

CHARTER TOWNSHIP OF BRIGHTON

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

For the Year Ended March 31, 2022

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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Certified Public Accountants

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

Members:
AICPA Private Practice Companies Section
MACPA

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

INDEPENDENT AUDITOR'S REPORT

August 15, 2022

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents. In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying supplementary information such as the combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pfeffer, Hanniford & Palka, PC.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

March 31, 2022

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, 2022. 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 \$51,378,111. This is a \$5,693,556 increase over last year's net position of \$45,684,555.

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

Summary of Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021	3/31/2022	3/31/2021
ASSETS						
Current and other assets	\$ 29,812,702	\$ 24,831,286	\$ 4,493,907	\$ 3,028,573	\$ 34,306,609	\$ 27,859,859
Capital assets	3,908,402	4,036,665	16,084,385	16,931,612	19,992,787	20,968,277
Total assets	33,721,104	28,867,951	20,578,292	19,960,185	54,299,396	48,828,136
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related activities	237,410	207,498			237,410	207,498
LIABILITIES						
Other liabilities	1,521,011	450,399	234,864	308,141	1,755,875	758,540
Long-term liabilities	1,165,000	1,345,000			1,165,000	1,345,000
Total liabilities	2,686,011	1,795,399	234,864	308,141	2,920,875	2,103,540
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue		1,155,661				1,155,661
Pension-related activities	237,820	91,878			237,820	91,878
Total deferred inflows of resources	237,820	1,247,539			237,820	1,247,539
NET POSITION						
Net investment in capital assets	12,535,440	11,790,417	16,084,385	16,931,612	28,619,825	28,722,029
Restricted	1,263,898	878,454	3,296,408	1,956,078	4,560,306	2,834,532
Unrestricted	17,235,345	13,363,640	962,635	764,354	18,197,980	14,127,994
Total net position	\$ 31,034,683	\$ 26,032,511	\$ 20,343,428	\$ 19,652,044	\$ 51,378,111	\$ 45,684,555

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021	3/31/2022	3/31/2021
REVENUES						
Program revenues						
Charges for services	\$ 1,197,849	\$ 1,254,812	\$ 1,409,696	\$ 1,110,974	\$ 2,607,545	\$ 2,365,786
Operating grants and contributions	2,492,053	785,993		192,250	2,492,053	978,243
General revenues						
Property taxes	1,069,838	1,043,696			1,069,838	1,043,696
State revenues	2,220,797	1,752,103			2,220,797	1,752,103
Interest	39,596	97,244	13,193	16,443	52,789	113,687
Tap In fees			1,118,340		1,118,340	
Other	634,538	700,565	23,644	39,505	658,182	740,070
Bond premium amortization				50,893		50,893
Change in investment in joint venture	873,286	1,568,582			873,286	1,568,582
Total revenues	<u>8,527,957</u>	<u>7,202,995</u>	<u>2,564,873</u>	<u>1,410,065</u>	<u>11,092,830</u>	<u>8,613,060</u>
EXPENSES						
General government	2,274,914	2,370,603			2,274,914	2,370,603
Public safety	107,606	108,243			107,606	108,243
Recreation	206,745	219,000			206,745	219,000
Public works/roads	936,520	6,096,219			936,520	6,096,219
Sewer system			1,873,489	1,970,761	1,873,489	1,970,761
Total expenses	<u>3,525,785</u>	<u>8,794,065</u>	<u>1,873,489</u>	<u>1,970,761</u>	<u>5,399,274</u>	<u>10,764,826</u>
Changes in net position	<u>5,002,172</u>	<u>(1,591,070)</u>	<u>691,384</u>	<u>(560,696)</u>	<u>5,693,556</u>	<u>(2,151,766)</u>
Beginning net position	<u>26,032,511</u>	<u>27,623,581</u>	<u>19,652,044</u>	<u>20,212,740</u>	<u>45,684,555</u>	<u>47,836,321</u>
Ending net position	<u>\$ 31,034,683</u>	<u>\$ 26,032,511</u>	<u>\$ 20,343,428</u>	<u>\$ 19,652,044</u>	<u>\$ 51,378,111</u>	<u>\$ 45,684,555</u>

The governmental funds experienced an increase in equity due mainly to high connection fees.

The business-type activities saw an increase in net position of \$691,384. This was due, in large part, to tap in fee revenue.

Financial Analysis of the Township's Major Funds

The Township's General Fund increased its fund balance by \$4,413,464. This was due, in large part, to the increased number of connection fees received.

The Township's ARPA Fund increased its fund balance by \$656. Greater activity is expected in future years.

The Township's only major business-type fund, the Sewer Fund, reported an increase in net position of \$691,384.

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 \$121,678 of new capital assets during the year. Items purchased were:

Schedule of Capital Asset Additions

2021 GMC Sierra 2500	\$	48,402
BS&A software suite		61,635
2022 7x14 trailer		6,371
Furnace at Fire Station #32		<u>5,270</u>
Total additions		<u>\$ 121,678</u>

As of March 31, 2022, the Township had no projects that qualified as construction in progress.

The governmental funds did not experience any disposals during the fiscal year.

Principal of \$180,000 was paid on the Township's governmental debt during the year, taking the total from \$1,345,000 to \$1,165,000.

The business-type activities acquired three capital assets this year. These were an oxidation gear box (for \$8,589), phosphorus testing equipment (for \$5,920), and a radiator (for \$17,709).

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

The business-type activities did not have any outstanding debt at the end of the year.

Economic Conditions and Future Activities

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

There was a moderate increase in tax revenues for the Township's general and public safety operations, due to increasing taxable values.

State shared revenues increased in the wake of the COVID-19 pandemic.

The Township received \$991,261 in funds under the State and Local Fiscal Recovery Program ("SLFRP") in relation to the American Rescue Plan Act ("ARPA"), which was passed to help communities recover from negative impacts of the COVID-19 pandemic. No ARPA funds were spent or obligated during fiscal year ending March 31, 2022.

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, 2022

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	\$ 18,949,100	\$ 3,820,352	\$ 22,769,452
Receivables			
Taxes	39,687		39,687
Special assessments	227,890	65,616	293,506
State shared revenues	474,919		474,919
Accounts	88,706	359,740	448,446
Prepaid expenses	48,613	11,064	59,677
Inventory		237,135	237,135
Net pension asset	644,551		644,551
Capital assets			
Non-depreciable	712,198	1,395,224	2,107,422
Depreciable - net of accumulated depreciation	3,196,204	14,689,161	17,885,365
Investment in joint ventures	9,339,236		9,339,236
Total assets	33,721,104	20,578,292	54,299,396
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related activities	<u>237,410</u>		<u>237,410</u>
LIABILITIES			
Accounts payable and other accrued expenses	30,504	145,993	176,497
Accrued wages/taxes	35,986		35,986
Compensated absences	27,626		27,626
Due to others	36,192		36,192
Unearned revenues	1,390,703	88,871	1,479,574
Long term obligations			
Other due within one year	175,000		175,000
Other due in more than one year	990,000		990,000
Total liabilities	2,686,011	234,864	2,920,875
DEFERRED INFLOWS OF RESOURCES			
Pension-related activities	<u>237,820</u>		<u>237,820</u>
NET POSITION			
Net investment in capital assets	12,535,440	16,084,385	28,619,825
Restricted	1,263,898	3,296,408	4,560,306
Unrestricted	17,235,345	962,635	18,197,980
Total net position	\$ 31,034,683	\$ 20,343,428	\$ 51,378,111

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022

Functions/Programs	Programs Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT						
General government	\$ (2,241,684)	\$ 637,767	\$ 2,492,053	\$ (1,603,917)	\$	\$ (1,603,917)
Public works	(280,198)	318,172		2,530,027		2,530,027
Recreation	(206,745)			(206,745)		(206,745)
Roads	(656,322)	241,910		(414,412)		(414,412)
Public safety	(107,606)			(107,606)		(107,606)
Cemetery	(22,818)			(22,818)		(22,818)
Interest on long-term debt	(10,412)			(10,412)		(10,412)
Total primary government	(3,525,785)	1,197,849	2,492,053	164,117		164,117
BUSINESS-TYPE ACTIVITIES						
Sewer system	(1,873,489)	1,409,696		(463,793)		(463,793)
Total	\$ (5,399,274)	\$ 2,607,545	\$ 2,492,053	164,117	(463,793)	(299,676)
General revenues						
Property taxes				1,069,838		1,069,838
Licenses and permits				376,845		376,845
State revenues				2,220,797		2,220,797
Interest income				39,596	7,095	46,691
Special assessments interest income					6,098	6,098
Rental income				233,463		233,463
Other income				24,230	23,644	47,874
Tap In fees					1,118,340	1,118,340
Change in investment in joint venture				873,286		873,286
Total general revenues				4,838,055	1,155,177	5,993,232
Changes in net position				5,002,172	691,384	5,693,556
Net position, April 1, 2021				26,032,511	19,652,044	45,684,555
Net position, March 31, 2022				\$ 31,034,683	\$ 20,343,428	\$ 51,378,111

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

GOVERNMENTAL FUNDS
BALANCE SHEET
MARCH 31, 2022

	General Fund	ARPA Fund	Non-major Funds	Total
ASSETS				
Cash, cash equivalents and investments	\$ 16,617,979	\$ 991,917	\$ 1,339,204	\$ 18,949,100
Receivables				
Taxes	39,687			39,687
Special assessments	33,242		194,648	227,890
State shared revenues	474,919			474,919
Accounts	70,029		18,368	88,397
Due from other funds	1,266			1,266
Prepaid expenditures	48,603		10	48,613
Total assets	<u>\$ 17,285,725</u>	<u>\$ 991,917</u>	<u>\$ 1,552,230</u>	<u>\$ 19,829,872</u>
LIABILITIES				
Accounts payable	\$ 28,698	\$	\$ 1,806	\$ 30,504
Accrued wages and vacations	35,763		223	35,986
Due to others	36,192			36,192
Due to other funds			957	957
Unearned revenue	399,442	991,261		1,390,703
Total liabilities	<u>500,095</u>	<u>991,261</u>	<u>2,986</u>	<u>1,494,342</u>
FUND BALANCES				
Nonspendable - prepaid items	48,603		10	48,613
Restricted				
Public safety			52,638	52,638
Roads			259,754	259,754
Refuse			68,507	68,507
Aquatics			41,309	41,309
Streetlights			19,981	19,981
Municipal water			821,709	821,709
Committed				
Roads	923,607			923,607
Capital improvement		656		656
Parks and recreation	652,573			652,573
Cemetery	134,923			134,923
Assigned				
Township board	2,451,360			2,451,360
Future budget obligation	2,695,696		285,336	2,981,032
Unassigned	9,878,868			9,878,868
Total fund balance	<u>16,785,630</u>	<u>656</u>	<u>1,549,244</u>	<u>18,335,530</u>
Total liabilities and fund balances	<u>\$ 17,285,725</u>	<u>\$ 991,917</u>	<u>\$ 1,552,230</u>	<u>\$ 19,829,872</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, 2022**

Total fund balance per balance sheet \$ 18,335,530

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	\$ 8,297,807
Depreciation	<u>(4,389,405)</u>
Capital assets, net of depreciation:	3,908,402

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

9,339,236

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	(237,820)
Pension changes in assumptions	200,229
Pension changes in experience	13,369
Subsequent pension contributions	<u>23,812</u>
Total pension-related deferred outflows (inflows) of resources:	(410)

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

Compensated absences:	(27,626)
Bonds payable	<u>(1,165,000)</u>
Total long-term liabilities:	(1,192,626)

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>644,551</u>
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Net position of governmental activities \$ 31,034,683

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, 2022

	General Fund	ARPA Fund	Non-major Funds	Total
REVENUES				
Taxes	\$ 1,069,838	\$	\$	\$ 1,069,838
Connection fees	2,010,960		481,093	2,492,053
Special assessments	1,458		586,178	587,636
Licenses and permits	364,928		11,917	376,845
Intergovernmental - state	2,220,797			2,220,797
Rental income	233,463			233,463
Charges for services	610,213			610,213
Interest	36,589	656	2,351	39,596
Reimbursements	10,518			10,518
Miscellaneous	13,662		50	13,712
Total revenues	6,572,426	656	1,081,589	7,654,671
EXPENDITURES				
Current				
General government	2,335,240			2,335,240
Parks and recreation	206,745			206,745
Public safety	16,737		9,958	26,695
Road improvements	613,949		42,373	656,322
Cemetery	19,440			19,440
Public works	68,260		211,938	280,198
Capital outlay				
General government	116,408			116,408
Fire protection	5,270			5,270
Debt service				
Principal			180,000	180,000
Interest			10,412	10,412
Total expenditures	3,382,049		454,681	3,836,730
Excess of revenues over (under) expenditures	3,190,377	656	626,908	3,817,941
OTHER FINANCING SOURCES (USES)				
Transfers in	1,223,087			1,223,087
Transfers (out)			(1,223,087)	(1,223,087)
Total other financing sources (uses)	1,223,087		(1,223,087)	
Net changes in fund balances	4,413,464	656	(596,179)	3,817,941
FUND BALANCE, APRIL 1, 2021	12,372,166		2,145,423	14,517,589
FUND BALANCE, MARCH 31, 2022	\$ 16,785,630	\$ 656	\$ 1,549,244	\$ 18,335,530

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, 2022

Net change in fund balances - governmental funds \$ 3,817,941

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	\$ 121,678
Depreciation expense	<u>(249,941)</u>
Total:	(128,263)

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	873,286
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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	259,677
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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	(469)
Bond principal payment	<u>180,000</u>
Total:	<u>179,531</u>

Change in net position of governmental activities	<u>\$ 5,002,172</u>
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The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

PROPRIETARY FUND
STATEMENT OF NET POSITION
MARCH 31, 2022

	<u>Sewer Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 3,820,352
Receivables	
Special assessments	65,616
Accounts	359,740
Prepaid expenses	11,064
Inventory	<u>237,135</u>
Total before capital assets	<u>4,493,907</u>
Non-current assets	
Land	1,395,224
Utility systems	<u>31,465,341</u>
Total cost	32,860,565
Less accumulated depreciation	<u>(16,776,180)</u>
Non-current assets, net	<u>16,084,385</u>
Total assets	<u>20,578,292</u>
LIABILITIES	
Current liabilities	
Accounts payable	30,147
Accrued grinder pump expense	50,000
New connections - escrow funds	65,846
Unearned revenue	<u>88,871</u>
Total liabilities	<u>234,864</u>
NET POSITION	
Net investment in capital assets	16,084,385
Restricted	3,296,408
Unrestricted	<u>962,635</u>
Total net position	<u>\$ 20,343,428</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, 2022

	<u>Sewer Fund</u>
OPERATING REVENUES	
Utility billings	\$ 1,409,696
OPERATING EXPENSES	<u>1,873,489</u>
Operating (loss)	<u>(463,793)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income - cash and equivalents	7,095
Interest income - special assessments	6,098
Tap In fees	1,118,340
Other revenue	<u>23,644</u>
Total non-operating revenues (expenses)	1,155,177
Change in net position	691,384
NET POSITION, APRIL 1, 2021	<u>19,652,044</u>
NET POSITION, MARCH 31, 2022	<u>\$ 20,343,428</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, 2022

		SEWER FUND
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Cash received from customers	\$ 1,399,943	
Payments to suppliers for goods or services	<u>(1,016,265)</u>	
Net cash from operating activities	\$ 383,678	
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of fixed assets	(32,218)	
Collections of special assessment (principal and interest)	42,557	
Other revenues	23,644	
Tap In fees	<u>1,118,340</u>	
Net cash from capital and related financing activities	1,152,323	
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and cash equivalents	<u>7,095</u>	
Net increase in cash and cash equivalents	1,543,096	
CASH AND CASH EQUIVALENTS AT APRIL 1, 2021		<u>2,277,256</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2022		<u>\$ 3,820,352</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES		
Operating (loss)	\$ (463,793)	
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:		
Depreciation and amortization	\$ 879,445	
Changes in assets and liabilities		
(Increase) in deposits	70,000	
Decrease in accounts and delinquents receivable	(79,753)	
(Increase) in prepaid expense	2,962	
(Increase) in inventory	48,094	
(Decrease) in accounts payable	510	
Increase in new connections escrow	(36,702)	
Increase in unearned revenues	<u>(37,085)</u>	
Total adjustments	<u>847,471</u>	
Net cash from operating activities	<u>\$ 383,678</u>	

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

FIDUCIARY FUND
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2022

	Current	
	<u> </u>	<u>Tax</u>
ASSETS		
Cash	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
LIABILITIES		
Due to other funds	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022

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 American Rescue Plan Act Fund (ARPA Fund) accounts for receiving and spending the federal grants applicable to the American Rescue Plan Act.

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, 2022

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, 2022

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, 2022

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, 2021 as revenue for the year ended March 31, 2022.

The 2021 adjusted taxable value totaled \$1,219,091,728. Taxes levied consisted of .8768 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, 2022

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, 2022

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, 2022, 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, 2022, 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, 2022 are as follows:

Deferred Outflows (Inflows) of Resources			
	Outflows	(Inflows)	Net
Differences in experience	\$ 13,369	\$	\$ 13,369
Differences in actuarial assumptions	200,229		200,229
Differences in investment expectations versus actual		(237,820)	(237,820)
Contributions subsequent to measurement date	23,812		23,812
Totals	\$ 237,410	\$ (237,820)	\$ (410)

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, 2022**

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, 2022, were:

	Interfund Receivable		Interfund Payable
General Fund	\$ 309	Current Tax Collection Fund	\$ 309
General Fund	511	Streetlights Fund	511
General Fund	<u>446</u>	2019 Road Bond SAD	<u>446</u>
Total	<u>\$ 1,266</u>		<u>\$ 1,266</u>

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

Interfund transfers, as reported in the fund financial statements, as of March 31, 2022, were:

Transfer In	Transfer Out	Amount
General Fund	Municipal Water Fund	\$ 1,150,000
Road Projects Fund	Future Road Improvement Fund	<u>73,087</u>
		<u>\$ 1,223,087</u>

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022, was as follows:

	Balance 4/1/2021	Additions	Deletions	Reclass- ifications	Balance 3/31/2022
Governmental activities:					
Capital assets not being depreciated					
Land	<u>\$ 712,198</u>	\$	\$	\$	<u>\$ 712,198</u>
Other capital assets:					
Buildings and improvements	6,896,546				6,896,546
Vehicles and equipment	<u>567,385</u>	<u>121,678</u>			<u>689,063</u>
Total other capital assets at historical cost	<u>7,463,931</u>	<u>121,678</u>			<u>7,585,609</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,744,823)	(208,002)			(3,952,825)
Vehicles and equipment	<u>(394,641)</u>	<u>(41,939)</u>			<u>(436,580)</u>
Total accumulated depreciation	<u>(4,139,464)</u>	<u>(249,941)</u>			<u>(4,389,405)</u>
Other capital assets, net	<u>3,324,467</u>	<u>(128,263)</u>			<u>3,196,204</u>
Governmental capital assets, net	<u>\$4,036,665</u>	<u>\$ (128,263)</u>	<u>\$</u>	<u>\$</u>	<u>\$3,908,402</u>

There is no related debt to these fixed assets.

Depreciation was charged to functions as follows:

Governmental activities:

General government	\$ 165,652
Public safety	80,911
Cemetery	<u>3,378</u>
	<u>\$ 249,941</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 4 - CAPITAL ASSETS (continued)

	Balance 4/1/2021	Additions	Deletions	Balance 3/31/2022
Business-type activities:				
Capital assets not being depreciated				
Land - sewer	<u>\$ 1,395,224</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,395,224</u>
Other capital assets:				
Plant and collection system - sewer	<u>31,410,623</u>	<u>32,218</u>		<u>31,442,841</u>
Furniture and fixtures - sewer	<u>22,500</u>			<u>22,500</u>
Total other capital assets at historical cost	<u>31,433,123</u>	<u>32,218</u>		<u>31,465,341</u>
Less accumulated depreciation for:				
Plant and collection system - sewer	<u>(15,874,235)</u>	<u>(879,445)</u>		<u>(16,753,680)</u>
Furniture and fixtures - sewer	<u>(22,500)</u>			<u>(22,500)</u>
Total accumulated depreciation	<u>(15,896,735)</u>	<u>(879,445)</u>		<u>(16,776,180)</u>
Other capital assets, net	<u>15,536,388</u>	<u>(847,227)</u>		<u>14,689,161</u>
Business-type capital assets, net	<u>\$16,931,612</u>	<u>\$ (847,227)</u>	<u>\$</u>	<u>\$16,084,385</u>

Depreciation was charged to functions as follows:

Business-type activities:

Sewer service \$ 879,445

NOTE 5 - DEFINED BENEFIT PLAN

Plan Description

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Benefits Provided

As of the December 31, 2021 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, 2021 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	1	0	0	0
	<u>15</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, 2022 were \$3,999 per month for Division 01, \$453 per month for Division 10, 2.51% of eligible wages for Division 11, and 3.39% 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, 2021.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Actuarial assumptions

The total pension liability in the December 31, 2021 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: 7.00%, net of investment expense, including inflation.

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

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

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

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

Asset Class	Target Allocation	Target Allocation		Long-Term Expected Real Rate of Return	
		Gross Rate of Return		=	
Global Equity	60.00%	x	7.00%	=	4.20%
Global Fixed Income	20.00%	x	4.50%	=	0.90%
Private Investments	20.00%	x	9.50%	=	1.90%
					7.00%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. 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, 2022

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset)
			(a)-(b)
Balance at 12/31/2020	\$ 2,701,093	\$ 2,969,937	\$ (268,844)
Changes for the year			
Service cost	69,715		69,715
Interest on total pension liability	193,766		193,766
Difference between expected and actual experience	7,265		7,265
Changes in assumptions	121,047		121,047
Employer contributions		316,149	(316,149)
Employee contributions		36,012	(36,012)
Net investment income		429,644	(429,644)
Benefit payments, including employee refunds	(126,634)	(126,634)	
Administrative expense		(4,950)	4,950
Other changes	9,355		9,355
Net changes	274,514	650,221	(375,707)
Balance at 12/31/2021	\$ 2,975,607	\$ 3,620,158	\$ (644,551)

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 7.25%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is 1% point lower (6.25%) or 1% higher (8.25%) than the current rate.

	Current Discount		
	1% Decrease 6.25%	Rate 7.25%	1% Increase
			8.25%
Net Pension Liability (Asset) at 12/31/2021	\$ (644,551)	\$ (644,551)	\$ (644,551)
Change in Net Pension Liability (NPL)			
from change in discount rate	<u>391,369</u>		<u>(327,131)</u>
Calculated NPL	<u>\$ (253,182)</u>	<u>\$ (644,551)</u>	<u>\$ (971,682)</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, 2022

NOTE 5 - DEFINED BENEFIT PLAN (continued)

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

For the fiscal year ended March 31, 2022, the Township recognized pension expense of \$60,491. The Township reported deferred outflows and (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Totals
Deferred outflows (inflows) to be amortized			
Differences in experience	\$ 13,369	\$	\$ 13,369
Differences in assumptions	200,229		200,229
Excess (Deficit) of Investment Returns		(237,820)	(237,820)
Total deferred outflows (inflows) to be amortized	213,598	(237,820)	(24,222)
Contributions subsequent to the measurement date	23,812		23,812
Totals	\$ 237,410	\$ (237,820)	\$ (410)

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, 2023.

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
2022	\$ 60,687
2023	(9,285)
2024	(34,357)
2025	(41,267)
Total	\$ (24,222)

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, 2022

NOTE 7 - DEFINED CONTRIBUTION PLAN

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

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS \$ 11,297

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 \$ 12,508

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 prior fiscal year, the Township received bond proceeds for a road improvement project. This bond was received from Huntington National Bank and principal payments began during the current fiscal year. The bond is expected to be extinguished in 2030.

The bond payable currently outstanding is as follows:

Purpose	Issuance Amount	Principal Installments	Final Maturity	Interest Rates	Debt Outstanding
Governmental activities:					
Huntington National Bank					
Road Improvement Project					
Special Assessment Bonds,					
Series 2020	\$ 1,345,000	\$ 180,000	— \$ 20,000	5/1/2029	0.05 — 1.25%
					\$ 1,345,000

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

Year Ending March 31	Governmental Activities		
	Principal	Interest	
2023	\$ 175,000	\$	8,399
2024	170,000		8,312
2025	165,000		8,229
2026	165,000		7,156
2027	160,000		5,125
2028 - 2030	330,000		4,437
	<hr/>	<hr/>	<hr/>
	\$ 1,165,000	\$	41,658

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022, 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, 2022:

	Balance			Balance		
	4/1/2021	Additions	Reductions	3/31/2022	Due Within One Year	
Governmental activities:						
Accumulated compensated absences	\$ 27,157	\$ 469	\$	\$ 27,626	\$ 27,626	
Bonds payable	1,345,000		(180,000)	1,165,000	175,000	
Total governmental debt	\$ 1,372,157	\$	\$ (180,000)	\$ 1,192,626	\$ 202,626	

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, 2022

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

As of March 31, 2022, cash, cash equivalents and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 3,446,196	\$ 3,446,196	\$
Money market and savings accounts	17,320,134	17,320,134	
Non-negotiable CDs	2,260,864		2,260,864
Total deposits	23,027,194	20,766,330	2,260,864
Investments			
External investment pool	100,106		100,106
Total deposits and investments	\$ 23,127,300	\$ 20,766,330	\$ 2,360,970

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

Statement of Net Position

Cash, cash equivalents, and investments \$ 22,769,452

Fiduciary Funds

Cash	309
Total cash, cash equivalents and investments	\$ 22,769,761

The difference between the carrying amount of cash and the amount mentioned above stems from outstanding items and accrued interest as of March 31, 2022.

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, 2022 deposits in banks totaled \$23,027,194 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 2,127,285
Uninsured and collateralized	7,850,613
Uninsured and uncollateralized	13,049,296
	\$ 23,027,194

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 \$100,106 as of March 31, 2022.

Concentration of Credit Risk

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

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

Investment Type	Issuer	Percent of Portfolio
Non-negotiable Certificate of Deposit	CIBC	42%
Non-negotiable Certificate of Deposit	First National Bank	11%
Non-negotiable Certificate of Deposit	Flagstar Bank	42%

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, 2022 the Township had the following investments subject to interest rate risk:

Investment Type	Fair Value	Maturities (In-Years)	
		< 1	1- 3 years
Non-negotiable Certificates of Deposit	\$ 2,260,864	\$ 1,260,864	\$ 1,000,000

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, 2022 is \$100,106.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for US Treasuries and money market accounts. As of March 31, 2022, the Township's investments were exposed to credit risk as follows:

Investment Type	Rating by Standard & Poor	Amount
MBIA Investment Pool	AAA / M	\$ 100,106
Non-negotiable Certificates of Deposit	Unrated	2,260,864
		<u>\$ 2,360,970</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>3/31/2022</u>
Operating revenues	\$ 1,409,696
Depreciation and amortization	879,445
Operating (loss)	(463,793)
Net working capital	962,635
Total assets	20,578,292
Reserved retained earnings	19,380,793
Unreserved retained earnings	962,635
Total fund equity	20,343,428

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, 2021</u>	<u>March 31, 2022</u>
Cash and cash equivalents	<u>\$ 2,277,256</u>	<u>\$ 3,820,352</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022, the Township abated property taxes totaling \$5,721. The Township's portion of this amount is \$940. This is now expired, as the building was sold in September of 2021.

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

The COVID-19 pandemic continues to impact 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 15, 2022, 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, 2022 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, 2022

NOTE 16 - INVESTMENTS IN JOINT VENTURE

As of March 31, 2022, 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 \$4,084,964 as of March 31, 2022. 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, 2021 (the date financial information was last available) is as follows:

Total assets	\$ 18,076,417
Total liabilities	\$ 136,301
Total net assets	\$ 17,940,116
Total revenues	\$ 787,045
Total expenditures	\$ 1,101,218

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 218 E. Grand River Ave, 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 \$5,254,272 as of March 31, 2022. 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, 2021 (the date financial information was last available) is as follows:

Total assets	\$ 16,416,579
Total liabilities	\$ 653,764
Total net assets	\$ 15,762,815
Total revenues	\$ 7,582,753
Total expenditures	\$ 4,748,282

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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.

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, 2022

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,050,870	\$ 1,050,870	\$ 1,069,838	\$ 18,968
Connection fees	102,600	102,600	2,010,960	1,908,360
Special assessments	1,460	1,460	1,458	(2)
Licenses and permits	333,700	333,700	364,928	31,228
Intergovernmental - state	1,690,213	1,690,213	2,220,797	530,584
Rental income	229,484	229,484	233,463	3,979
Charges for services	569,510	652,900	610,213	(42,687)
Interest	35,800	35,800	36,589	789
Reimbursements			10,518	10,518
Miscellaneous	7,500	7,500	13,662	6,162
Total revenues	4,021,137	4,104,527	6,572,426	2,467,899
EXPENDITURES				
General government	3,048,814	3,089,891	2,451,648	638,243
Parks and recreation	204,000	256,200	206,745	49,455
Public safety	157,600	157,600	22,007	135,593
Road improvement	907,000	907,000	613,949	293,051
Cemetery	19,000	39,000	19,440	19,560
Public works	708,100	708,100	68,260	639,840
Total expenditures	5,044,514	5,157,791	3,382,049	1,775,742
Excess of revenues over (under) expenditures	(1,023,377)	(1,053,264)	3,190,377	4,243,641
OTHER FINANCING SOURCES (USES)				
Transfers in	1,150,000	1,223,100	1,223,087	(13)
Transfers (out)	(4,000)	(4,000)		4,000
Total other financing sources (uses)	1,146,000	1,219,100	1,223,087	3,987
Net change in fund balance	122,623	165,836	4,413,464	4,247,628
FUND BALANCE, APRIL 1, 2021	12,372,166	12,372,166	12,372,166	
FUND BALANCE, MARCH 31, 2022	\$ 12,494,789	\$ 12,538,002	\$ 16,785,630	\$ 4,247,628

CHARTER TOWNSHIP OF BRIGHTON

ARPA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2022

	Budget		Variance	
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Interest	\$	\$	\$ 656	\$ 656
EXPENDITURES				
Net change in fund balance			656	656
FUND BALANCE, APRIL 1, 2021				
FUND BALANCE, MARCH 31, 2022	<u>\$</u>	<u>\$</u>	<u>\$ 656</u>	<u>\$ 656</u>

CHARTER TOWNSHIP OF BRIGHTON

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2022**

Schedule of Employer Contributions

	For the Plan Year Ended						
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actuarial determined contributions	\$ 61,881	\$ 47,902	\$ 38,134	\$ 21,280	\$ 32,558	\$ 9,179	\$ 6,376
Contributions in relation to the actuarial determined contribution	<u>254,269</u>	<u>305,659</u>	<u>286,423</u>	<u>149,984</u>	<u>58,991</u>	<u>29,226</u>	<u>23,021</u>
Contribution (deficiency) excess	<u>\$ 192,388</u>	<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>\$ 719,110</u>	<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>35.36%</u>	<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, 2017 (Gain)/Loss - 21 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	7.00%
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 7.35%.

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, 2022

	For the Plan Year Ended						
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
TOTAL PENSION LIABILITY							
Service cost	\$ 69,715	\$ 64,116	\$ 56,136	\$ 47,103	\$ 51,344	\$ 44,499	\$ 44,302
Interest	193,766	179,028	162,645	160,076	152,671	144,760	129,220
Changes in benefit terms							
Differences between expected and actual experience	7,265	(42)	31,764	35,737	4,783	18,428	78,534
Changes of assumptions	121,047	188,132	61,514				90,409
Benefit payments, including refunds of employee contributions	(126,634)	(107,439)	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Other changes	9,355		8,536	23	(3)	(1)	
Net change in total pension liability	274,514	323,795	210,587	135,124	88,975	103,038	248,386
TOTAL PENSION LIABILITY - BEGINNING	2,701,093	2,377,298	2,166,711	2,031,587	1,942,612	1,839,574	1,591,188
TOTAL PENSION LIABILITY - ENDING	\$2,975,607	\$2,701,093	\$2,377,298	\$2,166,711	\$2,031,587	\$1,942,612	\$1,839,574
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 316,149	\$ 353,561	\$ 286,423	\$ 149,984	\$ 58,993	\$ 29,226	\$ 22,801
Contributions - employee	36,012	35,437	30,178	28,415	26,196	25,058	23,570
Net investment income	429,644	316,960	262,728	(76,897)	230,111	181,169	(25,009)
Benefit payments, including refunds of employee contributions	(126,634)	(107,439)	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Administrative expenses	(4,950)	(4,859)	(4,518)	(3,738)	(3,639)	(3,578)	(3,660)
Net change in plan fiduciary net position	650,221	593,660	464,803	(10,051)	191,841	127,227	(76,377)
PLAN FIDUCIARY NET POSITION, BEGINNING	2,969,937	2,376,277	1,911,474	1,921,525	1,729,684	1,602,457	1,678,834
PLAN FIDUCIARY NET POSITION, ENDING	\$3,620,158	\$2,969,937	\$2,376,277	\$1,911,474	\$1,921,525	\$1,729,684	\$1,602,457
NET PENSION LIABILITY (ASSET)							
(TOTAL PENSION LIABILITY (ASSET) - PLAN FIDUCIARY NET POSITION)	\$ (644,551)	\$ (268,844)	\$ 1,021	\$ 255,237	\$ 110,062	\$ 212,928	\$ 237,117
Plan fiduciary net position as a percentage of the total pension liability	121.66%	109.95%	99.96%	88.22%	94.58%	89.04%	87.11%
Covered employee payroll	\$ 719,110	\$ 712,079	\$ 600,806	\$ 511,739	\$ 523,920	\$ 511,727	\$ 457,995
Net pension liability (asset) as a percentage of covered employee payroll	-89.63%	-37.75%	0.17%	49.88%	21.01%	41.61%	51.77%

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

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

FUNDS INCLUDED IN GASB 54 CONSOLIDATION
COMBINING BALANCE SHEETS
MARCH 31, 2022

	Budget General Fund	Stabilization Fund	Parks Fund	Cemetery Fund	Future Road Improvement Fund	Trust and Agency Fund	Pathway Fund	Construction Escrow Fund	Restated General Fund	
ASSETS										
Cash, cash equivalents and investments	\$ 12,997,934	\$ 287,958	\$ 1,214,978	\$ 134,923	\$ 923,607	\$ 36,292	\$ 622,995	\$ 399,292	\$ 16,617,979	
Receivables									39,687	
Taxes	39,687								39,687	
Special assessments	33,242								33,242	
State shared revenues	474,919								474,919	
Accounts	69,829						200		70,029	
Due from other funds	1,416							(150)	1,266	
Prepaid expenditures	48,603								48,603	
Total assets	\$ 13,665,630	\$ 287,958	\$ 1,214,978	\$ 134,923	\$ 923,607	\$ 36,292	\$ 622,995	\$ 399,492	\$ (150)	\$ 17,285,725
LIABILITIES										
Accounts payable	\$ 28,698	\$	\$	\$	\$	\$	\$	\$	\$ 28,698	
Accrued wages and vacation	35,763								35,763	
Due to others					36,192				36,192	
Due to other funds					100		50	(150)		
Unearned revenue							399,442		399,442	
Total liabilities	64,461					36,292	399,492	(150)	500,095	
FUND BALANCE										
Nonspendable		48,603							48,603	
Committed										
Roads				923,607					923,607	
Parks and recreation			568,978				83,595		652,573	
Cemetery				134,923					134,923	
Assigned										
Township board	2,451,360								2,451,360	
Future budget obligation	1,510,296		646,000				539,400		2,695,696	
Unassigned	9,590,910	287,958							9,878,868	
Total fund balance	13,601,169	287,958	1,214,978	134,923	923,607		622,995		16,785,630	
Total liabilities and fund balance	\$ 13,665,630	\$ 287,958	\$ 1,214,978	\$ 134,923	\$ 923,607	\$ 36,292	\$ 622,995	\$ (150)	\$ 17,285,725	

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2022

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND		
	Liquor Law	SAD Road Maintenance	Road Projects Fund	Municipal Refuse	SAD Aquatics	Streetlights	2019 Road Bond SAD	Municipal Water	Totals	
ASSETS										
Cash, cash equivalents and investments	\$ 53,325	\$ 122,342	\$	\$ 67,923	\$ 211,506	\$	\$ 234,767	\$ 649,341	\$ 1,339,204	
Receivables										
Special assessments						22,280		172,368	194,648	
Accounts		2,484		3,499	8,988		3,397		18,368	
Prepaid expenditures	10								10	
Total assets	\$ 53,335	\$ 124,826	\$	\$ 71,422	\$ 220,494	\$ 22,280	\$ 238,164	\$ 821,709	\$ 1,552,230	
LIABILITIES										
Accounts payable	\$ 18	\$	\$	\$	\$	\$ 1,788	\$	\$	\$ 1,806	
Accrued wages		223							223	
Due to other funds						511	446		957	
Total liabilities	241					2,299	446		2,986	
FUND BALANCE										
Non-spendable		10							10	
Restricted										
Public safety		52,638							52,638	
Roads			22,036						259,754	
Public works				68,507	41,309	19,981		821,709	951,506	
Assigned	446	102,790		2,915	179,185				285,336	
Total fund balance	53,094	\$ 124,826	\$	\$ 71,422	\$ 220,494	\$ 19,981	\$ 237,718	\$ 821,709	\$ 1,549,244	
Total liabilities and fund balance	\$ 53,335	\$ 124,826	\$	\$ 71,422	\$ 220,494	\$ 22,280	\$ 238,164	\$ 821,709	\$ 1,552,230	

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, 2022

	General Fund	Budget Stabilization Fund	Parks Fund	Cemetery Fund	Future Road Improvement Fund	Trust and Agency Fund	Pathway Fund	Construction Escrow Fund	Restated General Fund
REVENUES									
Taxes	\$ 1,069,838	\$	\$	\$	\$	\$	\$	\$	\$ 1,069,838
Connection fees	2,010,960								2,010,960
Special assessments	1,458								1,458
Licenses and permits	364,928								364,928
Intergovernmental -state	2,220,797								2,220,797
Rental income	233,463								233,463
Charges for services	463,331							146,882	610,213
Interest	28,050	742	3,065	337	2,858		1,537		36,589
Reimbursements	10,518								10,518
Miscellaneous	13,662								13,662
Total revenues	6,417,005	742	3,065	337	2,858	1,537	146,882		6,572,426
EXPENDITURES									
Current									
General government	2,188,358							146,882	2,335,240
Parks and recreation	154,000		3,599				49,146		206,745
Public safety	16,737								16,737
Road improvements	37,483				576,466				613,949
Cemetery	19,440								19,440
Public works	68,260								68,260
Capital outlay									
General government	116,408								116,408
Fire protection	5,270								5,270
Total expenditures	2,605,956		3,599		576,466		49,146	146,882	3,382,049
Excess of revenues over (under) expenditures	3,811,049	742	(534)	337	(573,608)		(47,609)		3,190,377
OTHER FINANCING SOURCES (USES)									
Transfers in	1,150,000		50,000	10,000	403,087		150,000		(540,000)
Transfers (out)	(540,000)								540,000
Total other financing sources (uses)	610,000		50,000	10,000	403,087		150,000		1,223,087
Net change in fund balances	4,421,049	742	49,466	10,337	(170,521)		102,391		4,413,464
FUND BALANCE, APRIL 1, 2021	9,180,120	287,216	1,165,512	124,586	1,094,128		520,604		12,372,166
FUND BALANCE, MARCH 31, 2022	\$ 13,601,169	\$ 287,958	\$ 1,214,978	\$ 134,923	\$ 923,607	\$	\$ 622,995	\$	\$ 16,785,630

CHARTER TOWNSHIP OF BRIGHTON
NONMAJOR FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2022

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND	
	Liquor Law	SAD Road Maintenance	Road Projects Fund	Municipal Refuse	SAD Aquatics	Streetlights	2019 Road Bond SAD	Municipal Water	Totals
REVENUES									
Connection fees	\$	\$	\$	\$	\$	\$	\$	\$	\$
Special assessments			62,643		112,770	183,124	22,282	201,502	481,093
Licenses and permits		11,917						3,857	586,178
Interest		133	243	184	114	240		1,203	11,917
Miscellaneous							234		2,351
Total revenues	12,050	62,886	184	112,884	183,364	22,282	201,736	486,203	1,081,589
EXPENDITURES									
Current									
Public safety		9,958							9,958
Road improvements			41,927					446	42,373
Public works				112,617	73,847	21,220		4,254	211,938
Debt service							180,000		180,000
Principal							10,412		10,412
Interest									
Total expenditures	9,958	41,927	112,617	73,847	21,220	190,858	4,254	180,000	454,681
Excess of revenues over (under) expenditures	2,092	20,959	184	267	109,517	1,062	10,878	481,949	626,908
OTHER FINANCING SOURCES (USES)									
Transfers (out)			(73,087)					(1,150,000)	(1,223,087)
Net changes in fund balances	2,092	20,959	(72,903)	267	109,517	1,062	10,878	(668,051)	(596,179)
FUND BALANCE, APRIL 1, 2021	51,002	103,867	72,903	71,155	110,977	18,919	226,840	1,489,760	2,145,423
FUND BALANCE, MARCH 31, 2022	\$ 53,094	\$ 124,826	\$ 71,422	\$ 220,494	\$ 19,981	\$ 237,718	\$ 821,709	\$ 1,549,244	

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, 2022

ASSETS

Cash, cash equivalents and investments	\$ 12,997,934
Receivables:	
Taxes	39,687
Special assessments	33,242
State shared revenues	474,919
Accounts	69,829
Due from other funds	1,416
Prepaid expenditures	<u>48,603</u>
Total assets	<u>\$ 13,665,630</u>

LIABILITIES

Accounts payable	\$ 28,698
Accrued wages and vacation	<u>35,763</u>
Total liabilities	\$ 64,461

FUND BALANCE

Nonspendable - prepaid	48,603
Assigned - Township board	2,451,360
Assigned - future budget deficit	1,510,296
Unassigned	<u>9,590,910</u>
Total fund balance	<u>13,601,169</u>
Total liabilities and fund balance	<u>\$ 13,665,630</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, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,050,870	\$ 1,069,838	\$ 18,968
Connection fees	102,600	2,010,960	1,908,360
Special assessments	1,460	1,458	(2)
Licenses and permits	333,700	364,928	31,228
Intergovernmental - state	1,690,213	2,220,797	530,584
Rental income	229,484	233,463	3,979
Charges for services	418,970	463,331	44,361
Interest	25,000	28,050	3,050
Reimbursements		10,518	10,518
Miscellaneous	<u>7,400</u>	<u>13,662</u>	<u>6,262</u>
Total revenues	3,859,697	6,417,005	2,557,308
EXPENDITURES			
	<u>4,091,461</u>	<u>2,605,956</u>	<u>1,485,505</u>
Excess of revenues over (under) expenditures	(231,764)	3,811,049	4,042,813
OTHER FINANCING SOURCES (USES)			
Transfers in	1,152,000	1,150,000	(2,000)
Transfers (out)	<u>(542,000)</u>	<u>(540,000)</u>	<u>2,000</u>
Total other financing sources (uses)	610,000	610,000	
Net change in fund balance	378,236	4,421,049	4,042,813
FUND BALANCE, APRIL 1, 2021	9,180,120	9,180,120	
FUND BALANCE, MARCH 31, 2022	<u>\$ 9,558,356</u>	<u>\$ 13,601,169</u>	<u>\$ 4,042,813</u>

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

CHARTER TOWNSHIP OF BRIGHTON

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2022**

	Amended		Variance
	Budget	Actual	Favorable
			(Unfavorable)
TAXES			
Current property taxes	\$	\$ 1,067,626	\$
Delinquent property taxes		1,847	
Penalties/interest - delinquent taxes		80	
Trailer park fees		285	
Total taxes	1,050,870	1,069,838	18,968
CONNECTION FEES			
	102,600	2,010,960	1,908,360
SPECIAL ASSESSMENTS			
	1,460	1,458	(2)
LICENSES AND PERMITS			
Franchise fees		346,408	
Other licenses and permits		18,520	
Total licenses and permits	333,700	364,928	31,228
INTERGOVERNMENTAL - STATE			
State shared revenue		2,089,908	
Personal property tax reimbursement		110,199	
Right of way revenues		20,690	
Total intergovernmental - State	1,690,213	2,220,797	530,584
RENTAL INCOME			
	229,484	233,463	3,979
CHARGES FOR SERVICES			
Property tax administration fee		371,767	
Planning and zoning fees		75,086	
Dog licenses		263	
Other charges for services		16,215	
Total charges for services	418,970	463,331	44,361
INTEREST			
	25,000	28,050	3,050
REIMBURSEMENTS			
		10,518	10,518
MISCELLANEOUS			
Utilities administration fee		4,800	
Other revenue		8,862	
Total miscellaneous	7,400	13,662	6,262
Total revenues	\$ 3,859,697	\$ 6,417,005	\$ 2,557,308

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, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Wages, salaries and per diems	\$ 32,167	\$ 32,167	\$
Payroll taxes	2,461		
Pension	13,571		
Insurance - life	206		
Supplies	360		
Consulting	5,108		
Worker's compensation	64		
Education/travel	410		
Printing and publishing	7,286		
Ordinance codification	1,150		
Dues	11,953		
Engineering services	13,259		
Total township board	112,763	87,995	24,768
SUPERVISOR			
Wages, salaries and per diems	33,268		
Payroll taxes	2,545		
Pension	3,342		
Insurance - life	62		
Worker's compensation	64		
Capital outlay	2,030		
Total supervisor	43,283	41,311	1,972
MANAGER			
Wages, salaries and per diems	121,382		
Wages, salaries and per diems - other	83,553		
Payroll taxes	15,922		
Insurance - benefits	3,200		
Pension	17,461		
Insurance - liability	4,807		
Insurance - life	640		
Health savings plan	1,645		
Insurance - disability	2,851		
Health care savings plan	6,539		
Supplies	1,759		
Consulting	394		
Worker's compensation	737		
Postage	102		
Education/travel	2,435		
Dues	1,117		
Total manager	274,750	264,544	10,206

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, 2022**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
ELECTIONS			
Wages, salaries and per diems	41,433		
Payroll taxes	3,170		
Pension	1,594		
Insurance - liability	7,854		
Insurance - life	135		
Health savings plan	1,499		
Insurance - disability	127		
Health care savings plan	421		
Supplies	245		
Worker's compensation	136		
Postage	684		
Education /travel	1,287		
Dues	283		
Capital outlay	4,897		
Total elections	119,977	63,765	56,212
ASSESSOR			
Wages, salaries and per diems	202,117		
Payroll taxes	15,290		
Insurance - benefits	1,105		
Pension	24,818		
Insurance - liability	43,318		
Insurance - life	812		
Health savings plan	8,975		
Insurance - disability	2,897		
Health care savings plan	4,243		
Supplies	760		
Small equipment	3,215		
Worker's compensation	1,130		
Postage	4,509		
Printing and publishing	1,734		
Education and travel	2,342		
Dues	430		
Total assessor	334,203	317,695	16,508

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, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CLERK			
Wages, salaries and per diems - Clerk	63,410		
Wages, salaries and per diems - other	120,841		
Payroll taxes	14,407		
Insurance - benefits	34		
Pension	20,692		
Insurance - liability	49,913		
Insurance - life	689		
Health savings plan	9,907		
Insurance - disability	1,571		
Health care savings plan	3,273		
Supplies	1,337		
Professional fees	9,320		
Worker's compensation	561		
Postage	66		
Record retention	6,042		
Education/travel	6,354		
Newsletter	3,629		
Dues	511		
Total clerk	334,343	312,557	21,786
TREASURER			
Wages, salaries and per diems - Treasurer	79,262		
Wages, salaries and per diems - other	100,128		
Payroll taxes	14,345		
Insurance - benefits	3,167		
Pension	20,163		
Insurance - liability	23,024		
Insurance - life	652		
Health savings plan	3,123		
Insurance - disability	1,496		
Health care savings plan	3,669		
Supplies	594		
Tax forms	4,426		
Small equipment	344		
Professional fees	9,320		
Worker's compensation	521		
Postage	8,816		
Education/travel	1,223		
Dues	235		
Capital outlay	1,025		
Total treasurer	286,753	275,533	11,220

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, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
SEWER AND WATER			
Per diems		320	
Professional fees		1,070	
Total sewer and water	<u>227,000</u>	1,390	<u>225,610</u>
ROADS	<u>177,000</u>	37,483	<u>139,517</u>
OTHER CHARGES AND SERVICES			
Pension expense		225,000	
Fuel		1,202	
Contracted services		39,704	
Legal fees		57,251	
Insurance - identity theft		842	
Telephone		3,252	
Equipment maintenance and repair		8,287	
Vehicle maintenance and repair		571	
Computer support		17,055	
Insurance - liability		30,387	
Equipment rental		1,741	
Lease - MSP		137,484	
Capital outlay		70,886	
Total other charges and services	<u>686,000</u>	593,662	<u>92,338</u>
PLANNING			
Wages, salaries and per diems		75,714	
Payroll taxes		5,165	
Pension		13,792	
Insurance - liability		16,180	
Insurance - life		203	
Health savings plan		3,092	
Insurance - disability		985	
Health care savings plan		2,173	
Supplies		495	
Contracted services		517	
Worker's compensation		392	
Postage		279	
Education/travel		290	
Printing and publishing		4,303	
Dues		60	
Engineering services		46,804	
Total planning	<u>202,069</u>	170,444	<u>31,625</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, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP HALL/GROUNDS			
Wages, salaries and per diems	5,285		
Payroll taxes	405		
Pension	344		
Insurance - life	27		
Health care savings plan	106		
Supplies	13,560		
Contracted services	1,572		
Worker's compensation	272		
Postage	106		
Street lighting	8,739		
Utilities	16,577		
Grounds maintenance and repairs	27,413		
Building maintenance and repairs	27,150		
Equipment maintenance and repairs	7,853		
Permits	500		
Tax chargebacks	4,912		
Capital outlay	49,166		
Total township hall/grounds	437,710	163,987	273,723
CEMETERY			
	39,000	19,440	19,560
FIRE PROTECTION			
Contracted services	7,216		
Water/sewer fee	106		
Street lighting	519		
Grounds maintenance and repair	1,522		
Building maintenance and repair	1,843		
Capital improvements	10,801		
Total fire protection	157,600	22,007	135,593

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, 2022**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
EMERGENCY PREPAREDNESS	<u>8,500</u>	<u>506</u>	<u>7,994</u>
ENVIRONMENTAL	<u>54,000</u>	<u>38,618</u>	<u>15,382</u>
MUNICIPAL REFUSE COLLECTION	<u>15,000</u>	<u>14,563</u>	<u>437</u>
PARKS AND RECREATION	<u>154,000</u>	<u>154,000</u>	<u></u>
DRAINS	<u>403,500</u>	<u>13,183</u>	<u>390,317</u>
 CODE ENFORCEMENT			
Wages, salaries and per diems	8,184		
Payroll taxes	626		
Pension	1,672		
Insurance - benefits	1,961		
Insurance - life	25		
Health savings plan	375		
Insurance - disability	119		
Health care savings plan	263		
Worker's compensation	48		
 Total code enforcement	<u>14,010</u>	<u>13,273</u>	<u>737</u>
 CONTINGENCIES	<u>10,000</u>		<u>10,000</u>
 Total expenditures	<u><u>\$ 4,091,461</u></u>	<u><u>\$ 2,605,956</u></u>	<u><u>\$ 1,485,505</u></u>

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

PARKS FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON

PARKS FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	<u>\$ 1,214,978</u>
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FUND BALANCE

<u>\$ 1,214,978</u>

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

CHARTER TOWNSHIP OF BRIGHTON

PARKS FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 5,000	\$ 3,065	\$ (1,935)
EXPENDITURES	<u>22,200</u>	<u>3,599</u>	<u>18,601</u>
Excess of revenues over (under) expenditures	(17,200)	(534)	16,666
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u></u>
Net change in fund balance	32,800	49,466	16,666
FUND BALANCE, APRIL 1, 2021	<u>1,165,512</u>	<u>1,165,512</u>	<u></u>
FUND BALANCE, MARCH 31, 2022	<u><u>\$ 1,198,312</u></u>	<u><u>\$ 1,214,978</u></u>	<u><u>\$ 16,666</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, 2022

ASSETS

Cash	<u>\$ 134,923</u>
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FUND BALANCE

<u>\$ 134,923</u>

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

CHARTER TOWNSHIP OF BRIGHTON

CEMETERY FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 200	\$ 337	\$ 137
EXPENDITURES	_____	_____	_____
Excess of revenues over (under) expenditures	200	337	137
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>10,000</u>	<u>10,000</u>	_____
Net change in fund balance	10,200	10,337	137
FUND BALANCE, APRIL 1, 2021	<u>124,586</u>	<u>124,586</u>	_____
FUND BALANCE, MARCH 31, 2022	<u>\$ 134,786</u>	<u>\$ 134,923</u>	<u>\$ 137</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, 2022

ASSETS

Cash	<u>\$ 287,958</u>
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FUND BALANCE

<u>\$ 287,958</u>

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

CHARTER TOWNSHIP OF BRIGHTON

BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 2,000	\$ 742	\$ (1,258)
EXPENDITURES			
Net change in fund balance	2,000	742	(1,258)
FUND BALANCE, APRIL 1, 2021	<u>287,216</u>	<u>287,216</u>	
FUND BALANCE, MARCH 31, 2022	<u>\$ 289,216</u>	<u>\$ 287,958</u>	<u>\$ (1,258)</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, 2022

ASSETS

Cash	<u>\$ 923,607</u>
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FUND BALANCE

<u>\$ 923,607</u>

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

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 2,000	\$ 2,858	\$ 858
EXPENDITURES			
Road improvements	730,000	576,466	153,534
Excess of revenues over (under) expenditures	(728,000)	(573,608)	154,392
OTHER FINANCING SOURCES (USES)			
Transfers in	403,100	403,087	(13)
Net change in fund balance	(324,900)	(170,521)	154,379
FUND BALANCE, APRIL 1, 2021	1,094,128	1,094,128	
FUND BALANCE, MARCH 31, 2022	\$ 769,228	\$ 923,607	\$ 154,379

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, 2022

ASSETS

Cash	<u>\$ 622,995</u>
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FUND BALANCE

<u>\$ 622,995</u>

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

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 600	\$ 1,537	\$ 937
EXPENDITURES	<u>80,000</u>	<u>49,146</u>	<u>30,854</u>
Excess of revenues over (under) expenditures	(79,400)	(47,609)	31,791
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>150,000</u>	<u>150,000</u>	<u></u>
Net change in fund balance	70,600	102,391	31,791
FUND BALANCE, APRIL 1, 2021	<u>520,604</u>	<u>520,604</u>	<u></u>
FUND BALANCE, MARCH 31, 2022	\$ 591,204	\$ 622,995	\$ 31,791

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, 2022

ASSETS

Cash	\$ 53,325
Prepaid expenditures	<u>10</u>
Total assets	<u>\$ 53,335</u>

LIABILITIES

Accounts payable	\$ 18
Wages payable	<u>223</u>
Total liabilities	241
FUND BALANCE	<u>53,094</u>
Total liabilities and fund balance	<u>\$ 53,335</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, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Licenses and permits	\$ 10,000	\$ 11,917	\$ 1,917
Interest	305	133	(172)
Total revenues	10,305	12,050	1,745
EXPENDITURES			
Public safety	10,158	9,958	200
Net change in fund balance	147	2,092	1,945
FUND BALANCE, APRIL 1, 2021	51,002	51,002	
FUND BALANCE, MARCH 31, 2022	\$ 51,149	\$ 53,094	\$ 1,945

SAD ROAD MAINTENANCE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ 122,342
Receivables	
Due from county	<u>2,484</u>
Total assets	<u>\$ 124,826</u>

FUND BALANCE

\$ 124,826

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, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 62,885	\$ 62,643	\$ (242)
Interest	130	243	113
Total revenues	63,015	62,886	(129)
EXPENDITURES			
Road improvements	128,460	41,927	86,533
Net change in fund balance	(65,445)	20,959	86,404
FUND BALANCE, APRIL 1, 2021	103,867	103,867	
FUND BALANCE, MARCH 31, 2022	\$ 38,422	\$ 124,826	\$ 86,404

ROAD PROJECTS FUND

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, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 700	\$ 184	\$ (516)
EXPENDITURES			
Public works	_____	_____	_____
Excess of revenues over (under) expenditures	700	184	(516)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(73,100)	(73,087)	13
Net change in fund balance	(72,400)	(72,903)	(503)
FUND BALANCE, APRIL 1, 2021	72,903	72,903	_____
FUND BALANCE, MARCH 31, 2022	<u>\$ 503</u>	<u>\$</u>	<u>\$ (503)</u>

STREETLIGHT FUND

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Receivables:

Special assessments	\$ <u>22,280</u>
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LIABILITIES

Accounts payable	\$ 1,788
Due to other funds	<u>511</u>

Total liabilities	2,299
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FUND BALANCE 19,981

Total liabilities and fund balance	<u>\$ 22,280</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, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	<u>\$ 27,475</u>	<u>\$ 22,282</u>	<u>\$ (5,193)</u>
EXPENDITURES			
Public works	<u>27,475</u>	<u>21,220</u>	<u>6,255</u>
Net change in fund balance		1,062	1,062
FUND BALANCE, APRIL 1, 2021	<u>18,919</u>	<u>18,919</u>	
FUND BALANCE, MARCH 31, 2022	<u>\$ 18,919</u>	<u>\$ 19,981</u>	<u>\$ 1,062</u>

MUNICIPAL REFUSE FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL REFUSE FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ 67,923
Receivables	
Due from county	<u>3,499</u>
Total assets	<u>\$ 71,422</u>

FUND BALANCE

\$ 71,422

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, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$ 108,285	\$ 112,770	\$ 4,485
Interest	40	114	74
Total revenues	108,325	112,884	4,559
EXPENDITURES			
Public works	112,415	112,617	(202)
Net change in fund balance	(4,090)	267	4,357
FUND BALANCE, APRIL 1, 2021	71,155	71,155	
FUND BALANCE, MARCH 31, 2022	\$ 67,065	\$ 71,422	\$ 4,357

SAD AQUATICS FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD AQUATICS FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ 211,506
Receivables	
Due from county	<u>8,988</u>
Total assets	<u>\$ 220,494</u>

FUND BALANCE

\$ 220,494

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, 2022

	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 178,535	\$ 183,124	\$ 4,589
Interest	<u>240</u>	<u>240</u>	<u>240</u>
Total revenues	178,535	183,364	4,829
EXPENDITURES			
Public works	<u>239,717</u>	<u>73,847</u>	<u>165,870</u>
Net change in fund balance	(61,182)	109,517	170,699
FUND BALANCE, APRIL 1, 2021	<u>110,977</u>	<u>110,977</u>	<u>110,977</u>
FUND BALANCE, MARCH 31, 2022	<u>\$ 49,795</u>	<u>\$ 220,494</u>	<u>\$ 170,699</u>

MUNICIPAL WATER CAPITAL PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ 649,341
Receivables	
Special assessments	<u>172,368</u>
Total assets	<u>\$ 821,709</u>

FUND BALANCE	<u>\$ 821,709</u>
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CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Connection fees	\$ 31,000	\$ 481,093	\$ 450,093
Special assessments	3,320	3,857	537
Interest	1,000	1,203	203
Miscellaneous		50	50
Total revenues	35,320	486,203	450,883
EXPENDITURES			
Contracted services	14,100	4,254	9,846
Excess of revenues over (under) expenditures	21,220	481,949	460,729
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(1,150,000)	(1,150,000)	
Net change in fund balance	(1,128,780)	(668,051)	460,729
FUND BALANCE, APRIL 1, 2021	1,489,760	1,489,760	
FUND BALANCE, MARCH 31, 2022	\$ 360,980	\$ 821,709	\$ 460,729

ARPA FUND

CHARTER TOWNSHIP OF BRIGHTON

ARPA FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ <u>991,917</u>
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LIABILITIES

Unearned revenue	\$ 991,261
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FUND BALANCE

<u>656</u>

Total liabilities and fund balance	<u>\$ 991,917</u>
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CHARTER TOWNSHIP OF BRIGHTON

ARPA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ _____	\$ 656	\$ 656
EXPENDITURES	_____	_____	_____
Net change in fund balance		656	656
FUND BALANCE, APRIL 1, 2021	_____	_____	_____
FUND BALANCE, MARCH 31, 2022	<u>\$</u> _____	<u>\$</u> 656	<u>\$</u> 656

2019 ROAD BOND SAD FUND

CHARTER TOWNSHIP OF BRIGHTON

2019 ROAD BOND SAD FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ 234,767
Receivables	
Due from county	<u>3,397</u>
Total assets	<u>\$ 238,164</u>

LIABILITIES

Due to other funds	\$ 446
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FUND BALANCE

Total liabilities and fund balance	<u>237,718</u>
	<u>\$ 238,164</u>

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, 2022

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 184,393	\$ 201,502	\$ 17,109
Interest	<u>234</u>	<u>234</u>	<u>234</u>
Total revenues	<u>184,393</u>	<u>201,736</u>	<u>17,343</u>
EXPENDITURES			
Road improvements	450	446	4
Debt service:			
Principal		180,000	(180,000)
Interest	<u>10,412</u>	<u>10,412</u>	<u>10,412</u>
Total expenditures	<u>10,862</u>	<u>190,858</u>	<u>190,858</u>
Net change in fund balance	<u>173,531</u>	<u>10,878</u>	<u>(162,653)</u>
FUND BALANCE, APRIL 1, 2021	<u>226,840</u>	<u>226,840</u>	<u>226,840</u>
FUND BALANCE, MARCH 31, 2022	<u>\$ 400,371</u>	<u>\$ 237,718</u>	<u>\$ (162,653)</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, 2022

ASSETS

Cash	\$ <u>36,292</u>
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LIABILITIES

Due to others	\$ 36,192
Due to other funds	<u>100</u>

Total liabilities	\$ <u>36,292</u>
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This supplementary information shows the Trust and Agency Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ 399,292
Receivables	
Other	200
Total assets	\$ 399,492

LIABILITIES

Due to other funds	\$ 50
Unearned revenues	399,442
Total liabilities	\$ 399,492

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 AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2022

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 233,930	\$ 146,882	\$ (87,048)
Interest	1,000		(1,000)
Total revenues	234,930	146,882	(88,048)
EXPENDITURES			
General government	234,030	146,882	87,148
Net change in fund balance	900		(900)
FUND BALANCE, APRIL 1, 2021			
FUND BALANCE, MARCH 31, 2022	\$ 900	\$	\$ (900)

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, 2022

CURRENT ASSETS

Cash and cash equivalents	\$ 657,016
Accounts receivable - usage	277,355
Accounts receivable - other	2,462
Due from county - delinquents	12,467
Inventory - pumps and parts	237,135
Prepaid expenditures	<u>11,064</u>
Total current assets	\$ 1,197,499

RESTRICTED ASSETS

Cash and cash equivalents - debt service	332,361
Cash and cash equivalents - capital replacement	2,830,975
Accounts receivable - debt service (usage)	55,750
Special assessments receivable	65,616
Due from county - delinquents	<u>11,706</u>
Total restricted assets	3,296,408

CAPITAL ASSETS

Land	1,395,224
Sewer infrastructure	<u>31,465,341</u>
	<u>32,860,565</u>
Less: accumulated depreciation	(16,776,180)
Net capital assets	16,084,385
Total assets	\$ 20,578,292

CURRENT LIABILITIES

Accounts payable	\$ 30,147
Accrued grinder pump expense	50,000
New connections - escrow funds	65,846
Unearned revenue	<u>88,871</u>
Total current liabilities	\$ 234,864

NET POSITION

Retained earnings	<u>20,343,428</u>
Total liabilities and net position	\$ 20,578,292

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2022

OPERATING REVENUES

Sewer usage	\$ 1,209,104
Sewer usage - debt service charges	<u>200,592</u>
Total operating revenues	\$ 1,409,696

OPERATING EXPENSES

Administration	4,800
Alarm maintenance	624
Audit services	4,728
Computer services	12,060
Consulting	2,904
Contracted services - operators	323,935
Depreciation expense	879,445
Legal	4,710
Liability insurance	26,611
Office expenses	2,590
Permit fees	3,289
Repairs and maintenance - grinder pumps and parts	272,286
Repairs and maintenance - collection system	107,752
Repairs and maintenance - equipment	13,259
Repairs and maintenance - buildings and grounds	15,998
Sludge removal	19,363
Supplies	33,353
Telephone	620
Utilities	122,189
Capital outlay	<u>22,973</u>
Total operating expenses	<u>1,873,489</u>
Operating (loss)	(463,793)

NON-OPERATING REVENUES (EXPENSES)

Interest income - banks	7,095
Interest income - special assessment	6,098
Tap In fees	1,118,340
Other revenue	<u>23,644</u>

Total non-operating (expenses)	<u>1,155,177</u>
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Change in net position	691,384
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NET POSITION, APRIL 1, 2021

19,652,044

NET POSITION, MARCH 31, 2022

\$ 20,343,428

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2022

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash received from customers	\$ 1,399,943
Payments to suppliers for goods or services	<u>(1,016,265)</u>
Net cash from operating activities	\$ 383,678

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

Acquisition of fixed assets	(32,218)
Collections of special assessment (principal and interest)	42,557
Other revenues	23,644
Tap In fees	<u>1,118,340</u>
Net cash from capital and related financing activities	1,152,323

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents	<u>7,095</u>
Net increase in cash and cash equivalents	1,543,096
CASH AND CASH EQUIVALENTS AT APRIL 1, 2021	2,277,256

CASH AND CASH EQUIVALENTS AT MARCH 31, 2022

\$ 3,820,352

RECONCILIATION OF OPERATING (LOSS) TO NET CASH

FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)	\$ (463,793)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:	
Depreciation and amortization	\$ 879,445
Changes in assets and liabilities	
(Increase) in deposits	70,000
Decrease in accounts and delinquents receivable	(79,753)
(Increase) in prepaid expense	2,962
(Increase) in inventory	48,094
(Decrease) in accounts payable	510
Increase in new connections escrow	(36,702)
Increase in unearned revenues	<u>(37,085)</u>
Total adjustments	847,471
Net cash from operating activities	\$ 383,678

CURRENT TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRIGHTON

CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2022

ASSETS

Cash	\$ <u>309</u>
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LIABILITIES

Due to other funds	\$ <u>309</u>
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