

# **CHARTER TOWNSHIP OF BRIGHTON**

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

**For the Year Ended March 31, 2016**

**CHARTER TOWNSHIP OF BRIGHTON**

**TOWNSHIP OFFICIALS**

Supervisor - Thomas Murphy  
Clerk - Ann Bollin  
Treasurer - Deb Hawk

**BOARD OF TRUSTEES**

Ann Bollin  
Cathy Doughty  
Deb Hawk  
Thomas Murphy  
Patrick Michel  
Lucille Weaire  
J. Michael Slaton

**TOWNSHIP ATTORNEY**

John K. Harris  
Harris & Leterski

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**  
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**INDEPENDENT AUDITORS' REPORT**

June 15, 2016

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton, Michigan, as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton, Michigan, as of March 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 - 13 and 51 - 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Brighton, Michigan's basic financial statements. The combining, individual, and nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual, and nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, individual, and nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

## **MANAGEMENT DISCUSSION AND ANALYSIS**

## Management Discussion and Analysis March 31, 2016

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Within this section of the Charter Township of Brighton's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2016. 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 & 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 \$37,786,071. This is a \$1,039,666 increase over last year's net position of \$36,656,084, with a prior period adjustment of \$90,321.

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

|                                      | <b>Summary of Net Position</b> |                      |                                 |                      |                      |                      |
|--------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                      | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      | <b>Totals</b>        |                      |
|                                      | <b>3/31/2016</b>               | <b>3/31/2015</b>     | <b>3/31/2016</b>                | <b>3/31/2015</b>     | <b>3/31/2016</b>     | <b>3/31/2015</b>     |
| <b>ASSETS</b>                        |                                |                      |                                 |                      |                      |                      |
| Current and other assets             | \$ 16,414,688                  | \$ 15,329,525        | \$ 5,755,623                    | \$ 6,595,959         | \$ 22,170,311        | \$ 21,925,484        |
| Capital assets                       | 3,881,357                      | 3,861,731            | 20,810,933                      | 21,672,999           | 24,692,290           | 25,534,730           |
| <b>Total assets</b>                  | <b>20,296,045</b>              | <b>19,191,256</b>    | <b>26,566,556</b>               | <b>28,268,958</b>    | <b>46,862,601</b>    | <b>47,460,214</b>    |
| <b>LIABILITIES</b>                   |                                |                      |                                 |                      |                      |                      |
| Other liabilities                    | 102,143                        | 84,458               | 74,813                          | 93,916               | 176,956              | 178,374              |
| Long-term liabilities                | 326,156                        | 345,756              | 8,665,563                       | 10,280,000           | 8,991,719            | 10,625,756           |
| <b>Total liabilities</b>             | <b>428,299</b>                 | <b>430,214</b>       | <b>8,740,376</b>                | <b>10,373,916</b>    | <b>9,168,675</b>     | <b>10,804,130</b>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b> |                                |                      |                                 |                      |                      |                      |
| Pension activity                     | 262,423                        |                      |                                 |                      | 262,423              |                      |
| <b>NET POSITION</b>                  |                                |                      |                                 |                      |                      |                      |
| Net investment in capital assets     | 3,881,357                      | 3,861,731            | 12,145,370                      | 11,392,999           | 16,026,727           | 15,254,730           |
| Restricted                           | 1,105,480                      | 914,140              |                                 |                      | 1,105,480            | 914,140              |
| Unrestricted                         | 14,973,054                     | 13,985,171           | 5,680,810                       | 6,502,043            | 20,653,864           | 20,487,214           |
| <b>Total net position</b>            | <b>\$ 19,959,891</b>           | <b>\$ 18,761,042</b> | <b>\$ 17,826,180</b>            | <b>\$ 17,895,042</b> | <b>\$ 37,786,071</b> | <b>\$ 36,656,084</b> |

### Summary of Changes in Net Position

|                                    | Governmental Activities |                      | Business-type Activities |                      | Totals               |                      |
|------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                    | 3/31/2016               | 3/31/2015            | 3/31/2016                | 3/31/2015            | 3/31/2016            | 3/31/2015            |
| <b>REVENUES</b>                    |                         |                      |                          |                      |                      |                      |
| Program revenues                   |                         |                      |                          |                      |                      |                      |
| Charges for services               | \$ 684,100              | \$ 541,177           | \$ 1,511,723             | \$ 1,469,110         | \$ 2,195,823         | \$ 2,010,287         |
| Operating grants and contributions | 544,247                 | 342,874              |                          |                      | 544,247              | 342,874              |
| Capital contributions              |                         |                      | 377,552                  | 817,784              | 377,552              | 817,784              |
| General revenues                   |                         |                      |                          |                      |                      |                      |
| State shared revenues              | 1,346,823               | 1,379,310            |                          |                      | 1,346,823            | 1,379,310            |
| Property taxes                     | 915,175                 | 888,583              |                          |                      | 915,175              | 888,583              |
| Interest                           | 105,129                 | 114,408              | 253,279                  | 296,171              | 358,408              | 410,579              |
| Other                              | 653,526                 | 588,563              |                          | 16,091               | 653,526              | 604,654              |
| <b>Total revenues</b>              | <b>4,249,000</b>        | <b>3,854,915</b>     | <b>2,142,554</b>         | <b>2,599,156</b>     | <b>6,391,554</b>     | <b>6,454,071</b>     |
| <b>EXPENSES</b>                    |                         |                      |                          |                      |                      |                      |
| General government                 | 1,748,158               | 1,530,648            |                          |                      | 1,748,158            | 1,530,648            |
| Public safety                      | 72,211                  | 81,407               |                          |                      | 72,211               | 81,407               |
| Recreation                         | 102,007                 | 62,803               |                          |                      | 102,007              | 62,803               |
| Public works/roads                 | 1,206,596               | 2,158,680            |                          |                      | 1,206,596            | 2,158,680            |
| Interest on long-term debt         | 11,500                  | 11,500               |                          |                      | 11,500               | 11,500               |
| Sewer system                       |                         |                      | 2,211,416                | 2,077,676            | 2,211,416            | 2,077,676            |
| <b>Total expenses</b>              | <b>3,140,472</b>        | <b>3,845,038</b>     | <b>2,211,416</b>         | <b>2,077,676</b>     | <b>5,351,888</b>     | <b>5,922,714</b>     |
| <b>Changes in net position</b>     | <b>1,108,528</b>        | <b>9,877</b>         | <b>(68,862)</b>          | <b>521,480</b>       | <b>1,039,666</b>     | <b>531,357</b>       |
| <b>Beginning net position</b>      | <b>18,761,042</b>       | <b>18,751,165</b>    | <b>17,895,042</b>        | <b>17,373,562</b>    | <b>36,656,084</b>    | <b>36,124,727</b>    |
| <b>Prior period adjustment</b>     | <b>90,321</b>           |                      |                          |                      | <b>90,321</b>        |                      |
| <b>Ending net position</b>         | <b>\$ 19,959,891</b>    | <b>\$ 18,761,042</b> | <b>\$ 17,826,180</b>     | <b>\$ 17,895,042</b> | <b>\$ 37,786,071</b> | <b>\$ 36,656,084</b> |

The governmental funds experienced a slight increase in equity due to an increase in operating grants and contributions.

The business-type activities showed a slight decrease in net position of \$68,862. The Township managed to keep expenses similar to the prior fiscal year, and had a decrease in capital contributions.

### **Financial Analysis of the Township's Major Funds**

The Township's General Fund increased its fund balance by \$833,989, due to a large decrease in major road projects.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net position of \$68,862, due to a decrease in the amount of tap-in fees collected.

### **General Fund Budgetary Highlights**

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Several immaterial budget amendments were made during the year to bring the budget closer to economic reality.

### **Capital Asset and Debt Administration**

The Township government acquired \$170,469 of new capital assets during the year. This was for sidewalks and miscellaneous Township equipment. The Township is currently working on Phase II of a construction project to install sidewalks on Grand River Avenue. As of March 31, 2016, Phase II of this project is still in progress.

As of March 31, 2015, the Township had a construction in progress project known as the Phase I Pathways Project. The project called for the construction of approximately 5,400 sq. ft. of new sidewalk on Grand River Avenue, with a total estimated cost of \$331,170. This project was completed during the 2015 - 2016 year, with \$323,104 in actual costs incurred. Design of the Phase II Pathways Project began in February 2016, and as of March 31, 2016, is estimated to be 72% complete with \$35,127 in actual costs incurred. An actual completion date was not available, though the Township has budgeted for the completion of the project in the fiscal year 2016-17 budget.

The governmental funds issued no debt during the year. A total of \$259,317 remains for all governmental fund debt relating to the former Collett Road Dump Site Pollution Remediation Obligation.

The business-type activities made no capital acquisitions for the year.

Total debt outstanding at the beginning of the year on business-type activities totaled \$10,280,000. During the year, the Township retired \$2,035,000 of debt, leaving \$8,245,000 at fiscal year end.

### **Economic Conditions and Future Activities**

The Township is also continuing its efforts to add new users onto its sewage treatment facility. Currently, the business-type funds are not self-sufficient. However, modest growth in the form of 10 new REU connections per year projects that no further loans from the General Fund are needed, the existing bond (refinanced in September 2015) would be paid off in September 2020 and the existing loans from the General Fund would be repaid in March of 2022.

### **Contacting the Township's Financial Management**

This report is designed to provide a general overview of the Township's financial position and to comply with finance-related regulations. If you have any further questions about this report or require additional information, please contact the Township manager at (810) 229-0550 or visit the Township Hall located at 4363 Buno Road, Brighton, Michigan 48114.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION  
MARCH 31, 2016

|   | <u>Primary Government<br/>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|---|---|-------------------------------------|----------------------|
| <b>ASSETS</b>                                 |   |                                     |                      |
| Cash, cash equivalents and investments        | \$ 13,202,620   | \$ 4,271,286                        | \$ 17,473,906        |
| Receivables                                   |   |                                     |                      |
| Taxes   | 47,704  |                                     | 47,704               |
| State shared revenues                         | 205,974   |                                     | 205,974              |
| Intergovernmental                             | 2,385,832   | (2,385,832)                         |                      |
| Accounts                                      | 170,359   | 581,195                             | 751,554              |
| Special assessments                           | 144,788   | 3,223,261                           | 3,368,049            |
| From other governments                        | 210,464   |                                     | 210,464              |
| Prepaid expenses                              | 46,947  | 6,342                               | 53,289               |
| Inventory                                     |   | 59,371                              | 59,371               |
| Capital assets                                |   |                                     |                      |
| Non-depreciable                               | 746,440   | 1,395,224                           | 2,141,664            |
| Depreciable - net of accumulated depreciation | 3,134,917   | 19,415,709                          | 22,550,626           |
| <b>Total assets</b>                           | <u>20,296,045</u>   | <u>26,566,556</u>                   | <u>46,862,601</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>          |   |                                     |                      |
| Pension investment activities                 | 129,115   |                                     | 129,115              |
| Pension changes in assumption                 | 67,807  |                                     | 67,807               |
| Pension differences in experiences            | 58,900  |                                     | 58,900               |
| Subsequent pension contributions              | 6,601   |                                     | 6,601                |
| <b>Total deferred outflow of resources</b>    | <u>262,423</u>  |                                     | <u>262,423</u>       |
| <b>LIABILITIES</b>                            |   |                                     |                      |
| Accounts payable and other accrued expenses   | 62,769  | 74,813                              | 137,582              |
| Accrued wages/taxes                           | 39,374  |                                     | 39,374               |
| Long term obligations                         |   |                                     |                      |
| Other due within one year                     | 86,439  | 1,741,439                           | 1,827,878            |
| Other due in more than one year               | 172,878   | 6,924,124                           | 7,097,002            |
| Net pension liability                         | 237,117   |                                     | 237,117              |
| <b>Total liabilities</b>                      | <u>598,577</u>  | <u>8,740,376</u>                    | <u>9,338,953</u>     |
| <b>NET POSITION</b>                           |   |                                     |                      |
| Net investment in capital assets              | 3,881,357   | 12,145,370                          | 16,026,727           |
| Restricted                                    | 1,105,480   |                                     | 1,105,480            |
| Unrestricted                                  | 14,973,054  | 5,680,810                           | 20,653,864           |
| <b>Total net position</b>                     | <u>\$ 19,959,891</u>                                      | <u>\$ 17,826,180</u>                | <u>\$ 37,786,071</u> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2016**

| <u>Functions/Programs</u>       | <u>Programs Revenues</u> |                                 |                                     | <u>Net (Expense) Revenue and Changes<br/>in Net Position</u> |                                     |                      |
|---------------------------------|--------------------------|---------------------------------|-------------------------------------|--|-------------------------------------|----------------------|
|                                 | <u>Expenses</u>          | <u>Charges for<br/>Services</u> | <u>Capital<br/>Contributions</u>    | <u>Governmental<br/>Activities</u>                           | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
| <b>PRIMARY GOVERNMENT</b>       |                          |                                 |                                     |  |                                     |                      |
| General government              | \$ (1,748,158)           | \$ 481,263                      | \$ 544,247                          | \$ (1,266,895)   | \$                                  | \$ (1,266,895)       |
| Public works                    | (460,716)                | 164,000                         |                                     | 247,531  |                                     | 247,531              |
| Recreation                      | (102,007)                |                                 |                                     | (102,007)  |                                     | (102,007)            |
| Roads                           | (738,895)                | 38,837                          |                                     | (700,058)  |                                     | (700,058)            |
| Public safety                   | (72,211)                 |                                 |                                     | (72,211)   |                                     | (72,211)             |
| Cemetery                        | (6,985)                  |                                 |                                     | (6,985)  |                                     | (6,985)              |
| Interest on long-term debt      | (11,500)                 |                                 |                                     | (11,500)   |                                     | (11,500)             |
| <b>Total primary government</b> | <b>(3,140,472)</b>       | <b>684,100</b>                  | <b>544,247</b>                      | <b>(1,912,125)</b>   |                                     | <b>(1,912,125)</b>   |
| <b>BUSINESS-TYPE ACTIVITIES</b> |                          |                                 |                                     |  |                                     |                      |
| Sewer system                    | (2,211,416)              | 1,511,723                       | 377,552                             |  | (322,141)                           | (322,141)            |
| <b>Total</b>                    | <b>\$ (5,351,888)</b>    | <b>\$ 2,195,823</b>             | <b>\$ 921,799</b>                   | <b>(1,912,125)</b>   | <b>(322,141)</b>                    | <b>(2,234,266)</b>   |
|                                 |                          | <b>General revenues</b>         |                                     |  |                                     |                      |
|                                 |                          |                                 |                                     | 915,175  |                                     | 915,175              |
|                                 |                          |                                 |                                     | 1,346,823  |                                     | 1,346,823            |
|                                 |                          |                                 |                                     | 105,129  | 253,279                             | 358,408              |
|                                 |                          |                                 |                                     | 256,521  |                                     | 256,521              |
|                                 |                          |                                 |                                     | 367,415  |                                     | 367,415              |
|                                 |                          |                                 |                                     | 29,590   |                                     | 29,590               |
|                                 |                          |                                 | <b>Total general revenues</b>       | <b>3,020,653</b>   | <b>253,279</b>                      | <b>3,273,932</b>     |
|                                 |                          |                                 | <b>Changes in net position</b>      | <b>1,108,528</b>   | <b>(68,862)</b>                     | <b>1,039,666</b>     |
|                                 |                          |                                 | <b>Net position, April 1, 2015</b>  | <b>18,761,042</b>  | <b>17,895,042</b>                   | <b>36,656,084</b>    |
|                                 |                          |                                 | <b>Prior period adjustment</b>      | <b>90,321</b>  |                                     | <b>90,321</b>        |
|                                 |                          |                                 | <b>Net position, March 31, 2016</b> | <b>\$ 19,959,891</b>   | <b>\$ 17,826,180</b>                | <b>\$ 37,786,071</b> |

The notes are an integral part of the financial statements.

**FUND FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2016**

|  | <u>General</u>              | <u>Other<br/>Non-major<br/>Funds</u> | <u>Total</u>                |
|--|-----------------------------|--------------------------------------|-----------------------------|
| <b>ASSETS</b>  |                             |                                      |                             |
| Cash and cash equivalents  | \$ 12,063,131               | \$ 1,139,489                         | \$ 13,202,620               |
| Receivables  |                             |                                      |                             |
| Taxes  | 47,704                      |                                      | 47,704                      |
| Special assessments  | 112,326                     | 32,462                               | 144,788                     |
| State shared revenues  | 205,974                     |                                      | 205,974                     |
| Accounts   | 121,387                     | 46,417                               | 167,804                     |
| Due from other funds   | 2,387,900                   | 487                                  | 2,388,387                   |
| Prepaid expenditures   | 46,590                      | 357                                  | 46,947                      |
|  | <u>                    </u> | <u>                    </u>          | <u>                    </u> |
| <b>Total assets</b>  | <u><u>\$ 14,985,012</u></u> | <u><u>\$ 1,219,212</u></u>           | <u><u>\$ 16,204,224</u></u> |
| <b>LIABILITIES</b>   |                             |                                      |                             |
| Accounts payable   | \$ 52,630                   | \$ 7,871                             | \$ 60,501                   |
| Accrued wages and vacations  | 39,374                      |                                      | 39,374                      |
| Due to other funds   | 580                         | 1,688                                | 2,268                       |
|  | <u>                    </u> | <u>                    </u>          | <u>                    </u> |
| <b>Total liabilities</b>   | <u>92,584</u>               | <u>9,559</u>                         | <u>102,143</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                             |                                      |                             |
| Unavailable revenue  | 112,326                     | 6,316                                | 118,642                     |
|  | <u>                    </u> | <u>                    </u>          | <u>                    </u> |
| <b>FUND BALANCES</b>   |                             |                                      |                             |
| Nonspendable - prepaid items   | 46,590                      | 357                                  | 46,947                      |
| Restricted   |                             |                                      |                             |
| Building department  |                             | 4,849                                | 4,849                       |
| Public safety  |                             | 43,579                               | 43,579                      |
| Roads  |                             | 97,096                               | 97,096                      |
| Refuse   |                             | 71,057                               | 71,057                      |
| Aquatics   |                             | 59,005                               | 59,005                      |
| Streetlights   |                             | 16,902                               | 16,902                      |
| Municipal water  |                             | 812,992                              | 812,992                     |
| Committed  |                             |                                      |                             |
| Roads  | 3,290,575                   |                                      | 3,290,575                   |
| Parks and recreation   | 877,477                     |                                      | 877,477                     |
| Cemetery   | 71,005                      |                                      | 71,005                      |
| Assigned   | 6,968,055                   | 97,500                               | 7,065,555                   |
| Unassigned   | 3,526,400                   |                                      | 3,526,400                   |
|  | <u>                    </u> | <u>                    </u>          | <u>                    </u> |
| <b>Total fund balance</b>  | <u>14,780,102</u>           | <u>1,203,337</u>                     | <u>15,983,439</u>           |
|  | <u>                    </u> | <u>                    </u>          | <u>                    </u> |
| <b>Total liabilities, deferred inflow of resources and fund<br/>    balances</b> | <u><u>\$ 14,985,012</u></u> | <u><u>\$ 1,219,212</u></u>           | <u><u>\$ 16,204,224</u></u> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
MARCH 31, 2016**

|   |                    |                             |
|---|--------------------|-----------------------------|
| <b>Total fund balance per balance sheet</b>   |                    | \$ 15,983,439               |
| <p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>   |                    |                             |
| <p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>   |                    |                             |
| Historical cost   | \$ 7,021,059       |                             |
| Depreciation  | <u>(3,139,702)</u> |                             |
| <b>Capital assets net of depreciation</b>   |                    | 3,881,357                   |
| <p>Pension related activities are not a consumption of current resources and therefore are reported as deferred outflow of resources in the Statement of Net Position</p> |                    |                             |
| Pension investments deficient (in excess) of projections  | 129,115            |                             |
| Differences in expected pension experiences to actual   | 58,900             |                             |
| Changes in pension assumptions  | 67,807             |                             |
| Pension contributions subsequent to pension liability measurement date  | <u>6,601</u>       |                             |
| <b>Deferred outflow of resources related to pension activities</b>  |                    | 262,423                     |
| <p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:</p>   |                    |                             |
| Pollution remediation liability   |                    | (259,317)                   |
| <p>Pension liabilities, net pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements</p>  |                    |                             |
| Net pension liability   |                    | (237,117)                   |
| Revenues that are not received within 60 days of year end and are not available to pay for current expenditures   |                    | 210,464                     |
| Unavailable revenues on special assessments was recognized as revenue in the government-wide statements when they were assessed.  |                    | <u>118,642</u>              |
| <b>Net position of governmental activities</b>  |                    | <u><u>\$ 19,959,891</u></u> |

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED MARCH 31, 2016

|                                     | <u>General Fund</u>  | <u>Non-major<br/>Funds</u> | <u>Total</u>         |
|-------------------------------------|----------------------|----------------------------|----------------------|
| <b>REVENUES</b>                     |                      |                            |                      |
| Taxes                               | \$ 915,175           | \$                         | \$ 915,175           |
| Connection fees                     |                      | 132,338                    | 132,338              |
| Special assessments - principal     | 99,932               | 210,957                    | 310,889              |
| Special assessments - interest      | 13,350               | 941                        | 14,291               |
| Intergovernmental - state           | 1,338,318            | 8,505                      | 1,346,823            |
| Licenses and permits                | 20,740               |                            | 20,740               |
| Rental income                       | 256,521              |                            | 256,521              |
| Charges for services                | 460,523              |                            | 460,523              |
| Interest                            | 84,483               | 6,355                      | 90,838               |
| Cable franchise fees                | 367,415              |                            | 367,415              |
| Miscellaneous                       | 29,591               |                            | 29,591               |
|                                     | <u>3,586,048</u>     | <u>359,096</u>             | <u>3,945,144</u>     |
| <b>Total revenues</b>               |                      |                            |                      |
| <b>EXPENDITURES</b>                 |                      |                            |                      |
| Current                             |                      |                            |                      |
| General government                  | 1,111,971            |                            | 1,111,971            |
| Elected officials                   | 557,174              |                            | 557,174              |
| Public works                        | 79,294               | 179,977                    | 259,271              |
| Public safety                       | 16,592               | 7,818                      | 24,410               |
| Recreation                          | 102,007              |                            | 102,007              |
| Cemetery                            | 4,380                |                            | 4,380                |
| Road improvements/maintenance       | 718,426              | 20,469                     | 738,895              |
| Capital outlay                      |                      |                            |                      |
| General government                  | 25,052               |                            | 25,052               |
| Pathways                            | 137,163              |                            | 137,163              |
| Public safety                       |                      | 8,254                      | 8,254                |
| Debt service                        |                      |                            |                      |
| Interest and fiscal charges         |                      | 11,500                     | 11,500               |
|                                     | <u>2,752,059</u>     | <u>228,018</u>             | <u>2,980,077</u>     |
| <b>Total expenditures</b>           |                      |                            |                      |
| <b>Net changes in fund balances</b> | 833,989              | 131,078                    | 965,067              |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | <u>13,946,113</u>    | <u>1,072,259</u>           | <u>15,018,372</u>    |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <u>\$ 14,780,102</u> | <u>\$ 1,203,337</u>        | <u>\$ 15,983,439</u> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**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, 2016**

|  |                  |                            |
|--|------------------|----------------------------|
| <b>Net change in fund balances - governmental funds</b>  |                  | \$ 965,067                 |
| <p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>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 depreciation exceeded capital outlay is as follows:</p> |                  |                            |
| Capital outlay   | \$ 170,469       |                            |
| Depreciation expense   | <u>(150,843)</u> |                            |
| <b>Total</b>   |                  | 19,626                     |
| Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position   |                  | 86,439                     |
| Repayment of pollution remediation costs incurred  |                  | 86,439                     |
| Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.   |                  |                            |
| Principal collected on assessments   |                  | (108,053)                  |
| 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 asset/(liability)  | (237,117)        |                            |
| Change in deferred outflow of resources  |                  |                            |
| Differences in projected investments to actual   | 129,115          |                            |
| Changes in assumptions   | 67,807           |                            |
| Differences between expected and actual experiences  | 58,900           |                            |
| Contributions subsequent to liability measurement date   | <u>6,601</u>     |                            |
| <b>Total</b>   |                  | 25,306                     |
| Revenues earned but not yet received are not recorded as revenues on the Statement of Revenues, Expenditures and Changes of Net Position, but are recognized on the Statement of Activities  |                  | 411,909                    |
| Some expenditures in the Statement of Activities are not a use of current financial resources, and therefore, are not reported in the Governmental Funds   |                  | <u>(201,445)</u>           |
| <b>Change in net position of governmental activities</b>   |                  | <u><u>\$ 1,198,849</u></u> |

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 MARCH 31, 2016

|                                    | <u>Sewer Fund</u>    |
|------------------------------------|----------------------|
| <b>ASSETS</b>                      |                      |
| Current assets                     |                      |
| Cash and cash equivalents          | \$ 4,271,286         |
| Receivables                        |                      |
| Accounts                           | 581,195              |
| Special assessments                | 3,223,261            |
| Prepaid expenses                   | 6,342                |
| Inventory                          | 59,371               |
| <b>Total before capital assets</b> | <u>8,141,455</u>     |
| Non-current assets                 |                      |
| Land                               | 1,395,224            |
| Utility systems                    | 30,994,489           |
| <b>Total cost</b>                  | <u>32,389,713</u>    |
| Less accumulated depreciation      | <u>(11,578,780)</u>  |
| <b>Non-current assets, net</b>     | <u>20,810,933</u>    |
| <b>Total assets</b>                | <u>28,952,388</u>    |
| <b>LIABILITIES</b>                 |                      |
| Current liabilities                |                      |
| Accounts payable                   | 14,811               |
| Accrued grinder pump expense       | 50,000               |
| Due to other funds                 | 2,385,832            |
| New connections - escrow funds     | 10,002               |
| <b>Total current liabilities</b>   | <u>2,460,645</u>     |
| Long term liabilities              |                      |
| Bonds payable                      | 8,245,000            |
| Bond premium                       | 420,563              |
| <b>Total long term liabilities</b> | <u>8,665,563</u>     |
| <b>Total liabilities</b>           | <u>11,126,208</u>    |
| <b>NET POSITION</b>                |                      |
| Net investment in capital assets   | 12,145,370           |
| Unrestricted                       | 5,680,810            |
| <b>Total net position</b>          | <u>\$ 17,826,180</u> |

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED MARCH 31, 2016

|  | <u>Sewer Fund</u>          |
|--|----------------------------|
| <b>OPERATING REVENUES</b>                      |                            |
| Utility billings                               | \$ 1,482,514               |
| Other revenues                                 | 29,209                     |
|  | <hr/>                      |
| <b>Total operating revenues</b>                | 1,511,723                  |
| <b>OPERATING EXPENSES</b>                      | <hr/> 1,722,947            |
|  | <hr/>                      |
| <b>Operating income (loss)</b>                 | (211,224)                  |
| <b>NON-OPERATING REVENUES</b>                  |                            |
| Interest income - special assessments          | 240,870                    |
| Interest income - cash and equivalents         | 12,409                     |
| Interest and fees (expense)                    | (488,469)                  |
|  | <hr/>                      |
| <b>Total non-operating revenues (expenses)</b> | (235,190)                  |
|  | <hr/>                      |
| <b>Loss before capital contribution</b>        | (446,414)                  |
| <b>CAPITAL CONTRIBUTIONS</b>                   |                            |
| Tap-in fees collected                          | 377,552                    |
|  | <hr/>                      |
| <b>Change in net position</b>                  | (68,862)                   |
| <b>NET POSITION, APRIL 1, 2015</b>             | <hr/> 17,895,042           |
| <b>NET POSITION, MARCH 31, 2016</b>            | <hr/> <u>\$ 17,826,180</u> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**  
**STATEMENT OF CASH FLOW**  
**SEWER FUND**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**CASH FLOW FROM OPERATING ACTIVITIES**

|   |              |                   |
|---|--------------|-------------------|
| Cash received from customers                            | \$ 1,458,346 |                   |
| Cash receipts from others                               | 33,467       |                   |
| Payments to other suppliers for goods or services       | (637,034)    |                   |
|   |              |                   |
| <b>Net cash (used) provided by operating activities</b> |              | <b>\$ 854,779</b> |

**CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |             |                  |
|---|-------------|------------------|
| Principal paid on bonds   | (1,690,000) |                  |
| Interest paid on bonds  | (381,189)   |                  |
| Interest paid on General Fund advances                                      | (31,717)    |                  |
| Collections of special assessment (principal and interest)                  | 1,086,942   |                  |
| Tap fees (new users)  | 377,552     |                  |
|   |             |                  |
| <b>Net cash (used) provided by capital and related financing activities</b> |             | <b>(638,412)</b> |

**CASH FLOW FROM INVESTING ACTIVITIES**

|  |  |                |
|--|--|----------------|
| Interest received on cash and cash equivalents   |  | 12,409         |
|  |  |                |
| <b>Net increase in cash and cash equivalents</b> |  | <b>228,776</b> |

**CASH AND CASH EQUIVALENTS AT APRIL 1, 2015**

4,042,510

**CASH AND CASH EQUIVALENTS AT MARCH 31, 2016**

\$ 4,271,286

**RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

|  |              |                   |
|--|--------------|-------------------|
| Operating (loss)   |              | \$ (211,224)      |
| Adjustments to reconcile operating (loss) to net cash provided (used by) operating activities: |              |                   |
| Depreciation and amortization  | \$ 1,064,237 |                   |
| (Increase) in accounts and delinquent receivable   | (2,049)      |                   |
| Decrease in prepaid expense  | 448          |                   |
| Decrease in inventory  | 22,470       |                   |
| (Decrease) accounts payable  | (1,242)      |                   |
| (Decrease) in new connections escrow   | (17,861)     |                   |
|  |              |                   |
| <b>Total adjustments</b>   |              | <b>1,066,003</b>  |
| <b>Net cash (used) provided by operating activities</b>  |              | <b>\$ 854,779</b> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**MARCH 31, 2016**

|                          | <u>Trust and<br/>Agency</u>     | <u>Current<br/>Tax</u>      | <u>Construction<br/>Escrow</u>  | <u>Totals</u>                   |
|--------------------------|---------------------------------|-----------------------------|---------------------------------|---------------------------------|
| <b>ASSETS</b>            |                                 |                             |                                 |                                 |
| Cash                     | \$ 240,555                      | \$ 220                      | \$ 490,992                      | \$ 731,767                      |
| Due from other funds     |                                 |                             | 93                              | 93                              |
|                          | <u>240,555</u>                  | <u>220</u>                  | <u>491,085</u>                  | <u>731,860</u>                  |
| <b>Total assets</b>      | <b><u><u>\$ 240,555</u></u></b> | <b><u><u>\$ 220</u></u></b> | <b><u><u>\$ 491,085</u></u></b> | <b><u><u>\$ 731,860</u></u></b> |
| <b>LIABILITIES</b>       |                                 |                             |                                 |                                 |
| Due to other funds       | \$ 100                          | \$ 220                      | \$ 60                           | \$ 380                          |
| Due to others            | 240,455                         |                             | 491,025                         | 731,480                         |
|                          | <u>240,455</u>                  | <u>220</u>                  | <u>491,085</u>                  | <u>731,860</u>                  |
| <b>Total liabilities</b> | <b><u><u>\$ 240,555</u></u></b> | <b><u><u>\$ 220</u></u></b> | <b><u><u>\$ 491,085</u></u></b> | <b><u><u>\$ 731,860</u></u></b> |

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, 2016**

**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, 2016**

**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 non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental fund:

- 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 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, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

In accordance with GASB standards, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**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, 2016**

**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, 2015 as revenue for the year ended March 31, 2016.

The 2015 adjusted taxable value totaled \$ 1,008,115,324. Taxes levied consisted of .9073 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 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.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. INCOME TAXES**

As a governmental agency, the Township is exempt from both federal and state income taxes.

**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. The Township implemented GASB Statement No. 54 during the previous year.

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.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**O. DEFINED PENSION BENEFIT PLAN**

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

In accordance with Governmental Accounting Standards Board (GASB) standards, all funds, agencies, and activities of Charter Township of Brighton as the primary government have been included in the financial statements. Several potential component units have been evaluated under the criteria established by GASB standards and determined not to be component units based on financial independence and accountability.

**NOTE 3 - INTERFUND BALANCES**

Interfund balances between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2016:

|                      | <u>Interfund<br/>Receivable</u> |                       | <u>Interfund<br/>Payable</u> |
|----------------------|---------------------------------|-----------------------|------------------------------|
| General Fund         | \$ 220                          | Current Tax           | \$ 220                       |
| General Fund         | 1,200,000                       | Municipal Water CPF   | 1,200,000                    |
| General Fund         | 60                              | Construction Escrow   | 60                           |
| General Fund         | 100                             | Trust and Agency Fund | 100                          |
| General Fund         | 1,185,832                       | Sewer Fund            | 1,185,832                    |
| General Fund         | 1,688                           | Road Projects         | 1,688                        |
| Street Lighting Fund | 487                             | General Fund          | 487                          |
| Construction Escrow  | 93                              | General Fund          | 93                           |
|                      | <u>93</u>                       |                       | <u>93</u>                    |
| <b>Total</b>         | <b><u>\$ 2,388,480</u></b>      |                       | <b><u>\$ 2,388,480</u></b>   |

Interfund balances were eliminated between combined funds on the fund financial statement balance sheet presentation.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2016, was as follows:

|  | <u>Balance<br/>4/1/2015</u> | <u>Additions</u>  | <u>Deletions</u>    | <u>Balance<br/>3/31/2016</u> |
|--|-----------------------------|-------------------|---------------------|------------------------------|
| <b>Governmental activities:</b>                      |                             |                   |                     |                              |
| Capital assets not being depreciated                 |                             |                   |                     |                              |
| Land   | \$ 711,313                  | \$                | \$                  | \$ 711,313                   |
| Construction in progress                             | 221,068                     | 137,163           | (323,104)           | 35,127                       |
| <b>Total capital assets not being depreciated</b>    | <u>932,381</u>              | <u>137,163</u>    | <u>(323,104)</u>    | <u>746,440</u>               |
| <b>Other capital assets:</b>                         |                             |                   |                     |                              |
| Buildings and improvements                           | 5,499,000                   | 323,104           |                     | 5,822,104                    |
| Vehicles and equipment                               | 419,209                     | 33,306            |                     | 452,515                      |
| <b>Total other capital assets at historical cost</b> | <u>5,918,209</u>            | <u>356,410</u>    |                     | <u>6,274,619</u>             |
| <b>Less accumulated depreciation for:</b>            |                             |                   |                     |                              |
| Buildings and improvements                           | (2,742,023)                 | (122,059)         |                     | (2,864,082)                  |
| Vehicles and equipment                               | (246,836)                   | (28,784)          |                     | (275,620)                    |
| <b>Total accumulated depreciation</b>                | <u>(2,988,859)</u>          | <u>(150,843)</u>  |                     | <u>(3,139,702)</u>           |
| <b>Other capital assets, net</b>                     | <u>2,929,350</u>            | <u>205,567</u>    |                     | <u>3,134,917</u>             |
| <b>Governmental capital assets, net</b>              | <u>\$ 3,861,731</u>         | <u>\$ 342,730</u> | <u>\$ (323,104)</u> | <u>\$ 3,881,357</u>          |

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

|                                 |                   |
|---------------------------------|-------------------|
| <b>Governmental activities:</b> |                   |
| General government              | \$ 100,437        |
| Public safety                   | 47,801            |
| Cemetery                        | 2,605             |
|                                 | <u>\$ 150,843</u> |

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

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

|  | <u>Balance<br/>4/1/2015</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Balance<br/>3/31/2016</u> |
|--|-----------------------------|---------------------|------------------|------------------------------|
| <b>Business-type activities:</b>                               |                             |                     |                  |                              |
| Capital assets not being depreciated                           |                             |                     |                  |                              |
| Land - sewer   | \$ 1,395,224                | \$                  | \$               | \$ 1,395,224                 |
| <br>   |                             |                     |                  |                              |
| <b>Other capital assets:</b>                                   |                             |                     |                  |                              |
| Plant and collection system - sewer                            | 30,971,989                  |                     |                  | 30,971,989                   |
| Furniture and fixtures - sewer                                 | 22,500                      |                     |                  | 22,500                       |
| <b>Total other capital assets at historical cost</b>           | <u>30,994,489</u>           |                     |                  | <u>30,994,489</u>            |
| <br>   |                             |                     |                  |                              |
| <b>Less accumulated depreciation for:</b>                      |                             |                     |                  |                              |
| Plant and collection system - sewer                            | (10,694,214)                | (862,066)           |                  | (11,556,280)                 |
| Furniture and fixtures - sewer                                 | (22,500)                    |                     |                  | (22,500)                     |
| <b>Total accumulated depreciation</b>                          | <u>(10,716,714)</u>         | <u>(862,066)</u>    |                  | <u>(11,578,780)</u>          |
| <b>Other capital assets, net</b>                               | <u>20,277,775</u>           | <u>(862,066)</u>    |                  | <u>19,415,709</u>            |
| <b>Business-type capital assets, net</b>                       | <u>\$ 21,672,999</u>        | <u>\$ (862,066)</u> | <u>\$</u>        | <u>20,810,933</u>            |
| <br>   |                             |                     |                  |                              |
| <b>Related long-term debt outstanding at March 31, 2016</b>    |                             |                     |                  | <u>(8,245,000)</u>           |
| <br>   |                             |                     |                  |                              |
| <b>Governmental capital assets, net related long-term debt</b> |                             |                     |                  | <u>\$ 12,565,933</u>         |

Depreciation was charged to functions as follows:

|                                  |                   |
|----------------------------------|-------------------|
| <b>Business-type activities:</b> |                   |
| Sewer service                    | <u>\$ 862,066</u> |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 5 - DEFINED BENEFIT PLAN**

**Plan Description**

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

**Benefits Provided**

The defined benefit plan is comprised of three divisions. Division 01 is for general employees hired prior to November, 2011 and is closed to new hires. Division 10 is for elected 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 01, 2011.

The plan calls for benefits to be paid as 2.00% of the final average compensation with no maximum. 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, 2015 valuation date, the following employees were covered by the benefit terms:

|  | <b>Division 01</b> | <b>Division 10</b> | <b>Division 11</b> |
|--|--------------------|--------------------|--------------------|
| Inactive employees or beneficiaries currently receiving benefits | 9                  | 2                  | 0                  |
| Inactive employees entitled to but not yet receiving benefits    | 1                  | 2                  | 1                  |
| Active employees   | 3                  | 2                  | 5                  |
|  | 13                 | 6                  | 6                  |

***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 year ended March 31, 2016 were \$299 per month for Division 01, \$66 per month for Division 10, and 2.03% of eligible wages for Division 11. The Township elected to make a additional voluntary contributions of 4% of eligible wages for all divisions and required employees to contribute 5.0% of eligible wages for all divisions to help fund the plan.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**NOTE 5 - DEFINED BENEFIT PLAN (continued)**

***Net Pension Liability***

The Total Pension Liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2015.

***Actuarial assumptions***

The total pension liability in the December 31, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%.

Salary Increases: 3.75% in the long term.

Investment rate of return: 7.75%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with price inflation of 3.75%.

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

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

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

| <u>Asset Class</u>      | <u>Target Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|-------------------------|--------------------------|---|
| Global Equity           | 57.50%                   | 5.02%   |
| Global Fixed Income     | 20.00%                   | 2.18%   |
| Real Assets             | 12.50%                   | 4.23%   |
| Diversifying Strategies | 10.00%                   | 6.56%   |

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**NOTE 5 - DEFINED BENEFIT PLAN (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability is 8.00% for 2015. The projection of cash flow used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

|   | <b>Increase (Decrease)</b>                 |  |  |
|---|--|--|--|
|   | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability<br/>(a)-(b)</b> |
| <b>Balance at 12/31/2014</b>                      | \$ 1,591,188                               | \$ 1,678,834                                   | \$ (87,646)                                  |
| <b>Changes for the year</b>                       |  |  |  |
| Service cost                                      | 44,302                                     |  | 44,302                                       |
| Interest on total pension liability               | 129,220                                    |  | 129,220                                      |
| Changes in benefits                               |  |  |  |
| Difference between expected and actual experience | 78,534                                     |  | 78,534                                       |
| Changes in assumptions                            | 90,409                                     |  | 90,409                                       |
| Employer contributions                            |  | 22,801   | (22,801)                                     |
| Employee contributions                            |  | 23,570   | (23,570)                                     |
| Net investment income                             |  | (25,009)                                       | 25,009                                       |
| Benefit payments, including employee refunds      | (94,079)                                   | (94,079)                                       |  |
| Administrative expense                            |  | (3,660)  | 3,660  |
| Other changes                                     |  |  |  |
| <b>Net changes</b>                                | <u>248,386</u>                             | <u>(76,377)</u>                                | <u>324,763</u>                               |
| <b>Balances as of 12/31/15</b>                    | <u>\$ 1,839,574</u>                        | <u>\$ 1,602,457</u>                            | <u>\$ 237,117</u>                            |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 5 - DEFINED BENEFIT PLAN (continued)**

**Sensitivity of the Net Pension Liability to changes in the discount rate**

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

|   | <b>1% Decrease<br/>7.00%</b> | <b>Current Discount<br/>Rate<br/>8.00%</b> | <b>1% Increase<br/>9.00%</b> |
|---|------------------------------|--|------------------------------|
| Net Pension Liability at 12/31/15                                     | \$ 237,117                   | \$ 237,117                                 | \$ 237,117                   |
| Change in Net Pension Liability (NPL)<br>from change in discount rate | 226,190                      |  | (190,989)                    |
| Calculated NPL  | \$ 463,307                   | \$ 237,117                                 | \$ 46,128                    |

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

**Pension Expense and Deferred Outflow/Inflow of Resources Related to Pension**

For the year ended March 31, 2016, the Township recognized pension expense of \$91,742. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflow of<br/>Resources</b> | <b>Deferred<br/>Inflow of<br/>Resources</b> |
|--|--|---|
| Differences in experience                        | \$ (58,900)                                  | \$  |
| Differences in assumptions                       | (67,807)                                     |   |
| Excess (Deficit) of Investment Returns           | (129,115)                                    |   |
| Contributions subsequent to the measurement date | (6,601)                                      |   |
| <b>Totals</b>                                    | <b>\$ (262,423)</b>                          | <b>\$</b>                                   |

The amount reported as deferred outflow of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending March 31, 2017.

Amounts reported as deferred outflow and inflow of resources related to other pension activities will be recognized in pension expense as follows:

| <b>Year Ended</b> | <b>Expense</b>    |
|-------------------|-------------------|
| 2017              | \$ 74,515         |
| 2018              | 74,515            |
| 2019              | 74,514            |
| 2020              | 32,278            |
| <b>Total</b>      | <b>\$ 255,822</b> |

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 6 - LONG-TERM OBLIGATIONS**

**Contracts Payable**

The Township entered into a contract to repay bonds issued by Livingston County Drain Commission in which the proceeds of such bonds were used to construct and expand a sewer system. Currently, contracts payable are outstanding for business-type activities only.

Contracts payable currently outstanding are as follows:

| <u>Purpose</u>                                 | <u>Issuance<br/>Amount</u> | <u>Principal<br/>Installments</u> | <u>Final<br/>Maturity</u> | <u>Interest<br/>Rates</u> | <u>Debt<br/>Outstanding</u> |
|--|----------------------------|-----------------------------------|---------------------------|---------------------------|-----------------------------|
| <b>Business-type activities:</b>               |                            |                                   |                           |                           |                             |
| Livingston County Drain<br>Commission          |                            |                                   |                           |                           |                             |
| Spencer Extension, 2005                        | \$ 760,000                 | \$ 35,000 — \$ 40,000             | 5/1/2024                  | 3.50 — 5.00%              | \$ 345,000                  |
| Livingston County Drain<br>Commission          |                            |                                   |                           |                           |                             |
| Sewer Refunding, 2015                          | \$ 7,900,000               | \$ 1,515,000 — \$ 1,620,000       | 10/1/2020                 | 2.00 — 5.00%              | <u>7,900,000</u>            |
| <b>Total contracts<br/>payable outstanding</b> |                            |                                   |                           |                           | <u><u>\$ 8,245,000</u></u>  |

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

| <u>Year Ending<br/>March 31</u> | <u>Business-type Activities</u> |                          |
|---------------------------------|---------------------------------|--------------------------|
|                                 | <u>Principal</u>                | <u>Interest</u>          |
| 2017                            | \$ 1,655,000                    | \$ 236,287               |
| 2018                            | 1,665,000                       | 185,680                  |
| 2019                            | 1,620,000                       | 135,720                  |
| 2020                            | 1,600,000                       | 86,620                   |
| 2021                            | 1,555,000                       | 38,780                   |
| 2022 - 2025                     | <u>150,000</u>                  | <u>15,000</u>            |
|                                 | <u><u>\$ 8,245,000</u></u>      | <u><u>\$ 698,087</u></u> |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 6 - LONG-TERM OBLIGATIONS (continued)**

**Pollution Remediation Obligation**

On January 15, 2009 a consent order was issued to conclude the litigation between the Township and the State of Michigan over the clean-up of the former Collett Road dump site. In the order the Township agreed to immediately pay \$1,350,000 to the State of Michigan and monitor the site and nearby groundwater for a period of up to ten (10) years. The Township has adopted GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, to account for its future obligation related to the consent order. As of March 31, 2016, the future monitoring costs to be borne by the Township were estimated at \$259,317. The estimate may change in the future due to unanticipated price increases, developments in technology or changes in existing laws and regulations.

**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, 2016:

|                                    | <u>Balance<br/>4/1/2015</u> | <u>Additions</u>    | <u>Reductions</u>      | <u>Balance<br/>3/31/2016</u> | <u>Due Within<br/>One Year</u> |
|------------------------------------|-----------------------------|---------------------|------------------------|------------------------------|--------------------------------|
| <b>Governmental activities:</b>    |                             |                     |                        |                              |                                |
| Pollution remediation obligation   | \$ 345,756                  | \$                  | \$ (86,439)            | \$ 259,317                   | \$ 86,439                      |
| <b>Business-type activities:</b>   |                             |                     |                        |                              |                                |
| Contracts payable                  | 10,280,000                  | 7,900,000           | (9,935,000)            | 8,245,000                    | 1,655,000                      |
| <b>Total long-term liabilities</b> | <u>\$ 10,625,756</u>        | <u>\$ 7,900,000</u> | <u>\$ (10,021,439)</u> | <u>\$ 8,504,317</u>          | <u>\$ 1,741,439</u>            |

**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 1% to 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                      \$ 9,985

Effective April 1, 2009 the Township adopted a MERS Uniform Defined Contribution Program. The Township contributed 6% of the manager's compensation and the manager contributed 6% of compensation. The manager is the only participant in this program.

TOTAL CURRENT YEAR CONTRIBUTIONS                                      \$ 5,825

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township deposits are in accordance with statutory authority.

As of March 31, 2016 cash, cash equivalents and investments consist of the following:

|   |                      |
|---|----------------------|
| <b>Cash and cash equivalents</b>                    |                      |
| Deposits with financial institutions                | \$ 18,227,147        |
| <b>Investments</b>                                  |                      |
| Negotiable certificates of deposit                  | 270,621              |
| External Investment Pool                            | 105,548              |
| <b>Total investments</b>                            | <u>376,169</u>       |
| <b>Total cash, cash equivalents and investments</b> | <u>\$ 18,603,316</u> |

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

|                                   |                      |
|-----------------------------------|----------------------|
| <b>Statement of Net Position</b>  |                      |
| Cash and cash equivalents         | \$ 17,097,737        |
| Investments                       | 376,169              |
| <b>Total</b>                      | <u>17,473,906</u>    |
| <b>Fiduciary Funds</b>            |                      |
| Cash and cash equivalents         | <u>731,767</u>       |
| <b>Total cash and investments</b> | <u>\$ 18,205,673</u> |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

**Custodial Credit Risk**

**Deposits** - This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township does not have a deposit policy for custodial credit risk. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

As of March 31, 2016 deposits in banks totaled \$18,227,147 which was exposed to custodial credit risk as follows:

|                                |               |
|--------------------------------|---------------|
| Insured by FDIC                | \$ 1,682,531  |
| Uninsured and collateralized   | 11,032,376    |
| Uninsured and uncollateralized | 5,512,240     |
|                                | \$ 18,227,147 |

**Investments** - This is the risk that in the event of the failure of a counterparty to a transaction, the Township will not be able to recover the value of its investments. The Township does not have a policy to cover custodial credit risk of investments. The Township evaluates each financial institution with which it invests and assess the level of risk of each institution. Investments are made only those institutions with an acceptable estimated risk level.

As of March 31, 2016 investments totaled \$376,169 which was exposed to custodial credit risk as follows:

|                 |            |
|-----------------|------------|
| Insured by FDIC | \$ 250,000 |
| Insured by SIPC | 20,621     |
|                 | \$ 270,621 |

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 \$105,548 as of March 31, 2016.

**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.

| Investment Type                   | Issuer           | Percent of Portfolio |
|-----------------------------------|------------------|----------------------|
| Negotiable Certificate of Deposit | JP Morgan Chase  | 28%                  |
| Negotiable Certificate of Deposit | Wells Fargo Bank | 72%                  |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair values of investments and cash deposits. The Township's investment policy requires this risk to be minimized by investing primarily in short-term deposits and investments thus avoiding the need to sell prior to maturity.

As of March 31, 2016 the Township had the following investments subject to interest rate risk:

| <b>Investment Type</b>             | <b>Fair Value</b> | <b>Investment<br/>Maturities<br/>(In Years)<br/>4 - 5</b> |
|------------------------------------|-------------------|---|
| Negotiable Certificates of Deposit | \$ 270,621        | \$ 270,621  |

**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, 2016, the Township's investments were exposed to credit risk as follows:

| <b>Investment Type</b>             | <b>Rating by Standard &amp; Poor</b> | <b>Amount</b> |
|------------------------------------|--------------------------------------|---------------|
| MBIA Investment Pool               | AAA / M                              | \$ 105,548    |
| Negotiable Certificates of Deposit | Unrated                              | 270,621       |
|                                    |                                      | \$ 376,169    |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 9 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

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

|                               | <u>3/31/2016</u> |
|-------------------------------|------------------|
| Operating revenues            | \$ 1,511,723     |
| Depreciation and amortization | 1,064,237        |
| Operating (loss)              | (211,224)        |
| Net working capital           | 700,400          |
| Total assets                  | 28,952,388       |
| Reserved retained earnings    | 17,125,780       |
| Unreserved retained earnings  | 700,400          |
| Total fund equity             | 17,826,180       |

**NOTE 10 - 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, 2015</u> | <u>March 31, 2016</u> |
|---------------------------|----------------------|-----------------------|
| Cash and cash equivalents | \$ <u>4,042,510</u>  | \$ <u>4,271,286</u>   |

**NOTE 11 - 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.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 12 - 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.

**NOTE 13 - PROJECT UNCERTAINTIES**

In the year 2000 the Township entered into an agreement with the Livingston County Drain Commission in which the county sold bonds for approximately \$28 million on behalf of the Township to finance the construction of a sewer system. The bonds are payable over 20 years.

The Township had special assessments in the original district of approximately \$18 million to finance the debt. The Township believed there would be enough new sewer customers outside of the original sewer district to pay for the difference of approximately \$10 million. However, the new sewer customers are not forthcoming as originally planned. Recent projections of the sewer debt service fund show cash flow deficits over the life of the debt obligation.

The Township has adopted a plan to meet its debt obligations.

**NOTE 14 - DEFERRED OUTFLOW/INFLOW OF RESOURCES**

Under GASB standards, the Township will report two new sections in the Statement of Net Position (Government Wide Statements) and in the Balance Sheet (Fund Statements) which are called Deferred Outflow (previously called assets) and Deferred Inflow (previously called liabilities).

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

Deferred outflow of resources represent a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met.

For the year ended March 31, 2016 the Township records deferred outflow of resources on the Statement of Net Position relating to pension differences from expected investment returns compared to actual, changes in experience, changes in actuarial assumptions and contributions made subsequent to the Net Pension Liability measurement date.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 14 - DEFERRED OUTFLOW/INFLOW OF RESOURCES (continued)**

Deferred outflow of resources as of March 31, 2016 are as follows:

| <b>Deferred Outflow of Resources</b>                 |                   |
|--|-------------------|
| Differences in experience                            | \$ 58,900         |
| Differences in actuarial assumptions                 | 67,807            |
| Differences in investment expectations versus actual | 129,115           |
| Contributions subsequent to measurement date         | 6,601             |
| <b>Totals</b>  | <b>\$ 262,423</b> |

Deferred inflow of resources represent an acquisition of net position that applies to a future period. The element will not be recognized as revenue until the time restriction is met. The Township has one transaction type which consist of elements considered a deferred inflow of resources listed on the balance sheets of various funds and the Statement of Net Position.

The transaction type listed as a deferred inflow of resources are special assessments levied over a period of years in which the future principle collections exceeding one year are unavailable for fund accounting purposes. Therefore, this transaction type is only listed on the Balance Sheets under Fund Accounting.

**NOTE 15 - PRIOR PERIOD ADJUSTMENT AND CHANGE IN ACCOUNTING**

Charter Township of Brighton implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, during the year ended March 31, 2016. As a result, the government wide statements will record a liability for Net Pension Liabilities (NPL) and Deferred Outflow of Resources related to pension activities. The current year change in NPL and deferred outflow of resources will be recognized as pension expenditures during the current year, while a portion will be deferred and recognized over futures years for differences in net investment activities compared to expectations.

The net position for the year ended March 31, 2015 will be re-stated for previously unreported Net Pension Liabilities for the Government Activities of \$90,321.

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| Net Position, 3/31/15 (as previously stated)      | \$ 18,761,042                      |
| Prior period adjustment for Net Pension Liability | 90,321                             |
| <b>Net Position, 3/31/15 as restated</b>          | <b>\$ 18,851,363</b>               |

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE 16 - SUBSEQUENT EVENT**

On June 20, 2016, a class action complaint was filed in the United States District Court in the Eastern District of Michigan. The complaint alleges that sewer users were overcharged for the construction, operation and maintenance of the Township's sewer system. Additional details on this complaint are disclosed in note 17.

**NOTE 17 - COMMITMENTS AND CONTINGENCIES**

On June 20, 2016, a class action complaint was filed in the United States District Court in the Eastern District of Michigan. The complaint alleges that sewer users were overcharged for the construction, operation and maintenance of the Township's sewer system in violation of the Constitution of the United States and the State of Michigan and State common law principles. Among other things, the relief requested in this complaint include a demand to refund of such overcharges, a request for a declaratory judgment extinguishing all liens against property arising from such overcharges, a judgment to permanently enjoin the Township from imposing or collecting alleged overcharges, and an award of costs and expenses incurred by the plaintiffs in pursuing this action. In this early stage of this action, Management has not determined if this claim has merit, what the likely outcomes will be and what the amount, if any, of damages may be.

**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, 2016

|                                     | Budget Amount        |                      | Actual               | Variance<br>with Final<br>Budget<br>Favorable<br>(Unfavorable) |
|-------------------------------------|----------------------|----------------------|----------------------|--|
|                                     | Original             | Final                |                      |  |
| <b>REVENUES</b>                     |                      |                      |                      |  |
| Taxes                               | \$                   | \$                   | \$ 915,175           | \$   |
| Special assessments - principal     |                      |                      | 99,932               |  |
| Special assessments - interest      |                      |                      | 13,350               |  |
| State shared revenue                |                      |                      | 1,338,318            |  |
| Rental income                       |                      |                      | 256,521              |  |
| Franchise fees                      |                      |                      | 367,415              |  |
| Charges for services                |                      |                      | 460,523              |  |
| Interest                            |                      |                      | 84,483               |  |
| Miscellaneous                       |                      |                      | 50,331               |  |
| <b>Total revenues</b>               | 3,399,961            | 3,399,961            | 3,586,048            | 186,087  |
| <b>EXPENDITURES</b>                 | 4,141,904            | 4,154,604            | 2,752,059            | 1,402,545  |
| <b>Net change in fund balance</b>   | (741,943)            | (754,643)            | 833,989              | 1,588,632  |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | 13,946,113           | 13,946,113           | 13,946,113           |  |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <u>\$ 13,204,170</u> | <u>\$ 13,191,470</u> | <u>\$ 14,780,102</u> | <u>\$ 1,588,632</u>  |

**CHARTER TOWNSHIP OF BRIGHTON**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**Schedule of Employer Contributions**

|  | <b>For the Plan<br/>Year Ended<br/>December 31, 2015</b> |
|--|--|
| Actuarial determined contributions                                 | \$ 7,707   |
| Contributions in relation to the actuarial determined contribution | 26,727   |
| Contribution (deficiency) excess                                   | \$ 19,020  |
| Covered employee payroll   | \$ 457,995   |
| Contributions as a percentage of covered payroll                   | 5.84%  |

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           | Level percentage of payroll, open   |
| Remaining amortization period | 23 years  |
| Asset valuation method        | 5 year smoothing  |
| Inflation                     | 2.50%   |
| Salary increases              | 3.75%   |
| Investment rate of return     | 7.75%   |
| 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 1994 group Annuity Mortality Table  |

**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. Inflation was previously assumed to be 3.5%, with salary increases of 4.5%

CHARTER TOWNSHIP OF BRIGHTON

REQUIRED SUPPLEMENTARY INFORMATION  
 DEFINED BENEFIT PENSION PLAN  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 FOR THE YEAR MARCH 31, 2016

|  | <b>For the Plan<br/>Year Ended<br/>December 31, 2015</b> |
|--|--|
| <b>TOTAL PENSION LIABILITY</b>   |  |
| Service cost   | \$ 44,302  |
| Interest   | 129,220  |
| Changes in benefit terms   |  |
| Differences between expected and actual experience                                       | 78,534   |
| Changes of assumptions   | 90,409   |
| Benefit payments, including refunds of employee contributions                            | (94,079)   |
| Other changes  |  |
|  | <hr/>  |
| <b>Net change in total pension liability</b>   | 248,386  |
| <b>TOTAL PENSION LIABILITY - BEGINNING</b>   | <hr/> 1,591,188  |
| <b>TOTAL PENSION LIABILITY - ENDING</b>  | <hr/> <b>\$ 1,839,574</b> <hr/>                          |
| <b>PLAN FIDUCIARY NET POSITION</b>   |  |
| Contributions - employer   | \$ 22,801  |
| Contributions - employee   | 23,570   |
| Net investment income  | (25,009)   |
| Benefit payments, including refunds of employee contributions                            | (94,079)   |
| Administrative Expenses  | (3,660)  |
|  | <hr/>  |
| <b>Net change in plan fiduciary net position</b>   | (76,377)   |
| <b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>  | <hr/> 1,678,834  |
| <b>PLAN FIDUCIARY NET POSITION, ENDING</b>   | <hr/> <b>\$ 1,602,457</b> <hr/>                          |
| <b>NET PENSION LIABILITY<br/>(TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)</b> | <hr/> <b>\$ 237,117</b> <hr/>                            |
| Plan fiduciary net position as a percentage of the total pension liability               | <hr/> 87.11% <hr/>                                       |
| Covered employee payroll   | <hr/> <b>\$ 457,995</b> <hr/>                            |
| Net pension liability as a percentage of covered employee payroll                        | <hr/> 51.77% <hr/>                                       |

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

**SUPPLEMENTARY INFORMATION**

## **COMBINING FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**  
**COMBINING BALANCE SHEETS**  
**FUNDS INCLUDED IN GASB 54 CONSOLIDATION**  
**MARCH 31, 2016**

|   | <b>General Fund<br/>Pre GASB 54<br/>Consolidation</b> | <b>Parks<br/>Fund</b> | <b>Cemetery<br/>Fund</b> | <b>Budget<br/>Stabilization<br/>Fund</b> | <b>Future<br/>Road<br/>Improvement<br/>Fund</b> | <b>Pathway<br/>Fund</b> | <b>Eliminations</b> | <b>Totals<br/>Restated<br/>General<br/>Fund</b> |
|---|---|-----------------------|--------------------------|--|---|-------------------------|---------------------|---|
| <b>ASSETS</b>                             |   |                       |                          |  |   |                         |                     |   |
| Cash and cash equivalents                 | \$ 7,036,778  | \$ 877,477            | \$ 71,005                | \$ 275,138                               | \$ 3,634,575                                    | \$ 168,158              | \$                  | \$ 12,063,131                                   |
| Receivable                                |   |                       |                          |  |   |                         |                     |   |
| Taxes                                     | 47,704  |                       |                          |  |   |                         |                     | 47,704  |
| State shared revenues                     | 205,974   |                       |                          |  |   |                         |                     | 205,974   |
| Special assessments                       | 112,326   |                       |                          |  |   |                         |                     | 112,326   |
| Accounts                                  | 121,387   |                       |                          |  |   |                         |                     | 121,387   |
| Due from other funds                      | 2,387,900   |                       |                          | 10                                       |   |                         | (10)                | 2,387,900                                       |
| Prepaid expenditures                      | 46,590  |                       |                          |  |   |                         |                     | 46,590  |
| <b>Total assets</b>                       | <b>\$ 9,958,659</b>                                   | <b>\$ 877,477</b>     | <b>\$ 71,005</b>         | <b>\$ 275,148</b>                        | <b>\$ 3,634,575</b>                             | <b>\$ 168,158</b>       | <b>\$ (10)</b>      | <b>\$ 14,985,012</b>                            |
| <b>LIABILITIES</b>                        |   |                       |                          |  |   |                         |                     |   |
| Accounts payable                          | \$ 40,763   | \$                    | \$                       | \$                                       | \$  | \$ 11,867               | \$                  | \$ 52,630                                       |
| Accrued wages and vacation                | 39,374  |                       |                          |  |   |                         |                     | 39,374  |
| Due to other funds                        | 590   |                       |                          |  |   |                         | (10)                | 580   |
| <b>Total liabilities</b>                  | <b>80,727</b>   |                       |                          |  |   | <b>11,867</b>           | <b>(10)</b>         | <b>92,584</b>                                   |
| <b>DEFERRED INFLOW OF RESOURCES</b>       |   |                       |                          |  |   |                         |                     |   |
|   | 112,326   |                       |                          |  |   |                         |                     | 112,326   |
| <b>FUND BALANCE</b>                       |   |                       |                          |  |   |                         |                     |   |
| Nonspendable                              | 46,590  |                       |                          |  |   |                         |                     | 46,590  |
| Committed                                 |   |                       |                          |  |   |                         |                     |   |
| Roads                                     |   |                       |                          |  | 3,290,575                                       |                         |                     | 3,290,575                                       |
| Parks and recreation                      |   | 877,477               |                          |  |   |                         |                     | 877,477   |
| Cemetery                                  |   |                       | 71,005                   |  |   |                         |                     | 71,005  |
| Assigned                                  | 6,467,764   |                       |                          |  | 344,000   | 156,291                 |                     | 6,968,055                                       |
| Unassigned                                | 3,251,252   |                       |                          | 275,148                                  |   |                         |                     | 3,526,400                                       |
| <b>Total fund balance</b>                 | <b>9,765,606</b>                                      | <b>877,477</b>        | <b>71,005</b>            | <b>275,148</b>                           | <b>3,634,575</b>                                | <b>156,291</b>          |                     | <b>14,780,102</b>                               |
| <b>Total liabilities and fund balance</b> | <b>\$ 9,958,659</b>                                   | <b>\$ 877,477</b>     | <b>\$ 71,005</b>         | <b>\$ 275,148</b>                        | <b>\$ 3,634,575</b>                             | <b>\$ 168,158</b>       | <b>\$ (10)</b>      | <b>\$ 14,985,012</b>                            |

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2016

|   | SPECIAL REVENUE FUNDS  |                  |                         |                   |                  |                  |                     | CAPITAL<br>PROJECTS<br>FUND | Totals              |
|---|------------------------|------------------|-------------------------|-------------------|------------------|------------------|---------------------|-----------------------------|---------------------|
|   | Building<br>Department | Liquor<br>Law    | SAD Road<br>Maintenance | Aquatics          | Road<br>Projects | Street Lights    | Municipal<br>Refuse | Municipal<br>Water          |                     |
| <b>ASSETS</b>   |                        |                  |                         |                   |                  |                  |                     |                             |                     |
| Cash and cash equivalents   | \$ 4,849               | \$ 43,865        | \$ 42,707               | \$ 144,465        | \$ 62,186        | \$               | \$ 69,142           | \$ 772,275                  | \$ 1,139,489        |
| Receivables   |                        |                  |                         |                   |                  |                  |                     |                             |                     |
| Special assessments   |                        |                  | 612                     | 4,700             | 7,335            | 17,900           | 1,915               |                             | 32,462              |
| Others  |                        |                  |                         |                   |                  |                  |                     | 46,417                      | 46,417              |
| Due from other funds  |                        |                  |                         |                   |                  | 487              |                     |                             | 487                 |
| Prepaid expenses  |                        | 357              |                         |                   |                  |                  |                     |                             | 357                 |
| <b>Total assets</b>   | <u>\$ 4,849</u>        | <u>\$ 44,222</u> | <u>\$ 43,319</u>        | <u>\$ 149,165</u> | <u>\$ 69,521</u> | <u>\$ 18,387</u> | <u>\$ 71,057</u>    | <u>\$ 818,692</u>           | <u>\$ 1,219,212</u> |
| <b>LIABILITIES</b>  |                        |                  |                         |                   |                  |                  |                     |                             |                     |
| Accounts payable  | \$                     | \$ 286           | \$                      | \$ 400            | \$               | \$ 1,485         | \$                  | \$ 5,700                    | \$ 7,871            |
| Due to other funds  |                        |                  | 1,688                   |                   |                  |                  |                     |                             | 1,688               |
| <b>Total liabilities</b>  |                        | <u>286</u>       | <u>1,688</u>            | <u>400</u>        |                  | <u>1,485</u>     |                     | <u>5,700</u>                | <u>9,559</u>        |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                     |                        |                  |                         |                   |                  |                  |                     |                             |                     |
| Unavailable revenue   |                        |                  |                         |                   | 6,316            |                  |                     |                             | 6,316               |
| <b>FUND BALANCE</b>   |                        |                  |                         |                   |                  |                  |                     |                             |                     |
| Non-spendable   |                        | 357              |                         |                   |                  |                  |                     |                             | 357                 |
| Restricted  |                        |                  |                         |                   |                  |                  |                     |                             |                     |
| Building Department   | 4,849                  |                  |                         |                   |                  |                  |                     |                             | 4,849               |
| Public safety   |                        | 43,579           |                         |                   |                  |                  |                     |                             | 43,579              |
| Public works  |                        |                  | 33,891                  |                   |                  | 16,902           | 71,057              |                             | 121,850             |
| Roads   |                        |                  |                         | 59,005            | 63,205           |                  |                     |                             | 122,210             |
| Municipal water   |                        |                  |                         |                   |                  |                  |                     | 812,992                     | 812,992             |
| Assigned  |                        |                  | 7,740                   | 89,760            |                  |                  |                     |                             | 97,500              |
| <b>Total fund balance</b>   | <u>4,849</u>           | <u>43,936</u>    | <u>41,631</u>           | <u>148,765</u>    | <u>63,205</u>    | <u>16,902</u>    | <u>71,057</u>       | <u>812,992</u>              | <u>1,203,337</u>    |
| <b>Total liabilities, deferred inflow of resources and fund balance</b> | <u>\$ 4,849</u>        | <u>\$ 44,222</u> | <u>\$ 43,319</u>        | <u>\$ 149,165</u> | <u>\$ 69,521</u> | <u>\$ 18,387</u> | <u>\$ 71,057</u>    | <u>\$ 818,692</u>           | <u>\$ 1,219,212</u> |

CHARTER TOWNSHIP OF BRIGHTON

ALL AGENCY FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2016

|                          | <u>Trust and<br/>Agency</u> | <u>Current Tax</u> | <u>Construction<br/>Escrow</u> | <u>Totals</u>     |
|--------------------------|-----------------------------|--------------------|--------------------------------|-------------------|
| <b>ASSETS</b>            |                             |                    |                                |                   |
| Cash                     | \$ 240,555                  | \$ 220             | \$ 490,992                     | \$ 731,767        |
| Due from other funds     |                             |                    | 93                             | 93                |
|                          | <u>240,555</u>              | <u>220</u>         | <u>491,085</u>                 | <u>731,860</u>    |
| <b>Total assets</b>      | <u>\$ 240,555</u>           | <u>\$ 220</u>      | <u>\$ 491,085</u>              | <u>\$ 731,860</u> |
| <br><b>LIABILITIES</b>   |                             |                    |                                |                   |
| Due to other funds       | \$ 100                      | \$ 220             | \$ 60                          | \$ 380            |
| Due to others            | 240,455                     |                    | 491,025                        | 731,480           |
|                          | <u>240,555</u>              | <u>220</u>         | <u>491,085</u>                 | <u>731,860</u>    |
| <b>Total liabilities</b> | <u>\$ 240,555</u>           | <u>\$ 220</u>      | <u>\$ 491,085</u>              | <u>\$ 731,860</u> |

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FUNDS INCLUDED IN GASB 54 CONSOLIDATION FOR GENERAL FUND  
 FOR THE YEAR ENDED MARCH 31, 2016

|   | General Fund<br>Pre GASB 54<br>Consolidation | Parks<br>Fund     | Cemetery<br>Fund | Budget<br>Stabilization<br>Fund | Future Road<br>Improvement<br>Fund | Pathway<br>Fund   | Eliminations | Restated<br>General<br>Fund |
|---|--|-------------------|------------------|---------------------------------|------------------------------------|-------------------|--------------|-----------------------------|
| <b>REVENUES</b>   |  |                   |                  |                                 |                                    |                   |              |                             |
| Taxes   | \$ 915,175                                   | \$                | \$               | \$                              | \$                                 | \$                | \$           | \$ 915,175                  |
| Special assessments - principal                         | 99,932                                       |                   |                  |                                 |                                    |                   |              | 99,932                      |
| Special assessments - interest                          | 13,350                                       |                   |                  |                                 |                                    |                   |              | 13,350                      |
| Intergovernmental - state                               | 1,338,318                                    |                   |                  |                                 |                                    |                   |              | 1,338,318                   |
| Rental income   | 256,521                                      |                   |                  |                                 |                                    |                   |              | 256,521                     |
| Franchise fees  | 367,415                                      |                   |                  |                                 |                                    |                   |              | 367,415                     |
| Charges for services                                    | 460,523                                      |                   |                  |                                 |                                    |                   |              | 460,523                     |
| Interest  | 65,585                                       | 3,383             | 232              | 2,032                           | 12,634                             | 617               |              | 84,483                      |
| Miscellaneous   | 50,331                                       |                   |                  |                                 |                                    |                   |              | 50,331                      |
| <b>Total revenues</b>                                   | <b>3,567,150</b>                             | <b>3,383</b>      | <b>232</b>       | <b>2,032</b>                    | <b>12,634</b>                      | <b>617</b>        |              | <b>3,586,048</b>            |
| <b>EXPENDITURES</b>                                     |  |                   |                  |                                 |                                    |                   |              |                             |
| Current   |  |                   |                  |                                 |                                    |                   |              |                             |
| General government                                      | 1,111,971                                    |                   |                  |                                 |                                    |                   |              | 1,111,971                   |
| Elected officials                                       | 557,174                                      |                   |                  |                                 |                                    |                   |              | 557,174                     |
| Parks and recreation                                    | 102,007                                      |                   |                  |                                 |                                    |                   |              | 102,007                     |
| Public safety   | 16,592                                       |                   |                  |                                 |                                    |                   |              | 16,592                      |
| Road improvements                                       | 132,132                                      |                   |                  |                                 | 586,294                            |                   |              | 718,426                     |
| Cemetery  | 4,380  |                   |                  |                                 |                                    |                   |              | 4,380                       |
| Public works  | 67,968                                       |                   |                  |                                 |                                    | 11,326            |              | 79,294                      |
| Capital outlay  |  |                   |                  |                                 |                                    |                   |              |                             |
| General government                                      | 25,052                                       |                   |                  |                                 |                                    |                   |              | 25,052                      |
| Pathways  |  |                   |                  |                                 |                                    | 137,163           |              | 137,163                     |
| <b>Total expenditures</b>                               | <b>2,017,276</b>                             |                   |                  |                                 | <b>586,294</b>                     | <b>148,489</b>    |              | <b>2,752,059</b>            |
| <b>Excess of revenues over<br/>(under) expenditures</b> | <b>1,549,874</b>                             | <b>3,383</b>      | <b>232</b>       | <b>2,032</b>                    | <b>(573,660)</b>                   | <b>(147,872)</b>  |              | <b>833,989</b>              |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>               |  |                   |                  |                                 |                                    |                   |              |                             |
| Transfers in  |  | 50,000            | 10,000           |                                 | 250,000                            | 110,000           | (420,000)    |                             |
| Transfers (out)   | (420,000)                                    |                   |                  |                                 |                                    |                   | 420,000      |                             |
| <b>Total other financing sources<br/>(uses)</b>         | <b>(420,000)</b>                             | <b>50,000</b>     | <b>10,000</b>    |                                 | <b>250,000</b>                     | <b>110,000</b>    |              |                             |
| <b>Net change in fund balances</b>                      | <b>1,129,874</b>                             | <b>53,383</b>     | <b>10,232</b>    | <b>2,032</b>                    | <b>(323,660)</b>                   | <b>(37,872)</b>   |              | <b>833,989</b>              |
| <b>FUND BALANCE, APRIL 1, 2015</b>                      | <b>8,635,732</b>                             | <b>824,094</b>    | <b>60,773</b>    | <b>273,116</b>                  | <b>3,958,235</b>                   | <b>194,163</b>    |              | <b>13,946,113</b>           |
| <b>FUND BALANCE, MARCH 31, 2016</b>                     | <b>\$ 9,765,606</b>                          | <b>\$ 877,477</b> | <b>\$ 71,005</b> | <b>\$ 275,148</b>               | <b>\$ 3,634,575</b>                | <b>\$ 156,291</b> | <b>\$</b>    | <b>\$ 14,780,102</b>        |

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED MARCH 31, 2016

|                                     | SPECIAL REVENUE FUNDS  |                  |                         |                   |                  |                  | CAPITAL<br>PROJECTS<br>FUND | Totals            |                     |
|-------------------------------------|------------------------|------------------|-------------------------|-------------------|------------------|------------------|-----------------------------|-------------------|---------------------|
|                                     | Building<br>Department | Liquor<br>Law    | SAD Road<br>Maintenance | Aquatics          | Road<br>Projects | Street lights    | Municipal<br>Refuse         |                   | Municipal<br>Fund   |
| <b>REVENUES</b>                     |                        |                  |                         |                   |                  |                  |                             |                   |                     |
| Connection fees                     | \$                     | \$               | \$                      | \$                | \$               | \$               | \$                          | 132,338           | \$ 132,338          |
| Intergovernmental - State           |                        | 8,505            |                         |                   |                  |                  |                             |                   | 8,505               |
| Special assessment - Principal      |                        |                  | 38,837                  | 69,205            | 8,120            | 17,378           | 77,417                      |                   | 210,957             |
| Special assessment - Interest       |                        |                  |                         |                   | 941              |                  |                             |                   | 941                 |
| Interest                            | 5                      | 160              | 84                      | 443               | 199              |                  | 154                         | 5,310             | 6,355               |
| <b>Total revenues</b>               | <u>5</u>               | <u>8,665</u>     | <u>38,921</u>           | <u>69,648</u>     | <u>9,260</u>     | <u>17,378</u>    | <u>77,571</u>               | <u>137,648</u>    | <u>359,096</u>      |
| <b>EXPENDITURES</b>                 |                        |                  |                         |                   |                  |                  |                             |                   |                     |
| Current                             |                        |                  |                         |                   |                  |                  |                             |                   |                     |
| Public safety                       |                        | 7,818            |                         |                   |                  |                  |                             |                   | 7,818               |
| Utilities                           |                        |                  |                         |                   |                  | 16,889           |                             |                   | 16,889              |
| Project-costs                       |                        |                  | 20,469                  | 80,997            |                  |                  | 74,602                      | 7,489             | 183,557             |
| Capital assets                      |                        |                  |                         |                   |                  |                  |                             |                   |                     |
| Public safety                       |                        | 8,254            |                         |                   |                  |                  |                             |                   | 8,254               |
| Debt service                        |                        |                  |                         |                   |                  |                  |                             |                   |                     |
| Interest                            |                        |                  |                         |                   |                  |                  |                             | 11,500            | 11,500              |
| <b>Total expenditures</b>           |                        | <u>16,072</u>    | <u>20,469</u>           | <u>80,997</u>     |                  | <u>16,889</u>    | <u>74,602</u>               | <u>18,989</u>     | <u>228,018</u>      |
| <b>Net changes in fund balances</b> | 5                      | (7,407)          | 18,452                  | (11,349)          | 9,260            | 489              | 2,969                       | 118,659           | 131,078             |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | <u>4,844</u>           | <u>51,343</u>    | <u>23,179</u>           | <u>160,114</u>    | <u>53,945</u>    | <u>16,413</u>    | <u>68,088</u>               | <u>694,333</u>    | <u>1,072,259</u>    |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <u>\$ 4,849</u>        | <u>\$ 43,936</u> | <u>\$ 41,631</u>        | <u>\$ 148,765</u> | <u>\$ 63,205</u> | <u>\$ 16,902</u> | <u>\$ 71,057</u>            | <u>\$ 812,992</u> | <u>\$ 1,203,337</u> |

**INDIVIDUAL FUNDS**

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

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

**CHARTER TOWNSHIP OF BRIGHTON**  
**GENERAL FUND (PRE GASB 54 RESTATEMENT)**  
**BALANCE SHEET**  
**MARCH 31, 2016**

**ASSETS**

|                       |              |                     |
|-----------------------|--------------|---------------------|
| Cash and equivalents  | \$ 7,036,778 |                     |
| Receivable            |              |                     |
| Taxes                 | 47,704       |                     |
| State shared revenues | 205,974      |                     |
| Special assessment    | 112,326      |                     |
| Accounts              | 121,387      |                     |
| Due from other funds  | 2,387,900    |                     |
| Prepaid expenditures  | 46,590       |                     |
| <b>Total assets</b>   |              | <b>\$ 9,958,659</b> |

**LIABILITIES**

|                                       |           |                  |
|---------------------------------------|-----------|------------------|
| Accounts payable                      | \$ 37,734 |                  |
| Accrued wages and vacation            | 39,374    |                  |
| Payroll taxes withholding and payable | 3,029     |                  |
| Due to other funds                    | 590       |                  |
| <b>Total liabilities</b>              |           | <b>\$ 80,727</b> |

**DEFERRED INFLOWS OF RESOURCES**

|                     |  |         |
|---------------------|--|---------|
| Unavailable revenue |  | 112,326 |
|---------------------|--|---------|

**FUND BALANCE**

|   |           |                     |
|---|-----------|---------------------|
| Nonspendable - prepaid                    | 46,590    |                     |
| Assigned                                  | 6,467,764 |                     |
| Unassigned                                | 3,251,252 |                     |
| <b>Total fund balance</b>                 |           | <b>9,765,606</b>    |
| <b>Total liabilities and fund balance</b> |           | <b>\$ 9,958,659</b> |

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

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016

|   | Amended<br>Budget | Actual       | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------|--------------|--|
| <b>REVENUES</b>   |                   |              |  |
| Taxes   | \$ 876,070        | \$ 915,175   | \$ 39,105                              |
| Treasurer   | 344,820           | 357,437      | 12,617                                 |
| Licenses and permits                                    | 17,000            | 20,740       | 3,740                                  |
| Planning and zoning                                     | 53,250            | 96,079       | 42,829                                 |
| State shared revenue                                    | 1,370,000         | 1,338,318    | (31,682)                               |
| Special assessments                                     | 110,639           | 113,282      | 2,643                                  |
| Miscellaneous   | 615,882           | 726,119      | 110,237                                |
| <b>Total revenues</b>                                   | 3,387,661         | 3,567,150    | 179,489                                |
| <b>EXPENDITURES</b>                                     | 2,974,604         | 2,017,276    | 957,328                                |
| <b>Excess of revenues over<br/>(under) expenditures</b> | 413,057           | 1,549,874    | 1,136,817                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                   |              |  |
| Transfers in  | 900               |              | (900)                                  |
| Transfers (out)   | (420,900)         | (420,000)    | 900                                    |
| <b>Total other financing sources (uses)</b>             | (420,000)         | (420,000)    |  |
| <b>Net change in fund balance</b>                       | (6,943)           | 1,129,874    | 1,136,817                              |
| <b>FUND BALANCE, APRIL 1, 2015</b>                      | 8,635,732         | 8,635,732    |  |
| <b>FUND BALANCE, MARCH 31, 2016</b>                     | \$ 8,628,789      | \$ 9,765,606 | \$ 1,136,817                           |

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, 2016**

|                                       | <u>Amended<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---------------------------------------|---------------------------|---------------------|---|
| <b>TAXES</b>                          |                           |                     |   |
| Current property taxes                | \$                        | \$ 914,866          | \$  |
| Penalties/interest - delinquent taxes |                           | 35                  |   |
| Trailer park fees                     |                           | 274                 |   |
| <b>Total taxes</b>                    | <u>876,070</u>            | <u>915,175</u>      | <u>39,105</u>                                   |
| <b>TREASURER</b>                      |                           |                     |   |
| Property tax administration fee       |                           | 291,286             |   |
| Interest                              |                           | 65,585              |   |
| Dog licenses                          |                           | 566                 |   |
| <b>Total treasurer</b>                | <u>344,820</u>            | <u>357,437</u>      | <u>12,617</u>                                   |
| <b>LICENSES AND PERMITS</b>           | <u>17,000</u>             | <u>20,740</u>       | <u>3,740</u>                                    |
| <b>PLANNING AND ZONING</b>            | <u>53,250</u>             | <u>96,079</u>       | <u>42,829</u>                                   |
| <b>STATE SHARED REVENUE</b>           | <u>1,370,000</u>          | <u>1,338,318</u>    | <u>(31,682)</u>                                 |
| <b>SPECIAL ASSESSMENTS</b>            |                           |                     |   |
| Principal                             |                           | 99,932              |   |
| Interest                              |                           | 13,350              |   |
| <b>Total special assessments</b>      | <u>110,639</u>            | <u>113,282</u>      | <u>2,643</u>                                    |
| <b>MISCELLANEOUS REVENUES</b>         |                           |                     |   |
| Election reimbursement                |                           | 68,358              |   |
| Metro Act fees                        |                           | 10,398              |   |
| Cable TV fees                         |                           | 367,415             |   |
| Rental income                         |                           | 256,521             |   |
| Reimbursement/refunds                 |                           | 14,516              |   |
| Utilities administration fee          |                           | 4,800               |   |
| Other revenue                         |                           | 4,111               |   |
| <b>Total miscellaneous revenues</b>   | <u>615,882</u>            | <u>726,119</u>      | <u>110,237</u>                                  |
| <b>Total revenues</b>                 | <u>\$ 3,387,661</u>       | <u>\$ 3,567,150</u> | <u>\$ 179,489</u>                               |

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

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016

|  | Amended<br>Budget | Actual         | Variance<br>Favorable<br>(Unfavorable) |
|--|-------------------|----------------|--|
| <b>TOWNSHIP BOARD</b>                    |                   |                |  |
| Wages, salaries and per diems            | \$                | \$ 28,538      | \$                                     |
| Ordinance codification                   |                   | 4,434          |  |
| Printing and publishing                  |                   | 11,604         |  |
| Payroll taxes                            |                   | 2,182          |  |
| Insurance - benefits                     |                   | 184            |  |
| Insurance - liability                    |                   | 68             |  |
| Pension                                  |                   | 7,075          |  |
| Supplies                                 |                   | 41             |  |
| Consulting                               |                   | 620            |  |
| Engineering services                     |                   | 9,354          |  |
| Education/travel                         |                   | 196            |  |
| Dues                                     |                   | 8,159          |  |
| Miscellaneous                            |                   | 421            |  |
| <b>Total township board</b>              | <u>113,730</u>    | <u>72,876</u>  | <u>40,854</u>                          |
| <b>SUPERVISOR</b>                        |                   |                |  |
| Wages, salaries and per diems            |                   | 29,514         |  |
| Pension                                  |                   | 2,925          |  |
| Payroll taxes                            |                   | 2,258          |  |
| Insurance - benefits                     |                   | 65             |  |
| Insurance - liability                    |                   | 43             |  |
| <b>Total supervisor</b>                  | <u>38,652</u>     | <u>34,805</u>  | <u>3,847</u>                           |
| <b>MANAGER</b>                           |                   |                |  |
| Wages, salaries and per diems            |                   | 98,908         |  |
| Wages, salaries and per diems - clerical |                   | 51,854         |  |
| Insurance - benefits                     |                   | 9,219          |  |
| Pension                                  |                   | 8,336          |  |
| Payroll taxes                            |                   | 11,694         |  |
| Insurance - liability                    |                   | 430            |  |
| Education/travel                         |                   | 2,526          |  |
| Dues                                     |                   | 895            |  |
| Supplies                                 |                   | 379            |  |
| Postage                                  |                   | 283            |  |
| Contracted services                      |                   | 374            |  |
| Miscellaneous                            |                   | 881            |  |
| <b>Total manager</b>                     | <u>218,185</u>    | <u>185,779</u> | <u>32,406</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, 2016

|  | <u>Amended<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|---------------------------|----------------|---|
| <b>ELECTIONS</b>                                 |                           |                |   |
| Wages, salaries and per diems - Clerk            |                           | 9,217          |   |
| Wages, salaries and per diems - Deputy officials |                           | 32,230         |   |
| Election workers                                 |                           | 29,307         |   |
| Pension  |                           | 717            |   |
| Payroll taxes                                    |                           | 3,171          |   |
| Insurance - benefits                             |                           | 3,517          |   |
| Insurance - liability                            |                           | 115            |   |
| Accuracy consulting                              |                           | 1,751          |   |
| Education /travel                                |                           | 1,199          |   |
| Printing and publishing                          |                           | 230            |   |
| Postage  |                           | 6,093          |   |
| Supplies   |                           | 6,476          |   |
| Equipment maintenance and repair                 |                           | 1,082          |   |
| Dues   |                           | 130            |   |
|  | <hr/>                     | <hr/>          | <hr/>   |
| <b>Total elections</b>                           | <u>134,759</u>            | <u>95,235</u>  | <u>39,524</u>                                   |
| <b>ASSESSOR</b>                                  |                           |                |   |
| Wages, salaries and per diems                    |                           | 142,666        |   |
| Pension  |                           | 7,605          |   |
| Payroll taxes                                    |                           | 11,022         |   |
| Insurance - benefits                             |                           | 54,145         |   |
| Insurance - liability                            |                           | 948            |   |
| Education/travel                                 |                           | 2,102          |   |
| Supplies   |                           | 699            |   |
| Postage  |                           | 4,588          |   |
| Dues   |                           | 280            |   |
| Printing and publishing                          |                           | 3,686          |   |
| Capital outlay                                   |                           | 2,936          |   |
|  | <hr/>                     | <hr/>          | <hr/>   |
| <b>Total assessor</b>                            | <u>244,750</u>            | <u>230,677</u> | <u>14,073</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, 2016

|  | <u>Amended<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|---------------------------|---------------|---|
| <b>CLERK</b>                                     |                           |               |   |
| Wages, salaries and per diems - Clerk            |                           | 52,373        |   |
| Wages, salaries and per diems - Deputy Clerk     |                           | 10,870        |   |
| Wages, salaries and per diems - other            |                           | 75,134        |   |
| Pension  |                           | 6,672         |   |
| Payroll taxes                                    |                           | 10,749        |   |
| Insurance - benefits                             |                           | 70,493        |   |
| Insurance - liability                            |                           | 367           |   |
| Postage  |                           | 208           |   |
| Professional fees                                |                           | 9,600         |   |
| Supplies   |                           | 1,675         |   |
| Education/travel                                 |                           | 1,973         |   |
| Newsletter                                       |                           | 3,734         |   |
| Dues   |                           | 600           |   |
| Record retention                                 |                           | 1,290         |   |
| Employment service                               |                           | 7,140         |   |
| Small equipment                                  |                           | 270           |   |
|  | <hr/>                     | <hr/>         | <hr/>   |
| <b>Total clerk</b>                               | 270,356                   | 253,148       | 17,208  |
| <b>TREASURER</b>                                 |                           |               |   |
| Wages, salaries and per diems - Treasurer        |                           | 61,591        |   |
| Wages, salaries and per diems - Deputy Treasurer |                           | 42,745        |   |
| Wages, salaries and per diems - other            |                           | 24,365        |   |
| Pension  |                           | 5,373         |   |
| Payroll taxes                                    |                           | 9,947         |   |
| Insurance - benefits                             |                           | 25,128        |   |
| Insurance - liability                            |                           | 300           |   |
| Professional fees                                |                           | 9,600         |   |
| Supplies   |                           | 1,323         |   |
| Tax forms  |                           | 3,322         |   |
| Postage  |                           | 8,837         |   |
| Education/travel                                 |                           | 1,701         |   |
| Dues   |                           | 110           |   |
| Capital outlay                                   |                           | 1,253         |   |
| Small equipment                                  |                           | 750           |   |
|  | <hr/>                     | <hr/>         | <hr/>   |
| <b>Total treasurer</b>                           | 230,510                   | 196,345       | 34,165  |

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, 2016

|   | <u>Amended<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------------|----------------|---|
| <b>SEWER AND WATER</b>                  |                           |                |   |
| Per diems                               |                           | 1,125          |   |
| Professional fees                       |                           | 22,993         |   |
|   |                           |                |   |
| <b>Total sewer and water</b>            | <u>524,000</u>            | <u>24,118</u>  | <u>499,882</u>                                  |
| <b>ROADS</b>                            |                           |                |   |
|   | <u>160,000</u>            | <u>132,132</u> | <u>27,868</u>                                   |
| <b>OTHER CHARGES AND SERVICES</b>       |                           |                |   |
| Insurance - liability                   |                           | 29,155         |   |
| Contracted services                     |                           | 34,047         |   |
| Computer support                        |                           | 16,667         |   |
| Legal fees                              |                           | 81,421         |   |
| Telephone                               |                           | 8,472          |   |
| Lease - MSP                             |                           | 137,484        |   |
| Equipment repair                        |                           | 6,788          |   |
| Equipment rental                        |                           | 1,614          |   |
| Fuel                                    |                           | 758            |   |
| Capital outlay                          |                           | 11,959         |   |
|   |                           |                |   |
| <b>Total other charges and services</b> | <u>381,980</u>            | <u>328,365</u> | <u>53,615</u>                                   |
| <b>PLANNING</b>                         |                           |                |   |
| Wages, salaries and per diems           |                           | 62,568         |   |
| Pension                                 |                           | 3,178          |   |
| Payroll taxes                           |                           | 4,110          |   |
| Insurance - benefits                    |                           | 22,166         |   |
| Insurance - liability                   |                           | 392            |   |
| Supplies                                |                           | 663            |   |
| Postage                                 |                           | 824            |   |
| Special projects                        |                           | 43             |   |
| Engineering services                    |                           | 72,750         |   |
| Printing and publishing                 |                           | 1,930          |   |
| Education/travel                        |                           | 1,680          |   |
| Capital outlay                          |                           | 10,225         |   |
|   |                           |                |   |
| <b>Total planning</b>                   | <u>213,447</u>            | <u>180,529</u> | <u>32,918</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, 2016**

|                                     | <b>Amended<br/>Budget</b> | <b>Actual</b>  | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|-------------------------------------|---------------------------|----------------|---|
| <b>TOWNSHIP HALL/GROUNDS</b>        |                           |                |   |
| Wages, salaries and per diems       |                           | 2,595          |   |
| Cleaning maintenance                |                           | 1,769          |   |
| Supplies and postage                |                           | 12,603         |   |
| Payroll taxes                       |                           | 199            |   |
| Insurance - liability               |                           | 132            |   |
| Street lighting                     |                           | 8,281          |   |
| Equipment maintenance and repairs   |                           | 10,261         |   |
| Grounds maintenance and repairs     |                           | 15,945         |   |
| Building maintenance and repairs    |                           | 21,823         |   |
| Utilities                           |                           | 14,908         |   |
| Tax chargebacks                     |                           | 14,401         |   |
|                                     |                           |                |   |
| <b>Total township hall/grounds</b>  | <b>162,785</b>            | <b>102,917</b> | <b>59,868</b>                                   |
| <b>CEMETERY</b>                     |                           |                |   |
|                                     | <b>10,000</b>             | <b>4,380</b>   | <b>5,620</b>                                    |
| <b>FIRE PROTECTION</b>              |                           |                |   |
| Contracted services                 |                           | 6,126          |   |
| Utilities                           |                           | 745            |   |
| Building maintenance and repair     |                           | 1,578          |   |
| Grounds maintenance and repair      |                           | 947            |   |
| Capital improvements                |                           | 2,947          |   |
|                                     |                           |                |   |
| <b>Total fire protection</b>        | <b>48,900</b>             | <b>12,343</b>  | <b>36,557</b>                                   |
| <b>EMERGENCY PREPAREDNESS</b>       |                           |                |   |
| Utilities                           |                           | 396            |   |
| Siren                               |                           | 3,853          |   |
|                                     |                           |                |   |
| <b>Total emergency preparedness</b> | <b>5,500</b>              | <b>4,249</b>   | <b>1,251</b>                                    |

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

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
 FOR THE YEAR ENDED MARCH 31, 2016

|                                    | <u>Amended<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|---------------------------|---------------------|---|
| <b>ENVIRONMENTAL</b>               | 53,100                    | 34,215              | 18,885  |
| <b>MUNICIPAL REFUSE COLLECTION</b> | 3,200                     | 2,102               | 1,098   |
| <b>PARKS AND RECREATION</b>        | 125,700                   | 102,007             | 23,693  |
| <b>DRAINS</b>                      | 13,600                    | 10,815              | 2,785   |
| <b>CODE ENFORCEMENT</b>            |                           |                     |   |
| Wages, salaries and per diems      |                           | 6,613               |   |
| Pension                            |                           | 383                 |   |
| Payroll taxes                      |                           | 506                 |   |
| Insurance - benefits               |                           | 2,687               |   |
| Insurance - liability              |                           | 50                  |   |
| <b>Total code enforcement</b>      | 11,450                    | 10,239              | 1,211   |
| <b>CONTINGENCY</b>                 | 10,000                    |                     | 10,000  |
| <b>Total expenditures</b>          | <u>\$ 2,974,604</u>       | <u>\$ 2,017,276</u> | <u>\$ 957,328</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, 2016**

**ASSETS**

|                           |                   |
|---------------------------|-------------------|
| Cash and cash equivalents | <u>\$ 877,477</u> |
|---------------------------|-------------------|

**FUND BALANCE**

|                                    |                   |
|------------------------------------|-------------------|
| Committed for parks and recreation | <u>\$ 877,477</u> |
|------------------------------------|-------------------|

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

CHARTER TOWNSHIP OF BRIGHTON

PARKS FUND (PRE GASB 54 RESTATEMENT)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016

|   | <u>Amended<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------------|-------------------|---|
| <b>REVENUES</b>   |                           |                   |   |
| Interest income   | \$ 2,400                  | \$ 3,383          | \$ 983  |
| <b>EXPENDITURES</b>                                     |                           |                   |   |
| <b>Excess of revenues over<br/>(under) expenditures</b> | 2,400                     | 3,383             | 983   |
| <b>OTHER FINANCING SOURCES</b>                          |                           |                   |   |
| Transfers in  | 50,000                    | 50,000            |   |
| <b>Net change in fund balance</b>                       | 52,400                    | 53,383            | 983   |
| <b>FUND BALANCE, APRIL 1, 2015</b>                      | 824,094                   | 824,094           |   |
| <b>FUND BALANCE, MARCH 31, 2016</b>                     | <u>\$ 876,494</u>         | <u>\$ 877,477</u> | <u>\$ 983</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, 2016**

**ASSETS**

|                           |                  |
|---------------------------|------------------|
| Cash and cash equivalents | <u>\$ 71,005</u> |
|---------------------------|------------------|

**FUND BALANCE**

|                        |                  |
|------------------------|------------------|
| Committed for cemetery | <u>\$ 71,005</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, 2016**

|   | <u>Amended<br/>Budget</u> | <u>Actual</u>           | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------------|-------------------------|---|
| <b>REVENUES</b>   |                           |                         |   |
| Interest income   | \$ 100                    | \$ 232                  | \$ 132  |
| <b>EXPENDITURES</b>   |                           |                         |   |
| <b>Excess of revenues over<br/>    (under) expenditures</b> | 100                       | 232                     | 132   |
| <b>OTHER FINANCING SOURCES</b>                              |                           |                         |   |
| Transfers in  | <u>10,000</u>             | <u>10,000</u>           |   |
| <b>Net change in fund balance</b>                           | 10,100                    | 10,232                  | 132   |
| <b>FUND BALANCE, APRIL 1, 2015</b>                          | <u>60,773</u>             | <u>60,773</u>           |   |
| <b>FUND BALANCE, MARCH 31, 2016</b>                         | <u><u>\$ 70,873</u></u>   | <u><u>\$ 71,005</u></u> | <u><u>\$ 132</u></u>                            |

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

**BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)**

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

CHARTER TOWNSHIP OF BRIGHTON

BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

|                      |            |
|----------------------|------------|
| Cash and equivalents | \$ 275,138 |
| Due from other funds | <u>10</u>  |

**Total assets**

\$ 275,148

**FUND BALANCE**

\$ 275,148

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 STABILAZATION FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2016

|   | <u>Budget</u>            | <u>Actual</u>            | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|--------------------------|--------------------------|---|
| <b>REVENUES</b>   |                          |                          |   |
| Interest income   | \$ 2,500                 | \$ 2,032                 | \$ (468)  |
| <b>EXPENDITURES</b>                                     |                          |                          |   |
| <b>Excess of revenues over<br/>(under) expenditures</b> | <u>2,500</u>             | <u>2,032</u>             | <u>(468)</u>                                    |
| <b>OTHER FINANCING SOURCES</b>                          |                          |                          |   |
| Transfers in  | 2,500                    |                          | (2,500)   |
| Transfers (out)   | <u>(2,500)</u>           |                          | <u>2,500</u>                                    |
| <b>Total other financing sources</b>                    |                          |                          |   |
| <b>Net change in fund balance</b>                       | 2,500                    | 2,032                    | (468)   |
| <b>FUND BALANCE, APRIL 1, 2015</b>                      | <u>273,116</u>           | <u>273,116</u>           |   |
| <b>FUND BALANCE, MARCH 31, 2016</b>                     | <u><u>\$ 275,616</u></u> | <u><u>\$ 275,148</u></u> | <u><u>\$ (468)</u></u>                          |

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

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

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

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

Cash

\$ 3,634,575

**FUND BALANCE**

Committed for roads

\$ 3,634,575

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, 2016

|   | <u>Amended<br/>Budget</u>  | <u>Actual</u>              | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------------------|----------------------------|---|
| <b>REVENUES</b>   |                            |                            |   |
| Interest  | \$ 7,000                   | \$ 12,634                  | \$ 5,634  |
| <b>EXPENDITURES</b>                                     |                            |                            |   |
| Project costs   | <u>1,000,000</u>           | <u>586,294</u>             | <u>413,706</u>                                  |
| <b>Excess of revenues over<br/>(under) expenditures</b> | <u>(993,000)</u>           | <u>(573,660)</u>           | <u>419,340</u>                                  |
| <b>OTHER FINANCING SOURCES</b>                          |                            |                            |   |
| Transfers in  | <u>250,000</u>             | <u>250,000</u>             |   |
| <b>Net change in fund balance</b>                       | (743,000)                  | (323,660)                  | 419,340   |
| <b>FUND BALANCE, APRIL 1, 2015</b>                      | <u>3,958,235</u>           | <u>3,958,235</u>           |   |
| <b>FUND BALANCE, MARCH 31, 2016</b>                     | <u><u>\$ 3,215,235</u></u> | <u><u>\$ 3,634,575</u></u> | <u><u>\$ 419,340</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)**

**CHARTER TOWNSHIP OF BRIGHTON**  
**PATHWAYS FUND (PRE GASB 54 RESTATEMENT)**  
**BALANCE SHEET**  
**MARCH 31, 2016**

**ASSETS**

|      |            |
|------|------------|
| Cash | \$ 168,158 |
|------|------------|

**LIABILITIES**

|                  |           |
|------------------|-----------|
| Accounts payable | \$ 11,867 |
|------------------|-----------|

**FUND BALANCE**

|                        |                |
|------------------------|----------------|
| Committed for pathways | <u>156,291</u> |
|------------------------|----------------|

|   |                          |
|---|--------------------------|
| <b>Total liabilities and fund balance</b> | <u><u>\$ 168,158</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.

**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, 2016**

|   | <u>Budget</u>            | <u>Actual</u>            | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|--------------------------|--------------------------|---|
| <b>REVENUES</b>                                     |                          |                          |   |
| Interest  | \$ 300                   | \$ 617                   | \$ 317  |
| <b>EXPENDITURES</b>                                 |                          |                          |   |
| Project costs                                       | <u>180,000</u>           | <u>148,489</u>           | <u>31,511</u>                                   |
| <b>Excess of revenues over (under) expenditures</b> | (179,700)                | (147,872)                | 31,828  |
| <b>OTHER FINANCING SOURCES (USES)</b>               |                          |                          |   |
| Transfers in  | <u>110,000</u>           | <u>110,000</u>           |   |
| <b>Net change in fund balance</b>                   | (69,700)                 | (37,872)                 | 31,828  |
| <b>FUND BALANCE, APRIL 1, 2015</b>                  | <u>194,163</u>           | <u>194,163</u>           |   |
| <b>FUND BALANCE, MARCH 31, 2016</b>                 | <u><u>\$ 124,463</u></u> | <u><u>\$ 156,291</u></u> | <u><u>\$ 31,828</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, 2016

**ASSETS**

|                 |            |
|-----------------|------------|
| Cash            | \$ 43,865  |
| Prepaid expense | <u>357</u> |

|                     |                         |
|---------------------|-------------------------|
| <b>Total assets</b> | <b><u>\$ 44,222</u></b> |
|---------------------|-------------------------|

**LIABILITIES**

|               |        |
|---------------|--------|
| Wages payable | \$ 286 |
|---------------|--------|

**FUND BALANCE**

|  |               |
|--|---------------|
|  | <u>43,936</u> |
|--|---------------|

|   |                         |
|---|-------------------------|
| <b>Total Liabilities and fund balance</b> | <b><u>\$ 44,222</u></b> |
|---|-------------------------|

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, 2016

|   | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------|------------------|---|
| <b>REVENUES</b>                         |                  |                  |   |
| State shared revenues - liquor licenses | \$               | \$ 8,505         | \$  |
| Interest                                |                  | 160              |   |
| <b>Total revenues</b>                   | <u>7,800</u>     | <u>8,665</u>     | <u>865</u>                                      |
| <b>EXPENDITURES</b>                     |                  |                  |   |
| Enforcement expenditures                |                  | <u>16,072</u>    |   |
| <b>Total expenditures</b>               | <u>16,860</u>    | <u>16,072</u>    | <u>788</u>                                      |
| <b>Net change in fund balance</b>       | (9,060)          | (7,407)          | 1,653   |
| <b>FUND BALANCE, APRIL 1, 2015</b>      | <u>51,343</u>    | <u>51,343</u>    |   |
| <b>FUND BALANCE, MARCH 31, 2016</b>     | <u>\$ 42,283</u> | <u>\$ 43,936</u> | <u>\$ 1,653</u>                                 |

**BUILDING DEPARTMENT FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**BUILDING DEPARTMENT FUND  
BALANCE SHEET  
MARCH 31, 2016**

**ASSETS**

Cash and equivalents

\$ 4,849

**FUND BALANCE**

Restricted

\$ 4,849

CHARTER TOWNSHIP OF BRIGHTON

BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2016

|                                     |                      |
|-------------------------------------|----------------------|
| <b>REVENUES</b>                     |                      |
| Interest                            | \$ 5                 |
| <b>EXPENDITURES</b>                 | <hr/>                |
| Net change in fund balance          | 5                    |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | <hr/> 4,844          |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <hr/> <hr/> \$ 4,849 |

**SAD ROAD MAINTENANCE FUND**

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

|                               |            |
|-------------------------------|------------|
| Cash                          | \$ 42,707  |
| Special assessment receivable | <u>612</u> |

|                     |                         |
|---------------------|-------------------------|
| <b>Total assets</b> | <u><u>\$ 43,319</u></u> |
|---------------------|-------------------------|

**LIABILITIES**

|                    |          |
|--------------------|----------|
| Due to other funds | \$ 1,688 |
|--------------------|----------|

**FUND BALANCE**

|               |
|---------------|
| <u>41,631</u> |
|---------------|

|   |                         |
|---|-------------------------|
| <b>Total liabilities and fund balance</b> | <u><u>\$ 43,319</u></u> |
|---|-------------------------|

**CHARTER TOWNSHIP OF BRIGHTON**

**SAD ROAD MAINTENANCE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016**

|                                     | <u>Budget</u>     | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|-------------------|------------------|---|
| <b>REVENUES</b>                     |                   |                  |   |
| Special assessments                 | \$                | \$ 38,837        | \$  |
| Interest                            |                   | 84               |   |
|                                     | <hr/>             | <hr/>            | <hr/>   |
| <b>Total revenues</b>               | 1,710             | 38,921           | 37,211  |
| <b>EXPENDITURES</b>                 |                   |                  |   |
| Contract expense                    | <hr/> 30,505      | <hr/> 20,469     | <hr/> 10,036                                    |
|                                     | <hr/>             | <hr/>            | <hr/>   |
| <b>Net change in fund balance</b>   | (28,795)          | 18,452           | 47,247  |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | <hr/> 23,179      | <hr/> 23,179     | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <u>\$ (5,616)</u> | <u>\$ 41,631</u> | <u>\$ 47,247</u>                                |

**ROAD PROJECTS FUND**

CHARTER TOWNSHIP OF BRIGHTON

ROAD PROJECTS FUND  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

|                               |              |
|-------------------------------|--------------|
| Cash and cash equivalents     | \$ 62,186    |
| Special assessment receivable | <u>7,335</u> |

|                     |                         |
|---------------------|-------------------------|
| <b>Total assets</b> | <u><u>\$ 69,521</u></u> |
|---------------------|-------------------------|

**DEFERRED INFLOW OF RESOURCES**

|                     |          |
|---------------------|----------|
| Unavailable revenue | \$ 6,316 |
|---------------------|----------|

**FUND BALANCE**

|               |
|---------------|
| <u>63,205</u> |
|---------------|

|   |                         |
|---|-------------------------|
| <b>Total deferred inflow and fund balance</b> | <u><u>\$ 69,521</u></u> |
|---|-------------------------|

**CHARTER TOWNSHIP OF BRIGHTON**

**ROAD PROJECTS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016**

|                                     | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|------------------|------------------|---|
| <b>REVENUES</b>                     |                  |                  |   |
| Special assessments - principal     | \$               | \$ 8,120         | \$  |
| Special assessments - interest      |                  | 941              |   |
| Interest income                     |                  | 199              |   |
|                                     | <hr/>            | <hr/>            | <hr/>   |
| <b>Total revenues</b>               | 9,225            | 9,260            | 35  |
| <b>EXPENDITURES</b>                 | <hr/>            | <hr/>            | <hr/>   |
| <b>Net change in fund balance</b>   | 9,225            | 9,260            | 35  |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | <hr/> 53,945     | <hr/> 53,945     | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <u>\$ 63,170</u> | <u>\$ 63,205</u> | <u>\$ 35</u>                                    |

**STREETLIGHT FUND**

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

|                               |    |               |
|-------------------------------|----|---------------|
| Due from other funds          | \$ | 487           |
| Special assessment receivable |    | <u>17,900</u> |

|                     |    |                      |
|---------------------|----|----------------------|
| <b>Total assets</b> | \$ | <u><u>18,387</u></u> |
|---------------------|----|----------------------|

**LIABILITIES**

|                  |    |       |
|------------------|----|-------|
| Accounts payable | \$ | 1,485 |
|------------------|----|-------|

|                     |  |               |
|---------------------|--|---------------|
| <b>FUND BALANCE</b> |  | <u>16,902</u> |
|---------------------|--|---------------|

|   |    |                      |
|---|----|----------------------|
| <b>Total liabilities and fund balance</b> | \$ | <u><u>18,387</u></u> |
|---|----|----------------------|

**CHARTER TOWNSHIP OF BRIGHTON**

**STREETLIGHT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016**

|                                     | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|-------------------------------------|---------------|---------------|---|
| <b>REVENUES</b>                     |               |               |   |
| Special assessments                 | \$ 17,170     | \$ 17,378     | \$ 208  |
| <b>EXPENDITURES</b>                 |               |               |   |
| Utilities                           | 17,170        | 16,889        | 281   |
| <b>Net change in fund balance</b>   |               | 489           | 489   |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | 16,413        | 16,413        |   |
| <b>FUND BALANCE, MARCH 31, 2016</b> | \$ 16,413     | \$ 16,902     | \$ 489  |

**MUNICIPAL REFUSE FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**MUNICIPAL REFUSE FUND  
BALANCE SHEET  
MARCH 31, 2016**

**ASSETS**

|                 |              |
|-----------------|--------------|
| Cash            | \$ 69,142    |
| Due from county | <u>1,915</u> |

|                     |                         |
|---------------------|-------------------------|
| <b>Total assets</b> | <b><u>\$ 71,057</u></b> |
|---------------------|-------------------------|

|                     |                         |
|---------------------|-------------------------|
| <b>FUND BALANCE</b> | <b><u>\$ 71,057</u></b> |
|---------------------|-------------------------|

**CHARTER TOWNSHIP OF BRIGHTON**

**MUNICIPAL REFUSE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016**

|                                     | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|------------------|------------------|---|
| <b>REVENUES</b>                     |                  |                  |   |
| Special assessment                  | \$               | \$ 77,417        | \$  |
| Interest                            |                  | 154              |   |
|                                     | <hr/>            | <hr/>            | <hr/>   |
| <b>Total revenues</b>               | 73,850           | 77,571           | 3,721   |
| <b>EXPENDITURES</b>                 |                  |                  |   |
| Project costs                       | 74,739           | 74,602           | 137   |
|                                     | <hr/>            | <hr/>            | <hr/>   |
| <b>Net change in fund balance</b>   | (889)            | 2,969            | 3,858   |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | <hr/> 68,088     | <hr/> 68,088     | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <u>\$ 67,199</u> | <u>\$ 71,057</u> | <u>\$ 3,858</u>                                 |

**AQUATICS FUND**

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

|                           |              |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 144,465   |
| Due from county           | <u>4,700</u> |

|                     |                          |
|---------------------|--------------------------|
| <b>Total assets</b> | <b><u>\$ 149,165</u></b> |
|---------------------|--------------------------|

**LIABILITIES**

|                  |        |
|------------------|--------|
| Accounts payable | \$ 400 |
|------------------|--------|

|                     |                       |
|---------------------|-----------------------|
| <b>FUND BALANCE</b> | <b><u>148,765</u></b> |
|---------------------|-----------------------|

|   |                          |
|---|--------------------------|
| <b>Total liabilities and fund balance</b> | <b><u>\$ 149,165</u></b> |
|---|--------------------------|

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2016

|                                     | <u>Budget</u>    | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|------------------|-------------------|---|
| <b>REVENUES</b>                     |                  |                   |   |
| Special assessments                 | \$               | \$ 69,205         | \$  |
| Interest                            |                  | 443               |   |
|                                     | <hr/>            | <hr/>             | <hr/>   |
| <b>Total revenues</b>               | 65,566           | 69,648            | 4,082   |
| <b>EXPENDITURES</b>                 |                  |                   |   |
| Project costs                       | 174,992          | 80,997            | 93,995  |
|                                     | <hr/>            | <hr/>             | <hr/>   |
| <b>Net change in fund balance</b>   | (109,426)        | (11,349)          | 98,077  |
| <b>FUND BALANCE, APRIL 1, 2015</b>  | 160,114          | 160,114           |   |
|                                     | <hr/>            | <hr/>             | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2016</b> | <u>\$ 50,688</u> | <u>\$ 148,765</u> | <u>\$ 98,077</u>                                |

**MUNICIPAL WATER CAPITAL PROJECTS FUND**

**CHARTER TOWNSHIP OF BRIGHTON**  
**MUNICIPAL WATER CAPITAL PROJECTS FUND**  
**BALANCE SHEET**  
**MARCH 31, 2016**

**ASSETS**

|                 |               |
|-----------------|---------------|
| Cash            | \$ 772,275    |
| Due from others | <u>46,417</u> |

|                     |                                 |
|---------------------|---------------------------------|
| <b>Total assets</b> | <b><u><u>\$ 818,692</u></u></b> |
|---------------------|---------------------------------|

**LIABILITIES**

|               |          |
|---------------|----------|
| Due to others | \$ 5,700 |
|---------------|----------|

**FUND BALANCE**

|                |
|----------------|
| <u>812,992</u> |
|----------------|

|   |                                 |
|---|---------------------------------|
| <b>Total liabilities and fund balance</b> | <b><u><u>\$ 818,692</u></u></b> |
|---|---------------------------------|

**CHARTER TOWNSHIP OF BRIGHTON**  
**MUNICIPAL WATER CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED MARCH 31, 2016**

|                                     |               |                          |
|-------------------------------------|---------------|--------------------------|
| <b>REVENUES</b>                     |               |                          |
| Connection fees                     | \$ 132,338    |                          |
| Interest                            | <u>5,310</u>  |                          |
| <b>Total revenues</b>               |               | \$ 137,648               |
| <b>EXPENDITURES</b>                 |               |                          |
| Contract services                   | 7,489         |                          |
| Bond interest                       | <u>11,500</u> |                          |
| <b>Total expenditures</b>           |               | <u>18,989</u>            |
| <b>Net change in fund balance</b>   |               | 118,659                  |
| <b>FUND BALANCE, APRIL 1, 2015</b>  |               | <u>694,333</u>           |
| <b>FUND BALANCE, MARCH 31, 2016</b> |               | <u><u>\$ 812,992</u></u> |

**SEWER FUND**

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND  
BALANCE SHEET  
MARCH 31, 2016

**CURRENT ASSETS**

|   |    |               |
|---|----|---------------|
| Cash and cash equivalents                   | \$ | 456,819       |
| Accounts receivable - usage                 |    | 199,163       |
| Accounts receivable - other                 |    | 22,949        |
| Prepaid expenses - insurance                |    | 6,342         |
| Inventory - pumps and parts                 |    | 59,371        |
| Due from county - delinquents - O & M usage |    | <u>20,567</u> |

**Total current assets** \$ 765,211

**RESTRICTED ASSETS**

|  |  |               |
|--|--|---------------|
| Cash and cash equivalents - debt service           |  | 3,160,169     |
| Cash and cash equivalents - replacement            |  | 654,298       |
| Accounts receivable - debt service (usage)         |  | 189,410       |
| Special assessments receivable                     |  | 3,223,261     |
| Due from county - delinquents (SAD)                |  | 112,560       |
| Due from county - delinquents debt service (usage) |  | <u>36,546</u> |

**Total restricted assets** 7,376,244

**CAPITAL ASSETS**

|                                       |  |                     |
|---------------------------------------|--|---------------------|
| Land                                  |  | 1,395,224           |
| Sewer plant                           |  | 9,728,042           |
| Sewer collection system               |  | 17,167,465          |
| Pumps and equipment                   |  | 3,351,110           |
| Spencer District                      |  | 725,372             |
| Office furniture and equipment        |  | <u>22,500</u>       |
|                                       |  | 32,389,713          |
| <b>Less: accumulated depreciation</b> |  | <u>(11,578,780)</u> |

**Net capital assets** 20,810,933

**Total assets** \$ 28,952,388

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND (Continued)  
BALANCE SHEET  
MARCH 31, 2016

**CURRENT LIABILITIES (from unrestricted assets)**

|                              |               |
|------------------------------|---------------|
| Accounts payable             | \$ 14,811     |
| Accrued grinder pump expense | <u>50,000</u> |

**Total current liabilities (from unrestricted assets)** \$ 64,811

**CURRENT LIABILITIES (from restricted assets)**

|                                |               |
|--------------------------------|---------------|
| Bonds payable                  | 1,741,439     |
| New connections - escrow funds | <u>10,002</u> |

**Total current liabilities (from restricted assets)**

1,751,441

**LONG-TERM LIABILITIES (from restricted assets)**

|  |                |
|--|----------------|
| Bonds payable                              | 6,503,561      |
| Due to other funds                         | 2,385,832      |
| Bond premium, net amortization of \$41,525 | <u>420,563</u> |

**Total long-term liabilities (from restricted assets)**

9,309,956

**Total liabilities**

11,126,208

**FUND EQUITY**

|                                |                |
|--------------------------------|----------------|
| Retained earnings - reserved   | 17,125,780     |
| Retained earnings - unreserved | <u>700,400</u> |

**Total fund equity**

17,826,180

**Total liabilities and fund equity**

\$ 28,952,388

**CHARTER TOWNSHIP OF BRIGHTON**  
**SEWER FUND**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2016**

|   |                 |                             |
|---|-----------------|-----------------------------|
| <b>OPERATING REVENUES</b>                         |                 |                             |
| Sewer usage                                       | \$ 757,446      |                             |
| Sewer usage - debt service charges                | 725,068         |                             |
| Other revenue                                     | <u>29,209</u>   |                             |
| <b>Total operating revenues</b>                   |                 | \$ 1,511,723                |
| <b>OPERATING EXPENSES</b>                         |                 |                             |
| Administration                                    | 4,800           |                             |
| Alarm maintenance                                 | 576             |                             |
| Amortization expense                              | 202,171         |                             |
| Audit services                                    | 4,800           |                             |
| Computer services                                 | 2,174           |                             |
| Consulting  | 15,938          |                             |
| Contracted services - operators                   | 227,379         |                             |
| Depreciation expense                              | 862,066         |                             |
| Legal   | 1,398           |                             |
| Liability insurance                               | 25,678          |                             |
| Office expenses                                   | 2,674           |                             |
| Permit fees                                       | 3,270           |                             |
| Repairs and maintenance - grinder pumps and parts | 50,096          |                             |
| Repairs and maintenance - collection system       | 119,539         |                             |
| Repairs and maintenance - equipment               | 12,034          |                             |
| Repairs and maintenance - buildings and grounds   | 10,615          |                             |
| Sludge removal                                    | 26,757          |                             |
| Supplies  | 30,653          |                             |
| Telephone   | 1,099           |                             |
| Utilities   | 91,475          |                             |
| Capital outlay                                    | <u>27,755</u>   |                             |
| <b>Total operating expenses</b>                   |                 | <u>1,722,947</u>            |
| <b>Operating (loss)</b>                           |                 | (211,224)                   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>          |                 |                             |
| Interest income - banks                           | 12,409          |                             |
| Interest income - special assessment              | 240,870         |                             |
| Interest (expense) - general fund advance         | (31,717)        |                             |
| Interest (expense) - bonds                        | (357,831)       |                             |
| Agent fees - bonds                                | (450)           |                             |
| Bond issuance costs                               | <u>(98,471)</u> |                             |
| <b>Total non-operating (expenses)</b>             |                 | (235,190)                   |
| <b>CAPITAL CONTRIBUTIONS</b>                      |                 |                             |
| Tap-in fees (new users)                           |                 | <u>377,552</u>              |
| <b>Change in net position</b>                     |                 | (68,862)                    |
| <b>NET POSITION, APRIL 1, 2015</b>                |                 | <u>17,895,042</u>           |
| <b>NET POSITION, MARCH 31, 2016</b>               |                 | <u><u>\$ 17,826,180</u></u> |

**CHARTER TOWNSHIP OF BRIGHTON**  
**SEWER FUND**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |              |                   |
|---|--------------|-------------------|
| Cash received from customers                            | \$ 1,458,346 |                   |
| Cash receipts from others                               | 33,467       |                   |
| Payments to other suppliers for goods or services       | (637,034)    |                   |
|   |              |                   |
| <b>Net cash (used) provided by operating activities</b> |              | <b>\$ 854,779</b> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |             |                  |
|---|-------------|------------------|
| Principal paid on bonds   | (1,690,000) |                  |
| Interest paid on bonds  | (381,189)   |                  |
| Interest paid on General Fund advances                                      | (31,717)    |                  |
| Collections of special assessment (principal and interest)                  | 1,086,942   |                  |
| Tap fees (new users)  | 377,552     |                  |
|   |             |                  |
| <b>Net cash (used) provided by capital and related financing activities</b> |             | <b>(638,412)</b> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |  |                |
|--|--|----------------|
| Interest received on cash and cash equivalents   |  | 12,409         |
|  |  |                |
| <b>Net increase in cash and cash equivalents</b> |  | <b>228,776</b> |

**CASH AND CASH EQUIVALENTS AT APRIL 1, 2015**

**4,042,510**

**CASH AND CASH EQUIVALENTS AT MARCH 31, 2016**

**\$ 4,271,286**

**RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

|                  |  |              |
|------------------|--|--------------|
| Operating (loss) |  | \$ (211,224) |
|------------------|--|--------------|

Adjustments to reconcile operating (loss) to net cash provided (used by) operating activities:

|  |              |                  |
|--|--------------|------------------|
| Depreciation and amortization                    | \$ 1,064,237 |                  |
| (Increase) in accounts and delinquent receivable | (2,049)      |                  |
| Decrease in prepaid expense                      | 448          |                  |
| Decrease in inventory                            | 22,470       |                  |
| (Decrease) accounts payable                      | (1,242)      |                  |
| (Decrease) in new connections escrow             | (17,861)     |                  |
|  |              |                  |
| <b>Total adjustments</b>                         |              | <b>1,066,003</b> |

|   |  |                   |
|---|--|-------------------|
|   |  | <b>\$ 854,779</b> |
| <b>Net cash (used) provided by operating activities</b> |  | <b>\$ 854,779</b> |

**TRUST AND AGENCY FUND**

CHARTER TOWNSHIP OF BRIGHTON

TRUST AND AGENCY FUND  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

Cash

\$ 240,555

**LIABILITIES**

Accounts payable

\$ 460

Due to other funds

100

Due to others

239,995

**Total liabilities**

\$ 240,555

**CURRENT TAX COLLECTION FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2016**

**ASSETS**

Cash

\$ 220

**LIABILITIES**

Due to other funds

\$ 220

**CONSTRUCTION ESCROW FUND**

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND  
BALANCE SHEET  
MARCH 31, 2016

**ASSETS**

|                      |                          |
|----------------------|--------------------------|
| Cash                 | \$ 490,992               |
| Due from other funds | <u>93</u>                |
| <b>Total assets</b>  | <u><u>\$ 491,085</u></u> |

**LIABILITIES**

|                          |                          |
|--------------------------|--------------------------|
| Performance deposits     | \$ 491,025               |
| Due to other funds       | <u>60</u>                |
| <b>Total liabilities</b> | <u><u>\$ 491,085</u></u> |