

CHARTER TOWNSHIP OF BRIGHTON

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

For the Year Ended March 31, 2021

CHARTER TOWNSHIP OF BRIGHTON

TOWNSHIP OFFICIALS

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

BOARD OF TRUSTEES

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TOWNSHIP ATTORNEY

John K. Harris
Harris & Literski

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

August 16, 2021

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, 2021, 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, 2021, 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 53 - 56 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, 2021

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, 2021. 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 \$45,684,555. This is a \$2,151,766 decrease over last year's net position of \$47,836,321.

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

Summary of Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020	3/31/2021	3/31/2020
ASSETS						
Current and other assets	\$ 24,831,286	\$ 25,404,727	\$ 3,028,573	\$ 4,387,499	\$ 27,859,859	\$ 29,792,226
Capital assets	4,036,665	4,212,522	16,931,612	17,736,511	20,968,277	21,949,033
Total assets	28,867,951	29,617,249	19,960,185	22,124,010	48,828,136	51,741,259
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related activities	207,498	106,031			207,498	106,031
LIABILITIES						
Other liabilities	450,399	647,074	308,141	155,377	758,540	802,451
Long-term liabilities	1,345,000	1,021		1,755,893	1,345,000	1,756,914
Total liabilities	1,795,399	648,095	308,141	1,911,270	2,103,540	2,559,365
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	1,155,661	1,451,604			1,155,661	1,451,604
Pension-related activities	91,878				91,878	
Total deferred inflows of resources	1,247,539	1,451,604			1,247,539	1,451,604
NET POSITION						
Net investment in capital assets	11,790,417	10,390,395	16,931,612	16,031,511	28,722,029	26,421,906
Restricted	878,454	1,725,890	1,956,078	3,471,288	2,834,532	5,197,178
Unrestricted	13,363,640	15,507,296	764,354	709,941	14,127,994	16,217,237
Total net position	\$ 26,032,511	\$ 27,623,581	\$ 19,652,044	\$ 20,212,740	\$ 45,684,555	\$ 47,836,321

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020	3/31/2021	3/31/2020
REVENUES						
Program revenues						
Charges for services	\$ 1,254,812	\$ 1,092,166	\$ 1,110,974	\$ 1,112,793	\$ 2,365,786	\$ 2,204,959
Operating grants and contributions	785,993	1,444,240	192,250	344,173	978,243	1,788,413
General revenues						
Property taxes	1,043,696	1,007,586			1,043,696	1,007,586
State revenues	1,752,103	1,763,635			1,752,103	1,763,635
Interest	97,244	193,604	16,443	36,244	113,687	229,848
Other	700,565	698,788	39,505	14,264	740,070	713,052
Bond premium amortization			50,893	92,417	50,893	92,417
Transfers in/(out)		(80,000)		80,000		
Change in investment in joint venture	1,568,582	168,389			1,568,582	168,389
Total revenues	7,202,995	6,288,408	1,410,065	1,679,891	8,613,060	7,968,299
EXPENSES						
General government	2,370,603	2,293,128			2,370,603	2,293,128
Public safety	108,243	105,592			108,243	105,592
Recreation	219,000	154,000			219,000	154,000
Public works/roads	6,096,219	872,539			6,096,219	872,539
Sewer system			1,970,761	1,839,002	1,970,761	1,839,002
Total expenses	8,794,065	3,425,259	1,970,761	1,839,002	10,764,826	5,264,261
Changes in net position	(1,591,070)	2,863,149	(560,696)	(159,111)	(2,151,766)	2,704,038
Beginning net position	27,623,581	24,760,432	20,212,740	20,371,851	47,836,321	45,132,283
Ending net position	\$ 26,032,511	\$ 27,623,581	\$ 19,652,044	\$ 20,212,740	\$ 45,684,555	\$ 47,836,321

The governmental funds experienced a decrease in equity due to extensive public works and road expenditures.

The business-type activities saw a decrease in net position of \$560,696. This was due, in large part, to high sewer system costs.

Financial Analysis of the Township's Major Funds

The Township's General Fund decreased its fund balance by \$1,849,954. This was due, in part, to road expenditures.

The Township's Road Projects Fund decreased its fund balance by \$404,897, due to extensive road work.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net position of \$560,696.

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. None of its expense departments exceeded budget appropriations.

Capital Asset and Debt Administration

The Township government acquired \$68,023 of new capital assets during the year. Items purchased were:

<u>Schedule of Capital Asset Additions</u>		
Two tabulators	\$	11,090
Municipal roof improvements		41,483
Cemetery fence		<u>15,450</u>
 Total additions	 \$	 <u>68,023</u>

As of March 31, 2021, the Township had no projects that qualified as construction in progress. The municipal roof project, which began in the prior year, was completed at a total cost of \$45,423 (\$3,940 of costs in the prior year and \$41,483 of cost in the current year).

The tabulators were acquired in a two-for-one deal, with \$5,568 paid by the Township.

The governmental funds sold land during the year for \$5,000. The cost of the land was \$3,357, and therefore, the Township saw a gain of \$1,643 on the land.

The governmental funds issued debt during the year. This was a bond for road improvement purposes and was issued for \$1,345,000. No principal payments were made during the year.

The business-type activities acquired one capital asset this year. This was a generator pump that cost \$71,225.

The business-type activities did not have any sales or disposals during the year.

Total debt outstanding at the beginning of the year for business-type activities totaled \$1,705,000. During the year, the Township retired all of this debt.

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 project:

1. Old US 23 - Hilton Road to Fire Station #32	\$500,000
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Sidewalk / Pathway Plan - The Township has budgeted funds in the fiscal year 2021/2022 for engineering of a sidewalk installation project as detailed in the Township Master Plan. Construction for the following projects is tentatively scheduled for summer 2022:

1. Spencer Road - West of Old US 23	\$435,000
2. East Grand River - West of US 23	\$318,000

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) was paid off. For the year ended March 31, 2021, the Township added 62 residential equivalent unit (or "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, 2021, the General Fund has received payment for 205 of the 401 residential equivalent units. The sale of residential equivalent units beyond 401 shall be deposited in the Sewer Fund.

Federal grants were received during the year, adding relief to the Township and its various activities.

Overall, the Township's financial position remains strong and healthy.

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, 2021

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
ASSETS			
Cash, cash equivalents and investments	\$ 14,305,055	\$ 2,277,256	\$ 16,582,311
Deposits		70,000	70,000
Receivables			
Taxes	51,064		51,064
Special assessments	1,300,887	102,075	1,402,962
State shared revenues	278,695		278,695
Accounts	102,293	279,987	382,280
Prepaid expenses	58,498	14,026	72,524
Inventory		285,229	285,229
Net pension asset	268,844		268,844
Capital assets			
Non-depreciable	712,198	1,395,224	2,107,422
Depreciable - net of accumulated depreciation	3,324,467	15,536,388	18,860,855
Investment in joint ventures	8,465,950		8,465,950
Total assets	<u>28,867,951</u>	<u>19,960,185</u>	<u>48,828,136</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related activities	<u>207,498</u>		<u>207,498</u>
LIABILITIES			
Accounts payable and other accrued expenses	29,120	182,185	211,305
Accrued wages/taxes	28,868		28,868
Compensated absences	27,157		27,157
Due to others	42,477		42,477
Unearned revenues	322,777	125,956	448,733
Long term obligations			
Other due within one year	180,000		180,000
Other due in more than one year	<u>1,165,000</u>		<u>1,165,000</u>
Total liabilities	<u>1,795,399</u>	<u>308,141</u>	<u>2,103,540</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,155,661		1,155,661
Pension-related activities	<u>91,878</u>		<u>91,878</u>
Total deferred inflows of resources	<u>1,247,539</u>		<u>1,247,539</u>
NET POSITION			
Net investment in capital assets	11,790,417	16,931,612	28,722,029
Restricted	878,454	1,956,078	2,834,532
Unrestricted	<u>13,363,640</u>	<u>764,354</u>	<u>14,127,994</u>
Total net position	<u>\$ 26,032,511</u>	<u>\$ 19,652,044</u>	<u>\$ 45,684,555</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
PRIMARY GOVERNMENT							
General government	\$ (2,344,675)	\$ 726,327	\$ 16,296	\$ (1,602,052)	\$	\$ (1,602,052)	
Public works	(2,178,093)	278,130	769,697	(1,130,266)		(1,130,266)	
Recreation	(219,000)			(219,000)		(219,000)	
Roads	(3,918,126)	250,355		(3,667,771)		(3,667,771)	
Public safety	(108,243)			(108,243)		(108,243)	
Cemetery	(25,928)			(25,928)		(25,928)	
Total primary government	(8,794,065)	1,254,812	785,993	(6,753,260)		(6,753,260)	
BUSINESS-TYPE ACTIVITIES							
Sewer system	(1,970,761)	1,110,974	192,250		(667,537)	(667,537)	
Total	\$ (10,764,826)	\$ 2,365,786	\$ 978,243	(6,753,260)	(667,537)	(7,420,797)	
General revenues							
Property taxes				1,043,696		1,043,696	
Licenses and permits				356,082		356,082	
State revenues				1,752,103		1,752,103	
Interest income			97,244		16,443	113,687	
Special assessments interest income					8,439	8,439	
Rental income			233,147			233,147	
Other income			104,171		31,066	135,237	
Gain/(loss) on sale of assets			1,643			1,643	
Donated assets			5,522			5,522	
Bond premium amortization					50,893	50,893	
Change in investment in joint venture			1,568,582			1,568,582	
Total general revenues			5,162,190		106,841	5,269,031	
Changes in net position							
			(1,591,070)		(560,696)	(2,151,766)	
Net position, April 1, 2020			27,623,581		20,212,740	47,836,321	
Net position, March 31, 2021			\$ 26,032,511		\$ 19,652,044	\$ 45,684,555	

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

**GOVERNMENTAL FUNDS
BALANCE SHEET
MARCH 31, 2021**

	General Fund	Road Projects Fund	Non-major Funds	Total
ASSETS				
Cash, cash equivalents and investments	\$ 12,281,214	\$ 72,903	\$ 1,950,938	\$ 14,305,055
Receivables				
Taxes	51,064			51,064
Special assessments	37,859	1,155,661	107,367	1,300,887
State shared revenues	278,695			278,695
Accounts	83,006		18,897	101,903
Due from other funds	2,180		977	3,157
Prepaid expenditures	58,374		124	58,498
Total assets	<u>\$ 12,792,392</u>	<u>\$ 1,228,564</u>	<u>\$ 2,078,303</u>	<u>\$ 16,099,259</u>
LIABILITIES				
Accounts payable	\$ 26,248	\$ 2,872	\$ 29,120	
Accrued wages and vacations	28,685	183	28,868	
Due to others	42,477			42,477
Due to other funds	39	2,728	2,767	
Unearned revenue	322,777			322,777
Total liabilities	<u>420,226</u>	<u>5,783</u>	<u>426,009</u>	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues		1,155,661		1,155,661
FUND BALANCES				
Nonspendable - prepaid items	58,374		124	58,498
Restricted				
Public safety			50,878	50,878
Roads		72,903	253,824	326,727
Refuse			71,155	71,155
Aquatics			49,795	49,795
Streetlights			18,919	18,919
Municipal water			360,980	360,980
Committed				
Roads	696,128			696,128
Parks and recreation	1,686,116			1,686,116
Cemetery	124,586			124,586
Assigned				
Township board	3,051,360			3,051,360
Future budget obligation	398,000		1,266,845	1,664,845
Unassigned	6,357,602			6,357,602
Total fund balance	<u>12,372,166</u>	<u>72,903</u>	<u>2,072,520</u>	<u>14,517,589</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,792,392</u>	<u>\$ 1,228,564</u>	<u>\$ 2,078,303</u>	<u>\$ 16,099,259</u>

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, 2021

Total fund balance per balance sheet \$ 14,517,589

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	\$ 8,176,129
Depreciation	<u>(4,139,464)</u>
Capital assets, net of depreciation:	4,036,665

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

8,465,950

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

Pension changes in investments	(91,878)
Pension changes in assumptions	171,855
Pension changes in experience	15,850
Subsequent pension contributions	<u>19,793</u>
Total pension-related deferred outflows (inflows) of resources:	115,620

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

Compensated absences:	(27,157)
Bonds payable	<u>(1,345,000)</u>
Total long-term liabilities:	(1,372,157)

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

Net pension asset:	<u>268,844</u>
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Net position of governmental activities \$ 26,032,511

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, 2021

	General Fund	Road Projects Fund	Non-major Funds	Total
REVENUES				
Taxes	\$ 1,043,696	\$	\$	\$ 1,043,696
Connection fees	636,120		133,577	769,697
Special assessments	1,635	13,338	544,112	559,085
Licenses and permits	345,488		10,594	356,082
Federal grants	16,296			16,296
Intergovernmental - state	1,752,103			1,752,103
Rental income	233,147			233,147
Charges for services	695,727			695,727
Interest	84,775	2,227	10,242	97,244
Reimbursements	12,481			12,481
Miscellaneous	91,690			91,690
Total revenues	4,913,158	15,565	698,525	5,627,248
EXPENDITURES				
Current				
General government	2,490,449			2,490,449
Parks and recreation	219,000			219,000
Public safety	18,225		9,129	27,354
Road improvements	3,870,435		47,691	3,918,126
Cemetery	23,065			23,065
Public works	84,437	1,752,806	340,850	2,178,093
Capital outlay				
General government	62,501			62,501
Total expenditures	6,768,112	1,752,806	397,670	8,918,588
Excess of revenues over (under) expenditures	(1,854,954)	(1,737,241)	300,855	(3,291,340)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance			1,345,000	1,345,000
Proceeds from sale of assets	5,000			5,000
Transfers in	1,288,218	2,636,845	17,221	3,942,284
Transfers (out)	(1,288,218)	(1,304,501)	(1,349,565)	(3,942,284)
Total other financing sources (uses)	5,000	1,332,344	12,656	1,350,000
Net changes in fund balances	(1,849,954)	(404,897)	313,511	(1,941,340)
FUND BALANCE, APRIL 1, 2020	14,222,120	477,800	1,759,009	16,458,929
FUND BALANCE, MARCH 31, 2021	\$ 12,372,166	\$ 72,903	\$ 2,072,520	\$ 14,517,589

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, 2021

Net change in fund balances - governmental funds \$ (1,941,340)

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	\$ 62,501
Donated assets	5,522
Proceeds from sale of assets	(5,000)
Gain/(loss) on disposal of assets	1,643
Depreciation expense	<u>(240,523)</u>
Total:	(175,857)

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 1,568,582

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/asset, and related activities 279,454

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	23,091
Bond proceeds	<u>(1,345,000)</u>
Total:	<u>(1,321,909)</u>

Change in net position of governmental activities \$ (1,591,070)

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

PROPRIETARY FUND
STATEMENT OF NET POSITION
MARCH 31, 2021

	<u>Sewer Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 2,277,256
Deposits	70,000
Receivables	
Special assessments	102,075
Accounts	279,987
Prepaid expenses	14,026
Inventory	<u>285,229</u>
Total before capital assets	<u>3,028,573</u>
Non-current assets	
Land	1,395,224
Utility systems	<u>31,433,123</u>
Total cost	<u>32,828,347</u>
Less accumulated depreciation	<u>(15,896,735)</u>
Non-current assets, net	<u>16,931,612</u>
Total assets	<u>19,960,185</u>
LIABILITIES	
Current liabilities	
Accounts payable	29,637
Accrued grinder pump expense	50,000
New connections - escrow funds	102,548
Unearned revenue	<u>125,956</u>
Total liabilities	<u>308,141</u>
NET POSITION	
Net investment in capital assets	16,931,612
Restricted	1,956,078
Unrestricted	<u>764,354</u>
Total net position	<u>\$ 19,652,044</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, 2021

	<u>Sewer Fund</u>
OPERATING REVENUES	
Utility billings	\$ 1,110,974
OPERATING EXPENSES	<u>1,935,309</u>
Operating (loss)	<u>(824,335)</u>
NON-OPERATING REVENUES (EXPENSES)	
Grant income	192,250
Interest income - cash and equivalents	16,443
Interest income - special assessments	8,439
Interest and fees (expense)	(35,452)
Bond premium amortization	50,893
Other revenue	<u>31,066</u>
Total non-operating revenues (expenses)	263,639
Change in net position	(560,696)
NET POSITION, APRIL 1, 2020	<u>20,212,740</u>
NET POSITION, MARCH 31, 2021	<u>\$ 19,652,044</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, 2021

		SEWER FUND
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Cash received from customers	\$ 1,122,291	
Payments to suppliers for goods or services	<u>(983,386)</u>	
Net cash from operating activities	\$ 138,905	
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of fixed assets	(71,225)	
Principal paid on bonds	(1,705,000)	
Interest paid on bonds	(35,452)	
Collections of special assessment (principal and interest)	51,366	
Other revenues	31,066	
Grant income	<u>192,250</u>	
Net cash (used in) capital and related financing activities	(1,536,995)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and cash equivalents	<u>16,443</u>	
Net (decrease) in cash and cash equivalents	(1,381,647)	
CASH AND CASH EQUIVALENTS AT APRIL 1, 2020		<u>3,658,903</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2021		<u>\$ 2,277,256</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES		
Operating (loss)	\$ (824,335)	
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:		
Depreciation and amortization	\$ 876,124	
Changes in assets and liabilities		
(Increase) in deposits	(70,000)	
Decrease in accounts and delinquents receivable	81,317	
(Increase) in prepaid expense	(7,309)	
(Increase) in inventory	(69,656)	
(Decrease) in accounts payable	(24,595)	
Increase in new connections escrow	51,403	
Increase in unearned revenues	<u>125,956</u>	
Total adjustments	<u>963,240</u>	
Net cash from operating activities	<u>\$ 138,905</u>	

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

FIDUCIARY FUND
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2021

	Current	
	Tax	
ASSETS		
Cash	<u>\$ 390</u>	
LIABILITIES		
Due to other funds	<u>\$ 390</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, 2021

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, 2021

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, 2021

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 fund 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 fund 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, 2021

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, 2021

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, 2020 as revenue for the year ended March 31, 2021.

The 2020 adjusted taxable value totaled \$1,179,036,716. Taxes levied consisted of .8832 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, 2021

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 (Asset), 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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. DEFERRED OUTFLOWS/INFLOWS 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 outflows* (previously called *assets*) and *deferred inflows* (previously called *liabilities*).

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

Deferred outflows 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, 2021, the Township records deferred outflows of resources on the Statement of Net Position relating to pension changes in experience, changes in assumptions, and contributions made subsequent to the Net Pension Liability (Asset) measurement date.

Deferred inflows 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.

For the year ended March 31, 2021, the Township records deferred inflows of resources on the Statement of Net Position relating to unavailable revenue (special assessments levied over a period of years in which the future principal collections exceeding one year are unavailable for fund accounting purposes) and pension differences from expected investment returns compared to actual.

Deferred outflows (inflows) of resources as of March 31, 2021 are as follows:

Deferred Outflows (Inflows) of Resources			
	Outflows	(Inflows)	Net
Differences in experience	\$ 15,850	\$	\$ 15,850
Differences in actuarial assumptions	171,855		171,855
Differences in investment expectations versus actual		(91,878)	(91,878)
Contributions subsequent to measurement date	19,793		19,793
Unavailable revenue		(1,155,661)	(1,155,661)
Totals	\$ 207,498	\$ (1,247,539)	\$ (1,040,041)

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) standards, all funds, agencies, and activities of the Township 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.

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021, were:

	Interfund Receivable		Interfund Payable
General Fund	\$ 390	Current Tax Collection Fund	\$ 390
General Fund	530	Streetlights Fund	530
General Fund	1,260	SAD Road Maintenance Fund	1,260
2019 Road Bond SAD Fund	938	2020 Road Improvement SAD Fund	938
Streetlights Fund	<u>39</u>	General Fund	<u>39</u>
Total	<u>\$ 3,157</u>		<u>\$ 3,157</u>

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

Interfund transfers, as reported in the fund financial statements, as of March 31, 2021, were:

Transfer In	Transfer Out	Amount
Road Projects Fund	General Fund	\$ 1,288,218
General Fund	Road Projects Fund	1,288,218
Road Projects Fund	2020 Road Improvement SAD Fund	1,345,000
Road Projects Fund	2019 Road Bond SAD Fund	3,627
2019 Road Bond SAD Fund	2020 Road Improvement SAD Fund	938
2019 Road Bond SAD Fund	Road Projects Fund	<u>16,283</u>
		<u>\$ 3,942,284</u>

Interfund transfers were eliminated between combined funds on the fund financial statement of revenues, expenditures and changes in fund balances presentation.

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2021, was as follows:

	Balance 4/1/2020	Additions	Deletions	Reclass- ifications	Balance 3/31/2021
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 715,555	\$	\$ (3,357)	\$	\$ 712,198
Construction in progress	3,940	41,483	_____	(45,423)	_____
Total capital assets not being depreciated	719,495	41,483	(3,357)	(45,423)	712,198
Other capital assets:					
Buildings and improvements	6,835,673	15,450	_____	45,423	6,896,546
Vehicles and equipment	556,295	11,090	_____	_____	567,385
Total other capital assets at historical cost	7,391,968	26,540	_____	45,423	7,463,931
Less accumulated depreciation for:					
Buildings and improvements	(3,538,115)	(206,708)	_____	(3,744,823)	_____
Vehicles and equipment	(360,826)	(33,815)	_____	_____	(394,641)
Total accumulated depreciation	(3,898,941)	(240,523)	_____	_____	(4,139,464)
Other capital assets, net	3,493,027	(213,983)	_____	45,423	3,324,467
Governmental capital assets, net	\$4,212,522	\$ (172,500)	\$ (3,357)	\$	\$4,036,665

There is no related debt to these fixed assets.

Depreciation was charged to functions as follows:

Governmental activities:

General government	\$ 156,771
Public safety	80,889
Cemetery	2,863
	<u>\$ 240,523</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 4 - CAPITAL ASSETS (continued)

	Balance 4/1/2020	Additions	Deletions	Balance 3/31/2021
Business-type activities:				
Capital assets not being depreciated				
Land - sewer	<u>\$ 1,395,224</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,395,224</u>
Other capital assets:				
Plant and collection system - sewer	<u>31,339,398</u>	<u>71,225</u>		<u>31,410,623</u>
Furniture and fixtures - sewer	<u>22,500</u>			<u>22,500</u>
Total other capital assets at historical cost	<u>31,361,898</u>	<u>71,225</u>		<u>31,433,123</u>
Less accumulated depreciation for:				
Plant and collection system - sewer	<u>(14,998,111)</u>	<u>(876,124)</u>		<u>(15,874,235)</u>
Furniture and fixtures - sewer	<u>(22,500)</u>			<u>(22,500)</u>
Total accumulated depreciation	<u>(15,020,611)</u>	<u>(876,124)</u>		<u>(15,896,735)</u>
Other capital assets, net	<u>16,341,287</u>	<u>(804,899)</u>		<u>15,536,388</u>
Business-type capital assets, net	<u>\$17,736,511</u>	<u>\$ (804,899)</u>	<u>\$</u>	<u>\$16,931,612</u>

Depreciation was charged to functions as follows:

Business-type activities:

Sewer service \$ 876,124

NOTE 5 - DEFINED BENEFIT PLAN

Plan Description

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Benefits Provided

As of the December 31, 2020 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, 2020 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	2	1	0
Active employees	4	0	6	2
Pending refunds	3	0	0	0
	<u>17</u>	<u>4</u>	<u>7</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, 2021 were \$3,099 per month for Division 01, \$340 per month for Division 10, 2.17% of eligible wages for Division 11, and 4.67% 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.

Net Pension Liability (Asset)

The Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined from the annual actuarial valuation as of December 31, 2020.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Actuarial assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%.

Salary Increases: 3.00% in the long term.

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

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

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

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

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

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

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.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at 12/31/2019	\$ 2,377,298	\$ 2,376,277	\$ 1,021
Changes for the year			
Service cost	64,116		64,116
Interest on total pension liability	179,028		179,028
Changes in benefits			
Difference between expected and actual experience	(42)		(42)
Changes in assumptions	188,132		188,132
Employer contributions		353,561	(353,561)
Employee contributions		35,437	(35,437)
Net investment income		316,960	(316,960)
Benefit payments, including employee refunds	(107,439)	(107,439)	
Administrative expense		(4,859)	4,859
Other changes			
Net changes	323,795	593,660	(269,865)
Balance at 12/31/2020	\$ 2,701,093	\$ 2,969,937	\$ (268,844)

Sensitivity of the Net Pension Liability (Asset) to changes in the discount rate

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.60%	7.60%	8.60%
Net Pension Liability (Asset) at 12/31/2020	\$ (268,844)	\$ (268,844)	\$ (268,844)
Change in Net Pension Liability (NPL) from change in discount rate	352,587		(294,816)
Calculated NPL	<u>\$ 83,743</u>	<u>\$ (268,844)</u>	<u>\$ (563,660)</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.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension

For the fiscal year ended March 31, 2021, the Township recognized pension expense of \$75,547. The Township reported deferred outflows and (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Totals
Deferred outflows (inflows) to be amortized			
Differences in experience	\$ 15,850	\$	\$ 15,850
Differences in assumptions	171,855		171,855
Excess (Deficit) of Investment Returns		(91,878)	(91,878)
Total deferred outflows (inflows) to be amortized	187,705	(91,878)	95,827
Contributions subsequent to the measurement date	19,793		19,793
Totals	\$ 207,498	\$ (91,878)	\$ 115,620

The amount reported as deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability (Asset) for the year ending March 31, 2022.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension (continued)

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

	Year Ended March 31,	Expense
2021	\$ 51,222	
2022	69,875	
2023	(97)	
2024	(25,173)	
Total	\$ 95,827	

NOTE 6 - 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, 2021

NOTE 7 - DEFINED CONTRIBUTION PLAN

The Township participates in the John Hancock Defined Contribution Pension Plan for Michigan Township Employees. This is a single-employer plan. All Township trustees and the Township supervisor are eligible to participate in the plan. The Township contributes 10% of the supervisor's compensation and 25% of the trustees' compensation, while an employee may contribute 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	<u>\$ 10,689</u>
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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	<u>\$ 11,300</u>
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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. These bonds were extinguished during the fiscal year.

Bonds Payable

During the fiscal year, the Township received bond proceeds for a road improvement project. This bond was received from Huntington National Bank and principal payments are set to begin next year. The bond is expected to be extinguished in 2030.

Bonds 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>
Governmental activities:					
Huntington National Bank					
Road Improvement Project					
Special Assessment Bonds,					
Series 2020	\$ 1,345,000	\$ 180,000	—	\$ 20,000	5/1/2029
				0.05 — 1.25%	\$ 1,345,000

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

<u>Year Ending March 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 180,000	\$ 9,910
2023	175,000	8,399
2024	170,000	8,312
2025	165,000	8,229
2026	165,000	7,156
2027 - 2030	<u>490,000</u>	<u>9,562</u>
	<u><u>\$ 1,345,000</u></u>	<u><u>\$ 51,568</u></u>

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021, 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, 2021:

	Balance			Balance		
	4/1/2020	Additions	Reductions	3/31/2021	Due Within One Year	
Governmental activities:						
Accumulated compensated absences	\$ 50,248	\$	\$ (23,091)	\$ 27,157	\$ 27,157	
Bonds payable	_____	1,345,000	_____	1,345,000	180,000	
Total governmental debt	50,248	1,345,000	(23,091)	1,372,157	207,157	
Business-type activities:						
Contracts payable	1,705,000	_____	(1,705,000)	_____	_____	
Total long-term liabilities	\$ 1,755,248	\$ 1,345,000	\$ (1,728,091)	\$ 1,372,157	\$ 207,157	

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.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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

As of March 31, 2021, cash, cash equivalents and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 2,750,613	\$ 2,750,613	\$
Money market and savings accounts	11,267,465	11,267,465	
Non-negotiable CDs	<u>2,767,569</u>		<u>2,767,569</u>
Total deposits	16,785,647	14,018,078	2,767,569
Investments			
External investment pool	<u>100,049</u>		<u>100,049</u>
Total deposits and investments	<u>\$ 16,885,696</u>	<u>\$ 14,018,078</u>	<u>\$ 2,867,618</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 \$ 16,582,311

Fiduciary Funds

Cash	<u>390</u>
Total cash, cash equivalents and investments	<u>\$ 16,582,701</u>

The difference between the carrying amount of cash and the amount mentioned above stems from outstanding items and accrued interest as of March 31, 2021.

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, 2021 deposits in banks totaled \$16,785,647 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 2,428,205
Uninsured and collateralized	7,101,550
Uninsured and uncollateralized	<u>7,255,892</u>
	<u>\$ 16,785,647</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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

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.

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 \$100,049 as of March 31, 2021.

Concentration of Credit Risk

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

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

Investment Type	Issuer	Percent of Portfolio
Non-negotiable Certificate of Deposit	CIBC	35%
Non-negotiable Certificate of Deposit	Oxford Bank	9%
Non-negotiable Certificate of Deposit	First National Bank	9%
Non-negotiable Certificate of Deposit	Flagstar Bank	35%
Non-negotiable Certificate of Deposit	Chemical Bank	9%

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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, 2021 the Township had the following investments subject to interest rate risk:

Investment Type	Fair Value	Maturities (In-Years)	
		< 1	
Non-negotiable Certificates of Deposit	\$ 2,767,569	\$ 2,767,569	

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, 2021 is \$100,049.

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, 2021, the Township's investments were exposed to credit risk as follows:

Investment Type	Rating by Standard & Poor	Amount
MBIA Investment Pool	AAA / M	\$ 100,049
Non-negotiable Certificates of Deposit	Unrated	<u>2,767,569</u>
		<u>\$ 2,867,618</u>

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:

3/31/2021

Operating revenues	\$ 1,110,974
Depreciation and amortization	876,124
Operating (loss)	(824,335)
Net working capital	764,354
Total assets	19,960,185
Reserved retained earnings	18,887,690
Unreserved retained earnings	764,354
Total fund equity	19,652,044

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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, 2020</u>	<u>March 31, 2021</u>
Cash and cash equivalents	<u>\$ 3,658,903</u>	<u>\$ 2,277,256</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, 2021, the Township abated property taxes totaling \$6,041. The Township's portion of this amount is \$267.

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.).

NOTE 14 - COVID-19

In March of 2020, the governor of Michigan took measures to contain the spread of the COVID-19 virus, including travel bans, quarantines, social distancing, and closures of non-essential services. This has triggered significant disruptions to the economy. The Township has taken steps to reduce the negative effect on its financial position by taking cost reduction measures and applying for various grants. The Township continues to carefully monitor the situation.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 16, 2021, which is the date the financial statements were available to be issued.

Management has determined the ongoing COVID-19 events mentioned in Note 14 are non-adjusting subsequent events. Accordingly, the financial position and statement of activities as of and for the year ended March 31, 2021 have not been adjusted for their impact. The duration and impact of COVID-19 remains unclear at this time. While the Township is optimistic about continuing operations going forward, it is not possible to reliably estimate the duration and severity of these consequences, nor their impact on the financial position and statement of activities of the Township for future periods.

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, 2021

NOTE 16 - INVESTMENTS IN JOINT VENTURE

As of March 31, 2021, 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 Ave., 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. LCWA 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 \$4,156,502 as of March 31, 2021. 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 LCWA 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, 2020 (the date financial information was last available) is as follows:

Total assets	\$ 18,292,242
Total liabilities	\$ 37,953
Total net assets	\$ 18,254,289
Total revenues	\$ 1,154,503
Total expenditures	\$ 1,114,759

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 16 - 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 "SELCRA"). SELCRA was jointly incorporated by the City of Brighton, the Charter Township of Brighton, the Charter Township of Genoa, and Green Oak Charter Township in 2002 under provisions of Public Act 321. SELCRA was formed to provide recreational services to the respective communities.

The City of Brighton and the 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 SELCRA.

Complete financial statements for SELCRA can be obtained from its administrative offices at 125 S. Church Street, Brighton, MI 48116.

Brighton Area Fire Authority

The Charter Township of Brighton is a member of the Brighton Area Fire Authority (hereinafter "BAFA"). BAFA was incorporated by the City of Brighton, the Charter Townships of Brighton, and the Charter Township of Genoa. BAFA was formed for the purpose of providing fire protection and safety services to the residents of its incorporating members. BAFA 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 \$4,309,448 as of March 31, 2021. 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 BAFA can be obtained from its administrative offices at 615 W. Grand River Ave., Brighton, Michigan 48116. Selected financial information of BAFA as of and for the fiscal year ended June 30, 2020 (the date financial information was last available) is as follows:

Total assets	\$ 13,488,215
Total liabilities	\$ 559,871
Total net assets	\$ 12,928,344
Total revenues	\$ 9,088,419
Total expenditures	\$ 4,409,823

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 Township is currently assessing the impact that this Standard will have on the Township's financial statements. 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 Township is currently assessing the impact that this Standard will have on the Township's financial statements. 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.

GASB 96 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In May 2020, GASB issued Statement No. 96, Subscription-based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the Standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the year ended March 31, 2023.

The Township is assessing the impact that these Standards will have on its financial statements. The Township has considered the impact of Standards No 88, 90, 91, 92, 93 and 94 (implemented by GASB) and does not expect these Standards to have any 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, 2021**

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,018,870	\$ 1,018,870	\$ 1,043,696	\$ 24,826
Connection fees	102,600	102,600	636,120	533,520
Special assessments			1,635	1,635
Licenses and permits	349,000	349,000	345,488	(3,512)
Federal grants		16,296	16,296	
Intergovernmental - state	1,739,500	1,739,500	1,752,103	12,603
Rental income	229,984	229,984	233,147	3,163
Charges for services	897,918	897,918	695,727	(202,191)
Interest	44,200	44,200	84,775	40,575
Reimbursements	15,000	15,000	12,481	(2,519)
Miscellaneous	7,300	12,300	91,690	79,390
Total revenues	4,404,372	4,425,668	4,913,158	487,490
EXPENDITURES				
General government	3,039,929	3,290,927	2,552,950	737,977
Parks and recreation	219,000	219,000	219,000	
Public safety	126,600	126,600	18,225	108,375
Road improvement	4,579,211	4,579,211	3,870,435	708,776
Cemetery	58,000	58,000	23,065	34,935
Public works	214,500	206,989	84,437	122,552
Total expenditures	8,237,240	8,480,727	6,768,112	1,712,615
Excess of revenues over (under) expenditures	(3,832,868)	(4,055,059)	(1,854,954)	2,200,105
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets			5,000	5,000
Transfers in	1,612,583	1,612,583	1,288,218	(324,365)
Transfers (out)	(1,616,583)	(1,616,583)	(1,288,218)	328,365
Total other financing sources (uses)	(4,000)	(4,000)	5,000	9,000
Net change in fund balance	(3,836,868)	(4,059,059)	(1,849,954)	2,209,105
FUND BALANCE, APRIL 1, 2020	14,222,120	14,222,120	14,222,120	
FUND BALANCE, MARCH 31, 2021	\$ 10,385,252	\$ 10,163,061	\$ 12,372,166	\$ 2,209,105

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, 2021

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Special assessments	\$ 185,345	\$ 185,345	\$ 13,338	\$ (172,007)
Interest	700	700	2,227	1,527
Total revenues	186,045	186,045	15,565	(170,480)
EXPENDITURES				
Public works	1,863,000	1,878,500	1,752,806	125,694
Excess of revenues over (under) expenditures	(1,676,955)	(1,692,455)	(1,737,241)	(44,786)
OTHER FINANCING SOURCES (USES)				
Bond sale proceeds	1,475,604	1,475,604		(1,475,604)
Transfers in	1,475,604	2,824,231	2,636,845	(187,386)
Transfers (out)	(1,475,604)	(1,491,887)	(1,304,501)	187,386
Total other financing sources (uses)	1,475,604	2,807,948	1,332,344	(1,475,604)
Net change in fund balance	(201,351)	1,115,493	(404,897)	(1,520,390)
FUND BALANCE, APRIL 1, 2020	477,800	477,800	477,800	
FUND BALANCE, MARCH 31, 2021	\$ 276,449	\$ 1,593,293	\$ 72,903	\$ (1,520,390)

CHARTER TOWNSHIP OF BRIGHTON

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2021**

Schedule of Employer Contributions

	For the Plan Year Ended					
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actuarial determined contributions	\$ 47,902	\$ 38,134	\$ 21,280	\$ 32,558	\$ 9,179	\$ 6,376
Contributions in relation to the actuarial determined contribution	<u>305,659</u>	<u>286,423</u>	<u>149,984</u>	<u>58,991</u>	<u>29,226</u>	<u>23,021</u>
Contribution (deficiency) excess	<u>\$ 257,757</u>	<u>\$ 248,289</u>	<u>\$ 128,704</u>	<u>\$ 26,433</u>	<u>\$ 20,047</u>	<u>\$ 16,645</u>
Covered employee payroll	<u>\$ 712,079</u>	<u>\$ 600,806</u>	<u>\$ 511,739</u>	<u>\$ 523,920</u>	<u>\$ 511,727</u>	<u>\$ 457,995</u>
Contributions as a percentage of covered payroll	<u>42.92%</u>	<u>47.67%</u>	<u>29.31%</u>	<u>11.26%</u>	<u>5.71%</u>	<u>5.03%</u>

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

Notes to the Schedule of Employer Contributions (All divisions)

Actuarial cost method	Entry age
Amortization method	Layered by division
Remaining amortization period	Division 01: Initial UAL - 23 years, 2016 (Gain)/Loss - 22 years, Division 10: Initial UAL - 10 years, (Gain)/Loss - 15 years Division 11: Initial UAL - 10 years, (Gain)/Loss - 15 years Division 12: (Gain)/Loss - 15 years
Asset valuation method	5 year smoothing
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement age	Age 60. Early retirement with reduced benefits at age 50 with 25 years of service or 55 with 15 years of service.
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%.

CHARTER TOWNSHIP OF BRIGHTON

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED MARCH 31, 2021

	For the Plan Year Ended					
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
TOTAL PENSION LIABILITY						
Service cost	\$ 64,116	\$ 56,136	\$ 47,103	\$ 51,344	\$ 44,499	\$ 44,302
Interest	179,028	162,645	160,076	152,671	144,760	129,220
Changes in benefit terms						
Differences between expected and actual experience	(42)	31,764	35,737	4,783	18,428	78,534
Changes of assumptions	188,132	61,514				90,409
Benefit payments, including refunds of employee contributions	(107,439)	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Other changes	<u>8,536</u>	<u>23</u>	<u>(3)</u>	<u>(1)</u>		
Net change in total pension liability	323,795	210,587	135,124	88,975	103,038	248,386
TOTAL PENSION LIABILITY - BEGINNING	2,377,298	2,166,711	2,031,587	1,942,612	1,839,574	1,591,188
TOTAL PENSION LIABILITY - ENDING	<u>\$ 2,701,093</u>	<u>\$ 2,377,298</u>	<u>\$ 2,166,711</u>	<u>\$ 2,031,587</u>	<u>\$ 1,942,612</u>	<u>\$ 1,839,574</u>
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 353,561	\$ 286,423	\$ 149,984	\$ 58,993	\$ 29,226	\$ 22,801
Contributions - employee	35,437	30,178	28,415	26,196	25,058	23,570
Net investment income	316,960	262,728	(76,897)	230,111	181,169	(25,009)
Benefit payments, including refunds of employee contributions	(107,439)	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Administrative expenses	<u>(4,859)</u>	<u>(4,518)</u>	<u>(3,738)</u>	<u>(3,639)</u>	<u>(3,578)</u>	<u>(3,660)</u>
Net change in plan fiduciary net position	593,660	464,803	(10,051)	191,841	127,227	(76,377)
PLAN FIDUCIARY NET POSITION, BEGINNING	2,376,277	1,911,474	1,921,525	1,729,684	1,602,457	1,678,834
PLAN FIDUCIARY NET POSITION, ENDING	<u>\$ 2,969,937</u>	<u>\$ 2,376,277</u>	<u>\$ 1,911,474</u>	<u>\$ 1,921,525</u>	<u>\$ 1,729,684</u>	<u>\$ 1,602,457</u>
NET PENSION LIABILITY (ASSET)						
(TOTAL PENSION LIABILITY (ASSET) - PLAN FIDUCIARY NET POSITION)	<u>\$ (268,844)</u>	<u>\$ 1,021</u>	<u>\$ 255,237</u>	<u>\$ 110,062</u>	<u>\$ 212,928</u>	<u>\$ 237,117</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>109.95%</u>	<u>99.96%</u>	<u>88.22%</u>	<u>94.58%</u>	<u>89.04%</u>	<u>87.11%</u>
Covered employee payroll	<u>\$ 712,079</u>	<u>\$ 600,806</u>	<u>\$ 511,739</u>	<u>\$ 523,920</u>	<u>\$ 511,727</u>	<u>\$ 457,995</u>
Net pension liability (asset) as a percentage of covered employee payroll	<u>-37.75%</u>	<u>0.17%</u>	<u>49.88%</u>	<u>21.01%</u>	<u>41.61%</u>	<u>51.77%</u>

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

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

FUNDS INCLUDED IN GASB 54 CONSOLIDATION
COMBINING BALANCE SHEETS
MARCH 31, 2021

	General Fund	Parks Fund	Cemetery Fund	Budget Stabilization Fund	Trust and Agency Fund	Pathway Fund	Future Road Improvement Fund	Construction Escrow Fund	Restated General Fund
								Eliminations	
ASSETS									
Cash, cash equivalents and investments	\$ 8,723,867	\$ 1,165,512	\$ 124,586	\$ 287,216	\$ 42,578	\$ 520,604	\$ 1,094,128	\$ 322,723	\$ 12,281,214
Receivables:									
Taxes	51,064								51,064
Special assessments	37,859								37,859
State shared revenues	278,695								278,695
Accounts	82,906							100	83,006
Due from other funds	2,327								(147) 2,180
Prepaid expenditures	58,374								58,374
Total assets	\$ 9,235,092	\$ 1,165,512	\$ 124,586	\$ 287,216	\$ 42,578	\$ 520,604	\$ 1,094,128	\$ 322,823	\$ (147) \$ 12,792,392
LIABILITIES									
Accounts payable	\$ 26,248	\$	\$	\$	\$	\$	\$	\$	\$ 26,248
Accrued wages and vacation	28,685								28,685
Due to others					42,477				42,477
Due to other funds	39				101			46	(147) 39
Unearned revenue								322,777	322,777
Total liabilities	54,972				42,578			322,823	(147) 420,226
FUND BALANCE									
Nonspendable	58,374								58,374
Committed									
Roads						696,128			696,128
Parks and recreation		1,165,512				520,604			1,686,116
Cemetery			124,586						124,586
Assigned									
Township board	3,051,360								3,051,360
Future budget obligation							398,000		398,000
Unassigned	6,070,386			287,216					6,357,602
Total fund balance	9,180,120	1,165,512	124,586	287,216	42,578	520,604	1,094,128	322,823	\$ (147) \$ 12,372,166
Total liabilities and fund balance	\$ 9,235,092	\$ 1,165,512	\$ 124,586	\$ 287,216	\$ 42,578	\$ 520,604	\$ 1,094,128	\$ 322,823	\$ (147) \$ 12,792,392

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2021

	SPECIAL REVENUE FUNDS								CAPITAL PROJECTS FUND	
	2020 Road		2019 Road				Municipal		SAD	Municipal
	Liquor Law	Improvement SAD	SAD Road Maintenance	Bond SAD	Streetlights	Refuse	Aquatics	Water	Totals	
ASSETS										
Cash, cash equivalents and investments	\$ 51,076	\$ 938	\$ 102,543	\$ 220,267	\$	\$ 66,668	\$ 105,870	\$ 1,403,576	\$ 1,950,938	
Receivables:										
Special assessments					21,183			86,184	107,367	
Accounts			2,584	5,635		4,487	6,191		18,897	
Due from other funds				938	39				977	
Prepaid expenditures	124									124
Total assets	\$ 51,200	\$ 938	\$ 105,127	\$ 226,840	\$ 21,222	\$ 71,155	\$ 112,061	\$ 1,489,760	\$ 2,078,303	
LIABILITIES										
Accounts payable	\$ 15	\$	\$	\$	\$ 1,773	\$	\$ 1,084	\$	\$ 2,872	
Accrued wages	183								183	
Due to other funds		938	1,260		530				2,728	
Total liabilities	198	938	1,260		2,303		1,084		5,783	
FUND BALANCE										
Non-spendable		124								124
Restricted										
Public safety		50,878							50,878	
Roads			26,984	226,840					253,824	
Public works					18,919	71,155	49,795	360,980	500,849	
Assigned		76,883					61,182	1,128,780	1,266,845	
Total fund balance	51,002		103,867	226,840	18,919	71,155	110,977	1,489,760	2,072,520	
Total liabilities and fund balance	\$ 51,200	\$ 938	\$ 105,127	\$ 226,840	\$ 21,222	\$ 71,155	\$ 112,061	\$ 1,489,760	\$ 2,078,303	

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, 2021

	General Fund	Parks Fund	Cemetery Fund	Budget Stabilization Fund	Pathway Fund	Future Road Improvement Fund	Construction Escrow Fund	Restated General Fund
							Eliminations	
REVENUES								
Taxes	\$ 1,043,696	\$	\$	\$	\$	\$	\$	\$ 1,043,696
Connection fees	636,120							636,120
Special assessments	1,635							1,635
Licenses and permits	345,488							345,488
Federal grants	16,296							16,296
Intergovernmental - state	1,752,103							1,752,103
Rental income	233,147							233,147
Charges for services	440,282					255,445		695,727
Interest	54,629	5,715	655	1,635	3,105	19,036		84,775
Reimbursements	12,481							12,481
Miscellaneous	16,690				75,000			91,690
Total revenues	4,552,567	5,715	655	1,635	3,105	94,036	255,445	4,913,158
EXPENDITURES								
Current:								
General government	2,235,004					255,445		2,490,449
Parks and recreation	219,000							219,000
Public safety	18,225							18,225
Road improvements	93,550					3,776,885		3,870,435
Cemetery	23,065							23,065
Public works	84,437							84,437
Capital outlay:								
General government	62,501							62,501
Total expenditures	2,735,782					3,776,885	255,445	6,768,112
Excess of revenues over (under) expenditures	1,816,785	5,715	655	1,635	3,105	(3,682,849)		(1,854,954)
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of assets	5,000							5,000
Transfers in	1,288,218	50,000	10,000		100,000	250,000		(410,000)
Transfers (out)	(1,698,218)							410,000
Total other financing sources (uses)	(405,000)	50,000	10,000		100,000	250,000		5,000
Net change in fund balances	1,411,785	55,715	10,655	1,635	103,105	(3,432,849)		(1,849,954)
FUND BALANCE, APRIL 1, 2020	7,768,335	1,109,797	113,931	285,581	417,499	4,526,977		14,222,120
FUND BALANCE, MARCH 31, 2021	\$ 9,180,120	\$ 1,165,512	\$ 124,586	\$ 287,216	\$ 520,604	\$ 1,094,128	\$	\$ 12,372,166

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2021

	SPECIAL REVENUE FUNDS								CAPITAL PROJECTS FUND	
	2020 Road		2019 Road		Municipal		SAD		Municipal	
	Liquor Law	Improvement SAD	SAD Road Maintenance	Bond SAD	Streetlights	Refuse	Aquatics	Water		Totals
REVENUES										
Connection fees	\$	\$	\$	\$	\$	\$	\$	\$	133,577	\$ 133,577
Special assessments			49,412	213,088	21,183	75,420	181,276	3,733		544,112
Licenses and permits	10,594									10,594
Interest	178	938	485	158		244	685	7,554		10,242
Total revenues	10,772	938	49,897	213,246	21,183	75,664	181,961	144,864		698,525
EXPENDITURES										
Current										
Public safety	9,129									9,129
Road improvements			47,691							47,691
Public works					20,989	75,134	229,139	15,588		340,850
Total expenditures	9,129		47,691		20,989	75,134	229,139	15,588		397,670
Excess of revenues over (under) expenditures	1,643	938	2,206	213,246	194	530	(47,178)	129,276		300,855
OTHER FINANCING SOURCES (USES)										
Bond sale proceeds			1,345,000							1,345,000
Transfers in				17,221						17,221
Transfers (out)		(1,345,938)		(3,627)						(1,349,565)
Total other financing sources (uses)		(938)		13,594						12,656
Net changes in fund balances	1,643		2,206	226,840	194	530	(47,178)	129,276		313,511
FUND BALANCE, APRIL 1, 2020	49,359		101,661		18,725	70,625	158,155	1,360,484		1,759,009
FUND BALANCE, MARCH 31, 2021	\$ 51,002	\$	\$ 103,867	\$ 226,840	\$ 18,919	\$ 71,155	\$ 110,977	\$ 1,489,760		\$ 2,072,520

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, 2021

ASSETS

Cash, cash equivalents and investments	\$ 8,723,867
Receivables:	
Taxes	51,064
Special assessments	37,859
State shared revenues	278,695
Accounts	82,906
Due from other funds	2,327
Prepaid expenditures	<u>58,374</u>
Total assets	<u><u>\$ 9,235,092</u></u>

LIABILITIES

Accounts payable	\$ 26,248
Accrued wages and vacation	28,685
Due to other funds	<u>39</u>
Total liabilities	<u>\$ 54,972</u>

FUND BALANCE

Nonspendable - prepaid	58,374
Assigned - Township board	3,051,360
Unassigned	<u>6,070,386</u>
Total fund balance	<u><u>9,180,120</u></u>
Total liabilities and fund balance	<u><u>\$ 9,235,092</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, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,018,870	\$ 1,043,696	\$ 24,826
Connection fees	102,600	636,120	533,520
Special assessments		1,635	1,635
Licenses and permits	349,000	345,488	(3,512)
Federal grants	16,296	16,296	
Intergovernmental - state	1,739,500	1,752,103	12,603
Rental income	229,984	233,147	3,163
Charges for services	374,970	440,282	65,312
Interest	36,500	54,629	18,129
Reimbursements	15,000	12,481	(2,519)
Miscellaneous	<u>12,200</u>	<u>16,690</u>	<u>4,490</u>
Total revenues	3,894,920	4,552,567	657,647
EXPENDITURES			
	<u>3,700,447</u>	<u>2,735,782</u>	<u>964,665</u>
Excess of revenues over (under) expenditures	194,473	1,816,785	1,622,312
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets		5,000	5,000
Transfers in	1,475,604	1,288,218	(187,386)
Transfers (out)	<u>(1,887,604)</u>	<u>(1,698,218)</u>	<u>189,386</u>
Total other financing sources (uses)	(412,000)	(405,000)	2,000
Net change in fund balance	(217,527)	1,411,785	1,629,312
FUND BALANCE, APRIL 1, 2020	7,768,335	7,768,335	
FUND BALANCE, MARCH 31, 2021	<u>\$ 7,550,808</u>	<u>\$ 9,180,120</u>	<u>\$ 1,629,312</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, 2021**

	Amended		Variance
	Budget	Actual	Favorable
			(Unfavorable)
TAXES			
Current property taxes	\$	\$ 1,040,986	\$
Delinquent property taxes		2,377	
Penalties/interest - delinquent taxes		51	
Trailer park fees		282	
Total taxes	1,018,870	1,043,696	24,826
CONNECTION FEES			
	102,600	636,120	533,520
SPECIAL ASSESSMENTS			
		1,635	1,635
LICENSES AND PERMITS			
Franchise fees		330,193	
Other licenses and permits		15,295	
Total licenses and permits	349,000	345,488	(3,512)
FEDERAL GRANTS			
	16,296	16,296	
INTERGOVERNMENTAL - STATE			
State shared revenue		1,638,042	
Personal property tax reimbursement		98,486	
Right of way revenues		15,575	
Total intergovernmental - State	1,739,500	1,752,103	12,603
RENTAL INCOME			
	229,984	233,147	3,163
CHARGES FOR SERVICES			
Property tax administration fee		362,859	
Planning and zoning fees		64,103	
Dog licenses		195	
Other charges for services		13,125	
Total charges for services	374,970	440,282	65,312
INTEREST			
	36,500	54,629	18,129
REIMBURSEMENTS			
	15,000	12,481	(2,519)
MISCELLANEOUS			
Utilities administration fee		4,800	
Other revenue		11,890	
Total miscellaneous	12,200	16,690	4,490
Total revenues	\$ 3,894,920	\$ 4,552,567	\$ 657,647

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, 2021**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Wages, salaries and per diems	\$	\$ 30,411	\$
Ordinance codification		3,081	
Printing and publishing		6,924	
Payroll taxes		2,340	
Insurance - benefits		202	
Insurance - liability		34	
Pension		9,793	
Supplies		235	
Consulting		5,610	
Engineering services		6,789	
Education/travel		1,900	
Dues		<u>11,627</u>	
Total township board	<u>115,829</u>	<u>78,946</u>	<u>36,883</u>
SUPERVISOR			
Wages, salaries and per diems		31,445	
Pension		3,160	
Payroll taxes		2,406	
Insurance - benefits		62	
Insurance - liability		<u>34</u>	
Total supervisor	<u>41,035</u>	<u>37,107</u>	<u>3,928</u>
MANAGER			
Wages, salaries and per diems		113,701	
Wages, salaries and per diems - clerical		80,555	
Insurance - benefits		12,414	
Insurance - liability		379	
Pension		16,246	
Payroll taxes		15,263	
Dues		1,148	
Supplies		222	
Postage		853	
Health care savings plan		3,759	
Capital outlay		<u>4,145</u>	
Total manager	<u>290,128</u>	<u>248,685</u>	<u>41,443</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, 2021**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
ELECTIONS			
Wages, salaries and per diems - Clerk	18,569		
Wages, salaries and per diems - Deputy Officials	50,415		
Election workers	31,178		
Pension	2,945		
Payroll taxes	5,289		
Insurance - benefits	15,109		
Insurance - liability	227		
Accuracy consulting	15,860		
Education /travel	886		
Printing and publishing	323		
Supplies	10,208		
Postage	12,446		
Health care savings plan	370		
Equipment maintenance and repair	569		
Dues	1,289		
Capital outlay	10,104		
Total elections	235,273	175,787	59,486
ASSESSOR			
Wages, salaries and per diems	179,260		
Pension	19,592		
Payroll taxes	13,775		
Insurance - benefits	50,272		
Insurance - liability	633		
Education and travel	759		
Supplies	273		
Postage	3,998		
Health care savings plan	2,020		
Dues	444		
Printing and publishing	1,580		
Capital outlay	5,756		
Total assessor	301,747	278,362	23,385

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, 2021**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
CLERK			
Wages, salaries and per diems - Clerk	55,823		
Wages, salaries and per diems - Deputy Clerk	14,589		
Wages, salaries and per diems - other	106,707		
Pension	18,532		
Payroll taxes	13,773		
Insurance - benefits	54,162		
Insurance - liability	180		
Postage	106		
Health care savings plan	2,135		
Small equipment	195		
Professional fees	9,320		
Supplies	394		
Education/travel	2,326		
Newsletter	3,167		
Dues	614		
Record retention	2,341		
Total clerk	308,148	284,364	23,784
TREASURER			
Wages, salaries and per diems - Treasurer	74,392		
Wages, salaries and per diems - Deputy Treasurer	59,056		
Wages, salaries and per diems - other	36,372		
Pension	18,706		
Payroll taxes	13,342		
Insurance - benefits	32,194		
Insurance - liability	262		
Professional fees	9,440		
Bank fees	161		
Supplies	1,628		
Tax forms	4,339		
Postage	8,870		
Health care savings plan	1,703		
Education/travel	603		
Dues	534		
Capital outlay	3,249		
Total treasurer	285,428	264,851	20,577

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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
SEWER AND WATER			
Per diems		1,425	
Professional fees		17,892	
Total sewer and water	<u>108,864</u>	<u>19,317</u>	<u>89,547</u>
ROADS	<u>185,000</u>	<u>93,550</u>	<u>91,450</u>
OTHER CHARGES AND SERVICES			
Insurance - liability		30,075	
Pension expense		275,000	
Contracted services		42,575	
Computer support		17,653	
Legal fees		53,393	
Telephone		3,304	
Lease - MSP		137,484	
Equipment repair		9,070	
Equipment rental		1,741	
Fuel		490	
Capital outlay		20,818	
Total other charges and services	<u>714,980</u>	<u>591,603</u>	<u>123,377</u>
PLANNING			
Wages, salaries and per diems		72,486	
Pension		10,874	
Payroll taxes		4,850	
Insurance - benefits		19,845	
Insurance - liability		320	
Supplies		982	
Postage		290	
Health care savings plan		1,366	
Special projects		20,200	
Engineering services		27,546	
Dues		60	
Printing and publishing		4,340	
Capital outlay		3,397	
Total planning	<u>245,777</u>	<u>166,556</u>	<u>79,221</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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP HALL/GROUNDS			
Cleaning maintenance	1,418		
Supplies	9,687		
Insurance - liability	74		
Street lighting	9,456		
Building maintenance and repairs	31,966		
Equipment maintenance and repairs	6,847		
Grounds maintenance and repairs	32,337		
Utilities	14,992		
Tax chargebacks	232		
Capital outlay	51,809		
Total township hall/grounds	342,880	158,818	184,062
CEMETERY			
	58,000	23,065	34,935
FIRE PROTECTION			
Contracted services	9,812		
Building maintenance and repair	1,742		
Grounds maintenance and repair	2,515		
Capital improvements	4,156		
Total fire protection	126,600	18,225	108,375

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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EMERGENCY PREPAREDNESS	<u>5,500</u>	<u>4,746</u>	<u>754</u>
ENVIRONMENTAL	<u>52,625</u>	<u>46,599</u>	<u>6,026</u>
MUNICIPAL REFUSE COLLECTION	<u>21,500</u>	<u>9,305</u>	<u>12,195</u>
PARKS AND RECREATION	<u>219,000</u>	<u>219,000</u>	<u></u>
DRAINS	<u>18,500</u>	<u>4,470</u>	<u>14,030</u>
CODE ENFORCEMENT			
Wages, salaries and per diems		7,666	
Pension		1,318	
Payroll taxes		588	
Insurance - benefits		2,406	
Insurance - liability		40	
Supplies		242	
Health care savings plan		166	
Total code enforcement	<u>13,633</u>	<u>12,426</u>	<u>1,207</u>
CONTINGENCIES	<u>10,000</u>	<u></u>	<u>10,000</u>
Total expenditures	<u>\$ 3,700,447</u>	<u>\$ 2,735,782</u>	<u>\$ 964,665</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, 2021

ASSETS

Cash	<u>\$ 1,165,512</u>
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FUND BALANCE

<u>\$ 1,165,512</u>

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

CHARTER TOWNSHIP OF BRIGHTON

PARKS FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 5,000	\$ 5,715	\$ 715
EXPENDITURES			
Excess of revenues over (under) expenditures	5,000	5,715	715
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u> </u>
Net change in fund balance	55,000	55,715	715
FUND BALANCE, APRIL 1, 2020	<u>1,109,797</u>	<u>1,109,797</u>	<u> </u>
FUND BALANCE, MARCH 31, 2021	<u><u>\$ 1,164,797</u></u>	<u><u>\$ 1,165,512</u></u>	<u><u>\$ 715</u></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, 2021

ASSETS

Cash	<u>\$ 124,586</u>
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FUND BALANCE

<u>\$ 124,586</u>

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

CHARTER TOWNSHIP OF BRIGHTON

CEMETERY FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 200	\$ 655	\$ 455
EXPENDITURES			
Excess of revenues over (under) expenditures	200	655	455
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>10,000</u>	<u>10,000</u>	
Net change in fund balance	10,200	10,655	455
FUND BALANCE, APRIL 1, 2020	<u>113,931</u>	<u>113,931</u>	
FUND BALANCE, MARCH 31, 2021	<u>\$ 124,131</u>	<u>\$ 124,586</u>	<u>\$ 455</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, 2021

ASSETS

Cash	<u>\$ 287,216</u>
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FUND BALANCE

	<u>\$ 287,216</u>
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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, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 2,000	\$ 1,635	\$ (365)
EXPENDITURES			
Excess of revenues over (under) expenditures	<u>2,000</u>	<u>1,635</u>	<u>(365)</u>
OTHER FINANCING SOURCES			
Transfers (out)	<u>(2,000)</u>		<u>2,000</u>
Net change in fund balance		1,635	1,635
FUND BALANCE, APRIL 1, 2020	<u>285,581</u>	<u>285,581</u>	
FUND BALANCE, MARCH 31, 2021	<u>\$ 285,581</u>	<u>\$ 287,216</u>	<u>\$ 1,635</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, 2021

ASSETS

Cash \$ 1,094,128

FUND BALANCE \$ 1,094,128

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, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$	\$ 19,036	\$ 19,036
Miscellaneous	<hr/>	<hr/> 75,000	<hr/> 75,000
Total revenues		94,036	94,036
EXPENDITURES			
Road improvements	<hr/> 4,394,211	<hr/> 3,776,885	<hr/> 617,326
Excess of revenues over (under) expenditures	<hr/> (4,394,211)	<hr/> (3,682,849)	<hr/> 711,362
OTHER FINANCING SOURCES (USES)			
Transfers in	<hr/> 386,979	<hr/> 250,000	<hr/> (136,979)
Net change in fund balance	<hr/> (4,007,232)	<hr/> (3,432,849)	<hr/> 574,383
FUND BALANCE, APRIL 1, 2020	<hr/> 4,526,977	<hr/> 4,526,977	<hr/>
FUND BALANCE, MARCH 31, 2021	<hr/> \$ 519,745	<hr/> \$ 1,094,128	<hr/> \$ 574,383

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, 2021

ASSETS

Cash	<u>\$ 520,604</u>
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FUND BALANCE

<u>\$ 520,604</u>

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

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 500	\$ 3,105	\$ 2,605
EXPENDITURES			
Excess of revenues over (under) expenditures	500	3,105	2,605
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>100,000</u>	
Net change in fund balance	100,500	103,105	2,605
FUND BALANCE, APRIL 1, 2020	<u>417,499</u>	<u>417,499</u>	
FUND BALANCE, MARCH 31, 2021	<u>\$ 517,999</u>	<u>\$ 520,604</u>	<u>\$ 2,605</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, 2021

ASSETS

Cash	\$ 51,076
Prepaid expenditures	<u>124</u>
Total assets	<u>\$ 51,200</u>

LIABILITIES

Accounts payable	\$ 15
Wages payable	<u>183</u>
Total liabilities	198
FUND BALANCE	<u>51,002</u>
Total liabilities and fund balance	<u>\$ 51,200</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, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Licenses and permits	\$ 9,500	\$ 10,594	\$ 1,094
Interest	200	178	(22)
Total revenues	9,700	10,772	1,072
EXPENDITURES			
Public safety	9,706	9,129	577
Net change in fund balance	(6)	1,643	1,649
FUND BALANCE, APRIL 1, 2020	49,359	49,359	
FUND BALANCE, MARCH 31, 2021	\$ 49,353	\$ 51,002	\$ 1,649

SAD ROAD MAINTENANCE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ 102,543
Receivables	
Due from county	<u>2,584</u>
Total assets	<u>\$ 105,127</u>

LIABILITIES

Due to other funds	\$ 1,260
FUND BALANCE	<u>103,867</u>

Total liabilities and fund balance	<u>\$ 105,127</u>
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CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 49,420	\$ 49,412	\$ (8)
Interest		485	485
Total revenues	49,420	49,897	477
EXPENDITURES			
Road improvements	<u>133,900</u>	<u>47,691</u>	<u>86,209</u>
Net change in fund balance	(84,480)	2,206	86,686
FUND BALANCE, APRIL 1, 2020	<u>101,661</u>	<u>101,661</u>	
FUND BALANCE, MARCH 31, 2021	<u>\$ 17,181</u>	<u>\$ 103,867</u>	<u>\$ 86,686</u>

ROAD PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

ROAD PROJECTS FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ 72,903
Receivables	
Special assessments	<u>1,155,661</u>
Total assets	<u>\$ 1,228,564</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	\$ 1,155,661
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FUND BALANCE

Total deferred inflows of resources and fund balance	<u>\$ 1,228,564</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, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$ 185,345	\$ 13,231	\$ (172,114)
Special assessments - interest		107	107
Interest	700	2,227	1,527
Total revenues	186,045	15,565	(170,480)
EXPENDITURES			
Public works	1,878,500	1,752,806	125,694
Excess of revenues over (under) expenditures	(1,692,455)	(1,737,241)	(44,786)
OTHER FINANCING SOURCES (USES)			
Bond sale proceeds	1,475,604		(1,475,604)
Transfers in	2,824,231	2,636,845	(187,386)
Transfers (out)	(1,491,887)	(1,304,501)	187,386
Total other financing sources (uses)	2,807,948	1,332,344	(1,475,604)
Net change in fund balance	1,115,493	(404,897)	(1,520,390)
FUND BALANCE, APRIL 1, 2020	477,800	477,800	
FUND BALANCE, MARCH 31, 2021	\$ 1,593,293	\$ 72,903	\$ (1,520,390)

STREETLIGHT FUND

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Receivables	
Special assessments	\$ 21,183
Due from other funds	<u>39</u>
Total assets	<u>\$ 21,222</u>

LIABILITIES

Accounts payable	\$ 1,773
Due to other funds	<u>530</u>
Total liabilities	2,303
FUND BALANCE	<u>18,919</u>
Total liabilities and fund balance	<u>\$ 21,222</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, 2021

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 15,665	\$ 21,183	\$ 5,518
EXPENDITURES			
Public works	<u>21,355</u>	<u>20,989</u>	<u>366</u>
Net change in fund balance	(5,690)	194	5,884
FUND BALANCE, APRIL 1, 2020	<u>18,725</u>	<u>18,725</u>	
FUND BALANCE, MARCH 31, 2021	<u>\$ 13,035</u>	<u>\$ 18,919</u>	<u>\$ 5,884</u>

MUNICIPAL REFUSE FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL REFUSE FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ 66,668
Receivables	
Due from county	<u>4,487</u>
Total assets	<u>\$ 71,155</u>

FUND BALANCE

\$ 71,155

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, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$ 76,242	\$ 75,420	\$ (822)
Interest		244	244
Total revenues	76,242	75,664	(578)
EXPENDITURES			
Public works	<u>122,589</u>	<u>75,134</u>	<u>47,455</u>
Net change in fund balance	(46,347)	530	46,877
FUND BALANCE, APRIL 1, 2020	70,625	70,625	
FUND BALANCE, MARCH 31, 2021	\$ 24,278	\$ 71,155	\$ 46,877

SAD AQUATICS FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD AQUATICS FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ 105,870
Receivables	
Due from county	<u>6,191</u>
Total assets	<u>\$ 112,061</u>

LIABILITIES

Accounts payable	\$ 1,084
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FUND BALANCE

Total liabilities and fund balance	<u>110,977</u>
	<u>\$ 112,061</u>

CHARTER TOWNSHIP OF BRIGHTON

SAD AQUATICS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 181,805	\$ 181,276	\$ (529)
Interest		685	685
Total revenues	181,805	181,961	156
EXPENDITURES			
Public works	<u>349,000</u>	<u>229,139</u>	<u>119,861</u>
Net change in fund balance	(167,195)	(47,178)	120,017
FUND BALANCE, APRIL 1, 2020	158,155	158,155	
FUND BALANCE, MARCH 31, 2021	\$ (9,040)	\$ 110,977	\$ 120,017

MUNICIPAL WATER CAPITAL PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ 1,403,576
Receivables	
Special assessments	<u>86,184</u>
Total assets	<u>\$ 1,489,760</u>

FUND BALANCE

\$ 1,489,760

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, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Connection fees	\$ 31,300	\$ 133,577	\$ 102,277
Special assessments	3,735	3,733	(2)
Interest	<u>10,000</u>	<u>7,554</u>	<u>(2,446)</u>
Total revenues	<u>45,035</u>	<u>144,864</u>	<u>99,829</u>
EXPENDITURES			
Contracted services	4,100	4,088	12
Bond interest	<u>11,500</u>	<u>11,500</u>	<u></u>
Total expenditures	<u>15,600</u>	<u>15,588</u>	<u>12</u>
Net change in fund balance	29,435	129,276	99,841
FUND BALANCE, APRIL 1, 2020	<u>1,360,484</u>	<u>1,360,484</u>	<u></u>
FUND BALANCE, MARCH 31, 2021	<u>\$ 1,389,919</u>	<u>\$ 1,489,760</u>	<u>\$ 99,841</u>

2020 ROAD IMPROVEMENT SAD FUND

CHARTER TOWNSHIP OF BRIGHTON

2020 ROAD IMPROVEMENT SAD FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ <u>938</u>
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LIABILITIES

Due to other funds	\$ <u>938</u>
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CHARTER TOWNSHIP OF BRIGHTON

2020 ROAD IMPROVEMENT SAD FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2021

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ _____	\$ 938	\$ 938
EXPENDITURES	_____	_____	_____
Excess of revenues over (under) expenditures	_____	938	938
OTHER FINANCING SOURCES (USES)			
Bond sale proceeds	1,345,000	1,345,000	
Transfers (out)	(1,345,945)	(1,345,938)	7
Total other financing sources (uses)	<u>(945)</u>	<u>(938)</u>	<u>7</u>
Net change in fund balance	(945)		945
FUND BALANCE, APRIL 1, 2020	_____	_____	_____
FUND BALANCE, MARCH 31, 2021	\$ <u>(945)</u>	\$ <u>_____</u>	\$ <u>945</u>

2019 ROAD BOND SAD FUND

CHARTER TOWNSHIP OF BRIGHTON

2019 ROAD BOND SAD FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ 220,267
Receivables	
Due from county	5,635
Due from other funds	938
	<hr/>
Total assets	\$ 226,840

FUND BALANCE

\$ 226,840

CHARTER TOWNSHIP OF BRIGHTON

2019 ROAD BOND SAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 201,028	\$ 213,088	\$ 12,060
Interest	<u>30</u>	<u>158</u>	<u>128</u>
Total revenues	<u>201,058</u>	<u>213,246</u>	<u>12,188</u>
EXPENDITURES			
Excess of revenues over (under) expenditures	<u>201,058</u>	<u>213,246</u>	<u>12,188</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	17,258	17,221	(37)
Transfers (out)	<u>(3,628)</u>	<u>(3,627)</u>	<u>1</u>
Total other financing sources (uses)	<u>13,630</u>	<u>13,594</u>	<u>(36)</u>
Net change in fund balance	214,688	226,840	12,152
FUND BALANCE, APRIL 1, 2020			
FUND BALANCE, MARCH 31, 2021	<u>\$ 214,688</u>	<u>\$ 226,840</u>	<u>\$ 12,152</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, 2021

ASSETS

Cash	\$ <u>42,578</u>
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LIABILITIES

Due to others	\$ 42,477
Due to other funds	<u>101</u>

Total liabilities	\$ <u>42,578</u>
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This supplementary information shows the Trust and Agency Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$ 322,723
Receivables	
Other	100
Total assets	\$ 322,823

LIABILITIES

Due to other funds	\$ 46
Unearned revenues	322,777
Total liabilities	\$ 322,823

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, 2021

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 522,948	\$ 255,445	\$ (267,503)
EXPENDITURES			
General government	386,069	255,445	130,624
Excess of revenues over (under) expenditures	136,879		(136,879)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(136,979)		136,979
Net change in fund balance	(100)		100
FUND BALANCE, APRIL 1, 2020			
FUND BALANCE, MARCH 31, 2021			
	<u>\$ (100)</u>	<u>\$</u>	<u>\$ 100</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, 2021

CURRENT ASSETS

Cash and cash equivalents	\$ 464,338
Deposits	70,000
Accounts receivable - usage	224,076
Accounts receivable - other	5,081
Due from county - delinquents	9,745
Inventory - pumps and parts	285,229
Prepaid expenditures	<u>14,026</u>

Total current assets \$ 1,072,495

RESTRICTED ASSETS

Cash and cash equivalents - debt service	929,544
Cash and cash equivalents - capital replacement	883,374
Accounts receivable - debt service (usage)	35,956
Special assessments receivable	102,075
Due from county - delinquents	<u>5,129</u>

Total restricted assets 1,956,078

CAPITAL ASSETS

Land	1,395,224
Sewer infrastructure	<u>31,433,123</u>
	32,828,347
Less: accumulated depreciation	<u>(15,896,735)</u>
Net capital assets	<u>16,931,612</u>
Total assets	<u>\$ 19,960,185</u>

CURRENT LIABILITIES

Accounts payable	\$ 29,637
Accrued grinder pump expense	50,000
New connections - escrow funds	102,548
Unearned revenue	<u>125,956</u>

Total current liabilities \$ 308,141

NET POSITION

Retained earnings	<u>19,652,044</u>
Total liabilities and net position	<u>\$ 19,960,185</u>

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2021

OPERATING REVENUES

Sewer usage	\$ 964,811
Sewer usage - debt service charges	<u>146,163</u>
Total operating revenues	\$ 1,110,974

OPERATING EXPENSES

Administration	4,800
Alarm maintenance	600
Audit services	4,660
Computer services	4,653
Consulting	19,078
Contracted services - operators	258,504
Depreciation expense	876,124
Legal	32,250
Liability insurance	25,982
Office expenses	2,159
Permit fees	3,483
Repairs and maintenance - grinder pumps and parts	190,600
Repairs and maintenance - collection system	75,268
Repairs and maintenance - equipment	37,020
Repairs and maintenance - buildings and grounds	12,815
Sludge removal	22,941
Supplies	24,165
Telephone	168
Utilities	123,060
Capital outlay	<u>216,979</u>
Total operating expenses	1,935,309
Operating (loss)	(824,335)

NON-OPERATING REVENUES (EXPENSES)

Grant income	192,250
Interest income - banks	16,443
Interest income - special assessment	8,439
Interest (expense) - bonds	(34,452)
Agent fees - bonds	(1,000)
Bond premium amortization	50,893
Other revenue	<u>31,066</u>
Total non-operating (expenses)	263,639

Change in net position	(560,696)
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NET POSITION, APRIL 1, 2020

20,212,740

NET POSITION, MARCH 31, 2021

\$ 19,652,044

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2021

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash received from customers	\$ 1,122,291
Payments to suppliers for goods or services	<u>(983,386)</u>
Net cash from operating activities	\$ 138,905

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

Acquisition of fixed assets	(71,225)
Principal paid on bonds	(1,705,000)
Interest paid on bonds	(35,452)
Collections of special assessment (principal and interest)	51,366
Other revenues	31,066
Grant income	<u>192,250</u>
Net cash (used in) capital and related financing activities	(1,536,995)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents	<u>16,443</u>
Net (decrease) in cash and cash equivalents	(1,381,647)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2020	<u>3,658,903</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2021	<u>\$ 2,277,256</u>

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

Operating (loss)	\$ (824,335)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:	
Depreciation and amortization	\$ 876,124
Changes in assets and liabilities	
(Increase) in deposits	(70,000)
Decrease in accounts and delinquents receivable	81,317
(Increase) in prepaid expense	(7,309)
(Increase) in inventory	(69,656)
(Decrease) in accounts payable	(24,595)
Increase in new connections escrow	51,403
Increase in unearned revenues	<u>125,956</u>
Total adjustments	<u>963,240</u>
Net cash from operating activities	<u>\$ 138,905</u>

CURRENT TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRIGHTON

CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2021

ASSETS

Cash	\$	<u>390</u>
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LIABILITIES

Due to other funds	\$	<u>390</u>
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