

CHARTER TOWNSHIP OF BRIGHTON

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

For the Year Ended March 31, 2017

CHARTER TOWNSHIP OF BRIGHTON

TOWNSHIP OFFICIALS

Supervisor - Patrick Michel

Clerk - Ann Bollin

Treasurer - Rose Drouillard

BOARD OF TRUSTEES

Ann Bollin

Rose Drouillard

Steve Combs

Patrick Michel

Lucille Weaire

J. Michael Slaton

Sam Theis

TOWNSHIP ATTORNEY

John K. Harris

Harris & Literski

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.*Members:*
AICPA Private Practice Companies Section
*MACPA***INDEPENDENT AUDITORS' REPORT**

June 26, 2017

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 - 14 and 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, 2017

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, 2017. 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 \$39,016,480. This is a \$1,230,409 increase over last year's net position of \$37,786,071.

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

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Totals	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016	3/31/2017	3/31/2016
ASSETS						
Current and other assets	\$ 17,403,285	\$ 16,414,688	\$ 4,910,209	\$ 5,755,623	\$ 22,313,494	\$ 22,170,311
Capital assets	4,235,420	3,881,357	19,948,867	20,810,933	24,184,287	24,692,290
Total assets	21,638,705	20,296,045	24,859,076	26,566,556	46,497,781	46,862,601
DEFERRED OUTFLOW OF RESOURCES						
Pension activity	162,470	262,423			162,470	262,423
LIABILITIES						
Other liabilities	58,101	102,143	281,718	74,813	339,819	176,956
Long-term liabilities	385,806	326,156	6,918,146	8,665,563	7,303,952	8,991,719
Total liabilities	443,907	428,299	7,199,864	8,740,376	7,643,771	9,168,675
NET POSITION						
Net investment in capital assets	4,235,420	3,881,357	13,668,867	12,145,370	17,904,287	16,026,727
Restricted	1,322,567	1,105,480			1,322,567	1,105,480
Unrestricted	15,799,281	14,973,054	3,990,345	5,680,810	19,789,626	20,653,864
Total net position	\$ 21,357,268	\$ 19,959,891	\$ 17,659,212	\$ 17,826,180	\$ 39,016,480	\$ 37,786,071

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016	3/31/2017	3/31/2016
REVENUES						
Program revenues						
Charges for services	\$ 623,487	\$ 684,100	\$ 1,542,689	\$ 1,511,723	\$ 2,166,176	\$ 2,195,823
Operating grants and contributions		544,247				544,247
Capital contributions	7,434		174,420	377,552	181,854	377,552
General revenues						
State shared revenues	1,521,949	1,346,823			1,521,949	1,346,823
Property taxes	924,384	915,175			924,384	915,175
Interest	100,889	105,129	203,265	253,279	304,154	358,408
Other	1,450,753	653,526			1,450,753	653,526
Total revenues	4,628,896	4,249,000	1,920,374	2,142,554	6,549,270	6,391,554
EXPENSES						
General government	1,824,427	1,748,158			1,824,427	1,748,158
Public safety	122,158	72,211			122,158	72,211
Recreation	141,741	102,007			141,741	102,007
Public works/roads	1,131,693	1,206,596			1,131,693	1,206,596
Interest on long-term debt	11,500	11,500			11,500	11,500
Sewer system			2,087,342	2,211,416	2,087,342	2,211,416
Total expenses	3,231,519	3,140,472	2,087,342	2,211,416	5,318,861	5,351,888
Changes in net position	1,397,377	1,108,528	(166,968)	(68,862)	1,230,409	1,039,666
Beginning net position	19,959,891	18,761,042	17,826,180	17,895,042	37,786,071	36,656,084
Prior period adjustment		90,321				90,321
Ending net position	\$ 21,357,268	\$ 19,959,891	\$ 17,659,212	\$ 17,826,180	\$ 39,016,480	\$ 37,786,071

The governmental funds experienced an increase in equity due to an increase in State Revenues and other income.

The business-type activities showed a decrease in net position of \$166,968. This is due to a decrease in the amount of tap-in fees collected, decrease in interest expense and increase in operating expenses.

Financial Analysis of the Township's Major Funds

The Township's General Fund increased its fund balance by \$1,175,493, due to an increase in State Shared Revenue and a decrease in major road projects. The Township also received \$61,989 from the State for reimbursement of personal property tax.

The Municipal Water Fund had an increase of \$208,415, due to a large reimbursement received for capital outlay costs from member municipalities of an associated water authority.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net position of \$166,968, due to a decrease in the amount of tap-in fees collected, decrease in interest expense and increase in operating expenses.

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 \$506,180 of new capital assets during the year, with \$447,466 relating to Pathways. This was for sidewalks and miscellaneous Township equipment.

As of March 31, 2017, the Township has a construction in progress project known as the Phase II Pathways Project. Design for this project began in February 2016, and as of March 31, 2017, the project is nearing completion with \$494,460 in actual costs incurred. The Township expects the project to be completed during the summer of 2017.

The governmental funds issued no debt during the year. A total of \$172,878 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 \$8,245,000. During the year, the Township retired \$1,655,000 of debt, leaving \$6,590,000 at fiscal year end.

Economic Conditions and Future Activities

Future Road Improvements - The Township plans to utilize existing undesignated funds in the Future Road Improvement fund by partnering with the Livingston County Road Commission to address the following roads projects:

1. Old US 23 (Hilton South toward Spencer) \$1,000,000
2. Jacoby \$375,000
3. Stobart \$375,000
4. Hyne (From Old US 23 toward the West) \$350,000

The Township is also continuing its efforts to add new users onto its sewage treatment system. Currently, the business-type funds are not self-sufficient. However, modest growth in the form of 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. For the year ended March 31, 2017, the Township had 17 new REU connections, while billing revenues continued to increase.

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, 2017

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	\$ 14,445,286	\$ 4,333,643	\$ 18,778,929
Receivables			
Taxes	45,457		45,457
State shared revenues	247,220		247,220
Intergovernmental	2,385,832	(2,385,832)	
Accounts	184,864	450,562	635,426
Special assessments	49,267	2,477,745	2,527,012
Prepaid expenses	45,359	6,441	51,800
Inventory		27,650	27,650
Capital assets			
Non-depreciable	1,205,773	1,395,224	2,600,997
Depreciable - net of accumulated depreciation	3,029,647	18,553,643	21,583,290
Total assets	<u>21,638,705</u>	<u>24,859,076</u>	<u>46,497,781</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension investment activities	55,883		55,883
Pension changes in assumption	45,205		45,205
Pension differences in experiences	53,087		53,087
Subsequent pension contributions	8,295		8,295
Total deferred outflow of resources	<u>162,470</u>		<u>162,470</u>
LIABILITIES			
Accounts payable and other accrued expenses	30,460	281,718	312,178
Accrued wages/taxes	12,650		12,650
Compensated absences	14,991		14,991
Long term obligations			
Other due within one year	86,439	1,665,000	1,751,439
Other due in more than one year	86,439	5,253,146	5,339,585
Net pension liability	212,928		212,928
Total liabilities	<u>443,907</u>	<u>7,199,864</u>	<u>7,643,771</u>
NET POSITION			
Net investment in capital assets	4,235,420	13,030,721	17,266,141
Restricted	1,322,567	4,195,614	5,518,181
Unrestricted	15,799,281	432,877	16,232,158
Total net position	<u>\$ 21,357,268</u>	<u>\$ 17,659,212</u>	<u>\$ 39,016,480</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Capital Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
PRIMARY GOVERNMENT						
General government	\$ (1,824,427)	\$ 421,310	\$ 7,434	\$ (1,403,117)	\$	\$ (1,403,117)
Public works	(1,004,292)	147,715		(849,143)		(849,143)
Recreation	(141,741)			(141,741)		(141,741)
Roads	(120,369)	54,462		(65,907)		(65,907)
Public safety	(122,158)			(122,158)		(122,158)
Cemetery	(7,032)			(7,032)		(7,032)
Interest on long-term debt	(11,500)			(11,500)		(11,500)
Total primary government	<u>(3,231,519)</u>	<u>623,487</u>	<u>7,434</u>	<u>(2,600,598)</u>		<u>(2,600,598)</u>
BUSINESS-TYPE ACTIVITIES						
Sewer system	(2,087,342)	1,542,689	174,420		(370,233)	(370,233)
Total	<u>\$ (5,318,861)</u>	<u>\$ 2,166,176</u>	<u>\$ 181,854</u>	<u>(2,600,598)</u>	<u>(370,233)</u>	<u>(2,970,831)</u>
		General revenues				
				924,384		924,384
				1,521,949		1,521,949
				100,889	203,265	304,154
				228,320		228,320
				366,937		366,937
				855,496		855,496
			Total general revenues	<u>3,997,975</u>	<u>203,265</u>	<u>4,201,240</u>
			Changes in net position	1,397,377	(166,968)	1,230,409
			Net position, April 1, 2016	<u>19,959,891</u>	<u>17,826,180</u>	<u>37,786,071</u>
			Net position, March 31, 2017	<u>\$ 21,357,268</u>	<u>\$ 17,659,212</u>	<u>\$ 39,016,480</u>

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2017**

	<u>General</u>	<u>Municipal Water</u>	<u>Other Non-major Funds</u>	<u>Total</u>
ASSETS				
Cash, cash equivalents and investments	\$ 13,133,551	\$ 974,916	\$ 336,819	\$ 14,445,286
Receivables				
Taxes	45,457			45,457
Special assessments	19,614		29,653	49,267
State shared revenues	247,220			247,220
Accounts	94,246	46,491		140,737
Due from other funds	2,429,750		209	2,429,959
Prepaid expenditures	45,351		8	45,359
	<u>16,015,189</u>	<u>1,021,407</u>	<u>366,689</u>	<u>17,403,285</u>
Total assets	\$ 16,015,189	\$ 1,021,407	\$ 366,689	\$ 17,403,285
LIABILITIES				
Accounts payable	\$ 26,697	\$	\$ 1,364	\$ 28,061
Accrued wages and vacations	12,650		81	12,731
Due to other funds	633		1,685	2,318
	<u>39,980</u>		<u>3,130</u>	<u>43,110</u>
Total liabilities	39,980		3,130	43,110
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	19,614			19,614
	<u>19,614</u>			<u>19,614</u>
FUND BALANCES				
Nonspendable - prepaid items	45,351		8	45,359
Restricted				
Building department			4,857	4,857
Public safety			45,137	45,137
Roads			113,929	113,929
Refuse			49,908	49,908
Aquatics			67,696	67,696
Streetlights			19,633	19,633
Municipal water		1,021,407		1,021,407
Committed				
Roads	3,102,558			3,102,558
Parks and recreation	931,357			931,357
Cemetery	81,310			81,310
Assigned				
Township board	6,139,766			6,139,766
Future budget deficit	978,466		62,391	1,040,857
Unassigned	4,676,787			4,676,787
	<u>15,955,595</u>	<u>1,021,407</u>	<u>363,559</u>	<u>17,340,561</u>
Total fund balance	15,955,595	1,021,407	363,559	17,340,561
Total liabilities, deferred inflow of resources and fund balances	\$ 16,015,189	\$ 1,021,407	\$ 366,689	\$ 17,403,285

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, 2017**

Total fund balance per balance sheet		\$ 17,340,561
<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	\$ 7,539,106	
Depreciation	<u>(3,303,686)</u>	
Capital assets net of depreciation		4,235,420
<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	55,883	
Differences in expected pension experiences to actual	53,087	
Changes in pension assumptions	45,205	
Pension contributions subsequent to pension liability measurement date	<u>8,295</u>	
Deferred outflow of resources related to pension activities		162,470
<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	(172,878)	
Compensated absences	<u>(14,991)</u>	
		(187,869)
<p>Pension liabilities, net of 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		(212,928)
<p>Unavailable revenues on special assessments was recognized as revenue in the government-wide statements when they were assessed.</p>		
		<u>19,614</u>
Net position of governmental activities		<u><u>\$ 21,357,268</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, 2017**

	<u>General Fund</u>	<u>Municipal Water</u>	<u>Non-major Funds</u>	<u>Total</u>
REVENUES				
Taxes	\$ 924,384	\$	\$	\$ 924,384
Connection fees		7,434		7,434
Special assessments - principal	92,713		208,493	301,206
Special assessments - interest	7,077		409	7,486
Intergovernmental - state	1,513,256		8,693	1,521,949
Reimbursements	105,345			105,345
Rental income	228,320			228,320
Charges for services	421,310			421,310
Interest	86,399	5,801	1,203	93,403
Cable franchise fees	366,937			366,937
Miscellaneous	12,367	737,660	123	750,150
	<u>3,758,108</u>	<u>750,895</u>	<u>218,921</u>	<u>4,727,924</u>
Total revenues				
EXPENDITURES				
Current				
General government	1,719,543			1,719,543
Public works	57,224	527,196	209,408	793,828
Public safety	65,550		7,664	73,214
Recreation	141,741			141,741
Cemetery	4,427			4,427
Road improvements/maintenance	87,950	3,784	28,635	120,369
Capital outlay				
General government	58,714			58,714
Pathways	447,466			447,466
Debt service				
Interest and fiscal charges		11,500		11,500
	<u>2,582,615</u>	<u>542,480</u>	<u>245,707</u>	<u>3,370,802</u>
Total expenditures				
Net changes in fund balances	1,175,493	208,415	(26,786)	1,357,122
FUND BALANCE, APRIL 1, 2016	<u>14,780,102</u>	<u>812,992</u>	<u>390,345</u>	<u>15,983,439</u>
FUND BALANCE, MARCH 31, 2017	<u>\$ 15,955,595</u>	<u>\$ 1,021,407</u>	<u>\$ 363,559</u>	<u>\$ 17,340,561</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, 2017**

Net change in fund balances - governmental funds	\$ 1,357,122
<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	\$ 506,180
Adjustment to capital outlay	11,867
Depreciation expense	<u>(163,984)</u>
Total	354,063
<p>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</p>	
Repayment of pollution remediation costs incurred	86,439
<p>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.</p>	
Principal collected on assessments	(99,028)
<p>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</p>	
Change in net pension liability, and related activities	(75,764)
<p>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</p>	
	(210,464)
<p>Some expenditures in the Statement of Activities are not a use of current financial resources, and therefore, are not reported in the Governmental Funds</p>	
Compensated absences	<u>(14,991)</u>
Change in net position of governmental activities	<u><u>\$ 1,397,377</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 MARCH 31, 2017

	<u>Sewer Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 4,333,643
Receivables	
Accounts	450,138
Special assessments	2,477,745
Due from other funds	424
Prepaid expenses	6,441
Inventory	27,650
Total before capital assets	<u>7,296,041</u>
Non-current assets	
Land	1,395,224
Utility systems	30,994,489
Total cost	<u>32,389,713</u>
Less accumulated depreciation	<u>(12,440,846)</u>
Non-current assets, net	<u>19,948,867</u>
Total assets	<u>27,244,908</u>
LIABILITIES	
Current liabilities	
Accounts payable	125,596
Accrued grinder pump expense	50,000
Due to other funds	39,992
New connections - escrow funds	66,130
Total current liabilities	<u>281,718</u>
Long term liabilities	
Bonds payable	6,590,000
Loans from other funds	2,385,832
Bond premium	328,146
Total long term liabilities	<u>9,303,978</u>
Total liabilities	<u>9,585,696</u>
NET POSITION	
Net investment in capital assets	13,030,721
Restricted	4,195,614
Unrestricted	432,877
Total net position	<u>\$ 17,659,212</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 FUND
 FOR THE YEAR ENDED MARCH 31, 2017

	<u>Sewer Fund</u>
OPERATING REVENUES	
Utility billings	\$ 1,520,936
Other revenues	<u>21,753</u>
Total operating revenues	1,542,689
OPERATING EXPENSES	<u>1,910,955</u>
Operating income (loss)	<u>(368,266)</u>
NON-OPERATING REVENUES	
Interest income - special assessments	188,379
Interest income - cash and equivalents	14,886
Interest and fees (expense)	<u>(176,387)</u>
Total non-operating revenues (expenses)	<u>26,878</u>
Loss before capital contribution	<u>(341,388)</u>
CAPITAL CONTRIBUTIONS	
Tap-in fees collected	<u>174,420</u>
Change in net position	(166,968)
NET POSITION, APRIL 1, 2016	<u>17,826,180</u>
NET POSITION, MARCH 31, 2017	<u>\$ 17,659,212</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, 2017

CASH FLOW FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,585,149	
Cash receipts from others	32,165	
Payments to other suppliers for goods or services	(866,914)	
Net cash from (used in) operating activities		\$ 750,400

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on bonds	(1,655,000)	
Interest paid on bonds	(237,087)	
Interest paid on General Fund advances	(31,717)	
Collections of special assessment (principal and interest)	1,046,455	
Tap fees (new users)	174,420	
Net cash (used in) capital and related financing activities		(702,929)

CASH FLOW FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents		14,886
Net increase in cash and cash equivalents		62,357

CASH AND CASH EQUIVALENTS AT APRIL 1, 2016

4,271,286

CASH AND CASH EQUIVALENTS AT MARCH 31, 2017

\$ 4,333,643

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

Operating (loss)		\$ (368,266)
------------------	--	--------------

Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:

Depreciation and amortization	\$ 862,066	
Changes in assets and liabilities		
Decrease in accounts and delinquent receivable	18,497	
(Increase) in prepaid expense	(99)	
Decrease in inventory	31,721	
Increase in due to/from other funds	39,568	
Increase accounts payable	110,785	
Increase in new connections escrow	56,128	
Total adjustments		1,118,666
Net cash from (used in) operating activities		\$ 750,400

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
MARCH 31, 2017

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
ASSETS				
Cash	<u>\$ 48,445</u>	<u>\$ 179</u>	<u>\$ 299,502</u>	<u>\$ 348,126</u>
 LIABILITIES				
Due to other funds	\$ 100	\$ 179	\$ 1,962	\$ 2,241
Due to others	<u>48,345</u>	<u> </u>	<u>297,540</u>	<u>345,885</u>
Total liabilities	<u>\$ 48,445</u>	<u>\$ 179</u>	<u>\$ 299,502</u>	<u>\$ 348,126</u>

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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, 2017**

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 Municipal Water Fund accounts for activities associated with the Township's water activities.

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, 2017

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, 2017

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, 2017

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, 2016 as revenue for the year ended March 31, 2017.

The 2016 adjusted taxable value totaled \$ 1,018,560,528. Taxes levied consisted of .9035 mills for Township operating purposes. The delinquent real property taxes of Charter Township of Brighton are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes.

G. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. INVESTMENTS

Investments are stated at fair value.

I. CASH EQUIVALENTS

For purposes of the statement of cash flow, demand deposits, money market funds and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

J. RISK MANAGEMENT

The Township is exposed to various risks of loss pertaining to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for these claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

K. CHANGE IN ACCOUNTING POLICIES

GASB Statement No. 72, Fair Value Measurement and Application, was implemented during the year. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The Township adopted the provisions of GASB Statement No. 77, Tax Abatement Disclosures. Statement No. 77 requires the disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments that reduce the reporting government's tax revenue. The requirements of this statement improve financial reporting by giving the users of the financial statements essential information that is not consistently or comprehensively reported to the public at the present.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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.

M. 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.

N. INCOME TAXES

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

O. FUND EQUITY

The objective of GASB statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed – Amounts that have been formally set aside by the Township Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- Assigned – Intent to spend resources on specific purposes expressed by the Township Board; or Supervisor, Clerk, and Treasurer; who are authorized by policy approved by the Township Board to make assignments. All current year assignments have been made by the Township Board.
- Unassigned – Amounts that do not fall into any other aforementioned category. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and had not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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.

Q. 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, 2017 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.

Deferred outflow of resources as of March 31, 2017 are as follows:

Deferred Outflow of Resources	
Differences in experience	\$ 53,087
Differences in actuarial assumptions	45,205
Differences in investment expectations versus actual	55,883
Contributions subsequent to measurement date	8,295
Totals	\$ 162,470

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.

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

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, 2017:

	<u>Interfund Receivable</u>		<u>Interfund Payable</u>
General Fund	\$ 39,992	Sewer Fund	\$ 39,992
General Fund	100	Trust and Agency Fund	100
General Fund	179	Current Tax Fund	179
General Fund	1,962	Construction Escrow Fund	1,962
General Fund	1,685	Street Lighting Fund	1,685
Liquor Law Enforcement Fund	209	General Fund	209
Sewer Fund	424	General Fund	424
	<u>424</u>		<u>424</u>
Total	<u><u>\$ 44,551</u></u>		<u><u>\$ 44,551</u></u>

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, 2017

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2017, was as follows:

	<u>Balance 4/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2017</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 711,313	\$	\$	\$ 711,313
Construction in progress	46,994	447,466		494,460
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	758,307	447,466		1,205,773
Other capital assets:				
Buildings and improvements	5,822,104	58,714		5,880,818
Vehicles and equipment	452,515			452,515
	<hr/>	<hr/>	<hr/>	<hr/>
Total other capital assets at historical cost	6,274,619	58,714		6,333,333
Less accumulated depreciation for:				
Buildings and improvements	(2,864,082)	(130,096)		(2,994,178)
Vehicles and equipment	(275,620)	(33,888)		(309,508)
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(3,139,702)	(163,984)		(3,303,686)
	<hr/>	<hr/>	<hr/>	<hr/>
Other capital assets, net	3,134,917	(105,270)		3,029,647
	<hr/>	<hr/>	<hr/>	<hr/>
Governmental capital assets, net	<u>\$ 3,893,224</u>	<u>\$ 342,196</u>	<u>\$</u>	<u>\$ 4,235,420</u>

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 112,435
Public safety	48,944
Cemetery	2,605
	<hr/>
	<u>\$ 163,984</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 4 - CAPITAL ASSETS (continued)

	<u>Balance 4/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2017</u>
Business-type activities:				
Capital assets not being depreciated				
Land - sewer	\$ 1,395,224	\$	\$	\$ 1,395,224
Other capital assets:				
Plant and collection system - sewer	30,971,989			30,971,989
Furniture and fixtures - sewer	22,500			22,500
Total other capital assets at historical cost	<u>30,994,489</u>			<u>30,994,489</u>
Less accumulated depreciation for:				
Plant and collection system - sewer	(11,556,280)	(862,066)		(12,418,346)
Furniture and fixtures - sewer	(22,500)			(22,500)
Total accumulated depreciation	<u>(11,578,780)</u>	<u>(862,066)</u>		<u>(12,440,846)</u>
Other capital assets, net	<u>19,415,709</u>	<u>(862,066)</u>		<u>18,553,643</u>
Business-type capital assets, net	<u>\$ 20,810,933</u>	<u>\$ (862,066)</u>	<u>\$</u>	<u>19,948,867</u>
Related long-term debt outstanding at March 31, 2017				<u>(6,590,000)</u>
Governmental capital assets, net related long-term debt				<u>\$ 13,358,867</u>

Depreciation was charged to functions as follows:

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 5 - DEFINED BENEFIT PLAN

Plan Description

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

Benefits Provided

As of the December 31, 2016 actuarial valuation, the defined benefit plan was comprised of four divisions. Division 01 is for general employees hired prior to November, 2011 and is closed to new hires. Division 10 is for officials elected prior to November, 2011 and is closed to new hires. Division 11 is open to all full time general township employees hired after November 01, 2011. The newly formed Division 12 is for newly elected officials after November, 2011.

For Division 01 and Division 10 the plan calls for benefits to be paid as 2.00% of the final average compensation with no benefit maximum. For Division 11 and Division 12, benefits are to be paid as 1.50% of the final average compensation with no maximum benefit. Final average compensation is calculated based on the employee's final 3 years wages for all divisions. All divisions have a plan vesting period of 6 years, with normal retirement at age 60, and early retirement with reduced benefits eligible at age 50 with 25 years of service or age 55 with 15 years of service.

Employees covered by benefit terms

At the December 31, 2016 valuation date, the following employees were covered by the benefit terms:

	<u>Division 01</u>	<u>Division 10</u>	<u>Division 11</u>	<u>Division 12</u>
Inactive employees or beneficiaries currently receiving benefits	9	2	0	0
Inactive employees entitled to but not yet receiving benefits	1	2	1	0
Active employees	<u>4</u>	<u>1</u>	<u>4</u>	<u>1</u>
	<u>14</u>	<u>5</u>	<u>5</u>	<u>1</u>

Contributions

The Township is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The actuarially determined rates for the year ended March 31, 2017 were \$490 per month for Division 01, \$0 per month for Division 10, and 1.78% of eligible wages for Division 11. The newly formed Division 12 had actuarially determined contribution rates of 3.04%. 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.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Net Pension Liability

The Total Pension Liability used to calculate the Net Pension Liability was determined from the annual actuarial valuation as of December 31, 2016.

Actuarial assumptions

The total pension liability in the December 31, 2016 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 RP-Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study from 2009 to 2013.

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 Expected Real 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, 2017

NOTE 5 - DEFINED BENEFIT PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability is 8.00%. 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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2015	\$ 1,839,574	\$ 1,602,457	\$ 237,117
Changes for the year			
Service cost	44,499		44,499
Interest on total pension liability	144,760		144,760
Changes in benefits			
Difference between expected and actual experience	18,428		18,428
Changes in assumptions			
Employer contributions		29,226	(29,226)
Employee contributions		25,058	(25,058)
Net investment income		181,169	(181,169)
Benefit payments, including employee refunds	(104,648)	(104,648)	
Administrative expense		(3,578)	3,578
Other changes	(1)		(1)
Net changes	<u>103,038</u>	<u>127,227</u>	<u>(24,189)</u>
Balance as of 12/31/16	<u>\$ 1,942,612</u>	<u>\$ 1,729,684</u>	<u>\$ 212,928</u>

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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% point lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability at 12/31/16	\$ 212,928	\$ 212,928	\$ 212,928
Change in Net Pension Liability (NPL) from change in discount rate	236,378	—	(199,976)
Calculated NPL	<u>\$ 449,306</u>	<u>\$ 212,928</u>	<u>\$ 12,952</u>

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

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

For the year ended March 31, 2017, the Township recognized pension expense of \$106,684. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences in experience	\$ 53,087	\$
Differences in assumptions	45,205	
Excess (Deficit) of Investment Returns	55,883	
Contributions subsequent to the measurement date	8,295	
Totals	<u>\$ 162,470</u>	<u>\$</u>

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, 2018.

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

<u>Year Ended March 31,</u>	<u>Expense</u>
2018	\$ 68,884
2019	68,883
2020	26,647
2021	(10,239)
Total	<u>\$ 154,175</u>

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

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 Amount</u>	<u>Principal Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
Business-type activities:					
Livingston County Drain Commission					
Spencer Extension, 2005	\$ 760,000	\$ 35,000 — \$ 40,000	5/1/2024	3.50 — 5.00%	\$ 310,000
Livingston County Drain Commission					
Sewer Refunding, 2015	\$ 7,900,000	\$ 1,515,000 — \$ 1,625,000	10/1/2020	2.00 — 5.00%	<u>6,280,000</u>
Total contracts payable outstanding					<u><u>\$ 6,590,000</u></u>

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

<u>Year Ending March 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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	35,000	6,625
2023 - 2025	<u>115,000</u>	<u>8,375</u>
	<u><u>\$ 6,590,000</u></u>	<u><u>\$ 461,800</u></u>

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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, 2017, the future monitoring costs to be borne by the Township were estimated at \$172,878. 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, 2017:

	<u>Balance 4/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 3/31/2017</u>	<u>Due Within One Year</u>
Governmental activities:					
Pollution remediation obligation	\$ 259,317	\$	\$ (86,439)	\$ 172,878	\$ 86,439
Accumulated compensated absences		14,901		14,901	14,901
Total governmental activities	259,317	14,901	(86,439)	187,779	101,340
Business-type activities:					
Contracts payable	8,245,000		(1,655,000)	6,590,000	1,665,000
Total long-term liabilities	<u>\$ 8,504,317</u>	<u>\$ 14,901</u>	<u>\$ (1,741,439)</u>	<u>\$ 6,777,779</u>	<u>\$ 1,766,340</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 \$ 10,690

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 \$ 6,542

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

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, 2017 cash, cash equivalents and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 5,394,832	\$ 5,394,832	\$
Money market and savings accounts	12,735,587	12,735,587	
Non-negotiable CDs	1,003,804		1,003,804
Total deposits	19,134,223	18,130,419	1,003,804
Investments			
External investment pool	106,302		106,302
Negotiable CDs	270,032		270,032
Total investments	376,334		376,334
Total deposits and investments	\$ 19,510,557	\$ 18,130,419	\$ 1,380,138

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

Statement of Net Position

Cash, cash equivalents, and investments	\$ 18,778,929
Total	18,778,929

Fiduciary Funds

Cash	348,126
Total cash, cash equivalents and investments	\$ 19,127,055

The difference between the carrying amount of cash and the amount mentioned above stems from outstanding items as of March 31, 2017.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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, 2017 deposits in banks totaled \$19,134,223 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 1,934,366
Uninsured and collateralized	11,267,846
Uninsured and uncollateralized	<u>5,932,011</u>
	<u><u>\$ 19,134,223</u></u>

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, 2017 investments totaled \$1,380,138 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 1,000,000
Insured by SIPC	20,032
Uninsured	<u>253,804</u>
	<u><u>\$ 1,273,836</u></u>

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 \$106,302 as of March 31, 2017.

Concentration of Credit Risk

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

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

<u>Investment Type</u>	<u>Issuer</u>	<u>Percent of Portfolio</u>
Negotiable Certificate of Deposit	Wells Fargo Bank	20%
Non-negotiable Certificate of Deposit	First National Bank	18%
Non-negotiable Certificate of Deposit	The Private Bank	36%
Non-negotiable Certificate of Deposit	The State Bank	18%

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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, 2017 the Township had the following investments subject to interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>(In-Years)</u>	
		<u>< 1</u>	<u>1-3</u>
Non-negotiable Certificates of Deposit	\$ 1,003,804	\$ 753,804	\$ 250,000
Negotiable Certificates of Deposit	270,032		270,032
Total	\$ 1,273,836	\$ 753,804	\$ 520,032

The Township's investment in the MBIA Investment Pool meets the definition of a 2a7-like pool and is therefore not subject to disclosures of interest rate risk. Investment in the MBIA Investment Pool at March 31, 2017 is \$106,302.

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, 2017, the Township's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Rating by Standard & Poor</u>	<u>Amount</u>
MBIA Investment Pool	AAA / M	\$ 106,302
Negotiable Certificates of Deposit	Unrated	270,032
Non-negotiable Certificates of Deposit	Unrated	1,003,804
		<u>\$ 1,380,138</u>

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>3/31/2017</u>
Operating revenues	\$ 1,542,689
Depreciation and amortization	862,066
Operating (loss)	(368,266)
Net working capital	432,877
Total assets	27,244,908
Reserved retained earnings	17,226,335
Unreserved retained earnings	432,877
Total fund equity	17,659,212

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

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, 2016</u>	<u>March 31, 2017</u>
Cash and cash equivalents	<u>\$ 4,271,286</u>	<u>\$ 4,333,643</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.

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.

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 14 - IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

In 2010 the Township entered into a property tax abatement agreement with a local industrial facility for new building construction and/or improvements and investment in machinery and equipment for the purpose of encouraging the growth of business and the creation of new jobs or retention of existing jobs, pursuant to Michigan Public Act 198 of 1974, as amended. Under the Act, localities may grant property tax abatements to new industrial facilities. The agreement began in 2011 and granted a 12 year tax exemption. For the fiscal year ended March 31, 2017, the Township abated property taxes totaling \$26,879 under this agreement as follows:

50% of real property taxes	\$	928
50% of personal property taxes		<u>25,951</u>
	\$	<u><u>26,879</u></u>

The Township has not made any commitments as part of the agreement other than to reduce taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities.

Note: Taxes stated above are for all taxing authorities (schools, libraries, townships, county, etc.).

NOTE 15 - 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, 2017

	Budget Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 924,384	\$
Special assessments - principal			92,713	
Special assessments - interest			7,077	
State shared revenue			1,513,256	
Rental income			228,320	
Franchise fees			366,937	
Charges for services			421,310	
Interest			86,399	
Miscellaneous			12,367	
Reimbursements			105,345	
Total revenues	3,376,226	3,376,226	3,758,108	381,882
EXPENDITURES	3,893,936	4,010,362	2,582,615	1,427,747
Net change in fund balance	(517,710)	(634,136)	1,175,493	1,809,629
FUND BALANCE, APRIL 1, 2016	14,780,102	14,780,102	14,780,102	
FUND BALANCE, MARCH 31, 2017	\$ 14,262,392	\$ 14,145,966	\$ 15,955,595	\$ 1,809,629

CHARTER TOWNSHIP OF BRIGHTON

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2017**

Schedule of Employer Contributions

	For the Plan Year Ended December 31, 2016	For the Plan Year Ended December 31, 2015
Actuarial determined contributions	\$ 9,179	\$ 6,376
Contributions in relation to the actuarial determined contribution	29,226	23,021
Contribution (deficiency) excess	<u>\$ 20,047</u>	<u>\$ 16,645</u>
Covered employee payroll	<u>\$ 511,727</u>	<u>\$ 457,995</u>
Contributions as a percentage of covered payroll	<u>5.71%</u>	<u>4.98%</u>

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

Notes to the Schedule of Employer Contributions (All divisions)

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	Varies by division
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 RP-2014 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, 2017

	<u>For the Plan Year Ended December 31, 2016</u>	<u>For the Plan Year Ended December 31, 2015</u>
TOTAL PENSION LIABILITY		
Service cost	\$ 44,499	\$ 44,302
Interest	144,760	129,220
Changes in benefit terms		
Differences between expected and actual experience	18,428	78,534
Changes of assumptions		90,409
Benefit payments, including refunds of employee contributions	(104,648)	(94,079)
Other changes	(1)	
	<hr/>	<hr/>
Net change in total pension liability	103,038	248,386
TOTAL PENSION LIABILITY - BEGINNING	<hr/> 1,839,574	<hr/> 1,591,188
TOTAL PENSION LIABILITY - ENDING	<u>\$ 1,942,612</u>	<u>\$ 1,839,574</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 29,226	\$ 22,801
Contributions - employee	25,058	23,570
Net investment income	181,169	(25,009)
Benefit payments, including refunds of employee contributions	(104,648)	(94,079)
Administrative expenses	(3,578)	(3,660)
	<hr/>	<hr/>
Net change in plan fiduciary net position	127,227	(76,377)
PLAN FIDUCIARY NET POSITION, BEGINNING	<hr/> 1,602,457	<hr/> 1,678,834
PLAN FIDUCIARY NET POSITION, ENDING	<u>\$ 1,729,684</u>	<u>\$ 1,602,457</u>
NET PENSION LIABILITY (TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)	<u>\$ 212,928</u>	<u>\$ 237,117</u>
Plan fiduciary net position as a percentage of the total pension liability	<hr/> 89.04%	<hr/> 87.11%
Covered employee payroll	<u>\$ 511,727</u>	<u>\$ 457,995</u>
Net pension liability as a percentage of covered employee payroll	<u>41.61%</u>	<u>51.77%</u>

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

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
COMBINING BALANCE SHEETS
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
MARCH 31, 2017

	<u>General Fund Pre GASB 54 Consolidation</u>	<u>Parks Fund</u>	<u>Cemetery Fund</u>	<u>Budget Stabilization Fund</u>	<u>Future Road Improvement Fund</u>	<u>Pathway Fund</u>	<u>Totals Restated General Fund</u>
ASSETS							
Cash, cash equivalents and investments	\$ 7,876,914	\$ 931,357	\$ 81,310	\$ 277,881	\$ 3,846,558	\$ 119,531	\$ 13,133,551
Receivable							
Taxes	45,457						45,457
State shared revenues	247,220						247,220
Special assessments	19,614						19,614
Accounts	94,246						94,246
Due from other funds	2,429,750						2,429,750
Prepaid expenditures	45,351						45,351
Total assets	<u>\$ 10,758,552</u>	<u>\$ 931,357</u>	<u>\$ 81,310</u>	<u>\$ 277,881</u>	<u>\$ 3,846,558</u>	<u>\$ 119,531</u>	<u>\$ 16,015,189</u>
LIABILITIES							
Accounts payable	\$ 26,697	\$	\$	\$	\$	\$	\$ 26,697
Accrued wages and vacation	12,650						12,650
Due to other funds	633						633
Total liabilities	<u>39,980</u>						<u>39,980</u>
DEFERRED INFLOW OF RESOURCES							
	<u>19,614</u>						<u>19,614</u>
FUND BALANCE							
Nonspendable	45,351						45,351
Committed							
Roads					3,102,558		3,102,558
Parks and recreation		931,357					931,357
Cemetery			81,310				81,310
Assigned							
Township board	6,139,766						6,139,766
Future budget deficit	114,935				744,000	119,531	978,466
Unassigned	4,398,906			277,881			4,676,787
Total fund balance	<u>10,698,958</u>	<u>931,357</u>	<u>81,310</u>	<u>277,881</u>	<u>3,846,558</u>	<u>119,531</u>	<u>15,955,595</u>
Total liabilities, deferred inflow of resources and fund balance	<u>\$ 10,758,552</u>	<u>\$ 931,357</u>	<u>\$ 81,310</u>	<u>\$ 277,881</u>	<u>\$ 3,846,558</u>	<u>\$ 119,531</u>	<u>\$ 16,015,189</u>

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2017

SPECIAL REVENUE FUNDS

	<u>Building Department</u>	<u>Liquor Law</u>	<u>SAD Road Maintenance</u>	<u>Road Projects</u>	<u>Street Lights</u>	<u>Municipal Refuse</u>	<u>Aquatics</u>	<u>Totals</u>
ASSETS								
Cash, cash equivalents and investments	\$ 4,857	\$ 45,009	\$ 65,608	\$ 70,187	\$	\$ 48,599	\$ 102,559	\$ 336,819
Special assessments receivable			2,019		21,318	2,434	3,882	29,653
Due from other funds		209						209
Prepaid expenses		8						8
Total assets	<u>\$ 4,857</u>	<u>\$ 45,226</u>	<u>\$ 67,627</u>	<u>\$ 70,187</u>	<u>\$ 21,318</u>	<u>\$ 51,033</u>	<u>\$ 106,441</u>	<u>\$ 366,689</u>
LIABILITIES								
Accounts payable	\$	\$	\$	\$	\$	\$ 1,125	\$ 239	\$ 1,364
Accrued wages		81						81
Due to other funds					1,685			1,685
Total liabilities		<u>81</u>			<u>1,685</u>	<u>1,125</u>	<u>239</u>	<u>3,130</u>
FUND BALANCE								
Non-spendable		8						8
Restricted								
Building Department	4,857							4,857
Public safety		45,137						45,137
Public works					19,633	49,908	67,696	137,237
Roads			43,742	70,187				113,929
Assigned			23,885				38,506	62,391
Total fund balance	<u>4,857</u>	<u>45,145</u>	<u>67,627</u>	<u>70,187</u>	<u>19,633</u>	<u>49,908</u>	<u>106,202</u>	<u>363,559</u>
Total liabilities, deferred inflow of resources and fund balance	<u>\$ 4,857</u>	<u>\$ 45,226</u>	<u>\$ 67,627</u>	<u>\$ 70,187</u>	<u>\$ 21,318</u>	<u>\$ 51,033</u>	<u>\$ 106,441</u>	<u>\$ 366,689</u>

CHARTER TOWNSHIP OF BRIGHTON

ALL AGENCY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2017

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
ASSETS				
Cash	\$ 48,445	\$ 179	\$ 299,502	\$ 348,126
LIABILITIES				
Due to other funds	\$ 100	\$ 179	\$ 1,962	\$ 2,241
Due to others	48,345		297,540	345,885
Total liabilities	\$ 48,445	\$ 179	\$ 299,502	\$ 348,126

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, 2017

	General Fund Pre GASB 54 Consolidation	Parks Fund	Cemetery Fund	Budget Stabilization Fund	Future Road Improvement Fund	Pathway Fund	Eliminations	Restated General Fund
REVENUES								
Taxes	\$ 924,384							\$ 924,384
Special assessments - principal	92,713							92,713
Special assessments - interest	7,077							7,077
Intergovernmental - state	1,513,256							1,513,256
Rental income	228,320							228,320
Franchise fees	366,937							366,937
Charges for services	421,310							421,310
Interest	63,781	3,880	305	2,733	14,994	706		86,399
Miscellaneous	12,367							12,367
Reimbursements	105,345							105,345
Total revenues	3,735,490	3,880	305	2,733	14,994	706		3,758,108
EXPENDITURES								
Current								
General government	1,719,543							1,719,543
Parks and recreation	141,741							141,741
Public safety	65,550							65,550
Road improvements	34,939				53,011			87,950
Cemetery	4,427							4,427
Public works	57,224							57,224
Capital outlay								
General government	58,714							58,714
Pathways						447,466		447,466
Total expenditures	2,082,138				53,011	447,466		2,582,615
Excess of revenues over (under) expenditures	1,653,352	3,880	305	2,733	(38,017)	(446,760)		1,175,493
OTHER FINANCING SOURCES (USES)								
Transfers in		50,000	10,000		250,000	410,000	(720,000)	
Transfers (out)	(720,000)						720,000	
Total other financing sources (uses)	(720,000)	50,000	10,000		250,000	410,000		
Net change in fund balances	933,352	53,880	10,305	2,733	211,983	(36,760)		1,175,493
FUND BALANCE, APRIL 1, 2016	9,765,606	877,477	71,005	275,148	3,634,575	156,291		14,780,102
FUND BALANCE, MARCH 31, 2017	\$ 10,698,958	\$ 931,357	\$ 81,310	\$ 277,881	\$ 3,846,558	\$ 119,531		\$ 15,955,595

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED MARCH 31, 2017

	SPECIAL REVENUE FUNDS							
	Building Department	Liquor Law	SAD Road Maintenance	Road Projects	Street lights	Municipal Refuse	Aquatics	Totals
REVENUES								
Intergovernmental - State		\$ 8,693						\$ 8,693
Special assessment - Principal			54,462	6,316	21,363	50,357	75,995	208,493
Special assessment - Interest				409				409
Interest	5	180	169	257		171	421	1,203
Other revenue	3						120	123
Total revenues	8	8,873	54,631	6,982	21,363	50,528	76,536	218,921
EXPENDITURES								
Current								
Public safety		7,664						7,664
Road maintenance			28,635					28,635
Public works					18,632	71,677	119,099	209,408
Total expenditures		7,664	28,635		18,632	71,677	119,099	245,707
Net changes in fund balances	8	1,209	25,996	6,982	2,731	(21,149)	(42,563)	(26,786)
FUND BALANCE, APRIL 1, 2016	4,849	43,936	41,631	63,205	16,902	71,057	148,765	390,345
FUND BALANCE, MARCH 31, 2017	\$ 4,857	\$ 45,145	\$ 67,627	\$ 70,187	\$ 19,633	\$ 49,908	\$ 106,202	\$ 363,559

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, 2017

ASSETS

Cash, cash equivalents and investments	\$ 7,876,914	
Receivable		
Taxes	45,457	
State shared revenues	247,220	
Special assessment	19,614	
Accounts	94,246	
Due from other funds	2,429,750	
Prepaid expenditures	<u>45,351</u>	
Total assets		<u><u>\$ 10,758,552</u></u>

LIABILITIES

Accounts payable	\$ 25,730	
Accrued wages and vacation	12,650	
Payroll taxes withholding and payable	967	
Due to other funds	<u>633</u>	
Total liabilities		\$ 39,980

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue		19,614
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FUND BALANCE

Nonspendable - prepaid	45,351	
Assigned		
Township board	6,139,766	
Future budget deficit	114,935	
Unassigned	<u>4,398,906</u>	
Total fund balance		<u>10,698,958</u>

Total liabilities, deferred inflows of resources and fund balance		<u><u>\$ 10,758,552</u></u>
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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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 901,070	\$ 924,384	\$ 23,314
Treasurer	349,757	373,319	23,562
Licenses and permits	17,100	16,395	(705)
Planning and zoning	49,250	95,377	46,127
State revenue	1,362,400	1,513,256	150,856
Special assessments	99,159	99,790	631
Miscellaneous	586,690	712,969	126,279
Total revenues	3,365,426	3,735,490	370,064
EXPENDITURES	<u>2,810,362</u>	<u>2,082,138</u>	<u>728,224</u>
Excess of revenues over (under) expenditures	<u>555,064</u>	<u>1,653,352</u>	<u>1,098,288</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	900		(900)
Transfers (out)	(720,900)	(720,000)	900
Total other financing sources (uses)	<u>(720,000)</u>	<u>(720,000)</u>	
Net change in fund balance	(164,936)	933,352	1,098,288
FUND BALANCE, APRIL 1, 2016	<u>9,765,606</u>	<u>9,765,606</u>	
FUND BALANCE, MARCH 31, 2017	<u>\$ 9,600,670</u>	<u>\$ 10,698,958</u>	<u>\$ 1,098,288</u>

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

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TAXES			
Current property taxes	\$	\$ 921,632	\$
Delinquent property taxes		2,427	
Penalties/interest - delinquent taxes		52	
Trailer park fees		273	
Total taxes	<u>901,070</u>	<u>924,384</u>	<u>23,314</u>
TREASURER			
Property tax administration fee		309,064	
Interest		63,781	
Dog licenses		474	
Total treasurer	<u>349,757</u>	<u>373,319</u>	<u>23,562</u>
LICENSES AND PERMITS	<u>17,100</u>	<u>16,395</u>	<u>(705)</u>
PLANNING AND ZONING	<u>49,250</u>	<u>95,377</u>	<u>46,127</u>
STATE REVENUE			
State shared revenue		1,436,275	
Personal property tax reimbursement		61,989	
Right of Way maintenance fees		14,992	
Total state revenue	<u>1,362,400</u>	<u>1,513,256</u>	<u>150,856</u>
SPECIAL ASSESSMENTS			
Principal		92,713	
Interest		7,077	
Total special assessments	<u>99,159</u>	<u>99,790</u>	<u>631</u>
MISCELLANEOUS REVENUES			
Cable TV fees		366,937	
Rental income		228,320	
Reimbursement sewer chargebacks		39,992	
Reimbursement/refunds		65,353	
Utilities administration fee		4,800	
Other revenue		7,567	
Total miscellaneous revenues	<u>586,690</u>	<u>712,969</u>	<u>126,279</u>
Total revenues	<u>\$ 3,365,426</u>	<u>\$ 3,735,490</u>	<u>\$ 370,064</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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP BOARD			
Wages, salaries and per diems	\$	\$ 29,188	\$
Ordinance codification		800	
Printing and publishing		9,768	
Payroll taxes		2,232	
Insurance - benefits		213	
Insurance - liability		57	
Pension		7,714	
Supplies		255	
Consulting		2,100	
Engineering services		2,807	
Education/travel		280	
Dues		9,174	
Total township board	<u>133,931</u>	<u>64,588</u>	<u>69,343</u>
SUPERVISOR			
Wages, salaries and per diems		30,187	
Pension		3,219	
Payroll taxes		2,310	
Insurance - benefits		62	
Insurance - liability		36	
Supplies		266	
Capital outlay		1,957	
Total supervisor	<u>39,785</u>	<u>38,037</u>	<u>1,748</u>
MANAGER			
Wages, salaries and per diems		105,000	
Wages, salaries and per diems - clerical		60,224	
Insurance - benefits		13,358	
Pension		10,143	
Payroll taxes		12,884	
Insurance - liability		393	
Education/travel		2,279	
Dues		1,170	
Supplies		536	
Postage		358	
Capital outlay		1,224	
Total manager	<u>212,276</u>	<u>207,569</u>	<u>4,707</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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ELECTIONS			
Wages, salaries and per diems - Clerk		18,882	
Wages, salaries and per diems - Deputy officials		31,845	
Election workers		29,264	
Pension		1,102	
Payroll taxes		3,881	
Insurance - benefits		9,594	
Insurance - liability		135	
Accuracy consulting		7,666	
Education /travel		1,055	
Printing and publishing		230	
Postage		8,528	
Supplies		8,376	
Equipment maintenance and repair		634	
Dues		130	
Capital outlay		4,814	
	<hr/>	<hr/>	<hr/>
Total elections	158,646	126,136	32,510
ASSESSOR			
Wages, salaries and per diems		145,878	
Pension		8,269	
Payroll taxes		11,093	
Insurance - benefits		52,359	
Insurance - liability		746	
Education/travel		2,509	
Supplies		679	
Postage		4,070	
Dues		697	
Printing and publishing		1,771	
Capital outlay		1,719	
	<hr/>	<hr/>	<hr/>
Total assessor	243,151	229,790	13,361

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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CLERK			
Wages, salaries and per diems - Clerk		44,067	
Wages, salaries and per diems - Deputy Clerk		12,451	
Wages, salaries and per diems - other		80,556	
Pension		6,972	
Payroll taxes		10,487	
Insurance - benefits		62,628	
Insurance - liability		283	
Postage		113	
Professional fees		9,600	
Supplies		1,607	
Education/travel		3,136	
Newsletter		2,849	
Dues		610	
Record retention		692	
Small equipment		194	
Capital outlay		1,629	
	<hr/>	<hr/>	<hr/>
Total clerk	255,764	237,874	17,890
TREASURER			
Wages, salaries and per diems - Treasurer		63,012	
Wages, salaries and per diems - Deputy Treasurer		48,317	
Wages, salaries and per diems - other		25,310	
Pension		6,249	
Payroll taxes		10,568	
Insurance - benefits		25,401	
Insurance - liability		249	
Professional fees		9,600	
Supplies		1,132	
Tax forms		3,435	
Postage		8,947	
Education/travel		1,237	
Dues		10	
Miscellaneous		129	
Capital outlay		128	
Small equipment		146	
	<hr/>	<hr/>	<hr/>
Total treasurer	213,111	203,870	9,241

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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SEWER AND WATER			
Per diems		1,200	
Professional fees		3,689	
Total sewer and water	<u>197,000</u>	<u>4,889</u>	<u>192,111</u>
ROADS	<u>160,000</u>	<u>34,939</u>	<u>125,061</u>
OTHER CHARGES AND SERVICES			
Insurance - liability		29,693	
Contracted services		16,863	
Computer support		16,907	
Legal fees		72,059	
Telephone		8,273	
Lease - MSP		137,484	
Equipment repair		7,234	
Equipment rental		1,623	
Fuel		659	
Capital outlay		1,716	
Total other charges and services	<u>383,980</u>	<u>292,511</u>	<u>91,469</u>
PLANNING			
Wages, salaries and per diems		62,129	
Pension		3,900	
Payroll taxes		4,238	
Insurance - benefits		21,374	
Insurance - liability		323	
Supplies		737	
Postage		546	
Special projects		32,582	
Engineering services		73,569	
Dues		60	
Printing and publishing		1,970	
Education/travel		428	
Total planning	<u>253,706</u>	<u>201,856</u>	<u>51,850</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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP HALL/GROUNDS			
Wages, salaries and per diems		2,604	
Cleaning maintenance		2,344	
Supplies		10,080	
Postage		1,514	
Payroll taxes		199	
Insurance - liability		105	
Street lighting		9,828	
Equipment maintenance and repairs		5,233	
Grounds maintenance and repairs		12,200	
Building maintenance and repairs		13,834	
Utilities		15,857	
Small equipment		157	
Consulting		350	
Administrative fees		2,635	
Tax chargebacks		2,523	
Capital outlay		90,776	
	<hr/>	<hr/>	<hr/>
Total township hall/grounds	217,185	170,239	46,946
	<hr/>	<hr/>	<hr/>
CEMETERY	10,000	4,427	5,573
	<hr/>	<hr/>	<hr/>
FIRE PROTECTION			
Contracted services		6,761	
Consulting		3,442	
Utilities		777	
Building maintenance and repair		4,182	
Grounds maintenance and repair		852	
Capital improvements		45,714	
	<hr/>	<hr/>	<hr/>
Total fire protection	78,900	61,728	17,172
	<hr/>	<hr/>	<hr/>

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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EMERGENCY PREPAREDNESS			
Utilities		422	
Siren		3,400	
Total emergency preparedness	<u>5,500</u>	<u>3,822</u>	<u>1,678</u>
ENVIRONMENTAL	<u>52,100</u>	<u>38,751</u>	<u>13,349</u>
MUNICIPAL REFUSE COLLECTION	<u>3,200</u>	<u>2,807</u>	<u>393</u>
PARKS AND RECREATION	<u>157,500</u>	<u>141,741</u>	<u>15,759</u>
DRAINS	<u>13,600</u>	<u>6,350</u>	<u>7,250</u>
CODE ENFORCEMENT			
Wages, salaries and per diems		6,605	
Pension		473	
Payroll taxes		506	
Insurance - benefits		2,590	
Insurance - liability		40	
Total code enforcement	<u>11,027</u>	<u>10,214</u>	<u>813</u>
CONTINGENCY	<u>10,000</u>		<u>10,000</u>
Total expenditures	<u><u>\$ 2,810,362</u></u>	<u><u>\$ 2,082,138</u></u>	<u><u>\$ 728,224</u></u>

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

PARKS FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON
PARKS FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash

\$ 931,357

FUND BALANCE

Committed for parks and recreation

\$ 931,357

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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 2,400	\$ 3,880	\$ 1,480
EXPENDITURES			
Excess of revenues over (under) expenditures	2,400	3,880	1,480
OTHER FINANCING SOURCES			
Transfers in	50,000	50,000	
Net change in fund balance	52,400	53,880	1,480
FUND BALANCE, APRIL 1, 2016	<u>877,477</u>	<u>877,477</u>	
FUND BALANCE, MARCH 31, 2017	<u><u>\$ 929,877</u></u>	<u><u>\$ 931,357</u></u>	<u><u>\$ 1,480</u></u>

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

CEMETERY FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON
CEMETERY FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash

\$ 81,310

FUND BALANCE

Committed for cemetery

\$ 81,310

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, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 100	\$ 305	\$ 205
EXPENDITURES			
Excess of revenues over (under) expenditures	100	305	205
OTHER FINANCING SOURCES			
Transfers in	10,000	10,000	
Net change in fund balance	10,100	10,305	205
FUND BALANCE, APRIL 1, 2016	71,005	71,005	
FUND BALANCE, MARCH 31, 2017	<u>\$ 81,105</u>	<u>\$ 81,310</u>	<u>\$ 205</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, 2017

ASSETS

Cash, cash equivalents and investments	<u>\$ 277,881</u>
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FUND BALANCE

	<u>\$ 277,881</u>
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This supplementary information shows the Budget Stabilization Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

BUDGET STABILAZATION FUND (PRE GASB 54 RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 2,000	\$ 2,733	\$ 733
EXPENDITURES			
Excess of revenues over (under) expenditures	<u>2,000</u>	<u>2,733</u>	<u>733</u>
OTHER FINANCING SOURCES			
Transfers in	900		(900)
Transfers (out)	<u>(2,000)</u>		<u>2,000</u>
Total other financing sources	<u>(1,100)</u>		<u>1,100</u>
Net change in fund balance	900	2,733	1,833
FUND BALANCE, APRIL 1, 2016	<u>275,148</u>	<u>275,148</u>	
FUND BALANCE, MARCH 31, 2017	<u><u>\$ 276,048</u></u>	<u><u>\$ 277,881</u></u>	<u><u>\$ 1,833</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, 2017

ASSETS

Cash	<u>\$ 3,846,558</u>
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FUND BALANCE

Committed for roads	<u>\$ 3,846,558</u>
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This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 6,000	\$ 14,994	\$ 8,994
EXPENDITURES			
Project costs	<u>600,000</u>	<u>53,011</u>	<u>546,989</u>
Excess of revenues over (under) expenditures	<u>(594,000)</u>	<u>(38,017)</u>	<u>555,983</u>
OTHER FINANCING SOURCES			
Transfers in	<u>250,000</u>	<u>250,000</u>	<u></u>
Net change in fund balance	(344,000)	211,983	555,983
FUND BALANCE, APRIL 1, 2016	<u>3,634,575</u>	<u>3,634,575</u>	<u></u>
FUND BALANCE, MARCH 31, 2017	<u><u>\$ 3,290,575</u></u>	<u><u>\$ 3,846,558</u></u>	<u><u>\$ 555,983</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, 2017**

ASSETS

Cash

\$ 119,531

FUND BALANCE

Committed for pathways

\$ 119,531

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 300	\$ 706	\$ 406
EXPENDITURES			
Project costs	<u>600,000</u>	<u>447,466</u>	<u>152,534</u>
Excess of revenues over (under) expenditures	(599,700)	(446,760)	152,940
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>410,000</u>	<u>410,000</u>	
Net change in fund balance	(189,700)	(36,760)	152,940
FUND BALANCE, APRIL 1, 2016	<u>156,291</u>	<u>156,291</u>	
FUND BALANCE, MARCH 31, 2017	<u><u>\$ (33,409)</u></u>	<u><u>\$ 119,531</u></u>	<u><u>\$ 152,940</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, 2017

ASSETS

Cash	\$	45,009
Due from other funds		209
Prepaid expense		<u>8</u>

Total assets \$ 45,226

LIABILITIES

Wages payable	\$	81
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FUND BALANCE 45,145

Total Liabilities and fund balance \$ 45,226

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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State shared revenues - liquor licenses	\$	\$ 8,693	\$
Interest		180	
Total revenues	<u>8,600</u>	<u>8,873</u>	<u>273</u>
EXPENDITURES			
Enforcement expenditures		<u>7,664</u>	
Total expenditures	<u>7,768</u>	<u>7,664</u>	<u>104</u>
Net change in fund balance	832	1,209	377
FUND BALANCE, APRIL 1, 2016	<u>43,936</u>	<u>43,936</u>	
FUND BALANCE, MARCH 31, 2017	<u>\$ 44,768</u>	<u>\$ 45,145</u>	<u>\$ 377</u>

BUILDING DEPARTMENT FUND

CHARTER TOWNSHIP OF BRIGHTON

**BUILDING DEPARTMENT FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash

\$ 4,857

FUND BALANCE

Restricted

\$ 4,857

CHARTER TOWNSHIP OF BRIGHTON

BUILDING DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2017

REVENUES	
Interest	\$ 5
Other revenue	3
	<hr/>
Total revenues	8
EXPENDITURES	<hr/>
Net change in fund balance	8
FUND BALANCE, APRIL 1, 2016	<hr/> 4,849
FUND BALANCE, MARCH 31, 2017	<hr/> <hr/> \$ 4,857

SAD ROAD MAINTENANCE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash	\$ 65,608
Special assessment receivable	<u>2,019</u>

Total assets	<u><u>\$ 67,627</u></u>
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FUND BALANCE	<u><u>\$ 67,627</u></u>
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CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 54,462	\$
Interest		169	
	<hr/>	<hr/>	<hr/>
Total revenues	29,545	54,631	25,086
EXPENDITURES			
Contract expense	<hr/> 37,285	<hr/> 28,635	<hr/> 8,650
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(7,740)	25,996	33,736
FUND BALANCE, APRIL 1, 2016	<hr/> 41,631	<hr/> 41,631	<hr/>
FUND BALANCE, MARCH 31, 2017	<u>\$ 33,891</u>	<u>\$ 67,627</u>	<u>\$ 33,736</u>

ROAD PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

**ROAD PROJECTS FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash

\$ 70,187

FUND BALANCE

\$ 70,187

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 6,316	\$
Special assessments - interest		409	
Interest income		257	
	<hr/>	<hr/>	<hr/>
Total revenues	6,840	6,982	142
EXPENDITURES	<hr/>	<hr/>	<hr/>
Net change in fund balance	6,840	6,982	142
FUND BALANCE, APRIL 1, 2016	<hr/> 63,205	<hr/> 63,205	<hr/>
FUND BALANCE, MARCH 31, 2017	<u>\$ 70,045</u>	<u>\$ 70,187</u>	<u>\$ 142</u>

STREETLIGHT FUND

CHARTER TOWNSHIP OF BRIGHTON

**STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Special assessment receivable

\$ 21,318

LIABILITIES

Due to other funds

\$ 1,685

FUND BALANCE

19,633

Total liabilities and fund balance

\$ 21,318

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 16,590	\$ 21,363	\$ 4,773
EXPENDITURES			
Utilities	<u>16,590</u>	<u>18,632</u>	<u>(2,042)</u>
Net change in fund balance		2,731	2,731
FUND BALANCE, APRIL 1, 2016	<u>16,902</u>	<u>16,902</u>	
FUND BALANCE, MARCH 31, 2017	<u><u>\$ 16,902</u></u>	<u><u>\$ 19,633</u></u>	<u><u>\$ 2,731</u></u>

MUNICIPAL REFUSE FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL REFUSE FUND
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash	\$ 48,599
Due from county	<u>2,434</u>

Total assets	<u><u>\$ 51,033</u></u>
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LIABILITIES

Accounts payable	\$ 1,125
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FUND BALANCE	<u>49,908</u>
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Total liabilities and fund balance	<u><u>\$ 51,033</u></u>
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CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL REFUSE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 50,357	\$
Interest		171	
	<hr/>	<hr/>	<hr/>
Total revenues	50,460	50,528	68
EXPENDITURES			
Project costs	50,360	71,677	(21,317)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	100	(21,149)	(21,249)
FUND BALANCE, APRIL 1, 2016	71,057	71,057	
	<hr/>	<hr/>	<hr/>
FUND BALANCE, MARCH 31, 2017	<u>\$ 71,157</u>	<u>\$ 49,908</u>	<u>\$ (21,249)</u>

AQUATICS FUND

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash	\$ 102,559
Due from county	<u>3,882</u>

Total assets	<u>\$ 106,441</u>
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LIABILITIES

Accounts payable	\$ 239
------------------	--------

FUND BALANCE	<u>106,202</u>
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Total liabilities and fund balance	<u>\$ 106,441</u>
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CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 75,995	\$
Refunds		120	
Interest		421	
	<hr/>	<hr/>	<hr/>
Total revenues	66,440	76,536	10,096
EXPENDITURES			
Project costs	<hr/> 156,200	<hr/> 119,099	<hr/> 37,101
Net change in fund balance	(89,760)	(42,563)	47,197
FUND BALANCE, APRIL 1, 2016	<hr/> 148,765	<hr/> 148,765	<hr/>
FUND BALANCE, MARCH 31, 2017	<u><u>\$ 59,005</u></u>	<u><u>\$ 106,202</u></u>	<u><u>\$ 47,197</u></u>

MUNICIPAL WATER CAPITAL PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash	\$ 974,916
Due from others	<u>46,491</u>

Total assets

\$ 1,021,407

FUND BALANCE

\$ 1,021,407

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2017

REVENUES

Connection fees	\$ 7,434
Interest	5,801
Capital reimbursements	<u>737,660</u>

Total revenues \$ 750,895

EXPENDITURES

Contract services	3,784
Bond interest	11,500
Project costs	<u>527,196</u>

Total expenditures 542,480

Net change in fund balance 208,415

FUND BALANCE, APRIL 1, 2016 812,992

FUND BALANCE, MARCH 31, 2017 \$ 1,021,407

SEWER FUND

CHARTER TOWNSHIP OF BRIGHTON

**SEWER FUND
BALANCE SHEET
MARCH 31, 2017**

CURRENT ASSETS

Cash and cash equivalents	\$	384,629
Accounts receivable - usage		199,997
Accounts receivable - other		12,537
Prepaid expenses - insurance		6,441
Inventory - pumps and parts		27,650
Due from county - delinquents - O & M usage		16,787
Due from other funds		424
		424

Total current assets \$ 648,465

RESTRICTED ASSETS

Cash and cash equivalents - debt service		3,190,579
Cash and cash equivalents - capital replacement		758,435
Accounts receivable - debt service (usage)		183,543
Special assessments receivable		2,381,235
Due from county - delinquents (SAD)		96,510
Due from county - delinquents debt service (usage)		37,274
		37,274

Total restricted assets 6,647,576

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		22,500
		32,389,713

Less: accumulated depreciation (12,440,846)

Net capital assets 19,948,867

Total assets \$ 27,244,908

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND (Continued)
BALANCE SHEET
MARCH 31, 2017

CURRENT LIABILITIES (from unrestricted assets)

Accounts payable	\$ 125,596
Accrued grinder pump expense	50,000
Due to other funds	<u>39,992</u>

Total current liabilities (from unrestricted assets) \$ 215,588

CURRENT LIABILITIES (from restricted assets)

Bonds payable	310,000
New connections - escrow funds	<u>66,130</u>

Total current liabilities (from restricted assets)

376,130

LONG-TERM LIABILITIES (from restricted assets)

Bonds payable	6,280,000
Loans from other funds	2,385,832
Bond premium, net amortization of \$133,942	<u>328,146</u>

Total long-term liabilities (from restricted assets) 8,993,978

Total liabilities 9,585,696

FUND EQUITY

Retained earnings - reserved	17,226,335
Retained earnings - unreserved	<u>432,877</u>

Total fund equity 17,659,212

Total liabilities and fund equity \$ 27,244,908

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2017

OPERATING REVENUES		
Sewer usage	\$ 787,818	
Sewer usage - debt service charges	733,118	
Other revenue	<u>21,753</u>	
Total operating revenues		\$ 1,542,689
OPERATING EXPENSES		
Administration	4,800	
Alarm maintenance	552	
Audit services	4,800	
Chargebacks	39,992	
Computer services	2,262	
Consulting	19,581	
Contracted services - operators	246,833	
Depreciation expense	862,066	
Legal	227,307	
Liability insurance	25,664	
Office expenses	2,076	
Permit fees	3,265	
Repairs and maintenance - grinder pumps and parts	64,616	
Repairs and maintenance - collection system	200,293	
Repairs and maintenance - equipment	14,271	
Repairs and maintenance - buildings and grounds	12,577	
Sludge removal	22,915	
Supplies	22,315	
Telephone	1,158	
Utilities	103,688	
Capital outlay	<u>29,924</u>	
Total operating expenses		<u>1,910,955</u>
Operating (loss)		(368,266)
NON-OPERATING REVENUES (EXPENSES)		
Interest income - banks	14,886	
Interest income - special assessment	188,379	
Interest (expense) - general fund advance	(31,717)	
Interest (expense) - bonds	(143,870)	
Agent fees - bonds	<u>(800)</u>	
Total non-operating (expenses)		26,878
CAPITAL CONTRIBUTIONS		
Tap-in fees (new users)		<u>174,420</u>
Change in net position		(166,968)
NET POSITION, APRIL 1, 2016		<u>17,826,180</u>
NET POSITION, MARCH 31, 2017		<u><u>\$ 17,659,212</u></u>

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,585,149	
Cash receipts from others	32,165	
Payments to other suppliers for goods or services	(866,914)	
Net cash from (used in) operating activities		\$ 750,400

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on bonds	(1,655,000)	
Interest paid on bonds	(237,087)	
Interest paid on General Fund advances	(31,717)	
Collections of special assessment (principal and interest)	1,046,455	
Tap fees (new users)	174,420	
Net cash (used in) capital and related financing activities		(702,929)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents		14,886
Net increase in cash and cash equivalents		62,357

CASH AND CASH EQUIVALENTS AT APRIL 1, 2016

4,271,286

CASH AND CASH EQUIVALENTS AT MARCH 31, 2017

\$ 4,333,643

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

Operating (loss)		\$ (368,266)
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Adjustments to reconcile operating (loss) to net cash from (used in) operating activities:

Depreciation and amortization	\$ 862,066	
Changes in assets and liabilities		
Decrease in accounts and delinquents receivable	18,497	
(Increase) in prepaid expense	(99)	
Decrease in inventory	31,721	
Increase in due to other funds	39,568	
Increase in accounts payable	110,785	
Increase in new connections escrow	56,128	
Total adjustments		<u>1,118,666</u>
Net cash from (used in) operating activities		<u><u>\$ 750,400</u></u>

TRUST AND AGENCY FUND

CHARTER TOWNSHIP OF BRIGHTON

TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash	\$ 48,445
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LIABILITIES

Accounts payable	\$ 921
Due to other funds	100
Due to others	<u>47,424</u>
Total liabilities	<u>\$ 48,445</u>

CURRENT TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRIGHTON

**CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash

\$ 179

LIABILITIES

Due to other funds

\$ 179

CONSTRUCTION ESCROW FUND

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash	\$ 299,502
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LIABILITIES

Accounts payable	\$ 1,406
Performance deposits	296,134
Due to other funds	<u>1,962</u>

Total liabilities	<u><u>\$ 299,502</u></u>
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