

August 19, 2024

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Brighton, Michigan (the Township) as of and for the year ended March 31, 2024, and have issued our report thereon dated August 19, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 31, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Township solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated August 19, 2024.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 31, 2024.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Township's Significant Accounting Practices Significant Accounting Policies

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Township is included in Note 1 to the financial statements.

There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Depreciation

Management's estimate of the depreciation expense is based on the estimated useful lives and salvage value of capital assets. We have evaluated the key factors and assumptions used to develop the estimate for depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Lease Receivable

Management's estimate of the net present value of leases is based on the incremental borrowing rate and remaining lease term. We have evaluated the key factors and assumptions used to develop the estimate for net present value of leases in determining that it is reasonable in relation to the financial statements taken as a whole.

Pension - Actuarial Accrued Liability

Management has recorded an estimate for the actuarial accrued liability for future defined benefit retirement contributions. The liability is based on an estimate of wage increases, mortality tables to estimate the number of members who will reach retirement age and receive benefits during retirement, assumed retirement rates of employees, assumed rate of return on investments, and future changes in benefit provisions. We have evaluated the key factors and assumptions in developing an estimated actuarial accrued liability in determining that it is reasonable in relation to the financial statement taken as a whole.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosure, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Township's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated August 19, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Township, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material

misstatement. None of the matters discussed resulted in a condition to our retention as the Township's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the Township Board of Trustees and management of Charter Township of Brighton, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants



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Members:
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225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
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August 19, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, 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, 2024, and the related notes to the financial statements, which collectively comprise the Charter Township of Brighton, Michigan's basic financial statements, and have issued our report thereon dated August 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter Township of Brighton, Michigan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township of Brighton, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Township of Brighton, Michigan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter Township of Brighton, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

Pfeffer, Hanniford & Palka, P.C.

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Independent Accountant's Report

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

We have examined the Charter Township of Brighton's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended March 31, 2024. Management of the Charter Township of Brighton is responsible for Charter Township of Brighton's compliance with the specified requirements. Our responsibility is to express an opinion on the Charter Township of Brighton's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the Charter Township of Brighton complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Charter Township of Brighton complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Charter Township of Brighton's compliance with specified requirements.

In our opinion, the Charter Township of Brighton complied, in all material respects, with the specified requirements referenced above during the year ended March 31, 2024.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material

effect on the Charter Township of Brighton's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on Charter Township of Brighton's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the Charter Township of Brighton complied, in all material respects with the specified requirements referenced above during the year ended March 31, 2024. Accordingly, this report is not suitable for any other purpose.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

August 19, 2024

CHARTER TOWNSHIP OF BRIGHTON

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

For the Year Ended March 31, 2024

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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INDEPENDENT AUDITOR'S REPORT

August 19, 2024

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, 2024, 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, 2024, 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 57 - 60 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2024 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

March 31, 2024

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, 2024. 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 \$60,162,521. This is a \$5,055,876 increase over last year's net position of \$55,106,645.

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	
	3/31/2024	3/31/2023	3/31/2024	3/31/2023	3/31/2024	3/31/2023
ASSETS						
Current and other assets	\$ 39,339,507	\$ 37,812,401	\$ 7,128,096	\$ 5,885,915	\$ 46,467,603	\$ 43,698,316
Capital assets	6,021,515	4,960,800	14,669,586	15,295,433	20,691,101	20,256,233
Total assets	45,361,022	42,773,201	21,797,682	21,181,348	67,158,704	63,954,549
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related activities	280,355	465,583			280,355	465,583
LIABILITIES						
Other liabilities	3,223,980	4,680,711	140,095	188,693	3,364,075	4,869,404
Long-term liabilities	1,620,000	1,910,000			1,620,000	1,910,000
Total liabilities	4,843,980	6,590,711	140,095	188,693	4,984,075	6,779,404
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - leases	2,292,463	2,509,298			2,292,463	2,509,298
Pension-related activities		24,785				24,785
Total deferred inflows of resources	2,292,463	2,534,083			2,292,463	2,534,083
NET POSITION						
Net investment in capital assets	16,993,173	14,117,595	14,669,586	15,295,433	31,662,759	29,413,028
Restricted	2,511,396	2,263,103	5,364,937	4,391,729	7,876,333	6,654,832
Unrestricted	19,000,365	17,733,292	1,623,064	1,305,493	20,623,429	19,038,785
Total net position	\$ 38,504,934	\$ 34,113,990	\$ 21,657,587	\$ 20,992,655	\$ 60,162,521	\$ 55,106,645

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2024	3/31/2023	3/31/2024	3/31/2023	3/31/2024	3/31/2023
REVENUES						
Program revenues						
Charges for services	\$ 1,740,607	\$ 2,134,857	\$ 1,662,173	\$ 1,488,263	\$ 3,402,780	\$ 3,623,120
Operating grants and contributions	1,226,183	459,573		26,980	1,226,183	486,553
General revenues						
Property taxes	1,201,327	1,121,391			1,201,327	1,121,391
State revenues	2,310,918	2,303,910			2,310,918	2,303,910
Interest	877,708	326,399	172,463	26,791	1,050,171	353,190
Tat In fees			718,200	1,005,480	718,200	1,005,480
Donated assets	39,735	568,618			39,735	568,618
Other	674,104	637,537	26,058	29,113	700,162	666,650
Bond premium amortization	6,144				6,144	
Gain on sale of asset	31,191				31,191	
Change in investment in joint venture	704,825	927,597			704,825	927,597
Total revenues	8,812,742	8,479,882	2,578,894	2,576,627	11,391,636	11,056,509
EXPENSES						
General government	2,992,365	3,093,927			2,992,365	3,093,927
Public safety	59,895	99,442			59,895	99,442
Recreation	314,370	169,800			314,370	169,800
Public works/roads	1,055,168	2,037,406			1,055,168	2,037,406
Sewer system			1,913,962	1,927,400	1,913,962	1,927,400
Total expenses	4,421,798	5,400,575	1,913,962	1,927,400	6,335,760	7,327,975
Changes in net position	4,390,944	3,079,307	664,932	649,227	5,055,876	3,728,534
Beginning net position	34,113,990	31,034,683	20,992,655	20,343,428	55,106,645	51,378,111
Ending net position	\$ 38,504,934	\$ 34,113,990	\$ 21,657,587	\$ 20,992,655	\$ 60,162,521	\$ 55,106,645

The governmental funds experienced an increase in equity due mainly to a decrease in expenditures.

The business-type activities saw an increase in net position of \$664,932. This was due, in large part, to sewer tap in fee revenue.

Financial Analysis of the Township's Major Funds

The Township's General Fund increased its fund balance by \$2,001,312. This was due, in large part, to a decreased in expenditures.

The Township's ARPA Fund increased its fund balance by \$10,105, due to interest income. The Township spent \$1,226,183 of ARPA grant money in the current fiscal year on various projects, including countertop barriers, Veteran's Park restroom, Veteran's Park playground, and Veteran's Park improvements.

The Township's only major business-type fund, the Sewer Fund, reported an increase in net position of \$664,935.

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. No departments exceeded budget appropriations.

Capital Asset and Debt Administration

The Township government acquired \$1,334,421 of new capital assets during the year. Items purchased were:

Schedule of Capital Asset Additions

Color Copier	\$ 7,486
East Grand River Sidewalk	51,217
Veterans Park - CIP	1,221,840
Countertop barriers	<u>14,143</u>
 Total additions	 <u>\$ 1,294,686</u>

In addition, the Township also had \$39,735 of contributed capital from a developer to complete the watermain on Hilton Road. The total cost of the water main of \$437,575 was moved out of construction in progress in fiscal year 2024.

As of March 31, 2024, the Township had one project that qualified as construction in progress – Veteran's Park improvements, including a restroom and playground. The Township spent \$1,221,840 related to this project in fiscal year 2024. The project is approximately 80% complete as of March 31, 2024.

The governmental funds sold one parcel of land in fiscal year 2024, resulting in a gain on sale of \$31,191.

Principal of \$260,000 was paid on the Township's governmental debt during the year (related to special assessment bond), taking the total from \$2,170,000 to \$1,910,000.

The business-type activities acquired \$43,493 of new capital assets this year – which included two refrigerated samplers for \$12,504 and a control station for \$22,690. Additionally, a developer donated \$8,300 to the Old 23 main extension.

The business-type activities also has one project that qualifies as construction in process - the WWTP generator replacement. The Township spent \$50,155 on this project as of March 31, 2024. 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 operations, due to increasing taxable values.

The Township spent \$1,226,183 of ARPA grant money during the fiscal year ending March 31, 2024 on various projects, including construction of countertop barrier installation project, and Veteran's Park restroom, Veteran's Park playground, and Veteran's Park improvements. The balance of the ARPA funds have been assigned and will be expended by the end of calendar year 2024.

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, 2024

	<u>Primary Government</u>		
	<u>Governmental Activities</u>		<u>Business-type Activities</u>
			<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	\$ 22,518,759	\$ 5,685,861	\$ 28,204,620
Receivables			
Taxes	46,711		46,711
Special assessments	231,813	155,131	386,944
State shared revenues	399,192		399,192
Accounts	98,786	449,817	548,603
Leases receivable	2,350,046		2,350,046
Prepaid expenses	89,337	15,913	105,250
Due from other funds	146	(146)	
Right of use asset	1,968,797		1,968,797
Inventory		821,520	821,520
Net pension asset	664,262		664,262
Capital assets			
Non-depreciable	1,934,038	1,445,379	3,379,417
Depreciable - net of accumulated depreciation	4,087,477	13,224,207	17,311,684
Investment in joint ventures	10,971,658		10,971,658
Total assets	45,361,022	21,797,682	67,158,704
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related activities	280,355		280,355
LIABILITIES			
Accounts payable and other accrued expenses	67,024	140,095	207,119
Accrued wages/taxes	46,192		46,192
Compensated absences	30,027		30,027
Lease payable	2,010,383		2,010,383
Due to others	51,232		51,232
Unearned revenues	673,827		673,827
Bond premium	55,295		55,295
Long term obligations			
Other due within one year	290,000		290,000
Other due in more than one year	1,620,000		1,620,000
Total liabilities	4,843,980	140,095	4,984,075
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	2,292,463		2,292,463
Total deferred inflows of resources	2,292,463		2,292,463
NET POSITION			
Net investment in capital assets	16,993,173	14,669,586	31,662,759
Restricted	2,511,396	5,364,937	7,876,333
Unrestricted	19,000,365	1,623,064	20,623,429
Total net position	\$ 38,504,934	\$ 21,657,587	\$ 60,162,521

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2024

<u>Functions/Programs</u>	<u>Expenses</u>					Net (Expense) Revenue and Changes in Net Position	
		Programs Revenues		<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>				
PRIMARY GOVERNMENT							
General government	\$ (2,925,111)	\$ 728,550	\$ 1,226,183	\$ (970,378)	\$	\$ (970,378)	
Public works	(480,423)	1,012,057		531,634		531,634	
Recreation	(314,370)			(314,370)		(314,370)	
Roads	(574,745)			(574,745)		(574,745)	
Public safety	(59,895)			(59,895)		(59,895)	
Cemetery	(6,878)			(6,878)		(6,878)	
Interest on long-term debt	(60,376)			(60,376)		(60,376)	
Total primary government	(4,421,798)	1,740,607	1,226,183	(1,455,008)			(1,455,008)
BUSINESS-TYPE ACTIVITIES							
Sewer system	(1,913,962)	1,662,173			(251,789)		(251,789)
Total	\$ (6,335,760)	\$ 3,402,780	\$ 1,226,183	(1,455,008)	(251,789)		(1,706,797)
General revenues							
Property taxes				1,201,327		1,201,327	
Licenses and permits				339,563		339,563	
State revenues				2,310,918		2,310,918	
Interest income			877,708		167,451	167,451	1,045,159
Special assessments interest income					5,012	5,012	5,012
Rental income			223,743			223,743	
Other income			110,798		26,058	26,058	136,856
Tap In fees					718,200	718,200	718,200
Bond premium amortization			6,144			6,144	
Donated assets			39,735			39,735	
Gain on sale of asset			31,191			31,191	
Change in investment in joint venture			704,825			704,825	
Total general revenues			5,845,952		916,721		6,762,673
Changes in net position							
Net position, April 1, 2023			4,390,944		664,932		5,055,876
Net position, March 31, 2024			\$ 34,113,990		20,992,655		55,106,645
			\$ 38,504,934		\$ 21,657,587		\$ 60,162,521

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

GOVERNMENTAL FUNDS
BALANCE SHEET
MARCH 31, 2024

	General Fund	ARPA Fund	Non-major Funds	Total
ASSETS				
Cash, cash equivalents and investments	\$ 19,640,655	\$ 347,587	\$ 2,530,517	\$ 22,518,759
Receivables				
Taxes	46,711			46,711
Special assessments	70,178		161,635	231,813
State shared revenues	399,192			399,192
Accounts	75,371		16,432	91,803
Lease receivable	2,350,046			2,350,046
Due from other funds	7,129		4,190	11,319
Prepaid expenditures	89,195		142	89,337
Total assets	<u>\$ 22,678,477</u>	<u>\$ 347,587</u>	<u>\$ 2,712,916</u>	<u>\$ 25,738,980</u>
LIABILITIES				
Accounts payable	\$ 59,961	4,157	\$ 2,906	\$ 67,024
Accrued wages and vacations	45,911		281	46,192
Due to others	51,232			51,232
Due to other funds	4,190			4,190
Unearned revenue	375,163	298,664		673,827
Total liabilities	<u>536,457</u>	<u>302,821</u>	<u>3,187</u>	<u>842,465</u>
DEFERRRED INFLOW				
Deferred inflow from leases	<u>\$ 2,292,463</u>			<u>\$ 2,292,463</u>
FUND BALANCES				
Nonspendable - prepaid items	89,195		142	89,337
Restricted				
Public safety			57,004	57,004
Roads			831,179	831,179
Refuse			109,240	109,240
Aquatics			34,226	34,226
Streetlights			1,479,747	1,479,747
Municipal water				
Committed				
Roads	779,098			779,098
Capital improvement		44,766		44,766
Parks and recreation	2,030,455			2,030,455
Cemetery	159,932			159,932
Assigned				
Township board	2,451,360			2,451,360
Future budget obligation	241,000		198,191	439,191
Unassigned	14,098,517			14,098,517
Total fund balance	<u>19,849,557</u>	<u>44,766</u>	<u>2,709,729</u>	<u>22,604,052</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 22,678,477</u>	<u>\$ 347,587</u>	<u>\$ 2,712,916</u>	<u>\$ 25,738,980</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, 2024

Total fund balance per balance sheet \$ 22,604,052

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	\$ 10,950,233
Depreciation	<u>(4,928,718)</u>
Capital assets, net of depreciation:	6,021,515
Right to use asset	<u>1,968,797</u>
Total assets	7,990,312

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

10,971,658

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	166,806
Pension changes in assumptions	52,104
Pension changes in experience	35,704
Subsequent pension contributions	<u>25,741</u>
Total pension-related deferred outflows (inflows) of resources:	280,355

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

Compensated absences	(30,027)
Bond premium	(55,295)
Lease payable	(2,010,383)
Bonds payable	<u>(1,910,000)</u>
Total long-term liabilities:	(4,005,705)

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>664,262</u>
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Net position of governmental activities \$ 38,504,934

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, 2024

	General Fund	ARPA Fund	Non-major Funds	Total
REVENUES				
Taxes	\$ 1,201,327	\$	\$	\$ 1,201,327
Connection fees	11,400		289,688	301,088
Special assessments	3,004		710,969	713,973
Licenses and permits	327,845		11,718	339,563
Intergovernmental - state	2,310,918			2,310,918
Rental income	223,743			223,743
Charges for services	725,546			725,546
Interest	786,665	34,661	56,382	877,708
Reimbursements	90,380			90,380
Grant revenue		1,226,183		1,226,183
Miscellaneous	<u>20,418</u>			<u>20,418</u>
Total revenues	<u>5,701,246</u>	<u>1,260,844</u>	<u>1,068,757</u>	<u>8,030,847</u>
EXPENDITURES				
Current				
General government	2,628,488			2,628,488
Parks and recreation	314,370			314,370
Public safety	27,369		12,080	39,449
Road improvements	515,313		59,432	574,745
Cemetery	3,500			3,500
Public works	173,583		306,840	480,423
Capital outlay				
General government	7,486			7,486
Parks and recreation	61,017	1,226,183		1,287,200
Fire protection				
Debt service				
Prinicpal			260,000	260,000
Interest			60,376	60,376
Total expenditures	<u>3,731,126</u>	<u>1,226,183</u>	<u>698,728</u>	<u>5,656,037</u>
Excess of revenues over (under) expenditures	<u>1,970,120</u>	<u>34,661</u>	<u>370,029</u>	<u>2,374,810</u>
OTHER FINANCING SOURCES (USES)				
Sale of asset	31,192			31,192
Transfers in			40	40
Transfers (out)			(40)	(40)
Total other financing sources (uses)	<u>31,192</u>			<u>31,192</u>
Net changes in fund balances	<u>2,001,312</u>	<u>34,661</u>	<u>370,029</u>	<u>2,406,002</u>
FUND BALANCE, APRIL 1, 2023	<u>17,848,245</u>	<u>10,105</u>	<u>2,339,700</u>	<u>20,198,050</u>
FUND BALANCE, MARCH 31, 2024	<u>\$ 19,849,557</u>	<u>\$ 44,766</u>	<u>\$ 2,709,729</u>	<u>\$ 22,604,052</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

GOVERNMENTAL FUNDS

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2024

Net change in fund balances - governmental funds \$ 2,406,002

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	\$ 1,294,686
Donated assets	39,735
Proceeds from sale of assets	(31,192)
Gain on sale of assets	31,191
Depreciation expense	<u>(273,705)</u>
Total:	1,060,715

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	704,825
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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	(23,248)
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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	(3,716)
Right to use asset amortization	(19,778)
Bond premium amortization	6,144
Bond principal payment	<u>260,000</u>
Total:	<u>242,650</u>

Change in net position of governmental activities \$ 4,390,944

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

PROPRIETARY FUND
STATEMENT OF NET POSITION
MARCH 31, 2024

	<u>Sewer Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 5,685,861
Receivables	
Special assessments	155,131
Accounts	449,817
Prepaid expenses	15,913
Inventory	<u>821,520</u>
Total before capital assets	<u>7,128,242</u>
Non-current assets	
Land	1,395,224
Construction in process	50,155
Utility systems	<u>31,555,594</u>
Total cost	33,000,973
Less accumulated depreciation	<u>(18,331,387)</u>
Non-current assets, net	<u>14,669,586</u>
Total assets	<u>21,797,828</u>
LIABILITIES	
Current liabilities	
Accounts payable	57,335
Due to other funds	146
Accrued grinder pump expense	50,000
New connections - escrow funds	<u>32,760</u>
Total liabilities	<u>140,241</u>
NET POSITION	
Net investment in capital assets	14,669,586
Restricted	5,364,937
Unrestricted	<u>1,623,064</u>
Total net position	<u>\$ 21,657,587</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, 2024

	<u>Sewer Fund</u>
OPERATING REVENUES	
Utility billings	\$ 1,662,173
OPERATING EXPENSES	<u>1,913,962</u>
Operating (loss)	<u>(251,789)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income - cash and equivalents	167,451
Interest income - special assessments	5,012
Tap In fees	718,200
Other revenue	<u>26,058</u>
Total non-operating revenues (expenses)	916,721
Change in net position	664,932
NET POSITION, APRIL 1, 2023	<u>20,992,655</u>
NET POSITION, MARCH 31, 2024	<u>\$ 21,657,587</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, 2024

SEWER FUND

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash received from customers	\$ 1,623,952
Payments to suppliers for goods or services	<u>(1,814,899)</u>
Net cash (used in) operating activities	\$ (190,947)

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

Acquisition of fixed assets	(93,648)
Collections of special assessment (principal and interest)	(10,555)
Other revenues	26,058
Tap In fees	<u>718,200</u>
Net cash from capital and related financing activities	640,055

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents	<u>167,451</u>
Net increase in cash and cash equivalents	616,559

CASH AND CASH EQUIVALENTS AT APRIL 1, 2023

CASH AND CASH EQUIVALENTS AT MARCH 31, 2024

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

Operating (loss)	\$ (251,789)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:	
Depreciation and amortization	\$ 719,495
Changes in assets and liabilities	
(Increase) in accounts and delinquents receivable	(38,221)
(Increase) in prepaid expense	(2,040)
(Increase) in inventory	(569,940)
Increase in accounts payable	16,728
Increase in due to others	146
(Decrease) in new connections escrow	(10,586)
(Decrease) in unearned revenues	<u>(54,740)</u>
Total adjustments	60,842
Net cash from operating activities	<u>\$ (190,947)</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

FIDUCIARY FUND
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2024

	Current	
	<u> </u>	Tax
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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2023 as revenue for the year ended March 31, 2024.

The 2023 adjusted taxable value totaled \$1,381,342,849. Taxes levied consisted of .8698 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, 2024

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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. LEASE RECEIVABLE

The Township is a lessor of two noncancelable leases of cell tower space located on the Township's land. The Township also is the sublessor of a building. The Township recognizes lease receivables and deferred inflow of resources in the fund financial statements.

At the commencement of each lease agreement, the Township initially measures the lease receivable at the present value of payments expected to be received. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using straight line amortization.

The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the Lessor is not provided, the Township generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option price that the Township is reasonably certain to receive.

Key estimates and judgements include how the Township determines (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The Township monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Q. 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, 2024, the Township records deferred outflows of resources on the Statement of Net Position relating to pension differences from investment return compared to actual, 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.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (continued)

For the year ended March 31, 2024, the Township records deferred inflows of resources on the Statement of Net Position relating to pension changes in experience, and deferred inflows related to leases.

Deferred outflows (inflows) of resources as of March 31, 2024 are as follows:

Deferred Outflows (Inflows) of Resources

	Outflows	(Inflows)	Net
Differences in experience	\$ 35,704	\$	\$ 35,704
Differences in actuarial assumptions	52,104		52,104
Differences in investment expectations versus actual	166,806		166,806
Contributions subsequent to measurement date	25,741		25,741
Leases		(2,292,463)	(2,292,463)
Totals	\$ 280,355	\$ (2,292,463)	\$ (2,012,108)

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, 2024**

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, 2024, were:

	Interfund Receivable		Interfund Payable
General Fund	\$ 6,983	Current Tax Collection Fund	\$ 6,983
General Fund	\$ 146	Sewer Fund	\$ 146
Streetlights Fund	4,187	General Fund	4,187
Acquatics Fund	1	General Fund	1
2022 Road Improvement	1	General Fund	1
2022 Road Improvement SAD	<u>1</u>	General Fund	<u>1</u>
Total	<u>\$ 11,319</u>		<u>\$ 11,319</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, 2024, were:

Transfer In	Transfer Out	Amount
2022 Road Improvement SAD	2022 Road Improvement Fund	<u>\$ 40</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, 2024**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2024, was as follows:

	Balance 4/1/2023	Additions	Deletions	Reclass- ifications	Balance 3/31/2024
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 712,198	\$	\$ (1)	\$	\$ 712,197
Construction in progress	397,840	1,261,576	_____	(437,575)	1,221,841
Total capital assets not being depreciated	<u>1,110,038</u>	<u>1,261,576</u>	<u>(1)</u>	<u>(437,575)</u>	<u>1,934,038</u>
Other capital assets:					
Buildings and improvements	7,725,102	65,359	_____	_____	7,790,461
Vehicles and equipment	804,585	7,486	(23,912)	437,575	1,225,734
Total other capital assets at historical cost	<u>8,529,687</u>	<u>72,845</u>	<u>(23,912)</u>	<u>437,575</u>	<u>9,016,195</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,171,217)	(200,416)	_____	_____	(4,371,633)
Vehicles and equipment	(507,708)	(73,289)	23,912	_____	(557,085)
Total accumulated depreciation	<u>(4,678,925)</u>	<u>(273,705)</u>	<u>23,912</u>	<u>_____</u>	<u>(4,928,718)</u>
Other capital assets, net	<u>3,850,762</u>	<u>(200,860)</u>	<u>_____</u>	<u>437,575</u>	<u>4,087,477</u>
Governmental capital assets, net	<u><u>\$4,960,800</u></u>	<u><u>\$1,060,716</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$</u></u>	<u><u>\$6,021,515</u></u>

There is no related debt to these fixed assets.

Depreciation was charged to functions as follows:

Governmental activities:

General government	\$ 249,881
Public safety	20,446
Cemetery	3,378
Total	<u><u>\$ 273,705</u></u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 4 - CAPITAL ASSETS (continued)

	Balance 4/1/2023	Additions	Deletions	Balance 3/31/2024
Business-type activities:				
Capital assets not being depreciated				
Land - sewer	\$ 1,395,224	\$	\$	\$ 1,395,224
Construction in progress		50,155		50,155
Total business-type assets at historical cost	1,395,224	50,155		1,445,379
Other capital assets:				
Plant and collection system - sewer	31,489,601	43,493		31,533,094
Furniture and fixtures - sewer	22,500			22,500
Total other capital assets at historical cost	31,512,101	43,493		31,555,594
Less accumulated depreciation for:				
Plant and collection system - sewer	(17,589,392)	(719,495)		(18,308,887)
Furniture and fixtures - sewer	(22,500)			(22,500)
Total accumulated depreciation	(17,611,892)	(719,495)		(18,331,387)
Other capital assets, net	13,900,209	(676,002)		13,224,207
Business-type capital assets, net	\$ 15,295,433	\$ (676,002)	\$	\$14,669,586

Depreciation was charged to functions as follows:

Business-type activities:

Sewer service \$ 719,495

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, 2024

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Benefits Provided

As of the December 31, 2023 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, 2023 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	10	2	0	0
Inactive employees entitled to but not yet receiving benefits	0	2	2	0
Active employees	3	0	9	2
Pending refunds	0	0	1	0
	<u>13</u>	<u>4</u>	<u>12</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, 2024 were \$6,059 per month for Division 01, \$0 per month for Division 10, 4.71% of eligible wages for Division 11, and 3.81% 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, 2023.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Actuarial assumptions

The total pension liability in the December 31, 2023 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: 6.93%, 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	6.89%	=	4.13%
Global Fixed Income	20.00%	x	4.50%	=	0.90%
Private Investments	20.00%	x	9.50%	=	1.90%
					6.93%

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. 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, 2024

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 12/31/2022	\$ 3,124,572	\$ 3,651,639	\$ (527,067)
Changes for the year			
Service cost	92,866		92,866
Interest on total pension liability	225,780		225,780
Difference between expected and actual experience	70,436		70,436
Changes in assumptions	29,124		29,124
Employer contributions		108,044	(108,044)
Employee contributions		44,305	(44,305)
Net investment (loss)		411,774	(411,774)
Benefit payments, including employee refunds	(113,559)	(113,559)	
Administrative expense		(8,721)	8,721
Other changes	1		1
Net changes	304,648	441,843	(137,195)
Balance at 12/31/2023	\$ 3,429,220	\$ 4,093,482	\$ (664,262)

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 7.18%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is 1% point lower (6.18%) or 1% higher (8.18%) than the current rate.

	Current Discount		
	1% Decrease 6.18%	Rate 7.18%	1% Increase
			8.18%
Net Pension Liability (Asset) at 12/31/2023	\$ (664,262)	\$ (664,262)	\$ (664,262)
Change in Net Pension Liability (NPL)			
from change in discount rate	457,724		(381,089)
Calculated NPL	\$ (206,538)	\$ (664,262)	\$ (1,045,351)

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, 2024

NOTE 5 - DEFINED BENEFIT PLAN (continued)

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

For the fiscal year ended March 31, 2024, the Township recognized pension expense of \$124,598. 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	\$ 35,704		\$ 35,704
Differences in assumptions	52,104		52,104
Excess (Deficit) of Investment Returns	166,806		166,806
Total deferred outflows (inflows) to be amortized	254,614		254,614
Contributions subsequent to the measurement date	25,741		25,741
Totals	\$ 280,355	\$	\$ 280,355

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, 2024.

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
2024	\$ 82,296
2025	75,385
2026	126,121
2027	(29,188)
Total	\$ 254,614

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, 2024

NOTE 7 - DEFINED CONTRIBUTION PLAN

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

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	<u>\$ 12,742</u>
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Effective April 1, 2009, the Township adopted a MERS Uniform Defined Contribution Program. Beginning April 1, 2018, the Township contributes 10% of compensation and employees contribute 6% of compensation. The manager is the only participant in this program.

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	<u>\$ 14,062</u>
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NOTE 8 - LONG-TERM OBLIGATIONS

Contracts Payable

The Township entered into a contract to repay bonds issued by Livingston County Drain Commission in which the proceeds of such bonds were used to construct and expand a sewer system. These bonds were extinguished during the fiscal year.

Bonds Payable

During fiscal year 2021, 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.

During the current fiscal year, the Township received bond proceeds for a road improvement project. This bond was received from Huntington National Bank and principal payments begin in fiscal year 2024. The bond is expected to be extinguished in 2032.

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 — \$ 120,000	5/1/2029	0.05 — 1.25%	\$ 820,000
Huntington National Bank					
Road Improvement Project					
Special Assessment Bonds,					
Series 2022	\$ 1,180,000	\$ 120,000 — \$ 90,000	5/1/2032	4%	\$ 1,090,000

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 8 - LONG-TERM OBLIGATIONS (continued)

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
2025	\$ 290,000	\$ 49,329
2026	290,000	43,256
2027	280,000	36,325
2028	280,000	29,525
2029	270,000	22,788
2030-3031	<u>500,000</u>	<u>38,525</u>
	<u><u>\$ 1,910,000</u></u>	<u><u>\$ 219,748</u></u>

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, 2024, 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, 2024:

	Balance			Balance 3/31/2024	Due Within One Year
	4/1/2023	Additions	Reductions		
Governmental activities:					
Accumulated compensated absences	\$ 26,311	\$ 3,716	\$	\$ 30,027	\$ 30,027
Bonds payable	2,170,000		(260,000)	1,910,000	290,000
Bonds premium	61,439		(6,144)	55,295	6,144
Total governmental debt	\$ 2,257,750	\$ 3,716	\$ (266,144)	\$ 1,995,322	\$ 326,171

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, 2024

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

As of March 31, 2024, cash, cash equivalents and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 19,953,935	\$ 19,953,935	\$
Money market and savings accounts	586,415	586,415	
Non-negotiable CDs	7,365,702		7,365,702
Total deposits	27,906,052	20,540,350	7,365,702
Investments			
External investment pool	1,570,342		1,570,342
Total deposits and investments	\$ 29,476,394	\$ 20,540,350	\$ 8,936,044

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

Statement of Net Position

Cash, cash equivalents, and investments \$ 28,204,620

Fiduciary Funds

Cash	6,983
Total cash, cash equivalents and investments	\$ 28,211,603

The difference between the carrying amount of cash and the amount mentioned above stems from cash on hand and outstanding items as of March 31, 2024.

The Township's cash and investments are subject to several types of risk which are explained in detail below.

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, 2024 deposits in banks totaled \$27,906,052 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 17,639,962
Uninsured and collateralized	10,021,380
Uninsured and uncollateralized	244,710
	\$ 27,906,052

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 assesses 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 \$1,570,342 as of March 31, 2024.

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	Chase Bank	6%

Interest Rate Risk

Interest rate risk is the risk that changes in market 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, 2024 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	\$ 7,365,702	\$ 7,105,432	\$ 260,270

The Township's investment in Michigan CLASS meets the definition of a 2a7-like pool and is therefore not subject to disclosures of interest rate risk. Investment in external investments pools at March 31, 2024 is \$1,570,342.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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, 2024, the Township's investments were exposed to credit risk as follows:

Investment Type	Rating by Standard & Poor	Amount
Non-negotiable Certificates of Deposit	Unrated	\$ 7,365,702

NOTE 10 - FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities to be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritized the inputs and valuation techniques used to measure fair value.

The standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the standards require the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 - Unobservable inputs for which there is little or no market data, which requires the use of the reporting entity's own assumptions.

The Township's deposits of \$27,906,052 measured at fair value are Level 1.

The Township's investments of \$1,570,342 held in an external investment pool measured at net asset value per share are Level 2. See table below for the fair value of these funds at March 31, 2024.

The Township's accounts receivable and accounts payable are financial instruments which have fair values at March 31, 2024 that approximate their stated carrying amounts at those dates.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Investments in Entities that Calculate Net Asset Value per Share

The Township holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investments Held at March 31, 2024

			Redemption	
	Unfunded	Frequency, if	Redemption	
	Commitments	Eligible	Notice Period	
MI CLASS	\$ 1,570,342	\$ _____	None	None
Total	\$ 1,570,342	\$ _____		

NOTE 11 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

	<u>3/31/2024</u>
Operating revenues	\$ 1,662,173
Depreciation and amortization	719,495
Operating (loss)	(251,789)
Net working capital	1,623,064
Total assets	21,797,828
Reserved retained earnings	20,034,523
Unreserved retained earnings	1,623,064
Total fund equity	21,657,587

NOTE 12 - 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, 2023</u>	<u>March 31, 2024</u>
Cash and cash equivalents	<u>\$ 5,069,302</u>	<u>\$ 5,685,861</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 13 - 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 14 - TAX ABATEMENT

The Township has not made any commitments or agreements to abate property taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 19, 2024, which is the date the financial statements were available to be issued. Management has determined that the Township does not have any other material recognizable or non-recognizable events.

NOTE 16 - INVESTMENTS IN JOINT VENTURE

As of March 31, 2024, 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, Michigan 48116.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 16 - INVESTMENTS IN JOINT VENTURE (continued)

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 \$4,141,909 as of March 31, 2024. 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, Michigan 48116.

Selected financial information of Livingston Community Water Authority as of, and for, the fiscal year ended December 31, 2023 (the date financial information was last available) is as follows:

Total assets	\$ 26,757,610
Total liabilities	\$ 8,567,406
Total net assets	\$ 18,190,204
Total revenues	\$ 1,438,426
Total expenditures	\$ 1,531,870

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, Michigan 48116.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 16 - INVESTMENTS IN JOINT VENTURE (continued)

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 \$6,829,749 as of March 31, 2024. 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, 2023 (the date financial information was last available) is as follows:

Total assets	\$ 21,228,015
Total liabilities	\$ 738,767
Total net assets	\$ 20,489,248
Total revenues	\$ 8,088,163
Total expenditures	\$ 5,909,852

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

NOTE 17 - LEASES

The Township implemented GASB Standard No 87, *Leases*, for the year ended March 31, 2023, and determined that it has several long-term lease receivable agreements. The Township is the lessor for noncancelable leases of land upon which various lessees have constructed cell towers. The Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements. The Township has an operating lease for the office building at 4337 Buno Rd, Brighton, MI, with Mr. and Mrs. Bruce Dietz. The lease began on February 11, 2011 and is for the duration of 30 years, terminating on December 31, 2041. The Township leased land to the Dietz's to build a building on it, to be rented out to the Michigan State Police Department. Once the building was completed, the building was leased back to the Township, who then subleased the building to the Michigan State Police Department. Rent is paid by the Michigan State Police Department to the Township. The Township then pays the Dietz's the rent collected. The Township recognizes a lease receivable and a deferred inflow of resources related to the rent received from the Michigan State Police Department in the government-wide and fund financial statements.

Leases were valued at implementation based on the present value of future lease payments, using a discount rate of 2.25%, based on the Township's calculated incremental borrowing rate as of April 1, 2022.

The net present value at implementation, lease term, rent earned, interest earned and remaining balance of these leases as of March 31, 2024 are presented below:

<u>Lease</u>	<u>Term</u>	Reduction in				<u>Interest</u>	<u>Total</u>
		Balance at	Lease	Balance at	Interest		
		April 1, 2023	Receivable	March 31, 2024	Earned		
AT&T	5 Years	\$ 104,277	\$ 35,851	\$ 68,426	\$ 1,982	\$ 37,833	
American Tower Asset	5 Years	335,947	64,710	271,237	6,899	71,609	
Building - 4337 Buno Rd, Brighton, Michigan		30 years	2,101,519	91,136	2,010,383	46,348	137,484
Total		\$ 2,541,743	\$ 191,697	\$ 2,350,046	\$ 55,229	\$ 246,926	

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

NOTE 17 - LEASES (continued)

Future expected lease receipts, including principal and interest, are expected to be received as noted below:

Year Ended March 31,	Reduction in lease receivable	Interest Revenue	Total Receipts
2025	\$ 199,262	\$ 50,838	\$ 250,100
2026	196,713	46,294	243,007
2027	172,084	42,204	214,288
2028	157,343	38,316	195,659
2029	101,977	35,507	137,484
2030-2041	<u>1,522,667</u>	<u>230,253</u>	<u>1,752,920</u>
Total	<u>\$ 2,350,046</u>	<u>\$ 443,412</u>	<u>\$ 2,793,458</u>

As noted above, the Township leased the building from the Dietz's.

The following charts summarizes the maturity analysis and balance of the lease payable:

Lease Payable		Interest Expense		Liability Reduction		Lease Payable Balance	
		Cash	Expense	Reduction	Balance		
Building - 4337 Buno Rd, Brighton, Michigan							
	2024	\$ 137,484	\$ 46,348	\$ 91,136	\$ 2,010,383		
	2025	\$ 137,484	\$ 44,276	\$ 93,208	\$ 1,917,175		
	2026	\$ 137,484	\$ 42,157	\$ 95,327	\$ 1,821,848		
	2027	\$ 137,484	\$ 39,990	\$ 97,494	\$ 1,724,354		
	2028	\$ 137,484	\$ 37,774	\$ 99,710	\$ 1,624,644		
	2029-2041	<u>\$ 1,890,450</u>	<u>\$ 265,806</u>	<u>\$ 1,624,644</u>			

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 18 – RECENTLY ADOPTED ACCOUNTING STANDARDS

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 implemented this standard for the year ended March 31, 2024, and has determined that it has no materially recognizable SBITAs.

NOTE 19 - UPCOMING PRONOUNCEMENTS

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Township is currently evaluating the impact this Standard will have on the financial statements for the year ending March 31, 2025.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this Statement are effective for the Township's financial statements for the year ending March 31, 2025.

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, 2024**

	Budget Amount			Variance with Final Budget
	Original	Final	Actual	
				Favorable (Unfavorable)
REVENUES				
Taxes	\$ 1,095,870	\$ 1,095,870	\$ 1,201,327	\$ 105,457
Connection fees	57,000	57,000	11,400	(45,600)
Special assessments	1,280	1,280	3,004	1,724
Licenses and permits	316,500	316,500	327,845	11,345
Intergovernmental - state	2,155,000	2,155,000	2,310,918	155,918
Rental income	229,684	229,684	223,743	(5,941)
Charges for services	579,380	689,380	725,546	36,166
Interest	156,350	156,350	786,665	630,315
Reimbursements	76,000	76,000	90,380	14,380
Miscellaneous	7,400	7,400	20,418	13,018
Total revenues	4,674,464	4,784,464	5,701,246	916,782
EXPENDITURES				
General government	3,102,295	3,240,945	2,635,974	604,971
Parks and recreation	274,000	375,600	375,387	213
Public safety	97,200	97,200	27,369	69,831
Road improvement	555,000	555,000	515,313	39,687
Cemetery	12,000	12,000	3,500	8,500
Public works	323,100	448,100	173,583	274,517
Total expenditures	4,363,595	4,728,845	3,731,126	997,719
Excess of revenues over (under) expenditures	310,869	55,619	1,970,120	1,914,501
OTHER FINANCING SOURCES (USES)				
Transfers in	4,000	4,000		(4,000)
Transfers (out)	(4,000)	(4,000)		4,000
Sale of asset	—	—	31,192	31,192
Total other financing sources (uses)	—	—	31,192	31,192
Net change in fund balance	310,869	55,619	2,001,312	1,945,693
FUND BALANCE, APRIL 1, 2023	17,848,245	17,848,245	17,848,245	—
FUND BALANCE, MARCH 31, 2024	\$ 18,159,114	\$ 17,903,864	\$ 19,849,557	\$ 1,945,693

CHARTER TOWNSHIP OF BRIGHTON

ARPA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Grant income	\$ 1,500,000	\$ 1,500,000	\$ 1,226,183	\$ (273,817)
Interest	500	500	34,661	34,161
Total revenues	1,500,500	1,500,500	1,260,844	(239,656)
EXPENDITURES				
	1,500,000	1,514,143	1,226,183	287,960
Net change in fund balance	500	(13,643)	34,661	48,304
FUND BALANCE, APRIL 1, 2023	10,105	10,105	10,105	
FUND BALANCE, MARCH 31, 2024	\$ 10,605	\$ (3,538)	\$ 44,766	\$ 48,304

CHARTER TOWNSHIP OF BRIGHTON
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2024

Schedule of Employer Contributions

	For the Plan Year Ended								
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actuarial determined contributions	\$ 99,784	\$ 87,067	\$ 61,881	\$ 47,902	\$ 38,134	\$ 21,280	\$ 32,558	\$ 9,179	\$ 6,376
Contributions in relation to the actuarial determined contribution	108,044	392,083	254,269	305,659	286,423	149,984	58,991	29,226	23,021
Contribution (deficiency) excess	\$ 8,260	\$ 305,016	\$ 192,388	\$ 257,757	\$ 248,289	\$ 128,704	\$ 26,433	\$ 20,047	\$ 16,645
Covered employee payroll	\$ 930,430	\$ 778,687	\$ 719,110	\$ 712,079	\$ 600,806	\$ 511,739	\$ 523,920	\$ 511,727	\$ 457,995
Contributions as a percentage of covered payroll	11.61%	50.35%	35.36%	42.92%	47.67%	29.31%	11.26%	5.71%	5.03%

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

Notes to the Schedule of Employer Contributions (All divisions)

Actuarial cost method	Entry age
Amortization method	Layered by division
Remaining amortization period	Division 01: Initial UAL - 23 years, 2016 (Gain)/Loss - 22 years, 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	6.93%
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, 2024

	For the Plan Year Ended								
	12/31/2023	12/31/2022	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	\$ 92,866	\$ 78,399	\$ 69,715	\$ 64,116	\$ 56,136	\$ 47,103	\$ 51,344	\$ 44,499	\$ 44,302
Interest	225,780	214,721	193,766	179,028	162,645	160,076	152,671	144,760	129,220
Changes in benefit terms									
Differences between expected and actual experience	70,436	(37,877)	7,265	(42)	31,764	35,737	4,783	18,428	78,534
Changes of assumptions	29,124		121,047	188,132	61,514				90,409
Benefit payments, including refunds of employee contributions	(113,559)	(106,278)	(126,634)	(107,439)	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Other changes	1		9,355		8,536	23	(3)	(1)	
Net change in total pension liability	304,648	148,965	274,514	323,795	210,587	135,124	88,975	103,038	248,386
TOTAL PENSION LIABILITY - BEGINNING	3,124,572	2,975,607	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	\$ 3,429,220	\$ 3,124,572	\$ 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	\$ 108,044	\$ 479,149	\$ 316,149	\$ 353,561	\$ 286,423	\$ 149,984	\$ 58,993	\$ 29,226	\$ 22,801
Contributions - employee	44,305	40,307	36,012	35,437	30,178	28,415	26,196	25,058	23,570
Net investment (loss) income	411,774	(374,908)	429,644	316,960	262,728	(76,897)	230,111	181,169	(25,009)
Benefit payments, including refunds of employee contributions	(113,559)	(106,278)	(126,634)	(107,439)	(110,008)	(107,815)	(119,820)	(104,648)	(94,079)
Administrative expenses	(8,721)	(6,789)	(4,950)	(4,859)	(4,518)	(3,738)	(3,639)	(3,578)	(3,660)
Net change in plan fiduciary net position	441,843	31,481	650,221	593,660	464,803	(10,051)	191,841	127,227	(76,377)
PLAN FIDUCIARY NET POSITION, BEGINNING	3,651,639	3,620,158	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	\$ 4,093,482	\$ 3,651,639	\$ 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)	\$ (664,262)	\$ (527,067)	\$ (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	119.37%	116.87%	121.66%	109.95%	99.96%	88.22%	94.58%	89.04%	87.11%
Covered employee payroll	\$ 930,430	\$ 778,687	\$ 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	-71.39%	-67.69%	-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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2024

NOTE - BUDGETARY INFORMATION

Budget Overruns

There were no expenditures that exceeded appropriations in funds that were required by law to adopt budgets during the year ended March 31, 2024.

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

**FUNDS INCLUDED IN GASB 54 CONSOLIDATION
COMBINING BALANCE SHEETS**

MARCH 31, 2024

	Budget Stabilization Fund	Parks Fund	Cemetery Fund	Future Road Improvement Fund	Trust and Agency Fund	Pathway Fund	Construction Escrow Fund	Restated General Fund
ASSETS	General Fund							
Cash, cash equivalents and investments	\$ 15,680,858	\$ 297,938	\$ 1,348,160	\$ 159,932	\$ 866,098	\$ 44,583	\$ 867,535	\$ 375,551
Receivables								
Taxes	46,711							46,711
Special assessments	70,178							70,178
State shared revenues	399,192							399,192
Lease receivable	2,350,046							2,350,046
Accounts	75,171						200	75,371
Due from other funds	7,818						(689)	7,129
Prepaid expenditures	89,195							89,195
Total assets	\$ 18,719,169	\$ 297,938	\$ 1,348,160	\$ 159,932	\$ 866,098	\$ 44,583	\$ 867,535	\$ (689)
LIABILITIES								
Accounts payable	\$ 35,471	\$	\$	\$	\$	\$	\$	\$ 59,961
Accrued wages and vacation	45,911							45,911
Due to others			6,750			44,482		51,232
Due to other funds	4,190				101		588	(689)
Unearned revenue							375,163	375,163
Total liabilities	85,572		6,750		44,583	24,490	375,751	(689)
DEFERRED INFLOW OF RESOURCES								
Deferred inflow from leases	2,292,463							2,292,463
FUND BALANCE								
Nonspendable	89,195							89,195
Committed								
Roads				779,098				779,098
Parks and recreation		1,286,410				744,045		2,030,455
Cemetery			159,932					159,932
Assigned								
Township board	2,451,360							2,451,360
Future budget obligation		55,000		87,000		99,000		241,000
Unassigned	13,800,579	297,938						14,098,517
Total fund balance	16,341,134	297,938	1,341,410	159,932	866,098	843,045		19,849,557
Total liabilities, deferred inflow and fund balance	\$ 18,719,169	\$ 297,938	\$ 1,348,160	\$ 159,932	\$ 866,098	\$ 44,583	\$ 375,751	\$ (689)
								\$ 22,678,477

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2024

	SPECIAL REVENUE FUNDS								CAPITAL PROJECTS FUND	
	Liquor Law	SAD Road Maintenance	SAD Municipal Refuse	SAD Aquatics	Opioid	2022 Road Bond SAD	SAD Streetlights	2020 Road Bond SAD	Municipal Water	Totals
ASSETS										
Cash, cash equivalents and investments	\$ 56,667	\$ 167,244	\$ 105,223	\$ 193,586	\$ 1,999	410,067	\$ 246,914	\$ 1,348,817	\$ 2,530,517	
Receivables							32,359		129,276	161,635
Special assessments										
Accounts		1,555	4,019	3,242		4,118		1,844	1,654	16,432
Due from other funds				1		1	4,187		1	4,190
Prepaid expenditures	142									142
Total assets	\$ 56,809	\$ 168,799	\$ 109,242	\$ 196,829	\$ 1,999	\$ 414,186	\$ 36,546	\$ 248,759	\$ 1,479,747	\$ 2,712,916
LIABILITIES										
Accounts payable	\$ 21	\$ 565	\$	\$	\$	\$ 2,320	\$	\$	\$ 2,906	
Accrued wages	281									281
Due to other funds										
Total liabilities	302	565				2,320				3,187
FUND BALANCE										
Non-spendable		142								142
Restricted										
Public safety	55,005			1,999						57,004
Roads		168,234				414,186		248,759		831,179
Public works			109,240				34,226		1,479,747	1,623,213
Assigned	1,360		2	196,829						198,191
Total fund balance	56,507	168,234	109,242	196,829	1,999	414,186	34,226	248,759	1,479,747	2,709,729
Total liabilities and fund balance	\$ 56,809	\$ 168,799	\$ 109,242	\$ 196,829	\$ 1,999	\$ 414,186	\$ 36,546	\$ 248,759	\$ 1,479,747	\$ 2,712,916

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, 2024

	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	\$ 1,201,327	\$	\$	\$	\$	\$	\$	\$	\$ 1,201,327
Connection fees	11,400								11,400
Special assessments	3,004								3,004
Licenses and permits	327,845								327,845
Intergovernmental-state	2,310,918								2,310,918
Rental income	223,743								223,743
Charges for services	476,273							249,273	725,546
Interest	676,976	8,724	42,725	4,414	28,361		25,465		786,665
Reimbursements	90,380								90,380
Miscellaneous	20,418								20,418
Total revenues	5,342,284	8,724	42,725	4,414	28,361		25,465	249,273	5,701,246
EXPENDITURES									
Current									
General government	2,379,215							249,273	2,628,488
Parks and recreation	154,000		71				160,299		314,370
Public safety	27,369								27,369
Road improvements	59,471				455,842				515,313
Cemetery	3,500								3,500
Public works	173,583								173,583
Capital outlay									
General government	7,486								7,486
Parks and recreation			9,800				51,217		61,017
Total expenditures	2,804,624		9,871		455,842		211,516	249,273	3,731,126
Excess of revenues over (under) expenditures	2,537,660	8,724	32,854	4,414	(427,481)		(186,051)		1,970,120
OTHER FINANCING SOURCES (USES)									
Transfers in			50,000	10,000	200,000		150,000		(410,000)
Transfers (out)	(410,000)								410,000
Sale of asset	31,192								31,192
Total other financing sources (uses)	(378,808)		50,000	10,000	200,000		150,000		31,192
Net change in fund balances	2,158,852	8,724	82,854	14,414	(227,481)		(36,051)		2,001,312
FUND BALANCE, APRIL 1, 2023	14,182,282	289,214	1,258,556	145,518	1,093,579		879,096		17,848,245
FUND BALANCE, MARCH 31, 2024	\$ 16,341,134	\$ 297,938	\$ 1,341,410	\$ 159,932	\$ 866,098		\$ 843,045	\$	\$ 19,849,557

CHARTER TOWNSHIP OF BRIGHTON

NONMAJOR FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2024

	SPECIAL REVENUE FUNDS								CAPITAL PROJECTS FUNDS			
	Liquor Law	SAD Road Maintenance	SAD Municipal Refuse	SAD Aquatics	Opioid	2022 Road Bond SAD	SAD Streetlights	2020 Road Bond SAD	2022 Road Improvement	Municipal Water	Totals	
REVENUES												
Connection fees	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	289,688	\$ 289,688
Special assessments		76,674	122,533	120,152		165,995	32,359	189,044		4,212		710,969
Licenses and permits	11,718											11,718
Interest	2,295	3,766	1,510	4,379	72	8,748		3,314	20	32,278		56,382
Miscellaneous												
Total revenues	14,013	80,440	124,043	124,531	72	174,743	32,359	192,358	20	326,178	1,068,757	
EXPENDITURES												
Current												
Public safety	12,080											12,080
Road improvements		58,932				500						59,432
Public works			89,131	191,481			21,573			4,655		306,840
Debt service						90,000		170,000				260,000
Principal						51,562		8,814				60,376
Interest												
Total expenditures	12,080	58,932	89,131	191,481	72	142,062	21,573	178,814	20	4,655	698,728	
Excess of revenues over (under) expenditures	1,933	21,508	34,912	(66,950)	72	32,681	10,786	13,544	20	321,523	370,029	
OTHER FINANCING SOURCES (USES)												
Proceeds from bonds												
Transfer (out)												(40)
Transfers in						40						40
Total other financing sources (uses)						40						
Net changes in fund balances	1,933	21,508	34,912	(66,950)	72	32,721	10,786	13,544	(20)	321,523	370,029	
FUND BALANCE, APRIL 1, 2023	54,574	146,726	74,330	263,779	1,927	381,465	23,440	235,215	20	1,158,224	2,339,700	
FUND BALANCE, MARCH 31, 2024	\$ 56,507	\$ 168,234	\$ 109,242	\$ 196,829	\$ 1,999	\$ 414,186	\$ 34,226	\$ 248,759	\$	\$ 1,479,747	\$ 2,709,729	

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, 2024

ASSETS

Cash, cash equivalents and investments	\$ 15,680,858
Receivables:	
Taxes	46,711
Special assessments	70,178
State shared revenues	399,192
Accounts	75,171
Lease	2,350,046
Due from other funds	7,818
Prepaid expenditures	<u>89,195</u>
Total assets	<u>\$ 18,719,169</u>

LIABILITIES

Accounts payable	\$ 35,471
Accrued wages and vacation	45,911
Due to other funds	<u>4,190</u>
Total liabilities	\$ 85,572

DEFERRED INFLOW OF RESOURCES

Deferred inflow from leases	2,292,463
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FUND BALANCE

Nonspendable - prepaid	89,195
Assigned - Township board	2,451,360
Unassigned	<u>13,800,579</u>
Total fund balance	<u>16,341,134</u>
Total liabilities and fund balance	<u>\$ 18,719,169</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, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,095,870	\$ 1,201,327	\$ 105,457
Connection fees	57,000	11,400	(45,600)
Special assessments	1,280	3,004	1,724
Licenses and permits	316,500	327,845	11,345
Intergovernmental - state	2,155,000	2,310,918	155,918
Rental income	229,684	223,743	(5,941)
Charges for services	429,380	476,273	46,893
Interest	150,000	676,976	526,976
Reimbursements	76,000	90,380	14,380
Miscellaneous	<u>7,400</u>	<u>20,418</u>	<u>13,018</u>
Total revenues	4,518,114	5,342,284	824,170
EXPENDITURES			
	<u>3,757,245</u>	<u>2,804,624</u>	<u>952,621</u>
Excess of revenues over (under) expenditures	<u>760,869</u>	<u>2,537,660</u>	<u>1,776,791</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,000		(2,000)
Transfers (out)	(412,000)	(410,000)	2,000
Sale of asset	<u>31,192</u>		<u>31,192</u>
Total other financing sources (uses)	<u>(410,000)</u>	<u>(378,808)</u>	<u>31,192</u>
Net change in fund balance	350,869	2,158,852	1,807,983
FUND BALANCE, APRIL 1, 2023	<u>14,182,282</u>	<u>14,182,282</u>	<u> </u>
FUND BALANCE, MARCH 31, 2024	<u>\$ 14,533,151</u>	<u>\$ 16,341,134</u>	<u>\$ 1,807,983</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, 2024**

	Amended	Variance	
	Budget	Actual	Favorable
			(Unfavorable)
TAXES			
Current property taxes	\$	\$ 1,200,229	\$
Delinquent property taxes		758	
Penalties/interest - delinquent taxes		10	
Trailer park fees		330	
Total taxes	1,095,870	1,201,327	105,457
CONNECTION FEES			
	57,000	11,400	(45,600)
SPECIAL ASSESSMENTS			
	1,280	3,004	1,724
LICENSES AND PERMITS			
Franchise fees		309,360	
Other licenses and permits		18,485	
Total licenses and permits	316,500	327,845	11,345
INTERGOVERNMENTAL - STATE			
State shared revenue		2,168,576	
Personal property tax reimbursement		120,418	
Right of way revenues		21,924	
Total intergovernmental - State	2,155,000	2,310,918	155,918
RENTAL INCOME			
	229,684	223,743	(5,941)
CHARGES FOR SERVICES			
Property tax administration fee		409,190	
Planning and zoning fees		44,016	
Dog licenses		228	
Other charges for services		22,839	
Total charges for services	429,380	476,273	46,893
INTEREST			
	150,000	676,976	526,976
REIMBURSEMENTS			
	76,000	90,380	14,380
MISCELLANEOUS			
Utilities administration fee		4,800	
Other revenue		15,618	
Total miscellaneous	7,400	20,418	13,018
Total revenues	\$ 4,518,114	\$ 5,342,284	\$ 824,170

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, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Wages, salaries and per diems	\$ 36,143	\$ 36,143	\$
Payroll taxes	2,765		
Pension	9,157		
Insurance - life	206		
Supplies	100		
Consulting	11,139		
Worker's compensation	55		
Education/travel	2,985		
Printing and publishing	6,811		
Ordinance codification	950		
Dues	10,933		
Engineering services	4,848		
Total township board	123,170	86,092	37,078
SUPERVISOR			
Wages, salaries and per diems	37,379		
Payroll taxes	2,859		
Pension	3,765		
Insurance - life	62		
Worker's compensation	52		
Capital outlay	1,494		
Total supervisor	48,550	45,611	2,939
MANAGER			
Wages, salaries and per diems	141,060		
Wages, salaries and per diems - other	98,776		
Payroll taxes	18,514		
Insurance - benefits	4,481		
Pension	18,673		
Insurance - liability	4,841		
Insurance - life	640		
Health savings plan	976		
Insurance - disability	3,056		
Health care savings plan	18,774		
Supplies	1,645		
Consulting	719		
Worker's compensation	608		
Postage	248		
Education/travel	468		
Dues	1,787		
Total manager	333,585	315,266	18,319

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, 2024**

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
ELECTIONS			
Wages, salaries and per diems	83,790		
Payroll taxes	4,802		
Pension	1,846		
Insurance - liability	8,910		
Insurance - life	144		
Health savings plan	908		
Insurance - disability	149		
Health care savings plan	2,814		
Supplies	13,652		
Worker's compensation	280		
Postage	18,244		
Repairs and maintenance	8,095		
Education /travel	5,396		
Consulting	13,714		
Miscellaneous	817		
Capital outlay	11,949		
Total elections	214,050	175,510	38,540
ASSESSOR			
Wages, salaries and per diems	225,388		
Payroll taxes	16,737		
Insurance - benefits	1,159		
Pension	32,047		
Insurance - liability	44,416		
Insurance - life	775		
Health savings plan	4,666		
Insurance - disability	3,167		
Health care savings plan	15,581		
Supplies	504		
Small equipment	3,980		
Worker's compensation	995		
Postage	5,244		
Printing and publishing	1,976		
Education and travel	1,472		
Telephone	848		
Dues	362		
Total assessor	399,230	359,317	39,913

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, 2024**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
CLERK			
Wages, salaries and per diems - Clerk	73,690		
Wages, salaries and per diems - other	154,084		
Payroll taxes	16,692		
Insurance - benefits	26		
Pension	26,532		
Insurance - liability	56,899		
Insurance - life	750		
Health savings plan	5,880		
Insurance - disability	1,866		
Health care savings plan	14,710		
Supplies	1,167		
Professional fees	9,320		
Worker's compensation	480		
Postage	732		
Record retention	1,921		
Education/travel	3,808		
Newsletter	5,384		
Dues	8,188		
Total clerk	401,185	382,129	19,056
TREASURER			
Wages, salaries and per diems - Treasurer	92,112		
Wages, salaries and per diems - other	103,779		
Payroll taxes	14,904		
Insurance - benefits	3,090		
Pension	8,377		
Insurance - liability	20,619		
Insurance - life	652		
Health savings plan	2,519		
Insurance - disability	1,484		
Health care savings plan	13,678		
Supplies	601		
Tax forms	4,877		
Professional fees	24,046		
Worker's compensation	406		
Postage	10,204		
Education/travel	4,214		
Dues	621		
Capital outlay	285		
Total treasurer	354,660	306,468	48,192

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, 2024**

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
SEWER AND WATER			
Professional fees	132,313		
Total sewer and water	<u>152,000</u>	<u>132,313</u>	<u>19,687</u>
ROADS			
	65,000	59,471	5,529
OTHER CHARGES AND SERVICES			
Fuel	876		
Contracted services	41,695		
Legal fees	31,454		
Insurance - identity theft	259		
Telephone	3,046		
Equipment maintenance and repair	6,531		
Vehicle maintenance and repair	1,032		
Computer support	14,195		
Insurance - liability	43,584		
Equipment rental	1,891		
Lease interest	48,374		
Lease principal	89,110		
Capital outlay	29,578		
Total other charges and services	<u>432,100</u>	<u>311,625</u>	<u>120,475</u>
PLANNING			
Wages, salaries and per diems	83,940		
Payroll taxes	5,512		
Pension	20,857		
Insurance - liability	17,782		
Insurance - life	203		
Health savings plan	1,834		
Insurance - disability	1,151		
Health care savings plan	6,590		
Supplies	515		
Worker's compensation	472		
Postage	398		
Education/travel	170		
Printing and publishing	2,350		
Dues	65		
Engineering services	27,057		
Total planning	<u>231,485</u>	<u>168,896</u>	<u>62,589</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, 2024**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP HALL/GROUNDS			
Wages, salaries and per diems	56,038		
Payroll taxes	4,212		
Pension	2,629		
Insurance	24,489		
Health care savings plan	3,907		
Supplies	12,128		
Contracted services	1,816		
Worker's compensation	986		
Postage	1,857		
Street lighting	16,026		
Utilities	23,660		
Grounds maintenance and repairs	8,986		
Building maintenance and repairs	16,463		
Equipment maintenance and repairs	10,869		
Miscellaneous	990		
Tax chargebacks	1,534		
Capital outlay	33,087		
Total township hall/grounds	415,185	219,677	195,508
CEMETERY			
	12,000	3,500	8,500
FIRE PROTECTION			
Contracted services	10,307		
Water/sewer fee	132		
Street lighting	725		
Building maintenance and repair	6,245		
Capital improvements	9,960		
Total fire protection	97,200	27,369	69,831

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, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
EMERGENCY PREPAREDNESS	<u>8,600</u>	<u>3,164</u>	<u>5,436</u>
ENVIRONMENTAL	<u>54,000</u>	<u>19,477</u>	<u>34,523</u>
MUNICIPAL REFUSE COLLECTION	<u>15,000</u>	<u>10,530</u>	<u>4,470</u>
PARKS AND RECREATION	<u>154,000</u>	<u>154,000</u>	<u></u>
DRAINS	<u>218,500</u>	<u>8,099</u>	<u>210,401</u>
 CODE ENFORCEMENT			
Wages, salaries and per diems		9,511	
Payroll taxes		669	
Pension		2,528	
Insurance - benefits		2,155	
Insurance - life		25	
Health savings plan		222	
Insurance - disability		140	
Health care savings plan		799	
Worker's compensation	<u>61</u>	<u></u>	<u></u>
Total code enforcement	<u>17,745</u>	<u>16,110</u>	<u>1,635</u>
 CONTINGENCIES			
	<u>10,000</u>	<u></u>	<u>10,000</u>
 Total expenditures	<u>\$ 3,757,245</u>	<u>\$ 2,804,624</u>	<u>\$ 952,621</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, 2024

ASSETS

Cash	<u>\$ 1,348,160</u>
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LIABILITIES

Due to others	6,750
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FUND BALANCE

<u>1,341,410</u>

Total liabilities and fund balance	<u>\$ 1,348,160</u>
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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, 2024

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 3,000	\$ 42,725	\$ 39,725
EXPENDITURES	<u>10,100</u>	<u>9,871</u>	<u>229</u>
Excess of revenues over (under) expenditures	(7,100)	32,854	39,954
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u></u>
Net change in fund balance	42,900	82,854	39,954
FUND BALANCE, APRIL 1, 2023	<u>1,258,556</u>	<u>1,258,556</u>	<u></u>
FUND BALANCE, MARCH 31, 2024	<u><u>\$ 1,301,456</u></u>	<u><u>\$ 1,341,410</u></u>	<u><u>\$ 39,954</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, 2024

ASSETS

Cash	<u>\$ 159,932</u>
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FUND BALANCE

<u>\$ 159,932</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, 2024

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 300	\$ 4,414	\$ 4,114
EXPENDITURES			
Excess of revenues over (under) expenditures	300	4,414	4,114
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	10,000	
Net change in fund balance	10,300	14,414	4,114
FUND BALANCE, APRIL 1, 2023	<u>145,518</u>	<u>145,518</u>	
FUND BALANCE, MARCH 31, 2024	<u>\$ 155,818</u>	<u>\$ 159,932</u>	<u>\$ 4,114</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, 2024

ASSETS

Cash	<u>\$ 297,938</u>
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FUND BALANCE

<u>\$ 297,938</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, 2024

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 300	\$ 8,724	\$ 8,424
EXPENDITURES			
Net change in fund balance	300	8,724	8,424
FUND BALANCE, APRIL 1, 2023	<u>289,214</u>	<u>289,214</u>	<u></u>
FUND BALANCE, MARCH 31, 2024	<u>\$ 289,514</u>	<u>\$ 297,938</u>	<u>\$ 8,424</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, 2024

ASSETS

Cash	<u>\$ 866,098</u>
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FUND BALANCE

	<u>\$ 866,098</u>
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This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	<u>\$ 2,000</u>	<u>\$ 28,361</u>	<u>\$ 26,361</u>
EXPENDITURES			
Road improvements	<u>490,000</u>	<u>455,842</u>	<u>34,158</u>
Excess of revenues over (under) expenditures	<u>(488,000)</u>	<u>(427,481)</u>	<u>60,519</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>200,000</u>	<u>200,000</u>	<u></u>
Net change in fund balance	(288,000)	(227,481)	60,519
FUND BALANCE, APRIL 1, 2023	<u>1,093,579</u>	<u>1,093,579</u>	<u></u>
FUND BALANCE, MARCH 31, 2024	<u><u>\$ 805,579</u></u>	<u><u>\$ 866,098</u></u>	<u><u>\$ 60,519</u></u>

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

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ <u>867,535</u>
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LIABILITIES

Accounts payable	\$ 24,490
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FUND BALANCE

	<u>843,045</u>
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Total liabilities and fund balance	<u>\$ 867,535</u>
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This supplementary information shows the Pathways Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 700	\$ 25,465	\$ 24,765
EXPENDITURES	<u>211,500</u>	<u>211,516</u>	<u>(16)</u>
Excess of revenues over (under) expenditures	(210,800)	(186,051)	24,749
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>150,000</u>	<u>150,000</u>	<u></u>
Net change in fund balance	(60,800)	(36,051)	24,749
FUND BALANCE, APRIL 1, 2023	<u>879,096</u>	<u>879,096</u>	<u></u>
FUND BALANCE, MARCH 31, 2024	<u><u>\$ 818,296</u></u>	<u><u>\$ 843,045</u></u>	<u><u>\$ 24,749</u></u>

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

LIQUOR LAW ENFORCEMENT FUND

CHARTER TOWNSHIP OF BRIGHTON

LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ 56,667
Prepaid expenditures	<u>142</u>
Total assets	\$ <u>56,809</u>

LIABILITIES

Accounts payable	\$ 21
Wages payable	<u>281</u>
Total liabilities	302
FUND BALANCE	<u>56,507</u>
Total liabilities and fund balance	\$ <u>56,809</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, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Licenses and permits	\$ 10,600	\$ 11,718	\$ 1,118
Interest	200	2,295	2,095
Total revenues	10,800	14,013	3,213
EXPENDITURES			
Public safety	13,010	12,080	930
Net change in fund balance	(2,210)	1,933	4,143
FUND BALANCE, APRIL 1, 2023	54,574	54,574	
FUND BALANCE, MARCH 31, 2024	\$ 52,364	\$ 56,507	\$ 4,143

SAD ROAD MAINTENANCE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ 167,244
Receivables	
Due from county	<u>1,555</u>
Total assets	<u>\$ 168,799</u>

LIABILITIES

Accounts payable	\$ 565
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FUND BALANCE

Total liabilities and fund balance	<u>\$ 168,234</u>
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CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 76,415	\$ 76,674	\$ 259
Interest		3,766	3,766
Total revenues	76,415	80,440	4,025
EXPENDITURES			
Road improvements	119,115	58,932	60,183
Net change in fund balance	(42,700)	21,508	64,208
FUND BALANCE, APRIL 1, 2023	146,726	146,726	
FUND BALANCE, MARCH 31, 2024	\$ 104,026	\$ 168,234	\$ 64,208

SAD STREETLIGHT FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Receivables	
Special assessments	\$ 32,359
Due from other funds	<u>4,187</u>
Total assets	<u>\$ 36,546</u>

LIABILITIES

Accounts payable	\$ 2,320
	<u>34,226</u>

FUND BALANCE

Total liabilities and fund balance	<u>\$ 36,546</u>
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CHARTER TOWNSHIP OF BRIGHTON

SAD STREETLIGHT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 22,320	\$ 32,359	\$ 10,039
EXPENDITURES			
Public works	22,320	21,573	747
Net change in fund balance		10,786	10,786
FUND BALANCE, APRIL 1, 2023	<u>23,440</u>	<u>23,440</u>	
FUND BALANCE, MARCH 31, 2024	<u>\$ 23,440</u>	<u>\$ 34,226</u>	<u>\$ 10,786</u>

SAD MUNICIPAL REFUSE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD MUNICIPAL REFUSE FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ 105,223
Receivables	
Due from county	<u>4,019</u>
Total assets	<u>\$ 109,242</u>

FUND BALANCE

\$ 109,242

CHARTER TOWNSHIP OF BRIGHTON

SAD MUNICIPAL REFUSE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$ 99,585	\$ 122,533	\$ 22,948
Interest		1,510	1,510
Total revenues	99,585	124,043	24,458
EXPENDITURES			
Public works	99,585	89,131	10,454
Net change in fund balance		34,912	34,912
FUND BALANCE, APRIL 1, 2023	74,330	74,330	
FUND BALANCE, MARCH 31, 2024	\$ 74,330	\$ 109,242	\$ 34,912

SAD AQUATICS FUND

CHARTER TOWNSHIP OF BRIGHTON

**SAD AQUATICS FUND
BALANCE SHEET
MARCH 31, 2024**

ASSETS

Cash	\$ 193,586
Receivables	
Due from county	3,242
Due from other funds	1
Total assets	\$ 196,829

FUND BALANCE

\$ 196,829

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, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 117,565	\$ 120,152	\$ 2,587
Interest		4,379	4,379
Total revenues	117,565	124,531	6,966
EXPENDITURES			
Public works	230,565	191,481	39,084
Net change in fund balance	(113,000)	(66,950)	46,050
FUND BALANCE, APRIL 1, 2023	263,779	263,779	
FUND BALANCE, MARCH 31, 2024	\$ 150,779	\$ 196,829	\$ 46,050

MUNICIPAL WATER CAPITAL PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ 1,348,817
Receivables	
Special assessments	129,276
Due from others	<u>1,654</u>
Total assets	<u>\$ 1,479,747</u>

FUND BALANCE

\$ 1,479,747

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, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Connection fees	\$ 127,500	\$ 289,688	\$ 162,188
Special assessments	4,850	4,212	(638)
Interest	<u>500</u>	<u>32,278</u>	<u>31,778</u>
Total revenues	<u>132,850</u>	<u>326,178</u>	<u>193,328</u>
EXPENDITURES			
Contracted services	<u>15,500</u>	<u>4,655</u>	<u>10,845</u>
Net change in fund balance	117,350	321,523	204,173
FUND BALANCE, APRIL 1, 2023	<u>1,158,224</u>	<u>1,158,224</u>	<u> </u>
FUND BALANCE, MARCH 31, 2024	<u>\$ 1,275,574</u>	<u>\$ 1,479,747</u>	<u>\$ 204,173</u>

2022 ROAD IMPROVEMENT FUND

CHARTER TOWNSHIP OF BRIGHTON

2022 ROAD IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 20	\$ 20	\$
EXPENDITURES			
Excess of revenues over (under) expenditures	20	20	
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(40)	(40)	
Net change in fund balance	(20)	(20)	
FUND BALANCE, APRIL 1, 2023		20	
FUND BALANCE, MARCH 31, 2024	<u>\$ (20)</u>	<u>\$</u>	<u>\$</u>

OPIOID FUND

CHARTER TOWNSHIP OF BRIGHTON

OPIOID FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ <u>1,999</u>
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FUND BALANCE

\$ <u>1,999</u>

CHARTER TOWNSHIP OF BRIGHTON

OPIOID FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Grant income	\$ -	\$ -	\$ -
Interest		72	72
EXPENDITURES	_____	_____	_____
Net change in fund balance		72	72
FUND BALANCE, APRIL 1, 2023	_____	1,927	_____
FUND BALANCE, MARCH 31, 2024	<u>\$</u> <u>_____</u>	<u>\$</u> <u>1,999</u>	<u>\$</u> <u>72</u>

ARPA FUND

CHARTER TOWNSHIP OF BRIGHTON

ARPA FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ 347,587
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LIABILITIES

Accounts payable	\$ 4,157
Unearned revenue	<u>298,664</u>

Total liabilities	\$ 302,821
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FUND BALANCE	<u>44,766</u>
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Total liabilities and fund balance	<u>\$ 347,587</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, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Grant income	\$ 1,500,000	\$ 1,226,183	\$ (273,817)
Interest	500	34,661	34,161
Total revenues	1,500,500	1,260,844	(239,656)
EXPENDITURES			
	<u>1,514,143</u>	<u>1,226,183</u>	<u>287,960</u>
Net change in fund balance	(13,643)	34,661	48,304
FUND BALANCE, APRIL 1, 2023	<u>10,105</u>	<u>10,105</u>	<u></u>
FUND BALANCE, MARCH 31, 2024	<u>\$ (3,538)</u>	<u>\$ 44,766</u>	<u>\$ 48,304</u>

2022 ROAD BOND SAD FUND

CHARTER TOWNSHIP OF BRIGHTON

2022 ROAD BOND SAD FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ 410,067
Receivables	
Due from county	4,118
Due from other funds	1
Total assets	\$ 414,186

FUND BALANCE

\$ 414,186

CHARTER TOWNSHIP OF BRIGHTON

2022 ROAD BOND SAD FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 251,065	\$ 165,995	\$ (85,070)
Interest	24,550	8,748	(15,802)
Total revenues	275,615	174,743	(100,872)
EXPENDITURES			
Road improvements	500	500	
Debt service:			
Principal	90,000	90,000	
Interest	51,570	51,562	8
Total expenditures	142,070	142,062	
Excess of revenue over expenditures	133,545	32,681	(100,864)
OTHER FINANCING SOURCES (USES)			
Transfers in		40	40
Net change in fund balance	133,545	32,721	(100,824)
FUND BALANCE, APRIL 1, 2023	381,465	381,465	
FUND BALANCE, MARCH 31, 2024	\$ 515,010	\$ 414,186	\$ (100,824)

2020 ROAD BOND SAD FUND

CHARTER TOWNSHIP OF BRIGHTON

2020 ROAD BOND SAD FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ 246,914
Receivables	
Due from county	1,844
Due from other funds	<u>1</u>
Total assets	<u>\$ 248,759</u>

FUND BALANCE

\$ 248,759

CHARTER TOWNSHIP OF BRIGHTON

2020 ROAD BOND SAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 31,700	\$ 189,044	\$ 157,344
Interest	<u>134,575</u>	<u>3,314</u>	<u>(131,261)</u>
Total revenues	<u>166,275</u>	<u>192,358</u>	<u>26,083</u>
EXPENDITURES			
Debt service:			
Principal	170,000	170,000	
Interest	<u>8,830</u>	<u>8,814</u>	<u>16</u>
Total expenditures	<u>178,830</u>	<u>178,814</u>	<u>16</u>
Excess of revenues over (under) expenditures	<u>(12,555)</u>	<u>13,544</u>	<u>26,067</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>11,290</u>		<u>(11,290)</u>
Net change in fund balance	<u>(1,265)</u>	<u>13,544</u>	<u>14,809</u>
FUND BALANCE, APRIL 1, 2023	<u>235,215</u>	<u>235,215</u>	
FUND BALANCE, MARCH 31, 2024	<u>\$ 233,950</u>	<u>\$ 248,759</u>	<u>\$ 14,809</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, 2024

ASSETS

Cash	\$ <u>44,583</u>
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LIABILITIES

Due to others	\$ 44,482
Due to other funds	<u>101</u>

Total liabilities	<u>\$ 44,583</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, 2024

ASSETS

Cash	\$ 375,551
Receivables	
Other	<u>200</u>
Total assets	<u>\$ 375,751</u>

LIABILITIES

Due to other funds	\$ 588
Unearned revenues	<u>375,163</u>
Total liabilities	<u>\$ 375,751</u>

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

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2024

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 260,000	\$ 249,273	\$ (10,727)
EXPENDITURES			
General government	<u>260,000</u>	<u>249,273</u>	<u>10,727</u>
Net change in fund balance			
FUND BALANCE, APRIL 1, 2023			
FUND BALANCE, MARCH 31, 2024			
	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

SEWER FUND

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
BALANCE SHEET
MARCH 31, 2024

CURRENT ASSETS

Cash and cash equivalents	\$ 565,560
Accounts receivable - usage	343,324
Accounts receivable - other	2,328
Due from county - delinquents	14,660
Inventory - pumps and parts	821,520
Prepaid expenditures	<u>15,913</u>

Total current assets

\$ 1,763,305

RESTRICTED ASSETS

Cash and cash equivalents - debt service	897,160
Cash and cash equivalents - capital replacement	4,223,141
Accounts receivable - debt service (usage)	85,671
Special assessments receivable	155,131
Due from county - delinquents	<u>3,834</u>

Total restricted assets

5,364,937

CAPITAL ASSETS

Land	1,395,224
Construction in process	50,155
Sewer infrastructure	<u>31,555,594</u>
	33,000,973
Less: accumulated depreciation	<u>(18,331,387)</u>
Net capital assets	<u>14,669,586</u>
Total assets	<u>\$ 21,797,828</u>

CURRENT LIABILITIES

Accounts payable	\$ 57,335
Due to other funds	146
Accrued grinder pump expense	50,000
New connections - escrow funds	<u>32,760</u>
Total current liabilities	\$ 140,241

NET POSITION

Retained earnings	<u>21,657,587</u>
Total liabilities and net position	<u>\$ 21,797,828</u>

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED MARCH 31, 2024

OPERATING REVENUES

Sewer usage	\$ 1,284,917
Sewer usage - debt service charges	<u>377,256</u>
Total operating revenues	\$ 1,662,173

OPERATING EXPENSES

Administration	5,694
Alarm maintenance	712
Audit services	4,660
Computer services	6,982
Consulting	1,453
Contracted services - operators	356,179
Depreciation expense	719,495
Legal	150
Liability insurance	18,339
Office expenses	7,284
Permit fees	3,507
Repairs and maintenance - grinder pumps and parts	266,757
Repairs and maintenance - collection system	173,361
Repairs and maintenance - equipment	34,711
Repairs and maintenance - buildings and grounds	5,474
Sludge removal	41,174
Supplies	44,858
Telephone	603
Utilities	128,437
Capital outlay	<u>94,132</u>
Total operating expenses	<u>1,913,962</u>
Operating (loss)	(251,789)

NON-OPERATING REVENUES (EXPENSES)

Interest income - banks	167,451
Interest income - special assessment	5,012
Tap In fees	718,200
Other revenue	<u>26,058</u>
Total non-operating revenues	<u>916,721</u>
Change in net position	664,932
NET POSITION, APRIL 1, 2023	<u>20,992,655</u>
NET POSITION, MARCH 31, 2024	<u>\$ 21,657,587</u>

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2024

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash received from customers	\$ 1,623,952
Payments to suppliers for goods or services	<u>(1,814,899)</u>
Net cash (used in) operating activities	\$ (190,947)

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

Acquisition of fixed assets	(93,648)
Collections of special assessment (principal and interest)	(10,555)
Other revenues	26,058
Tap In fees	<u>718,200</u>

Net cash from capital and related financing activities	640,055
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents	<u>167,451</u>
Net increase in cash and cash equivalents	616,559

CASH AND CASH EQUIVALENTS AT APRIL 1, 2023

CASH AND CASH EQUIVALENTS AT MARCH 31, 2024

RECONCILIATION OF OPERATING (LOSS) TO NET CASH

FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)	\$ (251,789)
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Adjustments to reconcile operating (loss) to net cash
from (used in) operating activities:

Depreciation and amortization	\$ 719,495
Changes in assets and liabilities	
(Increase) in accounts and delinquents receivable	(38,221)
(Increase) in prepaid expense	(2,040)
(Increase) in inventory	(569,940)
Increase in accounts payable	16,728
Increase in due to others	146
(Decrease) in new connections escrow	(10,586)
(Decrease) in unearned revenues	<u>(54,740)</u>
Total adjustments	<u>60,842</u>
Net cash from operating activities	<u>\$ (190,947)</u>

CURRENT TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRIGHTON

CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2024

ASSETS

Cash	\$ <u>6,983</u>
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LIABILITIES

Due to other funds	\$ <u>6,983</u>
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