

CHARTER TOWNSHIP OF BRIGHTON

Report on Audit of Financial Statements and Supplementary Information

For the Year Ended March 31, 2012

CHARTER TOWNSHIP OF BRIGHTON

TOWNSHIP OFFICIALS

Supervisor - Thomas Murphy
Clerk - Ann Bollin
Treasurer - Lana Theis

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TOWNSHIP ATTORNEY

John K. Harris
Harris & Literski

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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August 9, 2012

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

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

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, as of and for the year ended March 31, 2012, which collectively comprise the Charter Township of Brighton's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Brighton's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charter Township of Brighton, as of March 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 through 13 and 47 and 48 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 inquires 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 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.

As discussed in Note 13, the Township's sewer special assessments are considerably less than the debt obligation. The financial statements do not include any adjustments relating to the amounts and classification of liabilities that might be necessary if the Charter Township of Brighton is not able to meet its obligations as they come due.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Brighton's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis March 31, 2012

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, 2012. 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 Assets. 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 assets. Over time, increases or decreases in net assets 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 assets 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 non-major 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 assets.

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 assets at the end of the fiscal year were \$34,202,054. This is a \$961,114 increase over last year's net assets of \$33,240,940.

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

	Summary of Net Assets					
	Governmental Activities		Business-type Activities		Totals	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Current and other assets	\$ 14,498,278	\$ 13,246,684	\$ 8,769,870	\$ 9,883,816	\$ 23,268,148	\$ 23,130,500
Capital assets	3,953,495	3,976,642	24,218,453	25,044,965	28,171,948	29,021,607
Total assets	18,451,773	17,223,326	32,988,323	34,928,781	51,440,096	52,152,107
Other liabilities	85,031	87,798	83,011	58,369	168,042	146,167
Long-term liabilities	1,855,000	1,970,000	15,215,000	16,795,000	17,070,000	18,765,000
Total liabilities	1,940,031	2,057,798	15,298,011	16,853,369	17,238,042	18,911,167
Net assets:						
Invested in capital assets, net of related debt	3,953,495	3,976,642	9,003,453	8,249,965	12,956,948	12,226,607
Unrestricted	12,558,247	11,188,886	8,686,859	9,825,447	21,245,106	21,014,333
Total net assets	\$ 16,511,742	\$ 15,165,528	\$ 17,690,312	\$ 18,075,412	\$ 34,202,054	\$ 33,240,940

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011	3/31/2012	3/31/2011
REVENUES						
Program revenues						
Charges for services	\$ 546,125	\$ 605,155	\$ 1,245,877	\$ 1,153,099	\$ 1,792,002	\$ 1,758,254
Operating grants and contributions	1,100	1,300			1,100	1,300
Capital contributions			82,080	123,120	82,080	123,120
General revenues						
State shared revenues	1,282,291	1,161,139			1,282,291	1,161,139
Property taxes	847,654	885,731			847,654	885,731
Interest	108,010	101,747	457,097	509,368	565,107	611,115
Other	404,861	345,095			404,861	345,095
Total revenues	3,190,041	3,100,167	1,785,054	1,785,587	4,975,095	4,885,754
EXPENSES						
General government	1,357,687	1,385,605			1,357,687	1,385,605
Public safety	121,149	80,619			121,149	80,619
Recreation	75,000	45,226			75,000	45,226
Public works/roads	228,320	263,862			228,320	263,862
Interest on long-term debt	61,671	101,458			61,671	101,458
Sewer system			2,170,154	2,183,413	2,170,154	2,183,413
Total expenses	1,843,827	1,876,770	2,170,154	2,183,413	4,013,981	4,060,183
Changes in net assets	1,346,214	1,223,397	(385,100)	(397,826)	961,114	825,571
Beginning net assets	15,165,528	13,978,674	18,075,412	18,473,238	33,240,940	32,451,912
Prior period adjustment		(36,543)				(36,543)
Ending net assets	\$ 16,511,742	\$ 15,165,528	\$ 17,690,312	\$ 18,075,412	\$ 34,202,054	\$ 33,240,940

The governmental funds experienced an increase in equity due to lower debt interest and state shared revenues census adjustments.

The business-type activities showed a decrease in net assets of \$385,100. The Township managed to keep expenses similar to the prior fiscal year, but the new users are not forthcoming for the waste water treatment plant. Additional users will be needed to remedy these losses.

Financial Analysis of the Township's Major Funds

The Township's General Fund increased its fund balance by \$1,502,818, similar to the prior year's activities and lack of big road projects in current year.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net assets of \$385,100 and a decrease in cash and equivalents of \$78,594. This system is fairly new in operations and is still adding users to its system.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Actual excess of revenues over expenditures exceeded that of the budget by \$940,055. 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 \$100,180 of new capital assets during the year. These were mainly for emergency siren upgrades and a color copier.

The governmental funds issued no debt during the year, but paid \$1,115,000 of principal on the bonds associated with the Township hall and other capital improvements. A total of \$1,855,000 remains for all governmental fund debt.

The business-type activities made \$34,287 of capital acquisitions for pump station improvements and some small equipment.

Total debt outstanding at the beginning of the year on business-type activities totaled \$16,795,000. During the year, the Township retired \$1,580,000 of debt, leaving \$15,215,000 at fiscal year end.

Economic Conditions and Future Activities

The Township is also continuing its efforts to add new users onto its sewage treatment facility. Currently, the business-type funds are not self-sufficient. However, by adding new users onto its system, future borrowings from the General Fund may not be necessary.

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 ASSETS
MARCH 31, 2012

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<u>ASSETS</u>			
ASSETS			
Cash, cash equivalents and investments	\$ 12,742,725	\$ 1,801,824	\$ 14,544,549
Receivables			
Taxes	67,868		67,868
State shared revenues	204,543		204,543
Intergovernmental	646,385	(646,385)	
Accounts	160,499	376,867	537,366
Special assessments	634,706	6,874,063	7,508,769
Prepaid expenses	41,552	7,323	48,875
Inventory		52,921	52,921
Bonds issuance - net of amortization		303,257	303,257
Capital assets			
Non-depreciable	684,734	1,395,224	2,079,958
Depreciable - net of accumulated depreciation	3,268,761	22,823,229	26,091,990
Total assets	18,451,773	32,988,323	51,440,096
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	40,580	83,011	123,591
Accrued wages/taxes	44,451		44,451
Pollution remediation obligation			
Current	50,000		50,000
Non-current	1,305,000		1,305,000
Bonds payable			
Current	65,000	1,615,000	1,680,000
Non-current	435,000	13,600,000	14,035,000
Total liabilities	1,940,031	15,298,011	17,238,042
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	3,953,495	9,003,453	12,956,948
Unrestricted	12,558,247	8,686,859	21,245,106
Total net assets	\$ 16,511,742	\$ 17,690,312	\$ 34,202,054

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Contributions</u>
GOVERNMENTAL ACTIVITIES				
General government	\$ (1,357,687)	\$ 371,976	\$	\$
Public works	(208,889)	161,024	1,100	
Recreation	(75,000)			
Roads	(13,846)	5,100		
Public safety	(121,149)	7,575		
Cemetery	(5,585)	450		
Interest on long-term debt	(61,671)			
Total governmental activities	<u>(1,843,827)</u>	<u>546,125</u>	<u>1,100</u>	
BUSINESS-TYPE ACTIVITIES				
Sewer system	(2,170,154)	1,245,877		82,080
Total	<u>\$ (4,013,981)</u>	<u>\$ 1,792,002</u>	<u>\$ 1,100</u>	<u>\$ 82,080</u>

General revenues

Property taxes
State shared revenues
Interest income
Rental income
Franchise fees
Other income

Total general revenues

Changes in net assets

Net assets, April 1, 2011

Net assets, March 31, 2012

The notes are an integral part of the financial statements.

**Net (Expense) Revenue and Changes
in Net Assets**

Governmental Activities	Business-type Activities	Total
\$ (985,711)	\$	\$ (985,711)
(46,765)		(46,765)
(75,000)		(75,000)
(8,746)		(8,746)
(113,574)		(113,574)
(5,135)		(5,135)
(61,671)		(61,671)
<u>(1,296,602)</u>		<u>(1,296,602)</u>
	(842,197)	(842,197)
<u>(1,296,602)</u>	<u>(842,197)</u>	<u>(2,138,799)</u>
847,654		847,654
1,282,291		1,282,291
108,010	457,097	565,107
75,087		75,087
329,220		329,220
554		554
<u>2,642,816</u>	<u>457,097</u>	<u>3,099,913</u>
1,346,214	(385,100)	961,114
<u>15,165,528</u>	<u>18,075,412</u>	<u>33,240,940</u>
<u>\$ 16,511,742</u>	<u>\$ 17,690,312</u>	<u>\$ 34,202,054</u>

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2012**

	<u>General</u>	<u>Other Non-major Funds</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 11,568,590	\$ 1,174,135	\$ 12,742,725
Receivables			
Taxes	67,868		67,868
Special assessments	544,572	90,134	634,706
State shared revenues	204,543		204,543
Accounts	98,230	65,433	163,663
Due from other funds/advances	1,207,130		1,207,130
Prepaid expenditures	34,820	6,732	41,552
Total assets	\$ 13,725,753	\$ 1,336,434	\$ 15,062,187
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 27,550	\$ 13,030	\$ 40,580
Accrued wages and absences	44,451		44,451
Due to other funds/advances	3,722	560,187	563,909
Deferred revenues	544,572	81,054	625,626
Total liabilities	620,295	654,271	1,274,566
FUND BALANCES			
Nonspendable - prepaid items	34,820	6,732	41,552
Restricted			
Building department		3,258	3,258
Public safety		50,695	50,695
Roads		276,055	276,055
Refuse		59,410	59,410
Water utilities		133,608	133,608
Aquatics		135,914	135,914
Streetlights		16,491	16,491
Committed			
Roads	2,466,921		2,466,921
Environmental remediation	3,135,391		3,135,391
Parks and recreation	717,192		717,192
Cemetery	40,335		40,335
Unassigned	6,710,799		6,710,799
Total fund balance	13,105,458	682,163	13,787,621
Total liabilities and fund balances	\$ 13,725,753	\$ 1,336,434	\$ 15,062,187

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 ASSETS
MARCH 31, 2012

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balance per balance sheet		\$ 13,787,621
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 6,559,902	
Depreciation	<u>(2,606,407)</u>	
Capital assets net of depreciation		3,953,495
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable	(1,355,000)	
Pollution remediation liability	<u>(500,000)</u>	
Total liabilities recorded		(1,855,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements when they were assessed.		<u>625,626</u>
Net assets of governmental activities		<u>\$ 16,511,742</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, 2012**

	<u>General Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
REVENUES			
Taxes	\$ 847,654	\$	\$ 847,654
Special assessments	158,209	67,236	225,445
Intergovernmental - state	1,282,291		1,282,291
Licenses and permits	11,924	7,575	19,499
Rental income	75,087		75,087
Charges for services	360,502	167,224	527,726
Interest	52,082	6,312	58,394
Cable franchise fees	329,220		329,220
Miscellaneous	554		554
Total revenues	<u>3,117,523</u>	<u>248,347</u>	<u>3,365,870</u>
EXPENDITURES			
Current			
General government	1,264,373	4,480	1,268,853
Public works	103,861	170,028	273,889
Public safety	55,910	11,256	67,166
Recreation	75,000		75,000
Cemetery	2,980		2,980
Road improvements/maintenance		13,846	13,846
Capital outlay			
General government	20,481		20,481
Public safety	92,754	9,040	101,794
Debt service			
Principal		50,000	50,000
Interest and fiscal charges		61,671	61,671
Total expenditures	<u>1,615,359</u>	<u>320,321</u>	<u>1,935,680</u>
Excess of revenues over (under) expenditures	<u>1,502,164</u>	<u>(71,974)</u>	<u>1,430,190</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	654	111,656	112,310
Transfers (out)		(112,310)	(112,310)
Total other financing sources (uses)	<u>654</u>	<u>(654)</u>	
Net changes in fund balances	<u>1,502,818</u>	<u>(72,628)</u>	<u>1,430,190</u>
FUND BALANCE, APRIL 1, 2011	<u>11,602,640</u>	<u>754,791</u>	<u>12,357,431</u>
FUND BALANCE, MARCH 31, 2012	<u>\$ 13,105,458</u>	<u>\$ 682,163</u>	<u>\$ 13,787,621</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, 2012**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 1,430,190
---------------------------------------------------------	--------------

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:

Capital outlay	\$ 100,180	
Depreciation expense	<u>(123,327)</u>	

Total	(23,147)
--------------	----------

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Repayment of		
Bonds payable	50,000	
Pollution remediation costs incurred	<u>65,000</u>	

Total long-term debt	115,000
-----------------------------	---------

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Principal collected on assessments	<u>(175,829)</u>
------------------------------------	------------------

Change in net assets of governmental activities	<u><u>\$ 1,346,214</u></u>
--------------------------------------------------------	----------------------------

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET ASSETS
 PROPRIETARY FUND
 MARCH 31, 2012

	<u>Sewer Fund</u>
<u>ASSETS</u>	
Assets	
Cash and cash equivalents	\$ 1,801,824
Receivables	
Accounts	376,867
Special assessments	6,874,063
Prepaid expenses	7,323
Inventory	52,921
Bond issuance costs - net of amortization of \$235,865	303,257
Total assets	<u>9,416,255</u>
Capital assets	
Land	1,395,224
Utility systems	30,954,739
Total cost	32,349,963
Less accumulated depreciation	<u>(8,131,510)</u>
Capital assets, net	<u>24,218,453</u>
Total assets	<u>33,634,708</u>
<u>LIABILITIES</u>	
LIABILITIES	
Accounts payable	7,764
Due to other funds	646,385
New connections - escrow funds	75,247
Bonds payable	15,215,000
Total liabilities	<u>15,944,396</u>
<u>NET ASSETS</u>	
Net assets	
Invested in capital assets, net of related debt	9,003,453
Unrestricted	8,686,859
Total net assets	<u>\$ 17,690,312</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2012

	<u>Sewer Fund</u>
OPERATING REVENUES	
Utility billings	\$ 1,240,441
Other revenues	<u>5,436</u>
Total operating revenues	1,245,877
OPERATING EXPENSES	<u>1,456,457</u>
Operating income (loss)	<u>(210,580)</u>
NON-OPERATING REVENUES	
Interest income - special assessments	451,560
Interest income - cash and equivalents	5,537
Interest (expense)	<u>(713,697)</u>
Total non-operating revenues (expenses)	<u>(256,600)</u>
Loss before capital contribution	(467,180)
CAPITAL CONTRIBUTIONS	
Tap-in fees collected	<u>82,080</u>
Net income (loss)	(385,100)
NET ASSETS, APRIL 1, 2011	<u>18,075,412</u>
NET ASSETS, MARCH 31, 2012	<u><u>\$ 17,690,312</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers and users	\$ 1,225,062	
Other receipts	29,892	
Payments to suppliers and others	<u>(552,209)</u>	
Net cash from operating activities		\$ 702,745
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds	(1,580,000)	
Interest paid on bonds and advances	(713,698)	
Collections of special assessment (principal and interest)	1,500,069	
Tap fees (new users)	<u>41,040</u>	
Net cash (used in) capital and related financing activities		(752,589)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and cash equivalents	5,537	
Purchases of capital assets	<u>(34,287)</u>	
Net (decrease) in cash flows from investing activities		(28,750)
Net (decrease) in cash		(78,594)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2011		<u>1,880,418</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2012		<u>\$ 1,801,824</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES		
Operating (loss)		\$ (210,580)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation and amortization	\$ 894,494	
(Increase) in accounts and delinquent receivable	(16,336)	
(Decrease) in accounts payable	(771)	
Decrease in inventory	9,972	
Increase in new connection escrow	25,413	
Increase in due to other funds	<u>553</u>	
Total adjustments		<u>913,325</u>
Net cash from operating activities		<u>\$ 702,745</u>

Non-cash capital and related financing transactions did not occur during the year ended March 31, 2012

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
MARCH 31, 2012

	Trust and Agency	Current Tax	Construction Escrow	Totals
<u>ASSETS</u>				
ASSETS				
Cash	\$ 136,740	\$ 178	\$ 71,740	\$ 208,658
Due from other funds	136,740	178	3,722	3,722
Total assets	\$ 136,740	\$ 178	\$ 75,462	\$ 212,380
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 351	\$ 178	\$ 29	\$ 558
Due to others	136,389	178	75,433	211,822
Total liabilities	\$ 136,740	\$ 178	\$ 75,462	\$ 212,380

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, 2012

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 Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets 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 Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets 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 assets 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 assets 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 assets 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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental fund:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Township reports the following major enterprise fund:

The Sewer Fund accounts for the activities associated with operating the Township's sewage treatment facility.

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, 2012

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.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, 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, 2012

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.

For the year ended March 31, 2012, expenditures did not exceed appropriations in any fund in which budgeting was required by law.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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 29. The Township recognized the amount levied December 1, 2011 as revenue for the year ended March 31, 2012.

The 2011 adjusted taxable value totaled \$ 930,671,111. Taxes levied consisted of .9073 mills for Township operating purposes. The delinquent real property taxes of Charter Township of Brighton are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes.

G. MANAGEMENT ESTIMATES

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

H. INVESTMENTS

Investments are stated at fair value.

I. CASH EQUIVALENTS

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

J. RISK MANAGEMENT

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

K. INVENTORIES AND PREPAID ITEMS

Inventories are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

L. CAPITALIZATION OF INTEREST

A portion of the interest cost incurred on capital projects is capitalized on assets that require a period of time for construction or to otherwise prepare them for their intended use. Such amounts are amortized over the useful lives of the assets.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. INCOME TAXES

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

N. FUND EQUITY

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications - Nonspendable, restricted, committed, assigned, and unassigned. The Township implemented GASB Statement No. 54 during the year.

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

- Nonspendable - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed - Amounts that have been formally set aside by the Township board for use for specific purposes.
- Commitments are made and can be rescinded only via resolution of the Township Board.
- Assigned - Intent to spend resources on specific purposes expressed by the Township Board; or Supervisor, Clerk, and Treasurer; who are authorized by policy approved by the Township Board to make assignments. All current year assignments have been made by the Supervisor, Clerk, and Treasurer.

O. UNASSIGNED - AMOUNTS THAT DO NOT FALL INTO ANY OTHER CATEGORY ABOVE

This is the residual classification of amounts in the General Fund and represents fund balance that has not been assigned to other funds and has 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, 2012

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, 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 statement number 39 and determined not to be component units based on financial independence and accountability.

NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers for the year ended March 31, 2012 were as follows:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Sanitary Fund	Corrent fund transferred in error previously	\$ 654
Water Debt Service Fund	Municipal Water Fund	Municipal Water Fund is now provided the resources to service this debt	<u>111,656</u>
			<u>\$ 112,310</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES (continued)

Interfund balances between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2012:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>March 31, 2012 Balance</u>
<u>Interfund balances due to/from</u>			
General Fund	Current Tax	Reimbursement between funds	\$ 178
General Fund	Trust and Agency	Reimbursement between funds	351
Construction Escrow	Construction Escrow	Reimbursement between funds	3,693
General Fund	Street Lighting Fund	Reimbursement between funds	895
General Fund	Sewer Fund	Reimbursement between funds	553
Total interfund balances due to/from			<u><u>\$ 5,670</u></u>
<u>Interfund advances to/from</u>			
General Fund	Municipal Water	Finance project costs	\$ 525,600
General Fund	Sewer	Fund cash flow deficits	214,832
General Fund	Sewer	Fund debt service requirements	431,000
Future Road Improvement	Road Projects	Finance project costs	33,692
Total interfund advances to/from			<u><u>\$ 1,205,124</u></u>

Interfund balances were eliminated between non-major funds on the fund financial statement balance sheet presentation.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2012, was as follows:

	<u>Balance 4/1/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2012</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 684,734	\$	\$	\$ 684,734
Other capital assets:				
Buildings and improvements	5,486,703			5,486,703
Vehicles and equipment	288,285	100,180		388,465
Total other capital assets at historical cost	<u>5,774,988</u>	<u>100,180</u>		<u>5,875,168</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,292,303)	(112,020)		(2,404,323)
Vehicles and equipment	(190,777)	(11,307)		(202,084)
Total accumulated depreciation	<u>(2,483,080)</u>	<u>(123,327)</u>		<u>(2,606,407)</u>
Other capital assets, net	<u>3,291,908</u>	<u>(23,147)</u>		<u>3,268,761</u>
Governmental capital assets, net	<u>\$ 3,976,642</u>	<u>\$ (23,147)</u>	<u>\$</u>	<u>\$ 3,953,495</u>

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 77,353
Public safety	43,369
Cemetery	2,605
	<u>\$ 123,327</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

NOTE 4 - CAPITAL ASSETS (continued)

	<u>Balance 4/1/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2012</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	30,897,952	34,287		30,932,239
Furniture and fixtures - sewer	22,500			22,500
Total other capital assets at historical cost	<u>30,920,452</u>	<u>34,287</u>		<u>30,954,739</u>
Less accumulated depreciation for:				
Plant and collection system - sewer	(7,248,211)	(860,799)		(8,109,010)
Furniture and fixtures - sewer	(22,500)			(22,500)
Total accumulated depreciation	<u>(7,270,711)</u>	<u>(860,799)</u>		<u>(8,131,510)</u>
Other capital assets, net	<u>23,649,741</u>	<u>(826,512)</u>		<u>22,823,229</u>
Business-type capital assets, net	<u>\$ 25,044,965</u>	<u>\$ (826,512)</u>	<u>\$</u>	<u>24,218,453</u>
Related long-term debt outstanding at March 31, 2012				<u>(15,215,000)</u>
Governmental capital assets, net related long-term debt				<u>\$ 9,003,453</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Sewer service	<u>\$ 860,799</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

NOTE 5 - EMPLOYEES' RETIREMENT SYSTEM - DEFINED BENEFIT PLAN

The Township switched pension plans from Manulife (a defined contribution plan) to the Municipal Employee's Retirement System (MERS) (a defined benefit plan) effective March 15, 1998. The Township transferred \$107,975 from Manulife to MERS. The following describes the MERS plan:

Plan Description

The Township is in an agent multi-employer-defined benefit pension plan with the Municipal Employees' Retirement System (MERS), administered by the State of Michigan. Total Township payroll for the year ended March 31, 2012 was \$591,261.

MERS was organized pursuant to Section 12a of Act No. 156, Public Acts of 1851, (MSA 5.333(a); MCLA 46.12a), as amended, State of Michigan. MERS is regulated under Act No. 220 of the Public Acts of 1996, applicable sections of which have been approved by the State Pension Commission.

The Township Treasurer, Township Clerk, and full-time employees are eligible members of this plan.

Each member contributes five percent of his or her annual compensation. The percentage is selected by the member's municipality.

If a member leaves the employ of the municipality, or dies, without a retirement allowance or other benefit payable on his or her account, his or her accumulated contributions will be refunded to same, if living, or to the nominated beneficiary.

Benefits vest after 6 or more years of service, with rights to a deferred benefit commencing at age 60 (age 50 or 55 in certain cases).

The Local Unit makes monthly contributions based on the annual actuarial valuations. Total contributions for the Township for the year ended March 31, 2012 were \$24,598.

At December 31, 2010, the over-funded pension benefit obligation was \$149,005, determined as follows:

ACTUARIAL ACCRUED LIABILITY

Retirees and beneficiaries currently receiving benefits	\$ 658,772
Terminated employees not yet receiving benefits (vested and non-vested)	
Vested	278,056
Non-vested terminated	27,351
Current employees -	
Accumulated employee contributions including allocated investment income	139,032
Employer financed	<u>365,880</u>
Total actuarial accrued liability	1,469,091
Net assets available for benefits at actuarial value	<u>1,618,096</u>
Over-funded actuarial accrued liability	<u>\$ 149,005</u>

The Township's annual required contribution was \$14,484 as of April 1, 2012. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is 0.055889 for under funded liabilities. Total covered payroll for participants was \$351,262.

The annual Actuarial Report was not available at the time of writing report; this information could not be provided for the year ended December 31, 2011.

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

NOTE 6 - LONG-TERM DEBT 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%	\$ 505,000
Livingston County Drain Commission Sewer Refunding, 2005	\$ 17,900,000	\$ 1,545,000 — \$ 1,645,000	10/1/2020	3.00 — 5.00%	<u>14,710,000</u>
Total contracts payable outstanding					<u><u>\$ 15,215,000</u></u>

General Obligation Bonds

The Township issued general obligation bonds to provide funds to advance refund bonds. General obligation bonds are outstanding for general government and business-type activities.

General obligation bonds 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>
Governmental activities:					
2003 Capital Improvement Bonds	\$ 1,620,000	\$ 40,000 — \$ 115,000	11/1/2028	2.75 — 4.75%	<u><u>\$ 1,355,000</u></u>

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

NOTE 6 - LONG-TERM DEBT OBLIGATIONS (continued)

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

Year Ending March 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 50,000	\$ 59,609	\$ 1,615,000	\$ 636,448
2014	55,000	57,640	1,645,000	571,208
2015	60,000	55,469	1,675,000	504,708
2016	60,000	53,099	1,690,000	429,018
2017	65,000	50,536	1,685,000	353,100
2018 - 2022	365,000	208,256	6,790,000	634,969
2023 - 2027	475,000	111,997	115,000	8,375
2028 - 2030	225,000	10,806		
	<u>\$ 1,355,000</u>	<u>\$ 607,412</u>	<u>\$ 15,215,000</u>	<u>\$ 3,137,826</u>

Pollution Remediation Obligation

On January 15, 2009 a consent order was issued to conclude the litigation between the Township and the State of Michigan over the clean-up of the former Collett Road dump site. In the order the Township agreed to immediately pay \$1,350,000 to the State of Michigan and monitor the site and nearby groundwater for a period of up to ten (10) years. The Township has adopted GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, to account for its future obligation related to the consent order. As of March 31, 2012 the future monitoring costs to be borne by the Township were estimated at \$500,000. 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, 2012:

	Balance 4/1/2011	Additions	Reductions	Balance 3/31/2012	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 1,405,000	\$	\$ 50,000	\$ 1,355,000	\$ 50,000
Pollution remediation obligation	565,000		65,000	500,000	65,000
Governmental activity long-term liabilities	1,970,000		115,000	1,855,000	115,000
Business-type activities:					
Contracts payable	16,795,000		1,580,000	15,215,000	1,615,000
Total long-term liabilities	<u>\$ 18,765,000</u>	<u>\$</u>	<u>\$ 1,695,000</u>	<u>\$ 17,070,000</u>	<u>\$ 1,730,000</u>

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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, preceding the year. Contribution information is as follows:

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	<u>\$ 9,765</u>
-------------------------------------------	-----------------

This balance reflects contributions for the period from April 1, 2011 to March 31, 2012.

Effective April 1, 2009 the Township adopted a MERS Uniform Defined Contribution Program. The Township contributed 8% of the manager's compensation and the manager contributed 7% of compensation. The manager is the only participant in this program.

TOTAL CURRENT YEAR CONTRIBUTIONS	<u>\$ 12,120</u>
----------------------------------	------------------

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.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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

As of March 31, 2012 cash, cash equivalents and investments consist of the following:

Cash and cash equivalents	
Deposits with financial institutions	\$ 14,422,039
Money market fund	229,329
Total cash and cash equivalents	<u>14,651,368</u>
Investments	
External Investment Pool	105,031
Government Bonds	150,000
Total investments	<u>255,031</u>
Total cash, cash equivalents and investments	<u>\$ 14,906,399</u>

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

Statement of Net Assets	
Cash and cash equivalents	\$ 14,270,673
Investments	255,031
Total	<u>14,525,704</u>
Fiduciary Funds	
Cash and cash equivalents	208,659
Total cash and investments	<u>\$ 14,734,363</u>

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, 2012 deposits in banks totaled \$14,422,039 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 3,496,804
Uninsured and collateralized	3,652,925
Uninsured and uncollateralized	<u>7,272,310</u>
	<u>\$ 14,422,039</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. At the year end, the Township had \$484,360 of investments that were uninsured and uncollateralized. The Township evaluates each financial institution with which it invests and assesses the level of risk of each institution. Investments are made only those institutions with an acceptable estimated risk level.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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

Concentration of Credit Risk

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

Investment Type	Issuer	Percent of Portfolio
US Agencies	Federal National Mortgage Assoc	1%

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, 2012, the maturities of the investments held were less than 90 days. As a result, management does not believe the Township is significantly exposed to interest rate risk.

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, 2012, the Township's investments were exposed to credit risk as follows:

Investment Type	Rating by Standard & Poor	Amount
MBIA Investment Pool	AAA / V1	\$ 105,031
Money Market Funds	Unrated	229,329
Government Bonds	AAA/Stable	150,000
		\$ 484,360

The \$150,000 investment in Government Bonds could be considered high risk as it is a mortgage backed security. The Township would incur a significant loss if this investment were to fail. However, the Township feels the risk and the low percentage of investment in these bonds is acceptable.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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:

Operating revenues	\$ 1,245,877
Depreciation and amortization	894,494
Operating (loss)	210,580
Net working capital	2,249,849
Total assets	33,634,708
Reserved retained earnings	17,505,410
Unreserved retained earnings	184,902
Total fund equity	17,690,312

NOTE 10 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows 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 flows from operations. The following summarizes beginning and ending cash and cash equivalents:

	<u>April 1, 2011</u>	<u>March 31, 2012</u>
Cash and cash equivalents	\$ <u>1,880,418</u>	\$ <u>1,801,824</u>

NOTE 11 - OTHER FINANCING SOURCES (USES)

The transfers of cash between the various funds are budgeted but reported separate from revenues and expenditures as transfers in or (out) unless they represent temporary advances that are to be repaid in which case they are carried as assets or liabilities of the advancing or borrowing fund.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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 ING Company.

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 is considering various options to remedy the above problem.

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, 2012

	Budget Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 847,654	\$
Special assessments			158,209	
State shared revenue			1,282,291	
Rental income			75,087	
Franchise fees			329,220	
Charges for services			372,426	
Interest			52,082	
Miscellaneous			554	
Total revenues	<u>2,654,894</u>	<u>2,678,843</u>	<u>3,117,523</u>	<u>438,680</u>
EXPENDITURES	<u>2,016,500</u>	<u>2,116,734</u>	<u>1,615,359</u>	<u>501,375</u>
Excess of revenues over (under) expenditures	<u>638,394</u>	<u>562,109</u>	<u>1,502,164</u>	<u>940,055</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			654	654
Transfers (out)	<u>(11,500)</u>	<u>(11,500)</u>		<u>11,500</u>
Total other financing sources (uses)	<u>(11,500)</u>	<u>(11,500)</u>	<u>654</u>	<u>12,154</u>
Net change in fund balance	<u>626,894</u>	<u>550,609</u>	<u>1,502,818</u>	<u>952,209</u>
FUND BALANCE, APRIL 1, 2011	<u>11,602,640</u>	<u>11,602,640</u>	<u>11,602,640</u>	
FUND BALANCE, MARCH 31, 2012	<u>\$ 12,229,534</u>	<u>\$ 12,153,249</u>	<u>\$ 13,105,458</u>	<u>\$ 952,209</u>

CHARTER TOWNSHIP OF BRIGHTON

SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)
MARCH 31, 2012

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

Analysis of Funding Progress

<u>Valuation Date December 31</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation (PBO)</u>	<u>Percent Funded (1)/(2)</u>	<u>Unfunded (Overfunded) PBO (2)-(1)</u>	<u>Annual Covered Payroll</u>
2002	\$ 549,522	\$ 907,550	60.6	\$ 358,028	\$ 454,270
2003	664,283	1,040,455	63.8	376,172	524,319
2004	828,858	974,987	85.0	146,129	571,292
2005	988,980	1,099,007	90.0	110,027	620,343
2006	1,153,725	1,205,743	95.7	52,018	660,951
2007	1,316,536	1,268,746	103.8	(47,790)	616,210
2008	1,428,163	1,348,742	105.9	(79,421)	491,956
2009	1,531,572	1,371,526	111.7	(160,146)	434,403
2010	1,618,096	1,469,091	110.1	(14,005)	351,262

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
COMBINING BALANCE SHEETS
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
MARCH 31, 2012

	General Fund Pre GASB 54 Consolidation	Parks Fund	Cemetery Fund
ASSETS			
Cash and cash equivalents	\$ 8,111,670	\$ 717,192	\$ 40,335
Receivable			
Taxes	67,868		
State shared revenues	204,543		
Special assessments	544,572		
Accounts	98,230		
Due from other funds and interfund advances	1,173,438		
Prepaid expenditures	34,820		
Total assets	\$ 10,235,141	\$ 717,192	\$ 40,335
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 27,550	\$	\$
Accrued wages and absences	44,451		
Due to other funds	3,722		
Deferred revenues	544,572		
Total liabilities	620,295		
FUND BALANCE			
Nonspendable - prepaid items	34,820		
Committed			
Roads			
Environment remediation	3,135,391		
Parks		717,192	
Cemetery			40,335
Unassigned	6,444,635		
Total fund balance	9,614,846	717,192	40,335
Total liabilities and fund balance	\$ 10,235,141	\$ 717,192	\$ 40,335

<u>Budget Stabilization Fund</u>	<u>Future Road Improvement Fund</u>	<u>Totals Restated General Fund</u>
\$ 266,164	\$ 2,433,229	\$ 11,568,590
		67,868
		204,543
		544,572
		98,230
	33,692	1,207,130
		34,820
<u>\$ 266,164</u>	<u>\$ 2,466,921</u>	<u>\$ 13,725,753</u>
\$	\$	\$ 27,550
		44,451
		3,722
		544,572
		<u>620,295</u>
		34,820
	2,466,921	2,466,921
		3,135,391
		717,192
		40,335
<u>266,164</u>		<u>6,710,799</u>
<u>266,164</u>	<u>2,466,921</u>	<u>13,105,458</u>
<u>\$ 266,164</u>	<u>\$ 2,466,921</u>	<u>\$ 13,725,753</u>

CHARTER TOWNSHIP OF BRIGHTON

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2012

	<u>Building Department</u>	<u>Liquor Law</u>	<u>SAD Road Maintenance</u>	<u>Aquatics</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 9,380	\$ 56,142	\$ 61,505	\$ 131,778
Receivables				
Special assessments			420	4,136
Prepaid expenses				
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 9,380</u>	<u>\$ 56,142</u>	<u>\$ 61,925</u>	<u>\$ 135,914</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 6,122	\$ 5,447	\$	\$
Advance/due to other funds				
Deferred revenue				
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	6,122	5,447		
FUND BALANCE	<hr/>	<hr/>	<hr/>	<hr/>
	3,258	50,695	61,925	135,914
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 9,380</u>	<u>\$ 56,142</u>	<u>\$ 61,925</u>	<u>\$ 135,914</u>

<u>Road Projects</u>	<u>Street Lights</u>	<u>Municipal Refuse</u>	<u>Pathways</u>	<u>Totals</u>
\$ 72,982	\$	\$ 57,392	\$ 172,334	\$ 561,513
83,560	18,847	2,018		108,981
		6,732		6,732
<u>\$ 156,542</u>	<u>\$ 18,847</u>	<u>\$ 66,142</u>	<u>\$ 172,334</u>	<u>\$ 677,226</u>

\$	\$ 1,461	\$	\$	\$ 13,030
33,692	895			34,587
<u>81,054</u>				<u>81,054</u>
114,746	2,356			128,671
<u>41,796</u>	<u>16,491</u>	<u>66,142</u>	<u>172,334</u>	<u>548,555</u>
<u>\$ 156,542</u>	<u>\$ 18,847</u>	<u>\$ 66,142</u>	<u>\$ 172,334</u>	<u>\$ 677,226</u>

CHARTER TOWNSHIP OF BRIGHTON

ALL AGENCY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2012

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
<u>ASSETS</u>				
ASSETS				
Cash	\$ 136,740	\$ 178	\$ 71,740	\$ 208,658
Due from other funds			3,722	3,722
	<u>\$ 136,740</u>	<u>\$ 178</u>	<u>\$ 75,462</u>	<u>\$ 212,380</u>
Total assets	<u>\$ 136,740</u>	<u>\$ 178</u>	<u>\$ 75,462</u>	<u>\$ 212,380</u>
 <u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 351	\$ 178	\$ 29	\$ 558
Due to others	136,389		75,433	211,822
	<u>\$ 136,740</u>	<u>\$ 178</u>	<u>\$ 75,462</u>	<u>\$ 212,380</u>
Total liabilities	<u>\$ 136,740</u>	<u>\$ 178</u>	<u>\$ 75,462</u>	<u>\$ 212,380</u>

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FUNDS INCLUDED IN GASB 54 CONSOLIDATION
 FOR THE YEAR ENDED MARCH 31, 2012

	General Fund Pre GASB 54 Consolidation	Parks Fund	Cemetery Fund
REVENUES			
Taxes	\$ 847,654	\$	\$
Special assessments	158,209		
Intergovernmental - state	1,282,291		
Rental income	75,087		
Franchise fees	329,220		
Charges for services	372,426		
Interest	42,529	2,382	71
Miscellaneous	554		
Total revenues	<u>3,107,970</u>	<u>2,382</u>	<u>71</u>
EXPENDITURES			
Current			
General government	1,265,460		
Parks and recreation	75,000		
Public safety	55,910		
Road improvements	36,368		
Cemetery	2,980		
Public works	67,493		
Capital outlay			
General government	19,768		
Public safety	92,380		
Total expenditures	<u>1,615,359</u>		
Excess of revenues over (under) expenditures	<u>1,492,611</u>	<u>2,382</u>	<u>71</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,187		
Transfers (out)	(1,790,533)		
Total other financing sources (uses)	<u>(1,789,346)</u>		
Net change in fund balances	(296,735)	2,382	71
FUND BALANCE, APRIL 1, 2011	<u>9,911,581</u>	<u>714,810</u>	<u>40,264</u>
FUND BALANCE, MARCH 31, 2012	<u>\$ 9,614,846</u>	<u>\$ 717,192</u>	<u>\$ 40,335</u>

Budget Stabilization Fund	Future Road Improvement Fund	Eliminations	Total
\$	\$	\$	\$ 847,654
			158,209
			1,282,291
			75,087
			329,220
			372,426
533	6,567		52,082
			554
<u>533</u>	<u>6,567</u>		<u>3,117,523</u>
			1,265,460
			75,000
			55,910
			36,368
			2,980
			67,493
			19,768
			92,380
			<u>1,615,359</u>
<u>533</u>	<u>6,567</u>		<u>1,502,164</u>
533	1,790,000	(1,791,066)	654
(533)		1,791,066	
	<u>1,790,000</u>		<u>654</u>
533	1,796,567		1,502,818
265,631	670,354		11,602,640
<u>\$ 266,164</u>	<u>\$ 2,466,921</u>	<u>\$</u>	<u>\$ 13,105,458</u>

CHARTER TOWNSHIP OF BRIGHTON

**ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2012**

	Building Department	Liquor Law	SAD Road Maintenance	Aquatics
REVENUES				
Intergovernmental - State	\$	\$ 7,575	\$	\$
Special assessment				
Licenses and permits			5,100	69,806
Charges for services			111	198
Interest	11	101	111	198
Total revenues	11	7,676	5,211	70,004
EXPENDITURES				
Building department	4,480			
Public safety		20,296		
Utilities				
Project-costs			13,846	59,631
Total expenditures	4,480	20,296	13,846	59,631
Excess of revenues over (under) expenditures	(4,469)	(12,620)	(8,635)	10,373
OTHER FINANCING (USES)				
Transfers (out)				
Total other financing sources (uses)				
Net changes in fund balances	(4,469)	(12,620)	(8,635)	10,373
FUND BALANCE, APRIL 1, 2011	7,727	63,315	70,560	125,541
FUND BALANCE, MARCH 31, 2012	\$ 3,258	\$ 50,695	\$ 61,925	\$ 135,914

<u>Road Projects</u>	<u>Street lights</u>	<u>Municipal Refuse</u>	<u>Pathways</u>	<u>Totals</u>
\$ 67,236	\$	\$	\$	\$ 7,575 67,236
	17,722	72,655	1,100	166,383
<u>151</u>	<u></u>	<u>96</u>	<u>303</u>	<u>971</u>
<u>67,387</u>	<u>17,722</u>	<u>72,751</u>	<u>1,403</u>	<u>242,165</u>
				4,480
				20,296
	17,202			17,202
<u></u>	<u></u>	<u>89,658</u>	<u></u>	<u>163,135</u>
<u></u>	<u>17,202</u>	<u>89,658</u>	<u></u>	<u>205,113</u>
<u>67,387</u>	<u>520</u>	<u>(16,907)</u>	<u>1,403</u>	<u>37,052</u>
<u></u>	<u></u>	<u>(654)</u>	<u></u>	<u>(654)</u>
<u></u>	<u></u>	<u>(654)</u>	<u></u>	<u>(654)</u>
67,387	520	(17,561)	1,403	36,398
<u>(25,591)</u>	<u>15,971</u>	<u>83,703</u>	<u>170,931</u>	<u>512,157</u>
<u>\$ 41,796</u>	<u>\$ 16,491</u>	<u>\$ 66,142</u>	<u>\$ 172,334</u>	<u>\$ 548,555</u>

INDIVIDUAL FUNDS

GENERAL FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash and equivalents	\$ 8,111,670
Delinquent taxes receivable	67,868
State shared revenues receivable	204,543
Special assessment receivables	544,572
Accounts receivable	98,230
Due from other funds and interfund advances	1,173,438
Prepaid expenditures	<u>34,820</u>

Total assets		<u>\$ 10,235,141</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 25,867
Accrued wages and vacation	44,451
Payroll taxes withholding and payable	1,683
Due to other funds	3,722
Deferred revenues	<u>544,572</u>

Total liabilities		\$ 620,295
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FUND BALANCE

Nonspendable - prepaids	34,820
Committed - environmental remediation	3,135,391
Unassigned	<u>6,444,635</u>

Total fund balance		<u>9,614,846</u>
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Total liabilities and fund balance		<u>\$ 10,235,141</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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 802,132	\$ 847,654	\$ 45,522
Treasurer	294,359	307,555	13,196
Licenses and permits	5,125	11,235	6,110
Ordinance enforcement	150	150	
Planning and zoning	11,100	16,351	5,251
State shared revenue	1,089,000	1,282,291	193,291
Special assessments	122,588	158,209	35,621
Miscellaneous	348,139	484,525	136,386
Total revenues	<u>2,672,593</u>	<u>3,107,970</u>	<u>435,377</u>
EXPENDITURES	<u>2,116,734</u>	<u>1,615,359</u>	<u>501,375</u>
Excess of revenues over (under) expenditures	555,859	1,492,611	936,752
OTHER FINANCING SOURCES (USES)			
Transfers in		1,187	1,187
Transfers (out)	(1,802,200)	(1,790,533)	11,667
Total other financing sources (uses)	<u>(1,802,200)</u>	<u>(1,789,346)</u>	<u>12,854</u>
Net change in fund balance	(1,246,341)	(296,735)	949,606
FUND BALANCE, APRIL 1, 2011	<u>9,911,581</u>	<u>9,911,581</u>	
FUND BALANCE, MARCH 31, 2012	<u>\$ 8,665,240</u>	<u>\$ 9,614,846</u>	<u>\$ 949,606</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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES			
Current property taxes	\$	\$ 847,294	\$
Penalties/interest - delinquent taxes		88	
Trailer park fees		272	
Total taxes	<u>802,132</u>	<u>847,654</u>	<u>45,522</u>
TREASURER			
Property tax administration fee		264,337	
Interest		42,529	
Dog licenses		689	
Total treasurer	<u>294,359</u>	<u>307,555</u>	<u>13,196</u>
LICENSES AND PERMITS	<u>5,125</u>	<u>11,235</u>	<u>6,110</u>
ORDINANCE ENFORCEMENT			
Soil removal fees	<u>150</u>	<u>150</u>	
PLANNING AND ZONING	<u>11,100</u>	<u>16,351</u>	<u>5,251</u>
STATE SHARED REVENUE	<u>1,089,000</u>	<u>1,282,291</u>	<u>193,291</u>
SPECIAL ASSESSMENTS			
Principal		116,862	
Interest		41,347	
Total special assessments	<u>122,588</u>	<u>158,209</u>	<u>35,621</u>
MISCELLANEOUS REVENUES			
Cemetery		450	
Election reimbursement		38,250	
Metro Act fees		12,453	
Cable TV fees		329,220	
Printed material and duplicating		3,162	
Rental income		75,087	
Reimbursement/refunds		20,849	
Utilities administration fee		4,500	
Other revenue		554	
Total miscellaneous revenues	<u>348,139</u>	<u>484,525</u>	<u>136,386</u>
Total revenues	<u>\$ 2,672,593</u>	<u>\$ 3,107,970</u>	<u>\$ 435,377</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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP BOARD			
Wages, salaries and per diems	\$	\$ 34,814	\$
Ordinance codification		2,197	
Printing and publishing		8,414	
Payroll taxes		2,663	
Insurance - benefits		995	
Insurance - liability		41	
Pension		7,446	
Supplies		140	
Consulting		1,775	
Engineering services		7,296	
Education		520	
Economic development		20,000	
Dues		8,272	
	<hr/>	<hr/>	<hr/>
Total township board	<u>114,495</u>	<u>94,573</u>	<u>19,922</u>
SUPERVISOR			
Wages, salaries and per diems		28,683	
Pension		3,025	
Payroll taxes		2,194	
Insurance - benefits		99	
Insurance - liability		41	
Supplies		30	
Education		303	
Capital outlay		713	
	<hr/>	<hr/>	<hr/>
Total supervisor	<u>36,482</u>	<u>35,088</u>	<u>1,394</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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
MANAGER			
Wages, salaries and per diems		82,470	
Wages, salaries and per diems - clerical		5,136	
Insurance - benefits		13,161	
Pension		6,464	
Payroll taxes		6,565	
Temporary employment services		18,699	
Insurance - liability		320	
Transportation		27	
Dues		646	
Supplies		479	
Postage		124	
Capital outlay		1,118	
	<hr/>	<hr/>	<hr/>
Total manager	<u>147,575</u>	<u>135,209</u>	<u>12,366</u>
ELECTIONS			
Wages, salaries and per diems - Clerk		13,445	
Wages, salaries and per diems - Deputy officials		23,481	
Election workers		16,032	
Pension		139	
Payroll taxes		2,677	
Insurance - benefits		6,022	
Insurance - liability		89	
Accuracy consulting		1,115	
Education		278	
Mileage		181	
Printing and publishing		1,258	
Equipment rental		200	
Postage		5,959	
Supplies		4,510	
Small equipment		665	
	<hr/>	<hr/>	<hr/>
Total elections	<u>82,519</u>	<u>76,051</u>	<u>6,468</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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ASSESSOR			
Wages, salaries and per diems		108,721	
Pension		9,297	
Payroll taxes		8,233	
Insurance - benefits		22,981	
Insurance - liability		893	
Temporary employment services		11,813	
Education		383	
Supplies		1,143	
Postage		4,786	
Dues		200	
Printing and publishing		2,242	
Capital outlay		2,536	
Total assessor	<u>182,649</u>	<u>173,228</u>	<u>9,421</u>
CLERK			
Wages, salaries and per diems - Clerk		40,334	
Wages, salaries and per diems - Deputy Clerk		25,292	
Wages, salaries and per diems - other		49,794	
Pension		4,106	
Payroll taxes		9,019	
Insurance - liability		355	
Insurance - benefits		38,284	
Postage		486	
Professional fees		8,625	
Supplies		1,295	
Education		1,851	
Newsletter		2,875	
Mileage		862	
Dues		665	
Record retention		2,862	
Capital outlay		500	
Total clerk	<u>220,357</u>	<u>187,205</u>	<u>33,152</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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TREASURER			
Wages, salaries and per diems - Treasurer		53,779	
Wages, salaries and per diems - Deputy Treasurer		34,477	
Wages, salaries and per diems - other		19,258	
Pension		3,153	
Payroll taxes		8,210	
Insurance - benefits		39,621	
Insurance - liability		255	
Professional fees		8,843	
Supplies		663	
Tax forms		2,836	
Postage		8,512	
Education		3,173	
Mileage		291	
Dues		170	
Capital outlay		2,694	
	<u>192,250</u>	<u>185,935</u>	<u>6,315</u>
SEWER AND WATER			
Per diems		1,200	
Professional fees		5,043	
	<u>21,700</u>	<u>6,243</u>	<u>15,457</u>
ROADS			
	<u>60,000</u>	<u>36,368</u>	<u>23,632</u>
UNALLOCATED			
Employee benefits		2,562	
Insurance - liability		31,167	
Contracted services		13,298	
Computer support		14,666	
Legal fees		101,553	
Telephone		9,338	
Small equipment		200	
Equipment repair		4,961	
Equipment rental		2,181	
Fuel		840	
	<u>196,726</u>	<u>180,766</u>	<u>15,960</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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
PLANNING			
Wages, salaries and per diems		62,292	
Pension		5,027	
Payroll taxes		4,211	
Unemployment		803	
Insurance - liability		221	
Insurance - benefits		18,409	
Supplies		400	
Postage		186	
Engineering services		8,225	
Printing and publishing		946	
Education		454	
Mileage		128	
Dues		120	
	<hr/>	<hr/>	<hr/>
Total planning	116,415	101,422	14,993
TOWNSHIP HALL/GROUNDS			
Wages, salaries and per diems		4,120	
Cleaning maintenance		1,827	
Supplies		14,084	
Payroll taxes		335	
Insurance - liability		128	
Consulting		1,270	
Street lighting		7,933	
Equipment maintenance and repairs		10,079	
Grounds maintenance and repairs		8,136	
Building maintenance and repairs		10,727	
Utilities		14,977	
Tax chargebacks		19,113	
Capital improvements		12,920	
	<hr/>	<hr/>	<hr/>
Total township hall/grounds	130,930	105,649	25,281
CEMETERY	<hr/>	<hr/>	<hr/>
	8,000	2,980	5,020

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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
FIRE PROTECTION			
Miscellaneous		1,316	
Equipment			
Equipment maintenance and repair		10,146	
Building			
Utilities		1,799	
Building maintenance and repair		31,813	
Grounds maintenance and repair		10,462	
Total fire protection	<u>56,049</u>	<u>55,536</u>	<u>513</u>
EMERGENCY PREPAREDNESS			
Utilities		374	
Capital outlay		92,380	
Total emergency preparedness	<u>92,800</u>	<u>92,754</u>	<u>46</u>
ENVIRONMENTAL	<u>65,371</u>	<u>48,446</u>	<u>16,925</u>
MUNICIPAL REFUSE COLLECTION	<u>2,500</u>	<u>1,173</u>	<u>1,327</u>
PARKS AND RECREATION	<u>90,000</u>	<u>75,000</u>	<u>15,000</u>
DRAINS	<u>16,738</u>	<u>11,631</u>	<u>5,107</u>
CODE ENFORCEMENT			
Wages, salaries and per diems		5,810	
Pension		559	
Payroll taxes		468	
Insurance - benefits		2,045	
Insurance - liability		119	
Unemployment		1,071	
Supplies		30	
Total code enforcement	<u>14,178</u>	<u>10,102</u>	<u>4,076</u>
CONTINGENCY	<u>269,000</u>		<u>269,000</u>
Total expenditures	<u><u>\$ 2,116,734</u></u>	<u><u>\$ 1,615,359</u></u>	<u><u>\$ 501,375</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, 2012

ASSETS

ASSETS

Cash and cash equivalents	<u>\$ 717,192</u>
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FUND BALANCE

FUND BALANCE

Reserved for parks and recreation	<u>\$ 717,192</u>
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This supplementary information shows the Parks Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

PARKS FUND (PRE GASB 54 RESTATEMENT)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 1,800	\$ 2,382	\$ 582
EXPENDITURES			
Net change in fund balance	1,800	2,382	582
FUND BALANCE, APRIL 1, 2011	<u>714,810</u>	<u>714,810</u>	
FUND BALANCE, MARCH 31, 2012	<u><u>\$ 716,610</u></u>	<u><u>\$ 717,192</u></u>	<u><u>\$ 582</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, 2012

ASSETS

ASSETS

Cash and cash equivalents

\$ 40,335

FUND BALANCE

FUND BALANCE

\$ 40,335

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, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 50	\$ 71	\$ 21
EXPENDITURES			
Net change in fund balance	50	71	21
FUND BALANCE, APRIL 1, 2011	<u>40,264</u>	<u>40,264</u>	
FUND BALANCE, MARCH 31, 2012	<u><u>\$ 40,314</u></u>	<u><u>\$ 40,335</u></u>	<u><u>\$ 21</u></u>

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

BUILDING DEPARTMENT FUND

CHARTER TOWNSHIP OF BRIGHTON

BUILDING DEPARTMENT FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash and equivalents

\$ 9,380

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 6,122

FUND BALANCE

3,258

Total liabilities and fund balance

\$ 9,380

CHARTER TOWNSHIP OF BRIGHTON

BUILDING DEPARTMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$	\$ 11	\$ 11
EXPENDITURES			
Unemployment insurance		3,480	
Professional fees		1,000	
Total expenditures	<u>28,645</u>	<u>4,480</u>	<u>24,165</u>
Excess of revenues over (under) expenditures	(28,645)	(4,469)	24,176
OTHER FINANCING SOURCES			
Transfers in	<u>11,500</u>		<u>(11,500)</u>
Net change in fund balance	(17,145)	(4,469)	12,676
FUND BALANCE, APRIL 1, 2011	<u>7,727</u>	<u>7,727</u>	
FUND BALANCE, MARCH 31, 2012	<u>\$ (9,418)</u>	<u>\$ 3,258</u>	<u>\$ 12,676</u>

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, 2012

ASSETS

ASSETS

Cash and cash equivalents

\$ 266,164

FUND BALANCE

FUND BALANCE

\$ 266,164

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

CHARTER TOWNSHIP OF BRIGHTON

BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2012

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 700	\$ 533	\$ (167)
EXPENDITURES			
Excess of revenues over (under) expenditures	700	533	(167)
OTHER FINANCING SOURCES			
Transfers in	700	533	(167)
Transfers (out)	<u>(700)</u>	<u>(533)</u>	<u>167</u>
Total other financing services (uses)			
Net change in fund balance	700	533	(167)
FUND BALANCE, APRIL 1, 2011	<u>265,631</u>	<u>265,631</u>	
FUND BALANCE, MARCH 31, 2012	<u><u>\$ 266,331</u></u>	<u><u>\$ 266,164</u></u>	<u><u>\$ (167)</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.

LIQUOR LAW ENFORCEMENT FUND

CHARTER TOWNSHIP OF BRIGHTON

LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash

\$ 56,142

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 5,447

FUND BALANCE

50,695

Total liabilities and fund balance

\$ 56,142

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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State shared revenues - liquor licenses	\$	\$ 7,575	\$
Interest		101	
Total revenues	<u>7,600</u>	<u>7,676</u>	<u>76</u>
EXPENDITURES			
Capital outlay		9,040	
Enforcement expenditures		11,256	(11,256)
Total expenditures	<u>22,000</u>	<u>20,296</u>	<u>1,704</u>
Net change in fund balance	(14,400)	(12,620)	1,780
FUND BALANCE, APRIL 1, 2011	<u>63,315</u>	<u>63,315</u>	
FUND BALANCE, MARCH 31, 2012	<u>\$ 48,915</u>	<u>\$ 50,695</u>	<u>\$ 1,780</u>

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, 2012

ASSETS

ASSETS

Cash	\$ 2,433,229
Advance to other funds	<u>33,692</u>
Total assets	<u>\$ 2,466,921</u>

FUND BALANCE

FUND BALANCE	<u>\$ 2,466,921</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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 3,000	\$ 6,567	\$ 3,567
EXPENDITURES			
Excess of revenues over (under) expenditures	3,000	6,567	3,567
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,790,000</u>	<u>1,790,000</u>	
Net change in fund balance	1,793,000	1,796,567	3,567
FUND BALANCE, APRIL 1, 2011	<u>670,354</u>	<u>670,354</u>	
FUND BALANCE, MARCH 31, 2012	<u><u>\$ 2,463,354</u></u>	<u><u>\$ 2,466,921</u></u>	<u><u>\$ 3,567</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.

SAD ROAD MAINTENANCE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash	\$ 61,505
Due from county	<u>420</u>
Total assets	<u><u>\$ 61,925</u></u>

FUND BALANCE

FUND BALANCE	<u><u>\$ 61,925</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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 5,100	\$
Interest		111	
	<u>5,195</u>	<u>5,211</u>	<u>16</u>
EXPENDITURES			
Contract expense	<u>73,709</u>	<u>13,846</u>	<u>59,863</u>
	<u>(68,514)</u>	<u>(8,635)</u>	<u>59,879</u>
FUND BALANCE, APRIL 1, 2011	<u>70,560</u>	<u>70,560</u>	
FUND BALANCE, MARCH 31, 2012	<u>\$ 2,046</u>	<u>\$ 61,925</u>	<u>\$ 59,879</u>

AQUATICS FUND

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash and cash equivalents	\$ 131,778
Due from county	<u>4,136</u>
Total assets	<u><u>\$ 135,914</u></u>

FUND BALANCE

FUND BALANCE	<u><u>\$ 135,914</u></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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 69,806	\$
Interest income		198	
	<u>60,025</u>	<u>70,004</u>	<u>9,979</u>
Total revenues			
EXPENDITURES			
Project costs	<u>127,023</u>	<u>59,631</u>	<u>67,392</u>
	<u>(66,998)</u>	<u>10,373</u>	<u>77,371</u>
Net change in fund balance			
FUND BALANCE, APRIL 1, 2011	<u>125,541</u>	<u>125,541</u>	
FUND BALANCE, MARCH 31, 2012	<u>\$ 58,543</u>	<u>\$ 135,914</u>	<u>\$ 77,371</u>

ROAD PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

ROAD PROJECTS FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash and cash equivalents	\$ 72,982
Due from county	2,506
Special assessment receivable	<u>81,054</u>

Total assets \$ 156,542

LIABILITIES AND FUND BALANCE

LIABILITIES

Advance from other funds	\$ 33,692
Deferred revenue	<u>81,054</u>

Total liabilities 114,746

FUND BALANCE

41,796

Total liabilities and fund balance \$ 156,542

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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 58,966	\$
Special assessments - interest		8,270	
Interest Income		151	
	<hr/>	<hr/>	<hr/>
Total revenues	62,280	67,387	5,107
EXPENDITURES			
	<hr/>	<hr/>	<hr/>
Net change in fund balance	62,280	67,387	5,107
FUND BALANCE (DEFICIT), APRIL 1, 2011	<u>(25,591)</u>	<u>(25,591)</u>	
FUND BALANCE, MARCH 31, 2012	<u>\$ 36,689</u>	<u>\$ 41,796</u>	<u>\$ 5,107</u>

STREETLIGHT FUND

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Special assessment receivable

\$ 18,847

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 1,461

Due to other funds

895

Total liabilities

\$ 2,356

FUND BALANCE

16,491

Total liabilities and fund balance

\$ 18,847

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 16,920	\$ 17,722	\$ 802
EXPENDITURES			
Utilities	<u>17,350</u>	<u>17,202</u>	<u>148</u>
Net change in fund balance	(430)	520	950
FUND BALANCE, APRIL 1, 2011	<u>15,971</u>	<u>15,971</u>	
FUND BALANCE, MARCH 31, 2012	<u><u>\$ 15,541</u></u>	<u><u>\$ 16,491</u></u>	<u><u>\$ 950</u></u>

MUNICIPAL REFUSE FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL REFUSE FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash	\$ 57,392
Due from county	2,018
Prepaid expenditures	<u>6,732</u>
Total assets	<u><u>\$ 66,142</u></u>

FUND BALANCE

FUND BALANCE	<u><u>\$ 66,142</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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 72,655	\$
Interest		96	
Total revenues	72,545	72,751	206
EXPENDITURES			
Project costs	89,665	89,658	7
Excess of revenues over (under) expenditures	(17,120)	(16,907)	213
OTHER FINANCING SOURCES (USES)			
Transfers (out)		(654)	(654)
Net change in fund balance	(17,120)	(17,561)	(441)
FUND BALANCE, APRIL 1, 2011	83,703	83,703	
FUND BALANCE, MARCH 31, 2012	<u>\$ 66,583</u>	<u>\$ 66,142</u>	<u>\$ (441)</u>

PATHWAYS FUND

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash

\$ 172,334

FUND BALANCE

FUND BALANCE

\$ 172,334

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Deposits on projects	\$	\$ 1,100	\$
Interest		303	
	<hr/>	<hr/>	<hr/>
Total revenues	1,200	1,403	203
EXPENDITURES	<hr/>	<hr/>	<hr/>
Net change in fund balance	1,200	1,403	203
FUND BALANCE, APRIL 1, 2011	<hr/> 170,931	<hr/> 170,931	<hr/>
FUND BALANCE, MARCH 31, 2012	<u>\$ 172,131</u>	<u>\$ 172,334</u>	<u>\$ 203</u>

WATER DEBT SERVICE FUND

CHARTER TOWNSHIP OF BRIGHTON

**WATER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2012**

ASSETS

ASSETS

Cash

\$ 67,903

FUND BALANCE

FUND BALANCE

\$ 67,903

CHARTER TOWNSHIP OF BRIGHTON

WATER DEBT SERVICE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	<u>\$ 20</u>	<u>\$ 64</u>	<u>\$ 44</u>
EXPENDITURES			
Debt service			
Principal		50,000	
Fees		250	
Interest		<u>61,421</u>	
Total expenditures	<u>111,673</u>	<u>111,671</u>	<u>2</u>
Excess of revenues over (under) expenditures	(111,653)	(111,607)	46
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>111,653</u>	<u>111,656</u>	<u>3</u>
Net change in fund balance		49	49
FUND BALANCE, APRIL 1, 2011	<u>67,854</u>	<u>67,854</u>	
FUND BALANCE, MARCH 31, 2012	<u><u>\$ 67,854</u></u>	<u><u>\$ 67,903</u></u>	<u><u>\$ 49</u></u>

MUNICIPAL WATER FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash	\$ 525,872
Due from others	<u>65,433</u>
Total assets	<u><u>\$ 591,305</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Advance from other funds	\$ 525,600
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FUND BALANCE

	<u>65,705</u>
Total liabilities and fund balance	<u><u>\$ 591,305</u></u>

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2012

REVENUES

Connection fees	\$ 841
Interest income	<u>5,277</u>

Total revenues \$ 6,118

EXPENDITURES

Project costs	<u>3,537</u>
---------------	--------------

Excess of revenues over (under) expenditures 2,581

OTHER FINANCING SOURCES (USES)

Transfers (out)	<u>(111,656)</u>
-----------------	------------------

Net change in fund balance (109,075)

FUND BALANCE, APRIL 1, 2011 174,780

FUND BALANCE, MARCH 31, 2012 \$ 65,705

SEWER FUND

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 136,324
Accounts receivable - usage	163,138
Accounts receivable - other	33,220
Prepaid expenses - insurance	7,323
Inventory - pumps and parts	52,921
Due from county - delinquents	<u>20,893</u>

Total current assets \$ 413,819

RESTRICTED ASSETS

Cash and cash equivalents - debt service	1,330,947
Cash and cash equivalents - replacement	334,553
Accounts receivable - capital charge (usage)	159,616
Bond issuance costs - net of amortization of \$235,865	303,257
Special assessments receivable	6,640,000
Due from county - delinquents (SAD)	<u>234,063</u>

Total restricted assets 9,002,436

CAPITAL ASSETS

Land	1,395,224
Sewer plant	9,728,042
Sewer collection system	17,693,541
Pumps and equipment	3,510,656
Office furniture and equipment	<u>22,500</u>
	32,349,963
Less: accumulated depreciation	<u>(8,131,510)</u>

Net capital assets 24,218,453

Total assets \$ 33,634,708

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES (from unrestricted assets)

Accounts payable	\$ 7,764
Advance from general fund - operating loan	214,832
Due to other fund	<u>553</u>

Total current liabilities (from unrestricted assets) \$ 223,149

CURRENT LIABILITIES (from restricted assets)

Bonds payable	1,615,000
Advance from general fund	431,000
New connections - escrow funds	<u>75,247</u>

Total current liabilities (from restricted assets) 2,121,247

LONG-TERM LIABILITIES (from restricted assets)

Bonds payable	<u>13,600,000</u>
---------------	-------------------

Total liabilities 15,944,396

FUND EQUITY

	17,505,410
Retained earnings - reserved	<u>184,902</u>
Retained earnings - unreserved	

Total fund equity 17,690,312

Total liabilities and fund equity \$ 33,634,708

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED MARCH 31, 2012

	<u>Unreserved Retained Earnings</u>	<u>Reserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES APRIL 1, 2011	\$ 165,346	\$ 17,910,066	\$ 18,075,412
OPERATING (LOSS)	(210,580)		(210,580)
ADJUSTMENTS			
Sewer usage - capital charges	(601,380)	601,380	
Depreciation expense	860,799	(860,799)	
Amortization (expense)	33,695	(33,695)	
Legal	3,000	(3,000)	
Other revenue	(877)	877	
Capital improvements	9,010	(9,010)	
INTEREST INCOME - BANKS	186	5,351	5,537
TRANSFER TO REPLACEMENT RESERVES	(70,000)	70,000	
INTEREST INCOME - SPECIAL ASSESSMENTS		451,560	451,560
CAPITAL CONTRIBUTIONS		82,080	82,080
INTEREST EXPENSE - GENERAL FUND LOAN	(4,297)	(8,620)	(12,917)
INTEREST EXPENSE - BONDS		(700,330)	(700,330)
AGENT FEES - BONDS		(450)	(450)
BALANCES, MARCH 31, 2012	<u>\$ 184,902</u>	<u>\$ 17,505,410</u>	<u>\$ 17,690,312</u>

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2012

OPERATING REVENUES		
Sewer usage	\$ 639,061	
Sewer usage - capital charges	601,380	
Other revenue	5,436	

Total operating revenues		\$ 1,245,877
OPERATING EXPENSES		
Administration	4,500	
Alarm maintenance	516	
Amortization expense	33,695	
Audit services	3,400	
Capital improvements	12,674	
Computer services	2,406	
Consulting	7,078	
Contracted services - operators	214,325	
Depreciation expense	860,799	
Legal	7,056	
Liability insurance	29,918	
Office expenses	2,043	
Permit fees	3,277	
Repairs and maintenance - building	4,312	
Repairs and maintenance - collection system	93,976	
Repairs and maintenance - equipment	20,834	
Repairs and maintenance - grounds	10,618	
Sludge removal	200	
Supplies	34,121	
Telephone	1,191	
Utilities	109,518	

Total operating expenses		1,456,457
Operating (loss)		(210,580)
NON-OPERATING REVENUES (EXPENSES)		
Interest income - banks	5,537	
Interest income - special assessment	451,560	
Interest (expense) - general fund advance	(12,917)	
Interest (expense) - bonds	(700,330)	
Agent fees - bonds	(450)	

Total non-operating (expenses)		(256,600)
CAPITAL CONTRIBUTIONS		
Tap-in fees (new users)		82,080
Net (loss)		(385,100)
RETAINED EARNINGS, APRIL 1, 2011		18,075,412
RETAINED EARNINGS, MARCH 31, 2012		\$ 17,690,312

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers and users	\$ 1,225,062	
Other receipts	29,892	
Payments to suppliers and others	<u>(552,209)</u>	
Net cash from operating activities		\$ 702,745
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds	(1,580,000)	
Interest paid on bonds and advances	(713,698)	
Collections of special assessment (principal and interest)	1,500,069	
Tap fees (new users)	<u>41,040</u>	
Net cash (used in) capital and related financing activities		(752,589)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and cash equivalents	5,537	
Purchases of capital assets	<u>(34,287)</u>	
Net (decrease) in cash flows from investing activities		(28,750)
Net (decrease) in cash		(78,594)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2011		<u>1,880,418</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2012		<u><u>\$ 1,801,824</u></u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES		
Operating (loss)		\$ (210,580)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation and amortization	\$ 894,494	
(Increase) in accounts and delinquent receivable	(16,336)	
(Decrease) in accounts payable	(771)	
Decrease in inventory	9,972	
Increase in new connection escrow	25,413	
Increase in due to other funds	<u>553</u>	
Total adjustments		<u>913,325</u>
Net cash from operating activities		<u><u>\$ 702,745</u></u>

Non-cash capital and related financing transactions did not occur during the year ended March 31, 2012.

TRUST AND AGENCY FUND

CHARTER TOWNSHIP OF BRIGHTON

TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash

\$ 136,740

LIABILITIES

LIABILITIES

Due to other funds

\$ 351

Due to others

136,389

Total liabilities

\$ 136,740

CURRENT TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRIGHTON

CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash

\$ 178

LIABILITIES

LIABILITIES

Due to other funds

\$ 178

CONSTRUCTION ESCROW FUND

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND
BALANCE SHEET
MARCH 31, 2012

ASSETS

ASSETS

Cash	\$ 71,740
Due from other funds	3,722
	<hr/>
Total assets	\$ 75,462
	<hr/> <hr/>

LIABILITIES

LIABILITIES

Performance deposits	\$ 75,433
Due to other funds	29
	<hr/>
Total liabilities	\$ 75,462
	<hr/> <hr/>