

CHARTER TOWNSHIP OF BRIGHTON

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

For the Year Ended March 31, 2020

CHARTER TOWNSHIP OF BRIGHTON

TOWNSHIP OFFICIALS

Supervisor - Patrick Michel
Clerk - Joseph Riker
Treasurer - Rose Drouillard

BOARD OF TRUSTEES

Rose Drouillard
Patrick Michel
Joseph Riker
Steve Combs
J. Michael Slaton
Sam Theis
Lucille Weaire

TOWNSHIP ATTORNEY

John K. Harris
Harris & Literski

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.

Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

INDEPENDENT AUDITOR'S REPORT

July 20, 2020

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

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, Michigan, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton, Michigan, as of March 31, 2020, 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 - 14 and 55 - 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

March 31, 2020

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, 2020. 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 and 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 nonmajor 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 \$47,836,321. This is a \$2,704,038 increase over last year's net position of \$45,132,283.

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

Summary of Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019	3/31/2020	3/31/2019
ASSETS						
Current and other assets	\$ 25,404,727	\$ 22,239,155	\$ 4,387,499	\$ 5,749,153	\$ 29,792,226	\$ 27,988,308
Capital assets	<u>4,212,522</u>	<u>4,354,262</u>	<u>17,736,511</u>	<u>18,254,075</u>	<u>21,949,033</u>	<u>22,608,337</u>
Total assets	<u>29,617,249</u>	<u>26,593,417</u>	<u>22,124,010</u>	<u>24,003,228</u>	<u>51,741,259</u>	<u>50,596,645</u>
DEFERRED OUTFLOW OF RESOURCES						
Pension-related activities	<u>106,031</u>	<u>190,294</u>			<u>106,031</u>	<u>190,294</u>
LIABILITIES						
Other liabilities	647,074	113,261	155,377	183,067	802,451	296,328
Long-term liabilities	<u>1,021</u>	<u>255,237</u>	<u>1,755,893</u>	<u>3,448,310</u>	<u>1,756,914</u>	<u>3,703,547</u>
Total liabilities	<u>648,095</u>	<u>368,498</u>	<u>1,911,270</u>	<u>3,631,377</u>	<u>2,559,365</u>	<u>3,999,875</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue	<u>1,451,604</u>	<u>1,654,781</u>			<u>1,451,604</u>	<u>1,654,781</u>
NET POSITION						
Net investment in capital assets	10,390,395	10,255,269	16,031,511	14,949,075	26,421,906	25,204,344
Restricted	1,725,890	1,586,432	3,471,288	4,791,246	5,197,178	6,377,678
Unrestricted	<u>15,507,296</u>	<u>12,918,731</u>	<u>709,941</u>	<u>631,530</u>	<u>16,217,237</u>	<u>13,550,261</u>
Total net position	<u>\$ 27,623,581</u>	<u>\$ 24,760,432</u>	<u>\$ 20,212,740</u>	<u>\$ 20,371,851</u>	<u>\$ 47,836,321</u>	<u>\$ 45,132,283</u>

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019	3/31/2020	3/31/2019
REVENUES						
Program revenues						
Charges for services	\$ 1,092,166	\$ 768,456	\$ 1,112,793	\$ 1,058,724	\$ 2,204,959	\$ 1,827,180
Capital contributions	1,444,240	210,109	344,173	4,184,034	1,788,413	4,394,143
General revenues						
State revenues	1,763,635	1,614,774			1,763,635	1,614,774
Property taxes	1,007,586	969,551			1,007,586	969,551
Interest	193,604	170,166	36,244	136,773	229,848	306,939
Other	698,788	644,611	14,264	321,008	713,052	965,619
Bond premium amortization			92,417		92,417	
Transfers in/(out)	(80,000)		80,000			
Change in investment in joint venture	<u>168,389</u>	<u>76,785</u>			<u>168,389</u>	<u>76,785</u>
Total revenues	<u>6,288,408</u>	<u>4,454,452</u>	<u>1,679,891</u>	<u>5,700,539</u>	<u>7,968,299</u>	<u>10,154,991</u>
EXPENSES						
General government	2,293,128	1,945,354			2,293,128	1,945,354
Public safety	105,592	99,320			105,592	99,320
Recreation	154,000	154,000			154,000	154,000
Public works/roads	872,539	5,489,538			872,539	5,489,538
Sewer system			<u>1,839,002</u>	<u>3,274,378</u>	<u>1,839,002</u>	<u>3,274,378</u>
Total expenses	<u>3,425,259</u>	<u>7,688,212</u>	<u>1,839,002</u>	<u>3,274,378</u>	<u>5,264,261</u>	<u>10,962,590</u>
Changes in net position	<u>2,863,149</u>	<u>(3,233,760)</u>	<u>(159,111)</u>	<u>2,426,161</u>	<u>2,704,038</u>	<u>(807,599)</u>
Beginning net position	<u>24,760,432</u>	<u>27,994,192</u>	<u>20,371,851</u>	<u>17,945,690</u>	<u>45,132,283</u>	<u>45,939,882</u>
Ending net position	<u>\$ 27,623,581</u>	<u>\$ 24,760,432</u>	<u>\$ 20,212,740</u>	<u>\$ 20,371,851</u>	<u>\$ 47,836,321</u>	<u>\$ 45,132,283</u>

The governmental funds experienced an increase in equity due to extensive capital contributions.

The business-type activities showed a decrease in net position of \$159,111. This was due, in large part, to high sewer system costs.

Financial Analysis of the Township's Major Funds

The Township's General Fund increased its fund balance by \$2,176,333. This was due, in part, to high connection fee income.

The Township's Road Projects Fund increased its fund balance by \$270,534, due to proceeds from special assessments.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net position of \$159,111.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Several budget amendments were made during the year to bring the budget closer to economic reality.

Capital Asset and Debt Administration

The Township government acquired \$93,055 of new capital assets during the year. Items purchased were:

<u>Schedule of Additional Assets</u>		
Parking lot improvements	\$	4,923
HVAC improvements - Phase II		15,174
Municipal roof improvements		3,940
Board room AV system		<u>69,018</u>
 Total additions	 \$	 <u>93,055</u>

As of March 31, 2020, the Township has one project that qualify as construction in progress. This project is concerning a new municipal roof, which has incurred costs of \$3,940 and is approximately 8% complete with an estimated completion date of July 15, 2020. The HVAC improvements at the Township Hall were completed at a final cost of \$17,060. The parking lot improvements project from the prior year was completed during the year at a final cost of \$115,454.

The governmental funds issued no debt during the year. No long-term debt remains for governmental activities.

The business-type activities acquired one capital asset this year. This was a GIS receiver that cost the Township \$7,218. Also, the Deerfield Pump Station, along with a backup generator, was added to the Brighton system during the fiscal year. When the station was undergoing planning, the Township elected to upgrade various aspects of the station at a cost to the Township of \$80,000. This amount was paid out of the General Fund. Combined with a contribution from the developer of \$320,000, the total capitalized value of this station was \$400,000.

Total debt outstanding at the beginning of the year for business-type activities totaled \$3,305,000. During the year, the Township retired \$1,600,000 of debt, leaving \$1,705,000 at fiscal year-end.

Economic Conditions and Future Activities

Future Road Improvements - The Township plans to utilize existing undesignated funds in the Future Road Improvement Fund by partnering with the Livingston County Road Commission to address the following road projects:

1. Old US 23 - Hyne to northern Township limit	\$475,000
2. Old US 23 - Spencer to southern limit	\$3,200,000
3. Pleasant Valley Culvert	\$326,711
4. Buno Road - Spencer to Van Amburg	\$192,500

The Township is also continuing its efforts to add new users onto its sewage treatment system. Currently, the business-type funds are self-sufficient. No further loans from the General Fund are needed and the original bond (refinanced in September 2015) will be paid off in September 2020 and pre-payment of the Spencer Road Sewer Bond could be made in Fall 2020. For the year ended March 31, 2020, the Township added 125 REU connections, while billing revenues continued to increase. Per Administrative Policy #818 and the Shoner/Potocki v. Brighton Township Class Action Settlement, as of March 31, 2020, the General Fund has received payment for 143 of the 401 REU's. The sale of REU's beyond 401 shall be deposited in the Sewer Reserve Fund (Fund No. 589).

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Township is still assessing the impacts of the pandemic.

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, 2020

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
ASSETS			
Cash, cash equivalents and investments	\$ 16,381,676	\$ 3,658,903	\$ 20,040,579
Receivables			
Taxes	49,669		49,669
Special assessments	1,611,401	145,002	1,756,403
State shared revenues	301,620		301,620
Accounts	101,388	361,304	462,692
Prepaid expenses	61,605	6,717	68,322
Inventory		215,573	215,573
Capital assets			
Non-depreciable	719,495	1,395,224	2,114,719
Depreciable - net of accumulated depreciation	3,493,027	16,341,287	19,834,314
Investment in joint venture	6,897,368		6,897,368
Total assets	<u>29,617,249</u>	<u>22,124,010</u>	<u>51,741,259</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension-related activities	<u>106,031</u>		<u>106,031</u>
LIABILITIES			
Accounts payable and other accrued expenses	88,042	155,377	243,419
Accrued wages/taxes	23,166		23,166
Compensated absences	50,248		50,248
Due to others	63,438		63,438
Unearned revenues	422,180		422,180
Long term obligations			
Other due within one year		1,555,000	1,555,000
Other due in more than one year		200,893	200,893
Net pension liability	<u>1,021</u>		<u>1,021</u>
Total liabilities	<u>648,095</u>	<u>1,911,270</u>	<u>2,559,365</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue	<u>1,451,604</u>		<u>1,451,604</u>
NET POSITION			
Net investment in capital assets	10,390,395	16,031,511	26,421,906
Restricted	1,725,890	3,471,288	5,197,178
Unrestricted	<u>15,507,296</u>	<u>709,941</u>	<u>16,217,237</u>
Total net position	<u>\$ 27,623,581</u>	<u>\$ 20,212,740</u>	<u>\$ 47,836,321</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020

Functions/Programs	Programs Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT						
General government	\$ (2,280,528)	\$ 552,737	\$ 1,444,240	\$ (1,727,791)	\$ (1,727,791)	
Public works	(265,191)	216,692		1,395,741		1,395,741
Recreation	(154,000)			(154,000)		(154,000)
Roads	(607,348)	322,737		(284,611)		(284,611)
Public safety	(105,592)			(105,592)		(105,592)
Cemetery	(12,600)			(12,600)		(12,600)
Total primary government	(3,425,259)	1,092,166	1,444,240	(888,853)		(888,853)
BUSINESS-TYPE ACTIVITIES						
Sewer system	(1,839,002)	1,112,793	24,173		(702,036)	(702,036)
Total	\$ (5,264,261)	\$ 2,204,959	\$ 1,468,413	(888,853)	(702,036)	(1,590,889)
General revenues						
Property taxes				1,007,586		1,007,586
State revenues				1,763,635		1,763,635
Interest income				193,604	36,244	229,848
Special assessments interest income					49,124	49,124
Rental income				235,929		235,929
Franchise fees				335,282		335,282
Other income				127,577	15,068	142,645
Gain/(loss) on sale of assets					(49,928)	(49,928)
Transfers in/(out)				(80,000)	80,000	
Developer capital contributions					320,000	320,000
Bond premium amortization					92,417	92,417
Change in investment in joint venture				168,389		168,389
Total general revenues				3,752,002	542,925	4,294,927
Changes in net position						
				2,863,149	(159,111)	2,704,038
Net position, April 1, 2019				24,760,432	20,371,851	45,132,283
Net position, March 31, 2020				\$ 27,623,581	\$ 20,212,740	\$ 47,836,321

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

**GOVERNMENTAL FUNDS
BALANCE SHEET
MARCH 31, 2020**

	General Fund	Road Projects Fund	Non-major Funds	Total
ASSETS				
Cash, cash equivalents and investments	\$ 14,272,519	\$ 471,928	\$ 1,637,229	\$ 16,381,676
Receivables				
Taxes	49,669			49,669
Special assessments	42,476	1,451,604	117,321	1,611,401
State shared revenues	301,620			301,620
Accounts	83,410	5,872	11,031	100,313
Due from other funds	1,075		92	1,167
Prepaid expenditures	61,474		131	61,605
Total assets	\$ 14,812,243	\$ 1,929,404	\$ 1,765,804	\$ 18,507,451
LIABILITIES				
Accounts payable	\$ 81,395	\$ 6,647	\$ 88,042	
Accrued wages and vacations	23,018	148	23,166	
Due to others	63,438			63,438
Due to other funds	92			92
Unearned revenue	422,180			422,180
Total liabilities	590,123	6,795	596,918	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues		1,451,604		1,451,604
FUND BALANCES				
Nonspendable - prepaid items	61,474		131	61,605
Restricted				
Public safety			49,228	49,228
Roads	276,449	(4,199)		272,250
Refuse		24,278		24,278
Aquatics		925		925
Streetlights		18,725		18,725
Municipal water			1,360,484	1,360,484
Committed				
Roads	519,745			519,745
Parks and recreation	1,527,296			1,527,296
Cemetery	113,931			113,931
Assigned				
Township board	2,466,360			2,466,360
Future budget obligation	4,007,232	201,351	309,437	4,518,020
Unassigned	5,526,082			5,526,082
Total fund balance	14,222,120	477,800	1,759,009	16,458,929
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,812,243	\$ 1,929,404	\$ 1,765,804	\$ 18,507,451

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
MARCH 31, 2020

Total fund balance per balance sheet \$ 16,458,929

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

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

Historical cost	\$ 8,111,463
Depreciation	<u>(3,898,941)</u>
Capital assets, net of depreciation:	4,212,522

Investment in joint ventures are not current financial resources and therefore, are not reported in the fund financial statements:

6,897,368

Pension-related activities are not a consumption of current resources and, therefore, are reported as deferred outflow and (inflow) of resources in the Statement of Net Position:

Pension changes in investments	4,612
Pension changes in assumptions	46,135
Pension changes in experience	36,931
Subsequent pension contributions	<u>18,353</u>
Total pension-related deferred outflow (inflow) of resources:	106,031

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

Compensated absences: (50,248)

Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements:

Net pension liability: (1,021)

Net position of governmental activities \$ 27,623,581

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2020

	General Fund	Road Projects Fund	Non-major Funds	Total
REVENUES				
Taxes	\$ 1,007,586	\$	\$	\$ 1,007,586
Connection fees	1,282,500		161,740	1,444,240
Special assessments	356	268,669	272,947	541,972
Licenses and permits	14,580		9,744	24,324
Intergovernmental - state	1,763,635			1,763,635
Rental income	235,929			235,929
Franchise fees	335,282			335,282
Charges for services	550,194			550,194
Interest	175,983	3,026	14,595	193,604
Reimbursements	81,556			81,556
Miscellaneous	21,594		103	21,697
Total revenues	5,469,195	271,695	459,129	6,200,019
EXPENDITURES				
Current				
General government	2,283,480			2,283,480
Parks and recreation	154,000			154,000
Public safety	15,956		8,747	24,703
Road improvements	562,897		44,451	607,348
Cemetery	9,995			9,995
Public works	93,479	1,161	170,551	265,191
Capital outlay				
General government	93,055			93,055
Total expenditures	3,212,862	1,161	223,749	3,437,772
Excess of revenues over (under) expenditures	2,256,333	270,534	235,380	2,762,247
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(80,000)			(80,000)
Net changes in fund balances	2,176,333	270,534	235,380	2,682,247
FUND BALANCE, APRIL 1, 2019	12,045,787	207,266	1,523,629	13,776,682
FUND BALANCE, MARCH 31, 2020	\$ 14,222,120	\$ 477,800	\$ 1,759,009	\$ 16,458,929

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

GOVERNMENTAL FUNDS

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, 2020

Net change in fund balances - governmental funds \$ 2,682,247

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

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

Capital outlay	\$ 93,055
Depreciation expense	<u>(234,795)</u>
Total:	(141,740)

Investments in joint venture used in the governmental activities are not current financial resources and, therefore, are not reported in the funds:

Change in investment in joint ventures	168,389
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Some pension activities in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds:

Change in net pension liability, and related activities	169,953
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Some expenditures in the Statement of Activities are not a use of current financial resources, and therefore, are not reported in the Governmental Funds:

Change in compensated absences	<u>(15,700)</u>
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Change in net position of governmental activities \$ 2,863,149

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

PROPRIETARY FUND
STATEMENT OF NET POSITION
MARCH 31, 2020

	<u>Sewer Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 3,658,903
Receivables	
Special assessments	145,002
Accounts	361,304
Prepaid expenses	6,717
Inventory	<u>215,573</u>
Total before capital assets	<u>4,387,499</u>
Non-current assets	
Land	1,395,224
Utility systems	<u>31,361,898</u>
Total cost	<u>32,757,122</u>
Less accumulated depreciation	<u>(15,020,611)</u>
Non-current assets, net	<u>17,736,511</u>
Total assets	<u>22,124,010</u>
LIABILITIES	
Current liabilities	
Accounts payable	54,232
Accrued grinder pump expense	50,000
New connections - escrow funds	<u>51,145</u>
Total current liabilities	<u>155,377</u>
Long term liabilities	
Bonds payable	1,705,000
Bond premium	<u>50,893</u>
Total long term liabilities	<u>1,755,893</u>
Total liabilities	<u>1,911,270</u>
NET POSITION	
Net investment in capital assets	16,031,511
Restricted	3,471,288
Unrestricted	<u>709,941</u>
Total net position	<u>\$ 20,212,740</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED MARCH 31, 2020

	<u>Sewer Fund</u>
OPERATING REVENUES	
Utility billings	\$ 1,112,793
Other revenues	<u>15,068</u>
Total operating revenues	1,127,861
OPERATING EXPENSES	<u>1,751,383</u>
Operating (loss)	<u>(623,522)</u>
NON-OPERATING REVENUES (EXPENSES)	
Grant income	24,173
Interest income - cash and equivalents	36,244
Interest income - special assessments	49,124
Interest and fees (expense)	(87,619)
Bond premium amortization	92,417
Gain/(loss) on sale of fixed assets	(49,928)
Transfers in	<u>80,000</u>
Total non-operating revenues (expenses)	144,411
CAPITAL CONTRIBUTIONS	
Developer transfers of infrastructure	<u>320,000</u>
Change in net position	<u>(159,111)</u>
NET POSITION, APRIL 1, 2019	<u>20,371,851</u>
NET POSITION, MARCH 31, 2020	<u>\$ 20,212,740</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

PROPRIETARY FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2020

	SEWER FUND
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Cash received from customers	\$ 1,128,557
Cash receipts from others	15,068
Payments to suppliers for goods or services	<u>(999,919)</u>
Net cash from operating activities	\$ 143,706
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of fixed assets	(407,218)
Principal paid on bonds	(1,600,000)
Interest paid on bonds	(87,619)
Collections of special assessment (principal and interest)	747,617
Grant income	24,173
Transfers in from other funds	80,000
Developer contributions of infrastructure	<u>320,000</u>
Net cash (used in) capital and related financing activities	(923,047)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on cash and cash equivalents	<u>36,244</u>
Net (decrease) in cash and cash equivalents	(743,097)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2019	<u>4,402,000</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2020	<u>\$ 3,658,903</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH	
FROM (USED IN) OPERATING ACTIVITIES	
Operating (loss)	\$ (623,522)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:	
Depreciation and amortization	\$ 874,854
Changes in assets and liabilities	
(Increase) in accounts and delinquents receivable	15,764
Decrease in prepaid expense	45,476
(Increase) in inventory	(141,176)
Increase in accounts payable	340
(Decrease) in new connections escrow	<u>(28,030)</u>
Total adjustments	<u>767,228</u>
Net cash from operating activities	<u>\$ 143,706</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

FIDUCIARY FUND
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2020

	Current	
	Tax	
ASSETS		
Cash	<u>\$ 1,075</u>	
LIABILITIES		
Due to other funds	<u>\$ 1,075</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, 2020

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 Standards, the basic financial statements include both government-wide and fund financial statements.

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

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

The government-wide Statement of Net Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net 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, 2020

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 nonmajor 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 Road Projects Fund is the Township's primary road construction fund.

The Township reports the following major enterprise fund:

- The Sewer Fund accounts for the activities associated with operating the Township's sewage system.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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, 2020

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.

In accordance with GASB standards, 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 previously maintained an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts, but with the implementation of GASB 84, this fund has been consolidated with the General Fund via the GASB 54 consolidation.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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, 2019 as revenue for the year ended March 31, 2020.

The 2019 adjusted taxable value totaled \$1,133,200,563. Taxes levied consisted of .8902 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 flow, demand deposits, money market funds 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.

M. INCOME TAXES

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FUND EQUITY

The objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type 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 on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned, and unassigned.

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed – Amounts that have been formally set aside by the Township Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- Assigned – Intent to spend resources on specific purposes expressed by the Township Board; or Supervisor, Clerk, and Treasurer; who are authorized by policy approved by the Township Board to make assignments. All current year assignments have been made by the Township Board.
- Unassigned – Amounts that do not fall into any other aforementioned category. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and had 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.

O. DEFINED PENSION BENEFIT PLAN

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. DEFERRED OUTFLOW/INFLOW OF RESOURCES

Under GASB standards, the Township will report two new sections in the Statement of Net Position (Government Wide Statements) and in the Balance Sheet (Fund Statements) which are called *deferred outflow* (previously called *assets*) and *deferred inflow* (previously called *liabilities*).

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

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

For the year ended March 31, 2020 the Township records deferred outflow of resources on the Statement of Net Position relating to pension differences from expected investment returns compared to actual, changes in experience, and contributions made subsequent to the Net Pension Liability measurement date.

Deferred inflow of resources represent an acquisition of net position that applies to a future period. The element will not be recognized as revenue until the time restriction is met. The Township has one transaction type which consist of elements considered a deferred inflow of resources listed on the balance sheets of various funds and the Statement of Net Position.

Deferred outflow of resources as of March 31, 2020 are as follows:

Deferred Outflow (Inflow) of Resources			
	Outflows	(Inflows)	Net
Differences in experience	\$ 36,931	\$	\$ 36,931
Differences in actuarial assumptions	46,135		46,135
Differences in investment expectations versus actual	4,612		4,612
Contributions subsequent to measurement date	18,353		18,353
Unavailable revenue		(1,451,604)	(1,451,604)
Totals	\$ 106,031	\$ (1,451,604)	\$ (1,345,573)

The transaction type listed as deferred inflows of resources are special assessments levied over a period of years in which the future principle collections exceeding one year are unavailable for fund accounting purposes.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) standards, 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 standards and determined not to be component units based on financial independence and accountability.

NOTE 3 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2020, were:

	Interfund Receivable		Interfund Payable
General Fund	\$ 1,075	Current Tax Collection Fund	\$ 1,075
Liquor Law Fund	17	General Fund	17
Streetlight Fund	<u>75</u>	General Fund	<u>75</u>
Total	<u>\$ 1,167</u>		<u>\$ 1,167</u>

Interfund receivables and payables were eliminated between combined funds on the fund financial statement balance sheet presentation.

There were no interfund transfers that were not eliminated between combined funds for the fiscal year ended March 31, 2020.

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2020, was as follows:

	Balance 4/1/2019	Additions	Deletions	Reclass- ifications	Balance 3/31/2020
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 715,555	\$	\$	\$	\$ 715,555
Construction in progress	<u>112,417</u>	<u>24,037</u>	<u></u>	<u>(132,514)</u>	<u>3,940</u>
Total capital assets not being depreciated	<u>827,972</u>	<u>24,037</u>	<u></u>	<u>(132,514)</u>	<u>719,495</u>
Other capital assets:					
Buildings and improvements	6,703,159			132,514	6,835,673
Vehicles and equipment	<u>513,101</u>	<u>69,018</u>	<u>(25,824)</u>	<u></u>	<u>556,295</u>
Total other capital assets at historical cost	<u>7,216,260</u>	<u>69,018</u>	<u>(25,824)</u>	<u>132,514</u>	<u>7,391,968</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,337,143)	(200,972)		(3,538,115)	
Vehicles and equipment	<u>(352,827)</u>	<u>(33,823)</u>	<u>25,824</u>	<u></u>	<u>(360,826)</u>
Total accumulated depreciation	<u>(3,689,970)</u>	<u>(234,795)</u>	<u>25,824</u>	<u></u>	<u>(3,898,941)</u>
Other capital assets, net	<u>3,526,290</u>	<u>(165,777)</u>	<u></u>	<u>132,514</u>	<u>3,493,027</u>
Governmental capital assets, net	<u>\$4,354,262</u>	<u>\$ (141,740)</u>	<u>\$</u>	<u>\$</u>	<u>\$4,212,522</u>

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

Governmental activities:

General government	\$ 151,301
Public safety	80,889
Cemetery	<u>2,605</u>
	<u>\$ 234,795</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 4 - CAPITAL ASSETS (continued)

	Balance 4/1/2019	Additions	Deletions	Balance 3/31/2020
Business-type activities:				
Capital assets not being depreciated				
Land - sewer	<u>\$ 1,395,224</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,395,224</u>
Other capital assets:				
Plant and collection system - sewer	31,001,700	407,218	(69,520)	31,339,398
Furniture and fixtures - sewer	<u>22,500</u>			<u>22,500</u>
Total other capital assets at historical cost	<u>31,024,200</u>	407,218	(69,520)	<u>31,361,898</u>
Less accumulated depreciation for:				
Plant and collection system - sewer	(14,142,849)	(874,854)	19,592	(14,998,111)
Furniture and fixtures - sewer	<u>(22,500)</u>			<u>(22,500)</u>
Total accumulated depreciation	<u>(14,165,349)</u>	(874,854)	19,592	<u>(15,020,611)</u>
Other capital assets, net	<u>16,858,851</u>	(467,636)	(49,928)	<u>16,341,287</u>
Business-type capital assets, net	<u>\$18,254,075</u>	\$ (467,636)	\$ (49,928)	17,736,511
Related long-term debt outstanding at March 31, 2020				<u>(1,705,000)</u>
Governmental capital assets, net related long-term debt				<u>\$16,031,511</u>

Depreciation was charged to functions as follows:

Business-type activities:

Sewer service \$ 874,854

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 5 - DEFINED BENEFIT PLAN

Plan Description

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

Benefits Provided

As of the December 31, 2019 actuarial valuation, the defined benefit plan was comprised of four divisions. Division 01 is for general employees hired prior to November, 2011 and is closed to new hires. Division 10 is for officials elected prior to November, 2011 and is closed to new hires. Division 11 is open to all full time general township employees hired after November 2011. Division 12 is for officials elected after November, 2011 and remains open to new hires.

For Division 01 and Division 10 the plan calls for benefits to be paid as 2.00% of the final average compensation per year of service with no benefit maximum. For Division 11 and Division 12, benefits are to be paid as 1.50% of the final average compensation per year of service with no maximum benefit. Final average compensation is calculated based on the employee's final 3 years wages for all divisions. All divisions have a plan vesting period of 6 years, with normal retirement at age 60, and early retirement with reduced benefits eligible at age 50 with 25 years of service or age 55 with 15 years of service.

Employees covered by benefit terms

At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

	<u>Division 01</u>	<u>Division 10</u>	<u>Division 11</u>	<u>Division 12</u>
Inactive employees or beneficiaries currently receiving benefits	9	2	0	0
Inactive employees entitled to but not yet receiving benefits	1	3	1	0
Active employees	<u>4</u>	<u>0</u>	<u>5</u>	<u>2</u>
	<u><u>14</u></u>	<u><u>5</u></u>	<u><u>6</u></u>	<u><u>2</u></u>

Contributions

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

The actuarially determined rates for the plan year ended March 31, 2020 were \$2,487 per month for Division 01, \$340 per month for Division 10, 1.33% of eligible wages for Division 11, and 4.49% of eligible wages for Division 12. The Township elected to make additional voluntary contributions of 4.00% of eligible wages for all divisions and required employees to contribute 5.00% of eligible wages for all divisions. In addition to the additional 4% voluntary contribution, the Township also made a one-time contribution of \$220,000.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Net Pension Liability

The Total Pension Liability used to calculate the Net Pension Liability was determined from the annual actuarial valuation as of December 31, 2019.

Actuarial assumptions

The total pension liability in the December 31, 2019 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%.

Salary Increases: 3.00% in the long term.

Investment rate of return: 7.35%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with price inflation of 2.50%.

Mortality rates used were based on the 2014 Healthy Annuitant Annuity Mortality Table, Employee Mortality Table, and Juvenile Mortality Table with a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study in 2015.

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

Asset Class	Target Allocation	Target Allocation		Long-Term Expected Real Rate of Return	
		Gross Rate of Return		=	
Global Equity	60.00%	x	7.75%	=	4.65%
Global Fixed Income	20.00%	x	3.75%	=	0.75%
Private Investments	20.00%	x	9.75%	=	1.95%
					7.35%

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flow used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2018	\$ 2,166,711	\$ 1,911,474	\$ 255,237
Changes for the year			
Service cost	56,136		56,136
Interest on total pension liability	162,645		162,645
Changes in benefits			
Difference between expected and actual experience	31,764		31,764
Changes in assumptions	61,514		61,514
Employer contributions		286,423	(286,423)
Employee contributions		30,178	(30,178)
Net investment income		262,728	(262,728)
Benefit payments, including employee refunds	(110,008)	(110,008)	
Administrative expense		(4,518)	4,518
Other changes	8,536		8,536
Net changes	210,587	464,803	(254,216)
Balance at 12/31/2019	\$ 2,377,298	\$ 2,376,277	\$ 1,021

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

NOTE 5 - DEFINED BENEFIT PLAN (continued)

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

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% point lower (6.60%) or 1% higher (8.60%) than the current rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.60%	7.60%	8.60%
Net Pension Liability at 12/31/2019	\$ 1,021	\$ 1,021	\$ 1,021
Change in Net Pension Liability (NPL) from change in discount rate	<u>282,467</u>	<u></u>	<u>(239,290)</u>
Calculated NPL	<u><u>\$ 283,488</u></u>	<u><u>\$ 1,021</u></u>	<u><u>\$ (238,269)</u></u>

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

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

For the fiscal year ended March 31, 2020, the Township recognized pension expense of \$117,809. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Totals
Deferred outflows (inflows) to be amortized			
Differences in experience	\$ 36,931	\$	\$ 36,931
Differences in assumptions	46,135	\$	46,135
Excess (Deficit) of Investment Returns	<u>4,612</u>	<u></u>	<u>4,612</u>
Total deferred outflows (inflows) to be amortized	87,678		87,678
Contributions subsequent to the measurement date	<u>18,353</u>	<u></u>	<u>18,353</u>
Totals	<u>\$ 106,031</u>	<u>\$</u>	<u>\$ 106,031</u>

The amount reported as deferred outflow of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending March 31, 2021.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Pension Expense and Deferred Outflow/Inflow of Resources Related to Pension (continued)

Amounts reported as deferred outflow and inflow of resources related to other pension activities will be amortized as part of pension expense as follows:

Year Ended March 31,	Expense
2020	\$ 32,239
2021	29,369
2022	48,023
2023	(21,953)
Total	\$ 87,678

NOTE 6 - 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 between 1% and 10% of compensation. Annual compensation used to determine the current year contribution is as of April 1 of the preceding the year. Contribution information is as follows:

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS \$ 10,724

Effective April 1, 2009 the Township adopted a MERS Uniform Defined Contribution Program. Beginning April 1, 2018, the Township contributes 10% of compensation and employees contribute 6% of compensation. The manager is the only participant in this program.

TOTAL CURRENT YEAR CONTRIBUTIONS \$ 10,999

NOTE 7 - 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 VOYA Financial.

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.

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

NOTE 8 - LONG-TERM 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:

Purpose	Issuance Amount	Principal Installments	Final Maturity	Interest Rates	Debt Outstanding
Business-type activities:					
Livingston County Drain Commission					
Spencer Extension, 2005	\$ 760,000	\$ 35,000 — \$ 40,000	5/1/2024	3.50 — 5.00%	\$ 190,000
Livingston County Drain Commission					
Sewer Refunding, 2015	\$ 7,900,000	\$ 1,515,000 — \$ 1,625,000	10/1/2020	2.00 — 5.00%	<u>1,515,000</u>
Total contracts payable outstanding					
					<u>\$ 1,705,000</u>

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

Year Ending March 31	Business-type Activities	
	Principal	Interest
2021	\$ 1,555,000	\$ 38,780
2022	35,000	6,625
2023	40,000	4,750
2024	40,000	2,750
2025	35,000	875
	<u>\$ 1,705,000</u>	<u>\$ 53,780</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 8 - LONG-TERM OBLIGATIONS (continued)

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, 2020, the future monitoring costs to be borne by the Township were paid in full. However, the Township has determined that the remediation is not complete. The expected amount to be spent in future years is not exactly known, but the Township has elected to set aside a significant portion of its fund balance as restricted to deal with the remaining remediation procedures.

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, 2020:

	Balance 4/1/2019			Balance 3/31/2020	Due Within One Year
Governmental activities:					
Accumulated compensated absences	\$ 34,548	\$ 15,700	\$	\$ 50,248	\$ 50,248
Business-type activities:					
Contracts payable	3,305,000		(1,600,000)	1,705,000	1,555,000
Total long-term liabilities	\$ 3,339,548	\$ 15,700	\$ (1,600,000)	\$ 1,755,248	\$ 1,605,248

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 9 - 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.

As of March 31, 2020, cash, cash equivalents and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 2,213,095	\$ 2,213,095	\$
Money market and savings accounts	15,951,483	15,951,483	
Non-negotiable CDs	1,521,533		1,521,533
Total deposits	19,686,111	18,164,578	1,521,533
Investments			
External investment pool	500,237		500,237
Total deposits and investments	\$ 20,186,348	\$ 18,164,578	\$ 2,021,770

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

Statement of Net Position

Cash, cash equivalents, and investments	\$ 20,040,579
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Fiduciary Funds

Cash	1,075
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Total cash, cash equivalents and investments	\$ 20,041,654
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The difference between the carrying amount of cash and the amount mentioned above stems from outstanding items and accrued interest as of March 31, 2020.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

Custodial Credit Risk

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

As of March 31, 2020 deposits in banks totaled \$18,164,578, which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 750,000
Uninsured and collateralized	11,838,408
Uninsured and uncollateralized	<u>5,576,170</u>
	<u>\$ 18,164,578</u>

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.

As of March 31, 2020 investments totaled \$2,021,770, which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 1,500,000
Uninsured and uncollateralized	<u>521,770</u>
	<u>\$ 2,021,770</u>

The investments in external investment pools are not issued in securities form and therefore not subject to custodial credit risk disclosures. Amount invested in an external investment pool is \$500,237 as of March 31, 2020.

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.

Investments in external investment pools are not subject to concentration of credit risk.

Investment Type	Issuer	Percent of Portfolio
Non-negotiable Certificate of Deposit	CIBC	13%
Non-negotiable Certificate of Deposit	Oxford	13%
Non-negotiable Certificate of Deposit	State Bank	12%
Non-negotiable Certificate of Deposit	First National Bank	13%
Non-negotiable Certificate of Deposit	Old National Bank	12%
Non-negotiable Certificate of Deposit	Chemical Bank	13%

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

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, 2020 the Township had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (In-Years)	
		< 1	1-3
Non-negotiable Certificates of Deposit	\$ 1,521,533	\$ 502,883	\$ 1,018,650
Total	\$ 1,521,533	\$ 502,883	\$ 1,018,650

The Township's investment in the MBIA Investment Pool meets the definition of a 2a7-like pool and is therefore not subject to disclosures of interest rate risk. Investment in the MBIA Investment Pool at March 31, 2020 is \$500,237.

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, 2020, the Township's investments were exposed to credit risk as follows:

Investment Type	Rating by Standard & Poor	Amount
MBIA Investment Pool	AAA / M	\$ 500,237
Non-negotiable Certificates of Deposit	Unrated	<u>\$ 1,521,533</u>
		<u>\$ 2,021,770</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

NOTE 10 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

	<u>3/31/2020</u>
Operating revenues	\$ 1,127,861
Depreciation and amortization	874,854
Operating (loss)	(623,522)
Net working capital	709,941
Total assets	22,124,010
Reserved retained earnings	19,502,799
Unreserved retained earnings	709,941
Total fund equity	20,212,740

NOTE 11 - STATEMENT OF CASH FLOW - ENTERPRISE FUNDS

Pursuant to the Governmental Accounting Standards Board (GASB) standards, a statement of cash flow is presented. The purpose of the statement of cash flow 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 flow from operations. The following summarizes beginning and ending cash and cash equivalents:

	<u>April 1, 2019</u>	<u>March 31, 2020</u>
Cash and cash equivalents	<u>\$ 4,402,000</u>	<u>\$ 3,658,903</u>

NOTE 12 - 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 13 - TAX ABATEMENT

In 2010 the Township entered into a property tax abatement agreement with American Compounding Specialists LLC for new building construction and/or improvements and investment in machinery and equipment for the purpose of encouraging the growth of business and the creation of new jobs or retention of existing jobs, pursuant to Michigan Public Act 198 of 1974, as amended. Under the Act, localities may grant property tax abatements to new industrial facilities. The agreement began in 2011 and granted a 12-year tax exemption. For the fiscal year ended March 31, 2020, the Township abated property taxes totaling \$6,588. The Township's portion of this amount is \$294.

The Township has not made any commitments as part of the agreement other than to reduce taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities.

Note: Taxes stated above are for all taxing authorities (schools, libraries, townships, county, etc.).

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 14 - INVESTMENTS IN JOINT VENTURE

As of March 31, 2020, the Township has investments in four joint ventures. These joint ventures are described as follows:

Fonda, Island & Briggs Lake Joint Water Authority

The Charter Township of Brighton is a member of the Fonda, Island & Briggs Lake Joint Water Authority, (hereinafter "Authority"). The Authority pursuant to the provisions of Act 196, Public Acts of 1952. The system was constructed by the State of Michigan at no cost to the users with the expense after construction to be incurred by the users.

The Charter Township of Brighton does not hold an equity interest in this joint venture, but maintains joint control and may experience an ongoing financial responsibility in the joint venture.

The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements for Fonda, Island & Briggs Lake Joint Water Authority can be obtained from the administrative offices of the Authority, at 11510 Grand River, Brighton, MI 48116.

Livingston Community Water Authority

The Charter Township of Brighton is a member of the Livingston Community Water Authority (hereinafter "LCWA"). LCWA was established under Act No. 233, Public Acts of Michigan on June 23, 2000. The Authority was formed to acquire, own, improve, enlarge, extend, operate, maintain and administer water supply systems to residents of the member communities.

The Charter Township of Brighton holds a 22.77% share of the equity in this joint venture, which amounted to \$4,147,452 as of March 31, 2020. The amount is recorded in the government-wide Statement of Net Position as investments in joint ventures.

The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements for LCWA can be obtained from the administrative offices of the Authority, at 10001 Silver Lake Road, Brighton, MI 48116.

Selected financial information of Livingston Community Water Authority as of, and for, the fiscal year ended December 31, 2019 (the date financial information was last available) is as follows:

Total assets	\$ 18,250,545
Total liabilities	\$ 36,000
Total net assets	\$ 18,214,545
Total revenues	\$ 1,347,971
Total expenditures	\$ 975,179

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 14 - INVESTMENTS IN JOINT VENTURE (continued)

Southeastern Livingston County Recreation Authority

The Charter Township of Brighton is a member of the Southeastern Livingston County Recreation Authority (hereinafter "Authority). The Authority was jointly incorporated by the City of Brighton, Charter Township of Brighton, Charter Township of Genoa and Green Oak Charter Township in 2002 under provisions of Public Act 321. The Authority was formed to provide recreational services to the respective communities.

The City of Brighton and Charter Township of Genoa have since withdrawn from the Authority in 2015. The Charter Township of Brighton does not hold an equity interest in the joint venture, but maintains joint control and ongoing financial responsibility in the Authority.

Complete financial statements for SELCRA can be obtained from the administrative offices of the Authority, at 125 S. Church St., Brighton, MI 48116.

Brighton Area Fire Authority

The Charter Township of Brighton is a member of the Brighton Area Fire Authority (hereinafter "Fire Authority"). The Fire Authority was incorporated by the City of Brighton and the Charter Townships of Brighton and Genoa. The Fire Authority was formed for the purpose of providing fire protection and safety services to the residents of its incorporating members. The Fire Authority operations are funded through a voter approved millage. The Charter Township of Brighton holds a 1/3 share of the equity in this joint venture, which amounted to \$2,749,916 as of March 31, 2020. This amount is recorded in the government-wide Statement of Net Position as total investments in joint ventures.

The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements for the Fire Authority can be obtained from the administrative offices of the Fire Authority at 615 W. Grand River Ave., Brighton, Michigan 48116. Selected financial information of the Fire Authority as of and for the fiscal year ended June 30, 2019 (the date financial information was last available) is as follows:

Total assets	\$	8,763,186
Total liabilities	\$	513,438
Total net assets	\$	8,249,748
Total revenues	\$	4,257,775
Total expenditures	\$	4,007,262

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 15 - IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

During May, 2014, the FASB issued "Accounting Standards Update" (ASU) 2014-09, "Revenue from Contracts with Customers" (Topic 606). ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. During August, 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09. ASU 2014-09 is effective for fiscal years beginning after December 15, 2018. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect reorganized as of the date of initial application. The aforementioned ASU's are codified as "Accounting Standards Codification" (ASC) Topic 606 "Revenue from Contracts with Customers."

Under ASU 2014-09, revenue is recorded when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Township has satisfied the applicable performance obligation(s). The expenses that are directly related to such transactions are recorded as incurred and presented within operating expenses. Revenue associated with the reimbursement of such expenses is recorded when the Township is contractually entitled to the reimbursement.

The Governmental Accounting Standards Board (GASB) issued Standard No. 84 "Fiduciary Activities" to establish criteria for identifying fiduciary activities for all state and local governments. Activities meeting the criteria for a fiduciary activity should be presented in a separate statement of fiduciary net position and statement of changes in fiduciary net position. The standard establishes four types of fiduciary funds: pension and other employment benefit trust funds, investment trust funds, private purpose trust funds, and custodial funds.

The Township adopted both of these standards on April 1, 2019. For the fiscal year ended March 31, 2020, the Township has determined this had no material impact on the financial statements.

As a result of implementing GASB 84, the Township has determined that previously reported trust and agency funds (the Trust and Agency Fund and the Construction Escrow Fund) will now be combined with the General Fund. Construction Escrow Fund activities have been recognized as Township source revenues and expenditures, totaling \$113,688. The remaining balances have been recognized as unearned revenues.

NOTE 16 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 20, 2020, which is the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) as a global health pandemic and recommended containment and mitigation measures worldwide. The State of Michigan implemented the Stay Home, Stay Safe initiative on March 23, 2020, in which non-essential businesses were ordered to close and residents encouraged to stay home.

The Township is assessing the impact of this pandemic and the subsequent containment measures but believes the response could lead to a decrease in property tax collections, reduction in state revenue sharing and investment earnings. Additionally, the Township has a defined benefit pension plan, which is largely impacted by estimated rates of investment returns. Volatility in the global stock market could result in actual investment returns lower than assumed rates, which could impact the net pension liability and annual required plan contribution rates. Management has determined that the Township does not have any other material recognizable or non-recognizable events.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 17 - UPCOMING GASB PRONOUNCEMENTS

GASB 87 - LEASES

The Governmental Accounting Standards Board (GASB) issued GASB Standard No. 87, Leases to improve the accounting and financial reporting of leases by governments. This standard requires the recognition of lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows and outflows of resources based on the payment provisions of the contract. This standard will require a lessee to recognize a lease liability and right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources.

The standard was originally required to be implemented for the statements for the year ended March 31, 2021. However, the Governmental Accounting Standards Board released GASB Standard No. 95, extending the implementation date of this standard by 18 months, requiring the standard to be implemented for the Township's statements for the year ended March 31, 2023.

GASB 89 - ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD

The Governmental Accounting Standards Board (GASB) issued GASB Standard No. 89 to establish accounting requirements for interest costs that are incurred before the end of a construction period. This standard will require interest costs incurred before the end of a construction period to be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As such, the interest will no longer be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard should be applied prospectively.

The standard was originally required to be implemented for the statements for the year ended March 31, 2021. The Governmental Accounting Standards Board released GASB Standard No. 95 extending the implementation date of this standard by 12 months, requiring the standard to be implemented for the Township's statements for the year ended March 31, 2022.

OTHER GASB STANDARDS

In addition to the above Standards, GASB has issued Standards No. 88, 90, 91, 92, 93, and 94. The Township has considered these standards and determined that they will not have any material impact on the Township's financial statements.

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, 2020

	Budget Amount			Variance with Final Budget
	Original	Final	Actual	
				Favorable (Unfavorable)
REVENUES				
Taxes	\$ 990,870	\$ 990,870	\$ 1,007,586	\$ 16,716
Connection fees	102,600	102,600	1,282,500	1,179,900
Special assessments				356
Licenses and permits	14,770	14,770	14,580	(190)
Intergovernmental - state	1,614,994	1,614,994	1,763,635	148,641
Rental income	229,690	229,690	235,929	6,239
Franchise fees	350,000	350,000	335,282	(14,718)
Charges for services	362,920	724,910	550,194	(174,716)
Interest	44,200	44,200	175,983	131,783
Reimbursements	37,500	37,500	81,556	44,056
Miscellaneous	1,804,466	1,804,466	21,594	(1,782,872)
Total revenues	5,552,010	5,914,000	5,469,195	(444,805)
EXPENDITURES				
General government	2,652,030	3,221,994	2,376,535	845,459
Parks and recreation	154,000	154,000	154,000	
Public safety	111,650	111,650	15,956	95,694
Road improvement	3,357,000	3,357,000	562,897	2,794,103
Cemetery	40,000	40,000	9,995	30,005
Public works	219,600	167,964	93,479	74,485
Total expenditures	6,534,280	7,052,608	3,212,862	3,839,746
Excess of revenues over (under) expenditures	(982,270)	(1,138,608)	2,256,333	3,394,941
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(4,000)	(87,060)	(80,000)	7,060
Net change in fund balance	(986,270)	(1,225,668)	2,176,333	3,402,001
FUND BALANCE, APRIL 1, 2019	12,045,787	12,045,787	12,045,787	
FUND BALANCE, MARCH 31, 2020	\$ 11,059,517	\$ 10,820,119	\$ 14,222,120	\$ 3,402,001

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, 2020

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Special assessments	\$ 179,720	\$ 179,720	\$ 268,669	\$ 88,949
Interest			3,026	3,026
Total revenues	179,720	179,720	271,695	91,975
EXPENDITURES				
Public works		2,000	1,161	839
Net change in fund balance	179,720	177,720	270,534	91,136
FUND BALANCE, APRIL 1, 2019	207,266	207,266	207,266	
FUND BALANCE, MARCH 31, 2020	\$ 386,986	\$ 384,986	\$ 477,800	\$ 91,136

CHARTER TOWNSHIP OF BRIGHTON

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2020**

Schedule of Employer Contributions

	For the Plan Year Ended				
	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actuarial determined contributions	\$ 38,134	\$ 21,280	\$ 32,558	\$ 9,179	\$ 6,376
Contributions in relation to the actuarial determined contribution	286,423	149,984	58,991	29,226	23,021
Contribution (deficiency) excess	<u>\$ 248,289</u>	<u>\$ 128,704</u>	<u>\$ 26,433</u>	<u>\$ 20,047</u>	<u>\$ 16,645</u>
Covered employee payroll	<u>\$ 600,806</u>	<u>\$ 511,739</u>	<u>\$ 523,920</u>	<u>\$ 511,727</u>	<u>\$ 457,995</u>
Contributions as a percentage of covered payroll	<u>47.67%</u>	<u>29.31%</u>	<u>11.26%</u>	<u>5.71%</u>	<u>5.03%</u>

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

Notes to the Schedule of Employer Contributions (All divisions)

Actuarial cost method	Entry age
Amortization method	Layered by division
Remaining amortization period	Division 01: Initial UAL - 23 years, 2016 (Gain)/Loss - 22 years, Division 10: Initial UAL - 10 years, (Gain)/Loss - 15 years Division 11: Initial UAL - 10 years, (Gain)/Loss - 15 years Division 12: (Gain)/Loss - 15 years
Asset valuation method	5 year smoothing
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement age	Age 60. Early retirement with reduced benefits at age 50 with 25 years of
Mortality	50% Female/50% Male, based on the 2014 Healthy Annuitant Annuity Mortality Table, Employee Mortality Table, and Juvenile Mortality Table.

UAL = Unfunded Accrued Liability

Previous Actuarial Methods and Assumptions

A seven-year smoothed asset valuation method was used for the time period of 2005 through 2013, and a 10-year smoothed asset valuation method was used through 2015. The Investment Rate of Return Assumption was previously assumed to be 7.75%. The assumed salary inflation decreased from 3.75% to 3.00%.

CHARTER TOWNSHIP OF BRIGHTON

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED MARCH 31, 2020

	For the Plan Year Ended				
	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
TOTAL PENSION LIABILITY					
Service cost	\$ 56,136	\$ 47,103	\$ 51,344	\$ 44,499	\$ 44,302
Interest	162,645	160,076	152,671	144,760	129,220
Changes in benefit terms					
Differences between expected and actual experience	31,764	35,737	4,783	18,428	78,534
Changes of assumptions	61,514				90,409
Benefit payments, including refunds of employee contributions	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Other changes	8,536	23	(3)	(1)	
Net change in total pension liability	210,587	135,124	88,975	103,038	248,386
TOTAL PENSION LIABILITY - BEGINNING	2,166,711	2,031,587	1,942,612	1,839,574	1,591,188
TOTAL PENSION LIABILITY - ENDING	<u>\$ 2,377,298</u>	<u>\$ 2,166,711</u>	<u>\$ 2,031,587</u>	<u>\$ 1,942,612</u>	<u>\$ 1,839,574</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 286,423	\$ 149,984	\$ 58,993	\$ 29,226	\$ 22,801
Contributions - employee	30,178	28,415	26,196	25,058	23,570
Net investment income	262,728	(76,897)	230,111	181,169	(25,009)
Benefit payments, including refunds of employee contributions	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Administrative expenses	(4,518)	(3,738)	(3,639)	(3,578)	(3,660)
Net change in plan fiduciary net position	464,803	(10,051)	191,841	127,227	(76,377)
PLAN FIDUCIARY NET POSITION, BEGINNING	1,911,474	1,921,525	1,729,684	1,602,457	1,678,834
PLAN FIDUCIARY NET POSITION, ENDING	<u>\$ 2,376,277</u>	<u>\$ 1,911,474</u>	<u>\$ 1,921,525</u>	<u>\$ 1,729,684</u>	<u>\$ 1,602,457</u>
NET PENSION LIABILITY					
(TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)	<u>\$ 1,021</u>	<u>\$ 255,237</u>	<u>\$ 110,062</u>	<u>\$ 212,928</u>	<u>\$ 237,117</u>
Plan fiduciary net position as a percentage of the total pension liability	99.96%	88.22%	94.58%	89.04%	87.11%
Covered employee payroll	\$ 600,806	\$ 511,739	\$ 523,920	\$ 511,727	\$ 457,995
Net pension liability as a percentage of covered employee payroll	0.17%	49.88%	21.01%	41.61%	51.77%

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

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

FUNDS INCLUDED IN GASB 54 CONSOLIDATION
COMBINING BALANCE SHEETS
MARCH 31, 2020

	General Fund	Parks Fund	Cemetery Fund	Budget Stabilization Fund	Trust and Agency Fund	Pathway Fund	Future Road Improvement Fund	Construction Escrow Fund	Restated General Fund	
ASSETS										
Cash, cash equivalents and investments	\$ 7,332,906	\$ 1,109,797	\$ 113,931	\$ 285,581	\$ 63,541	\$ 417,499	\$ 4,526,977	\$ 422,287	\$ 14,272,519	
Receivables:										
Taxes	49,669								49,669	
Special assessments	42,476								42,476	
State shared revenues	301,620								301,620	
Accounts	83,410								83,410	
Due from other funds	1,285							(210)	1,075	
Prepaid expenditures	61,474								61,474	
Total assets	\$ 7,872,840	\$ 1,109,797	\$ 113,931	\$ 285,581	\$ 63,541	\$ 417,499	\$ 4,526,977	\$ 422,287	\$ (210)	\$ 14,812,243
LIABILITIES										
Accounts payable	\$ 81,395	\$	\$	\$	\$	\$	\$	\$	\$ 81,395	
Accrued wages and vacation	23,018								23,018	
Due to others					63,438				63,438	
Due to other funds	92				103			107	(210)	92
Unearned revenue								422,180		422,180
Total liabilities	104,505				63,541			422,287	(210)	590,123
FUND BALANCE										
Nonspendable	61,474								61,474	
Committed										
Roads							519,745		519,745	
Parks and recreation	1,109,797					417,499			1,527,296	
Cemetery			113,931						113,931	
Assigned										
Township board	2,466,360								2,466,360	
Future budget obligation							4,007,232		4,007,232	
Unassigned	5,240,501			285,581					5,526,082	
Total fund balance	7,768,335	1,109,797	113,931	285,581		417,499	4,526,977		14,222,120	
Total liabilities and fund balance	\$ 7,872,840	\$ 1,109,797	\$ 113,931	\$ 285,581	\$ 63,541	\$ 417,499	\$ 4,526,977	\$ 422,287	\$ (210)	\$ 14,812,243

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2020

	SPECIAL REVENUE FUNDS					CAPITAL		
	Liquor Law	SAD Road Maintenance	Streetlights	Municipal Refuse	Aquatics	PROJECTS FUND	Municipal Water	Totals
ASSETS								
Cash, cash equivalents and investments	\$ 49,371	\$ 100,162	\$	\$ 66,667	\$ 153,775	\$ 1,267,254	\$ 1,637,229	
Receivables:								
Special assessments			20,364			96,957	117,321	
Accounts		2,420		3,958	4,380	273	11,031	
Due from other funds	17		75				92	
Prepaid expenses	131							131
Total assets	\$ 49,519	\$ 102,582	\$ 20,439	\$ 70,625	\$ 158,155	\$ 1,364,484	\$ 1,765,804	
LIABILITIES								
Accounts payable	\$ 12	\$ 921	\$ 1,714	\$	\$	\$ 4,000	\$ 6,647	
Accrued wages	148						148	
Total liabilities	160	921	1,714			4,000	6,795	
FUND BALANCE								
Non-spendable		131						131
Restricted								
Public safety		49,228					49,228	
Roads			(4,199)				(4,199)	
Public works				18,725	24,278	925	1,360,484	1,404,412
Assigned		105,860		46,347	157,230			309,437
Total fund balance	49,359	101,661	18,725	70,625	158,155	1,360,484	1,759,009	
Total liabilities and fund balance	\$ 49,519	\$ 102,582	\$ 20,439	\$ 70,625	\$ 158,155	\$ 1,364,484	\$ 1,765,804	

CHARTER TOWNSHIP OF BRIGHTON

FUNDS INCLUDED IN GASB 54 CONSOLIDATION
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED MARCH 31, 2020

	General Fund	Parks Fund	Cemetery Fund	Budget Stabilization Fund	Pathway Fund	Future Road Improvement Fund	Construction Escrow Fund	Restated General Fund
							Eliminations	
REVENUES								
Taxes	\$ 1,007,586	\$	\$	\$	\$	\$	\$	\$ 1,007,586
Connection fees	1,282,500							1,282,500
Special assessments	356							356
Licenses and permits	14,580							14,580
Intergovernmental - state	1,763,635							1,763,635
Rental income	235,929							235,929
Franchise fees	335,282							335,282
Charges for services	436,506					113,688		550,194
Interest	120,052	11,396	1,046	2,784	3,429	37,276		175,983
Reimbursements	81,556							81,556
Miscellaneous	18,394				3,200			21,594
Total revenues	5,296,376	11,396	1,046	2,784	3,429	40,476	113,688	5,469,195
EXPENDITURES								
Current:								
General government	2,169,792					113,688		2,283,480
Parks and recreation	154,000							154,000
Public safety	15,956							15,956
Road improvements	150,875				412,022			562,897
Cemetery	9,995							9,995
Public works	93,479							93,479
Capital outlay:								
General government	93,055							93,055
Total expenditures	2,687,152				412,022	113,688		3,212,862
Excess of revenues over (under) expenditures	2,609,224	11,396	1,046	2,784	3,429	(371,546)		2,256,333
OTHER FINANCING SOURCES (USES)								
Transfers in		50,000	10,000		100,000	1,380,000	(1,540,000)	
Transfers (out)	(1,620,000)						1,540,000	(80,000)
Total other financing sources (uses)	(1,620,000)	50,000	10,000		100,000	1,380,000		(80,000)
Net change in fund balances	989,224	61,396	11,046	2,784	103,429	1,008,454		2,176,333
FUND BALANCE, APRIL 1, 2019	6,779,111	1,048,401	102,885	282,797	314,070	3,518,523		12,045,787
FUND BALANCE, MARCH 31, 2020	\$ 7,768,335	\$ 1,109,797	\$ 113,931	\$ 285,581	\$ 417,499	\$ 4,526,977	\$	\$ 14,222,120

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2020

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	
	Liquor Law	SAD Road Maintenance	Streetlights	Municipal Refuse	SAD Aquatics	Municipal Water	Totals
REVENUES							
Connection fees	\$	\$	\$	\$	\$	\$	\$
Special assessments		54,165	20,660	76,240	119,792	2,090	272,947
Licenses and permits	9,744						9,744
Interest	487	709		405	763	12,231	14,595
Miscellaneous					3	100	103
Total revenues	10,231	54,874	20,660	76,645	120,558	176,161	459,129
EXPENDITURES							
Current							
Public safety	8,747						8,747
Road improvements		44,451					44,451
Public works			18,158	75,190	61,703	15,500	170,551
Total expenditures	8,747	44,451	18,158	75,190	61,703	15,500	223,749
Net changes in fund balances	1,484	10,423	2,502	1,455	58,855	160,661	235,380
FUND BALANCE, APRIL 1, 2019	47,875	91,238	16,223	69,170	99,300	1,199,823	1,523,629
FUND BALANCE, MARCH 31, 2020	\$ 49,359	\$ 101,661	\$ 18,725	\$ 70,625	\$ 158,155	\$ 1,360,484	\$ 1,759,009

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, 2020

ASSETS

Cash, cash equivalents and investments	\$ 7,332,906
Receivables:	
Taxes	49,669
Special assessments	42,476
State shared revenues	301,620
Accounts	83,410
Due from other funds	1,285
Prepaid expenditures	<u>61,474</u>
Total assets	<u>\$ 7,872,840</u>

LIABILITIES

Accounts payable	\$ 81,395
Accrued wages and vacation	23,018
Due to other funds	<u>92</u>
Total liabilities	\$ 104,505

FUND BALANCE

Nonspendable - prepaid	61,474
Assigned - Township board	2,466,360
Unassigned	<u>5,240,501</u>
Total fund balance	<u>7,768,335</u>
Total liabilities and fund balance	<u>\$ 7,872,840</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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 990,870	\$ 1,007,586	\$ 16,716
Connection fees	102,600	1,282,500	1,179,900
Special assessments		356	356
Licenses and permits	14,770	14,580	(190)
Intergovernmental - state	1,614,994	1,763,635	148,641
Rental income	229,690	235,929	6,239
Franchise fees	350,000	335,282	(14,718)
Charges for services	362,920	436,506	73,586
Interest	36,500	120,052	83,552
Reimbursements	37,500	81,556	44,056
Miscellaneous	<u>7,466</u>	<u>18,394</u>	<u>10,928</u>
Total revenues	3,747,310	5,296,376	1,549,066
EXPENDITURES			
	<u>3,513,618</u>	<u>2,687,152</u>	<u>826,466</u>
Excess of revenues over (under) expenditures	233,692	2,609,224	2,375,532
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(1,622,000)</u>	<u>(1,620,000)</u>	<u>2,000</u>
Net change in fund balance	(1,388,308)	989,224	2,377,532
FUND BALANCE, APRIL 1, 2019	<u>6,779,111</u>	<u>6,779,111</u>	<u> </u>
FUND BALANCE, MARCH 31, 2020	<u>\$ 5,390,803</u>	<u>\$ 7,768,335</u>	<u>\$ 2,377,532</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 REVENUES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2020

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TAXES			
Current property taxes	\$	\$ 1,007,278	\$
Penalties/interest - delinquent taxes		26	
Trailer park fees		282	
Total taxes	<u>990,870</u>	<u>1,007,586</u>	<u>16,716</u>
CONNECTION FEES	<u>102,600</u>	<u>1,282,500</u>	<u>1,179,900</u>
SPECIAL ASSESSMENTS		<u>356</u>	<u>356</u>
LICENSES AND PERMITS	<u>14,770</u>	<u>14,580</u>	<u>(190)</u>
INTERGOVERNMENTAL - STATE			
State shared revenue		1,656,691	
Personal property tax reimbursement		92,744	
Right of way revenues		14,200	
Total state revenue	<u>1,614,994</u>	<u>1,763,635</u>	<u>148,641</u>
RENTAL INCOME	<u>229,690</u>	<u>235,929</u>	<u>6,239</u>
FRANCHISE FEES	<u>350,000</u>	<u>335,282</u>	<u>(14,718)</u>
CHARGES FOR SERVICES			
Property tax administration fee		347,338	
Planning and zoning fees		73,768	
Dog licenses		410	
Other charges for services		14,990	
Total charges for services	<u>362,920</u>	<u>436,506</u>	<u>73,586</u>
INTEREST	<u>36,500</u>	<u>120,052</u>	<u>83,552</u>
REIMBURSEMENTS	<u>37,500</u>	<u>81,556</u>	<u>44,056</u>
MISCELLANEOUS			
Utilities administration fee		4,800	
Other revenue		13,594	
Total miscellaneous	<u>7,466</u>	<u>18,394</u>	<u>10,928</u>
Total revenues	<u>\$ 3,747,310</u>	<u>\$ 5,296,376</u>	<u>\$ 1,549,066</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, 2020**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Wages, salaries and per diems	\$	\$ 30,561	\$
Ordinance codification		1,150	
Printing and publishing		10,185	
Payroll taxes		2,324	
Insurance - benefits		206	
Insurance - liability		40	
Pension		7,724	
Supplies		133	
Consulting		12,386	
Engineering services		4,842	
Education/travel		1,781	
Dues		9,611	
Total township board	127,355	80,943	46,412
SUPERVISOR			
Wages, salaries and per diems		31,606	
Pension		3,173	
Payroll taxes		2,418	
Insurance - benefits		62	
Insurance - liability		40	
Total supervisor	40,994	37,299	3,695
MANAGER			
Wages, salaries and per diems		110,827	
Wages, salaries and per diems - clerical		77,379	
Insurance - benefits		13,004	
Insurance - liability		430	
Pension		15,086	
Payroll taxes		14,525	
Education/travel		2,266	
Dues		2,150	
Supplies		54	
Postage		538	
Capital outlay		516	
Total manager	272,339	236,775	35,564

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, 2020**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
ELECTIONS			
Wages, salaries and per diems - Clerk	13,534		
Wages, salaries and per diems - Deputy Officials	36,742		
Election workers	23,346		
Pension	1,751		
Payroll taxes	3,846		
Insurance - benefits	6,989		
Insurance - liability	116		
Accuracy consulting	12,589		
Education /travel	103		
Printing and publishing	202		
Supplies	8,641		
Postage	6,100		
Equipment maintenance and repair	1,007		
Dues	326		
Capital outlay	423		
 Total elections	 138,243	 115,715	 22,528
 ASSESSOR			
Wages, salaries and per diems	166,287		
Pension	15,459		
Payroll taxes	12,623		
Insurance - benefits	49,758		
Insurance - liability	685		
Education and travel	3,470		
Supplies	1,193		
Postage	4,114		
Dues	1,209		
Printing and publishing	1,865		
Capital outlay	1,503		
 Total assessor	 270,893	 258,166	 12,727

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, 2020**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
CLERK			
Wages, salaries and per diems - Clerk	53,820		
Wages, salaries and per diems - Deputy Clerk	15,744		
Wages, salaries and per diems - other	92,097		
Pension	14,651		
Payroll taxes	12,210		
Insurance - benefits	61,891		
Insurance - liability	320		
Postage	598		
Small equipment	75		
Professional fees	9,320		
Supplies	900		
Education/travel	2,089		
Newsletter	3,780		
Dues	781		
Record retention	848		
Capital outlay	423		
 Total clerk	 295,871	 269,547	 26,324
 TREASURER			
Wages, salaries and per diems - Treasurer	67,354		
Wages, salaries and per diems - Deputy Treasurer	56,414		
Wages, salaries and per diems - other	38,120		
Pension	16,307		
Payroll taxes	12,518		
Insurance - benefits	37,588		
Insurance - liability	303		
Professional fees	9,320		
Supplies	1,542		
Tax forms	3,855		
Postage	8,466		
Education/travel	3,315		
Dues	235		
Capital outlay	464		
 Total treasurer	 265,445	 255,801	 9,644

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, 2020**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
SEWER AND WATER			
Per diems		1,125	
Professional fees		11,243	
Total sewer and water	53,864	12,368	41,496
ROADS	180,000	150,875	29,125
OTHER CHARGES AND SERVICES			
Insurance - liability		29,035	
Pension expense		224,080	
Contracted services		21,394	
Computer support		16,446	
Legal fees		133,413	
Telephone		3,823	
Lease - MSP		137,484	
Equipment repair		8,195	
Equipment rental		1,652	
Fuel		683	
Capital outlay		78,098	
Total other charges and services	822,980	654,303	168,677
PLANNING			
Wages, salaries and per diems		69,911	
Pension		9,446	
Payroll taxes		4,716	
Insurance - benefits		20,219	
Insurance - liability		288	
Supplies		394	
Postage		368	
Special projects		23,934	
Engineering services		45,626	
Dues		60	
Printing and publishing		3,315	
Education/travel		487	
Capital outlay		997	
Total planning	233,409	179,761	53,648

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, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP HALL/GROUNDS			
Wages, salaries and per diems	1,705		
Cleaning maintenance	1,913		
Supplies	6,854		
Payroll taxes	131		
Insurance - liability	77		
Street lighting	9,592		
Building maintenance and repairs	38,260		
Equipment maintenance and repairs	8,423		
Grounds maintenance and repairs	25,967		
Utilities	14,224		
Tax chargebacks	214		
Capital outlay	50,353		
Other	2,220		
Total township hall/grounds	<u>369,690</u>	<u>159,933</u>	<u>209,757</u>
CEMETERY			
	<u>40,000</u>	<u>9,995</u>	<u>30,005</u>
FIRE PROTECTION			
Contracted services	6,071		
Utilities	1,547		
Building maintenance and repair	420		
Grounds maintenance and repair	177		
Capital improvements	7,741		
Total fire protection	<u>111,650</u>	<u>15,956</u>	<u>95,694</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, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EMERGENCY PREPAREDNESS	<u>5,500</u>	<u>3,513</u>	<u>1,987</u>
ENVIRONMENTAL	<u>73,500</u>	<u>57,921</u>	<u>15,579</u>
MUNICIPAL REFUSE COLLECTION	<u>21,500</u>	<u>12,336</u>	<u>9,164</u>
PARKS AND RECREATION	<u>154,000</u>	<u>154,000</u>	<u></u>
DRAINS	<u>13,600</u>	<u>7,341</u>	<u>6,259</u>
CODE ENFORCEMENT			
Wages, salaries and per diems		7,473	
Pension		1,143	
Payroll taxes		571	
Insurance - benefits		2,452	
Insurance - liability		37	
Total code enforcement	<u>12,785</u>	<u>11,676</u>	<u>1,109</u>
CONTINGENCIES	<u>10,000</u>	<u>2,928</u>	<u>7,072</u>
Total expenditures	<u><u>\$ 3,513,618</u></u>	<u><u>\$ 2,687,152</u></u>	<u><u>\$ 826,466</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, 2020

ASSETS

Cash	<u>\$ 1,109,797</u>
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FUND BALANCE

<u>\$ 1,109,797</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.

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, 2020

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 5,000	\$ 11,396	\$ 6,396
EXPENDITURES	_____	_____	_____
Excess of revenues over (under) expenditures	5,000	11,396	6,396
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>50,000</u>	<u>50,000</u>	_____
Net change in fund balance	55,000	61,396	6,396
FUND BALANCE, APRIL 1, 2019	<u>1,048,401</u>	<u>1,048,401</u>	_____
FUND BALANCE, MARCH 31, 2020	<u>\$ 1,103,401</u>	<u>\$ 1,109,797</u>	<u>\$ 6,396</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, 2020

ASSETS

Cash	<u>\$ 113,931</u>
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FUND BALANCE

<u>\$ 113,931</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.

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, 2020

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 200	\$ 1,046	\$ 846
EXPENDITURES	_____	_____	_____
Excess of revenues over (under) expenditures	200	1,046	846
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>10,000</u>	<u>10,000</u>	_____
Net change in fund balance	10,200	11,046	846
FUND BALANCE, APRIL 1, 2019	<u>102,885</u>	<u>102,885</u>	_____
FUND BALANCE, MARCH 31, 2020	<u>\$ 113,085</u>	<u>\$ 113,931</u>	<u>\$ 846</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.

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, 2020

ASSETS

Cash	<u>\$ 285,581</u>
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FUND BALANCE

<u>\$ 285,581</u>

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, 2020

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 2,000	\$ 2,784	\$ 784
EXPENDITURES			
Excess of revenues over (under) expenditures	2,000	2,784	784
OTHER FINANCING SOURCES			
Transfers (out)	(5,060)		5,060
Net change in fund balance	(3,060)	2,784	5,844
FUND BALANCE, APRIL 1, 2019	<u>282,797</u>	<u>282,797</u>	
FUND BALANCE, MARCH 31, 2020	<u>\$ 279,737</u>	<u>\$ 285,581</u>	<u>\$ 5,844</u>

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.

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, 2020

ASSETS

Cash	<u>\$ 4,526,977</u>
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FUND BALANCE

<u>\$ 4,526,977</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.

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, 2020

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$	\$ 37,276	\$ 37,276
Miscellaneous	<u>1,797,000</u>	<u>3,200</u>	<u>(1,793,800)</u>
Total revenues	1,797,000	40,476	(1,756,524)
EXPENDITURES			
Road improvements	<u>3,177,000</u>	<u>412,022</u>	<u>2,764,978</u>
Excess of revenues over (under) expenditures	<u>(1,380,000)</u>	<u>(371,546)</u>	<u>1,008,454</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,380,000</u>	<u>1,380,000</u>	<u> </u>
Net change in fund balance		1,008,454	1,008,454
FUND BALANCE, APRIL 1, 2019	<u>3,518,523</u>	<u>3,518,523</u>	<u> </u>
FUND BALANCE, MARCH 31, 2020	<u>\$ 3,518,523</u>	<u>\$ 4,526,977</u>	<u>\$ 1,008,454</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.

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)

This supplementary information shows the Pathways 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

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	<u>\$ 417,499</u>
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FUND BALANCE

<u>\$ 417,499</u>

This supplementary information shows the Pathways 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

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 500	\$ 3,429	\$ 2,929
EXPENDITURES	_____	_____	_____
Excess of revenues over (under) expenditures	500	3,429	2,929
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>100,000</u>	_____
Net change in fund balance	100,500	103,429	2,929
FUND BALANCE, APRIL 1, 2019	<u>314,070</u>	<u>314,070</u>	_____
FUND BALANCE, MARCH 31, 2020	<u>\$ 414,570</u>	<u>\$ 417,499</u>	<u>\$ 2,929</u>

This supplementary information shows the Pathways 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, 2020

ASSETS

Cash	\$ 49,371
Due from other funds	17
Prepaid expense	<u>131</u>
Total assets	\$ 49,519

LIABILITIES

Accounts payable	\$ 12
Wages payable	<u>148</u>
Total liabilities	160
FUND BALANCE	49,359
Total liabilities and fund balance	\$ 49,519

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, 2020

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Licenses and permits	\$ 9,000	\$ 9,744	\$ 744
Interest	200	487	287
Total revenues	9,200	10,231	1,031
EXPENDITURES			
Public safety	9,051	8,747	304
Net change in fund balance	149	1,484	1,335
FUND BALANCE, APRIL 1, 2019	47,875	47,875	
FUND BALANCE, MARCH 31, 2020	\$ 48,024	\$ 49,359	\$ 1,335

SAD ROAD MAINTENANCE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ 100,162
Receivables	
Due from county	<u>2,420</u>
Total assets	<u>\$ 102,582</u>

LIABILITIES

Accounts payable	\$ 921
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FUND BALANCE

Total liabilities and fund balance	<u>101,661</u>
	<u>\$ 102,582</u>

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, 2020

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 54,165	\$ 54,165	\$
Interest	<u>709</u>	<u>709</u>	<u>709</u>
Total revenues	54,165	54,874	709
EXPENDITURES			
Road improvements	<u>133,400</u>	<u>44,451</u>	<u>88,949</u>
Net change in fund balance	(79,235)	10,423	89,658
FUND BALANCE, APRIL 1, 2019	<u>91,238</u>	<u>91,238</u>	<u> </u>
FUND BALANCE, MARCH 31, 2020	<u>\$ 12,003</u>	<u>\$ 101,661</u>	<u>\$ 89,658</u>

ROAD PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

ROAD PROJECTS FUND
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ 471,928
Receivables	
Special assessments receivable	1,451,604
Due from county	<u>5,872</u>
Total assets	<u>\$ 1,929,404</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	\$ 1,451,604
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FUND BALANCE

Total deferred inflows of resources and fund balance	<u>477,800</u>
	<u>\$ 1,929,404</u>

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, 2020

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$ 179,720	\$ 268,572	\$ 88,852
Special assessments - interest		97	97
Interest	<u> </u>	<u>3,026</u>	<u>3,026</u>
Total revenues	179,720	271,695	91,975
EXPENDITURES			
Public works	<u>2,000</u>	<u>1,161</u>	<u>839</u>
Net change in fund balance	177,720	270,534	92,814
FUND BALANCE, APRIL 1, 2019	<u>207,266</u>	<u>207,266</u>	<u> </u>
FUND BALANCE, MARCH 31, 2020	<u>\$ 384,986</u>	<u>\$ 477,800</u>	<u>\$ 92,814</u>

STREETLIGHT FUND

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2020

ASSETS

Receivables

Special assessments receivable	\$ 20,364
Due from other funds	<u>75</u>
Total assets	<u>\$ 20,439</u>

LIABILITIES

Accounts payable	\$ 1,714
FUND BALANCE	<u>18,725</u>
Total liabilities and fund balance	<u>\$ 20,439</u>

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 19,740	\$ 20,660	\$ 920
EXPENDITURES			
Public works	<u>19,740</u>	<u>18,158</u>	<u>1,582</u>
Net change in fund balance		2,502	2,502
FUND BALANCE, APRIL 1, 2019	<u>16,223</u>	<u>16,223</u>	<u></u>
FUND BALANCE, MARCH 31, 2020	<u>\$ 16,223</u>	<u>\$ 18,725</u>	<u>\$ 2,502</u>

MUNICIPAL REFUSE FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL REFUSE FUND
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ 66,667
Receivables	
Due from county	<u>3,958</u>

Total assets \$ 70,625

FUND BALANCE

\$ 70,625

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, 2020

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$ 74,844	\$ 76,240	\$ 1,396
Interest		405	405
Total revenues	74,844	76,645	1,801
EXPENDITURES			
Public works	<u>75,344</u>	<u>75,190</u>	<u>154</u>
Net change in fund balance	(500)	1,455	1,955
FUND BALANCE, APRIL 1, 2019	<u>69,170</u>	<u>69,170</u>	<u></u>
FUND BALANCE, MARCH 31, 2020	<u>\$ 68,670</u>	<u>\$ 70,625</u>	<u>\$ 1,955</u>

AQUATICS FUND

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ 153,775
Receivables	
Due from county	<u>4,380</u>

Total assets \$ 158,155

FUND BALANCE

\$ 158,155

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2020

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 111,135	\$ 119,792	\$ 8,657
Interest		763	763
Miscellaneous		3	3
Total revenues	111,135	120,558	9,423
EXPENDITURES			
Public works	<u>161,797</u>	<u>61,703</u>	<u>100,094</u>
Net change in fund balance	(50,662)	58,855	109,517
FUND BALANCE, APRIL 1, 2019	<u>99,300</u>	<u>99,300</u>	<u> </u>
FUND BALANCE, MARCH 31, 2020	<u>\$ 48,638</u>	<u>\$ 158,155</u>	<u>\$ 109,517</u>

MUNICIPAL WATER CAPITAL PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ 1,267,254
Receivables	
Special assessments	96,957
Accounts	<u>273</u>
Total assets	<u>\$ 1,364,484</u>

LIABILITIES

Accounts payable	\$ 4,000
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FUND BALANCE

Total liabilities and fund balance	<u>\$ 1,360,484</u>
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CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2020

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Connection fees	\$ 42,700	\$ 161,740	\$ 119,040
Special assessments		2,090	2,090
Interest	5,000	12,231	7,231
Miscellaneous		100	100
Total revenues	47,700	176,161	128,461
EXPENDITURES			
Contracted services	4,000	4,000	
Bond interest	<u>11,500</u>	<u>11,500</u>	
Total expenditures	<u>15,500</u>	<u>15,500</u>	
Net change in fund balance	32,200	160,661	128,461
FUND BALANCE, APRIL 1, 2019	<u>1,199,823</u>	<u>1,199,823</u>	
FUND BALANCE, MARCH 31, 2020	<u>\$ 1,232,023</u>	<u>\$ 1,360,484</u>	<u>\$ 128,461</u>

TRUST AND AGENCY FUND (PRE GASB 54 RESTATEMENT)

This supplementary information shows the Trust and Agency 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

TRUST AND AGENCY FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ <u>63,541</u>
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LIABILITIES

Due to others	\$ 63,438
Due to other funds	<u>103</u>

Total liabilities	<u>\$ 63,541</u>
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This supplementary information shows the Trust and Agency 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.

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)

This supplementary information shows the Construction Escrow 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

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ <u>422,287</u>
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LIABILITIES

Due to other funds	\$ 107
Unearned revenues	<u>422,180</u>

Total liabilities	<u>\$ 422,287</u>
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This supplementary information shows the Construction Escrow 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

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	<u>\$ 361,990</u>	<u>\$ 113,688</u>	<u>\$ (248,302)</u>
EXPENDITURES			
General government	<u>361,990</u>	<u>113,688</u>	<u>248,302</u>
Net change in fund balance			
FUND BALANCE, APRIL 1, 2019			
FUND BALANCE, MARCH 31, 2020	<u>\$</u>	<u>\$</u>	<u>\$</u>

This supplementary information shows the Construction Escrow 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, 2020

CURRENT ASSETS

Cash and cash equivalents	\$ 332,008
Accounts receivable - usage	212,678
Accounts receivable - other	32,063
Due from county - delinquents	15,134
Inventory - pumps and parts	215,573
Prepaid expenditures	<u>6,717</u>
Total current assets	\$ 814,173

RESTRICTED ASSETS

Cash and cash equivalents - debt service	2,263,709
Cash and cash equivalents - capital replacement	1,063,186
Accounts receivable - debt service (usage)	32,868
Special assessments receivable	145,002
Due from county - delinquents	<u>68,561</u>
Total restricted assets	3,573,326

CAPITAL ASSETS

Land	1,395,224
Sewer infrastructure	<u>31,361,898</u>
	<u>32,757,122</u>
Less: accumulated depreciation	(15,020,611)
Net capital assets	17,736,511
Total assets	\$ 22,124,010

CURRENT LIABILITIES (from unrestricted assets)

Accounts payable	\$ 54,232
Accrued grinder pump expense	50,000
New connections - escrow funds	<u>51,145</u>
Total current liabilities (from unrestricted assets)	\$ 155,377

CURRENT LIABILITIES (from restricted assets)

Bonds payable	1,555,000
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LONG-TERM LIABILITIES (from restricted assets)

Bonds payable	150,000
Bond premium, net of amortization of \$411,195	<u>50,893</u>
Total long-term liabilities (from restricted assets)	200,893

Total liabilities	1,911,270
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NET POSITION

Retained earnings	<u>20,212,740</u>
Total liabilities and net position	\$ 22,124,010

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2020

OPERATING REVENUES

Sewer usage	\$ 956,717
Sewer usage - debt service charges	156,076
Other revenue	<u>15,068</u>
Total operating revenues	\$ 1,127,861

OPERATING EXPENSES

Administration	4,800
Alarm maintenance	582
Audit services	4,660
Computer services	4,406
Consulting	11,977
Contracted services - operators	260,276
Depreciation expense	874,854
Legal	3,907
Liability insurance	25,116
Office expenses	43,847
Permit fees	2,450
Repairs and maintenance - grinder pumps and parts	127,740
Repairs and maintenance - collection system	43,731
Repairs and maintenance - equipment	35,516
Repairs and maintenance - buildings and grounds	20,514
Sludge removal	40,029
Supplies	20,583
Telephone	171
Utilities	114,700
Capital outlay	<u>111,524</u>
Total operating expenses	1,751,383
Operating (loss)	(623,522)

NON-OPERATING REVENUES (EXPENSES)

Grant income	24,173
Interest income - banks	36,244
Interest income - special assessment	49,124
Interest (expense) - bonds	(86,619)
Agent fees - bonds	(1,000)
Bond premium amortization	92,417
Gain/(loss) on sale of fixed assets	(49,928)
Transfers in	<u>80,000</u>
Total non-operating (expenses)	144,411

CAPITAL CONTRIBUTIONS

Developer contributions of infrastructure	<u>320,000</u>
Change in net position	(159,111)

NET POSITION, APRIL 1, 2019

20,371,851

NET POSITION, MARCH 31, 2020

\$ 20,212,740

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2020

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash received from customers	\$ 1,128,557
Cash receipts from others	15,068
Payments to suppliers for goods or services	<u>(999,919)</u>
Net cash from operating activities	\$ 143,706

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

Acquisition of fixed assets	(407,218)
Principal paid on bonds	(1,600,000)
Interest paid on bonds	(87,619)
Collections of special assessment (principal and interest)	747,617
Grant income	24,173
Transfers in from other funds	80,000
Developer contributions of infrastructure	<u>320,000</u>
Net cash (used in) capital and related financing activities	(923,047)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents	<u>36,244</u>
Net (decrease) in cash and cash equivalents	(743,097)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2019	<u>4,402,000</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2020	<u>\$ 3,658,903</u>

RECONCILIATION OF OPERATING (LOSS) TO NET CASH

FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)	\$ (623,522)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:	
Depreciation and amortization	\$ 874,854
Changes in assets and liabilities	
(Increase) in accounts and delinquents receivable	15,764
Decrease in prepaid expense	45,476
(Increase) in inventory	(141,176)
Increase in accounts payable	340
(Decrease) in new connections escrow	<u>(28,030)</u>
Total adjustments	<u>767,228</u>
Net cash from operating activities	<u>\$ 143,706</u>

CURRENT TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRIGHTON

CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2020

ASSETS

Cash	\$ <u>1,075</u>
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LIABILITIES

Due to other funds	\$ <u>1,075</u>
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