

CHARTER TOWNSHIP OF BRIGHTON

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

For the Year Ended March 31, 2015

CHARTER TOWNSHIP OF BRIGHTON

TOWNSHIP OFFICIALS

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

BOARD OF TRUSTEES

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

TOWNSHIP ATTORNEY

John K. Harris
Harris & Leterski

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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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

June 12, 2015

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

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Charter Township of Brighton'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 as of March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 - 13 and 47 - 49 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'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, 2015

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, 2015. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net 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 \$36,656,084. This is a \$531,357 increase over last year's net position of \$36,124,727.

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

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Totals	
	3/31/2015	3/31/2014	3/31/2015	3/31/2014	3/31/2015	3/31/2014
Current and other assets	\$ 15,329,525	\$ 15,510,276	\$ 6,595,959	\$ 7,031,458	\$ 21,925,484	\$ 22,541,734
Capital assets	3,861,731	3,753,094	21,672,999	22,535,065	25,534,730	26,288,159
Total assets	19,191,256	19,263,370	28,268,958	29,566,523	47,460,214	48,829,893
Other liabilities	84,458	80,010	93,916	237,961	178,374	317,971
Long-term liabilities	345,756	432,195	10,280,000	11,955,000	10,625,756	12,387,195
Total liabilities	430,214	512,205	10,373,916	12,192,961	10,804,130	12,705,166
Net position:						
Invested in capital assets, net of related debt	3,861,731	3,753,094	11,392,999	10,580,065	15,254,730	14,333,159
Restricted	914,140	914,966			914,140	914,966
Unrestricted	13,985,171	14,083,105	6,502,043	6,793,497	20,487,214	20,876,602
Total net position	\$ 18,761,042	\$ 18,751,165	\$ 17,895,042	\$ 17,373,562	\$ 36,656,084	\$ 36,124,727

Summary of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>3/31/2015</u>	<u>3/31/2014</u>	<u>3/31/2015</u>	<u>3/31/2014</u>	<u>3/31/2015</u>	<u>3/31/2014</u>
REVENUES						
Program revenues						
Charges for services	\$ 541,177	\$ 594,099	\$ 1,469,110	\$ 1,355,598	\$ 2,010,287	\$ 1,949,697
Operating grants and contributions	342,874				342,874	
Capital contributions			817,784	244,950	817,784	244,950
General revenues						
State shared revenues	1,379,310	1,312,515			1,379,310	1,312,515
Property taxes	888,583	856,402			888,583	856,402
Interest	114,408	94,435	296,171	350,695	410,579	445,130
Other	588,563	533,875	16,091	99,166	604,654	633,041
Total revenues	<u>3,854,915</u>	<u>3,391,326</u>	<u>2,599,156</u>	<u>2,050,409</u>	<u>6,454,071</u>	<u>5,441,735</u>
EXPENSES						
General government	1,530,648	1,415,187			1,530,648	1,415,187
Public safety	81,407	129,752			81,407	129,752
Recreation	62,803	56,195			62,803	56,195
Public works/roads	2,158,680	773,533			2,158,680	773,533
Interest on long-term debt	11,500	41,086			11,500	41,086
Sewer system			2,077,676	2,123,012	2,077,676	2,123,012
Total expenses	<u>3,845,038</u>	<u>2,415,753</u>	<u>2,077,676</u>	<u>2,123,012</u>	<u>5,922,714</u>	<u>4,538,765</u>
Changes in net position	9,877	975,573	521,480	(72,603)	531,357	902,970
Beginning net position	<u>18,751,165</u>	<u>17,775,592</u>	<u>17,373,562</u>	<u>17,446,165</u>	<u>36,124,727</u>	<u>35,221,757</u>
Ending net position	<u>\$ 18,761,042</u>	<u>\$ 18,751,165</u>	<u>\$ 17,895,042</u>	<u>\$ 17,373,562</u>	<u>\$ 36,656,084</u>	<u>\$ 36,124,727</u>

The governmental funds experienced a slight decrease in equity due to large road projects.

The business-type activities showed an increase in net position of \$521,480. The Township managed to keep expenses similar to the prior fiscal year, and had an increase in charges for services and capital contributions.

Financial Analysis of the Township's Major Funds

The Township's General Fund decreased its fund balance by \$425,546, due to three major road projects.

The Township's only major business-type fund, the Sewer Fund, reported an increase in net position of \$521,480, due to a large 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. Total excess of revenues over expenditures exceeded that by a minimal amount. 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 \$247,658 of new capital assets during the year. This was for vacant land and a construction project to install new sidewalk on Grand River Avenue that is still in progress as of March 31, 2105.

The Township had a construction in progress project known as the Pathways Project. The project calls for the construction of approximately 5,400 sq. ft. of new sidewalk on Grand River Avenue, with a total estimated cost of \$331,170. As of March 31, 2015, the project was estimated to be 67% complete with \$221,068 in actual costs incurred. An actual completion date was not available, though the Township expects the project to be complete during the Summer of 2015.

The governmental funds issued no debt during the year and had paid off the bonds associated with the water system in full in the prior fiscal year. A total of \$345,756 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 \$11,955,000. During the year, the Township retired \$1,675,000 of debt, leaving \$10,280,000 at fiscal year end.

Economic Conditions and Future Activities

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

Contacting the Township's Financial Management

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION
MARCH 31, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash, cash equivalents and investments	\$ 12,253,502	\$ 4,042,510	\$ 16,296,012
Receivables			
Taxes	51,246		51,246
State shared revenues	204,474		204,474
Intergovernmental	2,385,832	(2,385,832)	
Accounts	139,289	584,071	723,360
Special assessments	249,388	4,064,408	4,313,796
Prepaid expenses	45,794	6,790	52,584
Inventory		81,841	81,841
Bonds issuance - net of amortization		202,171	202,171
Capital assets			
Non-depreciable	932,381	1,395,224	2,327,605
Depreciable - net of accumulated depreciation	2,929,350	20,277,775	23,207,125
Total assets	19,191,256	28,268,958	47,460,214
LIABILITIES			
Accounts payable and accrued other	53,973	93,916	147,889
Accrued wages/taxes	30,485		30,485
Long term obligations			
Other due within one year	86,439	1,690,000	1,776,439
Other due in more than one year	259,317	8,590,000	8,849,317
Total liabilities	430,214	10,373,916	10,804,130
NET POSITION			
Invested in capital assets, net of related debt	3,861,731	11,392,999	15,254,730
Restricted	914,140		914,140
Unrestricted	13,985,171	6,502,043	20,487,214
Total net position	\$ 18,761,042	\$ 17,895,042	\$ 36,656,084

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015

<u>Functions/Programs</u>	<u>Programs Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
PRIMARY GOVERNMENT						
General government	\$ (1,530,648)	\$ 373,844	\$ 342,874	\$ (1,156,804)	\$	\$ (1,156,804)
Public works	(747,555)	165,773	342,874	(238,908)		(238,908)
Recreation	(62,803)			(62,803)		(62,803)
Roads	(1,404,141)	1,560		(1,402,581)		(1,402,581)
Public safety	(81,407)			(81,407)		(81,407)
Cemetery	(6,984)			(6,984)		(6,984)
Interest on long-term debt	(11,500)			(11,500)		(11,500)
Total primary government	(3,845,038)	541,177	342,874	(2,960,987)		(2,960,987)
BUSINESS-TYPE ACTIVITIES						
Sewer system	(2,077,676)	1,469,110	817,784		209,218	209,218
Total	\$ (5,922,714)	\$ 2,010,287	\$ 1,160,658	(2,960,987)	209,218	(2,751,769)
		General revenues				
				888,583		888,583
				1,379,310		1,379,310
				114,408	296,171	410,579
				219,337		219,337
				341,826		341,826
				27,400	16,091	43,491
			Total general revenues	2,970,864	312,262	3,283,126
			Changes in net position	9,877	521,480	531,357
			Net position, April 1, 2014	18,751,165	17,373,562	36,124,727
			Net position, March 31, 2015	\$ 18,761,042	\$ 17,895,042	\$ 36,656,084

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON

**BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2015**

	<u>General</u>	<u>Other Non-major Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 11,248,679	\$ 1,004,823	\$ 12,253,502
Receivables			
Taxes	51,246		51,246
Special assessments	212,259	37,129	249,388
State shared revenues	204,474		204,474
Accounts	91,378	46,448	137,826
Due from other funds	2,391,681	811	2,392,492
Prepaid expenditures	41,740	4,054	45,794
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 14,241,457</u></u>	<u><u>\$ 1,093,265</u></u>	<u><u>\$ 15,334,722</u></u>
LIABILITIES			
Accounts payable	\$ 51,789	\$ 2,184	\$ 53,973
Accrued wages and vacations	30,485		30,485
Due to other funds	811	4,386	5,197
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>83,085</u>	<u>6,570</u>	<u>89,655</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	212,259	14,436	226,695
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Nonspendable - prepaid items	41,740	4,054	45,794
Restricted			
Building department		4,844	4,844
Public safety		42,528	42,528
Roads		53,945	53,945
Refuse		64,189	64,189
Aquatics		50,688	50,688
Streetlights		16,413	16,413
Municipal water		681,533	681,533
Committed			
Pathways	124,463		124,463
Roads	3,215,235		3,215,235
Debt/environmental remediation	2,919,010		2,919,010
Parks and recreation	824,094		824,094
Cemetery	60,773		60,773
Assigned for future budget deficit	812,700	154,065	966,765
Unassigned	5,948,098		5,948,098
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>13,946,113</u>	<u>1,072,259</u>	<u>15,018,372</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 14,241,457</u></u>	<u><u>\$ 1,093,265</u></u>	<u><u>\$ 15,334,722</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2015

TOTAL FUND BALANCE PER BALANCE SHEET		\$ 15,018,372
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 6,850,590	
Depreciation	<u>(2,988,859)</u>	
Capital assets net of depreciation		3,861,731
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Pollution remediation liability		(345,756)
Unavailable revenues on special assessments was recognized as revenue in the government-wide statements when they were assessed.		
		<u>226,695</u>
Net position of governmental activities		<u>\$ 18,761,042</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, 2015**

	<u>General Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
REVENUES			
Taxes	\$ 888,583	\$	\$ 888,583
Connection fees		342,874	342,874
Special assessments - principal	103,893	174,551	278,444
Special assessments - interest	19,782	1,403	21,185
Intergovernmental - state	1,371,273	8,037	1,379,310
Licenses and permits	18,710		18,710
Rental income	219,337		219,337
Charges for services	355,134		355,134
Interest	88,257	4,966	93,223
Cable franchise fees	341,826		341,826
Miscellaneous	27,398		27,398
	<hr/>	<hr/>	<hr/>
Total revenues	3,434,193	531,831	3,966,024
EXPENDITURES			
Current			
General government	989,956		989,956
Elected officials	538,527		538,527
Public works	590,215	157,340	747,555
Public safety	26,573	7,033	33,606
Recreation	62,803		62,803
Cemetery	4,379		4,379
Road improvements/maintenance	1,391,216	12,925	1,404,141
Capital outlay			
General government	26,579		26,579
Pathways	221,068		221,068
Debt service			
Interest and fiscal charges		11,500	11,500
	<hr/>	<hr/>	<hr/>
Total expenditures	3,851,316	188,798	4,040,114
Net changes in fund balances	(417,123)	343,033	(74,090)
FUND BALANCE, APRIL 1, 2014	14,363,236	729,226	15,092,462
	<hr/>	<hr/>	<hr/>
FUND BALANCE, MARCH 31, 2015	\$ 13,946,113	\$ 1,072,259	\$ 15,018,372
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2015**

Net change in fund balances - governmental funds \$ (74,090)

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	\$ 247,647
Depreciation expense	<u>(139,010)</u>

Total		108,637
--------------	--	---------

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
--	--------

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

Principal collected on assessments	<u>(111,109)</u>
------------------------------------	------------------

Change in net position of governmental activities		<u><u>\$ 9,877</u></u>
--	--	------------------------

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 MARCH 31, 2015

	<u>Sewer Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 4,042,510
Receivables	
Accounts	584,071
Special assessments	4,064,408
Prepaid expenses	6,790
Inventory	81,841
Bond issuance costs - net of amortization of \$336,951	202,171
Total before capital assets	<u>8,981,791</u>
Non-current assets	
Land	1,395,224
Utility systems	30,994,489
Total cost	32,389,713
Less accumulated depreciation	<u>(10,716,714)</u>
Non-current assets, net	<u>21,672,999</u>
Total assets	<u>30,654,790</u>
LIABILITIES	
Current liabilities	
Accounts payable	16,053
Accrued grinder pump expense	50,000
Due to other funds	2,385,832
New connections - escrow funds	27,863
Total current liabilities	2,479,748
Long term liabilities	
Bonds payable	10,280,000
Total liabilities	<u>12,759,748</u>
NET POSITION	
Invested in capital assets, net of related debt	11,392,999
Unrestricted	6,502,043
Total net position	<u>\$ 17,895,042</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2015

	<u>Sewer Fund</u>
OPERATING REVENUES	
Utility billings	\$ 1,448,242
Other revenues	20,868
	<hr/>
Total operating revenues	1,469,110
OPERATING EXPENSES	<hr/>
	1,540,651
	<hr/>
Operating income (loss)	(71,541)
NON-OPERATING REVENUES	
Income - contingency	16,091
Interest income - special assessments	287,400
Interest income - cash and equivalents	8,771
Interest and fees (expense)	(537,025)
	<hr/>
Total non-operating revenues (expenses)	(224,763)
	<hr/>
Loss before capital contribution	(296,304)
CAPITAL CONTRIBUTIONS	
Tap-in fees collected	817,784
	<hr/>
Change in net position	521,480
NET POSITION, APRIL 1, 2014	<hr/>
	17,373,562
NET POSITION, MARCH 31, 2015	<hr/> <hr/>
	\$ 17,895,042

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF CASH FLOWS
SEWER FUND
FOR THE YEAR ENDED MARCH 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,795,592	
Cash receipts from others	12,747	
Payments to suppliers	<u>(1,101,319)</u>	
Net cash (used) provided by operating activities		\$ 707,020

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on bonds	(1,675,000)	
Interest paid on bonds	(505,308)	
Interest paid on General Fund advances	(31,717)	
Collections of special assessment (principal and interest)	1,203,725	
Tap fees (new users)	<u>694,058</u>	
Net cash (used) provided by capital and related financing activities		(314,242)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents		<u>8,771</u>
Net increase in cash and cash equivalents		401,549

CASH AND CASH EQUIVALENTS AT APRIL 1, 2014

3,640,961

CASH AND CASH EQUIVALENTS AT MARCH 31, 2015

\$ 4,042,510

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

Operating (loss)		\$ (71,541)
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Adjustments to reconcile operating (loss) to net cash provided (used by) operating activities:

Depreciation and amortization	\$ 895,761	
(Increase) in accounts and delinquent receivable	(38,525)	
(Increase) in prepaid expense	(402)	
Decrease in inventory	48,952	
Decrease in due from other funds	925	
Decrease in due to other funds	(196)	
(Decrease) accounts payable	(20,317)	
(Decrease) in new connections escrow	<u>(107,637)</u>	
Total adjustments		<u>778,561</u>
Net cash (used) provided by operating activities		<u><u>\$ 707,020</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, 2015

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
ASSETS				
Cash	\$ 29,904	\$ 211	\$ 560,701	\$ 590,816
Due from others			151	151
	<u>29,904</u>	<u>211</u>	<u>560,852</u>	<u>590,967</u>
Total assets	<u><u>\$ 29,904</u></u>	<u><u>\$ 211</u></u>	<u><u>\$ 560,852</u></u>	<u><u>\$ 590,967</u></u>
LIABILITIES				
Due to other funds	\$ 100	\$ 211	\$ 1,152	\$ 1,463
Due to others	29,804		559,700	589,504
	<u>29,804</u>	<u>211</u>	<u>560,852</u>	<u>590,967</u>
Total liabilities	<u><u>\$ 29,904</u></u>	<u><u>\$ 211</u></u>	<u><u>\$ 560,852</u></u>	<u><u>\$ 590,967</u></u>

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIC FINANCIAL STATEMENTS

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

The government-wide financial statements (Statement of Net 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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Township reports the following major governmental fund:

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

The Township reports the following major enterprise fund:

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

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

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

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. CAPITAL ASSETS

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

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

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

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

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

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

D. ACCRUED COMPENSATED ABSENCES

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

E. BUDGETARY DATA

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

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

For the year ended March 31, 2015, expenditures immateriality exceeded appropriations in two funds in which budgeting was required by law.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

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, 2014 as revenue for the year ended March 31, 2015.

The 2014 adjusted taxable value totaled \$ 976,250,191. Taxes levied consisted of .9073 mills for Township operating purposes. The delinquent real property taxes of Charter Township of Brighton are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes.

G. MANAGEMENT ESTIMATES

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

H. INVESTMENTS

Investments are stated at fair value.

I. CASH EQUIVALENTS

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

J. RISK MANAGEMENT

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

K. INVENTORIES AND PREPAID ITEMS

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

L. CAPITALIZATION OF INTEREST

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

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. INCOME TAXES

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

N. FUND EQUITY

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

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

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Brighton as the primary government have been included in the financial statements. Several potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

NOTE 3 - INTERFUND BALANCES

Interfund balances between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2015:

	<u>Interfund Receivable</u>		<u>Interfund Payable</u>
General Fund	\$ 211	Current Tax	\$ 211
General Fund	1,200,000	Municipal Water CPF	1,200,000
General Fund	1,152	Construction Escrow	1,152
General Fund	100	Trust and Agency Fund	100
General Fund	1,185,832	Sewer Fund	1,185,832
Future Road Fund	4,386	Road Projects	4,386
Street Lighting Fund	811	General Fund	811
	<u>\$ 2,392,492</u>		<u>\$ 2,392,492</u>

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2015, was as follows:

	<u>Balance 4/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2015</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 684,734	\$ 26,579	\$	\$ 711,313
Construction in progress		221,068		221,068
	<u>684,734</u>	<u>247,647</u>	<u></u>	<u>932,381</u>
Total capital assets not being depreciated				
	<u>684,734</u>	<u>247,647</u>	<u></u>	<u>932,381</u>
Other capital assets:				
Buildings and improvements	5,499,000			5,499,000
Vehicles and equipment	419,209			419,209
	<u>5,918,209</u>	<u></u>	<u></u>	<u>5,918,209</u>
Total other capital assets at historical cost				
	<u>5,918,209</u>	<u></u>	<u></u>	<u>5,918,209</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,629,388)	(112,635)		(2,742,023)
Vehicles and equipment	(220,461)	(26,375)		(246,836)
	<u>(2,849,849)</u>	<u>(139,010)</u>	<u></u>	<u>(2,988,859)</u>
Total accumulated depreciation				
	<u>(2,849,849)</u>	<u>(139,010)</u>	<u></u>	<u>(2,988,859)</u>
Other capital assets, net	<u>3,068,360</u>	<u>(139,010)</u>	<u></u>	<u>2,929,350</u>
Governmental capital assets, net	<u>\$ 3,753,094</u>	<u>\$ 108,637</u>	<u>\$</u>	<u>\$ 3,861,731</u>

There is no related debt to these fixed assets

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 88,604
Public safety	47,801
Cemetery	2,605
	<u>\$ 139,010</u>

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 4 - CAPITAL ASSETS (continued)

	<u>Balance 4/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2015</u>
Business-type activities:				
Capital assets not being depreciated				
Land - sewer	\$ 1,395,224	\$	\$	\$ 1,395,224
Other capital assets:				
Plant and collection system - sewer	30,971,989			30,971,989
Furniture and fixtures - sewer	22,500			22,500
Total other capital assets at historical cost	<u>30,994,489</u>			<u>30,994,489</u>
Less accumulated depreciation for:				
Plant and collection system - sewer	(9,832,148)	(862,066)		(10,694,214)
Furniture and fixtures - sewer	(22,500)			(22,500)
Total accumulated depreciation	<u>(9,854,648)</u>	<u>(862,066)</u>		<u>(10,716,714)</u>
Other capital assets, net	<u>21,139,841</u>	<u>(862,066)</u>		<u>20,277,775</u>
Business-type capital assets, net	<u>\$ 22,535,065</u>	<u>\$ (862,066)</u>	<u>\$</u>	<u>21,672,999</u>
Related long-term debt outstanding at March 31, 2015				<u>(10,280,000)</u>
Governmental capital assets, net related long-term debt				<u>\$ 11,392,999</u>

Depreciation was charged to functions as follows:

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

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 5 - EMPLOYEES' RETIREMENT SYSTEM - DEFINED BENEFIT PLAN

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

Plan Description

The Township is in an agent multi-employer-defined benefit pension plan with the Municipal Employees' Retirement System (MERS), administered by the State of Michigan. Total Township payroll for the year ended March 31, 2015 was \$702,710.

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

The Municipal Employees' Retirement System issues a publicly available report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

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

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

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

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

The Local Unit makes monthly contributions based on the annual actuarial valuations. Significant actuarial assumptions used include, an 8.0% investment rate of return and projected salary increase of 4.5 % per year attributable to inflation with additional salary increases of 0% to 13.0% per year attributable to seniority/merit.

Total contributions for the Township for the year ended March 31, 2015 were \$11,885.

At December 31, 2013, the over-funded pension benefit obligation was \$162,328, determined as follows:

ACTUARIAL ACCRUED LIABILITY

Retirees and beneficiaries currently receiving benefits	\$ 833,764
Terminated employees not yet receiving benefits (vested and non-vested)	
Vested	86,185
Non-vested terminated	24,499
Current employees -	
Accumulated employee contributions including allocated investment income	179,928
Employer financed	<u>450,640</u>
Total actuarial accrued liability	1,575,016
Net position available for benefits at actuarial value	<u>1,737,344</u>
Over-funded actuarial accrued liability	<u>\$ 162,328</u>

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 5 - EMPLOYEES' RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (continued)

The Township's annual required contribution was \$5,544 as of April 1, 2015. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is 0.060002 for over funded liabilities. Total covered payroll for participants was \$455,228. The percent of over-funded actuarially accrued liability to payroll was .36%.

The annual Actuarial Report was not available at the time of writing report; this information could not be provided for the year ended December 31, 2014.

NOTE 6 - LONG-TERM OBLIGATIONS

Contracts Payable

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

Contracts payable currently outstanding are as follows:

<u>Purpose</u>	<u>Issuance Amount</u>	<u>Principal Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
Business-type activities:					
Livingston County Drain Commission					
Spencer Extension, 2005	\$ 760,000	\$ 35,000 — \$ 40,000	5/1/2024	3.50 — 5.00%	\$ 385,000
Livingston County Drain Commission					
Sewer Refunding, 2005	\$ 17,900,000	\$ 1,545,000 — \$ 1,645,000	10/1/2020	3.00 — 5.00%	<u>9,895,000</u>
Total contracts payable outstanding					<u><u>\$ 10,280,000</u></u>

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

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

Year Ending March 31	Business-type Activities	
	Principal	Interest
2016	\$ 1,690,000	\$ 429,018
2017	1,685,000	353,100
2018	1,690,000	277,143
2019	1,690,000	192,782
2020	1,690,000	114,982
2021 - 2025	1,835,000	58,436
	<u>\$ 10,280,000</u>	<u>\$ 1,425,461</u>

Pollution Remediation Obligation

On January 15, 2009 a consent order was issued to conclude the litigation between the Township and the State of Michigan over the clean-up of the former Collett Road dump site. In the order the Township agreed to immediately pay \$1,350,000 to the State of Michigan and monitor the site and nearby groundwater for a period of up to ten (10) years. The Township has adopted GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, to account for its future obligation related to the consent order. As of March 31, 2015, the future monitoring costs to be borne by the Township were estimated at \$345,756. 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, 2015:

	Balance 4/1/2014	Additions	Reductions	Balance 3/31/2015	Due Within One Year
Governmental activities:					
Pollution remediation obligation	\$ 432,195	\$	\$ (86,439)	\$ 345,756	\$ 86,439
Business-type activities:					
Contracts payable	11,955,000		(1,675,000)	10,280,000	1,690,000
Total long-term liabilities	<u>\$ 12,387,195</u>	<u>\$ -</u>	<u>\$ (1,761,439)</u>	<u>\$ 10,625,756</u>	<u>\$ 1,776,439</u>

CHARTER TOWNSHIP OF BRIGHTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

NOTE 7 - DEFINED CONTRIBUTION PLAN

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

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	<u>\$ 9,765</u>
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This balance reflects contributions for the period from April 1, 2014 to March 31, 2015.

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

TOTAL CURRENT YEAR CONTRIBUTIONS	<u>\$ 4,937</u>
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NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

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

As of March 31, 2015 cash, cash equivalents and investments consist of the following:

Cash and cash equivalents	
Deposits with financial institutions	\$ 16,099,772
Investments	
Negotiable certificates of deposit	757,405
External Investment Pool	105,325
Total investments	<u>862,730</u>
Total cash, cash equivalents and investments	<u>\$ 16,962,502</u>

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

Statement of Net Position	
Cash and cash equivalents	\$ 15,433,282
Investments	862,730
Total	<u>16,296,012</u>
Fiduciary Funds	
Cash and cash equivalents	590,816
Total cash and investments	<u>\$ 16,886,828</u>

Custodial Credit Risk

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

As of March 31, 2015 deposits in banks totaled \$16,099,772 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 2,829,429
Uninsured and collateralized	8,084,140
Uninsured and uncollateralized	<u>5,186,203</u>
	<u>\$ 16,099,772</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.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

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

As of March 31, 2015 investments totaled \$862,730 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 736,581
Insured by SIPC	<u>20,824</u>
	<u>\$ 757,405</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 \$105,325 as of March 31, 2015.

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.

<u>Investment Type</u>	<u>Issuer</u>	<u>Percent of Portfolio</u>
Negotiable Certificate of Deposit	JP Morgan Chase	28%
Negotiable Certificate of Deposit	Wells Fargo Bank	31%
Negotiable Certificate of Deposit	Bank of Birmingham	28%

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, 2015 the Township had the following investments subject to interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		<u>1 - 3</u>	<u>4 - 5</u>
Negotiable Certificates of Deposit	<u>\$ 757,405</u>	<u>\$ 486,581</u>	<u>\$ 270,824</u>

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 8 - 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, 2015, the Township's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Rating by Standard & Poor</u>	<u>Amount</u>
MBIA Investment Pool	AAA / M	\$ 105,325
Negotiable Certificates of Deposit	Unrated	757,405
		<u>\$ 862,730</u>

NOTE 9 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

	<u>3-31-2015</u>
Operating revenues	\$ 1,469,110
Depreciation and amortization	895,761
Operating (loss)	(71,541)
Net working capital	835,099
Total assets	30,654,790
Reserved retained earnings	17,098,133
Unreserved retained earnings	796,909
Total fund equity	17,895,042

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 10 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. The direct method was utilized to present cash flows from operations. The following summarizes beginning and ending cash and cash equivalents:

	<u>April 1, 2014</u>	<u>March 31, 2015</u>
Cash and cash equivalents	\$ <u>3,640,961</u>	\$ <u>4,042,510</u>

NOTE 11 - OTHER FINANCING SOURCES (USES)

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

NOTE 12 - DEFERRED COMPENSATION PLAN

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

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

NOTE 13 - PROJECT UNCERTAINTIES

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

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

The Township is considering various options to remedy the above problem.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 14 - DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

The Township has adopted GASB #65 "Items Previously Reported as Assets and Liabilities". Under this standard the Township will report two new sections in the Statement of Net Position (Government Wide Statements) and in the Balance Sheet (Fund Statements) which are called Deferred Outflows (previously called assets) and Deferred Inflows (previously called liabilities).

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

Deferred outflows of resources represent a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met. The Township did not have any deferred outflows as of March 31, 2015.

Deferred inflows of resources represent an acquisition of net position that applies to a future period. The element will not be recognized as revenue until the time restriction is met. The Township has one transaction type which consist of elements considered deferred inflows 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, is only listed on the Balance Sheet under Fund Accounting.

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, 2015

	Budget Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 888,583	\$
Special assessments - principal			103,893	
Special assessments - interest			19,782	
State shared revenue			1,371,273	
Rental income			219,337	
Franchise fees			341,826	
Charges for services			355,134	
Interest			88,257	
Miscellaneous			46,108	
Total revenues	3,246,926	3,247,226	3,434,193	186,967
EXPENDITURES	4,519,728	4,704,632	3,851,316	853,316
Net change in fund balance	(1,272,802)	(1,457,406)	(417,123)	1,040,283
FUND BALANCE, APRIL 1, 2014	14,363,236	14,363,236	14,363,236	
FUND BALANCE, MARCH 31, 2015	\$ 13,090,434	\$ 12,905,830	\$ 13,946,113	\$ 1,040,283

CHARTER TOWNSHIP OF BRIGHTON

SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)
MARCH 31, 2015

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

Analysis of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
12/31/12	1,684,880	1,486,054	(198,826)	113%	392,553	-51%
12/31/13	1,737,344	1,575,016	(162,328)	110%	404,923	-40%
12/31/14	1,779,457	1,636,290	(143,167)	109%	395,132	-36%

CHARTER TOWNSHIP OF BRIGHTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2015

Budget Overruns

The following expenditures exceeded appropriations in the various funds:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
General Fund			
Emergency preparedness	\$ 71,532	\$ 71,695	\$ (163)
Municipal refuse	<u>72,788</u>	<u>72,917</u>	<u>(129)</u>
	<u>\$ 144,320</u>	<u>\$ 144,612</u>	<u>\$ (292)</u>

The overruns were relatively immaterial and were not anticipated in the amended budget.

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
COMBINING BALANCE SHEETS
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
MARCH 31, 2015

	General Fund Pre GASB 54 Consolidation	Parks Fund	Cemetery Fund	Budget Stabilization Fund	Future Road Improvement Fund	Pathway Fund	Eliminations	Totals Restated General Fund
ASSETS								
Cash and cash equivalents	\$ 8,193,107	\$ 824,094	\$ 60,773	\$ 272,435	\$ 1,703,849	\$ 194,421	\$	\$ 11,248,679
Receivable								
Taxes	51,246							51,246
State shared revenues	204,474							204,474
Special assessments	212,259							212,259
Accounts	91,378							91,378
Due from other funds	2,387,295			681	2,254,386		(2,250,681)	2,391,681
Prepaid expenditures	41,740							41,740
Total assets	\$ 11,181,499	\$ 824,094	\$ 60,773	\$ 273,116	\$ 3,958,235	\$ 194,421	\$ (2,250,681)	\$ 14,241,457
LIABILITIES								
Accounts payable	\$ 51,531	\$	\$	\$	\$	\$ 258	\$	\$ 51,789
Accrued wages and vacation	30,485							30,485
Due to other funds	2,251,492						(2,250,681)	811
Total liabilities	2,333,508					258		83,085
DEFERRED INFLOWS OF RESOURCES								
	212,259							212,259
FUND BALANCE								
Nonspendable	41,740							41,740
Committed								
Roads					3,215,235			3,215,235
Environment remediation	2,919,010							2,919,010
Parks and recreation		824,094						824,094
Cemetery			60,773					60,773
Pathways						124,463		124,463
Assigned for future budget deficit					743,000	69,700		812,700
Unassigned	5,674,982			273,116				5,948,098
Total fund balance	8,635,732	824,094	60,773	273,116	3,958,235	194,163		13,946,113
Total liabilities and fund balance	\$ 11,181,499	\$ 824,094	\$ 60,773	\$ 273,116	\$ 3,958,235	\$ 194,421	\$	\$ 14,241,457

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2015

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND
	Building Department	Liquor Law	SAD Road Maintenance	Aquatics	Road Projects	Street Lights	Municipal Refuse	Municipal Water
ASSETS								
Cash and cash equivalents	\$ 4,844	\$ 51,426	\$ 23,651	\$ 156,470	\$ 58,331	\$	\$ 62,216	\$ 647,885
Receivables								
Special assessments			60	3,644	14,436	17,016	1,973	
Others								46,448
Due from other funds						811		
Prepaid expenses		155					3,899	
Total assets	<u>\$ 4,844</u>	<u>\$ 51,581</u>	<u>\$ 23,711</u>	<u>\$ 160,114</u>	<u>\$ 72,767</u>	<u>\$ 17,827</u>	<u>\$ 68,088</u>	<u>\$ 694,333</u>
LIABILITIES								
Accounts payable	\$	\$ 238	\$ 532	\$	\$	\$ 1,414	\$	
Due to other funds					4,386			
Total liabilities		<u>238</u>	<u>532</u>		<u>4,386</u>	<u>1,414</u>		
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue					14,436			
FUND BALANCE								
Non-spendable		155					3,899	
Restricted								
Building Department	4,844							
Public safety		42,528						
Public works						16,413	64,189	
Roads				50,688	53,945			
Municipal water								681,533
Assigned for future budget deficit		8,660	23,179	109,426				12,800
Total fund balance	<u>4,844</u>	<u>51,343</u>	<u>23,179</u>	<u>160,114</u>	<u>53,945</u>	<u>16,413</u>	<u>68,088</u>	<u>694,333</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,844</u>	<u>\$ 51,581</u>	<u>\$ 23,711</u>	<u>\$ 160,114</u>	<u>\$ 72,767</u>	<u>\$ 17,827</u>	<u>\$ 68,088</u>	<u>\$ 694,333</u>

CHARTER TOWNSHIP OF BRIGHTON
ALL NONMAJOR FUNDS (continued)
COMBINING BALANCE SHEET
MARCH 31, 2015

	Totals
ASSETS	
Cash and cash equivalents	\$ 1,004,823
Receivables	
Special assessments	37,129
Others	46,448
Due from other funds	811
Prepaid expenses	4,054
Total assets	\$ 1,093,265
LIABILITIES	
Accounts payable	\$ 2,184
Due to other funds	4,386
Total liabilities	6,570
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	14,436
FUND BALANCE	
Non-spendable	4,054
Restricted	
Building Department	4,844
Public safety	42,528
Public works	80,602
Roads	104,633
Municipal water	681,533
Assigned for future budget deficit	154,065
Total fund balance	1,072,259
Total liabilities, deferred inflows of resources and fund balance	\$ 1,093,265

CHARTER TOWNSHIP OF BRIGHTON

ALL AGENCY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2015

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
ASSETS				
Cash	\$ 29,904	\$ 211	\$ 560,701	\$ 590,816
Due form others			151	151
	<u>29,904</u>	<u>211</u>	<u>560,852</u>	<u>590,967</u>
Total assets	<u>\$ 29,904</u>	<u>\$ 211</u>	<u>\$ 560,852</u>	<u>\$ 590,967</u>
LIABILITIES				
Due to other funds	\$ 100	\$ 211	\$ 1,152	\$ 1,463
Due to others	29,804		559,700	589,504
	<u>29,904</u>	<u>211</u>	<u>560,852</u>	<u>590,967</u>
Total liabilities	<u>\$ 29,904</u>	<u>\$ 211</u>	<u>\$ 560,852</u>	<u>\$ 590,967</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, 2015

	General Fund Pre GASB 54 Consolidation	Parks Fund	Cemetery Fund	Budget Stabilization Fund	Future Road Improvement Fund	Pathway Fund	Eliminations	Restated General Fund
REVENUES								
Taxes	\$ 888,583	\$	\$	\$	\$	\$	\$	\$ 888,583
Special assessments - principal	103,893							103,893
Special assessments - interest	19,782							19,782
Intergovernmental - state	1,371,273							1,371,273
Rental income	219,337							219,337
Franchise fees	341,826							341,826
Charges for services	355,134							355,134
Interest	76,914	2,695	145	2,262	5,887	354		88,257
Miscellaneous	46,108							46,108
Total revenues	3,422,850	2,695	145	2,262	5,887	354		3,434,193
EXPENDITURES								
Current								
General government	989,956							989,956
Elected officials	538,527							538,527
Parks and recreation	62,803							62,803
Public safety	26,573							26,573
Road improvements	124,508				1,266,708			1,391,216
Cemetery	4,379							4,379
Public works	590,215							590,215
Capital outlay								
General government	26,579							26,579
Pathways						221,068		221,068
Total expenditures	2,363,540				1,266,708	221,068		3,851,316
Excess of revenues over (under) expenditures	1,059,310	2,695	145	2,262	(1,260,821)	(220,714)		(417,123)
OTHER FINANCING SOURCES (USES)								
Transfers in		50,000	10,000		2,600,000	229,137	(2,889,137)	
Transfers (out)	(2,813,385)				(75,752)		2,889,137	
Total other financing sources (uses)	(2,813,385)	50,000	10,000		2,524,248	229,137		
Net change in fund balances	(1,754,075)	52,695	10,145	2,262	1,263,427	8,423		(417,123)
FUND BALANCE, APRIL 1, 2014	10,389,807	771,399	50,628	270,854	2,694,808	185,740		14,363,236
FUND BALANCE, MARCH 31, 2015	\$ 8,635,732	\$ 824,094	\$ 60,773	\$ 273,116	\$ 3,958,235	\$ 194,163	\$	\$ 13,946,113

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED MARCH 31, 2015

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	
	Building Department	Liquor Law	SAD Road Maintenance	Aquatics	Road Projects	Street lights	Municipal Refuse	Municipal Fund
REVENUES								
Connection fees	\$	\$	\$	\$	\$	\$	\$	\$ 342,874
Intergovernmental - State		8,037						
Special assessment - Principal			1,560	74,990	7,218	16,945	73,838	
Special assessment - Interest					1,403			
Interest	5	133	74	338	140		109	4,167
Total revenues	<u>5</u>	<u>8,170</u>	<u>1,634</u>	<u>75,328</u>	<u>8,761</u>	<u>16,945</u>	<u>73,947</u>	<u>347,041</u>
EXPENDITURES								
Current								
Public safety		7,033						
Utilities						16,991		
Project-costs			12,925	63,752			72,917	3,680
Debt service								
Interest								11,500
Total expenditures		<u>7,033</u>	<u>12,925</u>	<u>63,752</u>		<u>16,991</u>	<u>72,917</u>	<u>15,180</u>
Net changes in fund balances	5	1,137	(11,291)	11,576	8,761	(46)	1,030	331,861
FUND BALANCE, APRIL 1, 2014	<u>4,839</u>	<u>50,206</u>	<u>34,470</u>	<u>148,538</u>	<u>45,184</u>	<u>16,459</u>	<u>67,058</u>	<u>362,472</u>
FUND BALANCE, MARCH 31, 2015	<u>\$ 4,844</u>	<u>\$ 51,343</u>	<u>\$ 23,179</u>	<u>\$ 160,114</u>	<u>\$ 53,945</u>	<u>\$ 16,413</u>	<u>\$ 68,088</u>	<u>\$ 694,333</u>

CHARTER TOWNSHIP OF BRIGHTON

ALL NONMAJOR FUNDS (continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2015

	<u>Totals</u>
REVENUES	
Connection fees	\$ 342,874
Intergovernmental - State	8,037
Special assessment - Principal	174,551
Special assessment - Interest	1,403
Interest	<u>4,966</u>
Total revenues	<u>531,831</u>
EXPENDITURES	
Current	
Public safety	7,033
Utilities	16,991
Project-costs	153,274
Debt service	
Interest	<u>11,500</u>
Total expenditures	<u>188,798</u>
Net changes in fund balances	343,033
FUND BALANCE, APRIL 1, 2014	<u>729,226</u>
FUND BALANCE, MARCH 31, 2015	<u>\$ 1,072,259</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, 2015

ASSETS

Cash and equivalents	\$ 8,193,107
Delinquent taxes receivable	51,246
State shared revenues receivable	204,474
Special assessment receivables	212,259
Accounts receivable	91,378
Due from other funds	2,387,295
Prepaid expenditures	<u>41,740</u>

Total assets

\$ 11,181,499

LIABILITIES

Accounts payable	\$ 49,147
Accrued wages and vacation	30,485
Payroll taxes withholding and payable	2,384
Due to other funds	<u>2,251,492</u>

Total liabilities

\$ 2,333,508

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	212,259
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FUND BALANCE

Nonspendable - prepaid	41,740
Committed - environmental remediation	2,919,010
Unassigned	<u>5,674,982</u>

Total fund balance

8,635,732

Total liabilities and fund balance

\$ 11,181,499

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, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 860,770	\$ 888,583	\$ 27,813
Treasurer	339,820	359,112	19,292
Licenses and permits	16,000	18,710	2,710
Planning and zoning	36,200	62,912	26,712
State shared revenue	1,320,000	1,371,273	51,273
Special assessments	119,346	123,675	4,329
Miscellaneous	543,390	598,585	55,195
Total revenues	3,235,526	3,422,850	187,324
EXPENDITURES	<u>2,849,247</u>	<u>2,363,540</u>	<u>485,707</u>
Excess of revenues over (under) expenditures	<u>386,279</u>	<u>1,059,310</u>	<u>673,031</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	900		(900)
Transfers (out)	(2,670,900)	(2,813,385)	(142,485)
Total other financing sources (uses)	<u>(2,670,000)</u>	<u>(2,813,385)</u>	<u>(143,385)</u>
Net change in fund balance	(2,283,721)	(1,754,075)	529,646
FUND BALANCE, APRIL 1, 2014	<u>10,389,807</u>	<u>10,389,807</u>	
FUND BALANCE, MARCH 31, 2015	<u>\$ 8,106,086</u>	<u>\$ 8,635,732</u>	<u>\$ 529,646</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, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES			
Current property taxes	\$	\$ 887,397	\$
Penalties/interest - delinquent taxes		914	
Trailer park fees		272	
	<u>860,770</u>	<u>888,583</u>	<u>27,813</u>
TOTAL taxes			
TREASURER			
Property tax administration fee		281,653	
Interest		76,914	
Dog licenses		545	
	<u>339,820</u>	<u>359,112</u>	<u>19,292</u>
TOTAL treasurer			
LICENSES AND PERMITS			
	<u>16,000</u>	<u>18,710</u>	<u>2,710</u>
PLANNING AND ZONING			
	<u>36,200</u>	<u>62,912</u>	<u>26,712</u>
STATE SHARED REVENUE			
	<u>1,320,000</u>	<u>1,371,273</u>	<u>51,273</u>
SPECIAL ASSESSMENTS			
Principal		103,893	
Interest		19,782	
	<u>119,346</u>	<u>123,675</u>	<u>4,329</u>
TOTAL special assessments			
MISCELLANEOUS REVENUES			
Election reimbursement		5,769	
Metro Act fees		12,450	
Cable TV fees		341,826	
Rental income		219,337	
Reimbursement/refunds		8,355	
Utilities administration fee		4,800	
Other revenue		6,048	
	<u>543,390</u>	<u>598,585</u>	<u>55,195</u>
TOTAL miscellaneous revenues			
Total revenues	<u>\$ 3,235,526</u>	<u>\$ 3,422,850</u>	<u>\$ 187,324</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, 2015

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Wages, salaries and per diems	\$	\$ 27,735	\$
Ordinance codification		550	
Printing and publishing		10,355	
Payroll taxes		2,121	
Insurance - benefits		190	
Insurance - liability		22	
Pension		7,427	
Supplies		284	
Consulting		2,577	
Engineering services		20,579	
Education/travel		645	
Economic development		18,000	
Dues		8,508	
	<u>110,110</u>	<u>98,993</u>	<u>11,117</u>
Total township board			
SUPERVISOR			
Wages, salaries and per diems		28,683	
Pension		3,014	
Payroll taxes		2,194	
Insurance - benefits		65	
Insurance - liability		22	
	<u>36,020</u>	<u>33,978</u>	<u>2,042</u>
Total supervisor			
MANAGER			
Wages, salaries and per diems		82,680	
Wages, salaries and per diems - clerical		37,936	
Insurance - benefits		11,139	
Pension		5,712	
Payroll taxes		9,387	
Insurance - liability		202	
Education/travel		1,279	
Dues		883	
Supplies		148	
Postage		151	
Contracted services		908	
	<u>180,380</u>	<u>150,425</u>	<u>29,955</u>
Total manager			

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, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ELECTIONS			
Wages, salaries and per diems - Clerk		11,596	
Wages, salaries and per diems - Deputy officials		20,694	
Election workers		32,825	
Pension		100	
Payroll taxes		2,950	
Insurance - benefits		6,163	
Insurance - liability		53	
Accuracy consulting		7,510	
Education /travel		179	
Printing and publishing		270	
Postage		8,635	
Supplies		5,265	
Equipment maintenance and repair		2,440	
	<u>119,655</u>	<u>98,680</u>	<u>20,975</u>
ASSESSOR			
Wages, salaries and per diems		139,151	
Pension		4,900	
Payroll taxes		10,939	
Insurance - benefits		56,363	
Insurance - liability		482	
Education/travel		1,634	
Supplies		767	
Postage		4,988	
Dues		311	
Printing and publishing		2,202	
	<u>236,970</u>	<u>221,737</u>	<u>15,233</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, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CLERK			
Wages, salaries and per diems - Clerk		43,757	
Wages, salaries and per diems - Deputy Clerk		12,441	
Wages, salaries and per diems - other		67,966	
Pension		2,148	
Payroll taxes		9,431	
Insurance - benefits		62,456	
Insurance - liability		170	
Postage		103	
Professional fees		9,600	
Supplies		691	
Education/travel		2,322	
Newsletter		2,849	
Dues		635	
Record retention		130	
Capital outlay		380	
	<hr/>	<hr/>	<hr/>
Total clerk	<u>254,628</u>	<u>215,079</u>	<u>39,549</u>
TREASURER			
Wages, salaries and per diems - Treasurer		55,354	
Wages, salaries and per diems - Deputy Treasurer		39,526	
Wages, salaries and per diems - other		19,971	
Pension		1,430	
Payroll taxes		8,831	
Insurance - benefits		39,792	
Insurance - liability		135	
Professional fees		9,600	
Supplies		468	
Tax forms		3,196	
Postage		9,171	
Education/travel		2,211	
Dues		110	
Consulting		550	
Small equipment		132	
	<hr/>	<hr/>	<hr/>
Total treasurer	<u>207,740</u>	<u>190,477</u>	<u>17,263</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, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SEWER AND WATER			
Per diems		975	
Professional fees		31,686	
Capital improvements		524,987	
		<u>572,579</u>	<u>14,931</u>
Total sewer and water	<u>572,579</u>	<u>557,648</u>	<u>14,931</u>
ROADS	<u>160,000</u>	<u>124,508</u>	<u>35,492</u>
OTHER CHARGES AND SERVICES			
Insurance - liability		28,199	
Contracted services		20,197	
Computer support		15,761	
Legal fees		48,032	
Telephone		7,922	
Lease - MSP		137,484	
Equipment repair		6,500	
Equipment rental		1,656	
Fuel		1,206	
Capital outlay		3,563	
		<u>419,370</u>	<u>148,850</u>
Total other charges and services	<u>419,370</u>	<u>270,520</u>	<u>148,850</u>
PLANNING			
Wages, salaries and per diems		62,515	
Pension		2,094	
Payroll taxes		4,008	
Insurance - benefits		20,505	
Insurance - liability		160	
Supplies		473	
Postage		615	
Special projects		2,344	
Engineering services		41,550	
Printing and publishing		2,650	
Education/travel		360	
Dues		60	
Capital outlay		10,862	
		<u>164,640</u>	<u>16,444</u>
Total planning	<u>164,640</u>	<u>148,196</u>	<u>16,444</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, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP HALL/GROUNDS			
Wages, salaries and per diems		68	
Cleaning maintenance		2,362	
Supplies and postage		12,481	
Payroll taxes		5	
Insurance - liability		67	
Street lighting		8,359	
Equipment maintenance and repairs		5,182	
Grounds maintenance and repairs		14,236	
Building maintenance and repairs		17,365	
Utilities		16,333	
Tax chargebacks		3,106	
Capital improvements		3,565	
Consulting		1,000	
Miscellaneous		735	
	<u>129,412</u>	<u>84,864</u>	<u>44,548</u>
Total township hall/grounds			
CEMETERY	<u>15,000</u>	<u>4,379</u>	<u>10,621</u>
FIRE PROTECTION			
Contracted services		4,629	
Utilities		719	
Building maintenance and repair		3,217	
Grounds maintenance and repair		947	
Capital improvements		12,031	
	<u>66,400</u>	<u>21,543</u>	<u>44,857</u>
Total fire protection			
EMERGENCY PREPAREDNESS			
Utilities		396	
Siren		4,634	
	<u>4,900</u>	<u>5,030</u>	<u>(130)</u>
Total emergency preparedness			

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, 2015

	Amended Budget	Actual	Variance Favorable (Unfavorable)
ENVIRONMENTAL	<u>53,100</u>	<u>49,511</u>	<u>3,589</u>
MUNICIPAL REFUSE COLLECTION	<u>3,200</u>	<u>1,694</u>	<u>1,506</u>
PARKS AND RECREATION	<u>80,873</u>	<u>62,803</u>	<u>18,070</u>
DRAINS	<u>13,600</u>	<u>9,635</u>	<u>3,965</u>
CODE ENFORCEMENT			
Wages, salaries and per diems		6,355	
Pension		253	
Payroll taxes		486	
Insurance - benefits		2,416	
Insurance - liability		26	
Supplies		22	
Total code enforcement	<u>10,670</u>	<u>9,558</u>	<u>1,112</u>
CONTINGENCY	<u>10,000</u>	<u>4,282</u>	<u>5,718</u>
Total expenditures	<u><u>\$ 2,849,247</u></u>	<u><u>\$ 2,363,540</u></u>	<u><u>\$ 485,707</u></u>

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

PARKS FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON
PARKS FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash and cash equivalents	<u>\$ 824,094</u>
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FUND BALANCE

Committed for parks and recreation	<u>\$ 824,094</u>
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This supplementary information shows the Parks Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

PARKS FUND (PRE GASB 54 RESTATEMENT)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 2,400	\$ 2,695	\$ 295
EXPENDITURES			
Excess of revenues over (under) expenditures	2,400	2,695	295
OTHER FINANCING SOURCES			
Transfers in	<u>50,000</u>	<u>50,000</u>	
Net change in fund balance	52,400	52,695	295
FUND BALANCE, APRIL 1, 2014	<u>771,399</u>	<u>771,399</u>	
FUND BALANCE, MARCH 31, 2015	<u><u>\$ 823,799</u></u>	<u><u>\$ 824,094</u></u>	<u><u>\$ 295</u></u>

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

CEMETERY FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON
CEMETERY FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2015

ASSETS

ASSETS

Cash and cash equivalents	<u>\$ 60,773</u>
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FUND BALANCE

FUND BALANCE

Committed for cemetery	<u>\$ 60,773</u>
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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, 2015**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 100	\$ 145	\$ 45
EXPENDITURES			
Excess of revenues over (under) expenditures	100	145	45
OTHER FINANCING SOURCES			
Transfers in	<u>10,000</u>	<u>10,000</u>	
Net change in fund balance	10,100	10,145	45
FUND BALANCE, APRIL 1, 2014	<u>50,628</u>	<u>50,628</u>	
FUND BALANCE, MARCH 31, 2015	<u><u>\$ 60,728</u></u>	<u><u>\$ 60,773</u></u>	<u><u>\$ 45</u></u>

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

BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON

BUDGET STABILIZATION FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash and equivalents	\$ 272,435
Due from other funds	<u>681</u>

Total assets

\$ 273,116

FUND BALANCE

\$ 273,116

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

CHARTER TOWNSHIP OF BRIGHTON

BUDGET STABILAZATION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 900	\$ 2,262	\$ 1,362
EXPENDITURES			
Excess of revenues over (under) expenditures	<u>900</u>	<u>2,262</u>	<u>1,362</u>
OTHER FINANCING SOURCES			
Transfers in	900		(900)
Transfers (out)	<u>(900)</u>		<u>900</u>
Total other financing sources			
Net change in fund balance	900	2,262	1,362
FUND BALANCE, APRIL 1, 2014	<u>270,854</u>	<u>270,854</u>	
FUND BALANCE, MARCH 31, 2015	<u><u>\$ 271,754</u></u>	<u><u>\$ 273,116</u></u>	<u><u>\$ 1,362</u></u>

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

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)

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

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash	\$ 1,703,849
Advance to other funds	4,386
Due from other funds	<u>2,250,000</u>
Total assets	<u><u>\$ 3,958,235</u></u>

FUND BALANCE

Committed for roads	<u><u>\$ 3,958,235</u></u>
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This supplementary information shows the Future Road Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

FUTURE ROAD IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2015

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 8,000	\$ 5,887	\$ (2,113)
EXPENDITURES			
Project costs	<u>1,500,000</u>	<u>1,266,708</u>	<u>233,292</u>
Excess of revenues over (under) expenditures	<u>(1,492,000)</u>	<u>(1,260,821)</u>	<u>231,179</u>
OTHER FINANCING SOURCES			
Transfers in	2,600,000	2,600,000	
Transfers (out)	<u>(75,752)</u>	<u>(75,752)</u>	
Total other financing services (uses)	<u>2,524,248</u>	<u>2,524,248</u>	
Net change in fund balance	1,032,248	1,263,427	231,179
FUND BALANCE, APRIL 1, 2014	<u>2,694,808</u>	<u>2,694,808</u>	
FUND BALANCE, MARCH 31, 2015	<u><u>\$ 3,727,056</u></u>	<u><u>\$ 3,958,235</u></u>	<u><u>\$ 231,179</u></u>

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

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash	\$ 194,421
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LIABILITIES

Accounts payable	\$ 258
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FUND BALANCE

Committed for pathways	<u>194,163</u>
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Total liabilities and fund balance	<u><u>\$ 194,421</u></u>
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This supplementary information shows the Pathways Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRIGHTON

PATHWAYS FUND (PRE GASB 54 RESTATEMENT)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 300	\$ 354	\$ 54
EXPENDITURES			
Project costs	<u>355,385</u>	<u>221,068</u>	<u>134,317</u>
Excess of revenues over (under) expenditures	(355,085)	(220,714)	134,371
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>85,752</u>	<u>229,137</u>	<u>143,385</u>
Net change in fund balance	(269,333)	8,423	277,756
FUND BALANCE, APRIL 1, 2014	<u>185,740</u>	<u>185,740</u>	
FUND BALANCE, MARCH 31, 2015	<u><u>\$ (83,593)</u></u>	<u><u>\$ 194,163</u></u>	<u><u>\$ 277,756</u></u>

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

LIQUOR LAW ENFORCEMENT FUND

CHARTER TOWNSHIP OF BRIGHTON

LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash	\$ 51,426
Prepaid expense	<u>155</u>

Total assets	<u><u>\$ 51,581</u></u>
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LIABILITIES

Accounts payable	\$ 238
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FUND BALANCE

	<u>51,343</u>
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Total Liabilities and fund balance	<u><u>\$ 51,581</u></u>
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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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State shared revenues - liquor licenses	\$	\$ 8,037	\$
Interest		133	
Total revenues	<u>7,800</u>	<u>8,170</u>	<u>370</u>
EXPENDITURES			
Enforcement expenditures		<u>7,033</u>	
Total expenditures	<u>17,320</u>	<u>7,033</u>	<u>10,287</u>
Net change in fund balance	(9,520)	1,137	10,657
FUND BALANCE, APRIL 1, 2014	<u>50,206</u>	<u>50,206</u>	
FUND BALANCE, MARCH 31, 2015	<u>\$ 40,686</u>	<u>\$ 51,343</u>	<u>\$ 10,657</u>

BUILDING DEPARTMENT FUND

CHARTER TOWNSHIP OF BRIGHTON

**BUILDING DEPARTMENT FUND
BALANCE SHEET
MARCH 31, 2015**

ASSETS

Cash and equivalents

\$ 4,844

FUND BALANCE

Restricted

\$ 4,844

CHARTER TOWNSHIP OF BRIGHTON

**BUILDING DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2015**

REVENUES	
Interest	\$ 5
EXPENDITURES	<hr/>
Net change in fund balance	5
FUND BALANCE, APRIL 1, 2014	<hr/> 4,839
FUND BALANCE, MARCH 31, 2015	<hr/> <hr/> \$ 4,844

SAD ROAD MAINTENANCE FUND

CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash	\$ 23,651
Due from others	60

Total assets	\$ 23,711
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LIABILITIES

Accounts payable	\$ 532
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FUND BALANCE	23,179
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Total liabilities and fund balance	\$ 23,711
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CHARTER TOWNSHIP OF BRIGHTON

SAD ROAD MAINTENANCE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 1,560	\$
Interest		74	
	<u>1,650</u>	<u>1,634</u>	<u>(16)</u>
EXPENDITURES			
Contract expense	<u>42,100</u>	<u>12,925</u>	<u>29,175</u>
	<u>(40,450)</u>	<u>(11,291)</u>	<u>29,159</u>
FUND BALANCE, APRIL 1, 2014	<u>34,470</u>	<u>34,470</u>	
FUND BALANCE, MARCH 31, 2015	<u>\$ (5,980)</u>	<u>\$ 23,179</u>	<u>\$ 29,159</u>

ROAD PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

ROAD PROJECTS FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash and cash equivalents	\$ 58,331
Special assessment receivable	<u>14,436</u>

Total assets	<u><u>\$ 72,767</u></u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	\$ 14,436
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LIABILITIES

Due to other funds	4,386
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FUND BALANCE

	<u>53,945</u>
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Total liabilities and fund balance	<u><u>\$ 72,767</u></u>
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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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 7,218	\$
Special assessments - interest		1,403	
Interest Income		140	
	<hr/>	<hr/>	<hr/>
Total revenues	9,230	8,761	(469)
EXPENDITURES	<hr/>	<hr/>	<hr/>
Net change in fund balance	9,230	8,761	(469)
FUND BALANCE, APRIL 1, 2014	<hr/> 45,184	<hr/> 45,184	<hr/>
FUND BALANCE, MARCH 31, 2015	<u>\$ 54,414</u>	<u>\$ 53,945</u>	<u>\$ (469)</u>

STREETLIGHT FUND

CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Due from other funds	\$	811
Special assessment receivable		<u>17,016</u>

Total assets	\$	<u><u>17,827</u></u>
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LIABILITIES

Accounts payable	\$	1,414
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FUND BALANCE		<u>16,413</u>
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Total liabilities and fund balance	\$	<u><u>17,827</u></u>
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CHARTER TOWNSHIP OF BRIGHTON

STREETLIGHT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 18,064	\$ 16,945	\$ (1,119)
EXPENDITURES			
Utilities	<u>18,070</u>	<u>16,991</u>	<u>1,079</u>
Net change in fund balance	(6)	(46)	(40)
FUND BALANCE, APRIL 1, 2014	<u>16,459</u>	<u>16,459</u>	
FUND BALANCE, MARCH 31, 2015	<u><u>\$ 16,453</u></u>	<u><u>\$ 16,413</u></u>	<u><u>\$ (40)</u></u>

MUNICIPAL REFUSE FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL REFUSE FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash	\$ 62,216
Due from county	1,973
Prepaid expenditures	<u>3,899</u>
Total assets	<u><u>\$ 68,088</u></u>

FUND BALANCE

\$ 68,088

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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 73,838	\$
Interest		109	
	<hr/>	<hr/>	<hr/>
Total revenues	72,788	73,947	1,159
EXPENDITURES			
Project costs	<hr/> 72,788	<hr/> 72,917	<hr/> (129)
Net change in fund balance		1,030	1,030
FUND BALANCE, APRIL 1, 2014	<hr/> 67,058	<hr/> 67,058	<hr/>
FUND BALANCE, MARCH 31, 2015	<u>\$ 67,058</u>	<u>\$ 68,088</u>	<u>\$ 1,030</u>

AQUATICS FUND

CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash and cash equivalents	\$ 156,470
Due from county	<u>3,644</u>

Total assets	<u><u>\$ 160,114</u></u>
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FUND BALANCE	<u><u>\$ 160,114</u></u>
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CHARTER TOWNSHIP OF BRIGHTON

AQUATICS FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 74,990	\$
Interest income		338	
	<hr/>	<hr/>	<hr/>
Total revenues	65,165	75,328	10,163
EXPENDITURES			
Project costs	156,152	63,752	92,400
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(90,987)	11,576	102,563
FUND BALANCE, APRIL 1, 2014	<hr/> 148,538	<hr/> 148,538	<hr/>
FUND BALANCE, MARCH 31, 2015	<u>\$ 57,551</u>	<u>\$ 160,114</u>	<u>\$ 102,563</u>

MUNICIPAL WATER CAPITAL PROJECTS FUND

CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash	\$ 647,885
Due from others	<u>46,448</u>

Total assets	<u><u>\$ 694,333</u></u>
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FUND BALANCE	<u><u>\$ 694,333</u></u>
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CHARTER TOWNSHIP OF BRIGHTON

MUNICIPAL WATER CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2015

REVENUES

Connection fees	\$ 342,874	
Interest income	<u>4,167</u>	

Total revenues		\$ 347,041
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EXPENDITURES

Contract services	\$ 3,680	
Bond payment		
Interest	<u>11,500</u>	

Total expenditures		<u>15,180</u>
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Net change in fund balance		331,861
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FUND BALANCE , APRIL 1, 2014		<u>362,472</u>
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FUND BALANCE, MARCH 31, 2015		<u><u>\$ 694,333</u></u>
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SEWER FUND

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND
BALANCE SHEET
MARCH 31, 2015

CURRENT ASSETS

Cash and cash equivalents	\$	533,405
Accounts receivable - usage		194,174
Accounts receivable - other		27,207
Prepaid expenses - insurance		6,790
Inventory - pumps and parts		81,841
Due from county - delinquents - O & M usage		<u>19,545</u>

Total current assets \$ 862,962

RESTRICTED ASSETS

Cash and cash equivalents - debt service		3,039,234
Cash and cash equivalents - replacement		469,871
Accounts receivable - debt service (usage)		190,088
Bond issuance costs - net of amortization of \$336,951		202,171
Special assessments receivable		4,064,408
Due from county - delinquents (SAD)		117,485
Due from county - delinquents - debt service (usage)		<u>35,572</u>

Total restricted assets 8,118,829

CAPITAL ASSETS

Land		1,395,224
Sewer plant		9,728,042
Sewer collection system		17,733,291
Pumps and equipment		3,510,656
Office furniture and equipment		<u>22,500</u>

32,389,713
Less: accumulated depreciation (10,716,714)

Net capital assets 21,672,999

Total assets \$ 30,654,790

CHARTER TOWNSHIP OF BRIGHTON

SEWER FUND (Continued)
BALANCE SHEET
MARCH 31, 2015

CURRENT LIABILITIES (from unrestricted assets)

Accounts payable	\$	16,053
Accrued grinder pump expense		<u>50,000</u>

Total current liabilities (from unrestricted assets) \$ 66,053

CURRENT LIABILITIES (from restricted assets)

Bonds payable	1,690,000
New connections - escrow funds	<u>27,863</u>

Total current liabilities (from restricted assets) 1,717,863

LONG-TERM LIABILITIES (from restricted assets)

Bonds payable	8,590,000
Due to other funds	<u>2,385,832</u>

Total long-term liabilities (from restricted assets) 10,975,832

Total liabilities 12,759,748

FUND EQUITY

Retained earnings - reserved	17,098,133
Retained earnings - unreserved	<u>796,909</u>

Total fund equity 17,895,042

Total liabilities and fund equity \$ 30,654,790

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2015

OPERATING REVENUES		
Sewer usage	\$ 726,870	
Sewer usage - debt service charges	721,372	
Other revenue	<u>20,868</u>	
Total operating revenues		\$ 1,469,110
OPERATING EXPENSES		
Administration	4,800	
Alarm maintenance	515	
Amortization expense	33,695	
Audit services	4,800	
Computer services	2,378	
Consulting	6,223	
Contracted services - operators	227,592	
Depreciation expense	862,066	
Legal	1,247	
Liability insurance	27,097	
Office expenses	1,723	
Permit fees	3,510	
Repairs and maintenance - grinder pumps and parts	40,492	
Repairs and maintenance - collection system	149,927	
Repairs and maintenance - equipment	8,747	
Repairs and maintenance - buildings and grounds	10,866	
Sludge removal	30,018	
Supplies	22,779	
Telephone	1,040	
Utilities	<u>101,136</u>	
Total operating expenses		<u>1,540,651</u>
Operating (loss)		(71,541)
NON-OPERATING REVENUES (EXPENSES)		
Income - contingency	16,091	
Interest income - banks	8,771	
Interest income - special assessment	287,400	
Interest (expense) - general fund advance	(31,717)	
Interest (expense) - bonds	(504,708)	
Agent fees - bonds	<u>(600)</u>	
Total non-operating (expenses)		(224,763)
CAPITAL CONTRIBUTIONS		
Tap-in fees (new users)		<u>817,784</u>
Change in net position		521,480
NET POSITION, APRIL 1, 2013		<u>17,373,562</u>
NET POSITION, MARCH 31, 2014		<u><u>\$ 17,895,042</u></u>

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,795,592	
Cash receipts from others	12,747	
Payments to suppliers	(1,101,319)	
Net cash (used) provided by operating activities		\$ 707,020

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on bonds	(1,675,000)	
Interest paid on bonds	(505,308)	
Interest paid on General Fund advances	(31,717)	
Collections of special assessment (principal and interest)	1,203,725	
Tap fees (new users)	694,058	
Net cash (used) provided by capital and related financing activities		(314,242)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents		8,771
Net increase in cash and cash equivalents		401,549

CASH AND CASH EQUIVALENTS AT APRIL 1, 2014

3,640,961

CASH AND CASH EQUIVALENTS AT MARCH 31, 2015

\$ 4,042,510

RECONCILIATION OF OPERATING (LOSS) TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating (loss)		\$ (71,541)
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Adjustments to reconcile operating (loss) to net cash provided (used by) operating activities:

Depreciation and amortization	\$ 895,761	
(Increase) in accounts and delinquent receivable	(38,525)	
(Increase) in prepaid expense	(402)	
Decrease in inventory	48,952	
Decrease in due from other funds	925	
Decrease in due to other funds	(196)	
(Decrease) accounts payable	(20,317)	
(Decrease) in new connections escrow	(107,637)	

Total adjustments 778,561

Net cash (used) provided by operating activities \$ 707,020

TRUST AND AGENCY FUND

CHARTER TOWNSHIP OF BRIGHTON

TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash

\$ 29,904

LIABILITIES

Due to other funds

\$ 100

Due to others

29,804

Total liabilities

\$ 29,904

CURRENT TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRIGHTON

**CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2015**

ASSETS

Cash

\$ 211

LIABILITIES

Due to other funds

\$ 211

CONSTRUCTION ESCROW FUND

CHARTER TOWNSHIP OF BRIGHTON

CONSTRUCTION ESCROW FUND
BALANCE SHEET
MARCH 31, 2015

ASSETS

Cash	\$ 560,701
Due from others	<u>151</u>
Total assets	<u><u>\$ 560,852</u></u>

LIABILITIES

Performance deposits	\$ 559,700
Due to other funds	<u>1,152</u>
Total liabilities	<u><u>\$ 560,852</u></u>