

# **CHARTER TOWNSHIP OF BRIGHTON**

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

**For the Year Ended March 31, 2018**

**CHARTER TOWNSHIP OF BRIGHTON**

**TOWNSHIP OFFICIALS**

Supervisor - Patrick Michel

Clerk - Ann Bollin

Treasurer - Rose Drouillard

**BOARD OF TRUSTEES**

Ann Bollin

Rose Drouillard

Steve Combs

Patrick Michel

Lucille Weaire

J. Michael Slaton

Sam Theis

**TOWNSHIP ATTORNEY**

John K. Harris

Harris & Leterski

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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

August 20, 2018

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton, Michigan, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton, Michigan, as of March 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 - 14 and 54 - 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other information*

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

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

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

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

## **MANAGEMENT DISCUSSION AND ANALYSIS**



**Management Discussion and Analysis**  
**March 31, 2018**

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Within this section of the Charter Township of Brighton's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2018. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net position changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water and sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

## ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

***Governmental funds*** are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net position.

***Proprietary funds*** are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

***Fiduciary funds*** are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

## ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

## ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net position at the end of the fiscal year was \$45,939,882. This is a \$6,923,402 increase over last year's net position of \$39,016,480.

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

**Summary of Net Position**

|                                      | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                      | <u>Totals</u>        |                      |
|--------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                      | <u>3/31/2018</u>               | <u>3/31/2017</u>     | <u>3/31/2018</u>                | <u>3/31/2017</u>     | <u>3/31/2018</u>     | <u>3/31/2017</u>     |
| <b>ASSETS</b>                        |                                |                      |                                 |                      |                      |                      |
| Current and other assets             | \$ 24,003,684                  | \$ 17,403,285        | \$ 4,184,871                    | \$ 4,910,209         | \$ 28,188,555        | \$ 22,313,494        |
| Capital assets                       | 4,266,423                      | 4,235,420            | 19,086,801                      | 19,948,867           | 23,353,224           | 24,184,287           |
| <b>Total assets</b>                  | <u>28,270,107</u>              | <u>21,638,705</u>    | <u>23,271,672</u>               | <u>24,859,076</u>    | <u>51,541,779</u>    | <u>46,497,781</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b> |                                |                      |                                 |                      |                      |                      |
| Pension activity                     | 59,424                         | 162,470              |                                 |                      | 59,424               | 162,470              |
| <b>LIABILITIES</b>                   |                                |                      |                                 |                      |                      |                      |
| Other liabilities                    | 98,067                         | 58,101               | 165,254                         | 281,718              | 263,321              | 339,819              |
| Long-term liabilities                | 196,501                        | 385,806              | 5,160,728                       | 6,918,146            | 5,357,229            | 7,303,952            |
| <b>Total liabilities</b>             | <u>294,568</u>                 | <u>443,907</u>       | <u>5,325,982</u>                | <u>7,199,864</u>     | <u>5,620,550</u>     | <u>7,643,771</u>     |
| <b>DEFERRED INFLOW OF RESOURCES</b>  |                                |                      |                                 |                      |                      |                      |
| Pension investment activities        | 40,771                         |                      |                                 |                      | 40,771               |                      |
| <b>NET POSITION</b>                  |                                |                      |                                 |                      |                      |                      |
| Net investment in capital assets     | 4,266,423                      | 4,235,420            | 14,161,801                      | 13,668,867           | 18,428,224           | 17,904,287           |
| Restricted                           | 1,537,832                      | 1,322,567            |                                 |                      | 1,537,832            | 1,322,567            |
| Unrestricted                         | 22,189,937                     | 15,799,281           | 3,783,889                       | 3,990,345            | 25,973,826           | 19,789,626           |
| <b>Total net position</b>            | <u>\$ 27,994,192</u>           | <u>\$ 21,357,268</u> | <u>\$ 17,945,690</u>            | <u>\$ 17,659,212</u> | <u>\$ 45,939,882</u> | <u>\$ 39,016,480</u> |

### Summary of Changes in Net Position

|                                       | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                      | <u>Totals</u>        |                      |
|---------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                       | <u>3/31/2018</u>               | <u>3/31/2017</u>     | <u>3/31/2018</u>                | <u>3/31/2017</u>     | <u>3/31/2018</u>     | <u>3/31/2017</u>     |
| <b>REVENUES</b>                       |                                |                      |                                 |                      |                      |                      |
| Program revenues                      |                                |                      |                                 |                      |                      |                      |
| Charges for services                  | \$ 682,478                     | \$ 623,487           | \$ 1,542,676                    | \$ 1,542,689         | \$ 2,225,154         | \$ 2,166,176         |
| Capital contributions                 | 168,132                        | 7,434                | 564,300                         | 174,420              | 732,432              | 181,854              |
| General revenues                      |                                |                      |                                 |                      |                      |                      |
| State revenues                        | 1,593,861                      | 1,521,949            |                                 |                      | 1,593,861            | 1,521,949            |
| Property taxes                        | 940,136                        | 924,384              |                                 |                      | 940,136              | 924,384              |
| Interest                              | 139,645                        | 100,889              | 161,133                         | 203,265              | 300,778              | 304,154              |
| Other                                 | 609,469                        | 1,450,753            | 20,605                          |                      | 630,074              | 1,450,753            |
| Change in investment in joint venture | 6,652,194                      |                      |                                 |                      | 6,652,194            |                      |
| <b>Total revenues</b>                 | <u>10,785,915</u>              | <u>4,628,896</u>     | <u>2,288,714</u>                | <u>1,920,374</u>     | <u>13,074,629</u>    | <u>6,549,270</u>     |
| <b>EXPENSES</b>                       |                                |                      |                                 |                      |                      |                      |
| General government                    | 1,788,315                      | 1,824,427            |                                 |                      | 1,788,315            | 1,824,427            |
| Public safety                         | 78,468                         | 122,158              |                                 |                      | 78,468               | 122,158              |
| Recreation                            | 154,000                        | 141,741              |                                 |                      | 154,000              | 141,741              |
| Public works/roads                    | 2,128,208                      | 1,131,693            |                                 |                      | 2,128,208            | 1,131,693            |
| Interest on long-term debt            |                                | 11,500               |                                 |                      |                      | 11,500               |
| Sewer system                          |                                |                      | 2,002,236                       | 2,087,342            | 2,002,236            | 2,087,342            |
| <b>Total expenses</b>                 | <u>4,148,991</u>               | <u>3,231,519</u>     | <u>2,002,236</u>                | <u>2,087,342</u>     | <u>6,151,227</u>     | <u>5,318,861</u>     |
| <b>Changes in net position</b>        | 6,636,924                      | 1,397,377            | 286,478                         | (166,968)            | 6,923,402            | 1,230,409            |
| <b>Beginning net position</b>         | <u>21,357,268</u>              | <u>19,959,891</u>    | <u>17,659,212</u>               | <u>17,826,180</u>    | <u>39,016,480</u>    | <u>37,786,071</u>    |
| <b>Ending net position</b>            | <u>\$ 27,994,192</u>           | <u>\$ 21,357,268</u> | <u>\$ 17,945,690</u>            | <u>\$ 17,659,212</u> | <u>\$ 45,939,882</u> | <u>\$ 39,016,480</u> |

The governmental funds experienced an increase in equity due to the addition of the Township’s investment in joint ventures.

The business-type activities showed an increase in net position of \$286,478. This is due to an increase in capital contributions of \$564,300 or 55 REU.

**Financial Analysis of the Township’s Major Funds**

The Township’s General Fund decreased its fund balance by \$234,525, due to an increase in road improvements.

The Township’s only major business-type fund, the Sewer Fund, reported an increase in net position of \$286,478, due to an increase in the amount of tap-in fees collected.

**General Fund Budgetary Highlights**

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

**Capital Asset and Debt Administration**

The Township government acquired \$225,840 of new capital assets during the year. Items purchased are:

| <b><u>Schedule of Additional Assets</u></b> |                          |
|---|--------------------------|
| Tabulator                                   | \$ 6,825                 |
| 2017 Jeep Cherokee                          | 20,267                   |
| Board Room audio equipment                  | 11,788                   |
| PNG Encoder                                 | 15,350                   |
| Fire Station #32 new parking lot            | 151,839                  |
| Sidewalks project                           | <u>19,771</u>            |
| <b>Total additions</b>                      | <b><u>\$ 225,840</u></b> |

As of March 31, 2018, the Township has funded a construction in progress project known as the Phase II Pathways Project. Design for this project began in February 2016, and as of March 31, 2018, the project was complete with \$19,771 in actual costs incurred during the year.

The governmental funds issued no debt during the year. A total of \$86,439 remains for all governmental fund debt relating to the former Collett Road Dump Site Pollution Remediation Obligation.

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

Total debt outstanding at the beginning of the year on business-type activities totaled \$6,590,000. During the year, the Township retired \$1,665,000 of debt, leaving \$4,925,000 at fiscal year end.

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

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

1. Culver Road \$650,000
2. Kensington Road (segment) \$120,000
3. Pleasant Valley Culvert \$225,000 (contingent upon LCRC funding participation)
4. Old US 23 (Spencer to Grand River) \$3,200,000 in 2019/2020

The Township is also continuing its efforts to add new users onto its sewage treatment system. Currently, the business-type funds are not self-sufficient. However, modest growth in the form of new REU connections per year projects that no further loans from the General Fund are needed, the existing bond (refinanced in September 2015) would be paid off in September 2020 and the existing loans from the General Fund would be repaid in March of 2022. For the year ended March 31, 2018, the Township had 55 REU connections, while billing revenues continued to increase.

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

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

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION  
MARCH 31, 2018

|   | Primary Government         |                             | Total                |
|---|----------------------------|-----------------------------|----------------------|
|   | Governmental<br>Activities | Business-type<br>Activities |                      |
| <b>ASSETS</b>                                 |                            |                             |                      |
| Cash, cash equivalents and investments        | \$ 14,516,458              | \$ 4,427,798                | \$ 18,944,256        |
| Receivables                                   |                            |                             |                      |
| Taxes   | 40,762                     |                             | 40,762               |
| State shared revenues                         | 232,235                    |                             | 232,235              |
| Intergovernmental                             | 2,385,832                  | (2,385,832)                 |                      |
| Accounts                                      | 90,883                     | 454,357                     | 545,240              |
| Special assessments                           | 27,836                     | 1,639,780                   | 1,667,616            |
| Prepaid expenses                              | 57,484                     | 5,882                       | 63,366               |
| Inventory                                     |                            | 42,886                      | 42,886               |
| Capital assets                                |                            |                             |                      |
| Non-depreciable                               | 711,313                    | 1,395,224                   | 2,106,537            |
| Depreciable - net of accumulated depreciation | 3,555,110                  | 17,691,577                  | 21,246,687           |
| Investment in joint venture                   | 6,652,194                  |                             | 6,652,194            |
| <b>Total assets</b>                           | <b>28,270,107</b>          | <b>23,271,672</b>           | <b>51,541,779</b>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>          |                            |                             |                      |
| Pension changes in assumption                 | 22,603                     |                             | 22,603               |
| Pension differences in experiences            | 32,433                     |                             | 32,433               |
| Subsequent pension contributions              | 4,388                      |                             | 4,388                |
| <b>Total deferred outflow of resources</b>    | <b>59,424</b>              |                             | <b>59,424</b>        |
| <b>LIABILITIES</b>                            |                            |                             |                      |
| Accounts payable and other accrued expenses   | 53,368                     | 165,254                     | 218,622              |
| Accrued wages/taxes                           | 15,162                     |                             | 15,162               |
| Compensated absences                          | 29,537                     |                             | 29,537               |
| Long term obligations                         |                            |                             |                      |
| Other due within one year                     | 86,439                     | 1,620,000                   | 1,706,439            |
| Other due in more than one year               |                            | 3,540,728                   | 3,540,728            |
| Net pension liability                         | 110,062                    |                             | 110,062              |
| <b>Total liabilities</b>                      | <b>294,568</b>             | <b>5,325,982</b>            | <b>5,620,550</b>     |
| <b>DEFERRED INFLOW OF RESOURCES</b>           |                            |                             |                      |
| Pension investment activities                 | 40,771                     |                             | 40,771               |
| <b>NET POSITION</b>                           |                            |                             |                      |
| Net investment in capital assets              | 4,266,423                  | 14,161,801                  | 18,428,224           |
| Restricted                                    | 1,537,832                  | 3,532,995                   | 5,070,827            |
| Unrestricted                                  | 22,189,937                 | 250,894                     | 22,440,831           |
| <b>Total net position</b>                     | <b>\$ 27,994,192</b>       | <b>\$ 17,945,690</b>        | <b>\$ 45,939,882</b> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2018**

| <b>Functions/Programs</b>             | <b>Expenses</b>       | <b>Programs Revenues</b>        |                                  | <b>Net (Expense) Revenue and Changes<br/>in Net Position</b> |                                     |                      |
|---------------------------------------|-----------------------|---------------------------------|----------------------------------|--|-------------------------------------|----------------------|
|                                       |                       | <b>Charges for<br/>Services</b> | <b>Capital<br/>Contributions</b> | <b>Governmental<br/>Activities</b>                           | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
| <b>PRIMARY GOVERNMENT</b>             |                       |                                 |                                  |  |                                     |                      |
| General government                    | \$ (1,788,315)        | \$ 443,753                      | \$                               | \$ (1,344,562)   | \$                                  | \$ (1,344,562)       |
| Public works                          | (259,790)             | 182,879                         | 168,132                          | 91,221   |                                     | 91,221               |
| Recreation                            | (154,000)             |                                 |                                  | (154,000)  |                                     | (154,000)            |
| Roads                                 | (1,858,316)           | 55,846                          |                                  | (1,802,470)  |                                     | (1,802,470)          |
| Public safety                         | (78,468)              |                                 |                                  | (78,468)   |                                     | (78,468)             |
| Cemetery                              | (10,102)              |                                 |                                  | (10,102)   |                                     | (10,102)             |
| <b>Total primary government</b>       | <b>(4,148,991)</b>    | <b>682,478</b>                  | <b>168,132</b>                   | <b>(3,298,381)</b>   |                                     | <b>(3,298,381)</b>   |
| <b>BUSINESS-TYPE ACTIVITIES</b>       |                       |                                 |                                  |  |                                     |                      |
| Sewer system                          | (2,002,236)           | 1,542,676                       | 564,300                          |  | 104,740                             | 104,740              |
| <b>Total</b>                          | <b>\$ (6,151,227)</b> | <b>\$ 2,225,154</b>             | <b>\$ 732,432</b>                | <b>(3,298,381)</b>   | <b>104,740</b>                      | <b>(3,193,641)</b>   |
| <b>General revenues</b>               |                       |                                 |                                  |  |                                     |                      |
| Property taxes                        |                       |                                 |                                  | 940,136  |                                     | 940,136              |
| State revenues                        |                       |                                 |                                  | 1,593,861  |                                     | 1,593,861            |
| Interest income                       |                       |                                 |                                  | 139,645  | 161,133                             | 300,778              |
| Rental income                         |                       |                                 |                                  | 230,642  |                                     | 230,642              |
| Franchise fees                        |                       |                                 |                                  | 357,547  |                                     | 357,547              |
| Other income                          |                       |                                 |                                  | 27,274   |                                     | 27,274               |
| Loss on sale of assets                |                       |                                 |                                  | (5,994)  | 20,605                              | 14,611               |
| Change in investment in joint venture |                       |                                 |                                  | 6,652,194  |                                     | 6,652,194            |
| <b>Total general revenues</b>         |                       |                                 |                                  | <b>9,935,305</b>   | <b>181,738</b>                      | <b>10,117,043</b>    |
| <b>Changes in net position</b>        |                       |                                 |                                  | <b>6,636,924</b>   | <b>286,478</b>                      | <b>6,923,402</b>     |
| <b>Net position, April 1, 2017</b>    |                       |                                 |                                  | <b>21,357,268</b>  | <b>17,659,212</b>                   | <b>39,016,480</b>    |
| <b>Net position, March 31, 2018</b>   |                       |                                 |                                  | <b>\$ 27,994,192</b>   | <b>\$ 17,945,690</b>                | <b>\$ 45,939,882</b> |

The notes are an integral part of the financial statements.

**FUND FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2018**

|  | <u>General</u>       | <u>Other<br/>Non-major<br/>Funds</u> | <u>Total</u>         |
|--|----------------------|--------------------------------------|----------------------|
| <b>ASSETS</b>                              |                      |                                      |                      |
| Cash, cash equivalents and investments     | \$ 12,983,181        | \$ 1,533,277                         | \$ 14,516,458        |
| Receivables                                |                      |                                      |                      |
| Taxes                                      | 40,762               |                                      | 40,762               |
| Special assessments                        |                      | 27,836                               | 27,836               |
| State shared revenues                      | 232,235              |                                      | 232,235              |
| Accounts                                   | 89,303               | 511                                  | 89,814               |
| Due from other funds                       | 2,386,901            | 766                                  | 2,387,667            |
| Prepaid expenditures                       | 57,475               | 9                                    | 57,484               |
| <b>Total assets</b>                        | <u>\$ 15,789,857</u> | <u>\$ 1,562,399</u>                  | <u>\$ 17,352,256</u> |
| <b>LIABILITIES</b>                         |                      |                                      |                      |
| Accounts payable                           | \$ 52,968            | \$ 400                               | \$ 53,368            |
| Accrued wages and vacations                | 15,053               | 109                                  | 15,162               |
| Due to other funds                         | 766                  |                                      | 766                  |
| <b>Total liabilities</b>                   | <u>68,787</u>        | <u>509</u>                           | <u>69,296</u>        |
| <b>FUND BALANCES</b>                       |                      |                                      |                      |
| Nonspendable - prepaid items               | 57,475               | 9                                    | 57,484               |
| Restricted                                 |                      |                                      |                      |
| Building department                        |                      | 4,877                                | 4,877                |
| Public safety                              |                      | 46,488                               | 46,488               |
| Roads                                      |                      | 126,057                              | 126,057              |
| Refuse                                     |                      | 71,709                               | 71,709               |
| Aquatics                                   |                      | 87,701                               | 87,701               |
| Streetlights                               |                      | 19,257                               | 19,257               |
| Municipal water                            |                      | 1,182,132                            | 1,182,132            |
| Committed                                  |                      |                                      |                      |
| Roads                                      | 3,227,691            |                                      | 3,227,691            |
| Parks and recreation                       | 1,188,042            |                                      | 1,188,042            |
| Cemetery                                   | 91,779               |                                      | 91,779               |
| Assigned                                   |                      |                                      |                      |
| Township board                             | 6,139,766            |                                      | 6,139,766            |
| Future budget deficit                      | 3,409,947            | 23,660                               | 3,433,607            |
| Unassigned                                 | 1,606,370            |                                      | 1,606,370            |
| <b>Total fund balance</b>                  | <u>15,721,070</u>    | <u>1,561,890</u>                     | <u>17,282,960</u>    |
| <b>Total liabilities and fund balances</b> | <u>\$ 15,789,857</u> | <u>\$ 1,562,399</u>                  | <u>\$ 17,352,256</u> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
MARCH 31, 2018**

|   |                    |                      |
|---|--------------------|----------------------|
| <b>Total fund balance per balance sheet</b>   |                    | \$ 17,282,960        |
| <p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>   |                    |                      |
| <p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>   |                    |                      |
| Historical cost   | \$ 7,744,192       |                      |
| Depreciation  | <u>(3,477,769)</u> |                      |
| <b>Capital assets net of depreciation</b>   |                    | 4,266,423            |
| <p>Investment in joint ventures are not current financial resources and therefore, are not reported in the fund financial statements.</p>                                   |                    |                      |
|   |                    | 6,652,194            |
| <p>Pension related activities are not a consumption of current resources and therefore are reported as deferred outflow of resources in the Statement of Net Position</p>   |                    |                      |
| Pension investments deficient (in excess) of projections  | (40,771)           |                      |
| Differences in expected pension experiences to actual   | 32,433             |                      |
| Changes in pension assumptions  | 22,603             |                      |
| Pension contributions subsequent to pension liability measurement date  | <u>4,388</u>       |                      |
| <b>Deferred outflow of resources related to pension activities</b>  |                    | 18,653               |
| <p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:</p>   |                    |                      |
| Pollution remediation liability   | (86,439)           |                      |
| Compensated absences  | <u>(29,537)</u>    |                      |
| <b>Long term liabilities</b>  |                    | (115,976)            |
| <p>Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements</p> |                    |                      |
| Net pension liability   |                    | <u>(110,062)</u>     |
| <b>Net position of governmental activities</b>  |                    | <u>\$ 27,994,192</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, 2018**

|                                     | <u>General Fund</u>  | <u>Non-major<br/>Funds</u> | <u>Total</u>         |
|-------------------------------------|----------------------|----------------------------|----------------------|
| <b>REVENUES</b>                     |                      |                            |                      |
| Taxes                               | \$ 940,136           | \$                         | \$ 940,136           |
| Connection fees                     |                      | 168,132                    | 168,132              |
| Special assessments - principal     | 19,614               | 238,725                    | 258,339              |
| Special assessments - interest      | 1,373                |                            | 1,373                |
| Intergovernmental - state revenues  | 1,584,929            | 8,932                      | 1,593,861            |
| Rental income                       | 230,642              |                            | 230,642              |
| Franchise fees                      | 357,547              |                            | 357,547              |
| Charges for services                | 443,753              |                            | 443,753              |
| Interest                            | 128,806              | 9,466                      | 138,272              |
| Reimbursements                      | 18,285               |                            | 18,285               |
| Miscellaneous                       | 8,989                |                            | 8,989                |
|                                     | <u>3,734,074</u>     | <u>425,255</u>             | <u>4,159,329</u>     |
| <b>Total revenues</b>               |                      |                            |                      |
| <b>EXPENDITURES</b>                 |                      |                            |                      |
| Current                             |                      |                            |                      |
| General government                  | 1,691,132            |                            | 1,691,132            |
| Parks and recreation                | 154,000              |                            | 154,000              |
| Public safety                       | 12,526               | 7,829                      | 20,355               |
| Road improvements                   | 1,813,680            | 44,636                     | 1,858,316            |
| Cemetery                            | 7,497                |                            | 7,497                |
| Public works                        | 63,924               | 195,866                    | 259,790              |
| Capital outlay                      |                      |                            |                      |
| General government                  | 54,230               |                            | 54,230               |
| Fire                                | 151,839              |                            | 151,839              |
| Pathways                            | 19,771               |                            | 19,771               |
|                                     | <u>3,968,599</u>     | <u>248,331</u>             | <u>4,216,930</u>     |
| <b>Total expenditures</b>           |                      |                            |                      |
| <b>Net changes in fund balances</b> | (234,525)            | 176,924                    | (57,601)             |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <u>15,955,595</u>    | <u>1,384,966</u>           | <u>17,340,561</u>    |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u>\$ 15,721,070</u> | <u>\$ 1,561,890</u>        | <u>\$ 17,282,960</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, 2018**

**Net change in fund balances - governmental funds** \$ (57,601)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which depreciation exceeded capital outlay is as follows:

|                        |                  |
|------------------------|------------------|
| Capital outlay         | \$ 225,840       |
| Loss on sale of assets | (5,994)          |
| Depreciation expense   | <u>(188,843)</u> |

**Total** 31,003

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

Repayment of pollution remediation costs incurred 86,439

Assessments not collected are reported as deferred revenue in the fund statements, and are reported as income levied in the Statement of Activities.

Principal collected on assessments (19,614)

Investments in joint venture used in the governmental activities are not current financial resources, and therefore are not reported in the funds.

6,652,194

Some pension activities in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds

Change in net pension liability, and related activities (40,951)

Some expenditures in the Statement of Activities are not a use of current financial resources, and therefore, are not reported in the Governmental Funds

Compensated absences (14,546)

**Change in net position of governmental activities** \$ 6,636,924

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 MARCH 31, 2018

|                                    | <u>Sewer Fund</u>    |
|------------------------------------|----------------------|
| <b>ASSETS</b>                      |                      |
| Current assets                     |                      |
| Cash and cash equivalents          | \$ 4,427,798         |
| Receivables                        |                      |
| Accounts                           | 454,357              |
| Special assessments                | 1,639,780            |
| Prepaid expenses                   | 5,882                |
| Inventory                          | 42,886               |
| <b>Total before capital assets</b> | <u>6,570,703</u>     |
| Non-current assets                 |                      |
| Land                               | 1,395,224            |
| Utility systems                    | 30,994,489           |
| <b>Total cost</b>                  | 32,389,713           |
| Less accumulated depreciation      | <u>(13,302,912)</u>  |
| <b>Non-current assets, net</b>     | <u>19,086,801</u>    |
| <b>Total assets</b>                | <u>25,657,504</u>    |
| <b>LIABILITIES</b>                 |                      |
| Current liabilities                |                      |
| Accounts payable                   | 48,523               |
| Accrued grinder pump expense       | 50,000               |
| New connections - escrow funds     | 66,731               |
| <b>Total current liabilities</b>   | 165,254              |
| Long term liabilities              |                      |
| Bonds payable                      | 4,925,000            |
| Loans from other funds             | 2,385,832            |
| Bond premium                       | 235,728              |
| <b>Total long term liabilities</b> | <u>7,546,560</u>     |
| <b>Total liabilities</b>           | <u>7,711,814</u>     |
| <b>NET POSITION</b>                |                      |
| Net investment in capital assets   | 14,161,801           |
| Restricted                         | 3,532,995            |
| Unrestricted                       | 250,894              |
| <b>Total net position</b>          | <u>\$ 17,945,690</u> |

The notes are an integral part of the financial statements.



CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED MARCH 31, 2018

|  | <u>Sewer Fund</u>           |
|--|-----------------------------|
| <b>OPERATING REVENUES</b>                      |                             |
| Utility billings                               | \$ 1,542,676                |
| Other revenues                                 | <u>20,605</u>               |
| <b>Total operating revenues</b>                | 1,563,281                   |
| <b>OPERATING EXPENSES</b>                      | <u>1,876,457</u>            |
| <b>Operating income (loss)</b>                 | <u>(313,176)</u>            |
| <b>NON-OPERATING REVENUES</b>                  |                             |
| Interest income - special assessments          | 139,844                     |
| Interest income - cash and equivalents         | 21,289                      |
| Interest and fees (expense)                    | <u>(125,779)</u>            |
| <b>Total non-operating revenues (expenses)</b> | <u>35,354</u>               |
| <b>Loss before capital contribution</b>        | <u>(277,822)</u>            |
| <b>CAPITAL CONTRIBUTIONS</b>                   |                             |
| Tap-in fees collected                          | <u>564,300</u>              |
| <b>Change in net position</b>                  | 286,478                     |
| <b>NET POSITION, APRIL 1, 2017</b>             | <u>17,659,212</u>           |
| <b>NET POSITION, MARCH 31, 2018</b>            | <u><u>\$ 17,945,690</u></u> |

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRIGHTON**  
**STATEMENT OF CASH FLOW**  
**SEWER FUND**  
**FOR THE YEAR ENDED MARCH 31, 2018**

|  |                    |                                   |
|--|--------------------|-----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                                   |
| Cash received from customers   | \$ 1,634,967       |                                   |
| Cash receipts from others  | 20,605             |                                   |
| Payments to other suppliers for goods or services  | <u>(1,145,107)</u> |                                   |
| <b>Net cash from (used in) operating activities</b>  |                    | <b>\$ 510,465</b>                 |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                            |                    |                                   |
| Principal paid on bonds  | (1,665,000)        |                                   |
| Interest paid on bonds   | (186,480)          |                                   |
| Interest paid on General Fund advances   | (31,717)           |                                   |
| Collections of special assessment (principal and interest)                                 | 881,298            |                                   |
| Tap fees (new users)   | <u>564,300</u>     |                                   |
| <b>Net cash (used in) capital and related financing activities</b>                         |                    | <b>(437,599)</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                                   |
| Interest received on cash and cash equivalents   |                    | <u>21,289</u>                     |
| <b>Net increase in cash and cash equivalents</b>   |                    | <b>94,155</b>                     |
| <b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2017</b>  |                    | <u><b>4,333,643</b></u>           |
| <b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2018</b>   |                    | <u><u><b>\$ 4,427,798</b></u></u> |
| <b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>  |                    |                                   |
| Operating (loss)   |                    | \$ (313,176)                      |
| Adjustments to reconcile operating (loss) to net cash from (used in) operating activities: |                    |                                   |
| Depreciation and amortization  | \$ 862,066         |                                   |
| Changes in assets and liabilities  |                    |                                   |
| Decrease in accounts and delinquents receivable  | 92,291             |                                   |
| Decrease in prepaid expense  | 559                |                                   |
| (Increase) in inventory  | (15,236)           |                                   |
| Increase in due to other funds   | (39,568)           |                                   |
| Increase in accounts payable   | (77,072)           |                                   |
| Increase in new connections escrow   | <u>601</u>         |                                   |
| <b>Total adjustments</b>   |                    | <u><b>823,641</b></u>             |
| <b>Net cash from (used in) operating activities</b>  |                    | <u><u><b>\$ 510,465</b></u></u>   |

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 MARCH 31, 2018

|                          | <u>Trust and<br/>Agency</u> | <u>Current<br/>Tax</u> | <u>Construction<br/>Escrow</u> | <u>Totals</u>     |
|--------------------------|-----------------------------|------------------------|--------------------------------|-------------------|
| <b>ASSETS</b>            |                             |                        |                                |                   |
| Cash                     | <u>\$ 422,772</u>           | <u>\$ 729</u>          | <u>\$ 473,841</u>              | <u>\$ 897,342</u> |
| <b>LIABILITIES</b>       |                             |                        |                                |                   |
| Due to others            | \$ 422,669                  | \$                     | \$ 473,604                     | \$ 896,273        |
| Due to other funds       | <u>103</u>                  | <u>729</u>             | <u>237</u>                     | <u>1,069</u>      |
| <b>Total liabilities</b> | <u>\$ 422,772</u>           | <u>\$ 729</u>          | <u>\$ 473,841</u>              | <u>\$ 897,342</u> |

The notes are an integral part of the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Township conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

**A. BASIC FINANCIAL STATEMENTS**

In accordance with GASB Standards, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net positions are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

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

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

The Township reports the following major governmental fund:

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

The Township reports the following major enterprise fund:

- The Sewer Fund accounts for the activities associated with operating the Township's sewage system.

**B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

1. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
2. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
3. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

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

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

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

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

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

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

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

**C. CAPITAL ASSETS**

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property is considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|  |                |
|--|----------------|
| Buildings, structures and improvements | 5 to 50 years  |
| Utility plant                          | 5 to 50 years  |
| Machinery and equipment                | 2 to 40 years  |
| Infrastructure                         | 25 to 50 years |

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

**D. ACCRUED COMPENSATED ABSENCES**

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Personnel Policies".

**E. BUDGETARY DATA**

The Board of Trustees follows the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The Township manager prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township Board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township Board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.



**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

**F. PROPERTY TAXES**

The Township's property taxes are levied and become a lien on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14, with the final collection date of February 28. The Township recognized the amount levied December 1, 2017 as revenue for the year ended March 31, 2018.

The 2017 adjusted taxable value totaled \$ 1,044,360,183. Taxes levied consisted of .8982 mills for Township operating purposes. The delinquent real property taxes of Charter Township of Brighton are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes.

**G. MANAGEMENT ESTIMATES**

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

**H. INVESTMENTS**

Investments are stated at fair value.

**I. CASH EQUIVALENTS**

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

**J. RISK MANAGEMENT**

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

**K. CHANGE IN ACCOUNTING POLICIES**

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

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

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

**L. INVENTORIES AND PREPAID ITEMS**

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

**M. CAPITALIZATION OF INTEREST**

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

**N. INCOME TAXES**

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

**O. FUND EQUITY**

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

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

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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

**P. DEFINED PENSION BENEFIT PLAN**

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

**Q. DEFERRED OUTFLOW/INFLOW OF RESOURCES**

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

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

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

For the year ended March 31, 2018 the Township records deferred outflow of resources on the Statement of Net Position relating to pension differences from expected investment returns compared to actual, changes in experience, changes in actuarial assumptions and contributions made subsequent to the Net Pension Liability measurement date.

Deferred outflow of resources as of March 31, 2018 are as follows:

| <b>Deferred Outflow (Inflow) of Resources</b>        |                  |
|--|------------------|
| Differences in experience                            | \$ 32,433        |
| Differences in actuarial assumptions                 | 22,603           |
| Differences in investment expectations versus actual | (40,771)         |
| Contributions subsequent to measurement date         | 4,388            |
| <b>Totals</b>  | <b>\$ 18,653</b> |

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

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

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

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

**NOTE 3 - INTERFUND BALANCES**

Interfund balances between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2018:

|                  | <u>Interfund<br/>Receivable</u> |                             | <u>Interfund<br/>Payable</u>  |
|------------------|---------------------------------|-----------------------------|-------------------------------|
| General Fund     | \$ 103                          | Trust and Agency Fund       | \$ 103                        |
| General Fund     | 729                             | Current Tax Collection Fund | 729                           |
| General Fund     | 237                             | Construction Escrow Fund    | 237                           |
| Streetlight Fund | <u>766</u>                      | General Fund                | <u>766</u>                    |
| <b>Total</b>     | <b><u><u>\$ 1,835</u></u></b>   |                             | <b><u><u>\$ 1,835</u></u></b> |

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

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2018, was as follows:

|  | <u>Balance<br/>4/1/2017</u> | <u>Additions</u> | <u>Deletions</u>  | <u>Reclassifications</u> | <u>Balance<br/>3/31/2018</u> |
|--|-----------------------------|------------------|-------------------|--------------------------|------------------------------|
| <b>Governmental activities:</b>                          |                             |                  |                   |                          |                              |
| Capital assets not being depreciated                     |                             |                  |                   |                          |                              |
| Land   | \$ 711,313                  | \$               | \$                | \$                       | \$ 711,313                   |
| Construction in progress                                 | <u>494,460</u>              | <u>19,771</u>    |                   | <u>(514,231)</u>         |                              |
| <b>Total capital assets not being depreciated</b>        | <u>1,205,773</u>            | <u>19,771</u>    |                   | <u>(514,231)</u>         | <u>711,313</u>               |
| <b>Other capital assets:</b>                             |                             |                  |                   |                          |                              |
| Buildings and improvements                               | 5,880,818                   | 151,839          |                   | 514,231                  | 6,546,888                    |
| Vehicles and equipment                                   | <u>452,515</u>              | <u>54,230</u>    | <u>(20,754)</u>   |                          | <u>485,991</u>               |
| <b>Total other capital assets at<br/>historical cost</b> | <u>6,333,333</u>            | <u>206,069</u>   | <u>(20,754)</u>   | <u>514,231</u>           | <u>7,032,879</u>             |
| <b>Less accumulated depreciation for:</b>                |                             |                  |                   |                          |                              |
| Buildings and improvements                               | (2,994,178)                 | (158,200)        |                   |                          | (3,152,378)                  |
| Vehicles and equipment                                   | <u>(309,508)</u>            | <u>(30,643)</u>  | <u>14,760</u>     |                          | <u>(325,391)</u>             |
| <b>Total accumulated depreciation</b>                    | <u>(3,303,686)</u>          | <u>(188,843)</u> | <u>14,760</u>     |                          | <u>(3,477,769)</u>           |
| <b>Other capital assets, net</b>                         | <u>3,029,647</u>            | <u>17,226</u>    | <u>(5,994)</u>    | <u>514,231</u>           | <u>3,555,110</u>             |
| <b>Governmental capital assets, net</b>                  | <u>\$ 4,235,420</u>         | <u>\$ 36,997</u> | <u>\$ (5,994)</u> | <u>\$</u>                | <u>\$ 4,266,423</u>          |

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

|                                 |                   |
|---------------------------------|-------------------|
| <b>Governmental activities:</b> |                   |
| General government              | \$ 128,125        |
| Public safety                   | 58,113            |
| Cemetery                        | <u>2,605</u>      |
|                                 | <u>\$ 188,843</u> |

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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

|  | <u>Balance<br/>4/1/2017</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Balance<br/>3/31/2018</u> |
|--|-----------------------------|---------------------|------------------|------------------------------|
| <b>Business-type activities:</b>                               |                             |                     |                  |                              |
| Capital assets not being depreciated                           |                             |                     |                  |                              |
| Land - sewer   | \$ 1,395,224                | \$                  | \$               | \$ 1,395,224                 |
| <b>Other capital assets:</b>                                   |                             |                     |                  |                              |
| Plant and collection system - sewer                            | 30,971,989                  |                     |                  | 30,971,989                   |
| Furniture and fixtures - sewer                                 | 22,500                      |                     |                  | 22,500                       |
| <b>Total other capital assets at historical cost</b>           | <u>30,994,489</u>           |                     |                  | <u>30,994,489</u>            |
| <b>Less accumulated depreciation for:</b>                      |                             |                     |                  |                              |
| Plant and collection system - sewer                            | (12,418,346)                | (862,066)           |                  | (13,280,412)                 |
| Furniture and fixtures - sewer                                 | (22,500)                    |                     |                  | (22,500)                     |
| <b>Total accumulated depreciation</b>                          | <u>(12,440,846)</u>         | <u>(862,066)</u>    |                  | <u>(13,302,912)</u>          |
| <b>Other capital assets, net</b>                               | <u>18,553,643</u>           | <u>(862,066)</u>    |                  | <u>17,691,577</u>            |
| <b>Business-type capital assets, net</b>                       | <u>\$ 19,948,867</u>        | <u>\$ (862,066)</u> | <u>\$</u>        | 19,086,801                   |
| <b>Related long-term debt outstanding at March 31, 2018</b>    |                             |                     |                  | <u>(4,925,000)</u>           |
| <b>Governmental capital assets, net related long-term debt</b> |                             |                     |                  | <u>\$ 14,161,801</u>         |

Depreciation was charged to functions as follows:

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

**NOTE 5 - DEFINED BENEFIT PLAN**

**Plan Description**

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

**Benefits Provided**

As of the December 31, 2017 actuarial valuation, the defined benefit plan was comprised of four divisions. Division 01 is for general employees hired prior to November, 2011 and is closed to new hires. Division 10 is for officials elected prior to November, 2011 and is closed to new hires. Division 11 is open to all full time general township employees hired after November 2011. Division 12 is for officials elected after November, 2011 and remains open to new hires.

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

***Employees covered by benefit terms***

At the December 31, 2017 valuation date, the following employees were covered by the benefit terms:

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

***Contributions***

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

The actuarially determined rates for the plan year ended March 31, 2018 were \$1,497 per month for Division 01, \$788 per month for Division 10, 2.85% of eligible wages for Division 11, and 3.04% for Division 12. The Township elected to make an additional voluntary contributions of 4.00% of eligible wages for all divisions and required employees to contribute 5.00% of eligible wages for all divisions.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

***Net Pension Liability***

The Total Pension Liability used to calculate the Net Pension Liability was determined from the annual actuarial valuation as of December 31, 2017.

***Actuarial assumptions***

The total pension liability in the December 31, 2017 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%.

Salary Increases: 3.75% in the long term.

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

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

Mortality rates used were based on the 2014 RP-Group Annuity Mortality Table of a 50% Male and 50% Female blend.

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

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

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



CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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

**Discount Rate**

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

**Changes in Net Pension Liability**

|   | <b>Increase (Decrease)</b>         |  |                                  |
|---|------------------------------------|--|----------------------------------|
|   | <b>Total Pension<br/>Liability</b> | <b>Plan Fiduciary<br/>Net Position</b> | <b>Net Pension<br/>Liability</b> |
|   | <b>(a)</b>                         | <b>(b)</b>                             | <b>(a)-(b)</b>                   |
| <b>Balance at 12/31/2016</b>                      | \$ 1,942,612                       | \$ 1,729,684                           | \$ 212,928                       |
| <b>Changes for the year</b>                       |                                    |  |                                  |
| Service cost                                      | 51,344                             |  | 51,344                           |
| Interest on total pension liability               | 152,671                            |  | 152,671                          |
| Changes in benefits                               |                                    |  |                                  |
| Difference between expected and actual experience | 4,783                              |  | 4,783                            |
| Changes in assumptions                            |                                    |  |                                  |
| Employer contributions                            |                                    | 58,993                                 | (58,993)                         |
| Employee contributions                            |                                    | 26,196                                 | (26,196)                         |
| Net investment income                             |                                    | 230,111                                | (230,111)                        |
| Benefit payments, including employee refunds      | (119,820)                          | (119,820)                              |                                  |
| Administrative expense                            |                                    | (3,639)                                | 3,639                            |
| Other changes                                     | (3)                                |  | (3)                              |
| <b>Net changes</b>                                | <b>88,975</b>                      | <b>191,841</b>                         | <b>(102,866)</b>                 |
| <b>Balance at 12/31/2017</b>                      | <b>\$ 2,031,587</b>                | <b>\$ 1,921,525</b>                    | <b>\$ 110,062</b>                |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

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

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

|   | <b>1% Decrease<br/>7.00%</b> | <b>Current Discount<br/>Rate<br/>8.00%</b> | <b>1% Increase<br/>9.00%</b> |
|---|------------------------------|--|------------------------------|
| Net Pension Liability at 12/31/2017                                   | \$ 110,062                   | \$ 110,062                                 | \$ 110,062                   |
| Change in Net Pension Liability (NPL)<br>from change in discount rate | 245,641                      |  | (208,242)                    |
| Calculated NPL  | \$ 355,703                   | \$ 110,062                                 | \$ (98,180)                  |

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

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

For the fiscal year ended March 31, 2018, the Township recognized pension expense of \$96,037. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflow of<br/>Resources</b> | <b>Deferred<br/>(Inflow) of<br/>Resources</b> | <b>Totals</b> |
|--|--|---|---------------|
| Differences in experience                                | \$ 32,433                                    | \$  | \$ 32,433     |
| Differences in assumptions                               | 22,603                                       |   | 22,603        |
| Excess (Deficit) of Investment Returns                   |  | (40,771)                                      | (40,771)      |
| <b>Total deferred outflows (inflows) to be amortized</b> | 55,036                                       | (40,771)                                      | 14,265        |
| Contributions subsequent to the measurement date         | 4,388  |   | 4,388         |
| <b>Totals</b>  | \$ 59,424                                    | \$ (40,771)                                   | \$ 18,653     |

The amount reported as deferred outflow of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending March 31, 2019.

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

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

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

| Year Ended March 31, | Expense          |
|----------------------|------------------|
| 2019                 | \$ 51,426        |
| 2020                 | 9,190            |
| 2021                 | (27,697)         |
| 2022                 | (18,654)         |
| <b>Total</b>         | <b>\$ 14,265</b> |

**NOTE 6 - DEFINED CONTRIBUTION PLAN**

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

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS      \$ 10,469

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

TOTAL CURRENT YEAR CONTRIBUTIONS      \$ 5,580

**NOTE 7 - DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the VOYA Financial.

The Township had amended the plan to be in compliance with the Small Business Job Protection Act of 1996. The assets of the plan have been moved to a trust to be held for the exclusive benefit of the participants and their beneficiaries. Prior to June 30, 1998, the assets of the plan have been reported in an agency fund.

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 8 - LONG-TERM OBLIGATIONS**

**Contracts Payable**

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

Contracts payable currently outstanding are as follows:

| <u>Purpose</u>                                 | <u>Issuance<br/>Amount</u> | <u>Principal<br/>Installments</u> | <u>Final<br/>Maturity</u> | <u>Interest<br/>Rates</u> | <u>Debt<br/>Outstanding</u> |
|--|----------------------------|-----------------------------------|---------------------------|---------------------------|-----------------------------|
| <b>Business-type activities:</b>               |                            |                                   |                           |                           |                             |
| Livingston County Drain<br>Commission          |                            |                                   |                           |                           |                             |
| Spencer Extension, 2005                        | \$ 760,000                 | \$ 35,000 — \$ 40,000             | 5/1/2024                  | 3.50 — 5.00%              | \$ 270,000                  |
| Livingston County Drain<br>Commission          |                            |                                   |                           |                           |                             |
| Sewer Refunding, 2015                          | \$ 7,900,000               | \$ 1,515,000 — \$ 1,625,000       | 10/1/2020                 | 2.00 — 5.00%              | <u>4,655,000</u>            |
| <b>Total contracts<br/>payable outstanding</b> |                            |                                   |                           |                           | <u><u>\$ 4,925,000</u></u>  |

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

| <u>Year Ending<br/>March 31</u> | <u>Business-type Activities</u> |                   |
|---------------------------------|---------------------------------|-------------------|
|                                 | <u>Principal</u>                | <u>Interest</u>   |
| 2019                            | \$ 1,620,000                    | \$ 135,720        |
| 2020                            | 1,600,000                       | 86,620            |
| 2021                            | 1,555,000                       | 38,780            |
| 2022                            | 35,000                          | 6,625             |
| 2023                            | 40,000                          | 4,750             |
| 2024 - 2025                     | 75,000                          | 3,625             |
|                                 | <u>\$ 4,925,000</u>             | <u>\$ 276,120</u> |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 8 - LONG-TERM OBLIGATIONS (continued)**

**Pollution Remediation Obligation**

On January 15, 2009 a consent order was issued to conclude the litigation between the Township and the State of Michigan over the clean-up of the former Collett Road dump site. In the order the Township agreed to immediately pay \$1,350,000 to the State of Michigan and monitor the site and nearby groundwater for a period of up to ten (10) years. The Township has adopted GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, to account for its future obligation related to the consent order. As of March 31, 2018, the future monitoring costs to be borne by the Township were estimated at \$86,439. 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, 2018:

|                                      | <b>Balance<br/>4/1/2017</b> | <b>Additions</b> | <b>Reductions</b>     | <b>Balance<br/>3/31/2018</b> | <b>Due Within<br/>One Year</b> |
|--------------------------------------|-----------------------------|------------------|-----------------------|------------------------------|--------------------------------|
| <b>Governmental activities:</b>      |                             |                  |                       |                              |                                |
| Pollution remediation obligation     | \$ 172,878                  | \$               | \$ (86,439)           | \$ 86,439                    | \$ 86,439                      |
| Accumulated compensated absences     | 14,901                      | 16,091           | (1,455)               | 29,537                       | 29,537                         |
| <b>Total governmental activities</b> | <b>187,779</b>              | <b>16,091</b>    | <b>(87,894)</b>       | <b>115,976</b>               | <b>115,976</b>                 |
| <b>Business-type activities:</b>     |                             |                  |                       |                              |                                |
| Contracts payable                    | 6,590,000                   |                  | (1,665,000)           | 4,925,000                    | 1,620,000                      |
| <b>Total long-term liabilities</b>   | <b>\$ 6,777,779</b>         | <b>\$ 16,091</b> | <b>\$ (1,752,894)</b> | <b>\$ 5,040,976</b>          | <b>\$ 1,735,976</b>            |

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

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

As of March 31, 2018 cash, cash equivalents and investments consist of the following:

|                                       | <b>Total</b>         | <b>Cash</b>          | <b>Investments</b>  |
|---------------------------------------|----------------------|----------------------|---------------------|
| <b>Deposits</b>                       |                      |                      |                     |
| Checking accounts                     | \$ 4,353,589         | \$ 4,353,589         | \$                  |
| Money market and savings accounts     | 12,112,488           | 12,112,488           |                     |
| Non-negotiable CDs                    | 3,001,719            |                      | 3,001,719           |
| <b>Total deposits</b>                 | 19,467,796           | 16,466,077           | 3,001,719           |
| <b>Investments</b>                    |                      |                      |                     |
| External investment pool              | 410,912              |                      | 410,912             |
| <b>Total deposits and investments</b> | <b>\$ 19,878,708</b> | <b>\$ 16,466,077</b> | <b>\$ 3,412,631</b> |

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

**Statement of Net Position**

Cash, cash equivalents, and investments \$ 18,945,859

**Fiduciary Funds**

Cash 897,343

**Total cash, cash equivalents and investments** **\$ 19,843,202**

The difference between the carrying amount of cash and the amount mentioned above stems from outstanding items and accrued interest as of March 31, 2018.

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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

**Custodial Credit Risk**

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

As of March 31, 2018 deposits in banks totaled \$16,466,077 which was exposed to custodial credit risk as follows:

|                                |                      |
|--------------------------------|----------------------|
| Insured by FDIC                | \$ 934,717           |
| Uninsured and collateralized   | 12,003,748           |
| Uninsured and uncollateralized | <u>3,527,612</u>     |
|                                | <u>\$ 16,466,077</u> |

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

As of March 31, 2018 investments totaled \$3,412,631 which was exposed to custodial credit risk as follows:

|                 |                     |
|-----------------|---------------------|
| Insured by FDIC | <u>\$ 3,001,719</u> |
|                 | <u>\$ 3,001,719</u> |

The investments in external investment pools are not issued in securities form and therefore not subject to custodial credit risk disclosures. Amount invested in an external investment pool is \$410,912 as of March 31, 2018.

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 9 - 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.

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

| <u>Investment Type</u>                | <u>Issuer</u>         | <u>Percent of Portfolio</u> |
|---------------------------------------|-----------------------|-----------------------------|
| Non-negotiable Certificate of Deposit | FNB Howell            | 7%                          |
| Non-negotiable Certificate of Deposit | Chemical Bank         | 7%                          |
| Non-negotiable Certificate of Deposit | Associated Bank       | 7%                          |
| Non-negotiable Certificate of Deposit | First National Bank   | 7%                          |
| Non-negotiable Certificate of Deposit | Franklin Synergy      | 7%                          |
| Non-negotiable Certificate of Deposit | Northern Bank & Trust | 7%                          |
| Non-negotiable Certificate of Deposit | NBT Bank              | 7%                          |
| Non-negotiable Certificate of Deposit | Pinnacle Bank         | 7%                          |
| Non-negotiable Certificate of Deposit | TriState Capital Bank | 7%                          |
| Non-negotiable Certificate of Deposit | United Bank           | 7%                          |
| Non-negotiable Certificate of Deposit | Valley National Bank  | 7%                          |
| Non-negotiable Certificate of Deposit | ZB, National          | 7%                          |

**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, 2018 the Township had the following investments subject to interest rate risk:

| <u>Investment Type</u>                 | <u>Fair Value</u>   | <u>Investment Maturities</u> |                   |
|--|---------------------|------------------------------|-------------------|
|  |                     | <u>&lt; 1</u>                | <u>1-3</u>        |
| Non-negotiable Certificates of Deposit | \$ 3,001,719        | \$ 2,751,719                 | \$ 250,000        |
| <b>Total</b>                           | <u>\$ 3,001,719</u> | <u>\$ 2,751,719</u>          | <u>\$ 250,000</u> |

The Township's investment in the MBIA Investment Pool meets the definition of a 2a7-like pool and is therefore not subject to disclosures of interest rate risk. Investment in the MBIA Investment Pool at March 31, 2018 is \$410,912.



**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for US Treasuries and money market accounts. As of March 31, 2018, the Township's investments were exposed to credit risk as follows:

| <u>Investment Type</u>                 | <u>Rating by Standard &amp; Poor</u> | <u>Amount</u>       |
|--|--------------------------------------|---------------------|
| MBIA Investment Pool                   | AAA / M                              | \$ 410,912          |
| Non-negotiable Certificates of Deposit | Unrated                              | <u>3,001,719</u>    |
|  |                                      | <u>\$ 3,412,631</u> |

**NOTE 10 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

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

|                               | <u>3/31/2018</u> |
|-------------------------------|------------------|
| Operating revenues            | \$ 1,563,281     |
| Depreciation and amortization | 862,066          |
| Operating (loss)              | (313,176)        |
| Net working capital           | 250,894          |
| Total assets                  | 25,657,504       |
| Reserved retained earnings    | 17,973,327       |
| Unreserved retained earnings  | (27,637)         |
| Total fund equity             | 17,945,690       |

**NOTE 11 - STATEMENT OF CASH FLOW - ENTERPRISE FUNDS**

Pursuant to the Governmental Accounting Standards Board (GASB) standards, a statement of cash flow is presented. The purpose of the statement of cash flow is to explain the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. The direct method was utilized to present cash flow from operations. The following summarizes beginning and ending cash and cash equivalents:

|                           | <u>April 1, 2017</u> | <u>March 31, 2018</u> |
|---------------------------|----------------------|-----------------------|
| Cash and cash equivalents | <u>\$ 4,333,643</u>  | <u>\$ 4,427,797</u>   |

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 12 - OTHER FINANCING SOURCES (USES)**

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

**NOTE 13 - CONTINGENT LIABILITIES - SEWER SYSTEM MATTERS**

The Township is currently involved with the following three matters which involve the Township's sewer system.

Under the first matter, "Shoner and Potocki et. al. v. The Charter Township of Brighton", is a putative class action pending in the Livingston County Circuit Court. In that action, plaintiffs seek relief, including declaratory relief and a refund of amounts paid relating to a special assessment sanitary sewer system district. Plaintiffs also seek costs and attorney fees. After several sessions with a Court-appointed mediator (over an eight month period), the parties have reached a class settlement agreement, which has been approved by the Township, executed by counsel, and presented to the Court for approval. The Court has issued several orders, which preliminarily approve the proposed class settlement, and set notice and claims schedules. The Court has also set a class settlement final approval hearing for July 12, 2018, at which time the Court will determine whether: (1) the class settlement should be approved; (2) judgment entered in favor of the proposed settlement class; and (3) plaintiffs' counsel's requested attorney fees and costs approved. There have been several objections to the proposed class settlement, which the Court will also address at the July 12<sup>th</sup> final approval hearing. In addition, the class settlement, even if approved by the Court, may be appealed. Per the terms of the class settlement agreement, the class settlement does not become effective (and funded by the Township) until all appeals are exhausted (or the time to file an appeal has expired). Therefore, it is too early to evaluate the probability of a favorable or unfavorable outcome of this matter.

In the remaining other two matters relating to the same underlying claims, but in different jurisdictions, Mann Investments seeks relief and appeals from an earlier decision by the Charter Township of Brighton relating to a special assessment for sanitary sewer services provided to a commercial property, which is no longer owned by plaintiff. The Livingston County Circuit Court matter is at the dispositive motion stage, with both parties intending to file dispositive motions, which are currently set to be heard on July 26, 2018. The Michigan Tax Tribunal matter has been stayed. Therefore, it is too early to evaluate the probability of a favorable or unfavorable outcome of this matter.

**NOTE 14 - TAX ABATEMENT**

In 2010 the Township entered into a property tax abatement agreement with American Compounding Specialists LLC for new building construction and/or improvements and investment in machinery and equipment for the purpose of encouraging the growth of business and the creation of new jobs or retention of existing jobs, pursuant to Michigan Public Act 198 of 1974, as amended. Under the Act, localities may grant property tax abatements to new industrial facilities. The agreement began in 2011 and granted a 12 year tax exemption. For the fiscal year ended March 31, 2018, the Township abated property taxes totaling \$7,396. The Township's portion of this amount is \$346.

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

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

**CHARTER TOWNSHIP OF BRIGHTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 15 - INVESTMENTS IN JOINT VENTURE**

As of March 31, 2018, the Township has investments in four joint ventures. These joint ventures are described as follows:

**Fonda, Island & Briggs Lake Joint Water Authority**

The Charter Township of Brighton is a member of the Fonda, Island & Briggs Lake Joint Water Authority, (hereinafter "Authority"). The Authority pursuant to the provisions of Act 196, Public Acts of 1952. The system was constructed by the State of Michigan at no cost to the users with the expense after construction to be incurred by the users.

The Charter Township of Brighton does not hold an equity interest in this joint venture, but maintains joint control and may experience an ongoing financial responsibility in the joint venture.

The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements for Fonda, Island & Briggs Lake Joint Water Authority can be obtained from the administrative offices of the Authority, at 11510 Grand River, Brighton, MI 48116.

**Livingston Community Water Authority**

The Charter Township of Brighton is a member of the Livingston Community Water Authority (hereinafter "LCWA"). LCWA was established under Act No. 233, Public Acts of Michigan on June 23, 2000. The Authority was formed to acquire, own, improve, enlarge, extend, operate, maintain and administer water supply systems to residents of the member communities.

The Charter Township of Brighton holds a 22.77% share of the equity in this joint venture, which amounted to \$4,081,453 as of March 31, 2018. The amount is recorded in the government-wide Statement of Net Position as investments in joint ventures.

The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements for LCWA can be obtained from the administrative offices of the Authority, at 10001 Silver Lake Road, Brighton, MI 48116.

Selected financial information of Livingston Community Water Authority as of, and for, the fiscal year ended December 31, 2017 (the date financial information was last available) is as follows:

|                    |    |            |
|--------------------|----|------------|
| Total assets       | \$ | 18,018,368 |
| Total liabilities  | \$ | 93,672     |
| Total net assets   | \$ | 17,924,696 |
| Total revenues     | \$ | 1,996,413  |
| Total expenditures | \$ | 792,405    |

**CHARTER TOWNSHIP OF BRIGHTON**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**NOTE 15 - INVESTMENTS IN JOINT VENTURE (continued)**

**Southeastern Livingston County Recreation Authority**

The Charter Township of Brighton is a member of the Southeastern Livingston County Recreation Authority (hereinafter "Authority). The Authority was jointly incorporated by the City of Brighton, Charter Township of Brighton, Charter Township of Genoa and Green Oak Charter Township in 2002 under provisions of Public Act 321. The Authority was formed to provide recreational services to the respective communities.

The City of Brighton and Charter Township of Genoa have since withdrawn from the Authority in 2015. The Charter Township of Brighton does not hold an equity interest in the joint venture, but maintains joint control and ongoing financial responsibility in the Authority.

Complete financial statements for SELCRA can be obtained from the administrative offices of the Authority, at 125 S. Church St., Brighton, MI 48116.

**Brighton Area Fire Authority**

The Charter Township of Brighton is a member of the Brighton Area Fire Authority (hereinafter "Fire Authority"). The Fire Authority was incorporated by the City of Brighton and the Charter Townships of Brighton and Genoa. The Fire Authority was formed for the purpose of providing fire protection and safety services to the residents of its incorporating members. The Fire Authority operations are funded through a voter approved millage. The Charter Township of Brighton holds a 33% share of the equity in this joint venture, which amounted to \$2,570,741 as of March 31, 2018. This amount is recorded in the government-wide Statement of Net Position as total investments in joint ventures.

The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements for the Fire Authority can be obtained from the administrative offices of the Fire Authority at 615 W. Grand River Ave., Brighton, Michigan 48116. Selected financial information of the Fire Authority as of and for the fiscal year ended June 30, 2017 (the date financial information was last available) is as follows:

|                    |    |           |
|--------------------|----|-----------|
| Total assets       | \$ | 8,048,718 |
| Total liabilities  | \$ | 336,494   |
| Total net assets   | \$ | 7,712,224 |
| Total revenues     | \$ | 4,026,643 |
| Total expenditures | \$ | 3,808,709 |

**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, 2018

|                                     | Budget Amount        |                      | Actual               | Variance<br>with Final<br>Budget<br>Favorable<br>(Unfavorable) |
|-------------------------------------|----------------------|----------------------|----------------------|--|
|                                     | Original             | Final                |                      |  |
| <b>REVENUES</b>                     |                      |                      |                      |  |
| Taxes                               | \$                   | \$                   | \$ 940,136           | \$   |
| Special assessments - principal     |                      |                      | 19,614               |  |
| Special assessments - interest      |                      |                      | 1,373                |  |
| Intergovernmental - state           |                      |                      | 1,584,929            |  |
| Rental income                       |                      |                      | 230,642              |  |
| Franchise fees                      |                      |                      | 357,547              |  |
| Charges for services                |                      |                      | 443,753              |  |
| Interest                            |                      |                      | 128,806              |  |
| Reimbursements                      |                      |                      | 18,285               |  |
| Miscellaneous                       |                      |                      | 8,989                |  |
| <b>Total revenues</b>               | 3,356,677            | 3,356,677            | 3,734,074            | 377,397  |
| <b>EXPENDITURES</b>                 | 5,436,460            | 5,472,255            | 3,968,599            | 1,503,656  |
| <b>Net change in fund balance</b>   | (2,079,783)          | (2,115,578)          | (234,525)            | 1,881,053  |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | 15,955,595           | 15,955,595           | 15,955,595           |  |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u>\$ 13,875,812</u> | <u>\$ 13,840,017</u> | <u>\$ 15,721,070</u> | <u>\$ 1,881,053</u>  |

**CHARTER TOWNSHIP OF BRIGHTON**

**REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED MARCH 31, 2018**

**Schedule of Employer Contributions**

|   | <b>For the Plan<br/>Year Ended<br/><u>December 31, 2017</u></b> | <b>For the Plan<br/>Year Ended<br/><u>December 31, 2016</u></b> | <b>For the Plan<br/>Year Ended<br/><u>December 31, 2015</u></b> |
|---|---|---|---|
| Actuarial determined contributions                                    | \$ 32,558   | \$ 9,179  | \$ 6,376  |
| Contributions in relation to the<br>actuarial determined contribution | <u>58,991</u>   | <u>29,226</u>   | <u>23,021</u>   |
| Contribution (deficiency) excess                                      | <u>\$ 26,433</u>  | <u>\$ 20,047</u>  | <u>\$ 16,645</u>  |
| Covered employee payroll  | <u>\$ 523,920</u>   | <u>\$ 511,727</u>   | <u>\$ 457,995</u>   |
| Contributions as a percentage of<br>covered payroll                   | <u>11.26%</u>   | <u>5.71%</u>  | <u>5.03%</u>  |

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

**Notes to the Schedule of Employer Contributions (All divisions)**

|                                  |   |
|----------------------------------|---|
| Actuarial cost method            | Entry age   |
| Amortization method              | Layered by division   |
| Remaining amortization period    | Division 01: Initial UAL - 23 years, 2016 (Gain)/Loss - 22 years,<br>2017 (Gain)/Loss - 21 years<br>Division 10: Initial UAL - 10 years, (Gain)/Loss - 15 years<br>Division 11: Initial UAL - 10 years, (Gain)/Loss - 15 years<br>Division 12: (Gain)/Loss - 15 years |
| Asset valuation method           | 5 year smoothing  |
| Inflation                        | 2.50%   |
| Salary increases                 | 3.75%   |
| Investment rate of return        | 7.75%   |
| Retirement age                   | Age 60. Early retirement with reduced benefits at age 50 with<br>25 years of service or 55 with 15 years of service.  |
| Mortality                        | 50% Female/50% Male RP-2014 group Annuity Mortality Table   |
| UAL = Unfunded Accrued Liability |   |

**Previous Actuarial Methods and Assumptions**

A seven year smoothed asset valuation method was used for the time period of 2005 through 2013, and a 10- year smoothed asset valuation method was used through 2015. Inflation was previously assumed to be 3.5%, with salary increases of 4.5%

**CHARTER TOWNSHIP OF BRIGHTON**

**REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE YEAR MARCH 31, 2018**

|  | <u>For the Plan<br/>Year Ended<br/>December 31, 2017</u> | <u>For the Plan<br/>Year Ended<br/>December 31, 2016</u> | <u>For the Plan<br/>Year Ended<br/>December 31, 2015</u> |
|--|--|--|--|
| <b>TOTAL PENSION LIABILITY</b>   |  |  |  |
| Service cost   | \$ 51,344  | \$ 44,499  | \$ 44,302  |
| Interest   | 152,671  | 144,760  | 129,220  |
| Changes in benefit terms   |  |  |  |
| Differences between expected and actual experience                                       | 4,783  | 18,428   | 78,534   |
| Changes of assumptions   |  |  | 90,409   |
| Benefit payments, including refunds of<br>employee contributions                         | (119,820)  | (104,648)  | (94,079)   |
| Other changes  | <u>(3)</u>   | <u>(1)</u>   |  |
| <b>Net change in total pension liability</b>   | 88,975   | 103,038  | 248,386  |
| <b>TOTAL PENSION LIABILITY - BEGINNING</b>   | <u>1,942,612</u>   | <u>1,839,574</u>   | <u>1,591,188</u>   |
| <b>TOTAL PENSION LIABILITY - ENDING</b>  | <u><u>\$ 2,031,587</u></u>                               | <u><u>\$ 1,942,612</u></u>                               | <u><u>\$ 1,839,574</u></u>                               |
| <br><b>PLAN FIDUCIARY NET POSITION</b>   |  |  |  |
| Contributions - employer   | \$ 58,993  | \$ 29,226  | \$ 22,801  |
| Contributions - employee   | 26,196   | 25,058   | 23,570   |
| Net investment income  | 230,111  | 181,169  | (25,009)   |
| Benefit payments, including refunds of<br>employee contributions                         | (119,820)  | (104,648)  | (94,079)   |
| Administrative expenses  | <u>(3,639)</u>   | <u>(3,578)</u>   | <u>(3,660)</u>   |
| <b>Net change in plan fiduciary net position</b>   | 191,841  | 127,227  | (76,377)   |
| <b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>  | <u>1,729,684</u>   | <u>1,602,457</u>   | <u>1,678,834</u>   |
| <b>PLAN FIDUCIARY NET POSITION, ENDING</b>   | <u><u>\$ 1,921,525</u></u>                               | <u><u>\$ 1,729,684</u></u>                               | <u><u>\$ 1,602,457</u></u>                               |
| <b>NET PENSION LIABILITY<br/>(TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)</b> | <u><u>\$ 110,062</u></u>                                 | <u><u>\$ 212,928</u></u>                                 | <u><u>\$ 237,117</u></u>                                 |
| Plan fiduciary net position as a percentage of the<br>total pension liability            | <u>94.58%</u>  | <u>89.04%</u>  | <u>87.11%</u>  |
| Covered employee payroll   | <u><u>\$ 523,920</u></u>                                 | <u><u>\$ 511,727</u></u>                                 | <u><u>\$ 457,995</u></u>                                 |
| Net pension liability as a percentage of covered<br>employee payroll                     | <u>21.01%</u>  | <u>41.61%</u>  | <u>51.77%</u>  |

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



**SUPPLEMENTARY INFORMATION**

## **COMBINING FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRIGHTON**  
**COMBINING BALANCE SHEETS**  
**FUNDS INCLUDED IN GASB 54 CONSOLIDATION**  
**MARCH 31, 2018**

|   | <b>General Fund<br/>Pre GASB 54<br/>Consolidation</b> | <b>Parks<br/>Fund</b> | <b>Cemetery<br/>Fund</b> | <b>Budget<br/>Stabilization<br/>Fund</b> | <b>Pathway<br/>Fund</b> | <b>Future<br/>Road<br/>Improvement<br/>Fund</b> | <b>Totals<br/>Restated<br/>General<br/>Fund</b> |
|---|---|-----------------------|--------------------------|--|-------------------------|---|---|
| <b>ASSETS</b>                             |   |                       |                          |  |                         |   |   |
| Cash, cash equivalents and investments    | \$ 7,579,678  | \$ 987,409            | \$ 91,779                | \$ 279,991                               | \$ 200,633              | \$ 3,843,691                                    | \$ 12,983,181                                   |
| Receivable                                |   |                       |                          |  |                         |   |   |
| Taxes                                     | 40,762  |                       |                          |  |                         |   | 40,762  |
| State shared revenues                     | 232,235   |                       |                          |  |                         |   | 232,235   |
| Accounts                                  | 89,303  |                       |                          |  |                         |   | 89,303  |
| Due from other funds                      | 2,386,901   |                       |                          |  |                         |   | 2,386,901                                       |
| Prepaid expenditures                      | 57,475  |                       |                          |  |                         |   | 57,475  |
| <b>Total assets</b>                       | <b>\$ 10,386,354</b>                                  | <b>\$ 987,409</b>     | <b>\$ 91,779</b>         | <b>\$ 279,991</b>                        | <b>\$ 200,633</b>       | <b>\$ 3,843,691</b>                             | <b>\$ 15,789,857</b>                            |
| <b>LIABILITIES</b>                        |   |                       |                          |  |                         |   |   |
| Accounts payable                          | \$ 52,968   |                       |                          |  |                         |   | \$ 52,968                                       |
| Accrued wages and vacation                | 15,053  |                       |                          |  |                         |   | 15,053  |
| Due to other funds                        | 766   |                       |                          |  |                         |   | 766   |
| <b>Total liabilities</b>                  | <b>68,787</b>   |                       |                          |  |                         |   | <b>68,787</b>                                   |
| <b>FUND BALANCE</b>                       |   |                       |                          |  |                         |   |   |
| Nonspendable                              | 57,475  |                       |                          |  |                         |   | 57,475  |
| Committed                                 |   |                       |                          |  |                         |   |   |
| Roads                                     |   |                       |                          |  |                         | 3,227,691                                       | 3,227,691                                       |
| Parks and recreation                      |   | 987,409               |                          |  | 200,633                 |   | 1,188,042                                       |
| Cemetery                                  |   |                       | 91,779                   |  |                         |   | 91,779  |
| Assigned                                  |   |                       |                          |  |                         |   |   |
| Township board                            | 6,139,766   |                       |                          |  |                         |   | 6,139,766                                       |
| Future budget deficit                     | 2,793,947   |                       |                          |  |                         | 616,000   | 3,409,947                                       |
| Unassigned                                | 1,326,379   |                       |                          | 279,991                                  |                         |   | 1,606,370                                       |
| <b>Total fund balance</b>                 | <b>10,317,567</b>                                     | <b>987,409</b>        | <b>91,779</b>            | <b>279,991</b>                           | <b>200,633</b>          | <b>3,843,691</b>                                | <b>15,721,070</b>                               |
| <b>Total liabilities and fund balance</b> | <b>\$ 10,386,354</b>                                  | <b>\$ 987,409</b>     | <b>\$ 91,779</b>         | <b>\$ 279,991</b>                        | <b>\$ 200,633</b>       | <b>\$ 3,843,691</b>                             | <b>\$ 15,789,857</b>                            |

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2018

|   | SPECIAL REVENUE FUNDS |                        |                         |                  |                  |                     |                  | CAPITAL<br>PROJECTS<br>FUND | Totals              |
|---|-----------------------|------------------------|-------------------------|------------------|------------------|---------------------|------------------|-----------------------------|---------------------|
|   | Liquor<br>Law         | Building<br>Department | SAD Road<br>Maintenance | Road<br>Projects | Streetlight      | Municipal<br>Refuse | SAD<br>Aquatics  | Municipal<br>Water          |                     |
| <b>ASSETS</b>                             |                       |                        |                         |                  |                  |                     |                  |                             |                     |
| Cash, cash equivalents and investments    | \$ 46,597             | \$ 4,877               | \$ 76,841               | \$ 70,566        | \$               | \$ 68,778           | \$ 83,997        | \$ 1,181,621                | \$ 1,533,277        |
| Receivables                               |                       |                        |                         |                  |                  |                     |                  |                             |                     |
| Special assessments                       |                       |                        | 2,710                   |                  | 18,491           | 2,931               | 3,704            |                             | 27,836              |
| Accounts                                  |                       |                        |                         |                  |                  |                     |                  | 511                         | 511                 |
| Due from other funds                      |                       |                        |                         |                  | 766              |                     |                  |                             | 766                 |
| Prepaid expenses                          | 9                     |                        |                         |                  |                  |                     |                  |                             | 9                   |
| <b>Total assets</b>                       | <u>\$ 46,606</u>      | <u>\$ 4,877</u>        | <u>\$ 79,551</u>        | <u>\$ 70,566</u> | <u>\$ 19,257</u> | <u>\$ 71,709</u>    | <u>\$ 87,701</u> | <u>\$ 1,182,132</u>         | <u>\$ 1,562,399</u> |
| <b>LIABILITIES</b>                        |                       |                        |                         |                  |                  |                     |                  |                             |                     |
| Accounts payable                          | \$                    | \$                     | \$ 400                  | \$               | \$               | \$                  | \$               | \$                          | \$ 400              |
| Accrued wages                             | 109                   |                        |                         |                  |                  |                     |                  |                             | 109                 |
| <b>Total liabilities</b>                  | 109                   |                        | 400                     |                  |                  |                     |                  |                             | 509                 |
| <b>FUND BALANCE</b>                       |                       |                        |                         |                  |                  |                     |                  |                             |                     |
| Non-spendable                             | 9                     |                        |                         |                  |                  |                     |                  |                             | 9                   |
| Restricted                                |                       |                        |                         |                  |                  |                     |                  |                             |                     |
| Building Department                       |                       | 4,877                  |                         |                  |                  |                     |                  |                             | 4,877               |
| Public safety                             | 46,488                |                        |                         |                  |                  |                     |                  |                             | 46,488              |
| Roads                                     |                       |                        | 55,491                  | 70,566           |                  |                     |                  |                             | 126,057             |
| Public works                              |                       |                        |                         |                  | 19,257           | 71,709              | 87,701           | 1,182,132                   | 1,360,799           |
| Assigned                                  |                       |                        | 23,660                  |                  |                  |                     |                  |                             | 23,660              |
| <b>Total fund balance</b>                 | <u>46,497</u>         | <u>4,877</u>           | <u>79,151</u>           | <u>70,566</u>    | <u>19,257</u>    | <u>71,709</u>       | <u>87,701</u>    | <u>1,182,132</u>            | <u>1,561,890</u>    |
| <b>Total liabilities and fund balance</b> | <u>\$ 46,606</u>      | <u>\$ 4,877</u>        | <u>\$ 79,551</u>        | <u>\$ 70,566</u> | <u>\$ 19,257</u> | <u>\$ 71,709</u>    | <u>\$ 87,701</u> | <u>\$ 1,182,132</u>         | <u>\$ 1,562,399</u> |

CHARTER TOWNSHIP OF BRIGHTON

ALL AGENCY FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2018

|                          | <u>Trust and<br/>Agency</u> | <u>Current Tax</u> | <u>Construction<br/>Escrow</u> | <u>Totals</u>     |
|--------------------------|-----------------------------|--------------------|--------------------------------|-------------------|
| <b>ASSETS</b>            |                             |                    |                                |                   |
| Cash                     | \$ 422,772                  | \$ 729             | \$ 473,841                     | \$ 897,342        |
| <br>                     |                             |                    |                                |                   |
| <b>LIABILITIES</b>       |                             |                    |                                |                   |
| Due to others            | \$ 422,669                  | \$                 | \$ 473,604                     | \$ 896,273        |
| Due to other funds       | 103                         | 729                | 237                            | 1,069             |
| <br>                     |                             |                    |                                |                   |
| <b>Total liabilities</b> | <u>\$ 422,772</u>           | <u>\$ 729</u>      | <u>\$ 473,841</u>              | <u>\$ 897,342</u> |

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FUNDS INCLUDED IN GASB 54 CONSOLIDATION FOR GENERAL FUND  
 FOR THE YEAR ENDED MARCH 31, 2018

|   | General Fund<br>Pre GASB 54<br>Consolidation | Parks<br>Fund     | Cemetery<br>Fund | Budget<br>Stabilization<br>Fund | Pathway<br>Fund   | Future Road<br>Improvement<br>Fund | Eliminations | Restated<br>General<br>Fund |
|---|--|-------------------|------------------|---------------------------------|-------------------|------------------------------------|--------------|-----------------------------|
| <b>REVENUES</b>   |  |                   |                  |                                 |                   |                                    |              |                             |
| Taxes   | \$ 940,136                                   | \$                | \$               | \$                              | \$                | \$                                 | \$           | \$ 940,136                  |
| Special assessments - principle                         | 19,614                                       |                   |                  |                                 |                   |                                    |              | 19,614                      |
| Special assessments - interest                          | 1,373  |                   |                  |                                 |                   |                                    |              | 1,373                       |
| Intergovernmental - state                               | 1,584,929                                    |                   |                  |                                 |                   |                                    |              | 1,584,929                   |
| Rental income   | 230,642                                      |                   |                  |                                 |                   |                                    |              | 230,642                     |
| Franchise fees  | 357,547                                      |                   |                  |                                 |                   |                                    |              | 357,547                     |
| Charges for services                                    | 443,753                                      |                   |                  |                                 |                   |                                    |              | 443,753                     |
| Interest  | 97,838                                       | 6,052             | 469              | 2,110                           | 873               | 21,464                             |              | 128,806                     |
| Reimbursements  | 18,285                                       |                   |                  |                                 |                   |                                    |              | 18,285                      |
| Miscellaneous   | 8,989  |                   |                  |                                 |                   |                                    |              | 8,989                       |
| <b>Total revenues</b>                                   | <b>3,703,106</b>                             | <b>6,052</b>      | <b>469</b>       | <b>2,110</b>                    | <b>873</b>        | <b>21,464</b>                      |              | <b>3,734,074</b>            |
| <b>EXPENDITURES</b>                                     |  |                   |                  |                                 |                   |                                    |              |                             |
| Current   |  |                   |                  |                                 |                   |                                    |              |                             |
| General government                                      | 1,691,132                                    |                   |                  |                                 |                   |                                    |              | 1,691,132                   |
| Parks and recreation                                    | 154,000                                      |                   |                  |                                 |                   |                                    |              | 154,000                     |
| Public safety   | 12,526                                       |                   |                  |                                 |                   |                                    |              | 12,526                      |
| Road improvements                                       | 289,349                                      |                   |                  |                                 |                   | 1,524,331                          |              | 1,813,680                   |
| Cemetery  | 7,497  |                   |                  |                                 |                   |                                    |              | 7,497                       |
| Public works  | 63,924                                       |                   |                  |                                 |                   |                                    |              | 63,924                      |
| Capital outlay  |  |                   |                  |                                 |                   |                                    |              |                             |
| General government                                      | 54,230                                       |                   |                  |                                 |                   |                                    |              | 54,230                      |
| Fire  | 151,839                                      |                   |                  |                                 |                   |                                    |              | 151,839                     |
| Pathways  |  |                   |                  |                                 | 19,771            |                                    |              | 19,771                      |
| <b>Total expenditures</b>                               | <b>2,424,497</b>                             |                   |                  |                                 | <b>19,771</b>     | <b>1,524,331</b>                   |              | <b>3,968,599</b>            |
| <b>Excess of revenues over<br/>(under) expenditures</b> | <b>1,278,609</b>                             | <b>6,052</b>      | <b>469</b>       | <b>2,110</b>                    | <b>(18,898)</b>   | <b>(1,502,867)</b>                 |              | <b>(234,525)</b>            |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>               |  |                   |                  |                                 |                   |                                    |              |                             |
| Transfers in  |  | 50,000            | 10,000           |                                 | 100,000           | 1,500,000                          | (1,660,000)  |                             |
| Transfers (out)   | (1,660,000)                                  |                   |                  |                                 |                   |                                    | 1,660,000    |                             |
| <b>Total other financing sources (uses)</b>             | <b>(1,660,000)</b>                           | <b>50,000</b>     | <b>10,000</b>    |                                 | <b>100,000</b>    | <b>1,500,000</b>                   |              |                             |
| <b>Net change in fund balances</b>                      | <b>(381,391)</b>                             | <b>56,052</b>     | <b>10,469</b>    | <b>2,110</b>                    | <b>81,102</b>     | <b>(2,867)</b>                     |              | <b>(234,525)</b>            |
| <b>FUND BALANCE, APRIL 1, 2017</b>                      | <b>10,698,958</b>                            | <b>931,357</b>    | <b>81,310</b>    | <b>277,881</b>                  | <b>119,531</b>    | <b>3,846,558</b>                   |              | <b>15,955,595</b>           |
| <b>FUND BALANCE, MARCH 31, 2018</b>                     | <b>\$ 10,317,567</b>                         | <b>\$ 987,409</b> | <b>\$ 91,779</b> | <b>\$ 279,991</b>               | <b>\$ 200,633</b> | <b>\$ 3,843,691</b>                | <b>\$</b>    | <b>\$ 15,721,070</b>        |

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED MARCH 31, 2018

|                                     | SPECIAL REVENUE FUNDS |                        |                         |                  |                  |                     |                  | CAPITAL<br>PROJECTS<br>FUND | Totals             |
|-------------------------------------|-----------------------|------------------------|-------------------------|------------------|------------------|---------------------|------------------|-----------------------------|--------------------|
|                                     | Liquor<br>Law         | Building<br>Department | SAD Road<br>Maintenance | Road<br>Projects | Streetlight      | Municipal<br>Refuse | SAD<br>Aquatics  | Municipal<br>Water          |                    |
| <b>REVENUES</b>                     |                       |                        |                         |                  |                  |                     |                  |                             |                    |
| Special assessments                 | \$                    | \$                     | \$ 55,846               | \$               | \$ 18,490        | \$ 81,556           | \$ 82,833        | \$                          | \$ 238,725         |
| Connection fees                     |                       |                        |                         |                  |                  |                     |                  | 168,132                     | 168,132            |
| Intergovernmental - state           | 8,932                 |                        |                         |                  |                  |                     |                  |                             | 8,932              |
| Interest                            | 249                   | 20                     | 314                     | 379              |                  | 236                 | 312              | 7,956                       | 9,466              |
| <b>Total revenues</b>               | <u>9,181</u>          | <u>20</u>              | <u>56,160</u>           | <u>379</u>       | <u>18,490</u>    | <u>81,792</u>       | <u>83,145</u>    | <u>176,088</u>              | <u>425,255</u>     |
| <b>EXPENDITURES</b>                 |                       |                        |                         |                  |                  |                     |                  |                             |                    |
| Current                             |                       |                        |                         |                  |                  |                     |                  |                             |                    |
| Public safety                       | 7,829                 |                        |                         |                  |                  |                     |                  |                             | 7,829              |
| Road improvements                   |                       |                        | 44,636                  |                  |                  |                     |                  |                             | 44,636             |
| Public works                        |                       |                        |                         |                  | 18,866           | 59,991              | 101,646          | 15,363                      | 195,866            |
| <b>Total expenditures</b>           | <u>7,829</u>          |                        | <u>44,636</u>           |                  | <u>18,866</u>    | <u>59,991</u>       | <u>101,646</u>   | <u>15,363</u>               | <u>248,331</u>     |
| <b>Net changes in fund balances</b> | 1,352                 | 20                     | 11,524                  | 379              | (376)            | 21,801              | (18,501)         | 160,725                     | 176,924            |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <u>45,145</u>         | <u>4,857</u>           | <u>67,627</u>           | <u>70,187</u>    | <u>19,633</u>    | <u>49,908</u>       | <u>106,202</u>   | <u>1,021,407</u>            | <u>1,384,966</u>   |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u>\$ 46,497</u>      | <u>\$ 4,877</u>        | <u>\$ 79,151</u>        | <u>\$ 70,566</u> | <u>\$ 19,257</u> | <u>\$ 71,709</u>    | <u>\$ 87,701</u> | <u>\$1,182,132</u>          | <u>\$1,561,890</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, 2018**

**ASSETS**

|  |               |  |
|--|---------------|--|
| Cash, cash equivalents and investments | \$ 7,579,678  |  |
| Receivable                             |               |  |
| Taxes                                  | 40,762        |  |
| State shared revenues                  | 232,235       |  |
| Accounts                               | 89,303        |  |
| Due from other funds                   | 2,386,901     |  |
| Prepaid expenditures                   | <u>57,475</u> |  |
| <br><b>Total assets</b>                |               | <br><b><u><u>\$ 10,386,354</u></u></b> |

**LIABILITIES**

|                               |            |                      |
|-------------------------------|------------|----------------------|
| Accounts payable              | \$ 51,721  |                      |
| Accrued wages and vacation    | 15,053     |                      |
| Payroll taxes and withholding | 1,247      |                      |
| Due to other funds            | <u>766</u> |                      |
| <br><b>Total liabilities</b>  |            | <br><b>\$ 68,787</b> |

**FUND BALANCE**

|   |                  |  |
|---|------------------|--|
| Nonspendable - prepaid                        | 57,475           |  |
| Assigned                                      |                  |  |
| Township board                                | 6,139,766        |  |
| Future budget deficit                         | 2,793,947        |  |
| Unassigned                                    | <u>1,326,379</u> |  |
| <br><b>Total fund balance</b>                 |                  | <br><b><u><u>10,317,567</u></u></b>    |
| <br><b>Total liabilities and fund balance</b> |                  | <br><b><u><u>\$ 10,386,354</u></u></b> |

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

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018

|   | <u>Amended<br/>Budget</u>  | <u>Actual</u>               | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------------------|-----------------------------|---|
| <b>REVENUES</b>   |                            |                             |   |
| Taxes   | \$ 925,770                 | \$ 940,136                  | \$ 14,366                                       |
| Treasurer   | 361,767                    | 413,170                     | 51,403  |
| Licenses and permits                                    | 16,920                     | 15,455                      | (1,465)   |
| Planning and zoning                                     | 49,250                     | 113,371                     | 64,121  |
| State revenue   | 1,362,500                  | 1,584,929                   | 222,429   |
| Special assessments                                     | 20,986                     | 20,987                      | 1   |
| Miscellaneous   | <u>608,584</u>             | <u>615,058</u>              | <u>6,474</u>                                    |
| <b>Total revenues</b>                                   | 3,345,777                  | 3,703,106                   | 357,329   |
| <b>EXPENDITURES</b>                                     | <u>3,202,255</u>           | <u>2,424,497</u>            | <u>777,758</u>                                  |
| <b>Excess of revenues over<br/>(under) expenditures</b> | <u>143,522</u>             | <u>1,278,609</u>            | <u>1,135,087</u>                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                            |                             |   |
| Transfers in  | 2,000                      |                             | (2,000)   |
| Transfers (out)   | <u>(1,662,000)</u>         | <u>(1,660,000)</u>          | <u>2,000</u>                                    |
| <b>Total other financing sources (uses)</b>             | <u>(1,660,000)</u>         | <u>(1,660,000)</u>          |   |
| <b>Net change in fund balance</b>                       | (1,516,478)                | (381,391)                   | 1,135,087                                       |
| <b>FUND BALANCE, APRIL 1, 2017</b>                      | <u>10,698,958</u>          | <u>10,698,958</u>           |   |
| <b>FUND BALANCE, MARCH 31, 2018</b>                     | <u><u>\$ 9,182,480</u></u> | <u><u>\$ 10,317,567</u></u> | <u><u>\$ 1,135,087</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.

CHARTER TOWNSHIP OF BRIGHTON

GENERAL FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018

|                                       | Amended<br>Budget   | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------------|---------------------|---------------------|--|
| <b>TAXES</b>                          |                     |                     |  |
| Current property taxes                | \$                  | \$ 937,657          | \$                                     |
| Delinquent property taxes             |                     | 2,077               |  |
| Penalties/interest - delinquent taxes |                     | 127                 |  |
| Trailer park fees                     |                     | 275                 |  |
| <b>Total taxes</b>                    | <u>925,770</u>      | <u>940,136</u>      | <u>14,366</u>                          |
| <b>TREASURER</b>                      |                     |                     |  |
| Property tax administration fee       |                     | 314,787             |  |
| Interest                              |                     | 97,838              |  |
| Dog licenses                          |                     | 545                 |  |
| <b>Total treasurer</b>                | <u>361,767</u>      | <u>413,170</u>      | <u>51,403</u>                          |
| <b>LICENSES AND PERMITS</b>           | <u>16,920</u>       | <u>15,455</u>       | <u>(1,465)</u>                         |
| <b>PLANNING AND ZONING</b>            | <u>49,250</u>       | <u>113,371</u>      | <u>64,121</u>                          |
| <b>STATE REVENUE</b>                  |                     |                     |  |
| State shared revenue                  |                     | 1,471,709           |  |
| Personal property tax reimbursement   |                     | 98,976              |  |
| Right of way maintenance fees         |                     | 14,244              |  |
| <b>Total state revenue</b>            | <u>1,362,500</u>    | <u>1,584,929</u>    | <u>222,429</u>                         |
| <b>SPECIAL ASSESSMENTS</b>            |                     |                     |  |
| Principal                             |                     | 19,614              |  |
| Interest                              |                     | 1,373               |  |
| <b>Total special assessments</b>      | <u>20,986</u>       | <u>20,987</u>       | <u>1</u>                               |
| <b>MISCELLANEOUS</b>                  |                     |                     |  |
| Cable TV fees                         | 375,000             | 357,547             |  |
| Rental income                         | 220,484             | 230,642             |  |
| Reimbursement/refunds                 | 5,100               | 18,285              |  |
| Utilities administration fee          | 4,800               | 4,800               |  |
| Other revenue                         | 3,200               | 3,784               |  |
| <b>Total miscellaneous</b>            | <u>608,584</u>      | <u>615,058</u>      | <u>6,474</u>                           |
| <b>Total revenues</b>                 | <u>\$ 3,345,777</u> | <u>\$ 3,703,106</u> | <u>\$ 357,329</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, 2018

|  | <u>Amended<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|---------------------------|----------------|---|
| <b>TOWNSHIP BOARD</b>                    |                           |                |   |
| Wages, salaries and per diems            | \$                        | \$ 29,696      | \$  |
| Ordinance codification                   |                           | 1,150          |   |
| Printing and publishing                  |                           | 10,780         |   |
| Payroll taxes                            |                           | 2,272          |   |
| Insurance - benefits                     |                           | 259            |   |
| Insurance - liability                    |                           | 48             |   |
| Pension                                  |                           | 7,554          |   |
| Supplies                                 |                           | 274            |   |
| Consulting                               |                           | 9,362          |   |
| Engineering services                     |                           | 13,239         |   |
| Education/travel                         |                           | 650            |   |
| Dues                                     |                           | 7,456          |   |
| <b>Total township board</b>              | <u>137,740</u>            | <u>82,740</u>  | <u>55,000</u>                                   |
| <b>SUPERVISOR</b>                        |                           |                |   |
| Wages, salaries and per diems            |                           | 30,712         |   |
| Pension                                  |                           | 3,101          |   |
| Payroll taxes                            |                           | 2,349          |   |
| Insurance - benefits                     |                           | 31             |   |
| Insurance - liability                    |                           | 43             |   |
| Supplies                                 |                           | 91             |   |
| <b>Total supervisor</b>                  | <u>41,040</u>             | <u>36,327</u>  | <u>4,713</u>                                    |
| <b>MANAGER</b>                           |                           |                |   |
| Wages, salaries and per diems            |                           | 105,761        |   |
| Wages, salaries and per diems - clerical |                           | 67,227         |   |
| Insurance - benefits                     |                           | 16,346         |   |
| Pension                                  |                           | 9,178          |   |
| Payroll taxes                            |                           | 13,489         |   |
| Insurance - liability                    |                           | 456            |   |
| Education/travel                         |                           | 1,934          |   |
| Dues                                     |                           | 1,108          |   |
| Supplies                                 |                           | 312            |   |
| Postage                                  |                           | 217            |   |
| Contingencies                            |                           | 286            |   |
| Capital outlay                           |                           | 852            |   |
| <b>Total manager</b>                     | <u>227,030</u>            | <u>217,166</u> | <u>9,864</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, 2018

|  | <u>Amended<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|---------------------------|----------------|---|
| <b>ELECTIONS</b>                                 |                           |                |   |
| Wages, salaries and per diems - Clerk            |                           | 9,644          |   |
| Wages, salaries and per diems - Deputy Officials |                           | 16,637         |   |
| Election workers                                 |                           | 2,362          |   |
| Pension  |                           | 405            |   |
| Payroll taxes                                    |                           | 2,010          |   |
| Insurance - benefits                             |                           | 3,696          |   |
| Insurance - liability                            |                           | 95             |   |
| Accuracy consulting                              |                           | 125            |   |
| Education /travel                                |                           | 858            |   |
| Printing and publishing                          |                           | 70             |   |
| Supplies   |                           | 1,258          |   |
| Postage  |                           | 1,352          |   |
| Equipment maintenance and repair                 |                           | 86             |   |
| Dues   |                           | 373            |   |
| Capital outlay                                   |                           | 9,488          |   |
|  | <u>91,230</u>             | <u>48,459</u>  | <u>42,771</u>                                   |
| <b>ASSESSOR</b>                                  |                           |                |   |
| Wages, salaries and per diems                    |                           | 153,982        |   |
| Pension  |                           | 5,423          |   |
| Payroll taxes                                    |                           | 11,694         |   |
| Insurance - benefits                             |                           | 51,922         |   |
| Insurance - liability                            |                           | 834            |   |
| Education/travel                                 |                           | 2,796          |   |
| Supplies   |                           | 698            |   |
| Postage  |                           | 3,985          |   |
| Dues   |                           | 780            |   |
| Printing and publishing                          |                           | 1,876          |   |
| Capital outlay                                   |                           | 1,999          |   |
|  | <u>245,150</u>            | <u>235,989</u> | <u>9,161</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, 2018**

|  | <u>Amended<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|---------------------------|----------------|---|
| <b>CLERK</b>                                     |                           |                |   |
| Wages, salaries and per diems - Clerk            |                           | 54,615         |   |
| Wages, salaries and per diems - Deputy Clerk     |                           | 16,925         |   |
| Wages, salaries and per diems - other            |                           | 84,591         |   |
| Pension  |                           | 5,684          |   |
| Payroll taxes                                    |                           | 12,201         |   |
| Insurance - benefits                             |                           | 69,195         |   |
| Insurance - liability                            |                           | 370            |   |
| Postage  |                           | 130            |   |
| Professional fees                                |                           | 9,600          |   |
| Supplies   |                           | 1,622          |   |
| Education/travel                                 |                           | 2,591          |   |
| Newsletter                                       |                           | 2,849          |   |
| Dues   |                           | 373            |   |
| Temporary employment services                    |                           | 11,248         |   |
| Record retention                                 |                           | 2,800          |   |
| Small equipment                                  |                           | 284            |   |
| Capital outlay                                   |                           | 1,000          |   |
|  | <u>302,300</u>            | <u>276,078</u> | <u>26,222</u>                                   |
| <b>TREASURER</b>                                 |                           |                |   |
| Wages, salaries and per diems - Treasurer        |                           | 64,259         |   |
| Wages, salaries and per diems - Deputy Treasurer |                           | 49,205         |   |
| Wages, salaries and per diems - other            |                           | 24,247         |   |
| Pension  |                           | 4,683          |   |
| Payroll taxes                                    |                           | 10,835         |   |
| Insurance - benefits                             |                           | 33,427         |   |
| Insurance - liability                            |                           | 287            |   |
| Professional fees                                |                           | 9,600          |   |
| Supplies   |                           | 1,274          |   |
| Tax forms  |                           | 3,392          |   |
| Postage  |                           | 8,499          |   |
| Education/travel                                 |                           | 4,179          |   |
| Dues   |                           | 160            |   |
| Miscellaneous                                    |                           | 684            |   |
| Capital outlay                                   |                           | 566            |   |
|  | <u>228,400</u>            | <u>215,297</u> | <u>13,103</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, 2018**

|   | <u>Amended<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------------|----------------|---|
| <b>SEWER AND WATER</b>                  |                           |                |   |
| Per diems                               |                           | 375            |   |
| Professional fees                       |                           | 5,437          |   |
| <b>Total sewer and water</b>            | <u>72,000</u>             | <u>5,812</u>   | <u>66,188</u>                                   |
| <b>ROADS</b>                            | <u>380,000</u>            | <u>289,349</u> | <u>90,651</u>                                   |
| <b>OTHER CHARGES AND SERVICES</b>       |                           |                |   |
| Insurance - liability                   |                           | 27,891         |   |
| Pension expense                         |                           | 35,000         |   |
| Contracted services                     |                           | 23,989         |   |
| Computer support                        |                           | 17,112         |   |
| Legal fees                              |                           | 37,353         |   |
| Telephone                               |                           | 8,790          |   |
| Lease - MSP                             |                           | 137,484        |   |
| Equipment repair                        |                           | 6,451          |   |
| Equipment rental                        |                           | 1,623          |   |
| Fuel                                    |                           | 742            |   |
| Capital outlay                          |                           | 49,132         |   |
| <b>Total other charges and services</b> | <u>423,980</u>            | <u>345,567</u> | <u>78,413</u>                                   |
| <b>PLANNING</b>                         |                           |                |   |
| Wages, salaries and per diems           |                           | 64,006         |   |
| Pension                                 |                           | 2,307          |   |
| Payroll taxes                           |                           | 4,412          |   |
| Insurance - benefits                    |                           | 21,138         |   |
| Insurance - liability                   |                           | 363            |   |
| Supplies                                |                           | 957            |   |
| Postage                                 |                           | 472            |   |
| Special projects                        |                           | 30,322         |   |
| Engineering services                    |                           | 58,654         |   |
| Dues                                    |                           | 60             |   |
| Printing and publishing                 |                           | 2,720          |   |
| Education/travel                        |                           | 1,008          |   |
| Capital outlay                          |                           | 343            |   |
| <b>Total planning</b>                   | <u>195,350</u>            | <u>186,762</u> | <u>8,588</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, 2018**

|                                   | <u>Amended<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-----------------------------------|---------------------------|----------------|---|
| <b>TOWNSHIP HALL/GROUNDS</b>      |                           |                |   |
| Wages, salaries and per diems     |                           | 1,890          |   |
| Cleaning maintenance              |                           | 2,271          |   |
| Supplies                          |                           | 6,634          |   |
| Payroll taxes                     |                           | 144            |   |
| Insurance - liability             |                           | 45             |   |
| Street lighting                   |                           | 8,833          |   |
| Building maintenance and repairs  |                           | 20,697         |   |
| Equipment maintenance and repairs |                           | 12,015         |   |
| Grounds maintenance and repairs   |                           | 14,090         |   |
| Utilities                         |                           | 12,583         |   |
| Tax chargebacks                   |                           | 1,204          |   |
| Capital outlay                    |                           | 10,019         |   |
|                                   | <u>253,280</u>            | <u>90,425</u>  | <u>162,855</u>                                  |
| <b>CEMETERY</b>                   | <u>10,000</u>             | <u>7,497</u>   | <u>2,503</u>                                    |
| <b>FIRE PROTECTION</b>            |                           |                |   |
| Contracted services               |                           | 3,876          |   |
| Utilities                         |                           | 729            |   |
| Building maintenance and repair   |                           | 2,194          |   |
| Grounds maintenance and repair    |                           | 1,652          |   |
| Capital improvements              |                           | 151,839        |   |
|                                   | <u>339,400</u>            | <u>160,290</u> | <u>179,110</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, 2018

|                               | Amended<br>Budget   | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|-------------------------------|---------------------|---------------------|--|
| EMERGENCY PREPAREDNESS        | 5,500               | 4,075               | 1,425                                  |
| ENVIRONMENTAL                 | 52,000              | 36,167              | 15,833                                 |
| MUNICIPAL REFUSE COLLECTION   | 6,400               | 6,213               | 187                                    |
| PARKS AND RECREATION          | 154,000             | 154,000             |  |
| DRAINS                        | 16,225              | 15,732              | 493                                    |
| <b>CODE ENFORCEMENT</b>       |                     |                     |  |
| Wages, salaries and per diems |                     | 7,027               |  |
| Pension                       |                     | 280                 |  |
| Payroll taxes                 |                     | 554                 |  |
| Insurance - benefits          |                     | 2,563               |  |
| Insurance - liability         |                     | 48                  |  |
| Supplies                      |                     | 80                  |  |
| <b>Total code enforcement</b> | 11,230              | 10,552              | 678                                    |
| CONTINGENCIES                 | 10,000              |                     | 10,000                                 |
| <b>Total expenditures</b>     | <u>\$ 3,202,255</u> | <u>\$ 2,424,497</u> | <u>\$ 777,758</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, 2018**

|                     |                   |
|---------------------|-------------------|
| <b>ASSETS</b>       |                   |
| Cash                | <u>\$ 987,409</u> |
| <br>                |                   |
| <b>FUND BALANCE</b> | <u>\$ 987,409</u> |

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

CHARTER TOWNSHIP OF BRIGHTON

PARKS FUND (PRE GASB 54 RESTATEMENT)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2018

|   | <u>Amended<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------------|-------------------|---|
| <b>REVENUES</b>   |                           |                   |   |
| Interest  | \$ 2,400                  | \$ 6,052          | \$ 3,652  |
| <b>EXPENDITURES</b>                                     |                           |                   |   |
| <b>Excess of revenues over<br/>(under) expenditures</b> | 2,400                     | 6,052             | 3,652   |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                           |                   |   |
| Transfers in  | 50,000                    | 50,000            |   |
| <b>Net change in fund balance</b>                       | 52,400                    | 56,052            | 3,652   |
| <b>FUND BALANCE, APRIL 1, 2017</b>                      | <u>931,357</u>            | <u>931,357</u>    |   |
| <b>FUND BALANCE, MARCH 31, 2018</b>                     | <u>\$ 983,757</u>         | <u>\$ 987,409</u> | <u>\$ 3,652</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, 2018**

|                     |                     |
|---------------------|---------------------|
| <b>ASSETS</b>       |                     |
| Cash                | <u>\$    91,779</u> |
| <br>                |                     |
| <b>FUND BALANCE</b> | <u>\$    91,779</u> |

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

CHARTER TOWNSHIP OF BRIGHTON

CEMETERY FUND (PRE GASB 54 RESTATEMENT)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018

|   | <u>Amended<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------------|------------------|---|
| <b>REVENUES</b>                                 |                           |                  |   |
| Interest  | \$ 200                    | \$ 469           | \$ 269  |
| <b>EXPENDITURES</b>                             |                           |                  |   |
| Excess of revenues over<br>(under) expenditures | 200                       | 469              | 269   |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                           |                  |   |
| Transfers in                                    | <u>10,000</u>             | <u>10,000</u>    |   |
| Net change in fund balance                      | 10,200                    | 10,469           | 269   |
| <b>FUND BALANCE, APRIL 1, 2017</b>              | <u>81,310</u>             | <u>81,310</u>    |   |
| <b>FUND BALANCE, MARCH 31, 2018</b>             | <u>\$ 91,510</u>          | <u>\$ 91,779</u> | <u>\$ 269</u>                                   |

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



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

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

**CHARTER TOWNSHIP OF BRIGHTON**

**BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2018**

|                         |                       |
|-------------------------|-----------------------|
| <b>ASSETS</b>           |                       |
| Cash                    | <u>\$ 279,991</u>     |
| <br><b>FUND BALANCE</b> | <br><u>\$ 279,991</u> |

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

**CHARTER TOWNSHIP OF BRIGHTON**

**BUDGET STABILAZATION FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018**

|   | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---|---------------|---------------|---|
| <b>REVENUES</b>                                 |               |               |   |
| Interest  | \$ 2,000      | \$ 2,110      | \$ 110  |
| <b>EXPENDITURES</b>                             |               |               |   |
| Excess of revenues over<br>(under) expenditures | 2,000         | 2,110         | 110   |
| <b>OTHER FINANCING SOURCES</b>                  |               |               |   |
| Transfers (out)                                 | (2,000)       |               | 2,000   |
| Net change in fund balance                      |               | 2,110         | 2,110   |
| <b>FUND BALANCE, APRIL 1, 2017</b>              | 277,881       | 277,881       |   |
| <b>FUND BALANCE, MARCH 31, 2018</b>             | \$ 277,881    | \$ 279,991    | \$ 2,110  |

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

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

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

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2018

|                     |                     |
|---------------------|---------------------|
| <b>ASSETS</b>       |                     |
| Cash                | <u>\$ 3,843,691</u> |
| <br>                |                     |
| <b>FUND BALANCE</b> | <u>\$ 3,843,691</u> |

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

**CHARTER TOWNSHIP OF BRIGHTON**

**FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018**

|   | <u>Amended<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------------|---------------------|---|
| <b>REVENUES</b>   |                           |                     |   |
| Interest  | \$ 6,000                  | \$ 21,464           | \$ 15,464                                       |
| <b>EXPENDITURES</b>                                     |                           |                     |   |
| Road improvements                                       | <u>2,250,000</u>          | <u>1,524,331</u>    | <u>725,669</u>                                  |
| <b>Excess of revenues over<br/>(under) expenditures</b> | <u>(2,244,000)</u>        | <u>(1,502,867)</u>  | <u>741,133</u>                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                           |                     |   |
| Transfers in  | <u>1,500,000</u>          | <u>1,500,000</u>    | <u></u>   |
| <b>Net change in fund balance</b>                       | (744,000)                 | (2,867)             | 741,133   |
| <b>FUND BALANCE, APRIL 1, 2017</b>                      | <u>3,846,558</u>          | <u>3,846,558</u>    | <u></u>   |
| <b>FUND BALANCE, MARCH 31, 2018</b>                     | <u>\$ 3,102,558</u>       | <u>\$ 3,843,691</u> | <u>\$ 741,133</u>                               |

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

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

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

**CHARTER TOWNSHIP OF BRIGHTON**

**PATHWAYS FUND (PRE GASB 54 RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2018**

**ASSETS**

Cash

\$ 200,633

**FUND BALANCE**

\$ 200,633

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



**CHARTER TOWNSHIP OF BRIGHTON**

**PATHWAYS FUND (PRE GASB 54 RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018**

|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|-------------------|---|
| <b>REVENUES</b>                                     |                   |                   |   |
| Interest  | \$ 300            | \$ 873            | \$ 573  |
| <b>EXPENDITURES</b>                                 |                   |                   |   |
| Parks and recreation                                | <u>20,000</u>     | <u>19,771</u>     | <u>229</u>                                      |
| <b>Excess of revenues over (under) expenditures</b> | (19,700)          | (18,898)          | 802   |
| <b>OTHER FINANCING SOURCES (USES)</b>               |                   |                   |   |
| Transfers in  | <u>100,000</u>    | <u>100,000</u>    |   |
| <b>Net change in fund balance</b>                   | 80,300            | 81,102            | 802   |
| <b>FUND BALANCE, APRIL 1, 2017</b>                  | <u>119,531</u>    | <u>119,531</u>    |   |
| <b>FUND BALANCE, MARCH 31, 2018</b>                 | <u>\$ 199,831</u> | <u>\$ 200,633</u> | <u>\$ 802</u>                                   |

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

**LIQUOR LAW ENFORCEMENT FUND**

CHARTER TOWNSHIP OF BRIGHTON

LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
MARCH 31, 2018

**ASSETS**

|                 |           |
|-----------------|-----------|
| Cash            | \$ 46,597 |
| Prepaid expense | <u>9</u>  |

|                     |                         |
|---------------------|-------------------------|
| <b>Total assets</b> | <b><u>\$ 46,606</u></b> |
|---------------------|-------------------------|

**LIABILITIES**

|               |        |
|---------------|--------|
| Wages payable | \$ 109 |
|---------------|--------|

|                     |                      |
|---------------------|----------------------|
| <b>FUND BALANCE</b> | <b><u>46,497</u></b> |
|---------------------|----------------------|

|   |                         |
|---|-------------------------|
| <b>Total liabilities and fund balance</b> | <b><u>\$ 46,606</u></b> |
|---|-------------------------|

CHARTER TOWNSHIP OF BRIGHTON

LIQUOR LAW ENFORCEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018

|                                     | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|------------------|------------------|---|
| <b>REVENUES</b>                     |                  |                  |   |
| Intergovernmental - liquor licenses | \$               | \$ 8,932         | \$  |
| Interest                            |                  | 249              |   |
|                                     | <hr/>            | <hr/>            | <hr/>   |
| <b>Total revenues</b>               | 8,700            | 9,181            | 481   |
| <b>EXPENDITURES</b>                 |                  |                  |   |
| Public safety                       | <hr/> 7,900      | <hr/> 7,829      | <hr/> 71  |
| <b>Net change in fund balance</b>   | 800              | 1,352            | 410   |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <hr/> 45,145     | <hr/> 45,145     | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u>\$ 45,945</u> | <u>\$ 46,497</u> | <u>\$ 410</u>                                   |

**BUILDING DEPARTMENT FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**BUILDING DEPARTMENT FUND  
BALANCE SHEET  
MARCH 31, 2018**

**ASSETS**

|      |                 |
|------|-----------------|
| Cash | <u>\$ 4,877</u> |
|------|-----------------|

**FUND BALANCE**

|                 |
|-----------------|
| <u>\$ 4,877</u> |
|-----------------|

**CHARTER TOWNSHIP OF BRIGHTON**

**BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2018**

|                                     |                       |
|-------------------------------------|-----------------------|
| <b>REVENUES</b>                     |                       |
| Interest                            | \$ 20                 |
| <b>EXPENDITURES</b>                 | <hr/>                 |
| Net change in fund balance          | 20                    |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <hr/> 4,857           |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <hr/> <u>\$ 4,877</u> |

**SAD ROAD MAINTENANCE FUND**



CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND  
BALANCE SHEET  
MARCH 31, 2018

**ASSETS**

|                     |                         |
|---------------------|-------------------------|
| Cash                | \$ 76,841               |
| Receivables         |                         |
| Special assessments | <u>2,710</u>            |
| <b>Total assets</b> | <b><u>\$ 79,551</u></b> |

**LIABILITIES**

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

**FUND BALANCE**

|   |                         |
|---|-------------------------|
|   | <u>79,151</u>           |
| <b>Total liabilities and fund balance</b> | <b><u>\$ 79,551</u></b> |

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, 2018

|                                     | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|------------------|------------------|---|
| <b>REVENUES</b>                     |                  |                  |   |
| Special assessments                 | \$               | \$ 55,846        | \$  |
| Interest                            |                  | 314              |   |
|                                     | <hr/>            | <hr/>            | <hr/>   |
| <b>Total revenues</b>               | 44,765           | 56,160           | 11,395  |
| <b>EXPENDITURES</b>                 |                  |                  |   |
| Road improvements                   | <hr/> 68,650     | <hr/> 44,636     | <hr/> 24,014                                    |
| <b>Net change in fund balance</b>   | (23,885)         | 11,524           | 35,409  |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <hr/> 67,627     | <hr/> 67,627     | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u>\$ 43,742</u> | <u>\$ 79,151</u> | <u>\$ 35,409</u>                                |

**ROAD PROJECTS FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**ROAD PROJECTS FUND  
BALANCE SHEET  
MARCH 31, 2018**

**ASSETS**

Cash

\$ 70,566

**FUND BALANCE**

\$ 70,566

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, 2018

|                                     | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|------------------|------------------|---|
| <b>REVENUES</b>                     |                  |                  |   |
| Interest                            | \$ 195           | \$ 379           | \$ 184  |
| <b>EXPENDITURES</b>                 |                  |                  |   |
| <b>Net change in fund balance</b>   | 195              | 379              | 184   |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <u>70,187</u>    | <u>70,187</u>    |   |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u>\$ 70,382</u> | <u>\$ 70,566</u> | <u>\$ 184</u>                                   |

**STREETLIGHT FUND**

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND  
BALANCE SHEET  
MARCH 31, 2018

**ASSETS**

|                                |            |
|--------------------------------|------------|
| Special assessments receivable | \$ 18,491  |
| Due from other funds           | <u>766</u> |

|                     |                         |
|---------------------|-------------------------|
| <b>Total assets</b> | <b><u>\$ 19,257</u></b> |
|---------------------|-------------------------|

|                     |                         |
|---------------------|-------------------------|
| <b>FUND BALANCE</b> | <b><u>\$ 19,257</u></b> |
|---------------------|-------------------------|

**CHARTER TOWNSHIP OF BRIGHTON**

**STREETLIGHT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018**

|                                     | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|-------------------------------------|---------------|---------------|---|
| <b>REVENUES</b>                     |               |               |   |
| Special assessments                 | \$ 19,550     | \$ 18,490     | \$ (1,060)                                      |
| <b>EXPENDITURES</b>                 |               |               |   |
| Public works                        | 19,550        | 18,866        | 684   |
| <b>Net change in fund balance</b>   |               | (376)         | (376)   |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | 19,633        | 19,633        |   |
| <b>FUND BALANCE, MARCH 31, 2018</b> | \$ 19,633     | \$ 19,257     | \$ (376)  |



**MUNICIPAL REFUSE FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**MUNICIPAL REFUSE FUND  
BALANCE SHEET  
MARCH 31, 2018**

**ASSETS**

|                     |              |
|---------------------|--------------|
| Cash                | \$ 68,778    |
| Receivables         |              |
| Special assessments | <u>2,931</u> |

**Total assets** \$ 71,709

**FUND BALANCE** \$ 71,709

**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, 2018**

|                                     | <u>Budget</u>           | <u>Actual</u>           | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|-------------------------|-------------------------|---|
| <b>REVENUES</b>                     |                         |                         |   |
| Special assessment                  | \$                      | \$ 81,556               | \$  |
| Interest                            |                         | 236                     |   |
|                                     | <hr/>                   | <hr/>                   | <hr/>   |
| <b>Total revenues</b>               | 50,460                  | 81,792                  | 31,332  |
| <b>EXPENDITURES</b>                 |                         |                         |   |
| Public works                        | <hr/> 50,360            | <hr/> 59,991            | <hr/> (9,631)                                   |
| <b>Net change in fund balance</b>   | 100                     | 21,801                  | 21,701  |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <hr/> 49,908            | <hr/> 49,908            | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u><u>\$ 50,008</u></u> | <u><u>\$ 71,709</u></u> | <u><u>\$ 21,701</u></u>                         |

**AQUATICS FUND**

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND  
BALANCE SHEET  
MARCH 31, 2018

**ASSETS**

|                     |                                |
|---------------------|--------------------------------|
| Cash                | \$ 83,997                      |
| Receivables         |                                |
| Special assessments | <u>3,704</u>                   |
| <b>Total assets</b> | <b><u><u>\$ 87,701</u></u></b> |

**FUND BALANCE**

**\$ 87,701**

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2018

|                                     | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|-------------------------------------|------------------|------------------|---|
| <b>REVENUES</b>                     |                  |                  |   |
| Special assessments                 | \$               | \$ 82,833        | \$  |
| Interest                            |                  | 312              |   |
|                                     | <hr/>            | <hr/>            | <hr/>   |
| <b>Total revenues</b>               | 69,310           | 83,145           | 13,835  |
| <b>EXPENDITURES</b>                 |                  |                  |   |
| Public works                        | 107,856          | 101,646          | 6,210   |
|                                     | <hr/>            | <hr/>            | <hr/>   |
| <b>Net change in fund balance</b>   | (38,546)         | (18,501)         | 20,045  |
| <b>FUND BALANCE, APRIL 1, 2017</b>  | <hr/> 106,202    | <hr/> 106,202    | <hr/>   |
| <b>FUND BALANCE, MARCH 31, 2018</b> | <u>\$ 67,656</u> | <u>\$ 87,701</u> | <u>\$ 20,045</u>                                |

**MUNICIPAL WATER CAPITAL PROJECTS FUND**

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND  
BALANCE SHEET  
MARCH 31, 2018

|                     |                            |
|---------------------|----------------------------|
| <b>ASSETS</b>       |                            |
| Cash                | \$ 1,181,621               |
| Receivables         |                            |
| Accounts            | <u>511</u>                 |
| <b>Total assets</b> | <u><u>\$ 1,182,132</u></u> |
| <br>                |                            |
| <b>FUND BALANCE</b> | <u><u>\$ 1,182,132</u></u> |



CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2018

**REVENUES**

|                       |              |            |
|-----------------------|--------------|------------|
| Commodity surcharge   | \$ 2,832     |            |
| Tap in fees           | 165,300      |            |
| Interest              | <u>7,956</u> |            |
| <b>Total revenues</b> |              | \$ 176,088 |

**EXPENDITURES**

|                           |               |               |
|---------------------------|---------------|---------------|
| Contracted services       | 3,863         |               |
| Bond interest             | <u>11,500</u> |               |
| <b>Total expenditures</b> |               | <u>15,363</u> |

**Net change in fund balance** 160,725

**FUND BALANCE, APRIL 1, 2017** 1,021,407

**FUND BALANCE, MARCH 31, 2018** \$ 1,182,132

**SEWER FUND**

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND  
BALANCE SHEET  
MARCH 31, 2018

**CURRENT ASSETS**

|                               |              |
|-------------------------------|--------------|
| Cash and cash equivalents     | \$ 54,355    |
| Accounts receivable - usage   | 214,384      |
| Accounts receivable - other   | 14,141       |
| Due from county - delinquents | 17,769       |
| Inventory - pumps and parts   | 42,886       |
| Prepaid expenditures          | <u>5,882</u> |

**Total current assets** \$ 349,417

**RESTRICTED ASSETS**

|   |                |
|---|----------------|
| Cash and cash equivalents - debt service        | 3,539,338      |
| Cash and cash equivalents - capital replacement | 834,105        |
| Accounts receivable - debt service (usage)      | 106,605        |
| Special assessments receivable                  | 1,639,780      |
| Due from county - delinquents                   | <u>101,458</u> |

**Total restricted assets** 6,221,286

**CAPITAL ASSETS**

|                                       |                     |
|---------------------------------------|---------------------|
| Land                                  | 1,395,224           |
| Sewer infrastructure                  | <u>30,994,489</u>   |
|                                       | 32,389,713          |
| <b>Less: accumulated depreciation</b> | <u>(13,302,912)</u> |

**Net capital assets** 19,086,801

**Total assets** \$ 25,657,504

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND  
BALANCE SHEET (continued)  
MARCH 31, 2018

**CURRENT LIABILITIES (from unrestricted assets)**

|                                |               |
|--------------------------------|---------------|
| Accounts payable               | \$ 48,523     |
| Accrued grinder pump expense   | 50,000        |
| New connections - escrow funds | <u>66,731</u> |

**Total current liabilities (from unrestricted assets)** \$ 165,254

**CURRENT LIABILITIES (from restricted assets)**

|               |         |
|---------------|---------|
| Bonds payable | 270,000 |
|---------------|---------|

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

|   |                |
|---|----------------|
| Bonds payable                               | 4,655,000      |
| Loans from other funds                      | 2,385,832      |
| Bond premium, net amortization of \$133,942 | <u>235,728</u> |

**Total long-term liabilities (from restricted assets)** 7,276,560

**Total liabilities** 7,711,814

**NET POSITION**

|                   |                   |
|-------------------|-------------------|
| Retained earnings | <u>17,945,690</u> |
|-------------------|-------------------|

**Total liabilities and net position** \$ 25,657,504

**CHARTER TOWNSHIP OF BRIGHTON**

**SEWER FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2018**

**OPERATING REVENUES**

|                                    |               |                     |
|------------------------------------|---------------|---------------------|
| Sewer usage                        | \$ 887,660    |                     |
| Sewer usage - debt service charges | 655,016       |                     |
| Other revenue                      | <u>20,605</u> |                     |
| <b>Total operating revenues</b>    |               | <b>\$ 1,563,281</b> |

**OPERATING EXPENSES**

|   |               |                         |
|---|---------------|-------------------------|
| Administration                                    | 4,800         |                         |
| Alarm maintenance                                 | 527           |                         |
| Audit services                                    | 4,800         |                         |
| Computer services                                 | 2,617         |                         |
| Consulting  | 19,194        |                         |
| Contracted services - operators                   | 248,069       |                         |
| Depreciation expense                              | 862,066       |                         |
| Legal   | 289,434       |                         |
| Liability insurance                               | 25,087        |                         |
| Office expenses                                   | 1,987         |                         |
| Permit fees                                       | 4,232         |                         |
| Repairs and maintenance - grinder pumps and parts | 157,175       |                         |
| Repairs and maintenance - collection system       | 30,027        |                         |
| Repairs and maintenance - equipment               | 17,816        |                         |
| Repairs and maintenance - buildings and grounds   | 14,751        |                         |
| Sludge removal                                    | 21,852        |                         |
| Supplies  | 31,022        |                         |
| Telephone   | 1,180         |                         |
| Utilities   | 107,707       |                         |
| Capital outlay                                    | <u>32,114</u> |                         |
| <b>Total operating expenses</b>                   |               | <b><u>1,876,457</u></b> |
| <b>Operating (loss)</b>                           |               | <b>(313,176)</b>        |

**NON-OPERATING REVENUES (EXPENSES)**

|   |              |               |
|---|--------------|---------------|
| Interest income - banks                   | 21,289       |               |
| Interest income - special assessment      | 139,844      |               |
| Interest (expense) - general fund advance | (31,717)     |               |
| Interest (expense) - bonds                | (93,262)     |               |
| Agent fees - bonds                        | <u>(800)</u> |               |
| <b>Total non-operating (expenses)</b>     |              | <b>35,354</b> |

**CAPITAL CONTRIBUTIONS**

|                         |  |                |
|-------------------------|--|----------------|
| Tap-in fees (new users) |  | <u>564,300</u> |
|-------------------------|--|----------------|

|                               |  |                |
|-------------------------------|--|----------------|
| <b>Change in net position</b> |  | <b>286,478</b> |
|-------------------------------|--|----------------|

|                                    |  |                          |
|------------------------------------|--|--------------------------|
| <b>NET POSITION, APRIL 1, 2017</b> |  | <b><u>17,659,212</u></b> |
|------------------------------------|--|--------------------------|

|                                     |  |                             |
|-------------------------------------|--|-----------------------------|
| <b>NET POSITION, MARCH 31, 2018</b> |  | <b><u>\$ 17,945,690</u></b> |
|-------------------------------------|--|-----------------------------|

**CHARTER TOWNSHIP OF BRIGHTON**  
**SEWER FUND**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31, 2018**

|  |                    |                            |
|--|--------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                            |
| Cash received from customers   | \$ 1,634,967       |                            |
| Cash receipts from others  | 20,605             |                            |
| Payments to suppliers for goods or services  | <u>(1,145,107)</u> |                            |
| <b>Net cash from operating activities</b>  |                    | <b>\$ 510,465</b>          |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                            |                    |                            |
| Principal paid on bonds  | (1,665,000)        |                            |
| Interest paid on bonds   | (186,480)          |                            |
| Interest paid on General Fund advances   | (31,717)           |                            |
| Collections of special assessment (principal and interest)                                 | 912,078            |                            |
| Tap fees (new users)   | <u>533,520</u>     |                            |
| <b>Net cash (used in) capital and related financing activities</b>                         |                    | <b>(437,599)</b>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                            |
| Interest received on cash and cash equivalents   |                    | <u>21,289</u>              |
| <b>Net increase in cash and cash equivalents</b>   |                    | <b>94,155</b>              |
| <b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2017</b>  |                    | <u>4,333,643</u>           |
| <b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2018</b>   |                    | <u><u>\$ 4,427,798</u></u> |
| <b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>  |                    |                            |
| Operating (loss)   |                    | <b>\$ (313,176)</b>        |
| Adjustments to reconcile operating (loss) to net cash from (used in) operating activities: |                    |                            |
| Depreciation and amortization  | \$ 862,066         |                            |
| Changes in assets and liabilities  |                    |                            |
| Decrease in accounts and delinquents receivable  | 92,291             |                            |
| Decrease in prepaid expense  | 559                |                            |
| (Increase) in inventory  | (15,236)           |                            |
| Decrease in due to other funds   | (39,568)           |                            |
| Decrease in accounts payable   | (77,072)           |                            |
| Increase in new connections escrow   | <u>601</u>         |                            |
| <b>Total adjustments</b>   |                    | <u>823,641</u>             |
| <b>Net cash from (used in) operating activities</b>  |                    | <u><u>\$ 510,465</u></u>   |

**TRUST AND AGENCY FUND**

CHARTER TOWNSHIP OF BRIGHTON

TRUST AND AGENCY FUND  
BALANCE SHEET  
MARCH 31, 2018

**ASSETS**

|      |            |
|------|------------|
| Cash | \$ 422,772 |
|------|------------|

**LIABILITIES**

|               |            |
|---------------|------------|
| Due to others | \$ 422,669 |
|---------------|------------|

|                    |            |
|--------------------|------------|
| Due to other funds | <u>103</u> |
|--------------------|------------|

|                          |                   |
|--------------------------|-------------------|
| <b>Total liabilities</b> | <u>\$ 422,772</u> |
|--------------------------|-------------------|



**CURRENT TAX COLLECTION FUND**

**CHARTER TOWNSHIP OF BRIGHTON**

**CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2018**

**ASSETS**

|      |               |
|------|---------------|
| Cash | <u>\$ 729</u> |
|------|---------------|

**LIABILITIES**

|                    |               |
|--------------------|---------------|
| Due to other funds | <u>\$ 729</u> |
|--------------------|---------------|

**CONSTRUCTION ESCROW FUND**

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND  
BALANCE SHEET  
MARCH 31, 2018

**ASSETS**

|      |            |
|------|------------|
| Cash | \$ 473,841 |
|------|------------|

**LIABILITIES**

|               |            |
|---------------|------------|
| Due to others | \$ 473,604 |
|---------------|------------|

|                    |            |
|--------------------|------------|
| Due to other funds | <u>237</u> |
|--------------------|------------|

|                          |                   |
|--------------------------|-------------------|
| <b>Total liabilities</b> | <u>\$ 473,841</u> |
|--------------------------|-------------------|