**Fiduciary Funds**

Cash and cash equivalents	1,181,538
<b>Total cash and investments</b>	\$ 17,161,757

**Custodial Credit Risk**

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

As of March 31, 2014 deposits in banks totaled \$16,403,505 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 3,281,773
Uninsured and collateralized	8,281,270
Uninsured and uncollateralized	4,840,462
	\$ 16,403,505

**Investments** - This is the risk that in the event of the failure of a counterparty to a transaction, the Township will not be able to recover the value of its investments. The Township does not have a policy to cover custodial credit risk of investments. The Township evaluates each financial institution with which it invests and assess the level of risk of each institution. Investments are made only those institutions with an acceptable estimated risk level.

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

As of March 31, 2014 investments totaled \$1,124,846 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 871,063
Insured by SIPC	<u>148,557</u>
	<u><u>\$ 1,019,620</u></u>

The investments in external investment pools are not issued in securities form and therefore not subject to custodial credit risk disclosures.

**Concentration of Credit Risk**

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

<u>Investment Type</u>	<u>Issuer</u>	<u>Percent of Portfolio</u>
US Agencies	Federal National Mortgage Assoc	13%
Negotiable Certificate of Deposit	JP Morgan Chase	21%
Negotiable Certificate of Deposit	Huntington Bank	21%
Negotiable Certificate of Deposit	Bank of Birmingham	21%
Negotiable Certificate of Deposit	Mercantile Bank	13%

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair values of investments and cash deposits. The Township's investment policy requires this risk to be minimized by investing primarily in short-term deposits and investments thus avoiding the need to sell prior to maturity.

As of March 31, 2014 the Township had the following investments subject to interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		<u>Less than 1</u>	<u>1 - 5</u>
US Agencies	\$ 148,557	\$ -	\$ 148,557
Negotiable Certificates of Deposit	<u>871,063</u>	<u>390,311</u>	<u>480,752</u>
	<u><u>\$ 1,019,620</u></u>	<u><u>\$ 390,311</u></u>	<u><u>\$ 629,309</u></u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for US Treasuries and money market accounts. As of March 31, 2014, the Township's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Rating by Standard &amp; Poor</u>	<u>Amount</u>
MBIA Investment Pool	AAA / M	\$ 105,226
Negotiable Certificates of Deposit	Unrated	871,063
Government Bonds	AA+	148,557
		<u>\$ 1,124,846</u>

The \$148,557 investment in Government Bonds could be considered high risk as it is a mortgage backed security. The Township would incur a significant loss if this investment were to fail. However, the Township feels the risk and the low percentage of investment in these bonds is acceptable.

**NOTE 9 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

Selected financial information with respect to the Enterprise Fund maintained by the Township for sewer service is as follows:

Operating revenues	\$ 1,355,598
Depreciation and amortization	895,761
Operating (loss)	(168,039)
Net working capital	398,480
Total assets	31,952,551
Reserved retained earnings	16,942,544
Unreserved retained earnings	431,018
Total fund equity	17,373,562

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 10 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**

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

	<u>April 1, 2013</u>	<u>March 31, 2014</u>
Cash and cash equivalents	\$ <u>3,091,561</u>	\$ <u>3,640,961</u>

**NOTE 11 - OTHER FINANCING SOURCES (USES)**

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

**NOTE 12 - DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the ING Company.

The Township had amended the plan to be in compliance with the Small Business Job Protection Act of 1996. The assets of the plan have been moved to a trust to be held for the exclusive benefit of the participants and their beneficiaries. Prior to June 30, 1998, the assets of the plan have been reported in an agency fund.

**NOTE 13 - PROJECT UNCERTAINTIES**

In the year 2000 the Township entered into an agreement with the Livingston County Drain Commission in which the county sold bonds for approximately \$28 million on behalf of the Township to finance the construction of a sewer system. The bonds are payable over 20 years.

The Township had special assessments in the original district of approximately \$18 million to finance the debt. The Township believed there would be enough new sewer customers outside of the original sewer district to pay for the difference of approximately \$10 million. However, the new sewer customers are not forthcoming as originally planned. Recent projections of the sewer debt service fund show cash flow deficits over the life of the debt obligation.

The Township is considering various options to remedy the above problem.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Budget Amount</b>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$	\$	\$ 856,402	\$
Special assessments			137,208	
State shared revenue			1,312,515	
Rental income			216,670	
Franchise fees			313,374	
Charges for services			416,751	
Interest			60,434	
Miscellaneous			3,331	
<b>Total revenues</b>	3,157,810	3,157,810	3,316,685	158,875
<b>EXPENDITURES</b>	2,671,600	2,722,600	2,122,909	599,691
<b>Excess of revenues over (under) expenditures</b>	486,210	435,210	1,193,776	758,566
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(210,000)	(210,000)	(1,685,600)	(1,475,600)
<b>Net change in fund balance</b>	276,210	225,210	(491,824)	(717,034)
<b>FUND BALANCE, APRIL 1, 2013</b>	14,669,320	14,669,320	14,669,320	
<b>FUND BALANCE, MARCH 31, 2014</b>	\$ 14,945,530	\$ 14,894,530	\$ 14,177,496	\$ (717,034)

**CHARTER TOWNSHIP OF BRIGHTON**

**SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)  
MARCH 31, 2014**

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

**Analysis of Funding Progress**

<b>Valuation Date <u>December 31</u></b>	<b>Net Position Available for <u>Benefits</u></b>	<b>Pension Benefit Obligation <u>(PBO)</u></b>	<b>Percent Funded <u>(1)/(2)</u></b>	<b>Unfunded (Overfunded) PBO <u>(2)-(1)</u></b>	<b>Annual Covered <u>Payroll</u></b>
2002	\$ 549,522	\$ 907,550	60.6	\$ 358,028	\$ 454,270
2003	664,283	1,040,455	63.8	376,172	524,319
2004	828,858	974,987	85.0	146,129	571,292
2005	988,980	1,099,007	90.0	110,027	620,343
2006	1,153,725	1,205,743	95.7	52,018	660,951
2007	1,316,536	1,268,746	103.8	(47,790)	616,210
2008	1,428,163	1,348,742	105.9	(79,421)	491,956
2009	1,531,572	1,371,526	111.7	(160,146)	434,403
2010	1,618,096	1,469,091	110.1	(14,005)	351,262
2011	1,642,990	1,426,590	115.2	(216,400)	342,925
2012	1,684,880	1,486,054	113.4	(198,826)	413,551

## **SUPPLEMENTARY INFORMATION**

## **COMBINING FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**

**COMBINING BALANCE SHEETS**

**FUNDS INCLUDED IN GASB 54 CONSOLIDATION**

**MARCH 31, 2014**

	<b>General Fund Pre GASB 54 Consolidation</b>	<b>Parks Fund</b>	<b>Cemetery Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,707,820	\$ 771,399	\$ 50,628
Receivable			
Taxes	56,350		
State shared revenues	192,493		
Special assessments	316,151		
Accounts	88,408		
Due from other funds	2,386,439		
Prepaid expenditures	35,420		
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b><u>\$ 10,783,081</u></b>	<b><u>\$ 771,399</u></b>	<b><u>\$ 50,628</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 47,325	\$	\$
Accrued wages and vacation	26,463		
Due to other funds	3,335		
Deferred revenues	316,151		
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b><u>393,274</u></b>	<hr/>	<hr/>
<b>FUND BALANCE</b>			
Nonspendable - prepaid items	35,420		
Committed			
Roads			
Environment remediation	3,056,254		
Parks		771,399	
Cemetery			50,628
Unassigned	7,298,133		
	<hr/>	<hr/>	<hr/>
<b>Total fund balance</b>	<b><u>10,389,807</u></b>	<b><u>771,399</u></b>	<b><u>50,628</u></b>
	<hr/>	<hr/>	<hr/>
<b>Total liabilities and fund balance</b>	<b><u>\$ 10,783,081</u></b>	<b><u>\$ 771,399</u></b>	<b><u>\$ 50,628</u></b>

<b>Budget Stabilization Fund</b>	<b>Future Road Improvement Fund</b>	<b>Totals Restated General Fund</b>
\$ 270,854	\$ 2,686,050	\$ 11,486,751
		56,350
		192,493
		316,151
		88,408
	8,758	2,395,197
		35,420
<u>\$ 270,854</u>	<u>\$ 2,694,808</u>	<u>\$ 14,570,770</u>
\$	\$	\$ 47,325
		26,463
		3,335
		316,151
		393,274
		35,420
	2,694,808	2,694,808
		3,056,254
		771,399
		50,628
<u>270,854</u>		<u>7,568,987</u>
<u>270,854</u>	<u>2,694,808</u>	<u>14,177,496</u>
<u>\$ 270,854</u>	<u>\$ 2,694,808</u>	<u>\$ 14,570,770</u>

CHARTER TOWNSHIP OF BRIGHTON

ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2014

	<u>Building Department</u>	<u>Liquor Law</u>	<u>SAD Road Maintenance</u>	<u>Aquatics</u>
<b><u>ASSETS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,839	\$ 50,206	\$ 34,866	\$ 149,703
Receivables				
Special assessments				3,246
Due from other funds				
Prepaid expenses				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 4,839</u>	<u>\$ 50,206</u>	<u>\$ 34,866</u>	<u>\$ 152,949</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$	\$	\$ 396	\$ 4,411
Due to other funds				
Deferred revenue				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>			396	4,411
<b>FUND BALANCE</b>	<u>4,839</u>	<u>50,206</u>	<u>34,470</u>	<u>148,538</u>
<b>Total liabilities and fund balance</b>	<u>\$ 4,839</u>	<u>\$ 50,206</u>	<u>\$ 34,866</u>	<u>\$ 152,949</u>

<u>Aquatics</u>	<u>Road Projects</u>	<u>Street Lights</u>	<u>Municipal Refuse</u>	<u>Pathways</u>	<u>Totals</u>
\$ 149,703	\$ 52,806	\$	\$ 58,132	\$ 185,740	\$ 536,292
3,246	22,789	17,230 644	2,194		45,459 644 6,732
			6,732		
<u>\$ 152,949</u>	<u>\$ 75,595</u>	<u>\$ 17,874</u>	<u>\$ 67,058</u>	<u>\$ 185,740</u>	<u>\$ 589,127</u>
\$ 4,411	\$	\$ 1,415	\$	\$	\$ 6,222
	8,758 21,653				8,758 21,653
4,411	30,411	1,415			36,633
148,538	45,184	16,459	67,058	185,740	552,494
<u>\$ 152,949</u>	<u>\$ 75,595</u>	<u>\$ 17,874</u>	<u>\$ 67,058</u>	<u>\$ 185,740</u>	<u>\$ 589,127</u>

CHARTER TOWNSHIP OF BRIGHTON

ALL AGENCY FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2014

	Trust and Agency	Current Tax	Construction Escrow	Totals
<b><u>ASSETS</u></b>				
<b>ASSETS</b>				
Cash	\$ 202,232	\$ 194	\$ 979,112	\$ 1,181,538
Due from other funds			1,766	1,766
<b>Total assets</b>	<b>\$ 202,232</b>	<b>\$ 194</b>	<b>\$ 980,878</b>	<b>\$ 1,183,304</b>
<b><u>LIABILITIES</u></b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 101	\$ 194	\$ 116	\$ 411
Due to others	202,131		980,762	1,182,893
<b>Total liabilities</b>	<b>\$ 202,232</b>	<b>\$ 194</b>	<b>\$ 980,878</b>	<b>\$ 1,183,304</b>

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FUNDS INCLUDED IN GASB 54 CONSOLIDATION FOR GENERAL FUND  
FOR THE YEAR ENDED MARCH 31, 2014

	General Fund Pre GASB 54 Consolidation	Parks Fund	Cemetery Fund
<b>REVENUES</b>			
Taxes	\$ 856,402	\$	\$
Special assessments	137,208		
Intergovernmental - state	1,312,515		
Rental income	216,670		
Franchise fees	313,374		
Charges for services	416,751		
Interest	49,604	1,722	115
Miscellaneous	3,331		
<b>Total revenues</b>	<u>3,305,855</u>	<u>1,722</u>	<u>115</u>
<b>EXPENDITURES</b>			
Current			
General government	1,378,032		
Parks and recreation	56,195		
Public safety	76,524		
Road improvements	30,659		
Cemetery	4,770		
Public works	553,684		
Capital outlay			
General government	23,045		
<b>Total expenditures</b>	<u>2,122,909</u>		
<b>Excess of revenues over (under) expenditures</b>	<u>1,182,946</u>	<u>1,722</u>	<u>115</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		50,000	10,000
Transfers (out)	(1,895,600)		
<b>Total other financing sources (uses)</b>	<u>(1,895,600)</u>	<u>50,000</u>	<u>10,000</u>
<b>Net change in fund balances</b>	<u>(712,654)</u>	<u>51,722</u>	<u>10,115</u>
<b>FUND BALANCE, APRIL 1, 2013</b>	<u>11,102,461</u>	<u>719,677</u>	<u>40,513</u>
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 10,389,807</u>	<u>\$ 771,399</u>	<u>\$ 50,628</u>

<b>Budget Stabilization Fund</b>	<b>Future Road Improvement Fund</b>	<b>Eliminations</b>	<b>Restated General Fund</b>
\$	\$	\$	\$ 856,402
			137,208
			1,312,515
			216,670
			313,374
			416,751
2,459	6,534		60,434
			3,331
2,459	6,534		3,316,685
			1,378,032
			56,195
			76,524
			30,659
			4,770
			553,684
			23,045
			2,122,909
2,459	6,534		1,193,776
	150,000	(210,000)	
		210,000	(1,685,600)
	150,000		(1,685,600)
2,459	156,534		(491,824)
268,395	2,538,274		14,669,320
\$ 270,854	\$ 2,694,808	\$	\$ 14,177,496

**CHARTER TOWNSHIP OF BRIGHTON**

**ALL FUNDS INCLUDED IN GASB 54 - MUNICIPAL WATER CAPITAL PROJECTS FUND CONSOLIDATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Municipal Water Capital Projects Pre GASB 54 Consolidation</b>	<b>Water Debt Service Fund</b>	<b>Elimination</b>	<b>Total Restated Municipal Water Capital Projects Fund</b>
<b>REVENUES</b>				
Connection fees	\$ 1,606	\$	\$	\$ 1,606
Interest	4,117			4,117
<b>Total revenues</b>	<b>5,723</b>			<b>5,723</b>
<b>EXPENDITURES</b>				
Bond payment principal	1,305,000			1,305,000
Bond payment interest	40,836			40,836
Agency fees	250			250
<b>Total expenditures</b>	<b>1,346,086</b>			<b>1,346,086</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,340,363)</b>			<b>(1,340,363)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (out)		(184,740)	184,740	
Transfer in	1,860,340		(184,740)	1,675,600
<b>Total other financing sources (uses)</b>	<b>1,860,340</b>	<b>(184,740)</b>		<b>1,675,600</b>
<b>Net change in fund balance</b>	<b>519,977</b>	<b>(184,740)</b>		<b>335,237</b>
<b>FUND BALANCE, APRIL 1, 2013</b>	<b>(157,505)</b>	<b>184,740</b>		<b>27,235</b>
<b>FUND BALANCE, MARCH 31, 2014</b>	<b>\$ 362,472</b>		<b>\$</b>	<b>\$ 362,472</b>

**CHARTER TOWNSHIP OF BRIGHTON**

**ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Building Department</u>	<u>Liquor Law</u>	<u>SAD Road Maintenance</u>	<u>Aquatics</u>
<b>REVENUES</b>				
Intergovernmental - State	\$	\$ 7,763	\$	\$
Special assessment - Principal				
Special assessment - Interest				
Charges for services			1,500	75,512
Interest	5	131	108	301
<b>Total revenues</b>	<u>5</u>	<u>7,894</u>	<u>1,608</u>	<u>75,813</u>
<b>EXPENDITURES</b>				
Building department	1,661			
Public safety		5,427		
Utilities				
Project-costs			17,446	73,986
<b>Total expenditures</b>	<u>1,661</u>	<u>5,427</u>	<u>17,446</u>	<u>73,986</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(1,656)</u>	<u>2,467</u>	<u>(15,838)</u>	<u>1,827</u>
<b>OTHER FINANCING (USES)</b>				
Sale of assets	500			
Transfers in				
<b>Total other financing sources (uses)</b>	<u>500</u>			
<b>Net changes in fund balances</b>	(1,156)	2,467	(15,838)	1,827
<b>FUND BALANCE, APRIL 1, 2013</b>	<u>5,995</u>	<u>47,739</u>	<u>50,308</u>	<u>146,711</u>
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 4,839</u>	<u>\$ 50,206</u>	<u>\$ 34,470</u>	<u>\$ 148,538</u>

<u>Road Projects</u>	<u>Street lights</u>	<u>Municipal Refuse</u>	<u>Pathways</u>	<u>Totals</u>
\$	\$	\$	\$	\$
7,218				7,763
1,871				7,218
	17,369	72,787	811	1,871
135		103	453	167,979
				1,236
9,224	17,369	72,890	1,264	186,067
				1,661
				5,427
	17,728			17,728
		72,655		164,087
	17,728	72,655		188,903
9,224	(359)	235	1,264	(2,836)
				500
			10,000	10,000
			10,000	10,500
9,224	(359)	235	11,264	7,664
35,960	16,818	66,823	174,476	544,830
\$ 45,184	\$ 16,459	\$ 67,058	\$ 185,740	\$ 552,494

## INDIVIDUAL FUNDS

**GENERAL FUND (PRE GASB 54 RESTATEMENT)**

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**  
**GENERAL FUND (PRE GASB 54 RESTATEMENT)**  
**BALANCE SHEET**  
**MARCH 31, 2014**

**ASSETS**

**ASSETS**

Cash and equivalents	\$ 7,707,820
Delinquent taxes receivable	56,350
State shared revenues receivable	192,493
Special assessment receivables	316,151
Accounts receivable	88,408
Due from other funds	2,386,439
Prepaid expenditures	<u>35,420</u>

<b>Total assets</b>	<b><u>\$ 10,783,081</u></b>
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**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 45,300
Accrued wages and vacation	26,463
Payroll taxes withholding and payable	2,025
Due to other funds	3,335
Deferred revenues	<u>316,151</u>

<b>Total liabilities</b>	<b>\$ 393,274</b>
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**FUND BALANCE**

Nonspendable - prepaid	35,420
Committed - environmental remediation	3,056,254
Unassigned	<u>7,298,133</u>

<b>Total fund balance</b>	<b><u>10,389,807</u></b>
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<b>Total liabilities and fund balance</b>	<b><u>\$ 10,783,081</u></b>
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This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Taxes	\$ 823,780	\$ 856,402	\$ 32,622
Treasurer	334,360	323,943	(10,417)
Licenses and permits	10,600	21,285	10,685
Planning and zoning	27,250	70,612	43,362
State shared revenue	1,285,000	1,312,515	27,515
Special assessments	136,380	137,208	828
Miscellaneous	529,040	583,890	54,850
<b>Total revenues</b>	3,146,410	3,305,855	159,445
<b>EXPENDITURES</b>	2,722,600	2,122,909	599,691
<b>Excess of revenues over (under) expenditures</b>	423,810	1,182,946	759,136
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	900		(900)
Transfers (out)	(420,900)	(1,895,600)	(1,474,700)
<b>Total other financing sources (uses)</b>	(420,000)	(1,895,600)	(1,475,600)
<b>Net change in fund balance</b>	3,810	(712,654)	(716,464)
<b>FUND BALANCE, APRIL 1, 2013</b>	11,102,461	11,102,461	
<b>FUND BALANCE, MARCH 31, 2014</b>	\$ 11,106,271	\$ 10,389,807	\$ (716,464)

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)**

**STATEMENT OF REVENUES - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>TAXES</b>			
Current property taxes	\$	\$ 855,319	\$
Penalties/interest - delinquent taxes		808	
Trailer park fees		275	
<b>Total taxes</b>	<u>823,780</u>	<u>856,402</u>	<u>32,622</u>
<b>TREASURER</b>			
Property tax administration fee		273,800	
Interest		49,604	
Dog licenses		539	
<b>Total treasurer</b>	<u>334,360</u>	<u>323,943</u>	<u>(10,417)</u>
<b>LICENSES AND PERMITS</b>	<u>10,600</u>	<u>21,285</u>	<u>10,685</u>
<b>PLANNING AND ZONING</b>	<u>27,250</u>	<u>70,612</u>	<u>43,362</u>
<b>STATE SHARED REVENUE</b>	<u>1,285,000</u>	<u>1,312,515</u>	<u>27,515</u>
<b>SPECIAL ASSESSMENTS</b>			
Principal		110,430	
Interest		26,778	
<b>Total special assessments</b>	<u>136,380</u>	<u>137,208</u>	<u>828</u>
<b>MISCELLANEOUS REVENUES</b>			
Election reimbursement		9,449	
Metro Act fees		12,976	
Cable TV fees		313,374	
Printed material and duplicating		3,567	
Rental income		216,670	
Reimbursement/refunds		19,723	
Utilities administration fee		4,800	
Other revenue		3,331	
<b>Total miscellaneous revenues</b>	<u>529,040</u>	<u>583,890</u>	<u>54,850</u>
<b>Total revenues</b>	<u><u>\$ 3,146,410</u></u>	<u><u>\$ 3,305,855</u></u>	<u><u>\$ 159,445</u></u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**  
**GENERAL FUND (PRE GASB 54 RESTATEMENT)**  
**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP BOARD</b>			
Wages, salaries and per diems	\$	\$ 27,735	\$
Ordinance codification		550	
Printing and publishing		10,249	
Payroll taxes		2,121	
Insurance - benefits		975	
Insurance - liability		26	
Pension		7,444	
Supplies		100	
Consulting		5,000	
Engineering services		14,345	
Education/travel		694	
Economic development		2,000	
Dues		8,060	
	<u>124,513</u>	<u>79,299</u>	<u>45,214</u>
<b>Total township board</b>			
<b>SUPERVISOR</b>			
Wages, salaries and per diems		28,683	
Pension		3,053	
Payroll taxes		2,194	
Insurance - benefits		65	
Insurance - liability		26	
Supplies		864	
Education/travel		610	
	<u>36,020</u>	<u>35,495</u>	<u>525</u>
<b>Total supervisor</b>			

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>MANAGER</b>			
Wages, salaries and per diems		80,373	
Wages, salaries and per diems - clerical		9,176	
Insurance - benefits		3,721	
Pension		5,048	
Payroll taxes		7,247	
Insurance - liability		232	
Education/travel		1,311	
Dues		805	
Supplies		199	
Postage		299	
Contracted services		150	
Miscellaneous		86	
<b>Total manager</b>	<u>184,416</u>	<u>108,647</u>	<u>75,769</u>
<b>ELECTIONS</b>			
Wages, salaries and per diems - Clerk		7,758	
Wages, salaries and per diems - Deputy officials		12,467	
Election workers		3,140	
Pension		47	
Payroll taxes		1,547	
Insurance - benefits		3,613	
Insurance - liability		50	
Accuracy consulting		550	
Education /travel		459	
Printing and publishing		1,254	
Postage		2,561	
Supplies		1,394	
Dues		165	
<b>Total elections</b>	<u>62,724</u>	<u>35,005</u>	<u>27,719</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2014

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>ASSESSOR</b>			
Wages, salaries and per diems		127,318	
Pension		5,001	
Payroll taxes		10,661	
Insurance - benefits		53,102	
Insurance - liability		682	
Education/travel		2,056	
Supplies		569	
Postage		4,732	
Dues		814	
Printing and publishing		2,447	
Capital outlay		1,200	
<b>Total assessor</b>	<u>236,014</u>	<u>208,582</u>	<u>27,432</u>
<b>CLERK</b>			
Wages, salaries and per diems - Clerk		46,021	
Wages, salaries and per diems - Deputy Clerk		14,259	
Wages, salaries and per diems - other		63,271	
Pension		2,335	
Payroll taxes		9,676	
Insurance - benefits		50,190	
Insurance - liability		277	
Postage		184	
Professional fees		9,350	
Supplies		1,024	
Education/travel		2,836	
Newsletter		3,067	
Dues		602	
Record retention		1,841	
<b>Total clerk</b>	<u>281,916</u>	<u>204,933</u>	<u>76,983</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>TREASURER</b>			
Wages, salaries and per diems - Treasurer		53,779	
Wages, salaries and per diems - Deputy Treasurer		37,407	
Wages , salaries and per diems - other		20,483	
Pension		1,511	
Payroll taxes		8,616	
Insurance - benefits		40,594	
Insurance - liability		173	
Professional fees		9,350	
Supplies		321	
Tax forms		4,626	
Postage		9,022	
Education/travel		2,386	
Dues		395	
	<hr/>	<hr/>	<hr/>
<b>Total treasurer</b>	200,631	188,663	11,968
<b>SEWER AND WATER</b>			
Per diems		1,875	
Professional fees		20,762	
Capital improvements		473,516	
	<hr/>	<hr/>	<hr/>
<b>Total sewer and water</b>	522,000	496,153	25,847
<b>ROADS</b>	60,000	30,659	29,341
<b>OTHER CHARGES AND SERVICES</b>			
Employee benefits		3,102	
Insurance - liability		27,307	
Contracted services		11,316	
Computer support		15,582	
Legal fees		52,925	
Telephone		8,381	
Lease - MSP		137,484	
Equipment repair		4,704	
Equipment rental		1,656	
Fuel		1,242	
Capital outlay		29,614	
	<hr/>	<hr/>	<hr/>
<b>Total other charges and services</b>	368,770	293,313	75,457

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2014

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>PLANNING</b>			
Wages, salaries and per diems		60,133	
Pension		2,217	
Payroll taxes		4,257	
Insurance - benefits		21,949	
Insurance - liability		123	
Supplies		443	
Postage		395	
Special projects		10,579	
Engineering services		45,978	
Printing and publishing		2,235	
Education/travel		50	
<b>Total planning</b>	<u>178,740</u>	<u>148,359</u>	<u>30,381</u>
<b>TOWNSHIP HALL/GROUNDS</b>			
Wages, salaries and per diems		122	
Cleaning maintenance		2,758	
Supplies and postage		9,157	
Payroll taxes		10	
Insurance - liability		77	
Street lighting		8,746	
Equipment maintenance and repairs		5,683	
Grounds maintenance and repairs		12,538	
Building maintenance and repairs		10,141	
Utilities		18,708	
Tax chargebacks		17,881	
Capital improvements		2,102	
<b>Total township hall/grounds</b>	<u>145,330</u>	<u>87,923</u>	<u>57,407</u>
<b>CEMETERY</b>	<u>8,000</u>	<u>4,770</u>	<u>3,230</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>FIRE PROTECTION</b>			
Contracted services		4,132	
Miscellaneous		60	
Utilities		670	
Building maintenance and repair		4,258	
Grounds maintenance and repair		2,776	
Capital improvements		59,400	
<b>Total fire protection</b>	<u>131,900</u>	<u>71,296</u>	<u>60,604</u>
<b>EMERGENCY PREPAREDNESS</b>			
Utilities		377	
Siren		4,851	
<b>Total emergency preparedness</b>	<u>5,400</u>	<u>5,228</u>	<u>172</u>
<b>ENVIRONMENTAL</b>	<u>55,100</u>	<u>51,810</u>	<u>3,290</u>
<b>MUNICIPAL REFUSE COLLECTION</b>	<u>3,200</u>	<u>1,299</u>	<u>1,901</u>
<b>PARKS AND RECREATION</b>	<u>60,000</u>	<u>56,195</u>	<u>3,805</u>
<b>DRAINS</b>	<u>22,600</u>	<u>5,721</u>	<u>16,879</u>
<b>CODE ENFORCEMENT</b>			
Wages, salaries and per diems		6,183	
Pension		246	
Payroll taxes		473	
Insurance - benefits		2,439	
Insurance - liability		47	
Supplies		8	
Miscellaneous		163	
<b>Total code enforcement</b>	<u>10,326</u>	<u>9,559</u>	<u>767</u>
<b>CONTINGENCY</b>	<u>25,000</u>		<u>25,000</u>
<b>Total expenditures</b>	<u><u>\$ 2,722,600</u></u>	<u><u>\$ 2,122,909</u></u>	<u><u>\$ 599,691</u></u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**PARKS FUND (PRE GASB 54 RESTATEMENT)**

This supplementary information shows the Parks Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**  
**PARKS FUND (PRE GASB 54 RESTATEMENT)**  
**BALANCE SHEET**  
**MARCH 31, 2014**

**ASSETS**

**ASSETS**

Cash and cash equivalents	\$ 771,399
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**FUND BALANCE**

**FUND BALANCE**

Reserved for parks and recreation	\$ 771,399
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This supplementary information shows the Parks Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**PARKS FUND (PRE GASB 54 RESTATEMENT)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Interest income	\$ 2,400	\$ 1,722	\$ (678)
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	2,400	1,722	(678)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	50,000	50,000	
<b>Net change in fund balance</b>	52,400	51,722	(678)
<b>FUND BALANCE, APRIL 1, 2013</b>	719,677	719,677	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 772,077</u>	<u>\$ 771,399</u>	<u>\$ (678)</u>

This supplementary information shows the Parks Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CEMETERY FUND (PRE GASB 54 RESTATEMENT)**

This supplementary information shows the Cemetery Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**  
**CEMETERY FUND (PRE GASB 54 RESTATEMENT)**  
**BALANCE SHEET**  
**MARCH 31, 2014**

**ASSETS**

**ASSETS**

Cash and cash equivalents	\$ 50,628
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**FUND BALANCE**

<b>FUND BALANCE</b>	<b>\$ 50,628</b>
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This supplementary information shows the Cemetery Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**CEMETERY FUND (PRE GASB 54 RESTATEMENT)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Interest income	\$ 100	\$ 115	\$ 15
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	100	115	15
<b>OTHER FINANCING SOURCES</b>			
Transfers in	10,000	10,000	
<b>Net change in fund balance</b>	10,100	10,115	15
<b>FUND BALANCE, APRIL 1, 2013</b>	40,513	40,513	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 50,613</u>	<u>\$ 50,628</u>	<u>\$ 15</u>

This supplementary information shows the Cemetery Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**BUILDING DEPARTMENT FUND**

CHARTER TOWNSHIP OF BRIGHTON

BUILDING DEPARTMENT FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash and equivalents

\$ 4,839

FUND BALANCE

**FUND BALANCE**

\$ 4,839

CHARTER TOWNSHIP OF BRIGHTON

BUILDING DEPARTMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest	\$	\$ 5	\$ 5
<b>EXPENDITURES</b>			
MESC	<u>1,661</u>	<u>1,661</u>	
Excess of revenues over (under) expenditures	(1,661)	(1,656)	5
<b>OTHER FINANCING SOURCES</b>			
Sale of assets		<u>500</u>	<u>500</u>
Net change in fund balance	(1,661)	(1,156)	505
<b>FUND BALANCE, APRIL 1, 2013</b>	<u>5,995</u>	<u>5,995</u>	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 4,334</u>	<u>\$ 4,839</u>	<u>\$ 505</u>

**BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)**

This supplementary information shows the Budget Stabilization Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)

BALANCE SHEET

MARCH 31, 2014

ASSETS

**ASSETS**

Cash and cash equivalents

\$ 270,854

FUND BALANCE

**FUND BALANCE**

\$ 270,854

This supplementary information shows the Budget Stabilization Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Interest income	\$ 900	\$ 2,459	\$ 1,559
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	900	2,459	1,559
<b>OTHER FINANCING SOURCES</b>			
Transfers in	900		(900)
Transfers (out)	(900)		900
<b>Total other financing services (uses)</b>			
<b>Net change in fund balance</b>	900	2,459	1,559
<b>FUND BALANCE, APRIL 1, 2013</b>	268,395	268,395	
<b>FUND BALANCE, MARCH 31, 2014</b>	\$ 269,295	\$ 270,854	\$ 1,559

This supplementary information shows the Budget Stabilization Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**LIQUOR LAW ENFORCEMENT FUND**

CHARTER TOWNSHIP OF BRIGHTON

LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

ASSETS

Cash

\$ 50,206

FUND BALANCE

FUND BALANCE

\$ 50,206

CHARTER TOWNSHIP OF BRIGHTON

LIQUOR LAW ENFORCEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
State shared revenues - liquor licenses	\$	\$ 7,763	\$
Interest		131	
<b>Total revenues</b>	<u>7,750</u>	<u>7,894</u>	<u>144</u>
<b>EXPENDITURES</b>			
Enforcement expenditures		5,427	
<b>Total expenditures</b>	<u>22,000</u>	<u>5,427</u>	<u>16,573</u>
<b>Net change in fund balance</b>	(14,250)	2,467	16,717
<b>FUND BALANCE, APRIL 1, 2013</b>	<u>47,739</u>	<u>47,739</u>	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 33,489</u>	<u>\$ 50,206</u>	<u>\$ 16,717</u>

**FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)**

This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash	\$ 2,686,050
Advance to other funds	<u>8,758</u>
<b>Total assets</b>	<u><u>\$ 2,694,808</u></u>

FUND BALANCE

<b>FUND BALANCE</b>	<u><u>\$ 2,694,808</u></u>
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This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information

**CHARTER TOWNSHIP OF BRIGHTON**

**FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest	\$ 8,000	\$ 6,534	\$ (1,466)
<b>EXPENDITURES</b>			
Excess of revenues over (under) expenditures	8,000	6,534	(1,466)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>150,000</u>	<u>150,000</u>	
Net change in fund balance	158,000	156,534	(1,466)
<b>FUND BALANCE, APRIL 1, 2013</b>	<u>2,538,274</u>	<u>2,538,274</u>	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u><u>\$ 2,696,274</u></u>	<u><u>\$ 2,694,808</u></u>	<u><u>\$ (1,466)</u></u>

This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**SAD ROAD MAINTENANCE FUND**

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash	\$ 34,866
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LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$ 396
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**FUND BALANCE**

34,470
--------

Total liabilities and fund balance	\$ 34,866
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**CHARTER TOWNSHIP OF BRIGHTON**

**SAD ROAD MAINTENANCE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments	\$	\$ 1,500	\$
Interest		108	
<b>Total revenues</b>	1,620	1,608	(12)
<b>EXPENDITURES</b>			
Contract expense	53,560	17,446	36,114
<b>Net change in fund balance</b>	(51,940)	(15,838)	36,102
<b>FUND BALANCE, APRIL 1, 2013</b>	50,308	50,308	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ (1,632)</u>	<u>\$ 34,470</u>	<u>\$ 36,102</u>

## **AQUATICS FUND**

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash and cash equivalents	\$ 149,703
Due from county	<u>3,246</u>
<b>Total assets</b>	<u><u>\$ 152,949</u></u>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$ 4,411
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**FUND BALANCE**

	<u>148,538</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 152,949</u></u>

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments	\$	\$ 75,512	\$
Interest income		301	
<b>Total revenues</b>	61,100	75,813	14,713
<b>EXPENDITURES</b>			
Project costs	106,000	73,986	32,014
<b>Net change in fund balance</b>	(44,900)	1,827	46,727
<b>FUND BALANCE, APRIL 1, 2013</b>	146,711	146,711	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 101,811</u>	<u>\$ 148,538</u>	<u>\$ 46,727</u>

**ROAD PROJECTS FUND**

CHARTER TOWNSHIP OF BRIGHTON

ROAD PROJECTS FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash and cash equivalents	\$ 52,806
Due from county	1,136
Special assessment receivable	<u>21,653</u>
<b>Total assets</b>	<u><u>\$ 75,595</u></u>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Due to other funds	\$ 8,758
Deferred revenue	<u>21,653</u>
<b>Total liabilities</b>	30,411

**FUND BALANCE**

<b>Total liabilities and fund balance</b>	<u><u>\$ 75,595</u></u>
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**CHARTER TOWNSHIP OF BRIGHTON**

**ROAD PROJECTS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments - principal	\$	\$ 7,218	\$
Special assessments - interest		1,871	
Interest Income		135	
<b>Total revenues</b>	9,300	9,224	(76)
<b>EXPENDITURES</b>			
<b>Net change in fund balance</b>	9,300	9,224	(76)
<b>FUND BALANCE, APRIL 1, 2013</b>	35,960	35,960	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 45,260</u>	<u>\$ 45,184</u>	<u>\$ (76)</u>

## **STREETLIGHT FUND**

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Due from other funds	\$ 644
Special assessment receivable	<u>17,230</u>
<b>Total assets</b>	<u><u>\$ 17,874</u></u>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$ 1,415
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**FUND BALANCE**

<b>Total liabilities and fund balance</b>	<u><u>\$ 17,874</u></u>
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**CHARTER TOWNSHIP OF BRIGHTON**

**STREETLIGHT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments	\$ 18,490	\$ 17,369	\$ (1,121)
<b>EXPENDITURES</b>			
Utilities	<u>18,490</u>	<u>17,728</u>	<u>762</u>
<b>Net change in fund balance</b>		(359)	(359)
<b>FUND BALANCE, APRIL 1, 2013</b>	<u>16,818</u>	<u>16,818</u>	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u><u>\$ 16,818</u></u>	<u><u>\$ 16,459</u></u>	<u><u>\$ (359)</u></u>

**MUNICIPAL REFUSE FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**MUNICIPAL REFUSE FUND  
BALANCE SHEET  
MARCH 31, 2014**

**ASSETS**

**ASSETS**

Cash	\$ 58,132
Due from county	2,194
Prepaid expenditures	<u>6,732</u>
<b>Total assets</b>	<b><u>\$ 67,058</u></b>

**FUND BALANCE**

<b>FUND BALANCE</b>	<b><u>\$ 67,058</u></b>
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**CHARTER TOWNSHIP OF BRIGHTON**

**MUNICIPAL REFUSE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessment	\$	\$ 72,787	\$
Interest		103	
<b>Total revenues</b>	72,788	72,890	102
<b>EXPENDITURES</b>			
Project costs	72,788	72,655	133
<b>Net change in fund balance</b>		235	235
<b>FUND BALANCE, APRIL 1, 2013</b>	66,823	66,823	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 66,823</u>	<u>\$ 67,058</u>	<u>\$ 235</u>

## **PATHWAYS FUND**

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

ASSETS

Cash

\$ 185,740

FUND BALANCE

FUND BALANCE

\$ 185,740

**CHARTER TOWNSHIP OF BRIGHTON**

**PATHWAYS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Deposits on projects	\$	\$ 811	\$
Interest		453	
<b>Total revenues</b>	950	1,264	314
<b>EXPENDITURES</b>	<u>25,000</u>		<u>25,000</u>
<b>Excess of revenues over (under) expenditures</b>	(24,050)	1,264	25,314
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>10,000</u>	<u>10,000</u>	
<b>Net change in fund balance</b>	(14,050)	11,264	25,314
<b>FUND BALANCE, APRIL 1, 2013</b>	<u>174,476</u>	<u>174,476</u>	
<b>FUND BALANCE, MARCH 31, 2014</b>	<u>\$ 160,426</u>	<u>\$ 185,740</u>	<u>\$ 25,314</u>

**WATER DEBT SERVICE FUND**

CHARTER TOWNSHIP OF BRIGHTON

WATER DEBT SERVICE FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2014

**REVENUES**

Interest \$

**EXPENDITURES**

Excess of revenues over (under) expenditures

**OTHER FINANCING SOURCES (USES)**

Transfers out (184,740)

Net change in fund balance (184,740)

FUND BALANCE, APRIL 1, 2013 184,740

FUND BALANCE, MARCH 31, 2014 \$

This supplementary information shows the Water Debt Service Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**MUNICIPAL WATER CAPITAL PROJECTS FUND**

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash	\$ 316,215
Due from others	<u>46,257</u>
<b>Total assets</b>	<u><u>\$ 362,472</u></u>

FUND BALANCE

<b>FUND BALANCE</b>	<u><u>\$ 362,472</u></u>
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This supplementary information shows the Municipal Water Capital Projects Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

**MUNICIPAL WATER CAPITAL PROJECTS FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2014**

**REVENUES**

Connection fees	\$ 1,606	
Interest income	<u>4,117</u>	
<b>Total revenues</b>		\$ 5,723

**EXPENDITURES**

Bond payment		
Principal	1,305,000	
Interest	40,836	
Agency fees	<u>250</u>	
<b>Total expenditures</b>		<u>1,346,086</u>
<b>Excess of revenues over (under) expenditures</b>		(1,340,363)

**OTHER FINANCING SOURCES (USES)**

Transfer in		<u>1,860,340</u>
<b>Net change in fund balance</b>		519,977

<b>FUND BALANCE , APRIL 1, 2013</b>		<u>(157,505)</u>
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<b>FUND BALANCE, MARCH 31, 2014</b>		<u><u>\$ 362,472</u></u>
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This supplementary information shows the Municipal Water Capital Projects Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**SEWER FUND**

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**CURRENT ASSETS**

Cash and cash equivalents	\$ 299,474
Accounts receivable - usage	175,449
Accounts receivable - other	19,086
Prepaid expenses - insurance	6,388
Inventory - pumps and parts	130,793
Due from county - delinquents - O & M usage	17,763
Due from other funds	925

**Total current assets** \$ 649,878

**RESTRICTED ASSETS**

Cash and cash equivalents - debt service	2,870,029
Cash and cash equivalents - replacement	471,458
Accounts receivable - debt service (usage)	178,749
Bond issuance costs - net of amortization of \$303,255	235,867
Special assessments receivable	4,819,934
Due from county - delinquents (SAD)	154,557
Due from county - delinquents - debt service (usage)	37,014

**Total restricted assets** 8,767,608

**CAPITAL ASSETS**

Land	1,395,224
Sewer plant	9,728,042
Sewer collection system	17,733,291
Pumps and equipment	3,510,656
Office furniture and equipment	22,500
	32,389,713
<b>Less: accumulated depreciation</b>	(9,854,648)

**Net capital assets** 22,535,065

**Total assets** \$ 31,952,551

**LIABILITIES AND FUND EQUITY**

**CURRENT LIABILITIES (from unrestricted assets)**

Accounts payable		\$ 36,370
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**CURRENT LIABILITIES (from restricted assets)**

Bonds payable	1,675,000	
New connections - escrow funds	<u>201,591</u>	

<b>Total current liabilities (from restricted assets)</b>		<b>1,876,591</b>
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**LONG-TERM LIABILITIES (from restricted assets)**

Bonds payable	10,280,000	
Due to other funds	<u>2,386,028</u>	

<b>Total long-term liabilities (from restricted assets)</b>		<b><u>12,666,028</u></b>
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<b>Total liabilities</b>		<b>14,578,989</b>
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**FUND EQUITY**

Retained earnings - reserved	16,942,544	
Retained earnings - unreserved	<u>431,018</u>	

<b>Total fund equity</b>		<b><u>17,373,562</u></b>
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<b>Total liabilities and fund equity</b>		<b><u><u>\$ 31,952,551</u></u></b>
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**CHARTER TOWNSHIP OF BRIGHTON**  
**SEWER FUND**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**OPERATING REVENUES**

Sewer usage	\$ 652,598	
Sewer usage - debt service charges	689,696	
Other revenue	<u>13,304</u>	
<b>Total operating revenues</b>		\$ 1,355,598

**OPERATING EXPENSES**

Administration	4,800	
Alarm maintenance	517	
Amortization expense	33,695	
Audit services	4,800	
Computer services	2,487	
Consulting	12,621	
Contracted services - operators	216,330	
Depreciation expense	862,066	
Legal	2,603	
Liability insurance	25,489	
Office expenses	2,938	
Permit fees	3,404	
Repairs and maintenance - grinder pumps and parts	10,387	
Repairs and maintenance - collection system	181,419	
Repairs and maintenance - equipment	1,654	
Repairs and maintenance - grounds	11,400	
Sludge removal	21,158	
Supplies	20,168	
Telephone	1,122	
Utilities	<u>104,579</u>	
<b>Total operating expenses</b>		<u>1,523,637</u>
<b>Operating (loss)</b>		(168,039)

**NON-OPERATING REVENUES (EXPENSES)**

Income - consent judgement and contingency	99,166	
Interest income - banks	7,311	
Interest income - special assessment	343,384	
Interest (expense) - general fund advance	(27,717)	
Interest (expense) - bonds	(571,208)	
Agent fees - bonds	<u>(450)</u>	
<b>Total non-operating (expenses)</b>		(149,514)

**CAPITAL CONTRIBUTIONS**

Developer contributions (non-cash)	39,750	
Tap-in fees (new users)	<u>205,200</u>	
<b>Total capital contributions</b>		<u>244,950</u>
<b>Net (loss)</b>		(72,603)

<b>RETAINED EARNINGS, APRIL 1, 2013</b>	<u>17,446,165</u>
<b>RETAINED EARNINGS, MARCH 31, 2014</b>	<u><u>\$ 17,373,562</u></u>

**CHARTER TOWNSHIP OF BRIGHTON**  
**SEWER FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES**

Receipts from customers, and county	\$ 1,745,523	
Other receipts	19,631	
Payments to suppliers and others	<u>(942,632)</u>	
<b>Net cash from operating activities</b>		<b>\$ 822,522</b>

**CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES**

Advances from general fund	400,000	
Principal paid on bonds	(1,645,000)	
Interest paid on bonds and advances	(599,375)	
Collections of special assessment (principal and interest)	1,420,302	
Tap fees (new users)	<u>143,640</u>	
<b>Net cash from capital and related financing activities</b>		<b>(280,433)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received on cash and cash equivalents	<u>7,311</u>	
<b>Net increase in cash</b>		<b>549,400</b>

**CASH AND CASH EQUIVALENTS AT APRIL 1, 2013**

3,091,561

**CASH AND CASH EQUIVALENTS AT MARCH 31, 2014**

\$ 3,640,961

**RECONCILIATION OF OPERATING (LOSS) TO NET  
CASH FROM (USED IN) OPERATING ACTIVITIES**

Operating (loss)		\$ (168,039)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation and amortization	\$ 895,761	
(Increase) in accounts and delinquent receivable	(14,803)	
(Increase) in prepaid expense	(61)	
Increase in accounts payable	25,254	
(Increase) in inventory	(55,980)	
(Increase) in due from other funds	(925)	
Increase in new connection escrow	141,119	
Increase in due to other funds	<u>196</u>	
<b>Total adjustments</b>		<u>990,561</u>
<b>Net cash from operating activities</b>		<u><u>\$ 822,522</u></u>

**TRUST AND AGENCY FUND**

CHARTER TOWNSHIP OF BRIGHTON

TRUST AND AGENCY FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash	\$ 202,232
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LIABILITIES

**LIABILITIES**

Due to other funds	\$ 101
Due to others	202,131

<b>Total liabilities</b>	<b>\$ 202,232</b>
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**CURRENT TAX COLLECTION FUND**

CHARTER TOWNSHIP OF BRIGHTON

CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash

\$ 194

LIABILITIES

**LIABILITIES**

Due to other funds

\$ 194

**CONSTRUCTION ESCROW FUND**

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND  
BALANCE SHEET  
MARCH 31, 2014

ASSETS

**ASSETS**

Cash	\$ 979,112
Due from other funds	<u>1,766</u>
<b>Total assets</b>	<b><u>\$ 980,878</u></b>

LIABILITIES

**LIABILITIES**

Performance deposits	\$ 980,762
Due to other funds	<u>116</u>
<b>Total liabilities</b>	<b><u>\$ 980,878</u></b>