

CHARTER TOWNSHIP OF BRIGHTON

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2006

## **CHARTER TOWNSHIP OF BRIGHTON**

### **TOWNSHIP OFFICIALS**

Supervisor – H.E. “Bud” Prine  
Clerk - Ann Bollin  
Treasurer - Geri Harmon

### **BOARD OF TRUSTEES**

Ann Bollin  
Cathy Doughty  
Geri Harmon  
Thomas Murphy  
H.E. “Bud” Prine  
J. Michael Slaton  
Timothy Winship

### **TOWNSHIP ATTORNEY**

John K. Harris  
Harris & Leterski

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**  
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June 1, 2006

Board of Trustees  
Charter Township of Brighton  
4363 Buno Road  
Brighton, Michigan 48116

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, 2006, which collectively comprise the Charter Township of Brighton's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Brighton's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charter Township of Brighton, as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other required supplementary information on pages 9 through 14 and 48 through 49 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As discussed in Note 14, the Township's sewer special assessments are considerably less than the debt obligation. The financial statements do not include any adjustments relating to the amounts and classification of liabilities that might be necessary if the Charter Township of Brighton is not able to meet its obligations as they come due.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Brighton's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

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

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

MANAGEMENT DISCUSSION  
AND  
ANALYSIS

Management Discussion and Analysis  
March 31, 2006

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Within this section of the Charter Township of Brighton's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2006. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

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

***Government-wide Financial Statements***

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

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

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

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

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

***Fund Financial Statements***

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

The Township has three kinds of funds:

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

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

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

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

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

### ***Other information***

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

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

Financial Analysis of the Township as a Whole

The Township's net assets at the end of the fiscal year were \$30,408,660. This is a \$13,531 increase over last year's net assets of \$30,395,129.

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

**Summary of Net Assets**

	<u>Governmental Activities</u>		<u>Business - Type Activities</u>	
	<u>3/31/06</u>	<u>3/31/05</u>	<u>3/31/06</u>	<u>3/31/05</u>
Current and other assets	\$ 11,467,460	\$ 9,096,682	\$ 17,878,656	\$ 18,758,563
Capital assets	<u>4,396,641</u>	<u>4,565,892</u>	<u>29,115,396</u>	<u>29,669,663</u>
Total assets	<u>15,864,101</u>	<u>13,662,574</u>	<u>46,994,052</u>	<u>48,428,226</u>
Other liabilities	2,543,452	409,789	1,796,041	1,910,882
Long-term liabilities	<u>3,620,000</u>	<u>3,865,000</u>	<u>24,490,000</u>	<u>25,510,000</u>
Total liabilities	<u>6,163,452</u>	<u>4,274,789</u>	<u>26,286,041</u>	<u>27,420,882</u>
Net assets:				
Invested in capital assets, net of related debt	2,396,641	2,320,892	4,625,396	4,159,663
Unrestricted	<u>7,304,008</u>	<u>7,066,893</u>	<u>16,082,615</u>	<u>16,847,681</u>
Total net assets	<u>\$ 9,700,649</u>	<u>\$ 9,387,785</u>	<u>\$ 20,708,011</u>	<u>\$ 21,007,344</u>

Total	
<u>3/31/06</u>	<u>3/31/05</u>
\$ 29,346,106	\$ 27,855,245
<u>33,512,037</u>	<u>34,235,555</u>
<u>62,858,153</u>	<u>62,090,800</u>
4,339,493	2,320,671
<u>28,110,000</u>	<u>29,375,000</u>
<u>32,449,493</u>	<u>31,695,671</u>
7,022,037	6,480,555
<u>23,386,623</u>	<u>23,914,574</u>
<u>\$ 30,408,660</u>	<u>\$ 30,395,129</u>

## Summary of Changes in Net Assets

	Governmental Activities		Business - Type Activities	
	3/31/06	3/31/05	3/31/06	3/31/05
<b>REVENUES</b>				
Program revenues				
Charges for services	\$ 944,214	\$ 979,986	\$ 814,916	\$ 751,534
Operating contributions	537,560	134,390		
Capital contributions			498,681	2,068,332
General revenues				
State shared revenues	1,213,243	1,178,380		
Property taxes	869,739	815,501		
Interest	392,925	334,261	988,313	1,022,468
Gain on sale of assets	959,629			
Other	275,007	269,062	25	387
Total revenues	5,192,317	3,711,580	2,301,935	3,842,721
<b>Expenses</b>				
General government	1,930,798	1,833,913		
Public safety	164,617	131,732		
Recreation	61,226	59,403		
Public works/roads	255,884	421,348		
Interest on long-term debt	166,928	174,596		
Water and sewer systems			2,601,268	2,788,990
Total expenses	2,579,453	2,620,992	2,601,268	2,788,990
Changes in net assets before special item	2,612,864	293,000	(299,333)	1,053,731
Special item - contingent liability	(2,300,000)	293,000		
Changes in net assets and special item	312,864	1,383,588	(299,333)	1,053,731
Beginning net assets	9,387,785	8,004,197	21,007,344	19,953,613
Ending net assets	\$ 9,700,649	\$ 9,387,785	\$ 20,708,011	\$ 21,007,344

Total	
<u>3/31/06</u>	<u>3/31/05</u>
\$ 1,759,130	\$ 1,731,520
537,560	134,390
498,681	2,068,332
1,213,243	1,178,380
869,739	815,501
1,381,238	1,356,729
959,629	
<u>275,032</u>	<u>269,449</u>
<u>7,494,252</u>	<u>7,554,301</u>
1,930,798	1,833,913
164,617	131,732
61,226	59,403
255,884	421,348
166,928	174,596
<u>2,601,268</u>	<u>2,788,990</u>
<u>5,180,721</u>	<u>5,409,982</u>
2,313,531	2,144,319
<u>(2,300,000)</u>	<u>293,000</u>
13,531	2,437,319
<u>30,395,129</u>	<u>27,957,810</u>
<u>\$ 30,408,660</u>	<u>\$ 30,395,129</u>

The governmental funds saw a significant increase in cash and cash equivalents in the governmental funds due to the sale of land in the Township. Substantial increase in liabilities were also present at March 31, 2006 pertaining to the environmental remediation litigation. With both this contingency and sale of Township property, the Township was still able to increase its net assets by \$312,864.

The business-type activities reported a decrease in net assets of \$299,333. Revenues have decreased significantly from the prior fiscal year due to capital contributions from new connections and assessments.

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

The Township's General Fund increased its cash and cash equivalents by \$1,302,950 yet reported expenditures over revenues of \$1,044,875. This is primarily due to the collection of outstanding receivables and large accrual for an unpaid contingent liability totaling \$2,300,000.

The Township's other governmental major fund, the Water Debt Service Fund, had revenues over expenditures totaling \$967,110. This fund account for the sale of Township land earmarked for use in the Township's participation in the Livingston Community Water Authority. The deficit in this fund was remedied with the sale of this land.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net assets of \$295,415 and a decrease in cash and equivalents of \$108,519. This system is fairly new in operations and is still adding users to its system.

#### General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total expenditures exceeded budgeted appropriations by \$1,677,651 primarily due to the unbudgeted contingent liability booked pertaining to the environmental remediation litigation. Several immaterial budget amendments were made during the year to bring the budget closer to economic reality.

#### Capital Asset and Debt Administration

The governmental funds sold \$1,024,200 of land during the year in both the General Fund and the Water Debt Service Fund. The General also finished the construction of the fence for the cemetery with the project totaling \$21,200.

The governmental funds issued no debt during the year, but paid \$100,000 of principal on the bonds associated with the Township hall. No principal payments were required during the year for the bonds outstanding for the Township's participation in the Livingston Community Water Authority. A total of \$3,620,000 remains for all governmental fund debt.

The business-type activities made \$301,382 of improvement to their sewage treatment facility with funds held in the county's construction funds. The sewage treatment facility is virtually complete and expects a tapering off of construction in future periods.

The business-type funds sold \$17,900,000 of bonds to partially defease the original series 2000. This refunding reduced total debt service payments over the next 14 years by nearly \$1,053,000 with a present value of approximately \$748,000. Total debt outstanding on business-type activities totaled \$24,490,000 at fiscal year end.

### Economic Conditions and Future Activities

The Township anticipates some resolution or progress to be made in regards to the environmental remediation project with the State of Michigan.

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 comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Township manager at (810) 229-0550 or located at 4363 Buno Road, Brighton, Michigan 48114.

BASIC  
FINANCIAL  
STATEMENTS

GOVERNMENT - WIDE  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF NET ASSETS  
MARCH 31, 2006

	Primary Government		
	Governmental Activities	Business- type Activities	Total
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 8,835,815	\$ 42,842	\$ 8,878,657
Cash and cash equivalents - restricted		3,007,530	3,007,530
Receivables			
Taxes	80,513		80,513
State shared revenues	201,387		201,387
Intergovernmental	1,755,405	3,000	1,758,405
Accounts		585,643	585,643
Special assessments	542,928	13,648,508	14,191,436
Prepaid expenditures	51,412	12,646	64,058
Inventory		73,060	73,060
Bond issuance - net of amortization		505,427	505,427
Capital assets - net of depreciation	4,396,641	29,115,396	33,512,037
Total assets	15,864,101	46,994,052	62,858,153
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	83,593	94,540	178,133
Accrued wages/taxes	42,581		42,581
Accrued interest payable	68,113		68,113
Intergovernmental payable	49,165	1,701,501	1,750,666
Contingent liability	2,300,000		2,300,000
Bonds payable			
Current	140,000	1,465,000	1,605,000
Noncurrent	3,480,000	23,025,000	26,505,000
Total liabilities	6,163,452	26,286,041	32,449,493
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	2,396,641	4,625,396	7,022,037
Unrestricted	7,304,008	16,082,615	23,386,623
Total net assets	\$ 9,700,649	\$ 20,708,011	\$ 30,408,660

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions</u>	<u>Capital Contributions</u>
Governmental activities				
General government	\$ (1,930,798)	\$ 765,929	\$	\$
Public works	(166,485)	172,117		
Recreation	(61,226)			
Roads	(68,829)	6,168	537,560	
Public safety	(164,617)			
Cemetery	(20,570)			
Interest on long-term debt	<u>(166,928)</u>			
Total governmental activities	<u>(2,579,453)</u>	<u>944,214</u>	<u>537,560</u>	
Business-type activities				
Sewer system	(2,454,828)	745,416		494,817
Water system	<u>(146,440)</u>	<u>69,500</u>		<u>3,864</u>
Total business-type activities	<u>(2,601,268)</u>	<u>814,916</u>		<u>498,681</u>
Total	<u>\$ (5,180,721)</u>	<u>\$ 1,759,130</u>	<u>\$ 537,560</u>	<u>\$ 498,681</u>

General revenues  
Property taxes  
State shared revenues  
Interest income  
Rental income  
Franchise fees  
Gain on sale of assets  
Other income

Total general revenues

Changes in net assets before special item

Special item – Contingent liability reversal

Changes in net assets and special item

Net assets, April 1, 2005

Net assets, March 31, 2006

The notes are an integral part of the financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business- type Activities	Total
\$ (1,164,869)	\$	\$ (1,164,869)
5,632		5,632
(61,226)		(61,226)
474,899		474,899
(164,617)		(164,617)
(20,570)		(20,570)
<u>(166,928)</u>		<u>(166,928)</u>
<u>(1,097,679)</u>		<u>(1,097,679)</u>
	(1,214,595)	(1,214,595)
	<u>(73,076)</u>	<u>(73,076)</u>
	<u>(1,287,671)</u>	<u>(1,287,671)</u>
869,739		869,739
1,213,243		1,213,243
392,925	988,313	1,381,238
86,500		86,500
167,834		167,834
959,629		959,629
<u>20,673</u>	<u>25</u>	<u>20,698</u>
<u>3,710,543</u>	<u>988,338</u>	<u>4,698,881</u>
2,612,864	(299,333)	2,313,531
<u>(2,300,000)</u>		<u>(2,300,000)</u>
312,864	(299,333)	13,531
<u>9,387,785</u>	<u>21,007,344</u>	<u>30,395,129</u>
<u>\$ 9,700,649</u>	<u>\$20,708,011</u>	<u>\$30,408,660</u>

FUND  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2006

<u>ASSETS</u>	<u>General</u>	<u>Water Debt Service Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,737,493	\$ 852,441	\$ 2,245,881	\$ 8,835,815
Receivables				
Taxes	80,513			80,513
Special assessments			542,928	542,928
State shared revenues	201,387			201,387
Due from other funds	1,709,240		46,165	1,755,405
Prepaid expenditures	<u>40,759</u>		<u>10,653</u>	<u>51,412</u>
Total assets	<u>\$ 7,769,392</u>	<u>\$ 852,441</u>	<u>\$ 2,845,627</u>	<u>\$ 11,467,460</u>
 <u>LIABILITIES AND FUND BALANCE</u>  				
<b>LIABILITIES</b>				
Accounts payable	\$ 80,609	\$	\$ 2,984	\$ 83,593
Accrued interest payable		28,560	39,553	68,113
Accrued wages and absences	30,644		11,937	42,581
Matured bonds payable			100,000	100,000
Due to other funds	49,165			49,165
Contingent liability	2,300,000			2,300,000
Deferred revenues			<u>511,881</u>	<u>511,881</u>
Total liabilities	<u>2,460,418</u>	<u>28,560</u>	<u>666,355</u>	<u>3,155,333</u>
 <b>FUND BALANCES</b>				
Unreserved	5,308,974		1,531,433	6,840,407
Reserved				
Debt service		823,881		823,881
Public works			<u>647,839</u>	<u>647,839</u>
Total fund balance	<u>5,308,974</u>	<u>823,882</u>	<u>2,179,272</u>	<u>8,312,127</u>
Total liabilities and fund balances	<u>\$ 7,769,392</u>	<u>\$ 852,441</u>	<u>\$ 2,845,627</u>	<u>\$ 11,467,460</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
MARCH 31, 2006

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

Total fund balance per balance sheet		\$ 8,312,127
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Historical cost	\$ 6,292,389	
Depreciation	<u>(1,895,748)</u>	
Capital assets, net of depreciation		4,396,641
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable (long-term portion)		(3,520,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>511,881</u>
Net assets of governmental activities		<u>\$ 9,700,649</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, 2006

<u>REVENUES</u>	<u>General</u>	<u>Water Debt Service Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
REVENUES				
Taxes	\$ 869,739	\$	\$	\$ 869,739
Special assessments			134,375	134,375
Intergovernmental – state	1,207,007		6,236	1,213,243
Licenses and permits			393,509	393,509
Rental income	86,500			86,500
Charges for services	372,420		172,117	544,537
Interest	285,084	29,354	78,487	392,925
Cable franchise fees	167,834			167,834
Contingent liability	5,000	1,019,200		1,024,200
Miscellaneous	<u>20,673</u>			<u>20,673</u>
Total revenues	<u>3,014,257</u>	<u>1,048,554</u>	<u>784,724</u>	<u>4,847,535</u>
EXPENDITURES				
General government	1,469,195		373,691	1,842,886
Public works	56,846		109,639	166,485
Public safety	89,562		37,026	126,588
Recreation	61,226			61,226
Cemetery	31,240			31,240
Road improvements/maintenance	51,063		17,766	68,829
Debt service		81,444	196,075	277,519
Contingency	<u>2,300,000</u>			<u>2,300,000</u>
Total expenditures	<u>4,059,132</u>	<u>81,444</u>	<u>734,197</u>	<u>4,874,773</u>
Excess of revenues over (under) expenditures	(1,044,875)	967,110	50,527	(27,238)
OTHER FINANCING SOURCES (USES)				
Transfers in			246,648	246,648
Transfers (out)	<u>(196,074)</u>		<u>(50,574)</u>	<u>(246,648)</u>
Total other financing sources (uses)	<u>(196,074)</u>		<u>196,074</u>	
Excess of revenues over (under) expenditures and other financing sources (uses)	(1,240,949)	967,110	246,601	(27,238)
FUND BALANCE, APRIL 1, 2005	<u>6,549,923</u>	<u>(143,229)</u>	<u>1,932,671</u>	<u>8,339,365</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 5,308,974</u>	<u>\$ 823,881</u>	<u>\$ 2,179,272</u>	<u>\$ 8,312,127</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED MARCH 31, 2006

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

Net change in fund balances - governmental funds		\$ (27,238)
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:</p>		
Capital outlay	\$ 11,200	
Depreciation expense	<u>(126,471)</u>	
Net capital assets		(115,271)
<p>Governmental funds record the sale of assets as revenues for the amount of the proceeds. However, in the Statement of Activities this amount is reported as a gain or loss on disposal by subtracting the net book value of asset sold:</p>		
Net book value of sold assets		(53,980)
<p>Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>		
Repayment of:		
Bonds payable		100,000
<p>Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.</p>		
Special assessments levied	537,650	
Principal collected on assessments	<u>(128,297)</u>	
Net		<u>409,353</u>
Change in net assets of governmental activities		<u>\$ 312,864</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
MARCH 31, 2006

<u>ASSETS</u>	<u>Sewer Fund</u>	<u>Nonmajor Fund Water Fund</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 3,013,666	\$ 36,706	\$ 3,050,372
Receivables			
Accounts	546,994	38,649	585,643
Special assessments	12,646,868	1,001,640	13,648,508
Due from other funds	3,000		3,000
Prepaid expenses	12,287	359	12,646
Inventory	73,060		73,060
Bond issuance costs - net of amortization of \$33,695	<u>505,427</u>		<u>505,427</u>
Total assets	<u>16,801,302</u>	<u>1,077,354</u>	<u>17,878,656</u>
Capital assets			
Land	1,394,414	617	1,395,031
Utility systems	<u>30,654,522</u>	<u>43,824</u>	<u>30,698,346</u>
Net	32,048,936	44,441	32,093,377
Less accumulated depreciation	<u>(2,972,770)</u>	<u>(5,211)</u>	<u>(2,977,981)</u>
Capital assets, net	<u>29,076,166</u>	<u>39,230</u>	<u>29,115,396</u>
Total assets	<u>45,877,468</u>	<u>1,116,584</u>	<u>46,994,052</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	10,104	14,285	24,389
Due to other funds	658,551	1,042,950	1,701,501
New connections - escrow funds	70,151		70,151
Bonds payable	<u>24,490,000</u>		<u>24,490,000</u>
Total liabilities	<u>25,228,806</u>	<u>1,057,235</u>	<u>26,286,041</u>
<u>NET ASSETS</u>			
Net assets			
Invested in capital assets	4,586,166	39,230	4,625,396
Unrestricted	<u>16,062,496</u>	<u>20,119</u>	<u>16,082,615</u>
Total net assets	<u>\$ 20,648,662</u>	<u>\$ 59,349</u>	<u>\$ 20,708,011</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Sewer Fund</u>	<u>Nonmajor Fund Water Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Utility billings	\$ 740,717	\$ 69,500	\$ 810,217
Other revenues	<u>4,699</u>	<u>          </u>	<u>4,699</u>
Total operating revenues	<u>745,416</u>	<u>69,500</u>	<u>814,916</u>
<b>OPERATING EXPENSES</b>			
Sludge removal	11,347		11,347
Personnel and temporary services	2,934		2,934
Telephone	4,059		4,059
Per diems	560		560
Contracted services	221,727	10,387	232,114
Utilities	78,921		78,921
Water purchases		55,804	55,804
Depreciation	854,553	1,096	855,649
Amortization	33,695		33,695
Repairs and maintenance	22,086	8,847	30,933
Supplies	33,040	63	33,103
Postage		181	181
Miscellaneous	1,106	614	1,720
Professional fees	3,490	1,405	4,895
Permit fees	2,196	150	2,346
Insurance	<u>48,548</u>	<u>1,417</u>	<u>49,965</u>
Total operating expenses	<u>1,318,262</u>	<u>79,964</u>	<u>1,398,226</u>
Operating income (loss)	<u>(572,846)</u>	<u>(10,464)</u>	<u>(583,310)</u>
<b>NON-OPERATING REVENUES</b>			
Interest income - special assessments	833,974	66,476	900,450
Interest income - cash and equivalents	85,206	2,657	87,863
Interest (expense)	(1,136,566)	(66,476)	(1,203,042)
Miscellaneous income (expense)	<u>          </u>	<u>25</u>	<u>25</u>
Total non-operating revenues (expenses)	<u>(217,386)</u>	<u>2,682</u>	<u>(214,704)</u>
Loss before capital contribution	<u>(790,232)</u>	<u>(7,782)</u>	<u>(798,014)</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Tap-in fees collected	431,983	3,864	435,847
Inventory contribution	<u>62,834</u>	<u>          </u>	<u>62,834</u>
Total capital contributions	<u>494,817</u>	<u>3,864</u>	<u>498,681</u>
Change in net assets	(295,415)	(3,918)	(299,333)
NET ASSETS, APRIL 1, 2005	<u>20,944,077</u>	<u>63,267</u>	<u>21,007,344</u>
NET ASSETS, MARCH 31, 2006	<u>\$ 20,648,662</u>	<u>\$ 59,349</u>	<u>\$ 20,708,011</u>

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Sewer Fund</u>	<u>Nonmajor Fund Water Fund</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 924,712	\$ 68,496
Cash payments to suppliers	(671,415)	(81,897)
Cash payments to employees/temporary services	(3,494)	
Cash (used in) interfund transactions	<u>(16,624)</u>	<u>(107,944)</u>
Net cash provided by (used in) operating activities	<u>233,179</u>	<u>(121,345)</u>
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond issuance costs	(139,122)	
Tap-in fees collected	431,983	3,864
Payment on bonds	(2,556,566)	
Special assessment collections	1,986,834	174,836
Payment on interfund loan		(66,476)
Payment to county construction fund	<u>(150,033)</u>	
Net cash and cash equivalents from (used in) capital and related financing activities	<u>(426,904)</u>	<u>112,224</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Interest earned	<u>85,206</u>	<u>2,657</u>
Net increase (decrease) in cash and cash equivalents	(108,519)	(6,464)
<b>CASH AND CASH EQUIVALENTS, APRIL 1, 2005</b>	<u>3,122,185</u>	<u>43,170</u>
<b>CASH AND CASH EQUIVALENTS, MARCH 31, 2006</b>	<u>\$ 3,013,666</u>	<u>\$ 36,706</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (572,846)	\$ (10,464)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities		
Depreciation	854,553	1,096
Amortization	33,695	
Other income		25
Changes in assets and liabilities		
(Increase) in accounts receivable	(39,148)	(7,549)
(Increase) in due from other funds	(1,490)	416
(Increase) in due from county delinquents	(27,401)	
Decrease in due from county construction funds	6,250	
(Increase) in inventory	(10,226)	
(Increase) in prepaid expenses	(217)	(19)
(Decrease) increase in accounts payable	5,245	3,510
(Decrease) increase in due to other funds	(16,624)	(108,360)
Increase in new connection escrow	<u>1,388</u>	
Total adjustments	<u>806,025</u>	<u>(110,881)</u>
Net cash and cash equivalents from (used in) operating activities	<u>\$ 233,179</u>	<u>\$ (121,345)</u>

The notes are an integral part of the financial statements.

Totals

\$ 993,208  
(753,312)  
(3,494)  
(124,568)  
  
111,834

(139,122)  
435,847  
(2,556,566)  
2,161,670  
(66,476)  
(150,033)

(314,680)

87,863

(114,983)

3,165,355

\$ 3,050,372

\$ (583,310)

855,649  
33,695  
25

(46,697)  
(1,074)  
(27,401)  
6,250  
(10,226)  
(236)

8,755  
(124,984)  
1,388

695,144

\$ 111,834

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
MARCH 31, 2006

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash	<u>\$ 141,482</u>	<u>\$ 6,199</u>	<u>\$ 39,703</u>	<u>\$ 187,384</u>
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 192	\$ 6,199	\$ 1,348	\$ 7,739
Due to others	<u>141,290</u>	<u>          </u>	<u>38,355</u>	<u>179,645</u>
Total liabilities	<u>\$ 141,482</u>	<u>\$ 6,199</u>	<u>\$ 39,703</u>	<u>\$ 187,384</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, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIC FINANCIAL STATEMENTS

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

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

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

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

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 funds:

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 Water Debt Service Fund accounts for the activities related to the debt service for the Township's participation in an area Water Authority.

The Township reports the following major enterprise fund:

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

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

- A. 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.
- B. 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.
- C. 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.

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.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2006

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 are 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 "Rules of Employment".

E. BUDGETARY DATA

The board of trustees follow 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, 2006, expenditures exceeded appropriations in several line items.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

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, 2005 as revenue for the year ended March 31, 2006.

The 2005 adjusted taxable value totaled \$ 949,473,689. Taxes levied consisted of .9103 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 lower of cost or market.

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.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

M. INCOME TAXES

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

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.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

**NOTE 3 - CHANGES IN CAPITAL ASSETS**

A summary of changes in governmental fund capital assets is as follows:

	<u>Balance 4/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/06</u>
Land	\$ 738,097	\$	\$ 53,980	\$ 684,117
Buildings and improvements	5,417,748	21,200		5,438,948
Vehicles and equipment	169,324			169,324
Construction in progress	<u>10,000</u>	<u>11,200</u>	<u>21,200</u>	<u>          </u>
	6,335,169	32,400	(75,180)	6,292,389
Accumulated depreciation	<u>(1,769,277)</u>	<u>(126,471)</u>	<u>          </u>	<u>(1,895,748)</u>
Net book value	<u>\$ 4,565,892</u>	<u>\$ (94,071)</u>	<u>\$ (75,180)</u>	4,396,641
Related debt				<u>(2,000,000)</u>
Investment in capital assets net of related debt				<u>\$ 2,396,641</u>

Depreciation expense is charged to the following activities in the governmental fund portion of Statement of Activities as follows:

General government	\$ 87,912
Public safety (fire)	38,029
Cemetery	<u>530</u>
	<u>\$ 126,471</u>

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2006

NOTE 3 - CHANGES IN CAPITAL ASSETS (continued)

A summary of proprietary fund type property and equipment at March 31, 2006 is as follows:

	Water Fund			Sewer Fund				
	Balance 4/01/05	Additions	Retirements	Balance 3/31/06	Balance 4/01/05	Additions	Retirements	Balance 3/31/06
Improvements Plant and collection system	\$ 43,824	\$	\$	\$ 43,824	\$	\$	\$	\$
					30,353,140	301,382		\$ 30,654,522
Less accumulated depreciation	<u>(4,115)</u>	<u>(1,096)</u>	<u></u>	<u>(5,211)</u>	<u>(2,118,217)</u>	<u>(854,553)</u>	<u></u>	<u>(2,972,770)</u>
Net	<u>\$ 39,709</u>	<u>\$ (1,096)</u>	<u>\$</u>	<u>\$ 38,613</u>	<u>\$ 28,234,923</u>	<u>\$ (553,171)</u>	<u>\$</u>	<u>\$ 27,681,752</u>
Land	<u>\$ 617</u>	<u>\$</u>	<u>\$</u>	<u>\$ 617</u>	<u>\$ 1,394,414</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,394,414</u>
	Total							
	Balance 4/01/05	Additions	Retirements	Balance 3/31/06				
Improvements Plant and collection system	\$ 43,824	\$	\$	\$ 43,824				
	30,353,140	301,382		30,654,522				
Less accumulated depreciation	<u>(2,122,332)</u>	<u>(855,649)</u>	<u></u>	<u>(2,977,981)</u>				
Net	<u>\$ 28,274,632</u>	<u>\$ (554,267)</u>	<u>\$</u>	<u>\$ 27,720,365</u>				
Land	<u>\$ 1,395,031</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,395,031</u>				

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 4 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances are generally short-term loans in nature. However, on August 28, 2002 the Township's General Fund loaned the Water Fund \$1,506,000 in order to hook up water services with the City of Brighton's water system. This 15 year loan is being charged 6% with no debt service requirements until its maturity in 2017. The Water Fund will repay the loan to the general fund with special assessments collected and monies from water system operations.

All other interfund receivable/payables are expected to be collected during the next fiscal year.

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, 2006 was \$769,963.

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.

Each member contributes five percent of his or her annual compensation. The percentage is selected by the member's municipality. Any percent from 0 percent to 10 percent, in 0.1 percent increments, may be selected.

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

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

The Local Unit makes monthly contributions based on the annual actuarial valuations. Total contributions for the township for the year ended March 31, 2006 was \$102,837.

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2006

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

At January 1, 2005, the unfunded pension benefit obligation was \$146,129, determined as follows:

Actuarial Accrued Liability

Retirees and beneficiaries currently receiving benefits	\$ 334,970
Terminated employees not yet receiving benefits (vested and non-vested)	282,284
Current employees - Accumulated employee contributions including allocated investment income	95,549
Employer financed	<u>262,184</u>
Total actuarial accrued liability	974,987
Net assets available for benefits at actuarial value	<u>828,858</u>
Unfunded actuarial accrued liability	<u>\$ 146,129</u>

The Township's annual required contribution was \$43,412 as of December 31, 2004. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is 0.053632. Total covered payroll for participants was \$655,799.

No information was currently available for the plan year ending December 31, 2005.

NOTE 6 - LONG-TERM DEBT

The following is a summary of the governmental fund long-term debt for the year:

1. Building Authority Bonds Payable, dated May 1, 1999, to finance construction costs of new fire station and the remodeling of township hall. Payable in annual installments ranging from \$110,000 to \$195,000 at its maturity in 2019, plus interest in semi-annual installments of 3.75% graduating to 5.00% at maturity.
2. Capital Improvement Bonds payable, dated November 1, 2003, to finance construction costs related to the new water distribution system. Payable in annual installments ranging from \$40,000 to \$115,000 at its maturity in 2028, plus interest in semi-annual installments of 2.75% graduating to 4.75% at maturity.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 6 - LONG-TERM DEBT (continued)

The changes in governmental fund long-term debt are as follows:

	<u>Balance 4/01/05</u>	<u>Additions</u>	<u>Payments &amp; Deductions</u>	<u>Balance 3/31/06</u>
<b><u>BONDS PAYABLE</u></b>				
Building Authority Bonds, Series 1999	\$ 2,000,000	\$	\$ 100,000	\$ 1,900,000
Capital Improvement Bonds, Series 2003	<u>1,620,000</u>	<u>                    </u>	<u>                    </u>	<u>1,620,000</u>
Total Bonds Payable	<u>\$ 3,620,000</u>	<u>\$</u>	<u>\$ 100,000</u>	<u>\$ 3,520,000</u>

The following is a schedule of principal and interest payments to service the governmental fund long-term debt of the Township:

	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2006 - 2007	\$ 140,000	\$ 160,799
2007 - 2008	145,000	155,290
2008 - 2009	160,000	149,279
2009 - 2010	160,000	142,810
2010 - 2011	170,000	135,944
2011 - 2016	995,000	556,292
2016 - 2021	1,070,000	298,429
2021 - 2026	450,000	133,697
2026 - 2029	<u>330,000</u>	<u>23,987</u>
Totals	3,620,000	1,756,527
Less current portion recorded	<u>(100,000)</u>	<u>(68,113)</u>
	<u>\$ 3,520,000</u>	<u>\$ 1,688,414</u>

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2006

NOTE 6 - LONG-TERM DEBT (continued)

1. On October 1, 2000 Livingston County Drain Commission sold \$27,800,000 in bonds to finance the construction of a sewer system. Amounts are payable to Livingston County. In October 2005 these bonds were partially defeased in the amount of \$17,500,000 through a refunding bond issue (see note). The remaining principle to be paid is \$5,850,000 over the next four years as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4-01-06 thru 3-31-07	\$ 1,425,000	\$ 261,300	\$ 1,686,300
4-01-06 thru 3-31-08	1,450,000	188,700	1,638,700
4-01-08 thru 3-31-09	1,475,000	114,126	1,589,126
4-01-09 thru 3-31-10	<u>1,500,000</u>	<u>38,250</u>	<u>1,538,250</u>
Totals	<u>\$ 5,850,000</u>	<u>\$ 602,376</u>	<u>\$ 6,452,376</u>

Principle is paid annually and interest is paid semiannually. The interest rate is approximately 5.1%.

2. On May 1, 2004 Livingston County Drain Commission sold \$760,000 in bonds to finance the Spencer Road sewage drainage district. Amounts are payable to Livingston County. Principal is payable in annual installments of \$35,000 to \$40,000 which started in May of 2005. Interest is charged at 3.5% to 5.0% payable semi-annually. The following illustrates the future debt payment schedule related to the Spencer Road sewage district:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4-01-06 thru 3-31-07	\$ 40,000	\$ 31,500	\$ 71,500
4-01-07 thru 3-31-08	40,000	30,020	70,020
4-01-08 thru 3-31-09	40,000	28,540	68,540
4-01-09 thru 3-31-10	40,000	27,060	67,060
4-01-10 thru 3-31-11	40,000	25,560	65,560
4-01-11 thru 3-31-12	35,000	24,118	59,118
Years after	<u>505,000</u>	<u>156,768</u>	<u>661,768</u>
Totals	<u>\$ 740,000</u>	<u>\$ 323,566</u>	<u>\$ 1,063,566</u>

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 6 - LONG-TERM DEBT (continued)

3. On October 20, 2005 the Township and Livingston County sold \$17,900,000 of Limited Tax General Obligation Bonds (2005 Drain Refunding Bonds). \$17,500,000 of the bond proceeds were used to partially defease the original series 2000 bonds as explained previously. The refunding bonds' principle are payable in annual installments starting October 1, 2007 to the Livingston County Drain Commission. The amounts payable start at \$35,000 and go up to \$1,650,000. The maturity date is October 1, 2020. Interest is paid semiannually and is charged at 3% up to 5%.

The following illustrates the future debt payment schedule related to the series 2005 refunding bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4-01-06 thru 3-31-07	\$	\$ 764,250	\$ 764,250
4-01-06 thru 3-31-08	35,000	763,725	798,725
4-01-08 thru 3-31-09	35,000	762,675	797,675
4-01-09 thru 3-31-10	35,000	761,581	796,581
4-01-10 thru 3-31-11	1,540,000	734,063	2,274,063
4-01-11 thru 3-31-12	1,545,000	676,212	2,221,212
Years after	<u>14,710,000</u>	<u>2,981,060</u>	<u>17,691,060</u>
Totals	<u>\$ 17,900,000</u>	<u>\$ 7,443,566</u>	<u>\$ 25,343,566</u>

The following is a recap summarization schedule of principal and interest payments to service the sewer proprietary long-term debt:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4-01-06 thru 3-31-07	\$ 1,465,000	\$ 1,057,050	\$ 2,522,050
4-01-07 thru 3-31-08	1,525,000	982,445	2,507,445
4-01-08 thru 3-31-09	1,550,000	905,341	2,455,341
4-01-09 thru 3-31-10	1,575,000	826,891	2,401,891
4-01-10 thru 3-31-11	1,580,000	759,623	2,339,623
4-01-11 thru 3-31-12	1,580,000	700,330	2,280,330
Years after	<u>15,215,000</u>	<u>3,137,828</u>	<u>18,352,828</u>
Totals	<u>\$ 24,490,000</u>	<u>\$ 8,369,508</u>	<u>\$ 32,859,508</u>

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2006

NOTE 6 - LONG-TERM DEBT (continued)

The following schedule is a summary of the long-term debt activity for the sewer fund for the year ending March 31, 2006:

	<u>Balance</u> <u>4/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3/31/06</u>
<u>BOND ISSUE</u>				
Original Series 2000	\$ 24,750,000	\$	\$ 18,900,000	\$ 5,850,000
Spencer Series 2005	760,000		20,000	740,000
Refunding Series 2005	<u>                    </u>	<u>17,900,000</u>	<u>                    </u>	<u>17,900,000</u>
Totals	<u>\$ 25,510,000</u>	<u>\$ 17,900,000</u>	<u>\$ 18,920,000</u>	<u>\$ 24,490,000</u>

NOTE 7 - REFUNDING BONDS ISSUED

On October 20, 2005 the Township issued \$17,900,000 in sanitary sewer refunding bonds with interest rates ranging from 3% to 5%. The Township used the bonds to advance refund \$17,500,000 of the original series 2000 sanitary sewer bonds with interest rates ranging from 5.1% to 5.25%. The Township used the net proceeds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the series 2000 which is considered defeased. The Township has removed the defeased portion, \$17,500,000 liability from its accounts.

The advance refunding reduced total debt service payments over the next fourteen (14) years by nearly \$1,053,000. This results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of approximately \$748,000.

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, 2006

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 Aetna Life Insurance and Annuity Company.

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

NOTE 13 - BUILDING AUTHORITY AGREEMENT

On May 1, 1999 the Charter Township of Brighton Building Authority sold \$3,160,000 in general obligation limited tax bonds to finance the construction of the new fire station and remodeling of the township hall. The Charter Township of Brighton general fund and building department fund will make an annual payment to the building authority fund in the amount of the debt service requirements. The general fund, building department fund and building authority fund will record these amounts as operating transfers as they are paid. The following is a schedule of operating transfers the general fund and building department fund must make to the building authority fund:

	Principal	Interest	Total
2006 - 2007	\$ 100,000	\$ 92,803	\$ 192,803
2007 - 2008	105,000	88,394	193,394
2008 - 2009	115,000	83,551	198,551
2009 and after	1,680,000	494,863	2,174,863
	\$ 2,000,000	\$ 759,611	\$ 2,759,611

NOTE 14 - DEFICIT ELIMINATION PLAN

A deficit occurred in the Sewer Fund's unreserved retained earnings for the year ended March 31, 2006. A deficit elimination plan will be filed with the State of Michigan detailing the Township's plan to remedy the deficit in this fund.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 15 - 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.

NOTE 16 - CONTINGENT LIABILITY

The State of Michigan has made a claim for approximately \$2,300,000 of reimbursement of past environmental cleanup expenses at the Collett dump site. The State of Michigan also sought to have the Township assume responsibility for further cleanup and maintenance at the site. The State of Michigan and the Township have agreed to a tolling agreement, whereby the State of Michigan has agreed not to pursue any action related to the dump site before January 30, 2007. In the meantime, the State will determine the extent of the contamination and likely cost of future maintenance and monitoring. The Township is negotiating a possible settlement to this litigation. A contingent liability has been accrued in the Township's General Fund for \$2,300,000 to account for this litigation.

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, 2006

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 869,739	\$
Treasurer			564,594	
Ordinance enforcement			2,600	
Planning commission			52,789	
State shared revenue			1,207,007	
Miscellaneous revenue			<u>317,528</u>	
Total revenues	2,819,820	2,819,820	3,014,257	194,437
EXPENDITURES	<u>2,187,044</u>	<u>2,187,044</u>	<u>4,059,132</u>	<u>(1,872,088)</u>
Excess of revenues over (under) expenditures	632,776	632,776	(1,044,875)	(1,677,651)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(355,662)</u>	<u>(355,662)</u>	<u>(196,074)</u>	<u>159,588</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	277,114	277,114	(1,240,949)	(1,518,063)
FUND BALANCE, APRIL 1, 2005	<u>6,549,923</u>	<u>6,549,923</u>	<u>6,549,923</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 6,827,037</u>	<u>\$ 6,827,037</u>	<u>\$ 5,308,974</u>	<u>\$ (1,518,063)</u>

CHARTER TOWNSHIP OF BRIGHTON  
 SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)  
 MARCH 31, 2006

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. Information regarding the year ended December 31, 2005 was not available.

Analysis of Funding Progress

Valuation Date <u>December 31</u>	Net Assets Available for <u>Benefits</u>	Pension Benefit Obligation <u>(PBO)</u>	Percent Funded <u>(1)/(2)</u>	Unfunded (Overfunded) PBO <u>(2)-(1)</u>	Annual Covered <u>Payroll</u>
2002	549,522	907,550	60.6	358,028	454,270
2003	664,283	1,040,455	63.8	376,172	524,319
2004	828,858	974,987	85.0	146,129	571,292

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS



<u>Street Improvement</u>	<u>Woodland Lake Aquatics</u>	<u>Clark Lake Aquatics</u>	<u>Subdivision Paving</u>	<u>Street lights</u>	<u>Sanitation</u>
\$ 46,673	\$ 75,565	\$ 6,843	\$ 431,000	\$	\$ 49,526
2,547	4,375	500	519,740	13,436	2,330
				<u>1,632</u>	<u>6,732</u>
<u>\$ 49,220</u>	<u>\$ 79,940</u>	<u>\$ 7,343</u>	<u>\$ 950,740</u>	<u>\$ 15,068</u>	<u>\$ 58,588</u>
\$	\$	\$	\$	\$ 1,179	\$
			<u>511,881</u>		
			511,881	1,179	
<u>49,220</u>	<u>79,940</u>	<u>7,343</u>	<u>438,859</u>	<u>13,889</u>	<u>58,588</u>
<u>\$ 49,220</u>	<u>\$ 79,940</u>	<u>\$ 7,343</u>	<u>\$ 950,740</u>	<u>\$ 15,068</u>	<u>\$ 58,588</u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET (continued)  
 MARCH 31, 2006

	<u>3-31-06</u>	<u>3-31-05</u>
<u>ASSETS</u>		
ASSETS		
Cash and investments	\$ 2,125,509	\$ 1,769,963
Receivables		
Special assessments	542,928	124,631
Prepaid expenses	10,653	3,544
Due from other funds	<u>1,633</u>	<u>79,522</u>
Total assets	<u>\$ 2,680,723</u>	<u>\$ 1,977,660</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Accounts payable	\$ 2,984	\$ 6,115
Accrued expenses	11,937	7,438
Due to other funds		1,510
Deferred revenue	<u>511,881</u>	<u>102,528</u>
Total liabilities	526,802	117,591
FUND BALANCE	<u>2,153,921</u>	<u>1,860,069</u>
Total liabilities and fund balance	<u>\$ 2,680,723</u>	<u>\$ 1,977,660</u>

CHARTER TOWNSHIP OF BRIGHTON  
ALL ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2006

	<u>Water Fund</u>	<u>Sewer Fund</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 36,706	\$ 6,136
Accounts receivable	38,649	170,020
Inventory		73,060
Prepaid expenses	359	12,287
Due from other funds		<u>3,000</u>
Total current assets	<u>75,714</u>	<u>264,503</u>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents		3,007,530
Accounts receivable		376,974
Bond issuance costs, net of amortization		505,427
Special assessments receivable	<u>1,001,640</u>	<u>12,646,868</u>
Total restricted assets	<u>1,001,640</u>	<u>16,536,799</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	617	1,394,414
Equipment, improvements and system	43,824	30,654,522
Less: accumulated depreciation	<u>(5,211)</u>	<u>(2,972,770)</u>
Net property and equipment	<u>39,230</u>	<u>29,076,166</u>
Total assets	<u>\$ 1,116,584</u>	<u>\$ 45,877,468</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 14,285	\$ 10,104
Due to others - escrow		70,151
Bonds payable - special assessment - from restricted assets		24,490,000
Due to other funds	<u>1,042,950</u>	<u>658,551</u>
Total liabilities	<u>1,057,235</u>	<u>25,228,806</u>
<b>FUND EQUITY</b>		
Retained earnings - reserved		20,705,503
Retained earnings - unreserved (deficit)	<u>59,349</u>	<u>(56,841)</u>
Total fund equity	<u>59,349</u>	<u>20,648,662</u>
Total liabilities and fund equity	<u>\$ 1,116,584</u>	<u>\$ 45,877,468</u>

Totals	
<u>3-31-06</u>	<u>3-31-05</u>
\$ 42,842	\$ 52,808
208,669	167,924
73,060	
12,646	12,410
<u>3,000</u>	<u>1,926</u>
<u>340,217</u>	<u>235,068</u>
3,007,530	3,112,547
376,974	501,220
505,427	
<u>13,648,508</u>	<u>14,909,728</u>
<u>17,538,439</u>	<u>18,523,495</u>
1,395,031	1,395,031
30,698,346	30,396,964
<u>(2,977,981)</u>	<u>(2,122,332)</u>
<u>29,115,396</u>	<u>29,669,663</u>
<u>\$ 46,994,052</u>	<u>\$ 48,428,226</u>
\$ 24,389	\$ 84,396
70,151	
24,490,000	25,510,000
<u>1,701,501</u>	<u>1,826,486</u>
<u>26,286,041</u>	<u>27,420,882</u>
20,705,503	21,034,912
<u>2,508</u>	<u>(27,568)</u>
<u>20,708,011</u>	<u>21,007,344</u>
<u>\$ 46,994,052</u>	<u>\$ 48,428,226</u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL AGENCY FUNDS  
 COMBINING BALANCE SHEET  
 MARCH 31, 2006

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash	<u>\$ 141,482</u>	<u>\$ 6,199</u>	<u>\$ 39,703</u>	<u>\$ 187,384</u>
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 192	\$ 6,199	\$ 1,348	\$ 7,739
Due to others	<u>141,290</u>	<u>          </u>	<u>38,355</u>	<u>179,645</u>
Total liabilities	<u>\$ 141,482</u>	<u>\$ 6,199</u>	<u>\$ 39,703</u>	<u>\$ 187,384</u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED MARCH 31, 2006

	<u>Parks and Recreation</u>	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>Liquor Law</u>	<u>Road Improvement</u>
REVENUES					
Intergovernmental - State	\$	\$	\$	\$ 6,236	\$
Special assessment					
Licenses and permits		393,509			
Charges for services					
Interest	<u>1,382</u>	<u>9,823</u>	<u>19,550</u>	<u>589</u>	<u>30,199</u>
Total revenues	<u>1,382</u>	<u>403,332</u>	<u>19,550</u>	<u>6,825</u>	<u>30,199</u>
EXPENDITURES					
Building department		373,691			
Public safety				37,026	
Utilities					
Project-costs					
Total expenditures		<u>373,691</u>		<u>37,026</u>	
Excess of revenues over (under) expenditures	1,382	29,641	19,550	(30,201)	30,199
OTHER FINANCING SOURCES					
Transfers in					<u>50,574</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	1,382	29,641	19,550	(30,201)	80,773
FUND BALANCE, APRIL 1, 2005	<u>75,000</u>	<u>228,646</u>	<u>365,592</u>	<u>43,849</u>	<u>691,850</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 76,382</u>	<u>\$ 258,287</u>	<u>\$ 385,142</u>	<u>\$ 13,648</u>	<u>\$ 772,623</u>

<u>Street Improvement</u>	<u>Woodland Lake Aquatics</u>	<u>Clark Lake Aquatics</u>	<u>Subdivision Paving</u>	<u>Street Light</u>	<u>Sanitation</u>	<u>Totals</u>
\$	\$	\$	\$	\$	\$	\$ 6,236
			134,375			134,375
27,180	54,950	5,950		13,435	70,602	393,509
<u>1,195</u>	<u>1,300</u>	<u>87</u>	<u>10,365</u>		<u>673</u>	<u>172,117</u>
<u>28,375</u>	<u>56,250</u>	<u>6,037</u>	<u>144,740</u>	<u>13,435</u>	<u>71,275</u>	<u>781,400</u>
						373,691
				14,125		37,026
<u>17,766</u>	<u>43,890</u>	<u>1,187</u>			<u>50,437</u>	<u>14,125</u>
<u>17,766</u>	<u>43,890</u>	<u>1,187</u>		<u>14,125</u>	<u>50,437</u>	<u>113,280</u>
						538,122
10,609	12,360	4,850	144,740	(690)	20,838	243,278
						50,574
10,609	12,360	4,850	144,740	(690)	20,838	293,852
<u>38,611</u>	<u>67,580</u>	<u>2,493</u>	<u>294,119</u>	<u>14,579</u>	<u>37,750</u>	<u>1,860,069</u>
<u>\$ 49,220</u>	<u>\$ 79,940</u>	<u>\$ 7,343</u>	<u>\$ 438,859</u>	<u>\$ 13,889</u>	<u>\$ 58,588</u>	<u>\$ 2,153,921</u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL DEBT SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED MARCH 31, 2006

	Woodland Lake	Water	Totals
REVENUES			
Interest	\$ 1,331	\$ 29,354	\$ 30,685
Sale of assets		<u>1,019,200</u>	<u>1,019,200</u>
Total revenues	1,331	1,048,554	1,049,885
EXPENDITURES			
Debt service		<u>81,444</u>	<u>81,444</u>
Excess of revenues over (under) expenditures	1,331	967,110	968,441
OTHER FINANCING (USES)			
Transfers out	<u>(50,574)</u>		<u>(50,574)</u>
Excess of revenues over (under) expenditures and other financing (uses)	(49,243)	967,110)	917,867
FUND BALANCE (DEFICIT), APRIL 1, 2005	<u>49,243</u>	<u>(143,229)</u>	<u>(93,986)</u>
FUND BALANCE, MARCH 31, 2006	<u>\$</u>	<u>\$ 823,881</u>	<u>\$ 823,881</u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL ENTERPRISE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 FOR THE YEAR ENDED MARCH 31, 2006

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Utility billings	\$ 69,500	\$ 740,717	\$ 810,217
Other revenues		<u>4,699</u>	<u>4,699</u>
Total operating revenues	<u>69,500</u>	<u>745,416</u>	<u>814,916</u>
<b>OPERATING EXPENSES</b>			
Sludge removal		11,347	11,347
Personnel and temporary services		2,934	2,934
Telephone		4,059	4,059
Per diems		560	560
Contracted services	10,387	221,727	232,114
Utilities		78,921	78,921
Water purchases	55,804		55,804
Depreciation	1,096	854,553	855,649
Amortization		33,695	33,695
Repairs and maintenance	8,847	22,086	30,933
Supplies	63	33,040	33,103
Postage	181		181
Miscellaneous	614	1,106	1,720
Professional fees	1,405	3,490	4,895
Permit fees	150	2,196	2,346
Insurance	<u>1,417</u>	<u>48,548</u>	<u>49,965</u>
Total operating expenses	<u>79,964</u>	<u>1,318,262</u>	<u>1,398,226</u>
Operating income (loss)	<u>(10,464)</u>	<u>(572,846)</u>	<u>(583,310)</u>
<b>NON-OPERATING REVENUES</b>			
Interest income - special assessments	66,476	833,974	900,450
Interest income - cash and equivalents	2,657	85,206	87,863
Interest (expense)	(66,476)	(1,136,566)	(1,203,042)
Miscellaneous income (expense)	<u>25</u>		<u>25</u>
Total non-operating revenues (expenses)	<u>2,682</u>	<u>(217,386)</u>	<u>(214,704)</u>
(Loss) before capital contributions	(7,782)	(790,232)	(798,014)
<b>CAPITAL CONTRIBUTIONS</b>			
Tap-in fees collected	3,864	431,983	435,847
Inventory contribution		<u>62,834</u>	<u>62,834</u>
Total capital contributions	<u>3,864</u>	<u>494,817</u>	<u>498,681</u>
Net income (loss)	(3,918)	(295,415)	(299,333)
RETAINED EARNINGS, APRIL 1, 2005	<u>63,267</u>	<u>20,944,077</u>	<u>21,007,344</u>
RETAINED EARNINGS, MARCH 31, 2006	<u>\$ 59,349</u>	<u>\$ 20,648,662</u>	<u>\$ 20,708,011</u>

CHARTER TOWNSHIP OF BRIGHTON  
ALL ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Water Fund</u>	<u>Sewer Fund</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (10,464)	\$ (572,846)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities		
Depreciation/amortization	1,096	888,248
Other income	25	
Changes in assets and liabilities		
(Increase) in accounts receivable	(7,549)	(60,299)
(Increase) in inventory		(10,226)
(Increase) decrease in due from other funds	416	(1,490)
(Increase) in prepaid expenses	(19)	(217)
(Decrease) increase in accounts payable	3,510	6,633
(Decrease) increase in due to other funds	<u>(108,360)</u>	<u>(16,624)</u>
Total adjustments	<u>(110,881)</u>	<u>806,025</u>
Net cash and cash equivalents from (used in) operating activities	<u>(121,345)</u>	<u>233,179</u>
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Tap-in fees collected	3,864	431,983
Paid to county construction		(150,033)
Bond issuance costs		(139,122)
Payment on bonds		(2,556,566)
Special assessment collections	174,836	1,986,834
Interest payment on interfund loan	<u>(66,476)</u>	<u>                    </u>
Net cash and cash equivalents from (used in) capital and related financing activities	<u>112,224</u>	<u>(426,904)</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Interest earned	<u>2,657</u>	<u>85,206</u>
Net (decrease) in cash and cash equivalents	(6,464)	(108,519)
<b>CASH AND CASH EQUIVALENTS, APRIL 1, 2005</b>	<u>43,170</u>	<u>3,122,185</u>
<b>CASH AND CASH EQUIVALENTS, MARCH 31, 2006</b>	<u>\$ 36,706</u>	<u>\$ 3,013,666</u>

Totals

\$ (583,310)

889,344  
25

(67,848)  
(10,226)  
(1,074)  
(236)

10,143  
(124,984)

695,144

111,834

435,847  
(150,033)  
(139,122)  
(2,556,566)  
2,161,670  
(66,476)

(314,680)

87,863

(114,983)

3,165,355

\$ 3,050,372

INDIVIDUAL  
FUNDS

GENERAL  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash and equivalents	\$ 5,737,493
Delinquent taxes receivable	80,513
State shared revenues receivable	201,387
Due from other funds	1,709,240
Prepaid expenditures	<u>40,759</u>

Total assets

\$ 7,769,392

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 45,389
Accrued wages and vacation	29,681
Payroll taxes withholding and payable	963
Due to others	35,220
Due to other funds	49,165
Contingent liability	<u>2,300,000</u>

Total liabilities

\$ 2,460,418

FUND BALANCE

5,308,974

Total liabilities and fund balance

\$ 7,769,392

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 826,770	\$ 869,739	\$ 42,969
Treasurer	529,570	564,594	35,024
Ordinance enforcement	2,500	2,600	100
Planning and zoning	91,000	52,789	(38,211)
State shared revenue	1,110,000	1,207,007	97,007
Miscellaneous revenue	<u>259,980</u>	<u>317,528</u>	<u>57,548</u>
Total revenues	2,819,820	3,014,257	194,437
EXPENDITURES	<u>2,187,044</u>	<u>4,059,132</u>	<u>(1,872,088)</u>
Excess of revenues over (under) expenditures	632,776	(1,044,875)	(1,677,651)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(355,662)</u>	<u>(196,074)</u>	<u>159,588</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	277,114	(1,240,949)	(1,518,063)
FUND BALANCE, APRIL 1, 2005	<u>6,549,923</u>	<u>6,549,923</u>	<u>                    </u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 6,827,037</u>	<u>\$ 5,308,974</u>	<u>\$ (1,518,063)</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TAXES</b>			
Current property taxes	\$	\$ 869,041	\$
Penalties/interest - delinquent taxes		369	
Trailer park fees		<u>329</u>	
Total taxes	<u>826,770</u>	<u>869,739</u>	<u>42,969</u>
<b>TREASURER</b>			
Property tax administration fee		278,413	
Interest		285,084	
Dog licenses		<u>1,097</u>	
Total treasurer	<u>529,570</u>	<u>564,594</u>	<u>35,024</u>
<b>ORDINANCE ENFORCEMENT</b>			
Soil removing fees	<u>2,500</u>	<u>2,600</u>	<u>100</u>
<b>PLANNING AND ZONING</b>	<u>91,000</u>	<u>52,789</u>	<u>(38,211)</u>
<b>STATE SHARED REVENUE</b>	<u>1,110,000</u>	<u>1,207,007</u>	<u>97,007</u>
<b>MISCELLANEOUS REVENUES</b>			
School election reimbursement		20,880	
Right of way fees		13,392	
Cable TV fees		167,834	
Printed material and duplicating		2,899	
Fines		350	
Rental income		86,500	
Reimbursement/refunds		13,097	
Sale of assets		5,000	
Other revenue		<u>7,576</u>	
Total miscellaneous revenues	<u>259,980</u>	<u>317,528</u>	<u>57,548</u>
Total revenues	<u>\$ 2,819,820</u>	<u>\$ 3,014,257</u>	<u>\$ 194,437</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP BOARD</b>			
Fees	\$	\$ 27,812	\$
Ordinance codification		590	
Printing and publication		20,985	
Payroll taxes		2,149	
Life insurance		456	
Pension		7,403	
Liability insurance		142	
Communication		28	
Planning consultant		9,288	
Engineering services		7,426	
Consulting services		9,889	
Dues and subscriptions		9,451	
Supplies		688	
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total township board	<u>122,769</u>	<u>96,307</u>	<u>26,462</u>
<b>SUPERVISOR</b>			
Salary		31,013	
Assistant salary		15,520	
Pension		5,638	
Payroll taxes		3,721	
Health insurance		10,827	
Liability insurance		297	
Life insurance		449	
Disability insurance		291	
Mileage		213	
Meetings and conventions		904	
Dues		150	
Supplies		400	
Postage		66	
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total supervisor	<u>75,750</u>	<u>69,489</u>	<u>6,261</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>MANAGER</b>			
Salary		80,132	
Wages - clerical		21,941	
Temporary employment services		5,252	
Hospitalization insurance		15,361	
Pension		11,916	
Payroll taxes		7,507	
Liability insurance		533	
Life insurance		364	
Disability insurance		1,012	
Meetings and conventions		816	
Mileage		328	
Dues and subscriptions		1,047	
Capital outlay		1,292	
Supplies/postage		1,364	
Total manager	<u>175,599</u>	<u>148,865</u>	<u>26,734</u>
<b>ELECTIONS</b>			
Wages - clerk		10,108	
Wages - deputy officials		19,161	
Election workers		18,009	
Pension		3,300	
Payroll taxes		2,284	
Hospitalization insurance		10,154	
Life insurance		196	
Disability insurance		41	
Insurance		130	
Accuracy consulting		3,450	
Education and milage		233	
Printing and publishing		4,520	
Miscellaneous		71	
Equipment rental		159	
Postage		3,333	
Supplies		4,483	
Total elections	<u>91,605</u>	<u>79,632</u>	<u>11,973</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>ASSESSOR</b>			
Wages		133,273	
Pension		19,384	
Payroll taxes		10,314	
Insurance - benefits		26,962	
Education		1,554	
Supplies		1,440	
Postage		3,880	
Mileage		3,054	
Memberships and dues		535	
Printing and publishing		1,648	
Capital outlay		3,995	
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assessor	<u>212,050</u>	<u>206,039</u>	<u>6,011</u>
<b>CLERK</b>			
Salary		40,192	
Wages - deputy clerk		25,463	
Wages – other		43,327	
Temporary employment services		738	
Pension		17,812	
Payroll taxes		8,351	
General liability insurance		586	
Insurance - benefits		42,415	
Postage		1,769	
Audit fees		6,993	
Supplies		586	
Meetings and conventions		1,477	
Printing/newsletter		2,698	
Mileage		277	
Memberships and dues		296	
Miscellaneous		16	
Small equipment		2,849	
Record retention		585	
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total clerk	<u>237,382</u>	<u>196,430</u>	<u>40,952</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TREASURER</b>			
Salary		50,301	
Wages - deputy treasurer		31,848	
Wages - clerical assistant		29,487	
Pension		19,465	
Payroll taxes		8,457	
Unemployment taxes		9,928	
General liability insurance		610	
Insurance - benefits		32,857	
Audit fees		7,436	
Temporary employment services		1,504	
Supplies		1,043	
Tax forms		1,472	
Postage		7,943	
Small equipment		1,075	
Conventions and meetings		3,117	
Mileage and expenses		1,081	
Memberships and dues		670	
Capital outlay		3,161	
	<u>222,838</u>	<u>211,455</u>	<u>11,383</u>
<b>SEWER AND WATER</b>			
Engineering	<u>36,445</u>	<u>36,445</u>	
<b>ROADS</b>			
Per diem		480	
Payroll taxes		37	
Dust control		50,546	
	<u>128,260</u>	<u>51,063</u>	<u>77,197</u>
<b>UNALLOCATED</b>			
Small equipment		5,203	
Insurance		45,196	
Computer support		22,892	
Legal fees		95,660	
Telephone		14,886	
Equipment repair		4,225	
Equipment rental		1,924	
	<u>189,300</u>	<u>189,986</u>	<u>(686)</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>PLANNING COMMISSION</b>			
Wages		66,708	
Per diem		7,750	
Pension		10,403	
Payroll taxes		5,937	
Planning consultant		8,362	
General liability insurance		471	
Insurance - benefits		17,980	
Supplies		2,042	
Engineering services		42,157	
Printing and publications		6,974	
Dues		60	
Economic development		4,000	
Education and mileage		1,158	
Special projects		11,140	
	<u>321,056</u>	<u>185,142</u>	<u>135,914</u>
Total planning commission			
<b>TOWNSHIP HALL</b>			
Wages		5,428	
Cleaning maintenance		2,786	
Supplies		14,890	
Postage		316	
Payroll taxes		415	
General liability insurance		360	
Street lighting		4,144	
Equipment maintenance and repairs		3,432	
Grounds maintenance and repairs		12,286	
Building maintenance and repairs		18,072	
Utilities		16,990	
Tax chargebacks		746	
Capital outlay/improvement		5,690	
Miscellaneous		295	
	<u>121,650</u>	<u>85,850</u>	<u>35,800</u>
Total township hall			
<b>CEMETERY</b>	<u>32,200</u>	<u>31,240</u>	<u>960</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>FIRE PROTECTION</b>			
Equipment			
Leased equipment		37,809	
Equipment maintenance and repair		1,296	
Building			
Drain assessment		1,839	
Utilities		810	
Building maintenance and repair		16,591	
Grounds maintenance and repair		12,164	
	<u>        </u>	<u>        </u>	<u>        </u>
Total fire department	<u>69,650</u>	<u>70,509</u>	<u>(859)</u>
<b>EMERGENCY PREPAREDNESS</b>			
Electricity		394	
Equipment maintenance and Repair		723	
	<u>        </u>	<u>        </u>	<u>        </u>
Total emergency preparedness	<u>2,200</u>	<u>1,117</u>	<u>1,083</u>
<b>REFUSE COLLECTION</b>	<u>14,000</u>	<u>6,196</u>	<u>7,804</u>
<b>RECREATION</b>	<u>82,000</u>	<u>61,226</u>	<u>20,774</u>
<b>DRAINS</b>	<u>30,200</u>	<u>14,205</u>	<u>15,995</u>
<b>CONTINGENCY</b>	<u>        </u>	<u>2,300,000</u>	<u>(2,300,000)</u>
<b>CODE ENFORCEMENT</b>			
Wages		4,501	
Pension		529	
Payroll taxes		553	
Insurance – benefits		1,844	
Enforcement officer		9,455	
General liability insurance		107	
Supplies		115	
Mileage		832	
	<u>        </u>	<u>        </u>	<u>        </u>
Total code enforcement	<u>22,090</u>	<u>17,936</u>	<u>4,154</u>
<b>Total expenditures</b>	<u>\$ 2,187,044</u>	<u>\$ 4,059,132</u>	<u>\$ (1,872,088)</u>

PARKS  
AND  
RECREATION  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
PARKS AND RECREATION FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Due from other funds

\$ 76,382

FUND BALANCE

FUND BALANCE – RESERVED FOR PARKS AND RECREATION

\$ 76,382

CHARTER TOWNSHIP OF BRIGHTON  
PARKS AND RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2006

REVENUES	
Interest income	\$ 1,382
EXPENDITURES	<u>                    </u>
Excess of revenues over expenditures	1,382
FUND BALANCE, APRIL 1, 2005	<u>75,000</u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 76,382</u>

BUILDING  
DEPARTMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
BUILDING DEPARTMENT FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 268,107
Due from other funds	1
Prepaid expenses	<u>3,921</u>

Total assets		\$ <u>272,029</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,805
Accrued wages and vacation	11,763
Payroll taxes withholding and payable	<u>174</u>

Total liabilities		\$ 13,742
-------------------	--	-----------

FUND BALANCE

	<u>258,287</u>
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Total liabilities and fund balance		\$ <u>272,029</u>
------------------------------------	--	-------------------

CHARTER TOWNSHIP OF BRIGHTON  
BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES	\$ 390,051	\$ 403,332	\$ 13,281
EXPENDITURES			
Wages		122,467	
Payroll taxes		8,916	
Insurance – benefits		29,294	
Pension		16,414	
Electrical inspector		35,454	
Plumbing inspector		23,812	
Mechanical inspector		38,700	
Building official		40,590	
Plan review		13,267	
General liability insurance		6,707	
Supplies and postage		2,206	
Printing materials		2,022	
Audit fees		1,955	
Consulting		2,714	
Record retention		1,733	
Legal		16	
Bank fees		100	
Telephone		877	
Meetings and conventions		1,826	
Fuels and lubricants		2,247	
Mileage		267	
Rent		12,180	
Repairs and maintenance		1,165	
Membership and dues		200	
Miscellaneous		253	
Refunds		4,314	
Capital outlay		3,995	
	<u>372,315</u>	<u>373,691</u>	<u>(1,376)</u>
Total expenditures			
Excess of revenues over (under) expenditures	17,736	29,641	11,905
FUND BALANCE, APRIL 1, 2005	<u>228,646</u>	<u>228,646</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 246,382</u>	<u>\$ 258,287</u>	<u>\$ 11,905</u>

CHARTER TOWNSHIP OF BRIGHTON  
 BUILDING DEPARTMENT FUND  
 STATEMENT OF REVENUES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
License registration	\$	\$ 1,979	\$
Building permits		188,320	
Electrical permits		52,200	
Plumbing permits		32,345	
Mechanical permits		58,602	
Tenant occupancy permit		910	
Miscellaneous		482	
Grading and land use permits		12,965	
NSF fees		210	
Engineering fees		590	
Plan review fee		43,271	
Addressing		1,635	
Interest		9,823	
Total revenues	\$ 390,051	\$ 403,332	\$ 13,281

BUDGET  
STABILIZATION  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
BUDGET STABILIZATION FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash and investments

\$ 385,142

FUND BALANCE

FUND BALANCE

\$ 385,142

CHARTER TOWNSHIP OF BRIGHTON  
 BUDGET STABILIZATION FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 2,500	\$ 19,550	\$ 17,050
EXPENDITURES			
Excess of revenues over (under) expenditures	2,500	19,550	17,050
FUND BALANCE, APRIL 1, 2005	<u>365,592</u>	<u>365,592</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 368,092</u>	<u>\$ 385,142</u>	<u>\$ 17,050</u>

LIQUOR LAW  
ENFORCEMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS  
Cash

\$ 13,648

FUND BALANCE

FUND BALANCE

\$ 13,648

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, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
State shared revenues - liquor licenses	\$	\$ 6,236	\$
Interest		<u>589</u>	
Total revenues	5,900	6,825	925
<b>EXPENDITURES</b>			
Capital outlay		29,745	
Contracted services		<u>7,281</u>	
Total expenditures	<u>41,500</u>	<u>37,026</u>	<u>4,474</u>
Excess of revenues over (under) expenditures	<u>(35,600)</u>		<u>5,399</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>10,650</u>		<u>(10,650)</u>
Excess of revenues over (under) expenditures and other financing sources	(24,950)	(30,201)	(5,251)
FUND BALANCE, APRIL 1, 2005	<u>43,849</u>	<u>43,849</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 18,899</u>	<u>\$ 13,648</u>	<u>\$ (5,251)</u>

ROAD  
IMPROVEMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
ROAD IMPROVEMENT FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS  
Cash

\$ 772,623

FUND BALANCE

FUND BALANCE

\$ 772,623

CHARTER TOWNSHIP OF BRIGHTON  
ROAD IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 7,500	\$ 30,199	\$ 22,699
EXPENDITURES			
Project costs	_____	_____	_____
Excess of revenues over expenditures	7,500	30,199	22,699
OTHER FINANCING SOURCES			
Transfers in	_____	<u>50,574</u>	<u>50,574</u>
Excess of revenues over expenditures and other financing sources	7,500	80,773	73,273
FUND BALANCE, APRIL 1, 2005	<u>691,850</u>	<u>691,850</u>	_____
FUND BALANCE, MARCH 31, 2006	<u>\$ 699,350</u>	<u>\$ 772,623</u>	<u>\$ 73,273</u>

STREET IMPROVEMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
STREET IMPROVEMENT FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 46,673

Due from county

2,547

Total assets

\$ 49,220

FUND BALANCE

FUND BALANCE

\$ 49,220

CHARTER TOWNSHIP OF BRIGHTON  
STREET IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$	\$ 27,180	\$
Interest income		<u>1,195</u>	
Total revenues	17,987	28,375	10,388
EXPENDITURES			
Contract expense	<u>17,757</u>	<u>17,766</u>	<u>(9)</u>
Excess of revenues over expenditures	230	10,609	10,379
FUND BALANCE, APRIL 1, 2005	<u>38,611</u>	<u>38,611</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 38,841</u>	<u>\$ 49,220</u>	<u>\$ 10,379</u>

WOODLAND  
LAKE AQUATICS  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
WOODLAND LAKE AQUATICS FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash and cash equivalents  
Due from county

\$ 75,565  
4,375

Total assets

\$ 79,940

FUND BALANCE

FUND BALANCE

\$ 79,940

CHARTER TOWNSHIP OF BRIGHTON  
WOODLAND LAKE AQUATICS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 54,950	
Interest income		<u>1,300</u>	
Total revenues	54,475	56,250	1,775
EXPENDITURES			
Project costs	<u>54,000</u>	<u>43,890</u>	<u>10,110</u>
Excess of revenues over expenditures	475	12,360	11,885
FUND BALANCE, APRIL 1, 2005	<u>67,580</u>	<u>67,580</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 68,055</u>	<u>\$ 79,940</u>	<u>\$ 11,885</u>

CLARK LAKE  
AQUATICS  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
CLARK LAKE AQUATICS FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash and cash equivalents  
Due from county

\$ 6,843  
500

Total assets

\$ 7,343

FUND BALANCE

FUND BALANCE

\$ 7,343

CHARTER TOWNSHIP OF BRIGHTON  
 CLARK LAKE AQUATICS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 5,950	\$
Interest income		<u>87</u>	
Total revenues	5,960	6,037	77
EXPENDITURES			
Project costs	<u>5,950</u>	<u>1,187</u>	<u>4,763</u>
Excess of revenues over expenditures	10	4,850	4,840
FUND BALANCE, APRIL 1, 2005	<u>2,493</u>	<u>2,493</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 2,503</u>	<u>\$ 7,343</u>	<u>\$ 4,840</u>

SUBDIVISION  
PAVING  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
SUBDIVISION PAVING FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 431,000
Due from county	7,859
Special assessment receivable	<u>511,881</u>
Total assets	<u>\$ 950,740</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 511,881
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FUND BALANCE

438,859

Total liabilities and fund balance

\$ 950,740

CHARTER TOWNSHIP OF BRIGHTON  
SUBDIVISION PAVING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$	\$ 134,375	\$
Interest income		<u>10,365</u>	
Total revenues	3,300	144,740	141,440
EXPENDITURES			
Project costs			
Excess of revenues over expenditures	3,300	144,740	141,440
FUND BALANCE, APRIL 1, 2005	<u>294,119</u>	<u>294,119</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 297,419</u>	<u>\$ 438,859</u>	<u>\$ 141,440</u>

STREETLIGHT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
STREETLIGHT FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Special assessment receivable  
Due from other funds

\$ 13,436  
1,632

Total assets

\$ 15,068

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 1,179

FUND BALANCE

13,889

Total liabilities and fund balance

\$ 15,068

CHARTER TOWNSHIP OF BRIGHTON  
 STREETLIGHT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 13,110	\$ 13,435	\$ 325
EXPENDITURES			
Utilities	<u>13,110</u>	<u>14,125</u>	<u>(1,015)</u>
Excess of revenues over (under) expenditures		(690)	(690)
FUND BALANCE, APRIL 1, 2005	<u>14,579</u>	<u>14,579</u>	<u>          </u>
FUND BALANCE, MARCH 31, 2006	<u>\$ 14,579</u>	<u>\$ 13,889</u>	<u>\$ (690)</u>

SANITATION  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
SANITATION FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash	\$ 49,526
Due from county	2,330
Prepaid expenditures	<u>6,732</u>

Total assets

\$ 58,588

FUND BALANCE

FUND BALANCE

\$ 58,588

CHARTER TOWNSHIP OF BRIGHTON  
SANITATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 70,602	\$
Interest		<u>673</u>	
Total revenues	41,510	71,275	29,765
EXPENDITURES			
Project costs	<u>41,310</u>	<u>50,437</u>	<u>(9,127)</u>
Excess of revenues over expenditures	200	20,838	20,638
FUND BALANCE, APRIL 1, 2005	<u>37,750</u>	<u>37,750</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 37,950</u>	<u>\$ 58,588</u>	<u>\$ 20,638</u>

WOODLAND LAKE  
DEBT SERVICE  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
WOODLAND LAKE DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2006

REVENUE	
Interest	\$ 1,331
 EXPENDITURES	
Miscellaneous	<u>                    </u>
Excess of revenues over expenditures	1,331
 OTHER FINANCING (USES)	
Transfers out	<u>(50,574)</u>
Excess of revenues over expenditures and other financing (uses)	<u>(49,243)</u>
 FUND BALANCE, APRIL 1, 2005	 49,243
 FUND BALANCE, MARCH 31, 2006	 \$ <u><u>                    </u></u>

WATER  
DEBT SERVICE  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
WATER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 852,441

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued interest - bonds

\$ 28,560

FUND BALANCE

823,881

Total liabilities and fund balance

\$ 852,441

CHARTER TOWNSHIP OF BRIGHTON  
WATER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Sale of land	\$	\$ 1,019,200	\$
Interest		29,354	
	1,008,808	1,048,554	39,746
EXPENDITURES			
Fees		10,841	
Interest - bonds/loans		70,603	
	108,300	81,444	26,856
Total expenditures			
Excess of revenues over expenditures	900,508	967,110	66,602
FUND BALANCE (DEFICIT), APRIL 1, 2005	(143,229)	(143,229)	
FUND BALANCE, MARCH 31, 2006	\$ 757,279	\$ 823,881	\$ 66,602

BUILDING  
AUTHORITY  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
BUILDING AUTHORITY FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash \$ 120,372  
Due from other funds 44,532

Total assets \$ 164,904

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued interest payable \$ 39,553  
Bonds payable 100,000

Total liabilities \$ 139,553

FUND BALANCE

25,351

Total liabilities and fund balance \$ 164,904

CHARTER TOWNSHIP OF BRIGHTON  
BUILDING AUTHORITY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE			
Interest	\$ 3,000	\$ 1,993	\$ (1,007)
EXPENDITURES			
Bond payment - principal		100,000	
Bond payment - interest		95,775	
Agent fees		300	
Total expenditures	<u>345,312</u>	<u>196,075</u>	<u>149,237</u>
Excess of revenues over (under) expenditures	(342,312)	(194,082)	148,230
OTHER FINANCING SOURCES			
Transfers in	<u>345,012</u>	<u>196,074</u>	<u>(148,938)</u>
Excess of revenues over (under) expenditures and other financing sources	2,700	1,992	(708)
FUND BALANCE, APRIL 1, 2005	<u>23,359</u>	<u>23,359</u>	
FUND BALANCE, MARCH 31, 2006	<u>\$ 26,059</u>	<u>\$ 25,351</u>	<u>\$ (708)</u>

WATER FUND

CHARTER TOWNSHIP OF BRIGHTON  
 WATER FUND  
 BALANCE SHEET  
 MARCH 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 36,706	
Accounts receivable - water billings	18,943	
Due from county	19,706	
Prepaid expenses	<u>359</u>	
Total current assets		\$ 75,714

RESTRICTED ASSETS

Special assessment receivable		1,001,640
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PROPERTY AND EQUIPMENT

Land	617	
Equipment, improvements and system	<u>43,824</u>	
	44,441	
Less: accumulated depreciation	<u>5,211</u>	
Net property and equipment		<u>39,230</u>

Total assets		<u>\$ 1,116,584</u>
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LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 14,285	
Due to other funds (from restricted assets)	<u>1,042,950</u>	
Total liabilities		\$ 1,057,235

FUND EQUITY

Retained earnings - unreserved		<u>59,349</u>
Total liabilities and fund equity		<u>\$ 1,116,584</u>

CHARTER TOWNSHIP OF BRIGHTON  
WATER FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED MARCH 31, 2006

OPERATING REVENUES	
Water billings and late charges	<u>\$ 69,500</u>
OPERATING EXPENSES	
Engineering fees	528
Audit fees	567
Legal fees	310
Contracted services	10,215
Computer support	172
Water purchases	55,804
Depreciation	1,096
Repairs and maintenance	8,847
Supplies	63
Postage	181
Miscellaneous	614
Dues and licenses	150
Insurance	<u>1,417</u>
Total operating expenses	<u>79,964</u>
Operating (loss)	<u>(10,464)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income - cash and cash equivalents	2,657
Interest income - special assessments	66,476
Interest expense	(66,476)
Miscellaneous income	<u>25</u>
Total non-operating revenues (expense)	<u>2,682</u>
CAPITAL CONTRIBUTIONS	
Tap-in fees	<u>3,864</u>
Net (loss)	(3,918)
RETAINED EARNINGS, APRIL 1, 2005	<u>63,267</u>
RETAINED EARNINGS, MARCH 31, 2006	<u><u>\$ 59,349</u></u>

CHARTER TOWNSHIP OF BRIGHTON  
WATER FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Operating (loss)	\$ (10,464)
Adjustments to reconcile operating income to net cash from (used in) operating activities	
Depreciation	1,096
Other income	25
Changes in assets and liabilities	
(Increase) in accounts receivable	(7,549)
(Increase) in prepaid expenses	(19)
Increase in accounts payable	3,510
Decrease in due from other funds	416
(Decrease) in due to other fund	<u>(108,360)</u>
Total adjustments	<u>(110,881)</u>
Net cash (used in) operating activities	<u>(121,345)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessments collected	174,836
Tap-in fees collected	3,864
Interest paid on interfund loan	<u>(66,476)</u>
Net cash from (used in) capital and related financing activities	<u>112,224</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	
Interest	<u>2,657</u>
Net (decrease) in cash and cash equivalents	(6,464)
CASH AND CASH EQUIVALENTS, APRIL 1, 2005	<u>43,170</u>
CASH AND CASH EQUIVALENTS, MARCH 31, 2006	<u><u>\$ 36,706</u></u>

SEWER  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 6,136
Accounts receivable - usage	132,061
Accounts receivable - other	27,969
Prepaid expenses - insurance	12,287
Inventory - pumps and parts	73,060
Due from county - delinquents	9,990
Due from other funds	<u>3,000</u>

Total current assets \$ 264,503

RESTRICTED ASSETS

Cash and cash equivalents - debt service	2,967,220
Cash and cash equivalents - replacement	40,310
Accounts receivable - capital charge (usage)	62,584
Bond issuance costs - net of amortization of \$33,695	505,427
Special assessments receivable	12,646,868
Due from county -delinquents (SAD)	210,716
Due from county - construction funds	<u>103,674</u>

Total restricted assets 16,536,799

FIXED ASSETS

Land	1,394,414
Sewer plant	9,728,042
Sewer collection system	17,482,429
Pumps and equipment	3,421,551
Office furniture and equipment	<u>22,500</u>
	32,048,936
Less: accumulated depreciation	<u>(2,972,770)</u>

Net fixed assets 29,076,166

Total assets \$ 45,877,468

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES (from unrestricted assets)		
Accounts payable	\$ 9,926	
Due to general fund - property deferrals	12,719	
Due to general fund - operating loan	<u>214,832</u>	
Total current liabilities (from unrestricted assets)		\$ 237,477
CURRENT LIABILITIES (from restricted assets)		
Accounts payable	178	
Bonds payable	1,465,000	
Due to general fund	431,000	
New connections - escrow funds	<u>70,151</u>	
Total current liabilities (from restricted assets)		1,966,329
LONG-TERM LIABILITIES (from restricted assets)		
Bonds payable		<u>23,025,000</u>
Total liabilities		25,228,806
FUND EQUITY		
Retained earnings - reserved	20,705,503	
Retained earnings - unreserved (deficit)	<u>(56,841)</u>	
Total fund equity		<u>20,648,662</u>
Total liabilities and fund equity		<u>\$ 45,877,468</u>

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Unreserved Retained Earnings</u>	<u>Retained Earnings Reserved</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES, APRIL 1, 2005	\$ (90,835)	\$ 21,034,912	\$ 20,944,077
OPERATING (LOSS)	(572,846)		(572,846)
ADJUSTMENTS			
Sewer usage - capital charges	(237,428)	237,428	
Depreciation expense	854,553	(854,553)	
Other Income (expenses)	(1,229)	1,229	
Amortization (expense)	33,695	(33,695)	
INTEREST INCOME - BANKS	1,546	83,660	85,206
TRANSFER TO REPLACEMENT RESERVES	(40,000)	40,000	
INTEREST INCOME - SPECIAL ASSESSMENTS		833,974	833,974
INVENTORY CONTRIBUTION		62,834	62,834
INTEREST EXPENSE - GENERAL FUND LOAN	(4,297)	(8,620)	(12,917)
INTEREST EXPENSE - BONDS		(1,123,036)	(1,123,036)
TAP-IN FEES (NEW USERS)		431,983	431,983
AGENT FEES - BONDS	<u>                    </u>	<u>                    (613)</u>	<u>                    (613)</u>
BALANCES, MARCH 31, 2006	<u>\$ (56,841)</u>	<u>\$ 20,705,503</u>	<u>\$ 20,648,662</u>

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2006

<b>OPERATING REVENUES</b>		
Sewer usage	\$ 503,289	
Sewer usage - capital charges	237,428	
Other revenue	<u>4,699</u>	
Total operating revenues		\$ 745,416
<b>OPERATING EXPENSES</b>		
Amortization expense	33,695	
Audit services	3,335	
Computer services	3,825	
Consulting	13,069	
Contracted services - other	1,289	
Contracted services - operators	203,544	
Depreciation expense	854,553	
Permit fees	2,196	
Legal	155	
Liability insurance	48,548	
Mileage	33	
Miscellaneous expenses	1,073	
Per diem - sewer committee	560	
Repairs and maintenance - equipment	4,644	
Repairs and maintenance - grounds	15,792	
Repairs and maintenance - building	1,650	
Sludge removal	11,347	
Supplies	33,040	
Telephone	4,059	
Utilities	78,921	
Personnel and temporary employment services	<u>2,934</u>	
Total operating expenses		<u>1,318,262</u>
Operating (loss)		(572,846)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income - banks	85,206	
Interest income - special assessment	833,974	
Interest (expense) - general fund loan	(12,917)	
Interest (expense) - bonds	(1,123,036)	
Agent fees - bonds	<u>(613)</u>	
Total non-operating (expenses)		(217,386)
<b>CAPITAL CONTRIBUTIONS</b>		
Tap-in fees (new users)	431,983	
Inventory contribution	<u>62,834</u>	
Total capital contributions		<u>494,817</u>
Net (loss)		(295,415)
RETAINED EARNINGS, APRIL 1, 2005		<u>20,944,077</u>
RETAINED EARNINGS, MARCH 31, 2006		<u>\$ 20,648,662</u>

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating (loss)		\$ (572,846)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation expense	\$ 854,553	
Amortization expense	33,695	
Changes in assets and liabilities		
(Increase) in accounts receivable	(39,148)	
(Increase) in prepaid expense	(217)	
(Increase) in due from other funds	(1,490)	
(Increase) in due from County - delinquents	(27,401)	
Decrease in due from County construction funds	6,250	
(Increase) in inventory	(10,226)	
Increase in accounts payable	5,245	
(Decrease) in due to other funds	(16,624)	
Increase in new connection escrow	<u>1,388</u>	
Total adjustments		<u>806,025</u>
Net cash from operating activities		233,179
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Special assessment collections - principle	1,152,860	
Bond issuance costs paid	(139,122)	
Repayment of bonds payable principle	(1,420,000)	
Payment to county construction sewer fund	(150,033)	
Interest expense and fees paid on debt	(1,136,566)	
Interest income - assessments	833,974	
Tap-in fees collected	<u>431,983</u>	
Net cash (used in) capital and related financing activities		(426,904)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest income - received		<u>85,206</u>
Net (decrease) in cash and cash equivalents		(108,519)
CASH AND CASH EQUIVALENTS, APRIL 1, 2005		<u>3,122,185</u>
CASH AND CASH EQUIVALENTS, MARCH 31, 2006		<u>\$ 3,013,666</u>

TRUST  
AND  
AGENCY  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
TRUST AND AGENCY FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 141,482

LIABILITIES

LIABILITIES

Due to other funds

\$ 192

Due to others

141,290

Total liabilities

\$ 141,482

CURRENT  
TAX  
COLLECTION  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS

Cash

\$ 6,199

LIABILITIES

LIABILITIES

Due to other funds

\$ 6,199

CONSTRUCTION  
ESCROW  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
CONSTRUCTION ESCROW FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

ASSETS  
Cash

\$ 39,703

LIABILITIES

LIABILITIES

Performance deposits  
Due to other funds

\$ 38,355  
1,348

Total liabilities

\$ 39,703