

CHARTER TOWNSHIP OF BRIGHTON

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2009

**CHARTER TOWNSHIP OF BRIGHTON**

**TOWNSHIP OFFICIALS**

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

**BOARD OF TRUSTEES**

Ann Bollin  
Cathy Doughty  
Lana Theis  
Thomas Murphy  
Jim Kovitz  
John Rogers  
J. Michael Slaton

**TOWNSHIP ATTORNEY**

John K. Harris  
Harris & Leterski

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

## TABLE OF CONTENTS

### PAGE NUMBER

INDEPENDENT AUDITORS' REPORT	
MANAGEMENT DISCUSSION AND ANALYSIS	9
BASIC FINANCIAL STATEMENTS	
GOVERNMENT - WIDE FINANCIAL STATEMENTS	
Statement of Net Assets	16
Statement of Activities	17
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	19
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Assets - Proprietary Fund	23
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Assets and Liabilities - Fiduciary Funds	26
NOTES TO FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	47
Schedules of Pension Funding Progress (Unaudited)	48
<u>SUPPLEMENTARY INFORMATION</u>	
COMBINING FINANCIAL STATEMENTS	
All Special Revenue Funds - Combining Balance Sheet	51
All Capital Project Funds - Combining Balance Sheet	53
All Agency Funds - Combining Balance Sheet	54
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	55
All Capital Project Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
All Enterprise Funds - Combining Statement of Revenues, Expenses and Changes in Retained Earnings	57
All Enterprise Funds - Combining Statement of Cash Flows	58

TABLE OF CONTENTS

PAGE NUMBER

INDIVIDUAL FUNDS

GENERAL FUND

Balance Sheet	61
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	62
Statement of Revenues - Budget and Actual	63
Statement of Expenditures - Budget and Actual	64

PARKS FUND

Balance Sheet	71
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	72

CEMETERY FUND

Balance Sheet	74
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	75

BUILDING DEPARTMENT FUND

Balance Sheet	77
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	78
Statement of Revenues - Budget and Actual	79

BUDGET STABILIZATION FUND

Balance Sheet	81
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	82

LIQUOR LAW ENFORCEMENT FUND

Balance Sheet	84
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	85

FUTURE ROAD IMPROVEMENT FUND

Balance Sheet	87
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	88

SAD ROAD MAINTENANCE FUND

Balance Sheet	90
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	91

AQUATICS FUND

Balance Sheet	93
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	94

## TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
ROAD PROJECTS FUND	
Balance Sheet	96
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	97
LAKESHORE WATER IMPROVEMENT FUND	
Balance Sheet	99
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	100
STREETLIGHT FUND	
Balance Sheet	102
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	103
MUNICIPAL REFUSE FUND	
Balance Sheet	105
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	106
PATHWAYS FUND	
Balance Sheet	108
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	109
WATER DEBT SERVICE FUND	
Balance Sheet	111
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	112
BUILDING AUTHORITY FUND	
Balance Sheet	114
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	115
MUNICIPAL WATER FUND	
Balance Sheet	117
Statement of Revenues, Expenditures and Changes in Fund Balance	118
CONFERENCE CENTER DRIVE WATER CONSTRUCTION FUND	
Balance Sheet	120
Statement of Revenues, Expenditures and Changes in Fund Balance	121
WATER FUND	
Statement of Revenues, Expenses and Changes in Retained Earnings	123
Statement of Cash Flows	124

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
SEWER FUND	
Balance Sheet	126
Statement of Fund Equity	127
Statement of Revenues and Expenses	128
Statement of Cash Flows	129
TRUST AND AGENCY FUND	
Balance Sheet	131
CURRENT TAX COLLECTION FUND	
Balance Sheet	133
CONSTRUCTION ESCROW FUND	
Balance Sheet	135



**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
*AICPA Private Practice Companies Section*  
*MACPA*

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**  
**(810) 229-5550**  
**FAX (810) 229-5578**

June 1, 2009

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

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Brighton, as of and for the year ended March 31, 2009, 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, 2009, 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 13 and 47 through 48 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, 2009

---

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, 2009. 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 \$32,546,879. This is a \$3,617,556 increase over last year's net assets of \$28,929,323.

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

	<b>Summary of Net Assets</b>					
	Governmental Activities		Business-type Activities		Totals	
	<u>3/31/2009</u>	<u>3/31/2008</u>	<u>3/31/2009</u>	<u>3/31/2008</u>	<u>3/31/2009</u>	<u>3/31/2008</u>
Current and other assets	\$ 12,506,466	\$ 13,020,754	\$ 13,052,663	\$ 15,278,322	\$ 25,559,129	\$ 28,299,076
Capital assets	<u>4,889,636</u>	<u>4,225,150</u>	<u>26,763,681</u>	<u>27,600,159</u>	<u>31,653,317</u>	<u>31,825,309</u>
Total assets	<u>17,396,102</u>	<u>17,245,904</u>	<u>39,816,344</u>	<u>42,878,481</u>	<u>57,212,446</u>	<u>60,124,385</u>
Other liabilities	791,131	4,770,384	749,436	1,589,678	1,540,567	6,360,062
Long-term liabilities	<u>3,175,000</u>	<u>3,335,000</u>	<u>19,950,000</u>	<u>21,500,000</u>	<u>23,125,000</u>	<u>24,835,000</u>
Total liabilities	<u>3,966,131</u>	<u>8,105,384</u>	<u>20,699,436</u>	<u>23,089,678</u>	<u>24,665,567</u>	<u>31,195,062</u>
Net assets:						
Invested in capital assets, net of related debt	3,209,636	2,545,150	6,813,681	5,443,023	10,023,317	7,988,173
Unrestricted	<u>10,220,335</u>	<u>6,595,370</u>	<u>12,303,227</u>	<u>14,345,780</u>	<u>22,523,562</u>	<u>20,941,150</u>
Total net assets	<u><u>\$ 13,429,971</u></u>	<u><u>\$ 9,140,520</u></u>	<u><u>\$ 19,116,908</u></u>	<u><u>\$ 19,788,803</u></u>	<u><u>\$ 32,546,879</u></u>	<u><u>\$ 28,929,323</u></u>

### Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	3/31/2009	3/31/2008	3/31/2009	3/31/2008	3/31/2009	3/31/2008
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 924,316	\$ 928,695	\$ 881,094	\$ 913,248	\$ 1,805,410	\$ 1,841,943
Operating contributions	312,917	1,800			312,917	1,800
Capital contributions	760,901		109,000	78,073	869,901	78,073
General revenues						
State shared revenues	1,215,903	1,208,398			1,215,903	1,208,398
Property taxes	961,003	975,059			961,003	975,059
Interest	375,752	596,347	672,251	863,552	1,048,003	1,459,899
Other	324,736	365,339		246,220	324,736	611,559
Transfers	1,766		(1,766)			
Total revenues	<u>4,877,294</u>	<u>4,075,638</u>	<u>1,660,579</u>	<u>2,101,093</u>	<u>6,537,873</u>	<u>6,176,731</u>
<b>EXPENSES</b>						
General government	1,852,920	1,957,472			1,852,920	1,957,472
Public safety	79,688	217,555			79,688	217,555
Recreation	62,403	60,459			62,403	60,459
Public works/roads	1,033,319	705,430			1,033,319	705,430
Interest on long-term debt	149,827	125,835			149,827	125,835
Water and sewer system			2,332,474	2,545,201	2,332,474	2,545,201
Total expenses	<u>3,178,157</u>	<u>3,066,751</u>	<u>2,332,474</u>	<u>2,545,201</u>	<u>5,510,631</u>	<u>5,611,952</u>
Changes in net assets before special item	1,699,137	1,008,887	(671,895)	(444,108)	1,027,242	564,779
Special item - contingent liability	<u>2,573,254</u>	<u>(1,923,254)</u>			<u>2,573,254</u>	<u>(1,923,254)</u>
Changes in net assets and special item	4,272,391	(914,367)	(671,895)	(444,108)	3,600,496	(1,358,475)
Beginning net assets	9,140,520	10,054,887	19,788,803	20,232,911	28,929,323	30,287,798
Prior period adjustment	<u>17,060</u>				<u>17,060</u>	
Ending net assets	<u>\$ 13,429,971</u>	<u>\$ 9,140,520</u>	<u>\$ 19,116,908</u>	<u>\$ 19,788,803</u>	<u>\$ 32,546,879</u>	<u>\$ 28,929,323</u>

The governmental funds experienced a significant increase in equity due to reversal of previously accrued environmental clean-up liability.

The business-type activities showed a decrease in net assets of \$671,895. The Township managed to keep expenses similar to the prior fiscal year, but the new users are not forthcoming for the waste water treatment plant. Additional users will be needed to remedy these losses.

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

The Township's General Fund increased its fund balance by \$3,572,056, due to the reversal of environmental clean-up liability booked in previous years.

In the Township's other major fund, the Conference Center Drive Water Construction Fund, transfers of \$319,461 were made to cover the expenditures of this temporary water project.

The Township's only major business-type fund, the Sewer Fund, reported a decrease in net assets of \$670,129 and a decrease in cash and equivalents of \$210,410. 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 \$3,218,373. This is due to the Township having to reverse 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 \$160,000 of principal on the bonds associated with the Township hall and other capital improvements. A total of \$3,175,000 remains for all governmental fund debt.

The business-type activities made \$15,967 of capital acquisitions during the year ended March 31, 2009.

Total debt outstanding at the beginning of the year on business-type activities totaled \$21,500,000. During the year, the Township retired \$1,550,000 of debt, leaving \$19,950,000 at fiscal year end.

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

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

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

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

BASIC  
FINANCIAL  
STATEMENTS

GOVERNMENT - WIDE  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF NET ASSETS  
MARCH 31, 2009

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<u>ASSETS</u>			
ASSETS			
Cash, cash equivalents and investments	\$ 10,087,827	\$ 2,496,590	\$ 12,584,417
Receivables			
Taxes	118,135		118,135
State shared revenues	160,699		160,699
Intergovernmental	659,189	(657,556)	1,633
Accounts	159,835	660,685	820,520
Special assessments	1,272,682	9,432,266	10,704,948
Prepaid expenses	48,099	5,867	53,966
Inventory		52,913	52,913
Bonds issuance - net of amortization		404,342	404,342
Capital assets			
Non-depreciable	1,454,335	1,395,224	2,849,559
Depreciable - net of accumulated depreciation	3,435,301	25,368,457	28,803,758
Total assets	17,396,102	39,158,788	56,554,890
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	95,137	91,880	187,017
Accrued wages/taxes	36,117		36,117
Pollution remediation obligation	659,877		659,877
Bonds payable			
Current	160,000	1,575,000	1,735,000
Non-current	3,015,000	18,375,000	21,390,000
Total liabilities	3,966,131	20,041,880	24,008,011
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	3,209,636	6,813,681	10,023,317
Unrestricted	10,220,335	12,303,227	22,523,562
Total net assets	\$ 13,429,971	\$ 19,116,908	\$ 32,546,879

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ (1,852,920)	\$ 606,177	\$	\$
Public works	(757,980)	245,787	312,917	
Recreation	(62,403)			760,901
Roads	(267,441)	71,452		
Public safety	(79,688)			
Cemetery	(7,898)	900		
Interest on long-term debt	(149,827)			
Total governmental activities	(3,178,157)	924,316	312,917	760,901
<b>Business-type activities</b>				
Sewer system	(2,332,474)	881,094		109,000
Total	<u>\$ (5,510,631)</u>	<u>\$ 1,805,410</u>	<u>\$ 312,917</u>	<u>\$ 869,901</u>

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

Total general revenues  
and transfers

Changes in net assets  
before special item

Special item - contingent liability

Changes in net assets  
and special item

Net assets, April 1, 2008

Prior period adjustment

Net assets, March 31, 2009

The notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes  
in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,246,743)	\$	\$ (1,246,743)
(199,276)		(199,276)
698,498		698,498
(195,989)		(195,989)
(79,688)		(79,688)
(6,998)		(6,998)
(149,827)		(149,827)
(1,180,023)		(1,180,023)
	(1,342,380)	(1,342,380)
(1,180,023)	(1,342,380)	(2,522,403)
961,003		961,003
1,215,903		1,215,903
375,752	672,251	1,048,003
96,072		96,072
216,515		216,515
12,149		12,149
1,766	(1,766)	
2,879,160	670,485	3,549,645
1,699,137	(671,895)	1,027,242
2,573,254		2,573,254
4,272,391	(671,895)	3,600,496
9,140,520	19,788,803	28,929,323
17,060		17,060
\$ 13,429,971	\$ 19,116,908	\$ 32,546,879

FUND  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2009

<u>ASSETS</u>	<u>General</u>	<u>Conference Center Drive Water Construction Fund</u>	<u>Other Non-major Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 6,474,876	\$	\$ 3,612,951	\$ 10,087,827
Receivables				
Taxes	118,135			118,135
Special assessments	691,200		581,482	1,272,682
State shared revenues	160,699			160,699
Accounts	53,184		106,651	159,835
Due from other funds/advances	1,389,142	12,893	51,926	1,453,961
Prepaid expenditures	38,351		9,748	48,099
	<u>8,925,587</u>	<u>12,893</u>	<u>4,362,758</u>	<u>13,301,238</u>
Total assets	<u>\$ 8,925,587</u>	<u>\$ 12,893</u>	<u>\$ 4,362,758</u>	<u>\$ 13,301,238</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
<b>LIABILITIES</b>				
Accounts payable	\$ 60,361	\$ 12,575	\$ 22,201	\$ 95,137
Accrued wages and absences	28,850		7,267	36,117
Due to other funds/advances	52,244		742,528	794,772
Contingent liability	659,877			659,877
Deferred revenues	691,200		542,227	1,233,427
	<u>1,492,532</u>	<u>12,575</u>	<u>1,314,223</u>	<u>2,819,330</u>
Total liabilities	<u>1,492,532</u>	<u>12,575</u>	<u>1,314,223</u>	<u>2,819,330</u>
 <b>FUND BALANCES</b>				
Unreserved				
Undesignated	3,484,373		344,518	3,828,891
Designated for sewer debt	2,573,254			2,573,254
Reserved				
Parks and recreation			508,943	508,943
Debt service			245,127	245,127
Public safety			55,433	55,433
Public works		318	1,894,514	1,894,832
Intergovernmental advances	1,375,428			1,375,428
	<u>7,433,055</u>	<u>318</u>	<u>3,048,535</u>	<u>10,481,908</u>
Total fund balance	<u>7,433,055</u>	<u>318</u>	<u>3,048,535</u>	<u>10,481,908</u>
	<u>\$ 8,925,587</u>	<u>\$ 12,893</u>	<u>\$ 4,362,758</u>	<u>\$ 13,301,238</u>
Total liabilities and fund balances	<u>\$ 8,925,587</u>	<u>\$ 12,893</u>	<u>\$ 4,362,758</u>	<u>\$ 13,301,238</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
 RECONCILIATION OF STATEMENT OF NET ASSETS  
 OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
 MARCH 31, 2009

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

Total fund balance per balance sheet		\$ 10,481,908
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 7,139,329	
Depreciation	<u>(2,249,693)</u>	
Capital assets net of depreciation		4,889,636
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable		(3,175,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements when they were assessed.		
		<u>1,233,427</u>
Net assets of governmental activities		<u><u>\$ 13,429,971</u></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, 2009

	General Fund	Conference Center Drive Water Construction Fund	Other Non-major Funds	Total
<b>REVENUES</b>				
Taxes	\$ 961,003	\$	\$	\$ 961,003
Special assessments	143,410		127,957	271,367
Intergovernmental - state	1,208,552		7,351	1,215,903
Licenses and permits	1,143		191,948	193,091
Rental income	96,072			96,072
Charges for services	413,986		308,183	722,169
Interest	230,059		81,811	311,870
Cable franchise fees	216,515			216,515
Grant - state	1,290			1,290
Miscellaneous	12,071		78	12,149
Total revenues	<u>3,284,101</u>		<u>717,328</u>	<u>4,001,429</u>
<b>EXPENDITURES</b>				
Current				
General government	1,571,535		206,238	1,777,773
Public works	20,230	319,143	418,607	757,980
Public safety	31,574		9,569	41,143
Recreation	62,403			62,403
Cemetery	5,763			5,763
Road improvements/maintenance	151,097		116,344	267,441
Capital outlay				
Cemetery	18,795			18,795
Debt service				
Principal			160,000	160,000
Interest and fiscal charges			149,827	149,827
Total expenditures	<u>1,861,397</u>	<u>319,143</u>	<u>1,060,585</u>	<u>3,241,125</u>
Excess of revenues over (under) expenditures	<u>1,422,704</u>	<u>(319,143)</u>	<u>(343,257)</u>	<u>760,304</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,149	319,461	600,897	921,507
Transfers (out)	(425,051)		(495,307)	(920,358)
Special item				
Litigation contingency recovery	2,573,254			2,573,254
Total other financing sources (uses)	<u>2,149,352</u>	<u>319,461</u>	<u>105,590</u>	<u>2,574,403</u>
Net changes in fund balances	3,572,056	318	(237,667)	3,334,707
FUND BALANCE, APRIL 1, 2008	4,667,138		3,135,323	7,802,461
PRIOR PERIOD ADJUSTMENTS	(806,139)		150,879	(655,260)
FUND BALANCE, MARCH 31, 2009	<u>\$ 7,433,055</u>	<u>\$ 318</u>	<u>\$ 3,048,535</u>	<u>\$ 10,481,908</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2009

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

Net change in fund balances - governmental funds \$ 3,334,707

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

Capital outlay	\$ 18,795	
Depreciation expense	<u>(115,827)</u>	
Total		(97,032)

Non-cash capital contributions from a developer are not income to governmental funds, but they are income when contributed for the Statement of Activities:

Park development and equipment contributed	760,901	
Land transferred to governmental funds from water fund	<u>617</u>	
		761,518

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

Repayment of bonds payable		160,000
----------------------------	--	---------

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

Special assessments levied	320,683	
Principal collected on assessments	<u>(207,485)</u>	
Total		<u>113,198</u>

Change in net assets of governmental activities		<u><u>\$ 4,272,391</u></u>
-------------------------------------------------	--	----------------------------

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
MARCH 31, 2009

ASSETS

	<u>Sewer Fund</u>
Cash and cash equivalents	\$ 2,496,590
Receivables	
Accounts	660,685
Special assessments	9,432,266
Due from other funds	
Prepaid expenses	5,867
Inventory	52,913
Bond issuance costs - net of amortization of \$101,085	404,342
Total assets	13,052,663
Capital assets	
Land	1,395,224
Utility systems	30,920,452
Total cost	32,315,676
Less accumulated depreciation	(5,551,995)
Capital assets, net	26,763,681
Total assets	39,816,344

LIABILITIES

Accounts payable	41,880
Due to other funds	657,556
New connections - escrow funds	50,000
Bonds payable	19,950,000
Total liabilities	20,699,436

NET ASSETS

Net assets	
Invested in capital assets, net of related debt	6,813,681
Unrestricted	12,303,227
Total net assets	\$ 19,116,908

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, 2009

	Sewer Fund	Non-major Fund Water Fund	Total
OPERATING REVENUES			
Utility billings	\$ 855,134	\$	\$ 855,134
Other revenues	25,960		25,960
Total operating revenues	881,094		881,094
OPERATING EXPENSES	1,413,504		1,413,504
Operating income (loss)	(532,410)		(532,410)
NON-OPERATING REVENUES			
Interest income - special assessments	624,408		624,408
Interest income - cash and equivalents	47,843		47,843
Interest (expense)	(918,970)		(918,970)
Total non-operating revenues (expenses)	(246,719)		(246,719)
Loss before capital contribution	(779,129)		(779,129)
CAPITAL CONTRIBUTIONS			
Transfers out		(1,766)	(1,766)
Developer contributions	7,180		7,180
Tap-in fees collected	101,820		101,820
Total capital contributions	109,000	(1,766)	107,234
Net income (loss)	(670,129)	(1,766)	(671,895)
NET ASSETS, APRIL 1, 2008	19,787,037	1,766	19,788,803
NET ASSETS, MARCH 31, 2009	\$ 19,116,908	\$	\$ 19,116,908

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2009

	Sewer Fund	Non-major Fund Water Fund	Total
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 850,207	\$	\$ 850,207
Cash payments to suppliers and others	(501,189)		(501,189)
Other receipts	37,066		37,066
Net cash from (used in) operating activities	<u>386,084</u>		<u>386,084</u>
<b>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(15,969)		(15,969)
Reimbursement from county construction	7,712		7,712
Tap-in fees collected	101,820		101,820
Payment on bonds - principal	(1,550,000)		(1,550,000)
Special assessment collections	1,509,576		1,509,576
Transfers out		(39,221)	(39,221)
Interest and fees paid on debt	(696,957)		(696,957)
Net cash and cash equivalents from (used in) capital and related financing activities	<u>(643,818)</u>	<u>(39,221)</u>	<u>(683,039)</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>			
Interest received	47,594		47,594
Net increase (decrease) in cash and cash equivalents	(210,140)	(39,221)	(249,361)
CASH AND CASH EQUIVALENTS, APRIL 1, 2008	<u>2,706,730</u>	<u>39,221</u>	<u>2,745,951</u>
CASH AND CASH EQUIVALENTS, MARCH 31, 2009	<u>\$ 2,496,590</u>	<u>\$</u>	<u>\$ 2,496,590</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (532,410)	\$	\$ (532,410)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities			
Depreciation/amortization	892,705		892,705
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	(4,927)		(4,927)
Decrease in inventory	20,355		20,355
(Increase) in prepaid expenses	(30)		(30)
Increase in accounts payable/others	9,354		9,354
(Decrease) increase in due to other funds	1,037		1,037
Total adjustments	<u>918,494</u>		<u>918,494</u>
Net cash and cash equivalents from (used in) operating activities	<u>\$ 386,084</u>	<u>\$</u>	<u>\$ 386,084</u>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Contributions of capital assets by developers	<u>\$ 7,180</u>	<u>\$</u>	<u>\$ 7,180</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRIGHTON  
STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
MARCH 31, 2009

	Trust and Agency	Current Tax	Construction Escrow	Totals
<u>ASSETS</u>				
ASSETS				
Cash	\$ 76,390	\$ 1,489	\$ 105,205	\$ 183,084
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 114	\$ 1,489	\$ 30	\$ 1,633
Due to others	76,276		105,175	181,451
Total liabilities	\$ 76,390	\$ 1,489	\$ 105,205	\$ 183,084

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, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIC FINANCIAL STATEMENTS

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

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

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

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

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

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Township reports the following major governmental 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 Conference Center Drive Water Construction Fund accounts for the activities related to a specific water project performed by the Township. These activities are funded from the Municipal Water Fund and operating transfers.

The Township reports the following major enterprise fund:

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

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

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

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

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

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, 2009

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.

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.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

D. ACCRUED COMPENSATED ABSENCES

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

E. BUDGETARY DATA

The board of trustees 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, 2009, expenditures did not exceed appropriations in any fund in which budgeting was required by law.

F. PROPERTY TAXES

The Township's property taxes are levied and become a lien on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14, with the final collection date of February 29. The Township recognized the amount levied December 1, 2008 as revenue for the year ended March 31, 2009.

The 2008 adjusted taxable value totaled \$ 1,050,818,239. Taxes levied consisted of .9073 mills for Township operating purposes. The delinquent real property taxes of Charter Township of Brighton are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes.

G. MANAGEMENT ESTIMATES

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

H. INVESTMENTS

Investments are stated at fair value.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

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 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, 2009

NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers for the year ended March 31, 2009 were as follows:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Purpose</u>	<u>Amount</u>
Parks Fund	General Fund	Save funds for future capital improvements	\$ 150,000
Cemetery Fund	General Fund	Save funds for future capital improvements	10,000
Liquor Law Fund	General Fund	Provide for additional public safety funds	16,200
Building Authority Fund	General Fund	To provide for the debt service for the Township hall expansion project	198,851
Pathways Fund	General Fund	Save funds for future capital improvements	50,000
General Fund	Water Fund	Close fund activities	1,766
Water Debt Service Fund	Municipal Water Fund	Municipal Water Fund is now provided the resources to service this debt	175,656
Conference Center Drive Water Construction Fund	Municipal Water Fund	Provide current year resources for project costs	319,461
Future Road Improvement	Road Projects Fund	Provide current year resources for project costs	<u>190</u>
			<u>\$ 922,124</u>

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES (continued)

Interfund balances between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2009:

Receivable Fund	Payable Fund	Purpose	March 31, 2009 Balance
<u>Interfund balances due to/from</u>			
General Fund	Budget Stabilization	Reimbursement between funds	\$ 357
General Fund	Current Tax	Reimbursement between funds	1,489
General Fund	Trust and Agency	Reimbursement between funds	114
General Fund	Sewer	Reimbursement between funds	11,724
General Fund	Construction Escrow	Reimbursement between funds	30
Building Department	General Fund	Reimbursement between funds	1,057
Building Authority	General Fund	Reimbursement between funds	50,136
Water Debt Service	Municipal Water	Reimbursement between funds	19
Conference Center Dr Water	Municipal Water	Reimbursement between funds	12,575
Conference Center Dr Water	General Fund	Reimbursement between funds	318
Street lighting	General Fund	Reimbursement between funds	733
Total interfund balances due to/from			\$ 78,552
 <u>Interfund advances to/from</u>			
General Fund	Municipal Water	Finance project costs	\$ 534,311
General Fund	Sewer	Fund cash flow deficits	214,832
General Fund	Sewer	Fund debt service requirements	431,000
General Fund	Lakeshore SAD	Finance project costs	195,285
Future Road Improvement	Road Projects	Finance project costs	331,372
Total interfund advances to/from			\$ 1,706,800

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

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2009, was as follows:

	Balance 4/1/2008	Additions	Deletions	Balance 3/31/2009
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 684,117	\$ 617	\$	\$ 684,734
Construction in progress	8,700	760,901		769,601
Total capital assets not being depreciated	692,817	761,518		1,454,335
Other capital assets:				
Buildings and improvements	5,461,375	18,795		5,480,170
Vehicles and equipment	204,824			204,824
Total other capital assets at historical cost	5,666,199	18,795		5,684,994
Less accumulated depreciation for:				
Buildings and improvements	(1,958,300)	(111,006)		(2,069,306)
Vehicles and equipment	(175,566)	(4,821)		(180,387)
Total accumulated depreciation	(2,133,866)	(115,827)		(2,249,693)
Other capital assets, net	3,532,333	(97,032)		3,435,301
Governmental capital assets, net	\$ 4,225,150	\$ 664,486	\$	4,889,636
Related long-term debt outstanding at March 31, 2009				(1,680,000)
Governmental capital assets, net related long-term debt				\$ 3,209,636

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 75,147
Public safety	38,545
Cemetery	2,135
	\$ 115,827

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 4 - CAPITAL ASSETS (continued)

	Balance 4/1/2008	Additions	Deletions	Balance 3/31/2009
Business-type activities:				
Capital assets not being depreciated				
Land - water	\$ 617	\$	\$ 617	\$
Land - sewer	1,395,155	69		1,395,224
Total capital assets not being depreciated	1,395,772	69	617	1,395,224
Other capital assets:				
Plant and collection system - sewer	30,874,872	23,080		30,897,952
Furniture and fixtures - sewer	22,500			22,500
Total other capital assets at historical cost	30,897,372	23,080		30,920,452
Less accumulated depreciation for:				
Plant and collection system - sewer	(4,670,485)	(859,010)		(5,529,495)
Furniture and fixtures - sewer	(22,500)			(22,500)
Total accumulated depreciation	(4,692,985)	(859,010)		(5,551,995)
Other capital assets, net	26,204,387	(835,930)		25,368,457
Business-type capital assets, net	\$ 27,600,159	\$ (835,861)	\$ 617	26,763,681
Related long-term debt outstanding at March 31, 2009				(19,950,000)
Governmental capital assets, net related long-term debt				\$ 6,813,681

Depreciation was charged to functions as follows:

Business-type activities:	
Sewer service	\$ 859,010

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2009

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, 2009 was \$676,868.

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

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

Each member contributes five percent of his or her annual compensation. The percentage is selected by the member's municipality. 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, 2009 were \$55,845.

At December 31, 2007, the over-funded pension benefit obligation was \$47,790, determined as follows:

Actuarial Accrued Liability

Retirees and beneficiaries currently receiving benefits	\$ 328,568
Terminated employees not yet receiving benefits (vested and non-vested)	
Non-vested terming	279,487
Current employees -	
Accumulated employee contributions including allocated investment income	181,715
Employer financed	<u>478,976</u>
Total actuarial accrued liability	1,268,746
Net assets available for benefits at actuarial value	<u>1,316,536</u>
Over-funded actuarial accrued liability	<u>\$ 47,790</u>

The Township's annual required contribution was \$38,664 as of December 31, 2007. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is 0.055889 for under funded liabilities. Total covered payroll for participants was \$616,210.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

**NOTE 6 - LONG-TERM DEBT**

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

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.

The changes in the long-term debt of governmental activities are as follows:

	Balance 4/01/2008	Additions	Payments & Deductions	Balance 3/31/2009	Due in one year
<b>BONDS PAYABLE</b>					
Building Authority Bonds, Series 1999	\$ 1,795,000	\$	\$ 115,000	\$ 1,680,000	\$ 115,000
Capital Improvement Bonds Series 2003	1,540,000		45,000	1,495,000	45,000
Total bonds payable	<u>\$ 3,335,000</u>	<u>\$</u>	<u>\$ 160,000</u>	<u>\$ 3,175,000</u>	<u>\$ 160,000</u>

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

	Bonds Payable	
	Principal	Interest
2009 - 2010	\$ 160,000	\$ 142,810
2010 - 2011	170,000	135,944
2011 - 2012	180,000	128,471
2012 - 2013	185,000	120,464
2013 - 2014	200,000	111,879
2014 - 2019	1,155,000	408,531
2019 - 2024	600,000	178,340
2024 - 2029	525,000	64,719
Totals	<u>\$ 3,175,000</u>	<u>\$ 1,291,158</u>

The following is a summary of the long-term debt for the year for the business-type activities:

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 principal to be paid is \$1,500,000 over the year as follows:

Year	Principal	Interest	Total
4/01/2009 thru 3/31/2010	<u>\$ 1,500,000</u>	<u>\$ 38,250</u>	<u>\$ 1,538,250</u>

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

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 6 - LONG-TERM DEBT (continued)

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>
4/01/2009 thru 3/31/2010	\$ 40,000	\$ 27,060	\$ 67,060
4/01/2010 thru 3/31/2011	40,000	25,560	65,560
4/01/2011 thru 3/31/2012	35,000	24,118	59,118
4/01/2012 thru 3/31/2013	40,000	22,636	62,636
4/01/2013 thru 3/31/2014	40,000	20,995	60,995
4/01/2014 thru 3/31/2019	195,000	79,238	274,238
4/01/2019 thru 3/31/2024	195,000	33,025	228,025
4/01/2024 thru 3/32/2025	35,000	875	35,875
Totals	<u>\$ 620,000</u>	<u>\$ 233,507</u>	<u>\$ 853,507</u>

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' principal are payable in annual installments starting October 1, 2008 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>
4/01/2009 thru 3/31/2010	\$ 35,000	\$ 761,581	\$ 796,581
4/01/2010 thru 3/31/2011	1,540,000	734,063	2,274,063
4/01/2011 thru 3/31/2012	1,545,000	676,212	2,221,212
4/01/2012 thru 3/31/2013	1,575,000	613,812	2,188,812
4/01/2013 thru 3/31/2014	1,605,000	550,212	2,155,212
4/01/2014 thru 3/31/2019	8,235,000	1,677,513	9,912,513
4/01/2019 thru 3/31/2023	3,295,000	139,519	3,434,519
Totals	<u>\$ 17,830,000</u>	<u>\$ 5,152,912</u>	<u>\$ 22,982,912</u>

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 6 - LONG-TERM DEBT (continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/01/2009 thru 3/31/2010	\$ 1,575,000	\$ 826,891	\$ 2,401,891
4/01/2010 thru 3/31/2011	1,580,000	759,623	2,339,623
4/01/2011 thru 3/31/2012	1,580,000	700,330	2,280,330
4/01/2012 thru 3/31/2013	1,615,000	636,448	2,251,448
4/01/2013 thru 3/31/2014	1,645,000	571,207	2,216,207
4/01/2014 thru 3/31/2019	8,430,000	1,756,751	10,186,751
4/01/2019 thru 3/31/2024	3,490,000	172,544	3,662,544
4/01/2024 thru 3/31/2025	35,000	875	35,875
Totals	<u>\$ 19,950,000</u>	<u>\$ 5,424,669</u>	<u>\$ 25,374,669</u>

The following schedule is a summary of the long-term debt activity of the business-type activities for the year ending March 31, 2009:

	<u>Balance 4/01/2008</u>	<u>Additions</u>	<u>Payments &amp; Deductions</u>	<u>Balance 3/31/2009</u>	<u>Due in one year</u>
<b>BONDS PAYABLE</b>					
Original Series 2000	\$ 2,975,000	\$	\$ 1,475,000	\$ 1,500,000	\$ 1,500,000
Spencer Series 2005	660,000		40,000	620,000	40,000
Refunding Series 2005	17,865,000		35,000	17,830,000	35,000
Total bonds payable	<u>\$ 21,500,000</u>	<u>\$</u>	<u>\$ 1,550,000</u>	<u>\$ 19,950,000</u>	<u>\$ 1,575,000</u>

In Substance Defeasance - Prior Years

In prior years the Township defeased a bond issue by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the irrevocable trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore was removed as a liability from the Township's government-wide financial statements. As of March 31, 2009 the amount of defeased debt outstanding, but removed from the Township's government-wide financial statements, amounted to \$17,500,000.

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 township trustees and the township supervisor are eligible to participate in the plan. The Township contributes 10% of the supervisor's compensation and 25% of the trustees compensation, while an employee may contribute 1% to 10% of compensation. Annual compensation used to determine the current year contribution is as of April 1, preceding the year. Contribution information is as follows:

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS      \$ 9,765

This balance reflects contributions for the period from April 1, 2008 to March 31, 2009.

Effective April 1, 2009 the Township adopted a MERS Uniform Defined Contribution Program. The Township will contribute 7% of the manager's compensation and the manager will be required to contribute 7% of compensation.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

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.

As of March 31, 2009 cash, cash equivalents and investments consist of the following:

Cash and cash equivalents	
Deposits with financial institutions	\$ 11,475,380
Money market accounts	226,098
Investment pools	104,489
Cash on hand	<u>263</u>
Total cash and cash equivalents	<u>11,806,230</u>
Investments	
Negotiable CD	150,000
Government Bonds	<u>811,271</u>
Total investments	<u>961,271</u>
Total cash, cash equivalents and investments	<u><u>\$ 12,767,501</u></u>

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

Statement of Net Assets	
Cash and cash equivalents	\$ 11,623,146
Investments	<u>961,271</u>
Total	12,584,417
Fiduciary Funds	
Cash and cash equivalents	<u>183,084</u>
Total cash and investments	<u><u>\$ 12,767,501</u></u>

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2009

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

Custodial Credit Risk

Deposits - This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$183,377 of deposits with financial institutions (checking and savings accounts and certificates of deposits) that were uninsured and uncollateralized. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments - This is the risk that in the event of the failure of a counterparty to a transaction, the Township will not be able to recover the value of its investments. The Township does not have a policy to cover custodial credit risk of investments. At the year end, the Township had \$1,141,858 of investments that were uninsured and uncollateralized. The Township evaluates each financial institution with which it invests and assesses the level of risk of each institution. Investments are made only those institutions with an acceptable estimated risk level.

Concentration of Credit Risk

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

<u>Investment Type</u>	<u>Issuer</u>	<u>Percent of Portfolio</u>
US Agencies	Federal National Mortgage Assoc	63%
Negotiable CD	LaSalle Bank Midwest National Assoc	12%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair values of investments and cash deposits. The Township's investment policy requires this risk to be minimized by investing primarily in short-term deposits and investments thus avoiding the need to sell prior to maturity. As of March 31, 2009, the maturities of the investments held were less than 90 days. As a result, management does not believe the Township is significantly exposed to interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for US Treasuries and money market accounts. As of March 31, 2009, the Township's investments were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Rating by Standard &amp; Poor</u>	<u>Amount</u>
MBIA Investment Pool	AAA / V1	\$ 104,489
Negotiable CD	Unrated	150,000
Money Market Funds	Unrated	226,098
Government Bonds	A-1+	811,271
		<u>\$ 1,291,858</u>

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2009

NOTE 9 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

Operating revenues	\$ 881,094
Depreciation and amortization	892,705
Operating (loss)	(532,410)
Net working capital	2,466,619
Total assets	39,816,344
Reserved retained earnings	19,063,106
Unreserved retained earnings	53,802
Total fund equity	19,116,908

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, 2008</u>	<u>March 31, 2009</u>
Cash and cash equivalents	\$ <u>2,745,951</u>	\$ <u>2,496,590</u>

NOTE 11 - OTHER FINANCING SOURCES (USES)

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

NOTE 12 - DEFERRED COMPENSATION PLAN

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

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

CHARTER TOWNSHIP OF BRIGHTON  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2009

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009 thru 2010	\$ 115,000	\$ 78,376	\$ 193,376
2010 thru 2011	125,000	72,916	197,916
2011 thru 2012	130,000	67,050	197,050
2012 and after	1,310,000	276,522	1,586,522
Totals	<u>\$ 1,680,000</u>	<u>\$ 494,864</u>	<u>\$ 2,174,864</u>

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 - POLLUTION REMEDIATION OBLIGATIONS

On January 15, 2009 a consent order was issued to conclude the litigation between the Township and the State of Michigan over the clean up of the former Collett dump site. In the order the Township agreed to immediately pay \$1,350,000 to the State of Michigan and monitor the site and nearby groundwater for a period of up to ten (10) years. The Township has adopted GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, to account for its future obligation related to the consent order. As of March 31, 2009 the future monitoring costs to be borne by the Township were estimated at \$659,877. The estimate may change in the future due to unanticipated price increases, developments in technology or changes in existing laws and regulations.

CHARTER TOWNSHIP OF BRIGHTON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 16 - PRIOR PERIOD ADJUSTMENTS

- Building Authority Fund

Pursuant to GASB Interpretation No. 6, accrual of principal and interest obligations on long-term debt which are due with-in sixty (60) days of year-end is no longer permitted on the modified accrual basis of accounting in the fund statements, except in limited circumstances. The result of this change in accounting principle is an increase to previously stated fund balance of \$150,879 (\$115,000 principal and \$35,879 interest). Only the interest portion is recorded as a prior period adjustment in the government wide financial statements.

- Future Road Improvement Fund/Road Projects Fund

Amounts were recorded as transfers in previous years totaling \$250,134 that should be recorded as an interfund liability to those funds. The Future Road Improvement Fund loaned these funds to the Road Projects Fund to finance road projects to be repaid with special assessments collected.

- General Fund

Due to the closure of the Water Fund, a business-type fund, the basis of accounting for special assessments changes. The net effect of closing this fund totaled \$806,139. The General Fund will be repaid the assessment previously held by the Water Fund.

NOTE 17 - MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

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

NOTE 18 - SUBSEQUENT EVENT

On April 1, 2009 the escrow agent for the Township called a bond issue which was previously considered defeased in substance. The total amount of bond principal which was called at that date was \$17,500,000.

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, 2009

	Budget Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 961,003	\$
Treasurer			525,030	
Ordinance enforcement			200	
Planning and zoning			84,961	
State shared revenue			1,208,552	
Special assessments			143,410	
Miscellaneous revenue			360,945	
Total revenues	3,181,352	3,181,352	3,284,101	102,749
EXPENDITURES	2,312,867	2,313,767	1,861,397	452,370
Excess of revenues over (under) expenditures	868,485	867,585	1,422,704	555,119
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	1,149	(8,851)
Transfers (out)	(732,041)	(1,042,635)	(425,051)	617,584
Special item - Litigation contingency recovery			2,573,254	2,573,254
Total other financing sources (uses)	(722,041)	(1,032,635)	2,149,352	3,181,987
Net change in fund balance	146,444	(165,050)	3,572,056	3,737,106
FUND BALANCE, APRIL 1, 2008	4,667,138	4,667,138	4,667,138	
PRIOR PERIOD ADJUSTMENT			(806,139)	(806,139)
FUND BALANCE, MARCH 31, 2009	\$ 4,813,582	\$ 4,502,088	\$ 7,433,055	\$ 2,930,967

CHARTER TOWNSHIP OF BRIGHTON  
SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)  
MARCH 31, 2009

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
2007	1,316,536	1,268,746	103.8	(47,790)	616,210

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF BRIGHTON  
 ALL SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 MARCH 31, 2009

<u>ASSETS</u>	<u>Parks</u>	<u>Cemetery</u>	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>Liquor Law</u>	<u>Future Road Improvement</u>
ASSETS						
Cash and cash equivalents	\$ 508,943	\$ 20,153	\$ 86,370	\$ 262,672	\$ 59,753	\$ 1,431,651
Receivables						
Special assessments						
Prepaid expenses			3,016			
Due from other funds			1,057			331,372
	<u>\$ 508,943</u>	<u>\$ 20,153</u>	<u>\$ 90,443</u>	<u>\$ 262,672</u>	<u>\$ 59,753</u>	<u>\$ 1,763,023</u>
Total assets						
	<u>\$ 508,943</u>	<u>\$ 20,153</u>	<u>\$ 90,443</u>	<u>\$ 262,672</u>	<u>\$ 59,753</u>	<u>\$ 1,763,023</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Accounts payable	\$	\$	\$ 811	\$	\$ 4,320	\$
Accrued expenses			7,429			
Due to other funds				357		
Deferred revenue						
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total liabilities			8,240	357	4,320	
FUND BALANCE (DEFICIT)	<u>508,943</u>	<u>20,153</u>	<u>82,203</u>	<u>262,315</u>	<u>55,433</u>	<u>1,763,023</u>
Total liabilities and fund balance (deficit)	<u>\$ 508,943</u>	<u>\$ 20,153</u>	<u>\$ 90,443</u>	<u>\$ 262,672</u>	<u>\$ 59,753</u>	<u>\$ 1,763,023</u>

<u>SAD Road Maintenance</u>	<u>Aquatics</u>	<u>Road Projects</u>	<u>Lakeshore Water Improvement</u>	<u>Street Lights</u>	<u>Municipal Refuse</u>	<u>Pathways</u>
\$ 55,157	\$ 112,070	\$ 151,635	\$ 10,954	\$	\$ 68,366	\$ 156,506
2,024	7,603	276,213	275,942	13,763	5,937	
				733	6,732	
<u>\$ 57,181</u>	<u>\$ 119,673</u>	<u>\$ 427,848</u>	<u>\$ 286,896</u>	<u>\$ 14,496</u>	<u>\$ 81,035</u>	<u>\$ 156,506</u>
\$ 425	\$ 901	\$	\$ 14,443	\$ 1,139	\$	\$
		331,372	195,285			
		268,173	274,054			
425	901	599,545	483,782	1,139		
56,756	118,772	(171,697)	(196,886)	13,357	81,035	156,506
<u>\$ 57,181</u>	<u>\$ 119,673</u>	<u>\$ 427,848</u>	<u>\$ 286,896</u>	<u>\$ 14,496</u>	<u>\$ 81,035</u>	<u>\$ 156,506</u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET (continued)  
 MARCH 31, 2009

	<u>3/31/2009</u>	<u>3/31/2008</u>
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 2,924,230	\$ 2,616,190
Receivables		
Special assessments	581,482	366,373
Prepaid expenses	9,748	10,441
Due from other funds	<u>333,162</u>	<u>814</u>
Total assets	<u>\$ 3,848,622</u>	<u>\$ 2,993,818</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Accounts payable	\$ 22,039	\$ 2,962
Accrued expenses	7,429	9,012
Due to other funds	527,014	10,604
Deferred revenue	<u>542,227</u>	<u>332,909</u>
Total liabilities	1,098,709	355,487
FUND BALANCE (DEFICIT)	<u>2,749,913</u>	<u>2,638,331</u>
Total liabilities and fund balance (deficit)	<u>\$ 3,848,622</u>	<u>\$ 2,993,818</u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL CAPITAL PROJECT FUNDS  
 COMBINING BALANCE SHEET  
 MARCH 31, 2009

	<u>Building Authority Fund</u>	<u>Municipal Water Fund</u>	<u>Conference Center Drive Water Construction Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 130,311	\$ 493,711	\$	\$ 624,022
Accounts receivable		106,651		106,651
Due from other funds	<u>50,136</u>	<u>19</u>	<u>12,893</u>	<u>63,048</u>
 Total assets	 <u><u>\$ 180,447</u></u>	 <u><u>\$ 600,381</u></u>	 <u><u>\$ 12,893</u></u>	 <u><u>\$ 793,721</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$	\$	\$ 12,575	\$ 12,575
Due to other funds		<u>546,886</u>		<u>546,886</u>
 Total liabilities		 546,886	 12,575	 559,461
 FUND BALANCE	 <u>180,447</u>	 <u>53,495</u>	 <u>318</u>	 <u>234,260</u>
 Total liabilities and fund balance	 <u><u>\$ 180,447</u></u>	 <u><u>\$ 600,381</u></u>	 <u><u>\$ 12,893</u></u>	 <u><u>\$ 793,721</u></u>

CHARTER TOWNSHIP OF BRIGHTON  
 ALL AGENCY FUNDS  
 COMBINING BALANCE SHEET  
 MARCH 31, 2009

	Trust and Agency	Current Tax	Construction Escrow	Totals
<u>ASSETS</u>				
ASSETS				
Cash	\$ 76,390	\$ 1,489	\$ 105,205	\$ 183,084
<u>LIABILITIES</u>				
LIABILITIES				
Due to other funds	\$ 114	\$ 1,489	\$ 30	\$ 1,633
Due to others	76,276		105,175	181,451
Total liabilities	\$ 76,390	\$ 1,489	\$ 105,205	\$ 183,084

CHARTER TOWNSHIP OF BRIGHTON  
 ALL SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED MARCH 31, 2009

	<u>Parks</u>	<u>Cemetery</u>	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>Liquor Law</u>	<u>Future Road Improvement</u>
<b>REVENUES</b>						
Intergovernmental - State	\$	\$	\$	\$	\$ 7,351	\$
Special assessment						
Licenses and permits			192,026			
Charges for services						
Interest	11,284	149	1,713	49	606	41,045
<b>Total revenues</b>	<u>11,284</u>	<u>149</u>	<u>193,739</u>	<u>49</u>	<u>7,957</u>	<u>41,045</u>
<b>EXPENDITURES</b>						
Building department			206,238			
Public safety					9,569	
Utilities						
Project-costs						
<b>Total expenditures</b>			<u>206,238</u>		<u>9,569</u>	
Excess of revenues over (under) expenditures	11,284	149	(12,499)	49	(1,612)	41,045
<b>OTHER FINANCING SOURCES(USES)</b>						
Transfers in	150,000	10,000			16,200	190
Transfers (out)						
<b>Total other financing sources (uses)</b>	<u>150,000</u>	<u>10,000</u>			<u>16,200</u>	<u>190</u>
<b>Net changes in fund balances</b>	161,284	10,149	(12,499)	49	14,588	41,235
<b>FUND BALANCE, APRIL 1, 2008</b>	347,659	10,004	94,702	262,266	40,845	1,471,654
<b>PRIOR PERIOD ADJUSTMENT</b>						<u>250,134</u>
<b>FUND BALANCE, (DEFICIT) MARCH 31, 2009</b>	<u>\$ 508,943</u>	<u>\$ 20,153</u>	<u>\$ 82,203</u>	<u>\$ 262,315</u>	<u>\$ 55,433</u>	<u>\$ 1,763,023</u>

<u>SAD Road Maintenance</u>	<u>Aquatics</u>	<u>Road Projects</u>	<u>Lakeshore Water Improvement</u>	<u>Street lights</u>	<u>Municipal Refuse</u>	<u>Pathways</u>	<u>Totals</u>
\$	\$	\$	\$	\$	\$	\$	\$
		90,384	37,573				7,351
24,693	72,563			13,764	92,760	37,703	127,957
662	1,127		2		612	1,680	192,026
<u>25,355</u>	<u>73,690</u>	<u>90,384</u>	<u>37,575</u>	<u>13,764</u>	<u>93,372</u>	<u>39,383</u>	<u>58,929</u>
							206,238
							9,569
27,128	69,209	89,216	234,461	13,950	92,593		13,950
<u>27,128</u>	<u>69,209</u>	<u>89,216</u>	<u>234,461</u>	<u>13,950</u>	<u>92,593</u>		<u>512,607</u>
							742,364
(1,773)	4,481	1,168	(196,886)	(186)	779	39,383	(114,618)
							226,390
		(190)				50,000	(190)
		(190)				50,000	226,200
(1,773)	4,481	978	(196,886)	(186)	779	89,383	111,582
58,529	114,291	77,459		13,543	80,256	67,123	2,638,331
		(250,134)					
<u>\$ 56,756</u>	<u>\$ 118,772</u>	<u>\$ (171,697)</u>	<u>\$ (196,886)</u>	<u>\$ 13,357</u>	<u>\$ 81,035</u>	<u>\$ 156,506</u>	<u>\$ 2,749,913</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, 2009

	Building Authority Fund	Municipal Water Fund	Conference Center Drive Water Construction Fund	Totals
<b>REVENUES</b>				
Connection fees	\$	\$ 66,700	\$	\$ 66,700
Interest	453	22,429		22,882
Total revenues	453	89,129		89,582
<b>EXPENDITURES</b>				
Debt service	198,851			198,851
Project costs		8,394	319,143	327,537
Total expenditures	198,851	8,394	319,143	526,388
Excess of revenues over (under) expenditures	(198,398)	80,735	(319,143)	(436,806)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	198,851		319,461	518,312
Transfers (out)		(495,117)		(495,117)
Total other financing sources (uses)	198,851	(495,117)	319,461	23,195
Net changes in fund balances	453	(414,382)	318	(413,611)
FUND BALANCE, APRIL 1, 2008	29,115	467,877		496,992
PRIOR PERIOD ADJUSTMENT	150,879			150,879
FUND BALANCE, MARCH 31, 2009	\$ 180,447	\$ 53,495	\$ 318	\$ 234,260

CHARTER TOWNSHIP OF BRIGHTON  
 ALL ENTERPRISE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 FOR THE YEAR ENDED MARCH 31, 2009

	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Utility billings	\$	\$ 855,134	\$ 855,134
Other revenues		25,960	25,960
Total operating revenues		881,094	881,094
OPERATING EXPENSES		1,413,504	1,413,504
		(532,410)	(532,410)
NON-OPERATING REVENUES			
Interest income - special assessments		624,408	624,408
Interest income - cash and equivalents		47,843	47,843
Interest (expense)		(918,970)	(918,970)
Total non-operating revenues (expenses)		(246,719)	(246,719)
		(779,129)	(779,129)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Transfers out	(1,766)		(1,766)
Developers contributions		7,180	7,180
Tap-in fees collected		101,820	101,820
Total capital contributions and transfers	(1,766)	109,000	107,234
		(670,129)	(671,895)
NET ASSETS, APRIL 1, 2008	1,766	19,787,037	19,788,803
NET ASSETS, MARCH 31, 2009	\$ 1,766	\$ 19,116,908	\$ 19,116,908

CHARTER TOWNSHIP OF BRIGHTON  
ALL ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2009

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Receipts from customers and users	\$	\$ 850,207	\$ 850,207
Other receipts		37,066	37,066
Payments to suppliers and others		(501,189)	(501,189)
Net cash from operating activities		386,084	386,084
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on bonds		(1,550,000)	(1,550,000)
Interest paid on bonds and advances		(696,957)	(696,957)
Collections of assessments (principal and interest)		1,509,576	1,509,576
Transfers out	(39,221)		(39,221)
Purchases of capital assets		(15,969)	(15,969)
Tap fees (new users)		101,820	101,820
Reimbursement from county construction fund		7,712	7,712
Net cash (used in) capital and related financing activities	(39,221)	(643,818)	(683,039)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on cash and cash equivalents		47,594	47,594
Net (decrease) in cash	(39,221)	(210,140)	(249,361)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2008	39,221	2,706,730	2,745,951
CASH AND CASH EQUIVALENTS AT MARCH 31, 2009	\$	\$ 2,496,590	\$ 2,496,590
RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES			
Operating (loss)	\$	\$ (532,410)	\$ (532,410)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities			
Depreciation and amortization		892,705	892,705
(Increase) in accounts and delinquent receivable		(4,927)	(4,927)
Increase in accounts payable		33,174	33,174
Decrease in inventory		20,355	20,355
(Increase) in prepaid insurance		(30)	(30)
(Decrease) in new connection escrow		(19,396)	(19,396)
Increase in due to other funds		1,037	1,037
(Decrease) in due to Livingston County - other		(4,424)	(4,424)
Total adjustments		918,494	918,494
Net cash from operating activities	\$	\$ 386,084	\$ 386,084
Schedule of non cash capital and related financing activities			
Contributions of capital assets from developers	\$	\$ 7,180	\$ 7,180

INDIVIDUAL  
FUNDS

GENERAL  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash and equivalents	\$ 6,474,876	
Delinquent taxes receivable	118,135	
State shared revenues receivable	160,699	
Special assessment receivables	691,200	
Accounts receivable	53,184	
Due from other funds and interfund advances	1,389,142	
Prepaid expenditures	<u>38,351</u>	
 Total assets		 <u><u>\$ 8,925,587</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 59,314	
Accrued wages and vacation	28,850	
Payroll taxes withholding and payable	1,047	
Due to other funds	52,244	
Deferred revenues	691,200	
Contingent liability	<u>659,877</u>	
 Total liabilities		 \$ 1,492,532

FUND BALANCE

Unreserved		
Undesignated	3,484,373	
Designated for debt	2,573,254	
Reserved for interfund advances		
Sewer advances	645,832	
Water advances	534,311	
Project advances	<u>195,285</u>	
 Total fund balance		 <u>7,433,055</u>
 Total liabilities and fund balance		 <u><u>\$ 8,925,587</u></u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 970,350	\$ 961,003	\$ (9,347)
Treasurer	663,302	525,030	(138,272)
Ordinance enforcement	2,600	200	(2,400)
Planning and zoning	75,000	84,961	9,961
State shared revenue	1,146,181	1,208,552	62,371
Special assessments		143,410	143,410
Miscellaneous	323,919	360,945	37,026
	<u>3,181,352</u>	<u>3,284,101</u>	<u>102,749</u>
Total revenues	3,181,352	3,284,101	102,749
EXPENDITURES	<u>2,313,767</u>	<u>1,861,397</u>	<u>452,370</u>
Excess of revenues over (under) expenditures	<u>867,585</u>	<u>1,422,704</u>	<u>555,119</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	1,149	(8,851)
Transfers (out)	(1,042,635)	(425,051)	617,584
Special item - Litigation contingency recovery		<u>2,573,254</u>	<u>2,573,254</u>
	<u>(1,032,635)</u>	<u>2,149,352</u>	<u>3,181,987</u>
Total other financing sources (uses)	(1,032,635)	2,149,352	3,181,987
Net change in fund balance	(165,050)	3,572,056	3,737,106
FUND BALANCE, APRIL 1, 2008	4,667,138	4,667,138	
PRIOR PERIOD ADJUSTMENT		<u>(806,139)</u>	<u>(806,139)</u>
FUND BALANCE, MARCH 31, 2009	<u>\$ 4,502,088</u>	<u>\$ 7,433,055</u>	<u>\$ 2,930,967</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2009

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>TAXES</b>			
Current property taxes	\$	\$ 957,996	\$
Penalties/interest - delinquent taxes		2,722	
Trailer park fees		285	
Total taxes	970,350	961,003	(9,347)
<b>TREASURER</b>			
Property tax administration fee		293,828	
Interest		230,059	
Dog licenses		1,143	
Total treasurer	663,302	525,030	(138,272)
<b>ORDINANCE ENFORCEMENT</b>			
Soil removal fees	2,600	200	(2,400)
<b>PLANNING AND ZONING</b>	75,000	84,961	9,961
<b>STATE SHARED REVENUE</b>	1,146,181	1,208,552	62,371
<b>SPECIAL ASSESSMENTS</b>			
Principal		96,120	96,120
Interest		47,290	47,290
Total special assessments revenue		143,410	143,410
<b>MISCELLANEOUS REVENUES</b>			
Solid waste grant		1,290	
Election reimbursement		13,859	
Metro Act fees		13,130	
Cable TV fees		216,515	
Printed material and duplicating		2,653	
Fines		195	
Rental income		96,072	
Reimbursement/refunds		2,305	
Utilities administration fee		4,260	
Cemetery lot sales		900	
Other revenue		9,766	
Total miscellaneous revenues	323,919	360,945	37,026
Total revenues	\$ 3,181,352	\$ 3,284,101	\$ 102,749

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP BOARD</b>			
Wages, salaries and per diems	\$	\$ 27,893	\$
Ordinance codification		350	
Printing and publishing		6,538	
Payroll taxes		2,151	
Insurance - benefits		1,950	
Insurance - liability		82	
Pension		7,483	
Communication		3,382	
Consulting		400	
Engineering services		10,729	
Education		40	
Dues		10,576	
Supplies		391	
	<u>106,445</u>	<u>71,965</u>	<u>34,480</u>
<b>TOTAL township board</b>			
<b>SUPERVISOR</b>			
Wages, salaries and per diems		47,255	
Pension		4,907	
Payroll taxes		3,660	
Insurance - benefits		9,353	
Insurance - liability		176	
Education		709	
Dues		202	
Supplies		621	
Capital outlay		489	
	<u>76,736</u>	<u>67,372</u>	<u>9,364</u>
<b>TOTAL supervisor</b>			

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>MANAGER</b>			
Wages, salaries and per diems		33,395	
Wages, salaries and per diems - clerical		38,648	
Insurance - benefits		5,790	
Pension		4,888	
Payroll taxes		5,645	
Consulting services		71,975	
Insurance - liability		564	
Education		205	
Mileage		289	
Dues		660	
Supplies		827	
Postage		329	
Capital outlay		968	
Total manager	192,323	164,183	28,140
<b>ELECTIONS</b>			
Wages, salaries and per diems - Clerk		15,917	
Wages, salaries and per diems - Deputy officials		34,694	
Election workers		36,919	
Pension		926	
Payroll taxes		3,919	
Insurance - benefits		9,918	
Insurance - liability		200	
Accuracy consulting		7,189	
Education		150	
Mileage		488	
Printing and mileage		206	
Miscellaneous		579	
Equipment rental		300	
Postage		6,507	
Supplies		6,561	
Repairs and maintenance		525	
Capital outlay		71	
Total elections	157,569	125,069	32,500

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>ASSESSOR</b>			
Wages, salaries and per diems		120,527	
Pension		13,595	
Payroll taxes		8,922	
Insurance - benefits		25,706	
Insurance - liability		1,559	
Temporary employment services		19,202	
Education		1,295	
Supplies		1,027	
Postage		4,544	
Mileage		61	
Dues		195	
Printing and publishing		2,573	
Vehicle		1,151	
Capital outlay		977	
Total assessor	<u>230,376</u>	<u>201,334</u>	<u>29,042</u>
<b>CLERK</b>			
Wages, salaries and per diems - Clerk		37,141	
Wages, salaries and per diems - Deputy Clerk		29,797	
Wages, salaries and per diems - other		38,940	
Pension		8,854	
Payroll taxes		8,168	
Insurance - liability		437	
Insurance - benefits		51,417	
Postage		621	
Audit fees		8,480	
Supplies		971	
Education		2,342	
Newsletter		2,876	
Mileage		1,223	
Dues		510	
Record retention		359	
Capital outlay		2,649	
Total clerk	<u>219,299</u>	<u>194,785</u>	<u>24,514</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TREASURER</b>			
Wages, salaries and per diems - Treasurer		53,058	
Wages, salaries and per diems - Deputy Treasurer		34,887	
Wages , salaries and per diems - other		369	
Pension		4,457	
Payroll taxes		6,815	
Insurance - benefits		33,746	
Insurance - liability		299	
Bank fees		5	
Audit fees		7,834	
Temporary employment services		29,138	
Supplies		615	
Tax forms		2,594	
Postage		8,067	
Small equipment		138	
Education		1,982	
Mileage		878	
Dues		150	
Capital outlay		977	
	<u>204,916</u>	<u>186,009</u>	<u>18,907</u>
<b>SEWER AND WATER</b>			
Wages, salaries and per diems		1,005	
Payroll taxes		48	
Insurance - liability		15	
Engineering/consulting		6,320	
	<u>22,105</u>	<u>7,388</u>	<u>14,717</u>
<b>ROADS</b>			
	<u>160,000</u>	<u>151,097</u>	<u>8,903</u>
<b>UNALLOCATED</b>			
Insurance - liability		26,633	
Computer support		15,863	
Legal fees		218,695	
Telephone		9,239	
Equipment repair		7,247	
Equipment rental		1,575	
Capital outlay		1,397	
	<u>353,658</u>	<u>280,649</u>	<u>73,009</u>

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2009

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>PLANNING</b>			
Wages, salaries and per diems		69,931	
Pension		8,298	
Payroll taxes		5,178	
Insurance - liability		431	
Insurance - benefits		22,616	
Supplies		860	
Postage		140	
Engineering services		59,602	
Printing and publishing		3,009	
Economic development		2,000	
Education		1,590	
Mileage		65	
Dues		60	
Special projects		2,500	
Capital outlay		1,124	
Total planning commission	228,384	177,404	50,980
<b>TOWNSHIP HALL/GROUNDS</b>			
Wages, salaries and per diems		3,363	
Cleaning maintenance		2,731	
Supplies		12,491	
Payroll taxes		259	
Insurance - liability		246	
Street lighting		3,582	
Equipment maintenance and repairs		5,619	
Grounds maintenance and repairs		10,237	
Building maintenance and repairs		12,872	
Utilities		16,695	
Tax chargebacks		7,970	
Capital improvements		5,262	
Miscellaneous		1,141	
Total township hall	141,400	82,468	58,932
<b>CEMETERY</b>			
	52,000	24,558	27,442

CHARTER TOWNSHIP OF BRIGHTON  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
FIRE PROTECTION			
Equipment			
Equipment maintenance and repair		2,651	
Building			
Utilities		1,437	
Building maintenance and repair		6,203	
Grounds maintenance and repair		17,743	
Total fire protection	57,040	28,034	29,006
EMERGENCY PREPAREDNESS			
Utilities		337	
Equipment maintenance and repair		3,203	
Total emergency preparedness	4,800	3,540	1,260
MUNICIPAL REFUSE COLLECTION	10,000	7,045	2,955
PARKS AND RECREATION	65,000	62,403	2,597
DRAINS	9,700	5,797	3,903
CODE ENFORCEMENT			
Wages, salaries and per diems		13,432	
Pension		1,545	
Payroll taxes		930	
Insurance - benefits		4,073	
Insurance - liability		122	
Capital outlay		195	
Total code enforcement	22,016	20,297	1,719
Total expenditures	<u>\$ 2,313,767</u>	<u>\$ 1,861,397</u>	<u>\$ 452,370</u>

PARKS  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
PARKS FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash and cash equivalents

\$ 508,943

FUND BALANCE

FUND BALANCE

Reserved for parks and recreation

\$ 508,943

CHARTER TOWNSHIP OF BRIGHTON  
PARKS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 6,000	\$ 11,284	\$ 5,284
EXPENDITURES			
Excess of revenues over (under) expenditures	6,000	11,284	5,284
OTHER FINANCING SOURCES			
Transfers in	<u>150,000</u>	<u>150,000</u>	
Net change in fund balance	156,000	161,284	5,284
FUND BALANCE, APRIL 1, 2008	<u>347,659</u>	<u>347,659</u>	
FUND BALANCE, MARCH 31, 2009	<u><u>\$ 503,659</u></u>	<u><u>\$ 508,943</u></u>	<u><u>\$ 5,284</u></u>

CEMETERY  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
CEMETERY FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash and cash equivalents

\$ 20,153

FUND BALANCE

FUND BALANCE

\$ 20,153

CHARTER TOWNSHIP OF BRIGHTON  
 CEMETERY FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 500	\$ 149	\$ (351)
EXPENDITURES			
Excess of revenues over (under) expenditures	500	149	(351)
OTHER FINANCING SOURCES			
Transfers in	<u>10,000</u>	<u>10,000</u>	
Net change in fund balance	10,500	10,149	(351)
FUND BALANCE, APRIL 1, 2008	<u>10,004</u>	<u>10,004</u>	
FUND BALANCE, MARCH 31, 2009	<u><u>\$ 20,504</u></u>	<u><u>\$ 20,153</u></u>	<u><u>\$ (351)</u></u>

BUILDING  
DEPARTMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
 BUILDING DEPARTMENT FUND  
 BALANCE SHEET  
 MARCH 31, 2009

ASSETS

ASSETS

Cash and equivalents	\$	86,370	
Due from other funds		1,057	
Prepaid expenditures		3,016	
		<u>3,016</u>	
Total assets			<u>\$ 90,443</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	811	
Accrued wages and vacation		7,267	
Payroll taxes withholding and payable		162	
		<u>162</u>	
Total liabilities			\$ 8,240

FUND BALANCE

			<u>82,203</u>
Total liabilities and fund balance			<u>\$ 90,443</u>

CHARTER TOWNSHIP OF BRIGHTON  
 BUILDING DEPARTMENT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	<u>\$ 188,750</u>	<u>\$ 193,739</u>	<u>\$ 4,989</u>
EXPENDITURES			
Wages, salaries and per diems		77,540	
Payroll taxes		6,097	
Insurance - benefits		25,800	
Pension		10,179	
Electrical inspector		16,658	
Plumbing inspector		7,230	
Mechanical inspector		21,460	
Building official		5,160	
Insurance - liability		4,129	
Supplies and postage		941	
Printed materials		1,478	
Audit fees		2,154	
Computer support		1,915	
Legal		736	
Bank fees		20	
Telephone		597	
Education		947	
Gas and oil		2,968	
Mileage		54	
Rent		14,097	
Repairs and maintenance		3,520	
Dues		210	
Refunds		736	
Capital outlay		1,612	
Total expenditures	<u>214,580</u>	<u>206,238</u>	<u>8,342</u>
Net change in fund balance	(25,830)	(12,499)	13,331
FUND BALANCE, APRIL 1, 2008	<u>94,702</u>	<u>94,702</u>	
FUND BALANCE, MARCH 31, 2009	<u><u>\$ 68,872</u></u>	<u><u>\$ 82,203</u></u>	<u><u>\$ 13,331</u></u>

CHARTER TOWNSHIP OF BRIGHTON  
 BUILDING DEPARTMENT FUND  
 STATEMENT OF REVENUES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
License registration	\$	\$ 1,150	\$
Building permits		117,645	
Electrical permits		22,120	
Plumbing permits		10,900	
Mechanical permits		29,320	
Tenant occupancy permit		1,220	
Miscellaneous		78	
Grading and land use permits		5,026	
NSF fees		70	
Plan review fee		4,407	
Addressing		90	
Interest		1,713	
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 188,750</u>	<u>\$ 193,739</u>	<u>\$ 4,989</u>

BUDGET  
STABILIZATION  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
BUDGET STABILIZATION FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash and investments

\$ 262,672

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 357

FUND BALANCE

262,315

Total liabilities and fund balance

\$ 262,672

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, 2009

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$ 10,000	\$ 49	\$ (9,951)
EXPENDITURES			
Excess of revenues over (under) expenditures	10,000	49	(9,951)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(10,000)</u>		<u>10,000</u>
Net change in fund balance		49	49
FUND BALANCE, APRIL 1, 2008	<u>262,266</u>	<u>262,266</u>	
FUND BALANCE, MARCH 31, 2009	<u><u>\$ 262,266</u></u>	<u><u>\$ 262,315</u></u>	<u><u>\$ 49</u></u>

LIQUOR LAW  
ENFORCEMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash

\$ 59,753

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 4,320

FUND BALANCE

55,433

\$ 59,753

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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
State shared revenues - liquor licenses	\$	\$ 7,351	\$
Interest		606	
	<u>7,500</u>	<u>7,957</u>	<u>457</u>
<b>EXPENDITURES</b>			
Enforcement officer		413	
Contracted services		9,156	
	<u>12,500</u>	<u>9,569</u>	<u>2,931</u>
Excess of revenues over (under) expenditures	(5,000)	(1,612)	3,388
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>16,200</u>	<u>16,200</u>	
Net change in fund balance	11,200	14,588	3,388
FUND BALANCE, APRIL 1, 2008	<u>40,845</u>	<u>40,845</u>	
FUND BALANCE, MARCH 31, 2009	<u>\$ 52,045</u>	<u>\$ 55,433</u>	<u>\$ 3,388</u>

FUTURE ROAD  
IMPROVEMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
FUTURE ROAD IMPROVEMENT FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash	\$ 1,431,651
Advance to other funds	<u>331,372</u>
	<u>\$ 1,763,023</u>

FUND BALANCE

FUND BALANCE

Unreserved	\$ 1,431,651
Reserved for interfund advances	<u>331,372</u>
	<u>\$ 1,763,023</u>

CHARTER TOWNSHIP OF BRIGHTON  
 FUTURE ROAD IMPROVEMENT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$	\$ 41,045	\$ 41,045
EXPENDITURES			
Excess of revenues over (under) expenditures		41,045	41,045
OTHER FINANCING SOURCES (USES)			
Transfers in	250,000	190	(249,810)
Transfers (out)	(81,200)		81,200
Total other financing sources (uses)	<u>168,800</u>	<u>190</u>	<u>(168,610)</u>
Net change in fund balance	168,800	41,235	(127,565)
FUND BALANCE, APRIL 1, 2008	1,471,654	1,471,654	
PRIOR PERIOD ADJUSTMENT		<u>250,134</u>	<u>250,134</u>
FUND BALANCE, MARCH 31, 2009	<u>\$ 1,640,454</u>	<u>\$ 1,763,023</u>	<u>\$ 122,569</u>

SAD ROAD MAINTENANCE  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
SAD ROAD MAINTENANCE FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash	\$ 55,157
Due from county	<u>2,024</u>
Total assets	<u>\$ 57,181</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 425
------------------	--------

FUND BALANCE

56,756

Total liabilities and fund balance	<u>\$ 57,181</u>
------------------------------------	------------------

CHARTER TOWNSHIP OF BRIGHTON  
 SAD ROAD MAINTENANCE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 24,693	\$
Interest		662	
	<u>23,794</u>	<u>25,355</u>	<u>1,561</u>
EXPENDITURES			
Contract expense	<u>75,538</u>	<u>27,128</u>	<u>48,410</u>
Net change in fund balance	(51,744)	(1,773)	49,971
FUND BALANCE, APRIL 1, 2008	<u>58,529</u>	<u>58,529</u>	
FUND BALANCE, MARCH 31, 2009	<u><u>\$ 6,785</u></u>	<u><u>\$ 56,756</u></u>	<u><u>\$ 49,971</u></u>

AQUATICS  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
AQUATICS FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$ 112,070
Due from county	<u>7,603</u>
Total assets	<u>\$ 119,673</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 901
------------------	--------

FUND BALANCE

	<u>118,772</u>
Total liabilities and fund balance	<u>\$ 119,673</u>

CHARTER TOWNSHIP OF BRIGHTON  
 AQUATICS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 72,563	\$
Interest income		1,127	
	<u>70,000</u>	<u>73,690</u>	<u>3,690</u>
Total revenues			
EXPENDITURES			
Project costs	<u>152,960</u>	<u>69,209</u>	<u>83,751</u>
Net change in fund balance	(82,960)	4,481	87,441
FUND BALANCE, APRIL 1, 2008	<u>114,291</u>	<u>114,291</u>	
FUND BALANCE, MARCH 31, 2009	<u><u>\$ 31,331</u></u>	<u><u>\$ 118,772</u></u>	<u><u>\$ 87,441</u></u>

ROAD PROJECTS  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
ROAD PROJECTS FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$ 151,635
Due from county	8,040
Special assessment receivable	<u>268,173</u>
Total assets	<u>\$ 427,848</u>

LIABILITIES AND FUND BALANCE (DEFICIT)

LIABILITIES

Advance from other funds	\$ 331,372
Deferred revenue	<u>268,173</u>
Total liabilities	599,545

FUND BALANCE (DEFICIT) (171,697)

Total liabilities and fund balance (deficit) \$ 427,848

CHARTER TOWNSHIP OF BRIGHTON  
ROAD PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Special assessments - principal	\$	\$ 73,792	\$
Special assessments - interest		16,592	
Total revenues	164,152	90,384	(73,768)
<b>EXPENDITURES</b>			
Project costs	89,216	89,216	
Excess of revenues over (under) expenditures	74,936	1,168	(73,768)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)		(190)	(190)
Net change in fund balance	74,936	978	(73,958)
FUND BALANCE, APRIL 1, 2008	77,459	77,459	
PRIOR PERIOD ADJUSTMENT		(250,134)	(250,134)
FUND BALANCE (DEFICIT), MARCH 31, 2009	\$ 152,395	\$ (171,697)	\$ (324,092)

LAKESHORE WATER IMPROVEMENT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
 LAKESHORE WATER IMPROVEMENT FUND  
 BALANCE SHEET  
 MARCH 31, 2009

ASSETS

ASSETS

Cash and cash equivalents	\$	10,954
Due from county		1,888
Special assessment receivable		<u>274,054</u>
 Total assets	 \$	 <u><u>286,896</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	14,443
Advance from other funds		195,285
Deferred revenue		<u>274,054</u>
 Total liabilities		 483,782

FUND BALANCE (DEFICIT)

Total liabilities and fund balance (deficit)	\$	<u><u>(196,886)</u></u>
----------------------------------------------	----	-------------------------

CHARTER TOWNSHIP OF BRIGHTON  
 LAKESHORE WATER IMPROVEMENT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 37,573	\$
Interest income		2	
Total revenues	32,092	37,575	5,483
EXPENDITURES			
Project costs	311,627	234,461	77,166
Excess of revenues over (under) expenditures	(279,535)	(196,886)	82,649
OTHER FINANCING SOURCES			
Transfers in	310,594		(310,594)
Net change in fund balance	31,059	(196,886)	(227,945)
FUND BALANCE, APRIL 1, 2008			
FUND BALANCE (DEFICIT), MARCH 31, 2009	\$ 31,059	\$ (196,886)	\$ (227,945)

STREETLIGHT  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
STREETLIGHT FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Special assessment receivable	\$ 13,763
Due from other funds	733
	<hr/>
Total assets	<u>\$ 14,496</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,139
------------------	----------

FUND BALANCE

	<hr/>
	13,357
	<hr/>
Total liabilities and fund balance	<u>\$ 14,496</u>

CHARTER TOWNSHIP OF BRIGHTON  
STREETLIGHT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 14,175	\$ 13,764	\$ (411)
EXPENDITURES			
Utilities	14,175	13,950	225
Net change in fund balance		(186)	(186)
FUND BALANCE, APRIL 1, 2008	13,543	13,543	
FUND BALANCE, MARCH 31, 2009	\$ 13,543	\$ 13,357	\$ (186)

MUNICIPAL REFUSE  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
MUNICIPAL REFUSE FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash	\$ 68,366
Due from county	5,937
Prepaid expenditures	<u>6,732</u>
Total assets	<u>\$ 81,035</u>

FUND BALANCE

FUND BALANCE	<u>\$ 81,035</u>
--------------	------------------

CHARTER TOWNSHIP OF BRIGHTON  
MUNICIPAL REFUSE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$	\$ 92,760	\$
Interest		612	
Total revenues	93,494	93,372	(122)
EXPENDITURES			
Project costs	92,594	92,593	1
Net change in fund balance	900	779	(121)
FUND BALANCE, APRIL 1, 2008	80,256	80,256	
FUND BALANCE, MARCH 31, 2009	\$ 81,156	\$ 81,035	\$ (121)

PATHWAYS  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
PATHWAYS FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS  
Cash

\$ 156,506

FUND BALANCE

FUND BALANCE

\$ 156,506

CHARTER TOWNSHIP OF BRIGHTON  
 PATHWAYS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Deposits on projects	\$	\$ 37,703	\$
Interest		1,680	
Total revenues		39,383	39,383
EXPENDITURES			
Excess of revenues over (under) expenditures		39,383	39,383
OTHER FINANCING SOURCES			
Transfers in	50,000	50,000	
Net change in fund balance	50,000	89,383	39,383
FUND BALANCE, APRIL 1, 2008	67,123	67,123	
FUND BALANCE, MARCH 31, 2009	\$ 117,123	\$ 156,506	\$ 39,383

WATER  
DEBT SERVICE  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
WATER DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS  
Cash

\$ 64,699

LIABILITIES AND FUND BALANCE

LIABILITIES  
Due to other funds

\$ 19

FUND BALANCE

64,680

Total liabilities and fund balance

\$ 64,699

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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 1,000	\$	\$ (1,000)
EXPENDITURES			
Debt service			
Principal		45,000	
Fees		250	
Interest		65,726	
Total expenditures	<u>111,028</u>	<u>110,976</u>	<u>52</u>
Excess of revenues over (under) expenditures	(110,028)	(110,976)	(948)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>111,028</u>	<u>175,656</u>	<u>64,628</u>
Net change in fund balance	1,000	64,680	63,680
FUND BALANCE, APRIL 1, 2008	<u>          </u>	<u>          </u>	<u>          </u>
FUND BALANCE, MARCH 31, 2009	<u>\$ 1,000</u>	<u>\$ 64,680</u>	<u>\$ 63,680</u>

BUILDING  
AUTHORITY  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
BUILDING AUTHORITY FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash

\$ 130,311

Due from other funds

50,136

Total assets

\$ 180,447

FUND BALANCE

FUND BALANCE

\$ 180,447

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, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 1,000	\$ 453	\$ (547)
EXPENDITURES			
Bond payment - principal		115,000	
Bond payment - interest		83,551	
Agent fees		300	
Total expenditures	198,852	198,851	1
Excess of revenues over (under) expenditures	(197,852)	(198,398)	(546)
OTHER FINANCING SOURCES			
Transfers in	198,552	198,851	299
Net change in fund balance	700	453	(247)
FUND BALANCE, APRIL 1, 2008	29,115	29,115	
PRIOR PERIOD ADJUSTMENT	150,879	150,879	
FUND BALANCE, MARCH 31, 2009	\$ 180,694	\$ 180,447	\$ (247)

MUNICIPAL  
WATER  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
MUNICIPAL WATER FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Cash	\$ 493,711
Due from other funds	19
Due from others	<u>106,651</u>

Total assets		<u>\$ 600,381</u>
--------------	--	-------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 12,594
Advance from other funds	<u>534,292</u>

Total liabilities		\$ 546,886
-------------------	--	------------

FUND BALANCE

53,495

Total liabilities and fund balance		<u>\$ 600,381</u>
------------------------------------	--	-------------------

CHARTER TOWNSHIP OF BRIGHTON  
MUNICIPAL WATER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2009

REVENUES	
Connection fees	\$ 66,700
Interest income	<u>22,429</u>
Total revenues	89,129
EXPENDITURES	
Project costs	<u>8,394</u>
Excess of revenues over (under) expenditures	80,735
OTHER FINANCING SOURCES (USES)	
Transfers (out)	<u>(495,117)</u>
Net change in fund balance	(414,382)
FUND BALANCE, APRIL 1, 2008	<u>467,877</u>
FUND BALANCE, MARCH 31, 2009	<u><u>\$ 53,495</u></u>

CONFERENCE CENTER DRIVE  
WATER CONSTRUCTION  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
CONFERENCE CENTER DRIVE WATER CONSTRUCTION FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS

Due from other funds

\$ 12,893

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 12,575

FUND BALANCE

318

Total liabilities and fund balance

\$ 12,893

CHARTER TOWNSHIP OF BRIGHTON  
 CONFERENCE CENTER DRIVE WATER CONSTRUCTION FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED MARCH 31, 2009

REVENUES	\$
EXPENDITURES	
Project costs	<u>319,143</u>
Excess of revenues over (under) expenditures	(319,143)
OTHER FINANCING SOURCES (USES)	
Transfers	<u>319,461</u>
Net change in fund balance	318
FUND BALANCE, APRIL 1, 2008	<u>                    </u>
FUND BALANCE, MARCH 31, 2009	<u><u>\$          318</u></u>

WATER FUND

CHARTER TOWNSHIP OF BRIGHTON  
WATER FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED MARCH 31, 2009

OPERATING REVENUE	\$ _____
 CAPITAL CONTRIBUTIONS AND TRANSFERS	
Transfers (out)	_____ (1,766)
Net (loss)	(1,766)
 RETAINED EARNINGS, APRIL 1, 2008	_____ 1,766
 RETAINED EARNINGS, MARCH 31, 2009	_____ \$ _____

CHARTER TOWNSHIP OF BRIGHTON  
WATER FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2009

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	\$
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers out	<u>(39,221)</u>
Net (decrease) in cash and cash equivalents	(39,221)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2008	<u>39,221</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2009	<u><u>\$</u></u>

SEWER  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	131,162
Accounts receivable - usage		149,999
Accounts receivable - other		32,236
Prepaid expenses - insurance		5,867
Inventory - pumps and parts		52,913
Due from county - delinquents		24,302
		24,302

Total current assets \$ 396,479

RESTRICTED ASSETS

Cash and cash equivalents - debt service		2,165,850
Cash and cash equivalents - replacement		199,578
Accounts receivable - capital charge (usage)		76,779
Bond issuance costs - net of amortization of \$134,780		404,342
Special assessments receivable		9,432,266
Due from county - delinquents (SAD)		367,386
Due from county - construction funds		9,983
		9,983

Total restricted assets 12,656,184

CAPITAL ASSETS

Land		1,395,224
Sewer plant		9,728,042
Sewer collection system		17,693,541
Pumps and equipment		3,476,369
Office furniture and equipment		22,500
		32,315,676
Less: accumulated depreciation		(5,551,995)

Net capital assets 26,763,681

Total assets \$ 39,816,344

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES (from restricted assets)

Accounts payable	\$ 41,880
Due to general fund - property deferrals	11,724
Advance from general fund - operating loan	<u>214,832</u>

Total current liabilities (from unrestricted assets) \$ 268,436

CURRENT LIABILITIES (from restricted assets)

Bonds payable	1,575,000
Advance from general fund	431,000
New connections - escrow funds	<u>50,000</u>

Total current liabilities (from restricted assets) 2,056,000

LONG-TERM LIABILITIES (from restricted assets)

Bonds payable	<u>18,375,000</u>
---------------	-------------------

Total liabilities 20,699,436

FUND EQUITY

Retained earnings - reserved	19,063,106
Retained earnings - unreserved	<u>53,802</u>

Total fund equity 19,116,908

Total liabilities and fund equity \$ 39,816,344

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
STATEMENT OF FUND EQUITY  
FOR THE YEAR ENDED MARCH 31, 2009

	<u>Unreserved Retained Earnings</u>	<u>Reserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES APRIL 1, 2008	\$ 67,703	\$ 19,719,334	\$ 19,787,037
OPERATING (LOSS)	(532,410)		(532,410)
ADJUSTMENTS			
Sewer usage - capital charges	(286,120)	286,120	
Depreciation expense	859,010	(859,010)	
Other Income (expenses)	(13,641)	13,641	
Amortization (expense)	33,695	(33,695)	
Other revenue	(11,106)	11,106	
Legal	8,935	(8,935)	
INTEREST INCOME - BANKS	2,033	45,810	47,843
TRANSFER TO REPLACEMENT RESERVES	(70,000)	70,000	
INTEREST INCOME - SPECIAL ASSESSMENTS		624,408	624,408
CAPITAL CONTRIBUTIONS		109,000	109,000
INTEREST EXPENSE - GENERAL FUND LOAN	(4,297)	(8,620)	(12,917)
INTEREST EXPENSE - BONDS		(905,328)	(905,328)
AGENT FEES - BONDS		(725)	(725)
BALANCES, MARCH 31, 2009	<u>\$ 53,802</u>	<u>\$ 19,063,106</u>	<u>\$ 19,116,908</u>

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2009

OPERATING REVENUES		
Sewer usage	\$ 569,014	
Sewer usage - capital charges	286,120	
Other revenue	25,960	
	<hr/>	
Total operating revenues		\$ 881,094
OPERATING EXPENSES		
Administration	4,260	
Alarm maintenance	376	
Amortization expense	33,695	
Audit services	3,232	
Capital improvements	15,297	
Computer services	983	
Consulting	10,893	
Contracted services - operators	208,483	
Depreciation expense	859,010	
Legal	9,887	
Liability insurance	23,437	
Office expenses	1,352	
Permit fees	2,874	
Repairs and maintenance - building	3,202	
Repairs and maintenance - collection system	62,961	
Repairs and maintenance - equipment	12,274	
Repairs and maintenance - grounds	10,637	
Sluge removal	12,204	
Supplies	33,621	
Telephone	1,148	
Utilities	103,678	
	<hr/>	
Total operating expenses		<hr/> 1,413,504
Operating (loss)		(532,410)
NON-OPERATING REVENUES (EXPENSES)		
Interest income - banks	47,843	
Interest income - special assessment	624,408	
Interest (expense) - general fund advance	(12,917)	
Interest (expense) - bonds	(905,328)	
Agent fees - bonds	(725)	
	<hr/>	
Total non-operating (expenses)		(246,719)
CAPITAL CONTRIBUTIONS		
Tap-in fees (new users)	101,820	
Developer contributions	7,180	
	<hr/>	
Total capital contributions		<hr/> 109,000
Net (loss)		(670,129)
RETAINED EARNINGS, APRIL 1, 2008		<hr/> 19,787,037
RETAINED EARNINGS, MARCH 31, 2009		<hr/> <hr/> \$ 19,116,908

CHARTER TOWNSHIP OF BRIGHTON  
SEWER FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2009

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers and users	\$ 850,207	
Other receipts	37,066	
Payments to suppliers and others	<u>(501,189)</u>	
Net cash from operating activities		\$ 386,084
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bonds	(1,550,000)	
Interest paid on bonds and advances	(696,957)	
Collections of special assessment (principal and interest)	1,509,576	
Purchase of capital assets	(15,969)	
Tap fees (new users)	101,820	
Reimbursement from county construction fund	<u>7,712</u>	
Net cash (used in) capital and related financing activities		(643,818)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and cash equivalents		<u>47,594</u>
Net (decrease) in cash		(210,140)
CASH AND CASH EQUIVALENTS AT APRIL 1, 2008		<u>2,706,730</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2009		<u>\$ 2,496,590</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES		
Operating (loss)		\$ (532,410)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation and amortization	\$ 892,705	
(Increase) in accounts and delinquent receivable	(4,927)	
Increase in accounts payable	33,174	
Decrease in inventory	20,355	
(Increase) in prepaid insurance	(30)	
(Decrease) in new connection escrow	(19,396)	
Increase in due to other funds	1,037	
(Decrease) in due to Livingston County - other	<u>(4,424)</u>	
Total adjustments		<u>918,494</u>
Net cash from operating activities		<u>\$ 386,084</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions of capital assets from developers		<u>\$ 7,180</u>

TRUST  
AND  
AGENCY  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
TRUST AND AGENCY FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS  
Cash

\$ 76,390

LIABILITIES

LIABILITIES  
Due to other funds  
Due to others

\$ 114  
76,276

Total liabilities

\$ 76,390

CURRENT  
TAX  
COLLECTION  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS  
Cash

\$ 1,489

LIABILITIES

LIABILITIES  
Due to other funds

\$ 1,489

CONSTRUCTION  
ESCROW  
FUND

CHARTER TOWNSHIP OF BRIGHTON  
CONSTRUCTION ESCROW FUND  
BALANCE SHEET  
MARCH 31, 2009

ASSETS

ASSETS  
Cash

\$ 105,205

LIABILITIES

LIABILITIES  
Performance deposits  
Due to other funds

\$ 105,175  
30

Total liabilities

\$ 105,205