

# **CHARTER TOWNSHIP OF BRIGHTON**

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## **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**

Rose Drouillard

Patrick Michel

Joseph Riker

Steve Combs

Cathy Doughty

Dan Schifko

Sam Theis

### **TOWNSHIP ATTORNEY**

John K. Harris

Harris & Literski

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**  
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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**

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>
<b>ASSETS</b>						
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
<b>Total assets</b>	<b>28,867,951</b>	<b>29,617,249</b>	<b>19,960,185</b>	<b>22,124,010</b>	<b>48,828,136</b>	<b>51,741,259</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension-related activities	207,498	106,031			207,498	106,031
<b>LIABILITIES</b>						
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
<b>Total liabilities</b>	<b>1,795,399</b>	<b>648,095</b>	<b>308,141</b>	<b>1,911,270</b>	<b>2,103,540</b>	<b>2,559,365</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	1,155,661	1,451,604			1,155,661	1,451,604
Pension-related activities	91,878				91,878	
<b>Total deferred inflows of resources</b>	<b>1,247,539</b>	<b>1,451,604</b>			<b>1,247,539</b>	<b>1,451,604</b>
<b>NET POSITION</b>						
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
<b>Total net position</b>	<b>\$ 26,032,511</b>	<b>\$ 27,623,581</b>	<b>\$ 19,652,044</b>	<b>\$ 20,212,740</b>	<b>\$ 45,684,555</b>	<b>\$ 47,836,321</b>

### Summary of Changes in Net Position

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>
<b>REVENUES</b>						
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
<b>Total revenues</b>	<b>7,202,995</b>	<b>6,288,408</b>	<b>1,410,065</b>	<b>1,679,891</b>	<b>8,613,060</b>	<b>7,968,299</b>
<b>EXPENSES</b>						
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
<b>Total expenses</b>	<b>8,794,065</b>	<b>3,425,259</b>	<b>1,970,761</b>	<b>1,839,002</b>	<b>10,764,826</b>	<b>5,264,261</b>
<b>Changes in net position</b>	<b>(1,591,070)</b>	<b>2,863,149</b>	<b>(560,696)</b>	<b>(159,111)</b>	<b>(2,151,766)</b>	<b>2,704,038</b>
<b>Beginning net position</b>	<b>27,623,581</b>	<b>24,760,432</b>	<b>20,212,740</b>	<b>20,371,851</b>	<b>47,836,321</b>	<b>45,132,283</b>
<b>Ending net position</b>	<b>\$ 26,032,511</b>	<b>\$ 27,623,581</b>	<b>\$ 19,652,044</b>	<b>\$ 20,212,740</b>	<b>\$ 45,684,555</b>	<b>\$ 47,836,321</b>

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:

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

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 |
|--|-----------|

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**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 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
<b>Total assets</b>	<b>28,867,951</b>	<b>19,960,185</b>	<b>48,828,136</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related activities	207,498		207,498
<b>LIABILITIES</b>			
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	1,165,000		1,165,000
<b>Total liabilities</b>	<b>1,795,399</b>	<b>308,141</b>	<b>2,103,540</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	1,155,661		1,155,661
Pension-related activities	91,878		91,878
<b>Total deferred inflows of resources</b>	<b>1,247,539</b>		<b>1,247,539</b>
<b>NET POSITION</b>			
Net investment in capital assets	11,790,417	16,931,612	28,722,029
Restricted	878,454	1,956,078	2,834,532
Unrestricted	13,363,640	764,354	14,127,994
<b>Total net position</b>	<b>\$ 26,032,511</b>	<b>\$ 19,652,044</b>	<b>\$ 45,684,555</b>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2021

Functions/Programs	Expenses	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT</b>						
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)
<b>Total primary government</b>	<b>(8,794,065)</b>	<b>1,254,812</b>	<b>785,993</b>	<b>(6,753,260)</b>		<b>(6,753,260)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Sewer system	(1,970,761)	1,110,974	192,250		(667,537)	(667,537)
<b>Total</b>	<b>\$ (10,764,826)</b>	<b>\$ 2,365,786</b>	<b>\$ 978,243</b>	<b>(6,753,260)</b>	<b>(667,537)</b>	<b>(7,420,797)</b>
<b>General revenues</b>						
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
<b>Total general revenues</b>				<b>5,162,190</b>	<b>106,841</b>	<b>5,269,031</b>
<b>Changes in net position</b>				<b>(1,591,070)</b>	<b>(560,696)</b>	<b>(2,151,766)</b>
<b>Net position, April 1, 2020</b>				<b>27,623,581</b>	<b>20,212,740</b>	<b>47,836,321</b>
<b>Net position, March 31, 2021</b>				<b>\$ 26,032,511</b>	<b>\$ 19,652,044</b>	<b>\$ 45,684,555</b>

The notes are an integral part of the financial statements.

## **FUND FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**

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

	<b>General Fund</b>	<b>Road Projects Fund</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 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
<b>Total assets</b>	<u><u>\$ 12,792,392</u></u>	<u><u>\$ 1,228,564</u></u>	<u><u>\$ 2,078,303</u></u>	<u><u>\$ 16,099,259</u></u>
<b>LIABILITIES</b>				
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
<b>Total liabilities</b>	<u><u>420,226</u></u>		<u><u>5,783</u></u>	<u><u>426,009</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues		1,155,661		1,155,661
<b>FUND BALANCES</b>				
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
<b>Total fund balance</b>	<u><u>12,372,166</u></u>	<u><u>72,903</u></u>	<u><u>2,072,520</u></u>	<u><u>14,517,589</u></u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 12,792,392</u></u>	<u><u>\$ 1,228,564</u></u>	<u><u>\$ 2,078,303</u></u>	<u><u>\$ 16,099,259</u></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**

<b>Total fund balance per balance sheet</b>	<b>\$ 14,517,589</b>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Historical cost	\$ 8,176,129	
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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<b>Net position of governmental activities</b>	<b><u>\$ 26,032,511</u></b>
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The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2021**

	<b>General Fund</b>	<b>Road Projects Fund</b>	<b>Non-major Funds</b>	<b>Total</b>
<b>REVENUES</b>				
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
<b>Total revenues</b>	<u>4,913,158</u>	<u>15,565</u>	<u>698,525</u>	<u>5,627,248</u>
<b>EXPENDITURES</b>				
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
<b>Total expenditures</b>	<u>6,768,112</u>	<u>1,752,806</u>	<u>397,670</u>	<u>8,918,588</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(1,854,954)</u>	<u>(1,737,241)</u>	<u>300,855</u>	<u>(3,291,340)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
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)	<u>(1,288,218)</u>	<u>(1,304,501)</u>	<u>(1,349,565)</u>	<u>(3,942,284)</u>
<b>Total other financing sources (uses)</b>	<u>5,000</u>	<u>1,332,344</u>	<u>12,656</u>	<u>1,350,000</u>
<b>Net changes in fund balances</b>	<u>(1,849,954)</u>	<u>(404,897)</u>	<u>313,511</u>	<u>(1,941,340)</u>
<b>FUND BALANCE, APRIL 1, 2020</b>	<u>14,222,120</u>	<u>477,800</u>	<u>1,759,009</u>	<u>16,458,929</u>
<b>FUND BALANCE, MARCH 31, 2021</b>	<u><u>\$ 12,372,166</u></u>	<u><u>\$ 72,903</u></u>	<u><u>\$ 2,072,520</u></u>	<u><u>\$ 14,517,589</u></u>

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**GOVERNMENTAL FUNDS  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 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
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Some pension activities in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds:

Change in net pension liability/asset, and related activities	279,454
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Some expenditures in the Statement of Activities are not a use of current financial resources, and therefore, are not reported in the Governmental Funds:

Change in compensated absences	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>
<b>ASSETS</b>	
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	285,229
<b>Total before capital assets</b>	<u>3,028,573</u>
Non-current assets	
Land	1,395,224
Utility systems	31,433,123
<b>Total cost</b>	32,828,347
Less accumulated depreciation	<u>(15,896,735)</u>
<b>Non-current assets, net</b>	<u>16,931,612</u>
<b>Total assets</b>	<u>19,960,185</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	29,637
Accrued grinder pump expense	50,000
New connections - escrow funds	102,548
Unearned revenue	125,956
<b>Total liabilities</b>	<u>308,141</u>
<b>NET POSITION</b>	
Net investment in capital assets	16,931,612
Restricted	1,956,078
Unrestricted	764,354
<b>Total net position</b>	<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>
<b>OPERATING REVENUES</b>	
Utility billings	\$ 1,110,974
<b>OPERATING EXPENSES</b>	<u>1,935,309</u>
<b>Operating (loss)</b>	<u>(824,335)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
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>
<b>Total non-operating revenues (expenses)</b>	263,639
<b>Change in net position</b>	(560,696)
<b>NET POSITION, APRIL 1, 2020</b>	<u>20,212,740</u>
<b>NET POSITION, MARCH 31, 2021</b>	<u><u>\$ 19,652,044</u></u>

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

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

	<u><b>SEWER FUND</b></u>	
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,122,291	
Payments to suppliers for goods or services	<u>(983,386)</u>	
<b>Net cash from operating activities</b>		\$ 138,905
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
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>	
<b>Net cash (used in) capital and related financing activities</b>		(1,536,995)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on cash and cash equivalents		<u>16,443</u>
<b>Net (decrease) in cash and cash equivalents</b>		(1,381,647)
<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2020</b>		<u>3,658,903</u>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2021</b>		<u><u>\$ 2,277,256</u></u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		
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>	
<b>Total adjustments</b>		<u>963,240</u>
<b>Net cash from operating activities</b>		<u><u>\$ 138,905</u></u>

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**  
**FIDUCIARY FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**MARCH 31, 2021**

	<b>Current Tax</b>
<b>ASSETS</b>	
Cash	\$ 390
<b>LIABILITIES</b>	
Due to other funds	\$ 390

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:

<b>Deferred Outflows (Inflows) of Resources</b>			
	<b>Outflows</b>	<b>(Inflows)</b>	<b>Net</b>
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)
<b>Totals</b>	<b>\$ 207,498</b>	<b>\$ (1,247,539)</b>	<b>\$ (1,040,041)</b>

**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:

	<b><u>Interfund Receivable</u></b>		<b><u>Interfund Payable</u></b>
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>
<b>Total</b>	<b><u>\$ 3,157</u></b>		<b><u>\$ 3,157</u></b>

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:

<b><u>Transfer In</u></b>	<b><u>Transfer Out</u></b>	<b><u>Amount</u></b>
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>
		<b><u>\$ 3,942,284</u></b>

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:

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

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	<u>2,863</u>
	<u>\$ 240,523</u>

**CHARTER TOWNSHIP OF BRIGHTON**

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

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

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

Depreciation was charged to functions as follows:

<b>Business-type activities:</b>	
Sewer service	<u><u>\$ 876,124</u></u>

**NOTE 5 - DEFINED BENEFIT PLAN**

**Plan Description**

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

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:

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

**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)**

	<b>Increase (Decrease)</b>	
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>
		<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balance at 12/31/2019</b>	\$ 2,377,298	\$ 2,376,277
<b>Changes for the year</b>		
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
Employee contributions		35,437
Net investment income		316,960
Benefit payments, including employee refunds	(107,439)	(107,439)
Administrative expense		(4,859)
Other changes		4,859
<b>Net changes</b>	<u>323,795</u>	<u>593,660</u>
<b>Balance at 12/31/2020</b>	<u>\$ 2,701,093</u>	<u>\$ 2,969,937</u>

**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.

	<b>1% Decrease 6.60%</b>	<b>Current Discount Rate 7.60%</b>	<b>1% Increase 8.60%</b>
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	<u>352,587</u>		<u>(294,816)</u>
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
<b>Deferred outflows (inflows) to be amortized</b>			
Differences in experience	\$ 15,850	\$	\$ 15,850
Differences in assumptions	171,855		171,855
Excess (Deficit) of Investment Returns		(91,878)	(91,878)
<b>Total deferred outflows (inflows) to be amortized</b>	187,705	(91,878)	95,827
Contributions subsequent to the measurement date	19,793		19,793
<b>Totals</b>	<u>\$ 207,498</u>	<u>\$ (91,878)</u>	<u>\$ 115,620</u>

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)
<b>Total</b>	<u>\$ 95,827</u>

**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 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>
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**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
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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>\$ 1,345,000</u>	<u>\$ 51,568</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:

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

**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:

	<u>Total</u>	<u>Cash</u>	<u>Investments</u>
<b>Deposits</b>			
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>
<b>Total deposits</b>	16,785,647	14,018,078	2,767,569
<b>Investments</b>			
External investment pool	<u>100,049</u>		<u>100,049</u>
<b>Total deposits and investments</b>	<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 390

**Total cash, cash equivalents and investments** \$ 16,582,701

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.

<b>Investment Type</b>	<b>Issuer</b>	<b>Percent of Portfolio</b>
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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities (In-Years)</u>
		<u>&lt; 1</u>
Non-negotiable Certificates of Deposit	<u>\$ 2,767,569</u>	<u>\$ 2,767,569</u>

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:

<u>Investment Type</u>	<u>Rating by Standard &amp; Poor</u>	<u>Amount</u>
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:

	<u>3/31/2021</u>
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	<u>19,652,044</u>

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**

	<b>Budget Amount</b>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 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
<b>Total revenues</b>	<u>4,404,372</u>	<u>4,425,668</u>	<u>4,913,158</u>	<u>487,490</u>
<b>EXPENDITURES</b>				
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
<b>Total expenditures</b>	<u>8,237,240</u>	<u>8,480,727</u>	<u>6,768,112</u>	<u>1,712,615</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(3,832,868)</u>	<u>(4,055,059)</u>	<u>(1,854,954)</u>	<u>2,200,105</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
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
<b>Total other financing sources (uses)</b>	<u>(4,000)</u>	<u>(4,000)</u>	<u>5,000</u>	<u>9,000</u>
<b>Net change in fund balance</b>	<u>(3,836,868)</u>	<u>(4,059,059)</u>	<u>(1,849,954)</u>	<u>2,209,105</u>
<b>FUND BALANCE, APRIL 1, 2020</b>	<u>14,222,120</u>	<u>14,222,120</u>	<u>14,222,120</u>	
<b>FUND BALANCE, MARCH 31, 2021</b>	<u>\$ 10,385,252</u>	<u>\$ 10,163,061</u>	<u>\$ 12,372,166</u>	<u>\$ 2,209,105</u>

**CHARTER TOWNSHIP OF BRIGHTON**

**ROAD PROJECTS FUND**

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

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

**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					
	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarial determined contributions	\$ 47,902	\$ 38,134	\$ 21,280	\$ 32,558	\$ 9,179	\$ 6,376
Contributions in relation to the actuarial determined contribution	305,659	286,423	149,984	58,991	29,226	23,021
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					
	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
<b>TOTAL PENSION LIABILITY</b>						
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		8,536	23	(3)	(1)	
<b>Net change in total pension liability</b>	<u>323,795</u>	<u>210,587</u>	<u>135,124</u>	<u>88,975</u>	<u>103,038</u>	<u>248,386</u>
<b>TOTAL PENSION LIABILITY - BEGINNING</b>	<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>	<u>1,591,188</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><u>\$ 2,701,093</u></u>	<u><u>\$ 2,377,298</u></u>	<u><u>\$ 2,166,711</u></u>	<u><u>\$ 2,031,587</u></u>	<u><u>\$ 1,942,612</u></u>	<u><u>\$ 1,839,574</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>						
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	(4,859)	(4,518)	(3,738)	(3,639)	(3,578)	(3,660)
<b>Net change in plan fiduciary net position</b>	<u>593,660</u>	<u>464,803</u>	<u>(10,051)</u>	<u>191,841</u>	<u>127,227</u>	<u>(76,377)</u>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>	<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>	<u>1,678,834</u>
<b>PLAN FIDUCIARY NET POSITION, ENDING</b>	<u><u>\$ 2,969,937</u></u>	<u><u>\$ 2,376,277</u></u>	<u><u>\$ 1,911,474</u></u>	<u><u>\$ 1,921,525</u></u>	<u><u>\$ 1,729,684</u></u>	<u><u>\$ 1,602,457</u></u>
<b>NET PENSION LIABILITY (ASSET)</b>						
<b>(TOTAL PENSION LIABILITY (ASSET) - PLAN FIDUCIARY NET POSITION)</b>	<u><u>\$ (268,844)</u></u>	<u><u>\$ 1,021</u></u>	<u><u>\$ 255,237</u></u>	<u><u>\$ 110,062</u></u>	<u><u>\$ 212,928</u></u>	<u><u>\$ 237,117</u></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	Eliminations	Restated General Fund
<b>ASSETS</b>										
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
<b>Total assets</b>	<u>\$ 9,235,092</u>	<u>\$ 1,165,512</u>	<u>\$ 124,586</u>	<u>\$ 287,216</u>	<u>\$ 42,578</u>	<u>\$ 520,604</u>	<u>\$ 1,094,128</u>	<u>\$ 322,823</u>	<u>\$ (147)</u>	<u>\$ 12,792,392</u>
<b>LIABILITIES</b>										
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
<b>Total liabilities</b>	<u>54,972</u>				<u>42,578</u>			<u>322,823</u>	<u>(147)</u>	<u>420,226</u>
<b>FUND BALANCE</b>										
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
<b>Total fund balance</b>	<u>9,180,120</u>	<u>1,165,512</u>	<u>124,586</u>	<u>287,216</u>		<u>520,604</u>	<u>1,094,128</u>			<u>12,372,166</u>
<b>Total liabilities and fund balance</b>	<u>\$ 9,235,092</u>	<u>\$ 1,165,512</u>	<u>\$ 124,586</u>	<u>\$ 287,216</u>	<u>\$ 42,578</u>	<u>\$ 520,604</u>	<u>\$ 1,094,128</u>	<u>\$ 322,823</u>	<u>\$ (147)</u>	<u>\$ 12,792,392</u>

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS  
COMBINING BALANCE SHEETS  
MARCH 31, 2021

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND	
	Liquor Law	2020 Road Improvement SAD	SAD Road Maintenance	2019 Road Bond SAD	Streetlights	Municipal Refuse	SAD Aquatics	Municipal 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**

	<b>General Fund</b>	<b>Parks Fund</b>	<b>Cemetery Fund</b>	<b>Budget Stabilization Fund</b>	<b>Pathway Fund</b>	<b>Future Road Improvement Fund</b>	<b>Construction Escrow Fund</b>	<b>Eliminations</b>	<b>Restated General Fund</b>
<b>REVENUES</b>									
Taxes	\$ 1,043,696	\$	\$	\$	\$	\$	\$	\$	\$ 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
<b>Total revenues</b>	<b>4,552,567</b>	<b>5,715</b>	<b>655</b>	<b>1,635</b>	<b>3,105</b>	<b>94,036</b>	<b>255,445</b>		<b>4,913,158</b>
<b>EXPENDITURES</b>									
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
<b>Total expenditures</b>	<b>2,735,782</b>					<b>3,776,885</b>	<b>255,445</b>		<b>6,768,112</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,816,785</b>	<b>5,715</b>	<b>655</b>	<b>1,635</b>	<b>3,105</b>	<b>(3,682,849)</b>			<b>(1,854,954)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from sale of assets	5,000								5,000
Transfers in	1,288,218	50,000	10,000		100,000	250,000		(410,000)	1,288,218
Transfers (out)	(1,698,218)							410,000	(1,288,218)
<b>Total other financing sources (uses)</b>	<b>(405,000)</b>	<b>50,000</b>	<b>10,000</b>		<b>100,000</b>	<b>250,000</b>			<b>5,000</b>
<b>Net change in fund balances</b>	<b>1,411,785</b>	<b>55,715</b>	<b>10,655</b>	<b>1,635</b>	<b>103,105</b>	<b>(3,432,849)</b>			<b>(1,849,954)</b>
<b>FUND BALANCE, APRIL 1, 2020</b>	<b>7,768,335</b>	<b>1,109,797</b>	<b>113,931</b>	<b>285,581</b>	<b>417,499</b>	<b>4,526,977</b>			<b>14,222,120</b>
<b>FUND BALANCE, MARCH 31, 2021</b>	<b>\$ 9,180,120</b>	<b>\$ 1,165,512</b>	<b>\$ 124,586</b>	<b>\$ 287,216</b>	<b>\$ 520,604</b>	<b>\$ 1,094,128</b>	<b>\$</b>	<b>\$</b>	<b>\$ 12,372,166</b>

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		
	Liquor Law	2020 Road Improvement SAD	SAD Road Maintenance	2019 Road Bond SAD	Streetlights	Municipal Refuse	SAD Aquatics	Municipal 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>	
<b>Total assets</b>		<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>	
<b>Total liabilities</b>		\$ 54,972

**FUND BALANCE**

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

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
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	12,200	16,690	4,490
<b>Total revenues</b>	3,894,920	4,552,567	657,647
<b>EXPENDITURES</b>	3,700,447	2,735,782	964,665
<b>Excess of revenues over (under) expenditures</b>	194,473	1,816,785	1,622,312
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets		5,000	5,000
Transfers in	1,475,604	1,288,218	(187,386)
Transfers (out)	(1,887,604)	(1,698,218)	189,386
<b>Total other financing sources (uses)</b>	(412,000)	(405,000)	2,000
<b>Net change in fund balance</b>	(217,527)	1,411,785	1,629,312
<b>FUND BALANCE, APRIL 1, 2020</b>	7,768,335	7,768,335	
<b>FUND BALANCE, MARCH 31, 2021</b>	\$ 7,550,808	\$ 9,180,120	\$ 1,629,312

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**

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

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

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2021**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>TOWNSHIP BOARD</b>			
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		11,627	
<b>Total township board</b>	<b>115,829</b>	<b>78,946</b>	<b>36,883</b>
<b>SUPERVISOR</b>			
Wages, salaries and per diems		31,445	
Pension		3,160	
Payroll taxes		2,406	
Insurance - benefits		62	
Insurance - liability		34	
<b>Total supervisor</b>	<b>41,035</b>	<b>37,107</b>	<b>3,928</b>
<b>MANAGER</b>			
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		4,145	
<b>Total manager</b>	<b>290,128</b>	<b>248,685</b>	<b>41,443</b>

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

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>ELECTIONS</b>			
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	
<b>Total elections</b>	<u>235,273</u>	<u>175,787</u>	<u>59,486</u>
<b>ASSESSOR</b>			
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	
<b>Total assessor</b>	<u>301,747</u>	<u>278,362</u>	<u>23,385</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>
<b>CLERK</b>			
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	
		<u>2,341</u>	
<b>Total clerk</b>	<u>308,148</u>	<u>284,364</u>	<u>23,784</u>
<b>TREASURER</b>			
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	
		<u>3,249</u>	
<b>Total treasurer</b>	<u>285,428</u>	<u>264,851</u>	<u>20,577</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**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>SEWER AND WATER</b>			
Per diems		1,425	
Professional fees		17,892	
<b>Total sewer and water</b>	<b>108,864</b>	<b>19,317</b>	<b>89,547</b>
<b>ROADS</b>	<b>185,000</b>	<b>93,550</b>	<b>91,450</b>
<b>OTHER CHARGES AND SERVICES</b>			
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	
<b>Total other charges and services</b>	<b>714,980</b>	<b>591,603</b>	<b>123,377</b>
<b>PLANNING</b>			
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	
<b>Total planning</b>	<b>245,777</b>	<b>166,556</b>	<b>79,221</b>

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

**CHARTER TOWNSHIP OF BRIGHTON**

**GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP HALL/GROUNDS</b>			
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	
<b>Total township hall/grounds</b>	<u>342,880</u>	<u>158,818</u>	<u>184,062</u>
<b>CEMETERY</b>	<u>58,000</u>	<u>23,065</u>	<u>34,935</u>
<b>FIRE PROTECTION</b>			
Contracted services		9,812	
Building maintenance and repair		1,742	
Grounds maintenance and repair		2,515	
Capital improvements		4,156	
<b>Total fire protection</b>	<u>126,600</u>	<u>18,225</u>	<u>108,375</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>
<b>EMERGENCY PREPAREDNESS</b>	<u>5,500</u>	<u>4,746</u>	<u>754</u>
<b>ENVIRONMENTAL</b>	<u>52,625</u>	<u>46,599</u>	<u>6,026</u>
<b>MUNICIPAL REFUSE COLLECTION</b>	<u>21,500</u>	<u>9,305</u>	<u>12,195</u>
<b>PARKS AND RECREATION</b>	<u>219,000</u>	<u>219,000</u>	
<b>DRAINS</b>	<u>18,500</u>	<u>4,470</u>	<u>14,030</u>
<b>CODE ENFORCEMENT</b>			
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		<u>166</u>	
<b>Total code enforcement</b>	<u>13,633</u>	<u>12,426</u>	<u>1,207</u>
<b>CONTINGENCIES</b>	<u>10,000</u>		<u>10,000</u>
<b>Total expenditures</b>	<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

\$ 1,165,512

**FUND BALANCE**

\$ 1,165,512

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

\$ 124,586

**FUND BALANCE**

\$ 124,586

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>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest	\$ 200	\$ 655	\$ 455
<b>EXPENDITURES</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess of revenues over (under) expenditures	200	655	455
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>                    </u>
Net change in fund balance	10,200	10,655	455
<b>FUND BALANCE, APRIL 1, 2020</b>	<u>113,931</u>	<u>113,931</u>	<u>                    </u>
<b>FUND BALANCE, MARCH 31, 2021</b>	<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	\$ 287,216
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**FUND BALANCE**

\$ 287,216
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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**

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

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

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

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

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2021

**ASSETS**

Cash	\$ 1,094,128
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**FUND BALANCE**

\$ 1,094,128
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This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

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

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

\$ 520,604

**FUND BALANCE**

\$ 520,604

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**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Interest	\$ 500	\$ 3,105	\$ 2,605
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	500	3,105	2,605
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	100,000	100,000	
<b>Net change in fund balance</b>	100,500	103,105	2,605
<b>FUND BALANCE, APRIL 1, 2020</b>	417,499	417,499	
<b>FUND BALANCE, MARCH 31, 2021</b>	<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>
<b>Total assets</b>	<u><u>\$ 51,200</u></u>

**LIABILITIES**

Accounts payable	\$ 15
Wages payable	<u>183</u>
<b>Total liabilities</b>	198

**FUND BALANCE**

	<u>51,002</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 51,200</u></u>

**CHARTER TOWNSHIP OF BRIGHTON**

**LIQUOR LAW ENFORCEMENT FUND**

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

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

**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>
<b>Total assets</b>	<u><u>\$ 105,127</u></u>

**LIABILITIES**

Due to other funds	\$ 1,260
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**FUND BALANCE**

103,867

<b>Total liabilities and fund balance</b>	<u><u>\$ 105,127</u></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**

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Special assessments	\$ 49,420	\$ 49,412	\$ (8)
Interest		485	485
<b>Total revenues</b>	49,420	49,897	477
<b>EXPENDITURES</b>			
Road improvements	133,900	47,691	86,209
<b>Net change in fund balance</b>	(84,480)	2,206	86,686
<b>FUND BALANCE, APRIL 1, 2020</b>	101,661	101,661	
<b>FUND BALANCE, MARCH 31, 2021</b>	<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>
<b>Total assets</b>	<u><u>\$ 1,228,564</u></u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue	\$ 1,155,661
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**FUND BALANCE**

	<u>72,903</u>
<b>Total deferred inflows of resources and fund balance</b>	<u><u>\$ 1,228,564</u></u>

**CHARTER TOWNSHIP OF BRIGHTON**

**ROAD PROJECTS FUND**

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

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

## **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>
<b>Total assets</b>	<u><u>\$ 21,222</u></u>

**LIABILITIES**

Accounts payable	\$ 1,773
Due to other funds	<u>530</u>
<b>Total liabilities</b>	2,303

<b>FUND BALANCE</b>	<u>18,919</u>
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<b>Total liabilities and fund balance</b>	<u><u>\$ 21,222</u></u>
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**CHARTER TOWNSHIP OF BRIGHTON**

**STREETLIGHT FUND**

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

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

<b>Total assets</b>	<u><u>\$ 71,155</u></u>
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<b>FUND BALANCE</b>	<u><u>\$ 71,155</u></u>
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**CHARTER TOWNSHIP OF BRIGHTON**

**MUNICIPAL REFUSE FUND**

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

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

**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>
<b>Total assets</b>	<u><u>\$ 112,061</u></u>

**LIABILITIES**

Accounts payable	\$ 1,084
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**FUND BALANCE**

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

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

**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 86,184

**Total assets** \$ 1,489,760

**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**

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

**2020 ROAD IMPROVEMENT SAD FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**2020 ROAD IMPROVEMENT SAD FUND  
BALANCE SHEET  
MARCH 31, 2021**

**ASSETS**

Cash	\$ 938
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**LIABILITIES**

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

**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	<u>938</u>

<b>Total assets</b>	<u><u>\$ 226,840</u></u>
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<b>FUND BALANCE</b>	<u><u>\$ 226,840</u></u>
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**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>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments	\$ 201,028	\$ 213,088	\$ 12,060
Interest	30	158	128
<b>Total revenues</b>	<u>201,058</u>	<u>213,246</u>	<u>12,188</u>
<b>EXPENDITURES</b>			
<b>Excess of revenues over (under) expenditures</b>	<u>201,058</u>	<u>213,246</u>	<u>12,188</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	17,258	17,221	(37)
Transfers (out)	<u>(3,628)</u>	<u>(3,627)</u>	<u>1</u>
<b>Total other financing sources (uses)</b>	<u>13,630</u>	<u>13,594</u>	<u>(36)</u>
<b>Net change in fund balance</b>	214,688	226,840	12,152
<b>FUND BALANCE, APRIL 1, 2020</b>			
<b>FUND BALANCE, MARCH 31, 2021</b>	<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	\$ 42,578
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**LIABILITIES**

Due to others	\$ 42,477
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Due to other funds	101
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<b>Total liabilities</b>	<b>\$ 42,578</b>
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This supplementary information shows the Trust and Agency Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

### **CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)**

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

CHARTER TOWNSHIP OF BRIGHTON

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

**ASSETS**

Cash	\$ 322,723
Receivables	
Other	<u>100</u>
<b>Total assets</b>	<u><u>\$ 322,823</u></u>

**LIABILITIES**

Due to other funds	\$ 46
Unearned revenues	<u>322,777</u>
<b>Total liabilities</b>	<u><u>\$ 322,823</u></u>

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

**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**

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

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

**SEWER FUND**

# CHARTER TOWNSHIP OF BRIGHTON

## SEWER FUND BALANCE SHEET MARCH 31, 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
<b>Less: accumulated depreciation</b>	<u>(15,896,735)</u>

**Net capital assets** 16,931,612

**Total assets** \$ 19,960,185

### 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>
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**Total liabilities and net position** \$ 19,960,185

**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>	
<b>Total operating revenues</b>		<b>\$ 1,110,974</b>

**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>	
<b>Total operating expenses</b>		<b><u>1,935,309</u></b>
<b>Operating (loss)</b>		<b>(824,335)</b>

**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>	
<b>Total non-operating (expenses)</b>		<b><u>263,639</u></b>
<b>Change in net position</b>		<b>(560,696)</b>
<b>NET POSITION, APRIL 1, 2020</b>		<b><u>20,212,740</u></b>
<b>NET POSITION, MARCH 31, 2021</b>		<b><u><u>\$ 19,652,044</u></u></b>

**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>	
<b>Net cash from operating activities</b>		<b>\$ 138,905</b>

**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>	
<b>Net cash (used in) capital and related financing activities</b>		<b>(1,536,995)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received on cash and cash equivalents	<u>16,443</u>	
<b>Net (decrease) in cash and cash equivalents</b>		<b>(1,381,647)</b>

**CASH AND CASH EQUIVALENTS AT APRIL 1, 2020**

3,658,903

**CASH AND CASH EQUIVALENTS AT MARCH 31, 2021**

\$ 2,277,256

**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>	
<b>Total adjustments</b>		<u>963,240</u>
<b>Net cash from operating activities</b>		<u><u>\$ 138,905</u></u>

**CURRENT TAX COLLECTION FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2021**

**ASSETS**

Cash	\$ 390
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**LIABILITIES**

Due to other funds	\$ 390
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