

CHARTER TOWNSHIP OF BRIGHTON

REPORT ON AUDIT OF
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2007

CHARTER TOWNSHIP OF BRIGHTON

TOWNSHIP OFFICIALS

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

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TOWNSHIP ATTORNEY

John K. Harris
Harris & Literski

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITORS' REPORT	
MANAGEMENT DISCUSSION AND ANALYSIS	9
BASIC FINANCIAL STATEMENTS	
GOVERNMENT - WIDE FINANCIAL STATEMENTS	
Statement of Net Assets	17
Statement of Activities	18
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	20
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Assets - Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26
Statement of Assets and Liabilities - Fiduciary Funds	27
NOTES TO FINANCIAL STATEMENTS	29
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	48
Subdivision Paving Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	49
Schedules of Pension Funding Progress (Unaudited)	50

TABLE OF CONTENTS

PAGE NUMBER

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

All Special Revenue Funds - Combining Balance Sheet	53
All Capital Project Funds - Combining Balance Sheet	55
All Enterprise Funds - Combining Balance Sheet	56
All Agency Funds - Combining Balance Sheet	57
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
All Capital Project Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	59
All Enterprise Funds - Combining Statement of Revenues, Expenses and Changes in Retained Earnings	60
All Enterprise Funds - Combining Statement of Cash Flows	61

INDIVIDUAL FUNDS

GENERAL FUND

Balance Sheet	64
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	65
Statement of Revenues - Budget and Actual	66
Statement of Expenditures - Budget and Actual	67

PARKS AND RECREATION FUND

Balance Sheet	75
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	76

BUILDING DEPARTMENT FUND

Balance Sheet	78
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	79
Statement of Revenues - Budget and Actual	80

BUDGET STABILIZATION FUND

Balance Sheet	82
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	83

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
LIQUOR LAW ENFORCEMENT FUND	
Balance Sheet	85
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	86
ROAD IMPROVEMENT FUND	
Balance Sheet	88
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	89
STREET IMPROVEMENT FUND	
Balance Sheet	91
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	92
AQUATICS FUND	
Balance Sheet	94
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	95
SUBDIVISION PAVING FUND	
Balance Sheet	97
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	98
STREETLIGHT FUND	
Balance Sheet	100
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	101
SANITATION FUND	
Balance Sheet	103
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	104
PATHWAYS FUND	
Balance Sheet	106
Statement of Revenues, Expenditures and Changes in Fund Balance	107

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
WATER DEBT SERVICE FUND	
Balance Sheet	109
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	110
BUILDING AUTHORITY FUND	
Balance Sheet	112
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	113
MUNICIPAL WATER FUND	
Balance Sheet	115
Statement of Revenues, Expenditures and Changes in Fund Balance	116
WHITMORE LAKE/GRAND RIVER WATER CONSTRUCTION FUND	
Balance Sheet	118
Statement of Revenues, Expenditures and Changes in Fund Balance	119
WEBER/GRAND RIVER WATER CONSTRUCTION FUND	
Balance Sheet	121
Statement of Revenues, Expenditures and Changes in Fund Balance	122
WATER FUND	
Balance Sheet	124
Statement of Revenues, Expenses and Changes in Retained Earnings	125
Statement of Cash Flows	126
SEWER FUND	
Balance Sheet	128
Statement of Fund Equity	129
Statement of Revenues and Expenses	130
Statement of Cash Flows	131
TRUST AND AGENCY FUND	
Balance Sheet	133
CURRENT TAX COLLECTION FUND	
Balance Sheet	135
CONSTRUCTION ESCROW FUND	
Balance Sheet	137



PFEFFER ■ HANNIFORD ■ PALKA
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June 15, 2007

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, 2007, which collectively comprise the Charter Township of Brighton's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Brighton's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charter Township of Brighton, as of March 31, 2007, 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 50 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 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, 2007

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, 2007. 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 \$30,287,798. This is a \$120,862 decrease over last year's net assets of \$30,408,660.

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>3/31/07</u>	<u>3/31/06</u>	<u>3/31/07</u>	<u>3/31/06</u>
Current and other assets	\$ 12,484,929	\$ 11,467,460	\$ 16,512,885	\$ 17,878,656
Capital assets	<u>4,318,467</u>	<u>4,396,641</u>	<u>28,499,246</u>	<u>29,115,396</u>
Total assets	<u>16,803,396</u>	<u>15,864,101</u>	<u>45,012,131</u>	<u>46,994,052</u>
Other liabilities	3,413,509	2,543,452	3,279,220	1,796,041
Long-term liabilities	<u>3,335,000</u>	<u>3,620,000</u>	<u>21,500,000</u>	<u>24,490,000</u>
Total liabilities	<u>6,748,509</u>	<u>6,163,452</u>	<u>24,779,220</u>	<u>26,286,041</u>
Net assets:				
Invested in capital assets, net of related debt	2,418,467	2,396,641	4,742,721	4,625,396
Unrestricted	<u>7,636,420</u>	<u>7,304,008</u>	<u>15,490,190</u>	<u>16,082,615</u>
Total net assets	<u>\$ 10,054,887</u>	<u>\$ 9,700,649</u>	<u>\$ 20,232,911</u>	<u>\$ 20,708,011</u>

Total	
<u>3/31/07</u>	<u>3/31/06</u>
\$ 28,997,814	\$ 29,346,106
<u>32,817,713</u>	<u>33,512,037</u>
<u>61,815,527</u>	<u>62,858,153</u>
6,692,729	4,339,493
<u>24,835,000</u>	<u>28,110,000</u>
<u>31,527,729</u>	<u>32,449,493</u>
7,161,188	7,022,037
<u>23,126,610</u>	<u>23,386,623</u>
<u>\$ 30,287,798</u>	<u>\$ 30,408,660</u>

Summary of Changes in Net Assets

	Governmental Activities		Business - Type Activities	
	3/31/07	3/31/06	3/31/07	3/31/06
REVENUES				
Program revenues				
Charges for services	\$ 1,292,969	\$ 944,214	\$ 864,981	\$ 814,916
Operating contributions	846,190	537,560		
Capital contributions			269,490	498,681
General revenues				
State shared revenues	1,200,487	1,213,243		
Property taxes	925,306	869,739		
Interest	570,315	392,925	955,529	988,313
Gain on sale of assets		959,629		
Other	317,675	275,007		25
Total revenues	<u>5,152,942</u>	<u>5,192,317</u>	<u>2,090,000</u>	<u>2,301,935</u>
Expenses				
General government	1,911,181	1,930,798		
Public safety	154,937	164,617		
Recreation	59,129	61,226		
Public works/roads	2,114,337	255,884		
Interest on long-term debt	159,120	166,928		
Water and sewer systems			2,565,100	2,601,268
Total expenses	<u>4,398,704</u>	<u>2,579,453</u>	<u>2,565,100</u>	<u>2,601,268</u>
Changes in net assets before special item	<u>754,238</u>	<u>2,612,864</u>	<u>(475,100)</u>	<u>(299,333)</u>
Special item - contingent liability	400,000	2,300,000		
Changes in net assets and special item	354,238	312,864	(475,100)	(299,333)
Beginning net assets	<u>9,700,649</u>	<u>9,387,785</u>	<u>20,708,011</u>	<u>21,007,344</u>
Ending net assets	<u>\$ 10,054,887</u>	<u>\$ 9,700,649</u>	<u>\$ 20,232,911</u>	<u>\$ 20,708,011</u>

<u>Total</u>	
<u>3/31/07</u>	<u>3/31/06</u>
\$ 2,157,950	\$ 1,759,130
846,190	537,560
269,490	498,681
1,200,487	1,213,243
925,306	869,739
1,525,844	1,381,238
	959,629
<u>317,675</u>	<u>275,032</u>
<u>7,242,942</u>	<u>7,494,252</u>
1,911,181	1,930,798
154,937	164,617
59,129	61,226
2,114,337	255,884
159,120	166,928
<u>2,565,100</u>	<u>2,601,268</u>
<u>6,963,804</u>	<u>5,180,721</u>
279,138	2,313,531
<u>(400,000)</u>	<u>(2,300,000)</u>
(120,862)	13,531
<u>30,408,660</u>	<u>30,395,129</u>
<u>\$ 30,287,798</u>	<u>\$ 30,408,660</u>

While the governmental funds experienced an increase in cash and other current assets, the Township also spent more on road maintenance and public works. In addition, the Township again accrued a liability for anticipated environmental cleanup, though the amount accrued was less than last year. Despite the increased expenses, the net assets of the governmental funds still increased by \$354,238.

The business-type activities showed a decrease in net assets of \$475,100. Although the Township managed to decrease expenses slightly from the prior fiscal year, it also experienced significantly decreased revenue due to decreasing capital contributions from new connections and assessments.

Financial Analysis of the Township's Major Funds

The Township's General Fund increased cash and cash equivalents by \$654,207. This year the Township reported revenues over expenditures of \$1,047,761 which was a significant increase over the prior year. The increase is primarily due to the reduced accrual for the unpaid contingent liability.

The Township received a grant from the State Department of Environmental Quality to construct and provide taps for residents along Whitmore Lake and Grand River. The Whitmore Lake/Grand River Water Construction Fund, reflected this grant as revenue, and it largely covered the expenses needed for the construction.

In the Township's other major fund, the Subdivision Paving Fund, expenditures of the project exceeded revenues by \$480,823. Part of the shortfall was financed by a transfer in from the General Fund, and the remainder was absorbed by the fund itself.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net assets of \$470,798 and a decrease in cash and equivalents of \$155,940. This system is fairly new in operations and is still adding users to its system.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Actual excess of revenues over expenditures exceeded that of the budget by \$662,518. This is a significant improvement over the prior year when the Township had to accrue the large environmental liability. 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 issued no debt during the year, but paid \$145,000 of principal on the bonds associated with the Township hall and other capital improvements. A total of \$3,375,000 remains for all governmental fund debt.

The business-type activities made \$242,850 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.

Total debt outstanding at the beginning of the year on business-type activities totaled \$24,490,000. During the year, the Township retired \$1,465,000 of debt, leaving \$23,025,000 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 to comply with finance-related regulations. If you have any further questions about this report or require additional information, please contact the Township manager at (810) 229-0550 or visit the Township Hall located at 4363 Buno Road, Brighton, Michigan 48114.

BASIC
FINANCIAL
STATEMENTS

GOVERNMENT - WIDE
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF NET ASSETS
MARCH 31, 2007

	Primary Government		
<u>ASSETS</u>	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,743,246	\$ 2,897,700	\$ 12,640,946
Receivables			
Grant - state	69,985		69,985
Taxes	84,106		84,106
State shared revenues	197,390		197,390
Intergovernmental	1,926,095	355	1,926,450
Accounts	45,701	632,159	677,860
Special assessments	371,206	12,440,984	12,812,190
Prepaid expenditures	47,200	5,780	52,980
Inventory		64,175	64,175
Bond issuance - net of amortization		471,732	471,732
Capital assets - net of depreciation	4,318,467	28,499,246	32,817,713
Total assets	16,803,396	45,012,131	61,815,527
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	147,141	81,625	228,766
Accrued wages/taxes	33,884		33,884
Accrued interest payable	65,885		65,885
Due to county		75,000	75,000
Intergovernmental payable	321,599	1,597,595	1,919,194
Contingent liability	2,700,000		2,700,000
Bonds payable			
Current	145,000	1,525,000	1,670,000
Noncurrent	3,335,000	21,500,000	24,835,000
Total liabilities	6,748,509	24,779,220	31,527,729
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	2,418,467	4,742,721	7,161,188
Unrestricted	7,636,420	15,490,190	23,126,610
Total net assets	\$ 10,054,887	\$ 20,232,911	\$ 30,287,798

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities				
General government	\$ (1,911,181)	\$ 636,711	\$	\$
Public works	(1,263,622)	567,551	846,190	
Recreation	(59,129)			
Roads	(843,487)	81,927		
Public safety	(154,937)	6,780		
Cemetery	(7,228)			
Interest on long-term debt	(159,120)			
Total governmental activities	<u>(4,398,704)</u>	<u>1,292,969</u>	<u>846,190</u>	<u></u>
Business-type activities				
Sewer system	(2,422,287)	794,850		264,090
Water system	(142,813)	70,131		5,400
Total business-type activities	<u>(2,565,100)</u>	<u>864,981</u>	<u></u>	<u>269,490</u>
Total	<u>\$ (6,963,804)</u>	<u>\$ 2,157,950</u>	<u>\$ 846,190</u>	<u>\$ 269,490</u>

General revenues

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

Total general revenues

Changes in net assets before special item

Special item - Contingent liability

Changes in net assets and special item

Net assets, April 1, 2006

Net assets, March 31, 2007

The notes are an integral part of the financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
\$ (1,274,470)	\$	\$ (1,274,470)
150,119		150,119
(59,129)		(59,129)
(761,560)		(761,560)
(148,157)		(148,157)
(7,228)		(7,228)
<u>(159,120)</u>		<u>(159,120)</u>
<u>(2,259,545)</u>		<u>(2,259,545)</u>
	(1,363,347)	(1,363,347)
	<u>(67,282)</u>	<u>(67,282)</u>
	<u>(1,430,629)</u>	<u>(1,430,629)</u>
(2,259,545)	(1,430,629)	(3,690,174)
925,306		925,306
1,200,487		1,200,487
570,315	955,529	1,525,844
101,580		101,580
199,973		199,973
16,122		16,122
<u>3,013,783</u>	<u>955,529</u>	<u>3,969,312</u>
754,238	(475,100)	279,138
<u>(400,000)</u>		<u>(400,000)</u>
354,238	(475,100)	(120,862)
<u>9,700,649</u>	<u>20,708,011</u>	<u>30,408,660</u>
<u>\$ 10,054,887</u>	<u>\$20,232,911</u>	<u>\$30,287,798</u>

FUND
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	General	Subdivision Paving Fund	Whitmore Lake/ Grand River Water Construction Fund
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 6,391,700	\$ 423,448	\$ 89
Receivables			
Taxes	84,106		
Special assessments		346,474	
State shared revenues	197,390		
Grant - state			69,985
Cable	45,701		
Due from other funds	1,606,582		
Prepaid expenditures	37,146		
Total assets	\$ 8,362,625	\$ 769,922	\$ 70,074
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 64,466	\$	\$ 69,985
Accrued interest payable			
Accrued wages and absences	33,884		
Matured bonds payable			
Due to other funds	45,072	276,341	
Contingent liability	2,700,000		
Deferred revenues		338,087	
Total liabilities	2,843,422	614,428	69,985
FUND BALANCES			
Unreserved	5,519,203		
Reserved			
Debt service			
Public works		155,494	89
Total fund balance	5,519,203	155,494	89
Total liabilities and fund balances	\$ 8,362,625	\$ 769,922	\$ 70,074

The notes are an integral part of the financial statements.

Other Nonmajor Funds	Total
\$ 2,928,009	\$ 9,743,246
	84,106
24,732	371,206
	197,390
	69,985
	45,701
319,513	1,926,095
<u>10,054</u>	<u>47,200</u>
<u>\$ 3,282,308</u>	<u>\$ 12,484,929</u>

\$ 12,690	\$ 147,141
65,885	65,885
	33,884
105,000	105,000
186	321,599
	2,700,000
	<u>338,087</u>
<u>183,761</u>	<u>3,711,596</u>

848,311	6,367,514
783,896	783,896
<u>1,466,340</u>	<u>1,621,923</u>
<u>3,098,547</u>	<u>8,773,333</u>
<u>\$ 3,282,308</u>	<u>\$ 12,484,929</u>

CHARTER TOWNSHIP OF BRIGHTON
 RECONCILIATION OF STATEMENT OF NET ASSETS
 OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
 MARCH 31, 2007

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

Total fund balance per balance sheet		\$ 8,773,333
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds:		
Historical cost		\$ 6,333,991
Depreciation		<u>(2,015,524)</u>
Capital assets, net of depreciation		4,318,467
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable		(3,375,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>338,087</u>
Net assets of governmental activities		<u>\$ 10,054,887</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, 2007

<u>REVENUES</u>	<u>General</u>	<u>Subdivision Paving Fund</u>	<u>Whitmore Lake/ Grand River Water Construction Fund</u>
REVENUES			
Taxes	\$ 925,306	\$	\$
Special assessments		107,742	
Intergovernmental - state	1,200,487		
Licenses and permits	14,005		
Connection fees			
Rental income	101,580		
Charges for services	405,171		
Interest	405,114	23,512	214
Cable franchise fees	199,973		
Grant - state			846,190
Miscellaneous	<u>16,122</u>	<u> </u>	<u> </u>
Total revenues	<u>3,267,758</u>	<u>131,254</u>	<u>846,404</u>
EXPENDITURES			
General government	1,552,656		
Public works	44,762		846,315
Public safety	106,311		
Recreation	59,129		
Cemetery	17,967		
Road improvements/maintenance	39,172	612,077	
Debt service			
Contingency	<u>400,000</u>	<u> </u>	<u> </u>
Total expenditures	<u>2,219,997</u>	<u>612,077</u>	<u>846,315</u>
Excess of revenues over (under) expenditures	<u>1,047,761</u>	<u>(480,823)</u>	<u>89</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		197,458	
Transfers (out)	<u>(837,532)</u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u>(837,532)</u>	<u>197,458</u>	<u> </u>
Net changes in fund balances	210,229	(283,365)	89
FUND BALANCE, APRIL 1, 2006	<u>5,308,974</u>	<u>438,859</u>	<u> </u>
FUND BALANCE, MARCH 31, 2007	<u>\$ 5,519,203</u>	<u>\$ 155,494</u>	<u>\$ 89</u>

The notes are an integral part of the financial statements.
PFEFFER, HANNIFORD & PALKA
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<u>Other Nonmajor Funds</u>	<u>Total</u>
\$	\$
208,936	925,306
6,780	316,678
217,535	1,207,267
388,800	231,540
	388,800
	101,580
51,742	456,913
130,273	559,113
	199,973
	846,190
	<u>16,122</u>
<u>1,004,066</u>	<u>5,249,482</u>
307,641	1,860,297
372,545	1,263,622
10,597	116,908
	59,129
	17,967
114,984	766,233
304,120	304,120
	<u>400,000</u>
<u>1,109,887</u>	<u>4,788,276</u>
<u>(105,821)</u>	<u>461,206</u>
1,066,716	1,264,174
<u>(426,642)</u>	<u>(1,264,174)</u>
<u>640,074</u>	
534,253	461,206
<u>2,564,294</u>	<u>8,312,127</u>
<u>\$ 3,098,547</u>	<u>\$ 8,773,333</u>

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, 2007

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

Net change in fund balances - governmental funds	\$	461,206
<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 depreciation exceeded capital outlays is as follows:</p>		
Capital outlay	\$	41,602
Depreciation expense		<u>(119,776)</u>
Net		(78,174)
<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		145,000
<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 adjusted		(77,254)
Principal collected on assessments		<u>(96,540)</u>
Net		<u>(173,794)</u>
Change in net assets of governmental activities	\$	<u>354,238</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2007

<u>ASSETS</u>	<u>Sewer Fund</u>	<u>Nonmajor Fund Water Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,857,726	\$ 39,974	\$ 2,897,700
Receivables			
Accounts	597,419	34,740	632,159
Special assessments	11,541,224	899,760	12,440,984
Due from other funds		355	355
Prepaid expenses	5,652	128	5,780
Inventory	64,175		64,175
Bond issuance costs - net of amortization of \$67,390	<u>471,732</u>		<u>471,732</u>
Total assets	<u>15,537,928</u>	<u>974,957</u>	<u>16,512,885</u>
Capital assets			
Land	1,395,155	617	1,395,772
Utility systems	<u>30,897,372</u>	<u>43,824</u>	<u>30,941,196</u>
Net	32,292,527	44,441	32,336,968
Less accumulated depreciation	<u>(3,831,415)</u>	<u>(6,307)</u>	<u>(3,837,722)</u>
Capital assets, net	<u>28,461,112</u>	<u>38,134</u>	<u>28,499,246</u>
Total assets	<u>43,999,040</u>	<u>1,013,091</u>	<u>45,012,131</u>
<u>LIABILITIES</u>			
Accounts payable	9,130	16,974	26,104
Due to other funds	656,525	941,070	1,597,595
New connections - escrow funds	55,521		55,521
Bonds payable	23,025,000		23,025,000
Notes payable - Livingston County Drain Commission	<u>75,000</u>		<u>75,000</u>
Total liabilities	<u>23,821,176</u>	<u>958,044</u>	<u>24,779,220</u>
<u>NET ASSETS</u>			
Net assets			
Invested in capital assets, net of related debt	4,704,587	38,134	4,742,721
Unrestricted	<u>15,473,277</u>	<u>16,913</u>	<u>15,490,190</u>
Total net assets	<u>\$ 20,177,864</u>	<u>\$ 55,047</u>	<u>\$ 20,232,911</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, 2007

	Sewer Fund	Nonmajor Fund Water Fund	Total
OPERATING REVENUES			
Utility billings	\$ 788,514	\$ 70,131	\$ 858,645
Other revenues	<u>6,336</u>		<u>6,336</u>
Total operating revenues	<u>794,850</u>	<u>70,131</u>	<u>864,981</u>
OPERATING EXPENSES			
Administration	4,000		4,000
Sludge removal	14,938		14,938
Operators/contractors	194,299	13,504	207,803
Telephone	1,130		1,130
Capital improvements	28,372		28,372
Utilities	84,018		84,018
Water purchases		65,045	65,045
Depreciation	858,645	1,096	859,741
Amortization	33,695		33,695
Repairs and maintenance	25,781	300	26,081
Supplies	32,199	136	32,335
Postage		189	189
Office expenses	2,005		2,005
Professional fees	30,803	1,654	32,457
Permit fees	3,069		3,069
Insurance	29,241	744	29,985
Refunds	<u>9,400</u>		<u>9,400</u>
Total operating expenses	<u>1,351,595</u>	<u>82,668</u>	<u>1,434,263</u>
Operating income (loss)	<u>(556,745)</u>	<u>(12,537)</u>	<u>(569,282)</u>
NON-OPERATING REVENUES			
Interest income - special assessments	758,146	60,145	818,291
Interest income - cash and equivalents	134,403	2,835	137,238
Interest (expense)	<u>(1,070,692)</u>	<u>(60,145)</u>	<u>(1,130,837)</u>
Total non-operating revenues (expenses)	<u>(178,143)</u>	<u>2,835</u>	<u>(175,308)</u>
Loss before capital contribution	<u>(734,888)</u>	<u>(9,702)</u>	<u>(744,590)</u>
CAPITAL CONTRIBUTIONS			
Tap-in fees collected	156,458	5,400	161,858
Developer contributions	<u>107,632</u>		<u>107,632</u>
Total capital contributions	<u>264,090</u>	<u>5,400</u>	<u>269,490</u>
Change in net assets	(470,798)	(4,302)	(475,100)
NET ASSETS, APRIL 1, 2006	<u>20,648,662</u>	<u>59,349</u>	<u>20,708,011</u>
NET ASSETS, MARCH 31, 2007	<u>\$ 20,177,864</u>	<u>\$ 55,047</u>	<u>\$ 20,232,911</u>

The notes are an integral part of the financial statements.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Sewer Fund</u>	<u>Nonmajor Fund Water Fund</u>	<u>Totals</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Cash received from customers	\$ 900,887	\$ 74,040	\$ 974,927
Cash payments to suppliers	(588,727)	(78,652)	(667,379)
Cash from interfund transactions	<u>974</u>	<u>(102,235)</u>	<u>(101,261)</u>
Net cash provided by (used in) operating activities	<u>313,134</u>	<u>(106,847)</u>	<u>206,287</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment on interfund loan		(60,145)	(60,145)
Proceeds from county - delinquents	220,706		220,706
Tap-in fees collected	156,458	5,400	161,858
Payment on bonds - principle	(1,465,000)		(1,465,000)
Special assessment collections	800,040	162,025	962,065
Reimbursements from county construction funds	42,736		42,736
Capital purchases	(43,491)		(43,491)
Interest income - assessments	758,146		758,146
Interest expense and fees paid on debt	<u>(1,070,692)</u>	<u></u>	<u>(1,070,692)</u>
Net cash and cash equivalents from (used in) capital and related financing activities	<u>(601,097)</u>	<u>107,280</u>	<u>(493,817)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Interest earned	<u>132,023</u>	<u>2,835</u>	<u>134,858</u>
Net increase (decrease) in cash and cash equivalents	(155,940)	3,268	(152,672)
CASH AND CASH EQUIVALENTS, APRIL 1, 2006	<u>3,013,666</u>	<u>36,706</u>	<u>3,050,372</u>
CASH AND CASH EQUIVALENTS, MARCH 31, 2007	<u>\$ 2,857,726</u>	<u>\$ 39,974</u>	<u>\$ 2,897,700</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (556,745)	\$ (12,537)	\$ (569,282)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities			
Depreciation	858,645	1,096	859,741
Amortization	33,695		33,695
Changes in assets and liabilities			
(Increase) Decrease in accounts receivable	(23,351)	3,909	(19,442)
(Increase) Decrease in due from other funds	3,000	(355)	2,645
Decrease in inventory	8,885		8,885
Decrease in prepaid expenses	6,635	231	6,866
(Decrease) increase in accounts payable	(974)	2,689	1,715
(Decrease) increase in due to other funds	(2,026)	(101,880)	(103,906)
(Decrease) in new connection escrow	<u>(14,630)</u>	<u></u>	<u>(14,630)</u>
Total adjustments	<u>869,879</u>	<u>(94,310)</u>	<u>775,569</u>
Net cash and cash equivalents from (used in) operating activities	<u>\$ 313,134</u>	<u>\$ (106,847)</u>	<u>\$ 206,287</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
MARCH 31, 2007

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
 <u>ASSETS</u>				
Cash	\$ 75,545	\$ 8,801	\$ 46,799	\$ 131,145
Due from other funds	<u> </u>	<u> </u>	<u>1,900</u>	<u>1,900</u>
Total assets	<u>\$ 75,545</u>	<u>\$ 8,801</u>	<u>\$ 48,699</u>	<u>\$ 133,045</u>
 <u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 161	\$ 8,801	\$ 194	\$ 9,156
Due to others	<u>75,384</u>	<u> </u>	<u>48,505</u>	<u>123,889</u>
Total liabilities	<u>\$ 75,545</u>	<u>\$ 8,801</u>	<u>\$ 48,699</u>	<u>\$ 133,045</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, 2007

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, 2007

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 Subdivision Paving Fund accounts for the activities related to specific roads projects performed by the Township. These activities are funded through the collection of special assessments.

The Whitmore Lake/Grand River Water Construction Fund accounts for all the activities related to the project costs associated with a grant received from the Michigan Department of Environmental Quality.

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, 2007

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, 2007

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, 2007

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".

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2007, expenditures exceeded appropriations in the General Fund's contingency activity and the Sanitation Fund. A budget was not adopted for the Pathways Fund as required by the State of Michigan.

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, 2006 as revenue for the year ended March 31, 2007.

The 2006 adjusted taxable value totaled \$ 1,014,264,924. Taxes levied consisted of .9073 mills for Township operating purposes. The delinquent real property taxes of Charter Township of Brighton are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes.

G. MANAGEMENT ESTIMATES

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

H. INVESTMENTS

Investments are stated at lower of cost or market.

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. CASH EQUIVALENTS

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

J. RISK MANAGEMENT

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

K. INVENTORIES AND PREPAID ITEMS

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

L. CAPITALIZATION OF INTEREST

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

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, 2007

NOTE 3 - CHANGES IN CAPITAL ASSETS

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

	<u>Balance 4/01/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/07</u>
Land	\$ 684,117	\$	\$	\$ 684,117
Buildings and improvements	5,438,948	12,102		5,451,050
Vehicles and equipment	<u>169,324</u>	<u>29,500</u>		<u>198,824</u>
	6,292,389	41,602		6,333,991
Accumulated depreciation	<u>(1,895,748)</u>	<u>(119,776)</u>		<u>(2,015,524)</u>
Net book value	<u>\$ 4,396,641</u>	<u>\$ (78,174)</u>	<u>\$</u>	4,318,467
Related debt				<u>(1,900,000)</u>
Investment in capital assets net of related debt				<u>\$ 2,418,467</u>

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

General government	\$ 80,384
Public safety (fire)	38,029
Cemetery	<u>1,363</u>
	<u>\$ 119,776</u>

CHARTER TOWNSHIP OF BRIGHTON
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007

NOTE 3 - CHANGES IN CAPITAL ASSETS (continued)

A summary of proprietary fund type property and equipment at March 31, 2007 is as follows:

	Water Fund			Sewer Fund				
	Balance 4/01/06	Additions	Retirements	Balance 3/31/07	Balance 4/01/06	Additions	Retirements	Balance 3/31/07
Improvements Plant and collection system	\$ 43,824	\$	\$	\$ 43,824	\$ 30,654,522	\$ 242,850	\$	\$ 30,897,372
Less accumulated depreciation	<u>(5,211)</u>	<u>(1,096)</u>	<u></u>	<u>(6,307)</u>	<u>(2,972,770)</u>	<u>(858,645)</u>	<u></u>	<u>(3,831,415)</u>
Net	<u>\$ 38,613</u>	<u>\$ (1,096)</u>	<u>\$</u>	<u>\$ 37,517</u>	<u>\$ 27,681,752</u>	<u>\$ (615,795)</u>	<u>\$</u>	<u>\$ 27,065,957</u>
Land	<u>\$ 617</u>	<u>\$</u>	<u>\$</u>	<u>\$ 617</u>	<u>\$ 1,394,414</u>	<u>\$ 741</u>	<u>\$</u>	<u>\$ 1,395,155</u>
	Total							
	Balance 4/01/06	Additions	Retirements	Balance 3/31/07				
Improvements Plant and collection system	\$ 43,824	\$	\$	\$ 43,824				
	30,654,522	242,850		30,897,372				
Less accumulated depreciation	<u>(2,977,981)</u>	<u>(859,741)</u>	<u></u>	<u>(3,837,722)</u>				
Net	<u>\$ 27,720,365</u>	<u>\$ (616,891)</u>	<u>\$</u>	<u>\$ 27,103,474</u>				
Land	<u>\$ 1,395,031</u>	<u>\$ 741</u>	<u>\$</u>	<u>\$ 1,395,772</u>				

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

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, 2007 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, 2007 was \$115,199.

CHARTER TOWNSHIP OF BRIGHTON
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007

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

At January 1, 2007, the unfunded pension benefit obligation was \$52,018, determined as follows:

Actuarial Accrued Liability

Retirees and beneficiaries currently receiving benefits	\$ 300,765
Terminated employees not yet receiving benefits (vested and non-vested) Non-vested terming	307,912
Current employees - Accumulated employee contributions including allocated investment income	163,095
Employer financed	<u>433,971</u>
Total actuarial accrued liability	1,205,743
Net assets available for benefits at actuarial value	<u>1,153,725</u>
Unfunded actuarial accrued liability	<u><u>\$ 52,018</u></u>

The Township's annual required contribution was \$48,792 as of December 31, 2006. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is 0.054719 for underfunded liabilities. Total covered payroll for participants was \$660,951.

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, 2007

NOTE 6 - LONG-TERM DEBT (continued)

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

	<u>Balance 4/01/06</u>	<u>Additions</u>	<u>Payments & Deductions</u>	<u>Balance 3/31/07</u>
<u>BONDS PAYABLE</u>				
Building Authority Bonds, Series 1999	\$ 1,900,000	\$	\$ 105,000	\$ 1,795,000
Capital Improvement Bonds, Series 2003	<u>1,620,000</u>	<u> </u>	<u>40,000</u>	<u>1,580,000</u>
Total Bonds Payable	<u>\$ 3,520,000</u>	<u>\$</u>	<u>\$ 145,000</u>	<u>\$ 3,375,000</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>
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 - 2012	180,000	128,471
2012 - 2017	1,045,000	510,149
2017 - 2022	920,000	250,981
2022 - 2027	475,000	111,997
2027 - 2029	<u>225,000</u>	<u>10,806</u>
Totals	3,480,000	1,595,727
Less current portion recorded	<u>(105,000)</u>	<u>(65,885)</u>
	<u>\$ 3,375,000</u>	<u>\$ 1,529,842</u>

CHARTER TOWNSHIP OF BRIGHTON
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007

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. The remaining principle to be paid is \$4,425,000 over the next three years as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4-01-07 thru 3-31-08	\$ 1,450,000	\$ 188,700	\$ 1,638,700
4-01-08 thru 3-31-09	1,475,000	114,113	1,589,113
4-01-09 thru 3-31-10	<u>1,500,000</u>	<u>38,250</u>	<u>1,538,250</u>
Totals	<u>\$ 4,425,000</u>	<u>\$ 341,063</u>	<u>\$ 4,766,063</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>
4-01-07 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>156,772</u>	<u>661,772</u>
Totals	<u>\$ 700,000</u>	<u>\$ 292,070</u>	<u>\$ 992,070</u>

CHARTER TOWNSHIP OF BRIGHTON
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007

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. 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>
4-01-07 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>2,981,058</u>	<u>17,691,058</u>
Totals	<u>\$ 17,900,000</u>	<u>\$ 6,679,314</u>	<u>\$ 24,579,314</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>
4-01-07 thru 3-31-08	\$ 1,525,000	\$ 982,445	\$ 2,507,445
4-01-08 thru 3-31-09	1,550,000	905,328	2,455,328
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>3,137,830</u>	<u>18,352,830</u>
Totals	<u>\$ 23,025,000</u>	<u>\$ 7,312,447</u>	<u>\$ 30,337,447</u>

CHARTER TOWNSHIP OF BRIGHTON
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007

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, 2007:

<u>BOND ISSUE</u>	<u>Balance 4/01/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/07</u>
Original Series 2000	\$ 5,850,000	\$	\$ 1,425,000	\$ 4,425,000
Spencer Series 2005	740,000		40,000	700,000
Refunding Series 2005	<u>17,900,000</u>			<u>17,900,000</u>
Totals	<u>\$24,490,000</u>	<u>\$</u>	<u>\$ 1,465,000</u>	<u>\$23,025,000</u>

NOTE 7 - DEFINED CONTRIBUTION PLAN

The Township participates in the John Hancock Defined Contribution Pension Plan Group No. VK0782 for Michigan Township employees. This is a single-employer plan. All full-time employees are eligible to participate in the plan. The Township contributes 10% of participant's compensation, while an employee may contribute 1% to 10% of compensation. Annual compensation used to determine the current year contribution is as of April 1, preceding the year. Contribution information is as follows:

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS \$ 9,442

This balance reflects contributions for the period from April 1, 2006 to March 31, 2007.

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, 2007

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

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits are as follows:

<u>Deposits</u>	<u>Fiduciary Funds</u>	<u>Primary Government</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$	\$ 500,000	\$ 500,000	\$ 500,000
Uninsured and uncollateralized	<u>131,145</u>	<u>12,140,683</u>	<u>12,271,828</u>	<u>12,887,530</u>
	131,145	12,640,683	12,771,828	<u>\$ 13,387,530</u>
Petty cash		<u>263</u>	<u>263</u>	
Total cash	<u>\$ 131,145</u>	<u>\$ 12,640,946</u>	<u>\$ 12,772,091</u>	

NOTE 9 - SEGMENT INFORMATION - ENTERPRISE FUNDS

Selected financial information with respect to the two enterprise funds maintained by the Township for water and sewer service is as follows:

	<u>Water Fund</u>	<u>Sewer</u>	<u>Totals</u>
Operating revenues	\$ 70,131	\$ 794,850	\$ 864,981
Depreciation	1,096	858,645	859,741
Operating (loss)	(12,537)	(556,745)	(569,282)
Net working capital	58,223	266,528	324,751
Total assets	1,013,091	43,999,040	45,012,131
Reserved retained earnings		20,145,367	20,145,367
Unreserved retained earnings	55,047	32,497	87,544
Total fund equity	55,047	20,177,864	20,232,911

NOTE 10 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

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

	<u>April 1, 2006</u>	<u>March 31, 2007</u>
Cash and cash equivalents	<u>\$ 3,050,372</u>	<u>\$ 2,897,700</u>

CHARTER TOWNSHIP OF BRIGHTON
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007

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
2007 - 2008	\$ 105,000	\$ 88,394	\$ 193,394
2008 - 2009	115,000	83,551	198,551
2009 - 2010	115,000	78,376	193,376
2010 and after	1,565,000	416,488	1,981,488
	\$ 1,900,000	\$ 666,809	\$ 2,566,809

CHARTER TOWNSHIP OF BRIGHTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

NOTE 14 - 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 15 - CONTINGENT LIABILITY

The State of Michigan has made a claim for approximately \$2,700,000 of reimbursement from the Township for past environmental cleanup expenses it incurred at the Collett dump site. The State of Michigan is also seeking to have the Township assume responsibility for further cleanup and maintenance at the site. The State is currently in the process of determining 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 \$2,700,000 to account for this litigation. Last year's estimated liability for this cleanup was \$2,300,000, so the Township accrued an additional \$400,000 this year to cover the claim.

NOTE 16 - MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

The Township was a recipient of an \$846,190 grant by the Michigan Department of Environmental Quality. The grant funds were used to construct and provide taps for residents along Whitmore Lake and Grand River. The grant was completed during the fiscal year, but remains open for state compliance audits. All funds received were state funds.

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, 2007

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 925,306	\$
Treasurer			704,465	
Ordinance enforcement			2,600	
Planning and zoning			82,292	
State shared revenue			1,200,487	
Miscellaneous revenue			352,608	
Total revenues	2,926,596	2,926,596	3,267,758	341,162
EXPENDITURES	2,543,903	2,541,353	2,219,997	321,356
Excess of revenues over (under) expenditures	382,693	385,243	1,047,761	662,518
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(834,303)	(834,303)	(837,532)	(3,229)
Net change in fund balance	(451,610)	(449,060)	210,229	659,289
FUND BALANCE, APRIL 1, 2006	5,308,974	5,308,974	5,308,974	
FUND BALANCE, MARCH 31, 2007	\$ 4,857,364	\$ 4,859,914	\$ 5,519,203	\$ 659,289

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, 2007

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Special assessment	\$	\$	\$ 107,742	\$
Interest income	<u> </u>	<u> </u>	<u>23,512</u>	<u> </u>
Total revenues	78,008	78,008	131,254	53,246
EXPENDITURES				
Project costs	<u>625,501</u>	<u>625,501</u>	<u>612,077</u>	<u>13,424</u>
Excess of revenues over (under) expenditures	(547,493)	(547,493)	(480,823)	66,670
OTHER FINANCING SOURCES				
Transfers in	<u> </u>	<u>262,350</u>	<u>197,458</u>	<u>(64,892)</u>
Net change in fund balance	(547,493)	(285,143)	(283,365)	1,778
FUND BALANCE, APRIL 1, 2006	<u>438,859</u>	<u>438,859</u>	<u>438,859</u>	<u> </u>
FUND BALANCE, MARCH 31, 2007	<u>\$ (108,634)</u>	<u>\$ 153,716</u>	<u>\$ 155,494</u>	<u>\$ 1,778</u>

CHARTER TOWNSHIP OF BRIGHTON
 SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)
 MARCH 31, 2007

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

Analysis of Funding Progress

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
2005	988,980	1,099,007	90.0	110,027	620,343
2006	1,153,725	1,205,743	95.7	52,018	660,951

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 MARCH 31, 2007

<u>ASSETS</u>	<u>Parks and Recreation</u>	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>Liquor Law</u>	<u>Road Improvement</u>
ASSETS					
Cash and investments	\$ 233,963	\$ 188,800	\$ 405,704	\$ 27,263	\$ 756,711
Receivables					
Special assessments					
Prepaid expenses		3,322			
Due from other funds		44			276,341
	<u>233,963</u>	<u>192,166</u>	<u>405,704</u>	<u>27,263</u>	<u>1,033,052</u>
Total assets	<u>\$ 233,963</u>	<u>\$ 192,166</u>	<u>\$ 405,704</u>	<u>\$ 27,263</u>	<u>\$ 1,033,052</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$	\$ 1,402	\$	\$	\$
Accrued expenses		9,383			
Due to other funds					
Deferred revenue					
		<u>10,785</u>			
Total liabilities		<u>10,785</u>			
FUND BALANCE	<u>233,963</u>	<u>181,381</u>	<u>405,704</u>	<u>27,263</u>	<u>1,033,052</u>
Total liabilities and fund balance	<u>\$ 233,963</u>	<u>\$ 192,166</u>	<u>\$ 405,704</u>	<u>\$ 27,263</u>	<u>\$ 1,033,052</u>

<u>Street Improvement</u>	<u>Aquatics</u>	<u>Subdivision Paving</u>	<u>Street lights</u>	<u>Sanitation</u>	<u>Pathways</u>
\$ 58,985	\$ 102,624	\$ 423,448	\$	\$ 68,009	\$ 11,809
1,868	5,379	346,474	13,881	3,604	
			982	6,732	
<u>\$ 60,853</u>	<u>\$ 108,003</u>	<u>\$ 769,922</u>	<u>\$ 14,863</u>	<u>\$ 78,345</u>	<u>\$ 11,809</u>
\$ 489	\$ 248	\$	\$ 1,168	\$	\$
		276,341			
		<u>338,087</u>			
		614,428	1,168		
<u>60,364</u>	<u>107,755</u>	<u>155,494</u>	<u>13,695</u>	<u>78,345</u>	<u>11,809</u>
<u>\$ 60,853</u>	<u>\$ 108,003</u>	<u>\$ 769,922</u>	<u>\$ 14,863</u>	<u>\$ 78,345</u>	<u>\$ 11,809</u>

CHARTER TOWNSHIP OF BRIGHTON
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET (continued)
 MARCH 31, 2007

	<u>3-31-07</u>	<u>3-31-06</u>
<u>ASSETS</u>		
ASSETS		
Cash and investments	\$ 2,277,316	\$ 2,125,509
Receivables		
Special assessments	371,206	542,928
Prepaid expenses	10,054	10,653
Due from other funds	<u>277,367</u>	<u>1,633</u>
Total assets	<u>\$ 2,935,943</u>	<u>\$ 2,680,723</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Accounts payable	\$ 3,307	\$ 2,984
Accrued expenses	9,383	11,937
Due to other funds	276,341	
Deferred revenue	<u>338,087</u>	<u>511,881</u>
Total liabilities	627,118	526,802
FUND BALANCE	<u>2,308,825</u>	<u>2,153,921</u>
Total liabilities and fund balance	<u>\$ 2,935,943</u>	<u>\$ 2,680,723</u>

CHARTER TOWNSHIP OF BRIGHTON
 ALL CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 MARCH 31, 2007

	<u>Building Authority Fund</u>	<u>Municipal Water Fund</u>	<u>Whitmore Lake/ Grand River Water Construction Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 128,138	\$ 161,451	\$ 89
Accounts receivable - state			69,985
Due from other funds	<u>42,146</u>	<u> </u>	<u> </u>
Total assets	<u>\$ 170,284</u>	<u>\$ 161,451</u>	<u>\$ 70,074</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 37,782	\$ 186	\$ 69,985
Accrued interest payable	105,000		
Material bonds payable			
Due to other funds	<u> </u>	<u> </u>	<u> </u>
Total liabilities	142,782	186	69,985
FUND BALANCE	<u>27,502</u>	<u>161,265</u>	<u>89</u>
Total liabilities and fund balance	<u>\$ 170,284</u>	<u>\$ 161,451</u>	<u>\$ 70,074</u>

Weber/ Grand River Water Construction Fund	Totals
\$ 55	\$ 289,733
	69,985
	<u>42,146</u>
<u>\$ 55</u>	<u>\$ 401,864</u>

\$	\$ 69,985
	37,782
	105,000
	<u>186</u>
	212,953
<u>55</u>	<u>188,911</u>
<u>\$ 55</u>	<u>\$ 401,864</u>

CHARTER TOWNSHIP OF BRIGHTON
ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 39,974	\$ 81,505
Accounts receivable	34,740	179,847
Inventory		64,175
Prepaid expenses	128	5,652
Due from other funds	<u>355</u>	
Total current assets	<u>75,197</u>	<u>331,179</u>
RESTRICTED ASSETS		
Cash and cash equivalents		2,776,221
Accounts receivable		417,572
Bond issuance costs, net of amortization		471,732
Special assessments receivable	<u>899,760</u>	<u>11,541,224</u>
Total restricted assets	<u>899,760</u>	<u>15,206,749</u>
PROPERTY AND EQUIPMENT		
Land	617	1,395,155
Equipment, improvements and system	43,824	30,897,372
Less: accumulated depreciation	<u>(6,307)</u>	<u>(3,831,415)</u>
Net property and equipment	<u>38,134</u>	<u>28,461,112</u>
Total assets	<u>\$ 1,013,091</u>	<u>\$ 43,999,040</u>
<u>LIABILITIES AND FUND EQUITY</u>		
LIABILITIES		
Accounts payable	\$ 16,974	\$ 9,130
Due to others - escrow		55,521
Note payable - county		75,000
Bonds payable - special assessment - from restricted assets		23,025,000
Due to other funds	<u>941,070</u>	<u>656,525</u>
Total liabilities	<u>958,044</u>	<u>23,821,176</u>
FUND EQUITY		
Retained earnings - reserved		20,145,367
Retained earnings - unreserved	<u>55,047</u>	<u>32,497</u>
Total fund equity	<u>55,047</u>	<u>20,177,864</u>
Total liabilities and fund equity	<u>\$ 1,013,091</u>	<u>\$ 43,999,040</u>

<u>Totals</u>	
<u>3-31-07</u>	<u>3-31-06</u>
\$ 121,479	\$ 42,842
214,587	208,669
64,175	73,060
5,780	12,646
<u>355</u>	<u>3,000</u>
<u>406,376</u>	<u>340,217</u>
2,776,221	3,007,530
417,572	376,974
471,732	505,427
<u>12,440,984</u>	<u>13,648,508</u>
<u>16,106,509</u>	<u>17,538,439</u>
1,395,772	1,395,031
30,941,196	30,698,346
<u>(3,837,722)</u>	<u>(2,977,981)</u>
<u>28,499,246</u>	<u>29,115,396</u>
<u>\$ 45,012,131</u>	<u>\$ 46,994,052</u>
\$ 26,104	\$ 24,389
55,521	70,151
75,000	
23,025,000	24,490,000
<u>1,597,595</u>	<u>1,701,501</u>
<u>24,779,220</u>	<u>26,286,041</u>
20,145,367	20,705,503
<u>87,544</u>	<u>2,508</u>
<u>20,232,911</u>	<u>20,708,011</u>
<u>\$ 45,012,131</u>	<u>\$ 46,994,052</u>

CHARTER TOWNSHIP OF BRIGHTON
 ALL AGENCY FUNDS
 COMBINING BALANCE SHEET
 MARCH 31, 2007

	<u>Trust and Agency</u>	<u>Current Tax</u>	<u>Construction Escrow</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash	\$ 75,545	\$ 8,801	\$ 46,799	\$ 131,145
Due from other funds	<u> </u>	<u> </u>	<u>1,900</u>	<u>1,900</u>
Total assets	<u>\$ 75,545</u>	<u>\$ 8,801</u>	<u>\$ 48,699</u>	<u>\$ 133,045</u>
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 161	\$ 8,801	\$ 194	\$ 9,156
Due to others	<u>75,384</u>	<u> </u>	<u>48,505</u>	<u>123,889</u>
Total liabilities	<u>\$ 75,545</u>	<u>\$ 8,801</u>	<u>\$ 48,699</u>	<u>\$ 133,045</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, 2007

	<u>Parks and Recreation</u>	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>Liquor Law</u>	<u>Road Improvement</u>
REVENUES					
Intergovernmental - State	\$	\$	\$	\$ 6,780	\$
Special assessment		217,535			
Licenses and permits					40,000
Charges for services					36,625
Interest	<u>7,581</u>	<u>13,200</u>	<u>20,562</u>	<u>1,232</u>	<u>36,625</u>
Total revenues	<u>7,581</u>	<u>230,735</u>	<u>20,562</u>	<u>8,012</u>	<u>76,625</u>
EXPENDITURES					
Building department		307,641			
Public safety				10,597	
Utilities					
Project-costs					<u>93,738</u>
Total expenditures		<u>307,641</u>		<u>10,597</u>	<u>93,738</u>
Excess of revenues over (under) expenditures	7,581	(76,906)	20,562	(2,585)	(17,113)
OTHER FINANCING SOURCES(USES)					
Transfers in	150,000			16,200	475,000
Transfers (out)					<u>(197,458)</u>
Total other financing sources (uses)	<u>150,000</u>			<u>16,200</u>	<u>277,542</u>
Net changes in fund balances	157,581	(76,906)	20,562	13,615	260,429
FUND BALANCE, APRIL 1, 2006	<u>76,382</u>	<u>258,287</u>	<u>385,142</u>	<u>13,648</u>	<u>772,623</u>
FUND BALANCE, MARCH 31, 2007	<u>\$ 233,963</u>	<u>\$ 181,381</u>	<u>\$ 405,704</u>	<u>\$ 27,263</u>	<u>\$ 1,033,052</u>

<u>Street Improvement</u>	<u>Aquatics</u>	<u>Subdivision Paving</u>	<u>Street Light</u>	<u>Sanitation</u>	<u>Pathways</u>	<u>Totals</u>
\$	\$	\$	\$	\$	\$	\$
		107,742				6,780
						107,742
						217,535
30,185	70,878		13,887	93,986	11,742	260,678
<u>2,205</u>	<u>3,117</u>	<u>23,512</u>		<u>1,528</u>	<u>67</u>	<u>109,629</u>
<u>32,390</u>	<u>73,995</u>	<u>131,254</u>	<u>13,887</u>	<u>95,514</u>	<u>11,809</u>	<u>702,364</u>
						307,641
						10,597
						14,081
<u>21,246</u>	<u>53,523</u>	<u>612,077</u>	<u>14,081</u>	<u>75,757</u>		<u>856,341</u>
<u>21,246</u>	<u>53,523</u>	<u>612,077</u>	<u>14,081</u>	<u>75,757</u>		<u>1,188,660</u>
11,144	20,472	(480,823)	(194)	19,757	11,809	(486,296)
		197,458				838,658
						<u>(197,458)</u>
		197,458				641,200
11,144	20,472	(283,365)	(194)	19,757	11,809	154,904
<u>49,220</u>	<u>87,283</u>	<u>438,859</u>	<u>13,889</u>	<u>58,588</u>		<u>2,153,921</u>
<u>\$ 60,364</u>	<u>\$ 107,755</u>	<u>\$ 155,494</u>	<u>\$ 13,695</u>	<u>\$ 78,345</u>	<u>\$ 11,809</u>	<u>\$ 2,308,825</u>

CHARTER TOWNSHIP OF BRIGHTON
 ALL CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED MARCH 31, 2007

	Building Authority Fund	Municipal Water Fund	Whitmore Lake/ Grand River Water Construction Fund
REVENUES			
New user tap-in fees	\$	\$ 388,800	\$
Grant - state			846,190
Interest	<u>2,150</u>	<u>1,649</u>	<u>214</u>
Total revenues	<u>2,150</u>	<u>390,449</u>	<u>846,404</u>
EXPENDITURES			
Debt service	196,331		
Project costs			<u>846,315</u>
Total expenditures	<u>196,331</u>		<u>846,315</u>
Excess of revenues over (under) expenditures	(194,181)	390,449	89
OTHER FINANCING SOURCES (USES)			
Transfers in	196,332		
Transfers (out)		<u>(229,184)</u>	
Total other financing sources (uses)	<u>196,332</u>	<u>(229,184)</u>	
Net changes in fund balance	2,151	161,265	89
FUND BALANCE, APRIL 1, 2006	<u>25,351</u>		
FUND BALANCE, MARCH 31, 2007	<u>\$ 27,502</u>	<u>\$ 161,265</u>	<u>\$ 89</u>

Weber/ Grand River Water Construction Fund	Totals
\$	\$ 388,800
	846,190
55	4,068
55	1,239,058
	196,331
229,184	1,075,499
229,184	1,271,830
(229,129)	(32,772)
229,184	425,516
229,184	(229,184)
229,184	196,332
55	163,560
55	25,351
\$ 55	\$ 188,911

CHARTER TOWNSHIP OF BRIGHTON
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES			
Utility billings	\$ 70,131	\$ 788,514	\$ 858,645
Other revenues		<u>6,336</u>	<u>6,336</u>
Total operating revenues	<u>70,131</u>	<u>794,850</u>	<u>864,981</u>
OPERATING EXPENSES			
Administration		4,000	4,000
Sludge removal		14,938	14,938
Security		478	478
Telephone		1,130	1,130
Contracted services	13,676	211,883	225,559
Utilities		84,018	84,018
Water purchases	65,045		65,045
Depreciation	1,096	858,645	859,741
Amortization		33,695	33,695
Capital improvements		28,372	28,372
Repairs and maintenance	300	25,303	25,603
Supplies	136	34,204	34,340
Postage	189		189
Professional fees	1,482	13,219	14,701
Permit fees		3,069	3,069
Taps refunded		9,400	9,400
Insurance	<u>744</u>	<u>29,241</u>	<u>29,985</u>
Total operating expenses	<u>82,668</u>	<u>1,351,595</u>	<u>1,434,263</u>
Operating income (loss)	<u>(12,537)</u>	<u>(556,745)</u>	<u>(569,282)</u>
NON-OPERATING REVENUES			
Interest income - special assessments	60,145	758,146	818,291
Interest income - cash and equivalents	2,835	134,403	137,238
Interest (expense)	<u>(60,145)</u>	<u>(1,070,692)</u>	<u>(1,130,837)</u>
Total non-operating revenues (expenses)	<u>2,835</u>	<u>(178,143)</u>	<u>(175,308)</u>
(Loss) before capital contributions	(9,702)	(734,888)	(744,590)
CAPITAL CONTRIBUTIONS			
Tap-in fees collected	5,400	156,458	161,858
Developer contribution		<u>107,632</u>	<u>107,632</u>
Total capital contributions	<u>5,400</u>	<u>264,090</u>	<u>269,490</u>
Net income (loss)	(4,302)	(470,798)	(475,100)
RETAINED EARNINGS, APRIL 1, 2006	<u>59,349</u>	<u>20,648,662</u>	<u>20,708,011</u>
RETAINED EARNINGS, MARCH 31, 2007	<u>\$ 55,047</u>	<u>\$ 20,177,864</u>	<u>\$ 20,232,911</u>

CHARTER TOWNSHIP OF BRIGHTON
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2007

	Water Fund	Sewer Fund	Totals
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (12,537)	\$ (556,745)	\$ (569,282)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities			
Depreciation/amortization	1,096	892,340	893,436
Changes in assets and liabilities			
(Increase)/decrease in accounts receivable	3,909	(23,351)	(19,442)
Decrease in inventory		8,885	8,885
(Increase) decrease in due from other funds	(355)	3,000	2,645
Decrease in prepaid expenses	231	6,635	6,866
(Decrease) increase in accounts payable/others	2,689	(15,604)	(12,915)
(Decrease) increase in due to other funds	(101,880)	(2,026)	(103,906)
Total adjustments	(94,310)	869,879	775,569
Net cash and cash equivalents from (used in) operating activities	(106,847)	313,134	206,287
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES			
Tap-in fees collected	5,400	156,458	161,858
Reimbursement for county construction		42,736	42,736
Capital purchases		(43,491)	(43,491)
Payment on bonds		(2,535,692)	(2,535,692)
Special assessment collections	162,025	1,778,892	1,940,917
Interest payment on interfund loan	(60,145)		(60,145)
Net cash and cash equivalents from (used in) capital and related financing activities	107,280	(601,097)	(493,817)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Interest earned	2,835	132,023	134,858
Net increase (decrease) in cash and cash equivalents	3,268	(155,940)	(152,672)
CASH AND CASH EQUIVALENTS, APRIL 1, 2006	36,706	3,013,666	3,050,372
CASH AND CASH EQUIVALENTS, MARCH 31, 2007	\$ 39,974	\$ 2,857,726	\$ 2,897,700

INDIVIDUAL
FUNDS

GENERAL
FUND

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and equivalents	\$ 6,391,700
Delinquent taxes receivable	84,106
State shared revenues receivable	197,390
Accounts receivable - cable	45,701
Due from other funds	1,606,582
Prepaid expenditures	<u>37,146</u>

Total assets

\$ 8,362,625

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 47,176
Accrued wages and vacation	32,990
Payroll taxes withholding and payable	894
Due to others	17,290
Due to other funds	45,072
Contingent liability	<u>2,700,000</u>

Total liabilities

\$ 2,843,422

FUND BALANCE

5,519,203

Total liabilities and fund balance

\$ 8,362,625

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 863,300	\$ 925,306	\$ 62,006
Treasurer	514,691	704,465	189,774
Ordinance enforcement	2,600	2,600	
Planning and zoning	91,000	82,292	(8,708)
State shared revenue	1,172,388	1,200,487	28,099
Miscellaneous revenue	<u>282,617</u>	<u>352,608</u>	<u>69,991</u>
Total revenues	2,926,596	3,267,758	341,162
EXPENDITURES	<u>2,541,353</u>	<u>2,219,997</u>	<u>321,356</u>
Excess of revenues over (under) expenditures	385,243	1,047,761	662,518
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(834,303)</u>	<u>(837,532)</u>	<u>(3,229)</u>
Net change in fund balance	(449,060)	210,229	659,289
FUND BALANCE, APRIL 1, 2006	<u>5,308,974</u>	<u>5,308,974</u>	<u> </u>
FUND BALANCE, MARCH 31, 2007	<u>\$ 4,859,914</u>	<u>\$ 5,519,203</u>	<u>\$ 659,289</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES			
Current property taxes	\$	\$ 924,959	\$
Penalties/interest - delinquent taxes		44	
Trailer park fees		<u>303</u>	
Total taxes	<u>863,300</u>	<u>925,306</u>	<u>62,006</u>
TREASURER			
Property tax administration fee		298,325	
Interest		405,114	
Dog licenses		<u>1,026</u>	
Total treasurer	<u>514,691</u>	<u>704,465</u>	<u>189,774</u>
ORDINANCE ENFORCEMENT			
Soil removing fees	<u>2,600</u>	<u>2,600</u>	
PLANNING AND ZONING	<u>91,000</u>	<u>82,292</u>	<u>(8,708)</u>
STATE SHARED REVENUE	<u>1,172,388</u>	<u>1,200,487</u>	<u>28,099</u>
MISCELLANEOUS REVENUES			
School election reimbursement		17,704	
Right of way fees		12,979	
Cable TV fees		199,973	
Printed material and duplicating		2,654	
Fines		250	
Rental income		101,580	
Reimbursement/refunds		2,968	
Sewer administration fee		4,000	
Other revenue		<u>10,500</u>	
Total miscellaneous revenues	<u>282,617</u>	<u>352,608</u>	<u>69,991</u>
Total revenues	<u>\$ 2,926,596</u>	<u>\$ 3,267,758</u>	<u>\$ 341,162</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP BOARD			
Fees	\$	\$ 27,547	\$
Ordinance codification		380	
Printing and publication		12,460	
Payroll taxes		2,108	
Life insurance		458	
Pension		7,240	
Liability insurance		91	
Communication		67	
Planning consultant		14,935	
Engineering services		7,136	
Consulting services		979	
Dues and subscriptions		9,531	
Supplies		<u>1,083</u>	
Total township board	<u>118,130</u>	<u>84,015</u>	<u>34,115</u>
SUPERVISOR			
Salary		27,634	
Assistant salary		15,914	
Pension		5,204	
Payroll taxes		3,513	
Health insurance		14,673	
Liability insurance		217	
Life insurance		324	
Disability insurance		260	
Mileage		57	
Meetings and conventions		739	
Dues		150	
Supplies		480	
Postage		44	
Capital outlay		<u>2,037</u>	
Total supervisor	<u>76,904</u>	<u>71,246</u>	<u>5,658</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
MANAGER			
Salary		78,578	
Wages - clerical		37,996	
Hospitalization insurance		21,198	
Pension		12,865	
Payroll taxes		8,996	
Liability insurance		747	
Life insurance		329	
Disability insurance		1,464	
Meetings and conventions		1,798	
Mileage		432	
Dues and subscriptions		783	
Capital outlay		260	
Supplies/postage		1,257	
Total manager	<u>171,114</u>	<u>166,703</u>	<u>4,411</u>
ELECTIONS			
Wages - clerk		12,919	
Wages - deputy officials		26,852	
Election workers		34,193	
Pension		1,794	
Payroll taxes		2,889	
Hospitalization insurance		8,784	
Life insurance		134	
Disability insurance		318	
Computer support		2,500	
Accuracy consulting		7,279	
Education and milage		500	
Printing and publishing		729	
Miscellaneous		138	
Equipment rental		398	
Postage		5,603	
Supplies		5,263	
Capital outlay		1,707	
Total elections	<u>122,284</u>	<u>112,000</u>	<u>10,284</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ASSESSOR			
Wages		138,953	
Pension		18,130	
Payroll taxes		10,675	
Insurance - benefits		27,888	
Insurance - liability		2,248	
Education		2,227	
Supplies		1,229	
Postage		3,742	
Mileage		1,508	
Memberships and dues		285	
Printing and publishing		2,085	
Transportation		1,125	
Capital outlay		<u>16,473</u>	
Total assessor	<u>242,029</u>	<u>226,568</u>	<u>15,461</u>
CLERK			
Salary		38,860	
Wages - deputy clerk		26,793	
Wages - other		42,130	
Pension		10,521	
Payroll taxes		9,118	
General liability insurance		563	
Insurance - benefits		46,592	
Postage		1,175	
Audit fees		7,020	
Supplies		1,079	
Meetings and conventions		754	
Printing/newsletter		2,850	
Mileage		737	
Memberships and dues		530	
Record retention		<u>675</u>	
Total clerk	<u>223,413</u>	<u>189,397</u>	<u>34,016</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TREASURER			
Salary		51,779	
Wages - deputy treasurer		35,043	
Wages - other		27,233	
Pension		10,463	
Payroll taxes		8,709	
Bank fees		20	
General liability insurance		527	
Insurance - benefits		43,151	
Audit fees		7,020	
Temporary employment services		5,306	
Supplies		882	
Tax forms		1,858	
Postage		6,579	
Small equipment		55	
Conventions and meetings		3,031	
Mileage and expenses		1,222	
Memberships and dues		547	
	<u> </u>	<u> </u>	<u> </u>
Total treasurer	<u>237,047</u>	<u>203,425</u>	<u>33,622</u>
SEWER AND WATER			
Per diem		770	
Payroll taxes		59	
Project costs		333	
Engineering/consulting		2,132	
	<u> </u>	<u> </u>	<u> </u>
Total sewer and water	<u>290,305</u>	<u>3,294</u>	<u>287,011</u>
ROADS			
Per diem		360	
Payroll taxes		28	
Project costs		38,784	
	<u> </u>	<u> </u>	<u> </u>
Total roads	<u>103,270</u>	<u>39,172</u>	<u>64,098</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
UNALLOCATED			
Small equipment		583	
Insurance		30,319	
Computer support		26,381	
Legal fees		92,145	
Telephone		12,381	
Mileage		41	
Equipment repair		6,394	
Equipment rental		981	
Total unallocated	<u>196,700</u>	<u>169,225</u>	<u>27,475</u>
PLANNING COMMISSION			
Wages		75,327	
Per diem		6,290	
Pension		9,792	
Payroll taxes		6,175	
Planning consultant		131	
General liability insurance		500	
Insurance - benefits		19,877	
Supplies		1,328	
Engineering services		61,182	
Printing and publications		2,393	
Dues		120	
Economic development		4,000	
Education and mileage		2,782	
Special projects		58,672	
Total planning commission	<u>294,872</u>	<u>248,569</u>	<u>46,303</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP HALL			
Wages		4,785	
Cleaning maintenance		1,783	
Supplies		14,735	
Postage		306	
Payroll taxes		366	
General liability insurance		439	
Street lighting		3,238	
Equipment maintenance and repairs		4,808	
Grounds maintenance and repairs		9,752	
Building maintenance and repairs		12,834	
Utilities		15,829	
Tax chargebacks		338	
Capital outlay/improvement		<u>12,295</u>	
Total township hall	<u>128,680</u>	<u>81,508</u>	<u>47,172</u>
CEMETERY	<u>37,000</u>	<u>17,967</u>	<u>19,033</u>
FIRE PROTECTION			
Equipment			
Leased equipment		37,809	
Equipment maintenance and repair		1,162	
Building			
Drain assessment		1,759	
Utilities		912	
Building maintenance and repair		30,538	
Grounds maintenance and repair		<u>9,664</u>	
Total fire protection	<u>82,910</u>	<u>81,844</u>	<u>1,066</u>
EMERGENCY PREPAREDNESS			
Electricity		397	
Equipment maintenance and repair		<u>1,660</u>	
Total emergency preparedness	<u>2,200</u>	<u>2,057</u>	<u>143</u>
REFUSE COLLECTION	<u>12,000</u>	<u>5,635</u>	<u>6,365</u>

CHARTER TOWNSHIP OF BRIGHTON
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
RECREATION	<u>120,000</u>	<u>59,129</u>	<u>60,871</u>
DRAINS	<u>41,200</u>	<u>35,833</u>	<u>5,367</u>
CONTINGENCY	<u> </u>	<u>400,000</u>	<u>(400,000)</u>
CODE ENFORCEMENT			
Wages		4,184	
Pension		523	
Payroll taxes		288	
Insurance – benefits		2,452	
Enforcement officer		14,893	
General liability insurance		<u>70</u>	
Total code enforcement	<u>41,295</u>	<u>22,410</u>	<u>18,885</u>
Total expenditures	<u>\$ 2,541,353</u>	<u>\$ 2,219,997</u>	<u>\$ 321,356</u>

PARKS
AND
RECREATION
FUND

CHARTER TOWNSHIP OF BRIGHTON
PARKS AND RECREATION FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Due from other funds

\$ 233,963

FUND BALANCE

FUND BALANCE - RESERVED FOR PARKS AND RECREATION

\$ 233,963

CHARTER TOWNSHIP OF BRIGHTON
PARKS AND RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Amended Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$	\$ 7,581	\$ 7,581
EXPENDITURES			
Excess of revenues over (under) expenditures		7,581	7,581
OTHER FINANCING SOURCES			
Transfers in	<u>150,000</u>	<u>150,000</u>	
Net change in fund balance		157,581	7,581
FUND BALANCE, APRIL 1, 2006	<u>76,382</u>	<u>76,382</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 226,382</u>	<u>\$ 233,963</u>	<u>\$ 7,581</u>

BUILDING
DEPARTMENT
FUND

CHARTER TOWNSHIP OF BRIGHTON
BUILDING DEPARTMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 188,800
Due from other funds	44
Prepaid expenses	<u>3,322</u>

Total assets		\$ <u>192,166</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,402
Accrued wages and vacation	9,227
Payroll taxes withholding and payable	<u>156</u>

Total liabilities		\$ 10,785
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FUND BALANCE

181,381

Total liabilities and fund balance		\$ <u>192,166</u>
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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, 2007

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES	<u>\$ 395,600</u>	<u>\$ 230,735</u>	<u>\$ (164,865)</u>
EXPENDITURES			
Wages		110,579	
Payroll taxes		8,688	
Insurance - benefits		31,184	
Pension		15,199	
Electrical inspector		27,407	
Plumbing inspector		16,018	
Mechanical inspector		31,130	
Building official		31,715	
Plan review		1,335	
General liability insurance		4,460	
Supplies and postage		1,759	
Printing materials		1,522	
Audit fees		1,950	
Computer support		1,086	
Legal		116	
Bank fees		60	
Telephone		505	
Meetings and conventions		1,329	
Fuels and lubricants		2,026	
Mileage		109	
Rent		14,098	
Repairs and maintenance		3,330	
Membership and dues		320	
Refunds		1,716	
	<u>378,890</u>	<u>307,641</u>	<u>71,249</u>
Total expenditures			
Net change in fund balance	16,710	(76,906)	(93,616)
FUND BALANCE, APRIL 1, 2006	<u>258,287</u>	<u>258,287</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 274,997</u>	<u>\$ 181,381</u>	<u>\$ (93,616)</u>

CHARTER TOWNSHIP OF BRIGHTON
 BUILDING DEPARTMENT FUND
 STATEMENT OF REVENUES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
License registration	\$	\$ 1,425	\$
Building permits		93,026	
Electrical permits		31,967	
Plumbing permits		17,103	
Mechanical permits		35,913	
Tenant occupancy permit		2,895	
Miscellaneous		16	
Grading and land use permits		8,490	
NSF fees		105	
Plan review fee		26,080	
Addressing		515	
Interest		13,200	
Total revenues	\$ 395,600	\$ 230,735	\$ (164,865)

BUDGET
STABILIZATION
FUND

CHARTER TOWNSHIP OF BRIGHTON
BUDGET STABILIZATION FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and investments

\$ 405,704

FUND BALANCE

FUND BALANCE

\$ 405,704

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, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 17,500	\$ 20,562	\$ 3,062
EXPENDITURES			
Net change in fund balance	17,500	20,562	3,062
FUND BALANCE, APRIL 1, 2006	<u>385,142</u>	<u>385,142</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 402,642</u>	<u>\$ 405,704</u>	<u>\$ 3,062</u>

LIQUOR LAW
ENFORCEMENT
FUND

CHARTER TOWNSHIP OF BRIGHTON
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash

\$ 27,263

FUND BALANCE

FUND BALANCE

\$ 27,263

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, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
State shared revenues - liquor licenses	\$	\$ 6,780	\$
Interest		<u>1,232</u>	
Total revenues	<u>6,300</u>	<u>8,012</u>	<u>1,712</u>
EXPENDITURES			
Enforcement officer		275	
Contracted services		<u>10,322</u>	
Total expenditures	<u>22,500</u>	<u>10,597</u>	<u>11,903</u>
Excess of revenues over (under) expenditures	(16,200)	(2,585)	13,615
OTHER FINANCING SOURCES			
Transfers in	<u>16,200</u>	<u>16,200</u>	
Net change in fund balance		13,615	13,615
FUND BALANCE, APRIL 1, 2006	<u>13,648</u>	<u>13,648</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 13,648</u>	<u>\$ 27,263</u>	<u>\$ 13,615</u>

ROAD
IMPROVEMENT
FUND

CHARTER TOWNSHIP OF BRIGHTON
ROAD IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash

\$ 756,711

Due from other funds

276,341

Total assets

\$ 1,033,052

FUND BALANCE

FUND BALANCE

\$ 1,033,052

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, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Developer fees	\$	\$ 40,000	\$
Interest		<u>36,625</u>	
Total revenues		76,625	76,625
EXPENDITURES			
Project costs	<u>247,000</u>	<u>93,738</u>	<u>153,262</u>
Excess of revenues over (under) expenditures	(247,000)	(17,113)	229,887
OTHER FINANCING SOURCES(USES)			
Transfers in	475,000	475,000	
Transfers (out)	<u>(262,350)</u>	<u>(197,458)</u>	<u>64,892</u>
Total other financing sources(uses)	<u>212,650</u>	<u>277,542</u>	<u>64,892</u>
Net change in fund balance	(34,350)	260,429	294,779
FUND BALANCE, APRIL 1, 2006	<u>772,623</u>	<u>772,623</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 738,273</u>	<u>\$ 1,033,052</u>	<u>\$ 294,779</u>

STREET IMPROVEMENT
FUND

CHARTER TOWNSHIP OF BRIGHTON
STREET IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash	\$ 58,985
Due from county	<u>1,868</u>

Total assets		<u>\$ 60,853</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 489
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FUND BALANCE

<u>60,364</u>

Total liabilities and fund balance		<u>\$ 60,853</u>
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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, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$	\$ 30,185	\$
Interest income		2,205	
Total revenues	33,118	32,390	(728)
EXPENDITURES			
Contract expense	79,852	21,246	58,606
Net change in fund balance	(46,734)	11,144	57,878
FUND BALANCE, APRIL 1, 2006	49,220	49,220	
FUND BALANCE, MARCH 31, 2007	\$ 2,486	\$ 60,364	\$ 57,878

AQUATICS
FUND

CHARTER TOWNSHIP OF BRIGHTON
AQUATICS FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents
Due from county

\$ 102,624
5,379

Total assets

\$ 108,003

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 248

FUND BALANCE

107,755

Total liabilities and fund balance

\$ 108,003

CHARTER TOWNSHIP OF BRIGHTON
AQUATICS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$	\$ 70,878	\$
Interest income	<u> </u>	<u>3,117</u>	<u> </u>
Total revenues	70,340	73,995	3,655
EXPENDITURES			
Project costs	<u>76,347</u>	<u>53,523</u>	<u>22,824</u>
Net change in fund balance	(6,007)	20,472	26,479
FUND BALANCE, APRIL 1, 2006	<u>87,283</u>	<u>87,283</u>	<u> </u>
FUND BALANCE, MARCH 31, 2007	<u>\$ 81,276</u>	<u>\$ 107,755</u>	<u>\$ 26,479</u>

SUBDIVISION
PAVING
FUND

CHARTER TOWNSHIP OF BRIGHTON
SUBDIVISION PAVING FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 423,448
Due from county	8,387
Special assessment receivable	<u>338,087</u>

Total assets	<u>\$ 769,922</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 276,341
Deferred revenue	<u>338,087</u>

Total liabilities	\$ 614,428
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FUND BALANCE

<u>155,494</u>

Total liabilities and fund balance	<u>\$ 769,922</u>
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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, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 107,742	\$
Interest income		<u>23,512</u>	
Total revenues	78,008	131,254	53,246
EXPENDITURES			
Project costs	<u>625,501</u>	<u>612,077</u>	<u>13,424</u>
Excess of revenues over (under) expenditures	(547,493)	(480,823)	66,670
OTHER FINANCING SOURCES			
Transfers in	<u>262,350</u>	<u>197,458</u>	<u>(64,892)</u>
Net change in fund balance	(285,143)	(283,365)	1,778
FUND BALANCE, APRIL 1, 2006	<u>438,859</u>	<u>438,859</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 153,716</u>	<u>\$ 155,494</u>	<u>\$ 1,778</u>

STREETLIGHT
FUND

CHARTER TOWNSHIP OF BRIGHTON
STREETLIGHT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Special assessment receivable
Due from other funds

\$ 13,881
982

Total assets

\$ 14,863

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 1,168

FUND BALANCE

13,695

Total liabilities and fund balance

\$ 14,863

CHARTER TOWNSHIP OF BRIGHTON
STREETLIGHT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 11,464	\$ 13,887	\$ 2,423
EXPENDITURES			
Utilities	14,140	14,081	59
Net change in fund balance	(2,676)	(194)	2,482
FUND BALANCE, APRIL 1, 2006	13,889	13,889	
FUND BALANCE, MARCH 31, 2007	\$ 11,213	\$ 13,695	\$ 2,482

SANITATION
FUND

CHARTER TOWNSHIP OF BRIGHTON
SANITATION FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash	\$ 68,009
Due from county	3,604
Prepaid expenditures	<u>6,732</u>

Total assets

\$ 78,345

FUND BALANCE

FUND BALANCE

\$ 78,345

CHARTER TOWNSHIP OF BRIGHTON
SANITATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessment	\$	\$ 93,986	\$
Interest	<u> </u>	<u>1,528</u>	<u> </u>
Total revenues	71,402	95,514	24,112
EXPENDITURES			
Project costs	<u>75,571</u>	<u>75,757</u>	<u>(186)</u>
Net change in fund balance	(4,169)	19,757	23,926
FUND BALANCE, APRIL 1, 2006	<u>58,588</u>	<u>58,588</u>	<u> </u>
FUND BALANCE, MARCH 31, 2007	<u>\$ 54,419</u>	<u>\$ 78,345</u>	<u>\$ 23,926</u>

PATHWAYS
FUND

CHARTER TOWNSHIP OF BRIGHTON
PATHWAYS FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS
Cash

\$ 11,809

FUND BALANCE

FUND BALANCE

\$ 11,809

CHARTER TOWNSHIP OF BRIGHTON
 PATHWAYS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED MARCH 31, 2007

REVENUE			
Sidewalk assessments	\$	11,742	
Interest		<u>67</u>	
Total revenues			\$ 11,809
EXPENDITURES			<u> </u>
Net change in fund balance			11,809
FUND BALANCE, APRIL 1, 2006			<u> </u>
FUND BALANCE, MARCH 31, 2007			<u>\$ 11,809</u>

WATER
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF BRIGHTON
WATER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash

\$ 784,497

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued interest - bonds

\$ 28,103

FUND BALANCE

756,394

Total liabilities and fund balance

\$ 784,497

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, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Interest	\$ 25,000	\$ 40,302	\$ 15,302
EXPENDITURES			
Debt service			
Principal		40,000	
Fees		250	
Interest		67,539	
Total expenditures	108,300	107,789	511
Net change in fund balance	(83,300)	(67,487)	15,813
FUND BALANCE, APRIL 1, 2006	823,881	823,881	
FUND BALANCE, MARCH 31, 2007	\$ 740,581	\$ 756,394	\$ 15,813

BUILDING
AUTHORITY
FUND

CHARTER TOWNSHIP OF BRIGHTON
BUILDING AUTHORITY FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash	\$ 128,138	
Due from other funds	<u>42,146</u>	
Total assets		<u>\$ 170,284</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued interest payable	\$ 37,782	
Bonds payable	<u>105,000</u>	
Total liabilities		\$ 142,782

FUND BALANCE

		<u>27,502</u>
Total liabilities and fund balance		<u>\$ 170,284</u>

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, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
Interest	\$ 1,000	\$ 2,150	\$ 1,150
EXPENDITURES			
Bond payment - principal		105,000	
Bond payment - interest		91,031	
Agent fees		300	
Total expenditures	<u>193,103</u>	<u>196,331</u>	<u>(3,228)</u>
Excess of revenues over (under) expenditures	(192,103)	(194,181)	(2,078)
OTHER FINANCING SOURCES			
Transfers in	<u>193,103</u>	<u>196,332</u>	<u>3,229</u>
Net change in fund balance	1,000	2,151	1,151
FUND BALANCE, APRIL 1, 2006	<u>25,351</u>	<u>25,351</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 26,351</u>	<u>\$ 27,502</u>	<u>\$ 1,151</u>

MUNICIPAL
WATER
FUND

CHARTER TOWNSHIP OF BRIGHTON
MUNICIPAL WATER FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS
Cash

\$ 161,451

LIABILITIES AND FUND BALANCE

LIABILITIES

\$ 186

FUND BALANCE

161,265

Total liabilities and fund balance

\$ 161,451

CHARTER TOWNSHIP OF BRIGHTON
MUNICIPAL WATER FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2007

REVENUE		
Connection fees	\$ 388,800	
Interest income	<u>1,649</u>	
Total revenues		\$ 390,449
EXPENDITURES		<u> </u>
Excess of revenues over (under) expenditures		390,449
OTHER FINANCING SOURCES (USES)		
Transfers (out)		<u>(229,184)</u>
Net change in fund balance		161,265
FUND BALANCE, APRIL 1, 2006		<u> </u>
FUND BALANCE, MARCH 31, 2007		<u>\$ 161,265</u>

WHITMORE LAKE/
GRAND RIVER
WATER
CONSTRUCTION
FUND

CHARTER TOWNSHIP OF BRIGHTON
WHITMORE LAKE/GRAND RIVER WATER CONSTRUCTION FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash	\$ 89
Accounts receivable - state	<u>69,985</u>

Total assets	<u>\$ 70,074</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 69,985
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FUND BALANCE

<u>89</u>

Total liabilities and fund balance	<u>\$ 70,074</u>
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CHARTER TOWNSHIP OF BRIGHTON
 WHITMORE LAKE/GRAND RIVER WATER CONSTRUCTION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED MARCH 31, 2007

REVENUE		
Grant - MDEQ	\$ 846,190	
Interest income	<u>214</u>	
Total revenues		\$ 846,404
EXPENDITURES		
Project costs	457,515	
Connection fees	<u>388,800</u>	
Total expenditures		<u>846,315</u>
Net change in fund balance		89
FUND BALANCE, APRIL 1, 2006		<u> </u>
FUND BALANCE, MARCH 31, 2007		<u><u>\$ 89</u></u>

WEBER/GRAND RIVER
WATER
CONSTRUCTION
FUND

CHARTER TOWNSHIP OF BRIGHTON
WEBER/GRAND RIVER WATER CONSTRUCTION FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS
Cash

\$ 55

FUND BALANCE

FUND BALANCE

\$ 55

CHARTER TOWNSHIP OF BRIGHTON
 WEBER/GRAND RIVER WATER CONSTRUCTION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED MARCH 31, 2007

REVENUE		
Interest income		\$ 55
EXPENDITURES		
Project costs		<u>229,184</u>
Excess of revenues over (under) expenditures		(229,129)
OTHER FINANCING SOURCES (USES)		
Transfers in		<u>229,184</u>
Net change in fund balance		55
FUND BALANCE, APRIL 1, 2006		<u> </u>
FUND BALANCE, MARCH 31, 2007		<u><u>\$ 55</u></u>

WATER FUND

CHARTER TOWNSHIP OF BRIGHTON
WATER FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	39,974
Accounts receivable - water billings		18,858
Due from other funds		355
Due from county		15,882
Prepaid expenses		<u>128</u>

Total current assets \$ 75,197

RESTRICTED ASSETS

Special assessment receivable 899,760

PROPERTY AND EQUIPMENT

Land		617
Equipment, improvements and system		<u>43,824</u>
		44,441
Less: accumulated depreciation		<u>6,307</u>

Net property and equipment 38,134

Total assets \$ 1,013,091

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$	16,974
Due to other funds (from restricted assets)		<u>941,070</u>

Total liabilities \$ 958,044

FUND EQUITY

Retained earnings - unreserved 55,047

Total liabilities and fund equity \$ 1,013,091

CHARTER TOWNSHIP OF BRIGHTON
WATER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2007

OPERATING REVENUES	
Water billings and late charges	<u>\$ 70,131</u>
OPERATING EXPENSES	
Engineering fees	692
Audit fees	585
Legal fees	205
Contracted services	13,504
Computer support	172
Water purchases	65,045
Depreciation	1,096
Repairs and maintenance	300
Supplies	136
Postage	189
Insurance	<u>744</u>
Total operating expenses	<u>82,668</u>
Operating (loss)	<u>(12,537)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income - cash and cash equivalents	2,835
Interest income - special assessments	60,145
Interest expense	<u>(60,145)</u>
Total non-operating revenues (expense)	<u>2,835</u>
CAPITAL CONTRIBUTIONS	
Tap-in fees	<u>5,400</u>
Net (loss)	(4,302)
RETAINED EARNINGS, APRIL 1, 2006	<u>59,349</u>
RETAINED EARNINGS, MARCH 31, 2007	<u><u>\$ 55,047</u></u>

CHARTER TOWNSHIP OF BRIGHTON
WATER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2007

CASH FLOWS FROM (USED IN) OPERATING
ACTIVITIES

Operating (loss)	<u>\$ (12,537)</u>
Adjustments to reconcile operating income to net cash from (used in) operating activities	
Depreciation	1,096
Changes in assets and liabilities	
Decrease in accounts receivable	3,909
Decrease in prepaid expenses	231
Increase in accounts payable	2,689
(Increase) in due from other funds	(355)
(Decrease) in due to other fund	<u>(101,880)</u>
Total adjustments	<u>(94,310)</u>
Net cash (used in) operating activities	<u>(106,847)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Special assessments collected	162,025
Tap-in fees collected	5,400
Interest paid on interfund loan	<u>(60,145)</u>
Net cash from capital and related financing activities	<u>107,280</u>

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Interest	<u>2,835</u>
Net increase in cash and cash equivalents	3,268

CASH AND CASH EQUIVALENTS, APRIL 1, 2006	<u>36,706</u>
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CASH AND CASH EQUIVALENTS, MARCH 31, 2007	<u><u>\$ 39,974</u></u>
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SEWER
FUND

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	81,505
Accounts receivable - usage		139,953
Accounts receivable - other		28,198
Prepaid expenses - insurance		5,652
Inventory - pumps and parts		64,175
Due from county - delinquents		<u>11,696</u>

Total current assets \$ 331,179

RESTRICTED ASSETS

Cash and cash equivalents - debt service		2,693,041
Cash and cash equivalents - replacement		83,180
Accounts receivable - capital charge (usage)		66,118
Bond issuance costs - net of amortization of \$67,390		471,732
Special assessments receivable		11,541,224
Due from county -delinquents (SAD)		305,604
Due from county - construction funds		<u>45,850</u>

Total restricted assets 15,206,749

FIXED ASSETS

Land		1,395,155
Sewer plant		9,728,042
Sewer collection system		17,687,541
Pumps and equipment		3,459,289
Office furniture and equipment		<u>22,500</u>
		32,292,527
Less: accumulated depreciation		<u>(3,831,415)</u>

Net fixed assets 28,461,112

Total assets \$ 43,999,040

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES (from unrestricted assets)

Accounts payable	\$ 7,763
Due to general fund - property deferrals	10,338
Due to general fund - operating loan	214,832
Due to water fund	<u>355</u>

Total current liabilities (from unrestricted assets) \$ 233,288

CURRENT LIABILITIES (from restricted assets)

Accounts payable	1,367
Bonds payable	1,525,000
Due to general fund	431,000
New connections - escrow funds	55,521
Notes payable - Livingston County Drain Commission	<u>75,000</u>

Total current liabilities (from restricted assets) 2,087,888

LONG-TERM LIABILITIES (from restricted assets)

Bonds payable	<u>21,500,000</u>
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Total liabilities 23,821,176

FUND EQUITY

Retained earnings - reserved	20,145,367
Retained earnings - unreserved	<u>32,497</u>

Total fund equity 20,177,864

Total liabilities and fund equity \$ 43,999,040

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Unreserved Retained Earnings</u>	<u>Retained Earnings Reserved</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES, APRIL 1, 2006	\$ (56,841)	\$ 20,705,503	\$ 20,648,662
OPERATING (LOSS)	(556,745)		(556,745)
ADJUSTMENTS			
Sewer usage - capital charges	(249,377)	249,377	
Depreciation expense	858,645	(858,645)	
Other Income (expenses)	(109)	109	
Amortization (expense)	33,695	(33,695)	
Refund - tap fee	9,400	(9,400)	
Capital improvements	26,673	(26,673)	
Legal	8,038	(8,038)	
Bank fees (included in office expense)	18	(18)	
INTEREST INCOME - BANKS	3,397	131,006	134,403
TRANSFER TO REPLACEMENT RESERVES	(40,000)	40,000	
INTEREST INCOME - SPECIAL ASSESSMENTS	758,146		758,146
CAPITAL CONTRIBUTIONS		264,090	264,090
INTEREST EXPENSE - GENERAL FUND LOAN	(4,297)	(8,620)	(12,917)
INTEREST EXPENSE - BONDS		(1,057,050)	(1,057,050)
AGENT FEES - BONDS	<u> </u>	<u>(725)</u>	<u>(725)</u>
BALANCES, MARCH 31, 2007	<u>\$ 32,497</u>	<u>\$ 20,145,367</u>	<u>\$ 20,177,864</u>

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2007

OPERATING REVENUES		
Sewer usage	\$ 539,137	
Sewer usage - capital charges	249,377	
Other revenue	<u>6,336</u>	
Total operating revenues		\$ 794,850
OPERATING EXPENSES		
Administration	4,000	
Amortization expense	33,695	
Audit services	2,987	
Alarm maintenance	478	
Computer services	688	
Consulting	16,896	
Capital improvements	28,372	
Contracted services - operators	194,299	
Depreciation expense	858,645	
Permit fees	3,069	
Legal	10,232	
Liability insurance	29,241	
Office expenses	2,005	
Refunds - tap fee	9,400	
Repairs and maintenance - equipment	11,130	
Repairs and maintenance - grounds	9,666	
Repairs and maintenance - building	4,507	
Sludge removal	14,938	
Supplies	32,199	
Telephone	1,130	
Utilities	<u>84,018</u>	
Total operating expenses		<u>1,351,595</u>
Operating (loss)		(556,745)
NON-OPERATING REVENUES (EXPENSES)		
Interest income - banks	134,403	
Interest income - special assessment	758,146	
Interest (expense) - general fund loan	(12,917)	
Interest (expense) - bonds	(1,057,050)	
Agent fees - bonds	<u>(725)</u>	
Total non-operating (expenses)		(178,143)
CAPITAL CONTRIBUTIONS		
Tap-in fees (new users)	156,458	
Developer contributions	<u>107,632</u>	
Total capital contributions		<u>264,090</u>
Net (loss)		(470,798)
RETAINED EARNINGS, APRIL 1, 2006		<u>20,648,662</u>
RETAINED EARNINGS, MARCH 31, 2007		<u>\$ 20,177,864</u>

CHARTER TOWNSHIP OF BRIGHTON
SEWER FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2007

CASH FLOWS FROM (USED IN) OPERATING
ACTIVITIES

Operating (loss)		\$ (556,745)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation expense	\$ 858,645	
Amortization expense	33,695	
Changes in assets and liabilities		
(Increase) in accounts receivable	(23,351)	
Decrease in prepaid expense	6,635	
Decrease in inventory	8,885	
Decrease in due to other funds	3,000	
(Decrease) in accounts payable	(974)	
(Decrease) in due to other funds	(2,026)	
(Decrease) in new connection escrow	<u>(14,630)</u>	
 Total adjustments		 <u>869,879</u>
 Net cash from operating activities		 313,134

CASH FLOWS FROM (USED IN) CAPITAL AND
RELATED FINANCING ACTIVITIES

Special assessment collections - principle	800,040	
Proceeds from county - delinquent fees, assessments	220,706	
Repayment of bonds payable - principle	(1,465,000)	
Reimbursements from County Construction Funds	42,736	
Capital purchases	(43,491)	
Tap-in fees collected	156,458	
Interest income - assessments	758,146	
Interest expense and fees paid on debt	<u>(1,070,692)</u>	
 Net cash (used in) capital and related financing activities		 (601,097)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income - received from banks		<u>132,023</u>
 Net (decrease) in cash and cash equivalents		 (155,940)

CASH AND CASH EQUIVALENTS, APRIL 1, 2006 3,013,666

CASH AND CASH EQUIVALENTS, MARCH 31, 2007 \$ 2,857,726

TRUST
AND
AGENCY
FUND

CHARTER TOWNSHIP OF BRIGHTON
TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash

\$ 75,545

LIABILITIES

LIABILITIES

Due to other funds

\$ 161

Due to others

75,384

Total liabilities

\$ 75,545

CURRENT
TAX
COLLECTION
FUND

CHARTER TOWNSHIP OF BRIGHTON
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash

\$ 8,801

LIABILITIES

LIABILITIES

Due to other funds

\$ 8,801

CONSTRUCTION
ESCROW
FUND

CHARTER TOWNSHIP OF BRIGHTON
CONSTRUCTION ESCROW FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash	\$ 46,799	
Due from other funds	<u>1,900</u>	
Total assets		<u>\$ 48,699</u>

LIABILITIES

LIABILITIES

Performance deposits	\$ 48,505	
Due to other funds	<u>194</u>	
Total liabilities		<u>\$ 48,699</u>

CHARTER TOWNSHIP OF BRIGHTON

COMMENTS
AND
RECOMMENDATIONS

FOR THE YEAR ENDED MARCH 31, 2007

June 29, 2007

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

Honorable Board of Trustees:

In planning and performing our audit of the financial statements of the Charter Township of Brighton for the year ended March 31, 2007, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Those matters are as follows:

1. COMMENT

The special assessments levied to finance the wastewater treatment plant and collection system is considerably less than the outstanding debt owed by the Township to the bondholders.

RECOMMENDATION

The Township should evaluate its ability to fulfill its debt service requirements. This could be accomplished by adding new users or increasing sewer rates.

2. COMMENT

Several funds contain Interfund receivable and payables.

RECOMMENDATION

These amounts should be paid as soon as possible during the next fiscal year.

3. COMMENT

For the year ended March 31, 2007 we found instances where expenditures exceeded budgeted appropriations. There was also a special revenue fund without an adopted budget.

RECOMMENDATION

Before an actual expenditure exceeds the appropriated budget, the budget should be amended. Budgets are required for all special revenue funds pursuant to Public Act 493 of 2000.

4. COMMENT

We were unable to verify if the correct amounts were being receipted for cell tower rentals.

RECOMMENDATION

The Township may wish to evaluate and review that all cell tower rentals are being paid timely according to signed lease agreements.

This letter does not affect our report dated June 29, 2007, on the financial statements of the Charter Township of Brighton.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and recommendations with various Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees, and management of the Charter Township of Brighton and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants