

# **CHARTER TOWNSHIP OF BRIGHTON**

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## **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 & Leterski

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**  
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**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

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Within this section of the Charter Township of Brighton's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 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

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

### 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
<b>REVENUES</b>						
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	168,389	76,785			168,389	76,785
<b>Total revenues</b>	<b>6,288,408</b>	<b>4,454,452</b>	<b>1,679,891</b>	<b>5,700,539</b>	<b>7,968,299</b>	<b>10,154,991</b>
<b>EXPENSES</b>						
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			1,839,002	3,274,378	1,839,002	3,274,378
<b>Total expenses</b>	<b>3,425,259</b>	<b>7,688,212</b>	<b>1,839,002</b>	<b>3,274,378</b>	<b>5,264,261</b>	<b>10,962,590</b>
<b>Changes in net position</b>	<b>2,863,149</b>	<b>(3,233,760)</b>	<b>(159,111)</b>	<b>2,426,161</b>	<b>2,704,038</b>	<b>(807,599)</b>
<b>Beginning net position</b>	<b>24,760,432</b>	<b>27,994,192</b>	<b>20,371,851</b>	<b>17,945,690</b>	<b>45,132,283</b>	<b>45,939,882</b>
<b>Ending net position</b>	<b>\$ 27,623,581</b>	<b>\$ 24,760,432</b>	<b>\$ 20,212,740</b>	<b>\$ 20,371,851</b>	<b>\$ 47,836,321</b>	<b>\$ 45,132,283</b>

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:

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

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**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
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
<b>Total assets</b>	<b>29,617,249</b>	<b>22,124,010</b>	<b>51,741,259</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension-related activities	106,031		106,031
<b>LIABILITIES</b>			
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	1,021		1,021
<b>Total liabilities</b>	<b>648,095</b>	<b>1,911,270</b>	<b>2,559,365</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	1,451,604		1,451,604
<b>NET POSITION</b>			
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	15,507,296	709,941	16,217,237
<b>Total net position</b>	<b>\$ 27,623,581</b>	<b>\$ 20,212,740</b>	<b>\$ 47,836,321</b>

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	Expenses	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT</b>						
General government	\$ (2,280,528)	\$ 552,737	\$	\$ (1,727,791)	\$	\$ (1,727,791)
Public works	(265,191)	216,692	1,444,240	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)
<b>Total primary government</b>	<b>(3,425,259)</b>	<b>1,092,166</b>	<b>1,444,240</b>	<b>(888,853)</b>		<b>(888,853)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Sewer system	(1,839,002)	1,112,793	24,173		(702,036)	(702,036)
<b>Total</b>	<b>\$ (5,264,261)</b>	<b>\$ 2,204,959</b>	<b>\$ 1,468,413</b>	<b>(888,853)</b>	<b>(702,036)</b>	<b>(1,590,889)</b>
<b>General revenues</b>						
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
<b>Total general revenues</b>				<b>3,752,002</b>	<b>542,925</b>	<b>4,294,927</b>
<b>Changes in net position</b>				<b>2,863,149</b>	<b>(159,111)</b>	<b>2,704,038</b>
<b>Net position, April 1, 2019</b>				<b>24,760,432</b>	<b>20,371,851</b>	<b>45,132,283</b>
<b>Net position, March 31, 2020</b>				<b>\$ 27,623,581</b>	<b>\$ 20,212,740</b>	<b>\$ 47,836,321</b>

The notes are an integral part of the financial statements.

## **FUND FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**

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

	<b>General Fund</b>	<b>Road Projects Fund</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>ASSETS</b>				
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
<b>Total assets</b>	<b>\$ 14,812,243</b>	<b>\$ 1,929,404</b>	<b>\$ 1,765,804</b>	<b>\$ 18,507,451</b>
<b>LIABILITIES</b>				
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
<b>Total liabilities</b>	<b>590,123</b>		<b>6,795</b>	<b>596,918</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues		1,451,604		1,451,604
<b>FUND BALANCES</b>				
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
<b>Total fund balance</b>	<b>14,222,120</b>	<b>477,800</b>	<b>1,759,009</b>	<b>16,458,929</b>
<b>Total liabilities, deferred inflows of         resources, and fund balances</b>	<b>\$ 14,812,243</b>	<b>\$ 1,929,404</b>	<b>\$ 1,765,804</b>	<b>\$ 18,507,451</b>

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**

<b>Total fund balance per balance sheet</b>	<b>\$ 16,458,929</b>
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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	(3,898,941)	
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	18,353	
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)
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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)
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<b>Net position of governmental activities</b>	<b><u>\$ 27,623,581</u></b>
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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**

	<b>General Fund</b>	<b>Road Projects Fund</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>REVENUES</b>				
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
<b>Total revenues</b>	<u>5,469,195</u>	<u>271,695</u>	<u>459,129</u>	<u>6,200,019</u>
<b>EXPENDITURES</b>				
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
<b>Total expenditures</b>	<u>3,212,862</u>	<u>1,161</u>	<u>223,749</u>	<u>3,437,772</u>
<b>Excess of revenues over (under) expenditures</b>	<u>2,256,333</u>	<u>270,534</u>	<u>235,380</u>	<u>2,762,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(80,000)			(80,000)
<b>Net changes in fund balances</b>	2,176,333	270,534	235,380	2,682,247
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>12,045,787</u>	<u>207,266</u>	<u>1,523,629</u>	<u>13,776,682</u>
<b>FUND BALANCE, MARCH 31, 2020</b>	<u>\$ 14,222,120</u>	<u>\$ 477,800</u>	<u>\$ 1,759,009</u>	<u>\$ 16,458,929</u>

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>
<b>ASSETS</b>	
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>
<b>Total before capital assets</b>	<u>4,387,499</u>
Non-current assets	
Land	1,395,224
Utility systems	<u>31,361,898</u>
<b>Total cost</b>	32,757,122
Less accumulated depreciation	<u>(15,020,611)</u>
<b>Non-current assets, net</b>	<u>17,736,511</u>
<b>Total assets</b>	<u>22,124,010</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	54,232
Accrued grinder pump expense	50,000
New connections - escrow funds	<u>51,145</u>
<b>Total current liabilities</b>	155,377
Long term liabilities	
Bonds payable	1,705,000
Bond premium	<u>50,893</u>
<b>Total long term liabilities</b>	<u>1,755,893</u>
<b>Total liabilities</b>	<u>1,911,270</u>
<b>NET POSITION</b>	
Net investment in capital assets	16,031,511
Restricted	3,471,288
Unrestricted	<u>709,941</u>
<b>Total net position</b>	<u><u>\$ 20,212,740</u></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>
<b>OPERATING REVENUES</b>	
Utility billings	\$ 1,112,793
Other revenues	<u>15,068</u>
<b>Total operating revenues</b>	1,127,861
<b>OPERATING EXPENSES</b>	<u>1,751,383</u>
<b>Operating (loss)</b>	<u>(623,522)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
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>
<b>Total non-operating revenues (expenses)</b>	144,411
<b>CAPITAL CONTRIBUTIONS</b>	
Developer transfers of infrastructure	<u>320,000</u>
<b>Change in net position</b>	(159,111)
<b>NET POSITION, APRIL 1, 2019</b>	<u>20,371,851</u>
<b>NET POSITION, MARCH 31, 2020</b>	<u><u>\$ 20,212,740</u></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**

	<u><b>SEWER FUND</b></u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,128,557
Cash receipts from others	15,068
Payments to suppliers for goods or services	<u>(999,919)</u>
<b>Net cash from operating activities</b>	\$ 143,706
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
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>
<b>Net cash (used in) capital and related financing activities</b>	(923,047)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received on cash and cash equivalents	<u>36,244</u>
<b>Net (decrease) in cash and cash equivalents</b>	(743,097)
<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2019</b>	<u>4,402,000</u>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2020</b>	<u><u>\$ 3,658,903</u></u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	
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>
<b>Total adjustments</b>	<u>767,228</u>
<b>Net cash from operating activities</b>	<u><u>\$ 143,706</u></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**

	<u>Current Tax</u>
<b>ASSETS</b>	
Cash	<u>\$        1,075</u>
 <b>LIABILITIES</b>	
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:

<b>Deferred Outflow (Inflow) of Resources</b>			
	<b>Outflows</b>	<b>(Inflows)</b>	<b>Net</b>
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)
<b>Totals</b>	<b>\$ 106,031</b>	<b>\$ (1,451,604)</b>	<b>\$ (1,345,573)</b>

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:

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

	<u>Balance 4/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclass- ifications</u>	<u>Balance 3/31/2020</u>
<b>Governmental activities:</b>					
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>
<b>Total capital assets not being depreciated</b>	<u>827,972</u>	<u>24,037</u>	<u></u>	<u>(132,514)</u>	<u>719,495</u>
<b>Other capital assets:</b>					
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>
<b>Total other capital assets at historical cost</b>	<u>7,216,260</u>	<u>69,018</u>	<u>(25,824)</u>	<u>132,514</u>	<u>7,391,968</u>
<b>Less accumulated depreciation for:</b>					
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>
<b>Total accumulated depreciation</b>	<u>(3,689,970)</u>	<u>(234,795)</u>	<u>25,824</u>	<u></u>	<u>(3,898,941)</u>
<b>Other capital assets, net</b>	<u>3,526,290</u>	<u>(165,777)</u>	<u></u>	<u>132,514</u>	<u>3,493,027</u>
<b>Governmental capital assets, net</b>	<u><u>\$4,354,262</u></u>	<u><u>\$ (141,740)</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$4,212,522</u></u>

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

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

**CHARTER TOWNSHIP OF BRIGHTON**

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

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

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

Depreciation was charged to functions as follows:

<b>Business-type activities:</b>	
Sewer service	<u>\$ 874,854</u>

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](http://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>14</u>	<u>5</u>	<u>6</u>	<u>2</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:

<b>Asset Class</b>	<b>Target Allocation</b>		<b>Target Allocation Gross Rate of Return</b>		<b>Long-Term Expected Real Rate of Return</b>
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%
					<u>7.35%</u>



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)
<b>Balance at 12/31/2018</b>	\$ 2,166,711	\$ 1,911,474	\$ 255,237
<b>Changes for the year</b>			
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
<b>Net changes</b>	<u>210,587</u>	<u>464,803</u>	<u>(254,216)</u>
<b>Balance at 12/31/2019</b>	<u>\$ 2,377,298</u>	<u>\$ 2,376,277</u>	<u>\$ 1,021</u>

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.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 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	282,467		(239,290)
Calculated NPL	<u>\$ 283,488</u>	<u>\$ 1,021</u>	<u>\$ (238,269)</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
<b>Deferred outflows (inflows) to be amortized</b>			
Differences in experience	\$ 36,931	\$	\$ 36,931
Differences in assumptions	46,135		46,135
Excess (Deficit) of Investment Returns	4,612		4,612
<b>Total deferred outflows (inflows) to be amortized</b>	87,678		87,678
Contributions subsequent to the measurement date	18,353		18,353
<b>Totals</b>	<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:

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

**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:

<u>Purpose</u>	<u>Issuance Amount</u>	<u>Principal Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
<b>Business-type activities:</b>					
Livingston County Drain Commission					
Spencer Extension, 2005	\$ 760,000	\$ 35,000 — \$ 40,000	5/1/2024	3.50 — 5.00%	\$ 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>
<b>Total contracts payable outstanding</b>					<u><u>\$ 1,705,000</u></u>

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

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

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

**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:

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

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

**Fiduciary Funds**

Cash 1,075

**Total cash, cash equivalents and investments** \$ 20,041,654

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><u>\$ 18,164,578</u></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><u>\$ 2,021,770</u></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.

<u>Investment Type</u>	<u>Issuer</u>	<u>Percent of Portfolio</u>
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
<b>Total</b>	<b>\$ 1,521,533</b>	<b>\$ 502,883</b>	<b>\$ 1,018,650</b>

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	1,521,533
		<b>\$ 2,021,770</b>



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 statement 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**

	<b>Budget Amount</b>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 990,870	\$ 990,870	\$ 1,007,586	\$ 16,716
Connection fees	102,600	102,600	1,282,500	1,179,900
Special assessments			356	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)
<b>Total revenues</b>	<u>5,552,010</u>	<u>5,914,000</u>	<u>5,469,195</u>	<u>(444,805)</u>
<b>EXPENDITURES</b>				
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
<b>Total expenditures</b>	<u>6,534,280</u>	<u>7,052,608</u>	<u>3,212,862</u>	<u>3,839,746</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(982,270)</u>	<u>(1,138,608)</u>	<u>2,256,333</u>	<u>3,394,941</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(4,000)</u>	<u>(87,060)</u>	<u>(80,000)</u>	<u>7,060</u>
<b>Net change in fund balance</b>	<u>(986,270)</u>	<u>(1,225,668)</u>	<u>2,176,333</u>	<u>3,402,001</u>
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>12,045,787</u>	<u>12,045,787</u>	<u>12,045,787</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<u><u>\$ 11,059,517</u></u>	<u><u>\$ 10,820,119</u></u>	<u><u>\$ 14,222,120</u></u>	<u><u>\$ 3,402,001</u></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**

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



**CHARTER TOWNSHIP OF BRIGHTON**

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

**Schedule of Employer Contributions**

	<b>For the Plan Year Ended</b>				
	<b>12/31/2019</b>	<b>12/31/2018</b>	<b>12/31/2017</b>	<b>12/31/2016</b>	<b>12/31/2015</b>
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	\$ 248,289	\$ 128,704	\$ 26,433	\$ 20,047	\$ 16,645
Covered employee payroll	\$ 600,806	\$ 511,739	\$ 523,920	\$ 511,727	\$ 457,995
Contributions as a percentage of					
covered payroll	47.67%	29.31%	11.26%	5.71%	5.03%

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
<b>TOTAL PENSION LIABILITY</b>					
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)	
<b>Net change in total pension liability</b>	<b>210,587</b>	<b>135,124</b>	<b>88,975</b>	<b>103,038</b>	<b>248,386</b>
<b>TOTAL PENSION LIABILITY - BEGINNING</b>	<b>2,166,711</b>	<b>2,031,587</b>	<b>1,942,612</b>	<b>1,839,574</b>	<b>1,591,188</b>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 2,377,298</b>	<b>\$ 2,166,711</b>	<b>\$ 2,031,587</b>	<b>\$ 1,942,612</b>	<b>\$ 1,839,574</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
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)
<b>Net change in plan fiduciary net position</b>	<b>464,803</b>	<b>(10,051)</b>	<b>191,841</b>	<b>127,227</b>	<b>(76,377)</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>	<b>1,911,474</b>	<b>1,921,525</b>	<b>1,729,684</b>	<b>1,602,457</b>	<b>1,678,834</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING</b>	<b>\$ 2,376,277</b>	<b>\$ 1,911,474</b>	<b>\$ 1,921,525</b>	<b>\$ 1,729,684</b>	<b>\$ 1,602,457</b>
<b>NET PENSION LIABILITY (TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)</b>	<b>\$ 1,021</b>	<b>\$ 255,237</b>	<b>\$ 110,062</b>	<b>\$ 212,928</b>	<b>\$ 237,117</b>
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	Eliminations	Restated General Fund
<b>ASSETS</b>										
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
<b>Total assets</b>	<b>\$ 7,872,840</b>	<b>\$ 1,109,797</b>	<b>\$ 113,931</b>	<b>\$ 285,581</b>	<b>\$ 63,541</b>	<b>\$ 417,499</b>	<b>\$ 4,526,977</b>	<b>\$ 422,287</b>	<b>\$ (210)</b>	<b>\$ 14,812,243</b>
<b>LIABILITIES</b>										
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
<b>Total liabilities</b>	<b>104,505</b>				<b>63,541</b>			<b>422,287</b>	<b>(210)</b>	<b>590,123</b>
<b>FUND BALANCE</b>										
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
<b>Total fund balance</b>	<b>7,768,335</b>	<b>1,109,797</b>	<b>113,931</b>	<b>285,581</b>		<b>417,499</b>	<b>4,526,977</b>			<b>14,222,120</b>
<b>Total liabilities and fund balance</b>	<b>\$ 7,872,840</b>	<b>\$ 1,109,797</b>	<b>\$ 113,931</b>	<b>\$ 285,581</b>	<b>\$ 63,541</b>	<b>\$ 417,499</b>	<b>\$ 4,526,977</b>	<b>\$ 422,287</b>	<b>\$ (210)</b>	<b>\$ 14,812,243</b>

**CHARTER TOWNSHIP OF BRIGHTON**

**NONMAJOR FUNDS  
COMBINING BALANCE SHEETS  
MARCH 31, 2020**

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	Totals
	Liquor Law	SAD Road Maintenance	Streetlights	Municipal Refuse	Aquatics	Municipal Water	
<b>ASSETS</b>							
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
<b>Total assets</b>	<u>\$ 49,519</u>	<u>\$ 102,582</u>	<u>\$ 20,439</u>	<u>\$ 70,625</u>	<u>\$ 158,155</u>	<u>\$ 1,364,484</u>	<u>\$ 1,765,804</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 12	\$ 921	\$ 1,714	\$	\$	\$ 4,000	\$ 6,647
Accrued wages	148						148
<b>Total liabilities</b>	<u>160</u>	<u>921</u>	<u>1,714</u>			<u>4,000</u>	<u>6,795</u>
<b>FUND BALANCE</b>							
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
<b>Total fund balance</b>	<u>49,359</u>	<u>101,661</u>	<u>18,725</u>	<u>70,625</u>	<u>158,155</u>	<u>1,360,484</u>	<u>1,759,009</u>
<b>Total liabilities and fund balance</b>	<u>\$ 49,519</u>	<u>\$ 102,582</u>	<u>\$ 20,439</u>	<u>\$ 70,625</u>	<u>\$ 158,155</u>	<u>\$ 1,364,484</u>	<u>\$ 1,765,804</u>

**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**

	<b>General Fund</b>	<b>Parks Fund</b>	<b>Cemetery Fund</b>	<b>Budget Stabilization Fund</b>	<b>Pathway Fund</b>	<b>Future Road Improvement Fund</b>	<b>Construction Escrow Fund</b>	<b>Eliminations</b>	<b>Restated General Fund</b>
<b>REVENUES</b>									
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
<b>Total revenues</b>	<b>5,296,376</b>	<b>11,396</b>	<b>1,046</b>	<b>2,784</b>	<b>3,429</b>	<b>40,476</b>	<b>113,688</b>		<b>5,469,195</b>
<b>EXPENDITURES</b>									
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
<b>Total expenditures</b>	<b>2,687,152</b>					<b>412,022</b>	<b>113,688</b>		<b>3,212,862</b>
<b>Excess of revenues over (under) expenditures</b>	<b>2,609,224</b>	<b>11,396</b>	<b>1,046</b>	<b>2,784</b>	<b>3,429</b>	<b>(371,546)</b>			<b>2,256,333</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in		50,000	10,000		100,000	1,380,000		(1,540,000)	
Transfers (out)	(1,620,000)							1,540,000	(80,000)
<b>Total other financing sources (uses)</b>	<b>(1,620,000)</b>	<b>50,000</b>	<b>10,000</b>		<b>100,000</b>	<b>1,380,000</b>			<b>(80,000)</b>
<b>Net change in fund balances</b>	<b>989,224</b>	<b>61,396</b>	<b>11,046</b>	<b>2,784</b>	<b>103,429</b>	<b>1,008,454</b>			<b>2,176,333</b>
<b>FUND BALANCE, APRIL 1, 2019</b>	<b>6,779,111</b>	<b>1,048,401</b>	<b>102,885</b>	<b>282,797</b>	<b>314,070</b>	<b>3,518,523</b>			<b>12,045,787</b>
<b>FUND BALANCE, MARCH 31, 2020</b>	<b>\$ 7,768,335</b>	<b>\$ 1,109,797</b>	<b>\$ 113,931</b>	<b>\$ 285,581</b>	<b>\$ 417,499</b>	<b>\$ 4,526,977</b>	<b>\$</b>	<b>\$</b>	<b>\$ 14,222,120</b>

**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	Totals
	Liquor Law	SAD Road Maintenance	Streetlights	Municipal Refuse	SAD Aquatics	Municipal Water	
<b>REVENUES</b>							
Connection fees	\$	\$	\$	\$	\$	\$ 161,740	\$ 161,740
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
<b>Total revenues</b>	<u>10,231</u>	<u>54,874</u>	<u>20,660</u>	<u>76,645</u>	<u>120,558</u>	<u>176,161</u>	<u>459,129</u>
<b>EXPENDITURES</b>							
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
<b>Total expenditures</b>	<u>8,747</u>	<u>44,451</u>	<u>18,158</u>	<u>75,190</u>	<u>61,703</u>	<u>15,500</u>	<u>223,749</u>
<b>Net changes in fund balances</b>	1,484	10,423	2,502	1,455	58,855	160,661	235,380
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>47,875</u>	<u>91,238</u>	<u>16,223</u>	<u>69,170</u>	<u>99,300</u>	<u>1,199,823</u>	<u>1,523,629</u>
<b>FUND BALANCE, MARCH 31, 2020</b>	<u>\$ 49,359</u>	<u>\$ 101,661</u>	<u>\$ 18,725</u>	<u>\$ 70,625</u>	<u>\$ 158,155</u>	<u>\$ 1,360,484</u>	<u>\$ 1,759,009</u>



## **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>	
<b>Total assets</b>		<u><u>\$ 7,872,840</u></u>

**LIABILITIES**

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

**FUND BALANCE**

Nonspendable - prepaid	61,474	
Assigned - Township board	2,466,360	
Unassigned	<u>5,240,501</u>	
<b>Total fund balance</b>		<u><u>7,768,335</u></u>
<b>Total liabilities and fund balance</b>		<u><u>\$ 7,872,840</u></u>

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

**CHARTER TOWNSHIP OF BRIGHTON**

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

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
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	7,466	18,394	10,928
	<u>3,747,310</u>	<u>5,296,376</u>	<u>1,549,066</u>
<b>Total revenues</b>	3,747,310	5,296,376	1,549,066
<b>EXPENDITURES</b>	<u>3,513,618</u>	<u>2,687,152</u>	<u>826,466</u>
<b>Excess of revenues over (under) expenditures</b>	<u>233,692</u>	<u>2,609,224</u>	<u>2,375,532</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(1,622,000)</u>	<u>(1,620,000)</u>	<u>2,000</u>
<b>Net change in fund balance</b>	(1,388,308)	989,224	2,377,532
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>6,779,111</u>	<u>6,779,111</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<u><u>\$ 5,390,803</u></u>	<u><u>\$ 7,768,335</u></u>	<u><u>\$ 2,377,532</u></u>

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

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2020**

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

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

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP BOARD</b>			
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	
	<u>127,355</u>	<u>80,943</u>	<u>46,412</u>
<b>Total township board</b>			
<b>SUPERVISOR</b>			
Wages, salaries and per diems		31,606	
Pension		3,173	
Payroll taxes		2,418	
Insurance - benefits		62	
Insurance - liability		40	
	<u>40,994</u>	<u>37,299</u>	<u>3,695</u>
<b>Total supervisor</b>			
<b>MANAGER</b>			
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	
	<u>272,339</u>	<u>236,775</u>	<u>35,564</u>
<b>Total manager</b>			

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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)
<b>ELECTIONS</b>			
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	
<b>Total elections</b>	<b>138,243</b>	<b>115,715</b>	<b>22,528</b>
<b>ASSESSOR</b>			
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	
<b>Total assessor</b>	<b>270,893</b>	<b>258,166</b>	<b>12,727</b>

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

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CLERK</b>			
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	
<b>Total clerk</b>	<u>295,871</u>	<u>269,547</u>	<u>26,324</u>
<b>TREASURER</b>			
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	
<b>Total treasurer</b>	<u>265,445</u>	<u>255,801</u>	<u>9,644</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>
<b>SEWER AND WATER</b>			
Per diems		1,125	
Professional fees		11,243	
<b>Total sewer and water</b>	<u>53,864</u>	<u>12,368</u>	<u>41,496</u>
<b>ROADS</b>	<u>180,000</u>	<u>150,875</u>	<u>29,125</u>
<b>OTHER CHARGES AND SERVICES</b>			
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	
<b>Total other charges and services</b>	<u>822,980</u>	<u>654,303</u>	<u>168,677</u>
<b>PLANNING</b>			
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	
<b>Total planning</b>	<u>233,409</u>	<u>179,761</u>	<u>53,648</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>
<b>TOWNSHIP HALL/GROUNDS</b>			
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	
		<u>          </u>	<u>          </u>
<b>Total township hall/grounds</b>	<u>369,690</u>	<u>159,933</u>	<u>209,757</u>
 <b>CEMETERY</b>	 <u>40,000</u>	 <u>9,995</u>	 <u>30,005</u>
 <b>FIRE PROTECTION</b>			
Contracted services		6,071	
Utilities		1,547	
Building maintenance and repair		420	
Grounds maintenance and repair		177	
Capital improvements		7,741	
		<u>          </u>	<u>          </u>
<b>Total fire protection</b>	<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>
<b>EMERGENCY PREPAREDNESS</b>	<u>5,500</u>	<u>3,513</u>	<u>1,987</u>
<b>ENVIRONMENTAL</b>	<u>73,500</u>	<u>57,921</u>	<u>15,579</u>
<b>MUNICIPAL REFUSE COLLECTION</b>	<u>21,500</u>	<u>12,336</u>	<u>9,164</u>
<b>PARKS AND RECREATION</b>	<u>154,000</u>	<u>154,000</u>	
<b>DRAINS</b>	<u>13,600</u>	<u>7,341</u>	<u>6,259</u>
<b>CODE ENFORCEMENT</b>			
Wages, salaries and per diems		7,473	
Pension		1,143	
Payroll taxes		571	
Insurance - benefits		2,452	
Insurance - liability		37	
<b>Total code enforcement</b>	<u>12,785</u>	<u>11,676</u>	<u>1,109</u>
<b>CONTINGENCIES</b>	<u>10,000</u>	<u>2,928</u>	<u>7,072</u>
<b>Total expenditures</b>	<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

\$ 1,109,797

**FUND BALANCE**

\$ 1,109,797

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**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Interest	\$ 5,000	\$ 11,396	\$ 6,396
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	5,000	11,396	6,396
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	50,000	50,000	
<b>Net change in fund balance</b>	55,000	61,396	6,396
<b>FUND BALANCE, APRIL 1, 2019</b>	1,048,401	1,048,401	
<b>FUND BALANCE, MARCH 31, 2020</b>	<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	\$ 113,931
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**FUND BALANCE**

\$ 113,931
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This supplementary information shows the Cemetery Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.



**CHARTER TOWNSHIP OF BRIGHTON**

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

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

	<u><b>Amended Budget</b></u>	<u><b>Actual</b></u>	<u><b>Variance Favorable (Unfavorable)</b></u>
<b>REVENUES</b>			
Interest	\$ 200	\$ 1,046	\$ 846
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	200	1,046	846
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>10,000</u>	<u>10,000</u>	
<b>Net change in fund balance</b>	10,200	11,046	846
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>102,885</u>	<u>102,885</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<u><u>\$ 113,085</u></u>	<u><u>\$ 113,931</u></u>	<u><u>\$ 846</u></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	\$ 285,581
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**FUND BALANCE**

\$ 285,581
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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**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest	\$ 2,000	\$ 2,784	\$ 784
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	<u>2,000</u>	<u>2,784</u>	<u>784</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers (out)	<u>(5,060)</u>		<u>5,060</u>
<b>Net change in fund balance</b>	(3,060)	2,784	5,844
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>282,797</u>	<u>282,797</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<u><u>\$ 279,737</u></u>	<u><u>\$ 285,581</u></u>	<u><u>\$ 5,844</u></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>
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This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**CHARTER TOWNSHIP OF BRIGHTON**

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

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Interest	\$	\$ 37,276	\$ 37,276
Miscellaneous	<u>1,797,000</u>	<u>3,200</u>	<u>(1,793,800)</u>
<b>Total revenues</b>	1,797,000	40,476	(1,756,524)
<b>EXPENDITURES</b>			
Road improvements	<u>3,177,000</u>	<u>412,022</u>	<u>2,764,978</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(1,380,000)</u>	<u>(371,546)</u>	<u>1,008,454</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,380,000</u>	<u>1,380,000</u>	
<b>Net change in fund balance</b>		1,008,454	1,008,454
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>3,518,523</u>	<u>3,518,523</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<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	\$ 417,499
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**FUND BALANCE**

\$ 417,499
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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>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest	\$ 500	\$ 3,429	\$ 2,929
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	500	3,429	2,929
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>100,000</u>	<u>100,000</u>	
<b>Net change in fund balance</b>	100,500	103,429	2,929
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>314,070</u>	<u>314,070</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<u><u>\$ 414,570</u></u>	<u><u>\$ 417,499</u></u>	<u><u>\$ 2,929</u></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>
<b>Total assets</b>	<u><u>\$ 49,519</u></u>

**LIABILITIES**

Accounts payable	\$ 12
Wages payable	<u>148</u>
<b>Total liabilities</b>	160

**FUND BALANCE**

	<u>49,359</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 49,519</u></u>

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

**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>
<b>Total assets</b>	<u><u>\$ 102,582</u></u>

**LIABILITIES**

Accounts payable	\$ 921
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**FUND BALANCE**

	<u>101,661</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 102,582</u></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>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments	\$ 54,165	\$ 54,165	\$
Interest		709	709
<b>Total revenues</b>	54,165	54,874	709
<b>EXPENDITURES</b>			
Road improvements	133,400	44,451	88,949
<b>Net change in fund balance</b>	(79,235)	10,423	89,658
<b>FUND BALANCE, APRIL 1, 2019</b>	91,238	91,238	
<b>FUND BALANCE, MARCH 31, 2020</b>	<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>
<b>Total assets</b>	<u><u>\$ 1,929,404</u></u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue	\$ 1,451,604
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**FUND BALANCE**

477,800

<b>Total deferred inflows of resources and fund balance</b>	<u><u>\$ 1,929,404</u></u>
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**CHARTER TOWNSHIP OF BRIGHTON**

**ROAD PROJECTS FUND**

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

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments - principal	\$ 179,720	\$ 268,572	\$ 88,852
Special assessments - interest		97	97
Interest		3,026	3,026
<b>Total revenues</b>	179,720	271,695	91,975
<b>EXPENDITURES</b>			
Public works	2,000	1,161	839
<b>Net change in fund balance</b>	177,720	270,534	92,814
<b>FUND BALANCE, APRIL 1, 2019</b>	207,266	207,266	
<b>FUND BALANCE, MARCH 31, 2020</b>	<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>
<b>Total assets</b>	<u><u>\$ 20,439</u></u>

**LIABILITIES**

Accounts payable	\$ 1,714
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**FUND BALANCE**

	<u>18,725</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 20,439</u></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>
<b>REVENUES</b>			
Special assessments	\$ 19,740	\$ 20,660	\$ 920
<b>EXPENDITURES</b>			
Public works	<u>19,740</u>	<u>18,158</u>	<u>1,582</u>
<b>Net change in fund balance</b>		2,502	2,502
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>16,223</u>	<u>16,223</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<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>
<b>Total assets</b>	<u><u>\$ 70,625</u></u>

**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**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessment	\$ 74,844	\$ 76,240	\$ 1,396
Interest		405	405
<b>Total revenues</b>	74,844	76,645	1,801
<b>EXPENDITURES</b>			
Public works	75,344	75,190	154
<b>Net change in fund balance</b>	(500)	1,455	1,955
<b>FUND BALANCE, APRIL 1, 2019</b>	69,170	69,170	
<b>FUND BALANCE, MARCH 31, 2020</b>	<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>
<b>Total assets</b>	<u><u>\$ 158,155</u></u>

<b>FUND BALANCE</b>	<u><u>\$ 158,155</u></u>
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**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**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments	\$ 111,135	\$ 119,792	\$ 8,657
Interest		763	763
Miscellaneous		3	3
<b>Total revenues</b>	111,135	120,558	9,423
<b>EXPENDITURES</b>			
Public works	161,797	61,703	100,094
<b>Net change in fund balance</b>	(50,662)	58,855	109,517
<b>FUND BALANCE, APRIL 1, 2019</b>	99,300	99,300	
<b>FUND BALANCE, MARCH 31, 2020</b>	<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>
<b>Total assets</b>	<u><u>\$ 1,364,484</u></u>

**LIABILITIES**

Accounts payable	\$ 4,000
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**FUND BALANCE**

1,360,484

<b>Total liabilities and fund balance</b>	<u><u>\$ 1,364,484</u></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**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Connection fees	\$ 42,700	\$ 161,740	\$ 119,040
Special assessments		2,090	2,090
Interest	5,000	12,231	7,231
Miscellaneous		100	100
<b>Total revenues</b>	<u>47,700</u>	<u>176,161</u>	<u>128,461</u>
<b>EXPENDITURES</b>			
Contracted services	4,000	4,000	
Bond interest	<u>11,500</u>	<u>11,500</u>	
<b>Total expenditures</b>	<u>15,500</u>	<u>15,500</u>	
<b>Net change in fund balance</b>	32,200	160,661	128,461
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>1,199,823</u>	<u>1,199,823</u>	
<b>FUND BALANCE, MARCH 31, 2020</b>	<u><u>\$ 1,232,023</u></u>	<u><u>\$ 1,360,484</u></u>	<u><u>\$ 128,461</u></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	\$ 63,541
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**LIABILITIES**

Due to others	\$ 63,438
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Due to other funds	103
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<b>Total liabilities</b>	<b>\$ 63,541</b>
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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	\$ 422,287
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**LIABILITIES**

Due to other funds	\$ 107
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Unearned revenues	422,180
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<b>Total liabilities</b>	<b>\$ 422,287</b>
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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**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Charges for services	<u>\$ 361,990</u>	<u>\$ 113,688</u>	<u>\$ (248,302)</u>
<b>EXPENDITURES</b>			
General government	<u>361,990</u>	<u>113,688</u>	<u>248,302</u>
<b>Net change in fund balance</b>			
<b>FUND BALANCE, APRIL 1, 2019</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>FUND BALANCE, MARCH 31, 2020</b>	<u><u>\$</u></u>	<u><u>\$</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>	
<b>Total current assets</b>			\$ 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>	
<b>Total restricted assets</b>			3,573,326

**CAPITAL ASSETS**

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

**CURRENT LIABILITIES (from unrestricted assets)**

Accounts payable	\$	54,232	
Accrued grinder pump expense		50,000	
New connections - escrow funds		<u>51,145</u>	
<b>Total current liabilities (from unrestricted assets)</b>			\$ 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>	
<b>Total long-term liabilities (from restricted assets)</b>			<u>200,893</u>
<b>Total liabilities</b>			1,911,270

**NET POSITION**

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

**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>	
<b>Total operating revenues</b>		<b>\$ 1,127,861</b>

**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>	
<b>Total operating expenses</b>		<b><u>1,751,383</u></b>
<b>Operating (loss)</b>		<b>(623,522)</b>

**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>	
<b>Total non-operating (expenses)</b>		<b>144,411</b>

**CAPITAL CONTRIBUTIONS**

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

**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>	
<b>Net cash from operating activities</b>		\$ 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>	
<b>Net cash (used in) capital and related financing activities</b>		(923,047)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received on cash and cash equivalents	<u>36,244</u>	
<b>Net (decrease) in cash and cash equivalents</b>		(743,097)

**CASH AND CASH EQUIVALENTS AT APRIL 1, 2019**

4,402,000

**CASH AND CASH EQUIVALENTS AT MARCH 31, 2020**

\$ 3,658,903

**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>	
<b>Total adjustments</b>		<u>767,228</u>
<b>Net cash from operating activities</b>		<u><u>\$ 143,706</u></u>



**CURRENT TAX COLLECTION FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2020**

**ASSETS**

Cash	\$ 1,075
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**LIABILITIES**

Due to other funds	\$ 1,075
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