

CHARTER TOWNSHIP OF BRANDON

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For The Year Ended December 31, 2013

CHARTER TOWNSHIP OF BRANDON

TOWNSHIP OFFICIALS

Supervisor - Kathy Thurman
Clerk – Candee Allen
Treasurer – Terri Darnall

BOARD OF TRUSTEES

Dana DePalma
William DeWitt
Ronald Lapp
Jayson Rumball

LEGAL COUNSEL

Karlstrom Cooney, LLP
Attorneys and Counselors at Law

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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June 6, 2014

Board of Trustees
Charter Township of Brandon
395 Mill Street
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INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit - Fire Department, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the Charter Township of Brandon as of and for the year ended December 31, 2013, which collectively comprise the Charter Township of Brandon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Brandon Township Public Library which is listed as a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Brandon Township Public Library is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit - Fire Department, each major fund, and the aggregate remaining fund information of the Charter Township of Brandon as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 - 14 and 51 - 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

December 31, 2013

Within this section of the Charter Township of Brandon's annual financial report, we are providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended December 31, 2013. 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 functions and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. The Capital Assets (land, buildings, equipment, etc.) are reported at original cost less depreciation and therefore this figure does not necessarily reflect Market Value.

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.

Governmental activities include such activities as general government, fire, police, parks, building and planning departments. 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 the Township Board is responsible for and, additionally, funds which the Township handles but are not under the control or jurisdiction of the Township Board. These component units include the Brandon Fire Department and the Brandon Library.

Fund Financial Statements

A fund is an accountability unit used to segregate resources 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 all funds is provided in the combining statements later in this report.

The Township has two kinds of funds:

Governmental funds such as General Fund, Fire Fund, Police Fund and others are reported in the financial statements. These statements report short-term fiscal conditions 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.

Fiduciary funds such as the tax and escrow 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 to assist with 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, 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

Under GASB 34 the assets of Brandon Township exceed its liabilities at the close of the fiscal year by \$2,633,392. Of this amount, \$1,133,779 is not invested in Capital Assets and may be used to meet the Township’s ongoing obligations.

As of the close of the current fiscal year under governmental fund accounting the Township’s governmental funds reported combined ending fund balances of \$1,732,646, an increase of \$403,969 in comparison with the prior year.

The individual fund balances were as follows:

General Fund	\$	818,789
Police Fund		43,578
Designated General Fund		526,688
Library Debt Service Fund		39,083
Non-major Funds		<u>304,508</u>
	\$	<u>1,732,646</u>

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

Summary of Net Position

	Governmental Activities			Component Unit-Fire			Component Unit-Library		
	12/31/13	12/31/12	Increase (Decrease)	12/31/13	12/31/12	Increase (Decrease)	12/31/13	12/31/12	Increase (Decrease)
Current and other assets	\$ 4,320,789	\$ 3,920,285	\$ 400,504	\$ 3,126,990	\$ 3,436,703	\$ (309,713)	\$ 880,864	\$ 831,740	\$ 49,124
Capital assets, net of depreciation	<u>2,944,613</u>	<u>3,020,650</u>	<u>(76,037)</u>	<u>4,521,662</u>	<u>4,503,039</u>	<u>18,623</u>	<u>2,862,657</u>	<u>3,031,261</u>	<u>(168,604)</u>
Total assets	<u>7,265,402</u>	<u>6,940,935</u>	<u>324,467</u>	<u>7,648,652</u>	<u>7,939,742</u>	<u>(291,090)</u>	<u>3,743,521</u>	<u>3,863,001</u>	<u>(119,480)</u>
Other liabilities	2,477,191	2,736,526	(259,335)	1,921,581	2,005,987	(84,406)	926,724	898,376	28,348
Long-term liabilities	<u>2,154,819</u>	<u>2,036,023</u>	<u>118,796</u>	<u>1,028,724</u>	<u>989,816</u>	<u>38,908</u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>4,632,010</u>	<u>4,772,549</u>	<u>(140,539)</u>	<u>2,950,305</u>	<u>2,995,803</u>	<u>(45,498)</u>	<u>926,724</u>	<u>898,376</u>	<u>28,348</u>
Net position:									
Invested in capital assets, net of related debt	1,499,613	1,315,650	183,963	4,110,812	3,955,539	155,273	2,862,657	3,031,261	(168,604)
Unrestricted/restricted	<u>1,133,779</u>	<u>852,736</u>	<u>281,043</u>	<u>587,535</u>	<u>988,400</u>	<u>(400,865)</u>	<u>(45,860)</u>	<u>(66,636)</u>	<u>20,776</u>
Total net position	<u>\$ 2,633,392</u>	<u>\$ 2,168,386</u>	<u>\$ 465,006</u>	<u>\$ 4,698,347</u>	<u>\$ 4,943,939</u>	<u>\$ (245,592)</u>	<u>\$ 2,816,797</u>	<u>\$ 2,964,625</u>	<u>\$ (147,828)</u>

Summary of Changes in Net Position

	Governmental Activities			Component Unit-Fire			Component Unit-Library		
	12/31/2013	12/31/2012	Increase (Decrease)	12/31/2013	12/31/2012	Increase (Decrease)	12/31/2013	12/31/2012	Increase (Decrease)
REVENUES									
Program revenues									
Charges for services	\$ 493,417	\$ 575,634	\$ (82,217)	\$ 243,009	\$ 311,794	\$ (68,785)	\$ 22,814	\$ 9,395	\$ 13,419
Operating grants and contributions							20,153	33,132	(12,979)
Capital grants	69,284	32,025	37,259	22,614	8,880	13,734		28,100	(28,100)
General revenues									
Special assessments	71,394	68,524	2,870						
State shared revenues	1,043,100	1,035,585	7,515						
Property taxes	2,215,658	2,102,415	113,243	1,700,873	1,704,122	(3,249)	837,746	744,707	93,039
Interest income	22,685	17,228	5,457	18,392	21,264	(2,872)			
Other revenues	144,903	85,799	59,104		961	(961)	27,537	7,524	20,013
Gain (loss) on disposal of assets	(54,366)		(54,366)	(28,346)		(28,346)		(16)	16
Total revenues	4,006,075	3,917,210	88,865	1,956,542	2,047,021	(90,479)	908,250	822,842	85,408
EXPENSES									
General government	1,139,000	1,246,271	(107,271)						
Library							1,056,078	1,102,202	(46,124)
Police protection	1,736,227	1,647,977	88,250						
Fire Protection				2,202,134	2,308,053	(105,919)			
Culture and recreation	437,382	505,272	(67,890)						
Public works	189,770	189,495	275						
Interest on long-term debt	38,690	43,058	(4,368)						
Total expenses	3,541,069	3,632,073	(91,004)	2,202,134	2,308,053	(105,919)	1,056,078	1,102,202	(46,124)
Change in net position	465,006	285,137	179,869	(245,592)	(261,032)	15,440	(147,828)	(279,360)	131,532
Beginning net position	2,168,386	1,952,865	215,521	4,943,939	5,204,971	(261,032)	2,964,625	3,243,985	(279,360)
Prior period adjustment		(69,616)	69,616						
Ending net position	\$ 2,633,392	\$ 2,168,386	\$ 465,006	\$ 4,698,347	\$ 4,943,939	\$ (245,592)	\$ 2,816,797	\$ 2,964,625	\$ (147,828)

Component Units

Due to their autonomous nature, the Library and Fire Department are reported as separate component units within the Charter Township of Brandon’s financial statements.

See Footnote regarding the component units for more detail.

Financial Analysis of the Township’s Funds

The Township has 4 major funds for the year ended December 31, 2013. These funds include:

- General Fund
- Designated General Fund
- Police Fund
- Library Debt Service Fund

The General Fund’s fund balance increased by \$400,457 during the year. This was mostly due to the conscious effort by the Township Board to reduce operating expenditures which were down by \$186,000 from the prior year.

The Designated General Fund’s fund balance increased by \$56,586, for the year.

The increase in the Designated Fund is again the result of the work put forth by the Brandon Township Board of Trustees in an effort to build the Township’s “Rainy Day” fund balance.

The Police Fund's fund balance decreased by \$82,261, due to decreased taxable values.

The Library Debt Service Fund increased by \$11,615.

General Fund Budgetary Highlights

The Township adopted its budget one month before the beginning of the fiscal year. Amendments were made during the year to adjust for changes. Budget appropriations were not exceeded by actual expenditures.

Overall, the Township departments were \$360,273 under budget (approximately 20%) before considering the interfund transfers.

Capital Asset and Debt Administration

The Township made total principle payments of \$260,000 for 2013.

The Township deems all capital purchases of \$5,000 or greater as capital assets. During the year, total capital asset acquisitions totaled \$93,342. The purchases consist of:

\$ 11,743	Police
19,926	General Township
22,862	Building department
7,438	Cable
16,600	Recreation
<u>14,773</u>	Senior Center
<u>\$ 93,342</u>	

Economic Conditions and Future Activities

Economic conditions in Brandon Township like most other areas of the State are impacted significantly by a very slow recovery from the economic downturn experienced over the past few years. Until the downturn, the township historically had been stable and increasing. According to Oakland County, prior levels experienced in 2007 will not be reached until sometime between 2020 and 2025. Residential building permits have seen a moderate increase over the past two years while new commercial and industrial development has remained stagnant.

Steps have been taken to reduce expenditures in all departments to offset reduced revenues. Although the Township's General Fund has been impacted positively by the increase in Constitutional Sales Tax, the Police and Fire Funds rely entirely on Property Tax Revenue and Fund Balance Carry Forward. Therefore, since a point has been reached where the Carry Forward can no longer be relied upon in both the Police and Fire Funds, increases and adjustments to millage rates will have to be made in order to maintain current service levels.

Contacting the Township's Financial Management

The Management Discussion and Analysis was prepared by the Township Supervisor with assistance from the auditor. If you have any questions about the information or opinions contained in the Management Discussion please contact Kathy Thurman, Supervisor at the Charter Township of Brandon, 395 Mill Street, Ortonville, MI 48462.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CHARTER TOWNSHIP OF BRANDON

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	<u>Governmental Activities</u>	<u>Component Unit Fire</u>	<u>Component Unit Library</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,974,844	\$ 1,473,683	\$ 120,379
Receivables			
Special assessments	75,725		
Taxes	1,058,867	772,312	757,142
Intergovernmental	940,818	729,229	2,310
State shared revenues	180,213		
Other	52,613		
Prepaid expenses	37,709	151,766	1,033
Capital assets - not depreciated	1,238,697	1,911,140	171,000
Capital assets - net of depreciation	<u>1,705,916</u>	<u>2,610,522</u>	<u>2,691,657</u>
Total assets	<u>7,265,402</u>	<u>7,648,652</u>	<u>3,743,521</u>
<u>LIABILITIES</u>			
Accrued OPEB	709,819	754,824	
Accounts payable - trade	202,816	23,469	21,877
Deferred revenues	2,259,431	1,731,696	868,915
Accrued wages	9,833	24,709	12,002
Compensated absences	5,111	4,757	23,930
Bonds payable			
Current	275,000		
Non-current	1,170,000		
Installment purchase			
Current		136,950	
Non-current		<u>273,900</u>	
Total liabilities	<u>4,632,010</u>	<u>2,950,305</u>	<u>926,724</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,499,613	4,110,812	2,862,657
Restricted	113,253	587,535	
Unrestricted	<u>1,020,526</u>		<u>(45,860)</u>
Total net position	<u>\$ 2,633,392</u>	<u>\$ 4,698,347</u>	<u>\$ 2,816,797</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions		Governmental Activities	Component Unit Fire	Component Unit Library
GOVERNMENTAL ACTIVITIES							
General government	\$ (1,139,000)	\$ 293,997	\$ 4,435	\$	\$ (840,568)	\$	\$
Police protection	(1,736,227)	98,893			(1,637,334)		
Culture and recreation	(437,382)	98,952			(338,430)		
Public works	(189,770)	1,575	64,849		(123,346)		
Interest on long-term debt	(38,690)				(38,690)		
Total governmental activities	\$ (3,541,069)	\$ 493,417	\$ 69,284		(2,978,368)		
Component Units							
Fire	\$ (2,202,134)	\$ 243,009	\$ 22,614			(1,936,511)	
Library	(1,056,078)	22,814	20,153				(1,013,111)
Total component units	\$ (3,258,212)	\$ 265,823	\$ 42,767	\$		(1,936,511)	(1,013,111)
General revenues							
Property taxes					2,215,658	1,700,873	837,746
Special assessments					71,394		
State shared revenues					1,043,100		
Investment earnings					22,685	18,392	2,394
Other income					144,903		25,143
Gain (loss) on disposal of assets					(54,366)	(28,346)	
Total general revenues					3,443,374	1,690,919	865,283
Changes in net position					465,006	(245,592)	(147,828)
Net position, January 1, 2013					2,168,386	4,943,939	2,964,625
Net position, December 31, 2013					\$ 2,633,392	\$ 4,698,347	\$ 2,816,797

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRANDON

BALANCE SHEET
GOVERNMENTAL FUNDS AND COMPONENT UNITS
DECEMBER 31, 2013

	<u>General Fund</u>	<u>Police Fund</u>	<u>Designated</u>
<u>ASSETS</u>			
ASSETS			
Cash and investments	\$ 692,878	\$ 400,968	\$ 526,688
Receivables			
Taxes	206,918	710,924	
Accounts	4,399		
Special assessments			
Due from other funds	178,086	611,991	
Other governmental units	180,213		
Prepaid expenditures	36,240		
Total assets	<u><u>\$ 1,298,734</u></u>	<u><u>\$ 1,723,883</u></u>	<u><u>\$ 526,688</u></u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 32,629	\$ 162,855	\$
Accrued wages	8,389	110	
Due to other funds	3,421		
Deferred revenue	435,506	1,517,340	
Total liabilities	<u><u>479,945</u></u>	<u><u>1,680,305</u></u>	
FUND BALANCES			
Nonspendable for:			
Prepays	36,240		
Restricted for:			
Fire protection			
Police protection		39,017	
Parks and recreation			
Debt service			
Library			
Public works			
Committed for:			
Cable			
Recreation			
Municipal improvement			526,688
Cemetery			
Assigned for future budget deficit		4,561	
Unassigned	782,549		
Total fund balance	<u><u>818,789</u></u>	<u><u>43,578</u></u>	<u><u>526,688</u></u>
Total liabilities and fund balance	<u><u>\$ 1,298,734</u></u>	<u><u>\$ 1,723,883</u></u>	<u><u>\$ 526,688</u></u>

The notes are an integral part of the financial statements.

Library Debt Service Fund	Other Non-major Funds	Totals	Component Units	
			Fire Fund	Library Fund
\$ 77,546	\$ 276,764	\$ 1,974,844	\$ 1,473,683	\$ 120,379
141,025		1,058,867	772,312	757,142
	48,214	52,613		
	75,725	75,725		
121,505	32,657	944,239	729,229	
		180,213		2,310
	1,469	37,709	151,766	1,033
<u>\$ 340,076</u>	<u>\$ 434,829</u>	<u>\$ 4,324,210</u>	<u>\$ 3,126,990</u>	<u>\$ 880,864</u>
\$	\$ 7,332	\$ 202,816	\$ 23,469	\$ 21,877
	1,334	9,833	24,709	12,002
		3,421		
300,993	121,655	2,375,494	1,731,696	868,915
<u>300,993</u>	<u>130,321</u>	<u>2,591,564</u>	<u>1,779,874</u>	<u>902,794</u>
	1,469	37,709	151,766	1,033
			1,035,315	
		39,017		
	(4,455)	(4,455)		
39,083		39,083		
				(22,963)
	39,608	39,608		
	241,730	241,730		
	8,039	8,039		
		526,688		
	630	630		
	17,487	22,048	160,035	
		782,549		
<u>39,083</u>	<u>304,508</u>	<u>1,732,646</u>	<u>1,347,116</u>	<u>(21,930)</u>
<u>\$ 340,076</u>	<u>\$ 434,829</u>	<u>\$ 4,324,210</u>	<u>\$ 3,126,990</u>	<u>\$ 880,864</u>

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

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

Total governmental fund balances		\$ 1,732,646
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 3,949,428	
Depreciation	<u>(1,004,815)</u>	
Total		2,944,613
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable	(1,445,000)	
Accrued compensated absences	<u>(5,111)</u>	
Total		(1,450,111)
Other post employment benefit obligations liability not recognized under fund accounting		(709,819)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>116,063</u>
Net position of governmental activities		<u><u>\$ 2,633,392</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
COMPONENT UNIT - FIRE FUND
DECEMBER 31, 2013**

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

Total governmental fund balances		\$ 1,347,116
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 7,500,979	
Depreciation	<u>(2,979,317)</u>	
Total		4,521,662
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable	(410,850)	
Accrued compensated absences	<u>(4,757)</u>	
Total		(415,607)
Other Post Employment Benefit obligations liability not recognized under fund accounting		<u>(754,824)</u>
Net position of governmental activities		<u>\$ 4,698,347</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
COMPONENT UNIT - LIBRARY
DECEMBER 31, 2013

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

Total governmental fund balances (deficit)		\$ (21,930)
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 5,205,987	
Depreciation	<u>(2,343,330)</u>	
Total		2,862,657
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Accrued compensated absences		<u>(23,930)</u>
Net position of governmental activities		<u><u>\$ 2,816,797</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General Fund</u>	<u>Police Fund</u>	<u>Designated Fund</u>
REVENUES			
Taxes	\$ 428,558	\$ 1,477,210	\$
Licenses and permits	121,956		
Intergovernmental	1,043,100		
Charges for services	31,328	98,893	
Interest	6,268	7,494	4,376
Miscellaneous	164,450	21,069	82,512
Special assessments - principal			
Special assessments - interest			
Public donations			
Total revenues	<u>1,795,660</u>	<u>1,604,666</u>	<u>86,888</u>
EXPENDITURES			
General government	943,031		
Public safety	121,226	1,729,512	
Public works	107,813		
Culture and recreation	187,409		
Capital outlay			
Senior Center	6,115		
Police		11,743	
General Township	19,926		
Building department	22,862		
Cable			
Recreation			
Fire			
Debt service			
Principal			
Interest and fiscal charges			
Total expenditures	<u>1,408,382</u>	<u>1,741,255</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>387,278</u>	<u>(136,589)</u>	<u>86,888</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets	1,312		
Transfers in	118,894	54,328	41,699
Transfers (out)	(107,027)		(72,000)
Total other financing sources (uses)	<u>13,179</u>	<u>54,328</u>	<u>(30,301)</u>
Net change in fund balance	400,457	(82,261)	56,587
FUND BALANCE (DEFICIT), JANUARY 1, 2013	<u>418,332</u>	<u>125,839</u>	<u>470,101</u>
FUND BALANCE (DEFICIT), DECEMBER 31, 2013	<u>\$ 818,789</u>	<u>\$ 43,578</u>	<u>\$ 526,688</u>

The notes are an integral part of the financial statements.

Library Debt Service Fund	Other Non-major Funds	Totals	Component Units	
			Fire Fund	Library Fund
\$ 309,890	\$	\$ 2,215,658	\$ 1,700,873	\$ 837,747
		121,956		
		1,043,100		
	288,708	418,929	243,009	42,967
415	1,452	20,005	18,392	2,394
	17,484	285,515		25,143
	74,330	74,330		
	2,680	2,680		
			22,614	
<u>310,305</u>	<u>384,654</u>	<u>4,182,173</u>	<u>1,984,888</u>	<u>908,251</u>
		943,031		
		1,850,738	1,813,620	
	81,957	189,770		
	225,194	412,603		894,676
		6,115		
		11,743		
		19,926		
		22,862		
	7,438	7,438		
	16,600	16,600		
			263,560	
260,000		260,000	136,950	
38,690		38,690		
<u>298,690</u>	<u>331,189</u>	<u>3,779,516</u>	<u>2,214,130</u>	<u>894,676</u>
<u>11,615</u>	<u>53,465</u>	<u>402,657</u>	<u>(229,242)</u>	<u>13,575</u>
		1,312	1,683	
	71,300	286,221		
	(107,194)	(286,221)		
	(35,894)	1,312	1,683	
11,615	17,571	403,969	(227,559)	13,575
<u>27,468</u>	<u>286,937</u>	<u>1,328,677</u>	<u>1,574,675</u>	<u>(35,505)</u>
<u>\$ 39,083</u>	<u>\$ 304,508</u>	<u>\$ 1,732,646</u>	<u>\$ 1,347,116</u>	<u>\$ (21,930)</u>

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

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

Net change in fund balances - governmental funds		\$ 403,969
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The net amount of capital outlay expenditures and depreciation is as follows:</p>		
Capital outlay	\$ 93,342	
Depreciation expense	(105,043)	
Loss on disposal of assets	<u>(64,336)</u>	
Net		(76,037)
<p>Repayment of bond and contract payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position</p>		
Repayment of bonds payable		260,000
<p>Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Position</p>		
Accrued absences at December 31, 2012	3,917	
Accrued absences at December 31, 2013	<u>(5,111)</u>	
Net		(1,194)
Other Post Employment Benefit expense not recognized for fund accounting		(118,796)
<p>Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are initially (first year of assessment) levied for the Statement of Activities</p>		
Principal levied on assessments/net of levy		<u>(2,936)</u>
Change in net position of governmental activities		<u><u>\$ 465,006</u></u>

The notes are an integral part of the financial statements

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 COMPONENT UNIT - FIRE FUND
 DECEMBER 31, 2013

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

Net change in fund balances - governmental funds		\$ (227,559)
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The net amount of capital outlay depreciation, and losses on disposals are as follows:</p>		
Capital outlay	\$ 263,560	
Depreciation expense	(214,908)	
Loss on disposal of asset	<u>(30,029)</u>	
Net		18,623
Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Position		
Accrued sick and vacation		2,252
Other Post Employment Benefit expense not recognized for fund accounting		(175,858)
Repayment of installment payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		<u>136,950</u>
Change in net position of governmental activities		<u><u>\$ (245,592)</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
COMPONENT UNIT - LIBRARY
DECEMBER 31, 2013

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

Net change in fund balances - governmental funds		\$	13,575
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The net amount of capital outlay expenditures and depreciation is as follows:			
Depreciation expense			(168,604)
Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Position			
Accrued absences at December 31, 2012	31,131		
Accrued absences at December 31, 2013	<u>(23,930)</u>		
Net			<u>7,201</u>
Change in net position of governmental activities		\$	<u><u>(147,828)</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

FIDUCIARY FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 3,498,095

LIABILITIES

LIABILITIES

Due to others

\$ 1,828,048

Due to other funds

1,670,047

Total liabilities

\$ 3,498,095

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter Township of Brandon was incorporated as a Michigan Charter Township under the provisions of P.A. 359 of 1947, as amended. The Township covers an area of approximately 36 square miles. The Township operates under an elected Board of Trustees and provides services to approximately 15,500 residents including police and fire protection, building ordinance enforcement, community services and enrichment, elections, tax assessments, planning, and street lighting.

The accounting policies of the Charter Township of Brandon conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 & 63 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term 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.

The government-wide Statement of Net Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal's net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) invested in capital assets 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 of 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 expense 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 BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for the governmental 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 of fund category and of the governmental 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 Designated General Fund accounts for the activities related to committing funds for specific board purposes. This fund is primarily supported through interest income, cell tower rent, Metro funds and transfers from the General Fund.

The Police Fund accounts for the activities related to operating police protection services. This fund is primarily supported through the collection of property taxes.

The Library Debt Service Fund accounts for the activities surrounding debt related to the Library. The fund is primarily supported through the collection of property taxes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. 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.

C. BUDGETARY DATA

The Township approves budgets for the general and special revenue funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis.

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2012 levy was assessed at an adjusted taxable value of \$417,167,142. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General township operations	1.0000
Police	3.5286
Fire	4.1905
Library	2.0000
Library Debt Service	0.7400
Total millage	11.4591

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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 capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

Buildings, structures and improvements	10 to 50 years
Machinery, equipment, furniture	5 to 40 years

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

F. FUND BALANCE REPORTING - GASB STATEMENT NO. 54

The objective of this Statement is to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be consistently applied and by clarifying the existing governmental fund definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the resources reported in the governmental funds. Under this standard there are five classifications of non-spendable, restricted, committed, assigned and unassigned.

The hierarchy is as follows:

Nonspendable Fund Balance

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned.
- Amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund).

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Fund Balance

- Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. This is the same definition used by GASB Statement no. 34, Basic Financial Statements – and Management’s Discussion and Analysis- for State and Local Governments, for restricted net assets.

Committed Fund Balance

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned Fund Balance

- For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.
- For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

Unassigned Fund Balance

- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.
- For all governmental funds other than the general fund, amount expended in excess of resources that are nonspendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

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. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of the Charter Township of Brandon as the primary government have been included in the financial statements.

Component Units

1. The Library operates under PA 164, thus the Library Board is independently elected, approves its own budget, maintains control over expenditures of all funds credited to the Library and has the responsibility to see that adequate funding is provided. The Township has chosen to report the Library Fund as a separate discretely presented component unit of the Township's audited financial statements.

2. The Fire Department was created by the Township and the Village of Ortonville under an agreement in 1954. There is a joint Fire Board which is made up of representatives from the Township and Village. The budget process requires approvals from the Township Board of Trustees, Village Council and the joint Fire Board. The Township has chosen to report the Fire Department as a separate discretely presented component unit of the Township's audited financial statements.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

All interfund balances are short-term in character. Interfund balances will be collected and paid during the next reporting period. These amounts are reported as current assets/liabilities in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Payroll Fund	\$ 2,000
General Fund	Current Tax Fund	172,956
Payroll Fund	Health Reimbursement Fund	103
General Fund	BCN Reimbursement Fund	3,000
General Fund	Delinquent Tax Fund	27
Fire Equipment & Housing Fund	Current Tax Fund	154,402
Fire Operating Fund	Current Tax Fund	570,827
Fire Operating Fund	BCN Reimbursement Fund	3,000
Police Fund	General Fund	2,767
Police Fund	Current Tax Fund	609,224
Fire Ambulance Fund	BCN Reimbursement Fund	1,000
Library Debt Fund	General Fund	654
Library Debt Fund	Current Tax Fund	120,851
Presidio & Freedom Trail Fund	Current Tax Fund	3,722
Zariedo Fund	Current Tax Fund	3,226
Upper Bushman Fund	Current Tax Fund	3,204
Lake Louise Fund	Current Tax Fund	14,683
Shelmar Lane Fund	Current Tax Fund	1,819
Legault Fund	Current Tax Fund	6,003
		<u>\$ 1,673,468</u>

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (continued)

The following interfund transfers were made for cash flow purposes during the year ended December 31, 2013.

<u>TRANSFER OUT</u>	<u>TRANSFER IN</u>	<u>AMOUNT</u>
General Fund	Police Fund	\$ 54,328
General Fund	Cemetery Fund	2,000
General Fund	General Designated Fund	41,699
General Fund	Cemetery Designated Fund	9,000
General Designated Fund	General Fund	51,000
General Designated Fund	Parks and Recreation Fund	21,000
Recreation Designated Fund	Parks and Recreation Fund	14,300
Cemetery Designated Fund	Cemetery Fund	15,000
Parks and Recreation Fund	Recreation Designated Fund	10,000
Presidio & Freedom Trail Fund	General Fund	13,566
Cable Fund	General Fund	54,328
		<u>\$ 286,221</u>

NOTE 4 - TOWNSHIP PENSION PLANS

DEFINED CONTRIBUTION PLAN - The Township originally adopted a Defined Contribution Plan with Manulife in July 1977, which has since become John Hancock. The plan is offered to both Township and Library elected officials and eligible full-time employees who are at least 18 years of age and have provided three months of service. The Township contributes 12% of compensation. Employees are permitted to make voluntary after-tax contributions in amounts ranging from 1-15%. As of December 31, 2013 no employees had elected to make after-tax contributions. Benefits attributable to employer contributions are 100% vested. Employees are eligible for normal retirement at age 65.

A summary of the most recent available plan's activity for the period January 1, 2013 through December 31, 2013 for both Township and Library employees is as follows:

Total Value January 1, 2013	\$ 478,952
Employee Contributions	0
Employer Contributions	42,765
Investment Income (loss)	58,510
Interest earned	833
Distributions	(103,788)
Charges	<u>(4,338)</u>
Total Value December 31, 2013	<u>\$ 472,934</u>

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - TOWNSHIP PENSION PLANS (continued)

DEFERRED COMPENSATION PLAN - Brandon Township participates in three deferred compensation plans established by the Michigan Township Association Master Deferral Compensation Plan pursuant to Section 457(b) of the Internal Revenue Code. All full-time Township employees are eligible to participate. Participants may elect to contribute, and revoke the election to contribute, at any time. The plans are administered by the Township and serviced through ING, Security Benefits/Cambridge and MERS. The Township does not contribute any funds to these plans.

DEFINED BENEFIT PLAN - Brandon Township participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. Full-time employees and elected officials are eligible to participate in the plan. Covered and total payrolls for the year ended December 31, 2013 were \$1,189,681 and \$1,630,080 respectively. As of December 31, 2013 there were 25 active employees enrolled in the plan. Total contributions made to the plan during the year ended December 31, 2013 were \$117,381.

The following information, which is the most current available, was obtained from the Township's actuarial consultants, the Gabriel Roeder Smith & Company. The amount disclosed as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (a) help users assess the plan's funding status on a going-concern basis, (b) assess progress being made in accumulating sufficient assets to pay benefits when due, and (c) allow for comparisons among employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligation was determined as part of an actuarial valuation of the plan as of December 31, 2012. Significant actuarial assumptions used in determining the pension benefit obligation include (1) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.9% to 4.5% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - TOWNSHIP PENSION PLANS (continued)

At December 31, 2013, the unfunded pension benefit obligation was \$656,830 determined as follows:

GASB 25 INFORMATION (AS OF DECEMBER 31, 2013)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 2,261,234
Terminated employees (vested former members) not yet receiving benefits	40,898
Non-vested terminated employees (pending refunds of accumulated member contributions)	4,030
Current employees	
Accumulated employee contributions including allocated investment income	1,195,791
Employer financed	<u>2,040,291</u>
Total actuarial accrued liability	5,542,244
Net assets available for benefits, actuarial value (Market Value is \$4,600,895)	<u>4,885,414</u>
Unfunded actuarial accrued liability	<u>\$ 656,830</u>

GASB 27 INFORMATION (AS OF DECEMBER 31, 2013)

Fiscal year Beginning January 1, 2015	
Annual Required Contribution (ARC)	\$ 123,312
Amortization Factor Used - Underfunded liabilities (30 years)	0.085453

SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)

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

ANALYSIS OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (Overfunded) Actuarial Liability (UAAL)</u>	<u>Unfunded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2012	\$ 4,690,004	\$ 5,347,256	\$ 657,252	12.3%	\$1,194,221	55%
December 31, 2013	\$ 4,885,414	\$ 5,542,244	\$ 656,830	11.9%	\$1,188,279	55%

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5 - OTHER POST EMPLOYMENT BENEFITS

Plan Description: The Township provides health insurance for eligible retirees and their spouses on a pay-as-you-go basis as well as advance funding through the use of the MERS Retiree Healthcare Funding Vehicle. The plan is an agent multiple employer defined benefit plan.

Plan eligibility requirements vary depending upon the date of hire, employee group and years of continuous service as follows:

<u>Group</u>	<u>Normal Eligibility</u>	<u>Retiree Contributions</u>
All employees hired on or before October 31, 2012	Age 55 with 20 years of continuous service	15% of premium (20% for dependents)
Firefighters hired on or after November 1, 2012	Age 55 with 25 years of continuous service	20% of premium
All other employees hired on or after November 1, 2012	Age 60 with 30 years of continuous service	20% of premium

Once eligible for Medicare all retirees and spouses are provided a Medicare supplement policy as opposed to the benefits provided by Township's regular health insurance plan. Eligible retirees may elect out of receiving the health insurance coverage and receive \$2,000 in cash each year. All benefits terminate upon the death of the retiree.

Funding Policy: The Township has no obligation to make contributions prior to the time the insurance premiums to cover the eligible retirees are due to be paid (pay-as-you-go funding). However, the Township has made contributions to advance fund these benefits through a current policy to contribute 2% of covered payroll each month and additional amounts at year end as determined by the Township Board of Trustees.

Funding Progress: For the year ended December 31, 2013, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2012. The valuation computes the annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover the current service cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5 - OTHER POST EMPLOYMENT BENEFITS (continued)

The annual required contribution per the valuation, actual funding and changes in the net OPEB liability are summarized as follows:

Annual required contribution	\$ 466,709
Interest on prior years net OPEB obligation	81,900
Adjustment to the annual required contribution	<u>(100,429)</u>
Annual OPEB cost	448,180
Amounts contributed:	
Payments of current premiums	(58,335)
Advance funding	<u>(95,191)</u>
Change in net OPEB obligation	294,654
Net OPEB obligation - beginning of year	<u>1,169,989</u>
Net OPEB obligation - end of year	<u>\$ 1,464,643</u>

The net OPEB obligation is attributed to the following activities of the Township:

General government	\$ 709,819
Fire department	<u>754,824</u>
Net OPEB obligation	<u>\$ 1,464,643</u>

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
12/31/13	01/01/12	448,180	153,526	34%	1,464,643
12/31/12	01/01/12	444,726	336,040	76%	1,169,989
12/31/11	12/31/07	493,259	116,011	24%	1,061,303

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5 - OTHER POST EMPLOYMENT BENEFITS (continued)

The funding progress of the plan as of the most recent valuation dates are as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (Percent)	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/12	356,107	4,695,024	4,338,917	7.6%	Not aval.	Not aval.
12/31/07	200,662	4,340,432	4,139,770	4.6%	Not aval.	Not aval.

The actuarial valuation of plan assets in the above table reflects funding as of January 1, 2012. Advance funding contributions were made subsequent to the valuation date. As of December 31, 2013, the market value of plan assets held in the MERS Retiree Health Funding Vehicle was \$780,810.

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented previously, presents information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based upon the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of costs to the employer to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation the following assumptions were made:

Actuarial cost method:	Projected Unit Credit
Amortization method:	Level dollar, closed
Amortization period:	26 years (30 initially)
Asset valuation method:	Market value as of valuation date
Discount rate:	7%
Return on plan assets:	7%
Marital assumptions:	70% of active employees have covered spouses at retirement with males 3 years older than females; actual status used for retirees
Utilization:	Active employees will elect coverage at retirement consistent with current coverage; actual coverage valued for retirees
Healthcare cost inflation:	8% in 2012 graded to 5% in 2015
Mortality:	IRS 2012 Annuitant and Non-annuitant (sex-distinct)

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

Governmental Activities	1/1/2013	Additions	Deletions	12/31/2013
Capital assets not being depreciated:				
Land	\$ 1,227,369	\$ 11,328	\$	\$ 1,238,697
Construction in progress	53,560		53,560	
Subtotal	<u>1,280,929</u>	<u>11,328</u>	<u>53,560</u>	<u>1,238,697</u>
Capital assets being depreciated				
Buildings and building improvements	2,387,975	96,676	97,129	2,387,522
Vehicles	41,335	22,862	19,500	44,697
Equipment	359,638	16,036	97,162	278,512
Total capital assets	<u>2,788,948</u>	<u>135,574</u>	<u>213,791</u>	<u>2,710,731</u>
Less accumulated depreciation for:				
Buildings and building improvements	762,490	82,695	46,198	798,987
Vehicles	36,265	4,253	19,500	21,018
Equipment	250,472	18,095	83,757	184,810
Subtotal - depreciation	<u>1,049,227</u>	<u>105,043</u>	<u>149,455</u>	<u>1,004,815</u>
Net capital assets being depreciated	<u>1,739,721</u>	<u>30,531</u>	<u>64,336</u>	<u>1,705,916</u>
Net capital assets	<u><u>\$ 3,020,650</u></u>	<u><u>\$ 41,859</u></u>	<u><u>\$ 117,896</u></u>	<u><u>\$ 2,944,613</u></u>

Depreciation expense is allocated to the following activities:

Governmental Activities:	
General government	\$ 49,596
Police	6,715
Sidewalks	8,333
Recreation programs	24,779
Senior citizen services	15,620
	<u>\$ 105,043</u>

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 6 - CAPITAL ASSETS (continued)

A summary of the asset activity for the Fire Department is as follows:

Fire Department	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
Capital assets not being depreciated:				
Land	\$ 1,857,202	\$	\$	\$ 1,857,202
Work in progress		53,938		53,938
Subtotal	1,857,202	53,938		1,911,140
Capital assets being depreciated:				
Buildings and land improvements	3,219,463		12,573	3,206,890
Vehicles	1,918,582	110,446	111,059	1,917,969
Equipment	456,829	99,176	91,025	464,980
Total capital assets	5,594,874	209,622	214,657	5,589,839
Less accumulated depreciation for:				
Buildings and land improvements	1,296,072	67,432	5,722	1,357,782
Vehicles	1,320,259	114,583	107,962	1,326,880
Equipment	332,706	32,893	70,944	294,655
Subtotal - depreciation	2,949,037	214,908	184,628	2,979,317
Net capital assets being depreciated	2,645,837	(5,286)	30,029	2,610,522
Net capital assets	\$ 4,503,039	\$ 48,652	\$ 30,029	\$ 4,521,662

CHARTER TOWNSHIP OF BRANDON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 6 - CAPITAL ASSETS (continued)

A summary of the asset activity for the Library is as follows:

Library	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
Non-depreciable items				
Land	\$ 171,000	\$	\$	\$ 171,000
Depreciable items				
Buildings and land improvements	3,796,414			3,796,414
Computer equipment	35,110		9,853	25,257
Equipment	54,666			54,666
Library materials	1,742,374		1,029,544	712,830
Furniture and fixtures	445,819			445,819
Total capital assets	6,074,383		1,039,397	5,034,986
Accumulated depreciation				
Buildings and land improvements	1,219,788	94,910		1,314,698
Computer equipment	29,574	1,362	9,853	21,083
Equipment	48,138	1,065		49,203
Library materials	1,470,787	71,267	1,029,544	512,510
Furniture and fixtures	445,835			445,835
Subtotal - depreciation	3,214,122	168,604	1,039,397	2,343,329
Net capital assets being depreciated	2,860,261	(168,604)		2,691,657
Net capital assets	\$ 3,031,261	\$ (168,604)	\$	\$ 2,862,657

NOTE 7 - LONG-TERM DEBT

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Capital leases and installment purchase agreements are also general obligations of the government.

Description	Amount
Governmental Activities	
General obligations:	
2010 Library Refunding LTGO bonds, issued in the amount of \$2,230,000 to finance library construction. The bond bears interest from 2% to 2.7%, and matures through 2018	<u>\$ 1,445,000</u>
Component Units Activities	
Installment purchase agreements:	
2006 installment purchase agreement, issued in the amount of \$1,369,500 to purchase land for a future fire station. The agreement bears interest at 4.069% and matures through 2016	<u>\$ 410,850</u>

CHARTER TOWNSHIP OF BRANDON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 7 - LONG-TERM DEBT (continued)

The following is a summary of changes in long term debt for the year.

	<u>Balance 1/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2013</u>	<u>Due within one year</u>
Governmental Activities					
General obligation bonds	\$ 1,705,000	\$	\$ 260,000	\$ 1,445,000	\$ 275,000
Accumulated compensated absences	6,795	1,194	2,878	5,111	
Total general obligations	<u>\$ 1,711,795</u>	<u>\$ 1,194</u>	<u>\$ 262,878</u>	<u>\$ 1,450,111</u>	<u>\$ 275,000</u>
Component Unit Activities - Fire					
Installment purchase obligations	\$ 547,800	\$	\$ 136,950	\$ 410,850	\$ 136,950
Accumulated compensated absences	38,140		33,383	4,757	
Total component unit - Fire	<u>\$ 585,940</u>	<u>\$</u>	<u>\$ 170,333</u>	<u>\$ 415,607</u>	<u>\$ 136,950</u>

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	<u>Governmental Activities</u>				<u>Component Unit</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 275,000	\$ 30,340	\$ 305,340	2014	\$ 136,950	\$ 16,717	\$ 153,667
2015	280,000	24,790	304,790	2015	136,950	11,145	148,095
2016	290,000	18,800	308,800	2016	136,950	5,573	142,523
2017	295,000	11,923	306,923	2017			
2018	305,000	4,118	309,118	2018			
Total	<u>\$ 1,445,000</u>	<u>\$ 89,971</u>	<u>\$ 1,534,971</u>	Total	<u>\$ 410,850</u>	<u>\$ 33,435</u>	<u>\$ 444,285</u>

NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Township to deposit and invest in the accounts of federally insured banks, credit union, 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's deposits are in accordance with statutory authority.

The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investments in all of the investments mentioned in the preceding paragraph.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

As of December 31, 2013 cash, cash equivalents and investments consist of the following:

CASH AND INVESTMENTS - GOVERNMENTAL ACTIVITIES AND COMPONENT UNITS

Deposits	
Deposits with financial institutions	\$ 5,100,680
Investments	
Oakland County Investment Pool	<u>2,585,051</u>
Total deposits and investments	<u><u>\$ 7,685,731</u></u>

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

Statement of Net Position	
Deposits and investments	\$ 3,568,906
Fiduciary Funds	
Deposits and investments	<u>3,498,095</u>
Total deposits and investments	<u><u>\$ 7,067,001</u></u>

The carrying amount of cash is stated at \$7,067,001 as of December 31, 2013. The difference between the carrying amounts and amounts mentioned above stem from petty cash and outstanding items.

The investments are held with Oakland County’s Local Government Investment Pool (LGIP). The LGIP is managed in accordance with the “2A-7 like pool” risk limiting requirements of GASB No. 31. The portfolio securities are valued by the amortized cost method and on a monthly basis the valuation is compared to current market to monitor any variance. At time of purchase, maturities must have a remaining maturity of 3 years or less. The weighted average maturity of the LGIP is approximately 1,000 days. The Township has the ability to withdraw its investments at any time without penalty.

DEPOSIT AND INVESTMENT RISK

The Government Accounting Standards Board Statement No. 3 risk disclosures for the Township’s deposits and investments are as follows:

INTEREST RATE RISK

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments above. The Township’s investment policy does not have specific limits in excess of state law on investment maturities as a mean of managing its exposure to fair value losses arising from increasing interest rates.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

CREDIT RISK

State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with maximum maturities and ratings when purchased, banker's acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on investment credit risk. The Township's investments were not rated as of December 31, 2013.

CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial risk. As of December 31, 2013 the custodial credit risk is as follows:

Insured by FDIC	\$ 739,166
Uninsured and uncollateralized	<u>4,361,514</u>
Total deposits	<u><u>\$ 5,100,680</u></u>

This includes the component units Fire and Library.

CUSTODIAL CREDIT RISK - INVESTMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. The Township's investments at December 31, 2013 are not subject to custodial credit risk.

CASH AND INVESTMENTS - COMPONENT UNIT (FIRE)

Deposits	
Deposits with financial institutions	\$ 343,671
Investments	
Oakland County Investment Pool	<u>1,129,910</u>
Total deposits and investments	<u><u>\$ 1,473,581</u></u>

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

Statement of Net Position - Component Unit (Fire)	
Cash and investments	<u><u>\$ 1,473,683</u></u>

The carrying amount of cash is stated at \$1,473,683 as of December 31, 2013. The difference between the carrying amounts and amounts mentioned above stem from petty cash.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

All other deposit and investment risk assessments are the same as previously mentioned under Governmental Activities and Component Units.

CASH AND INVESTMENTS - COMPONENT UNIT (LIBRARY)

Deposits	
Deposits with financial institutions	\$ 118,019
Investments	
Oakland County Investment Pool	<u>2,360</u>
Total deposits and investments	<u>\$ 120,379</u>

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

Statement of Net Position - Component Unit (Library)	
Cash and investments	<u>\$ 120,379</u>

NOTE 9 - CONTINGENT LIABILITIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of Township management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the Township's financial position, results of operations, or cash flows.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$	\$	\$ 428,558	\$
Licenses and permits			121,956	
Intergovernmental			1,043,100	
Charges for services			31,328	
Interest			6,268	
Other revenues			164,450	
Total revenues	<u>1,563,071</u>	<u>1,602,371</u>	<u>1,795,660</u>	<u>193,289</u>
EXPENDITURES				
Trustees	14,800	14,800	10,997	3,803
Supervisor	112,493	113,493	108,333	5,160
Elections	25,200	18,931	10,199	8,732
Assessor	72,150	72,150	65,713	6,437
Clerk	135,789	139,789	132,250	7,539
Board of review	3,550	3,550	1,845	1,705
Treasurer	126,070	127,339	112,988	14,351
Township Hall	51,150	52,150	45,698	6,452
Senior Activity Center	63,879	63,879	63,009	870
Senior Van	62,113	62,113	62,568	(455)
Community development	32,239	32,239	12,863	19,376
Other costs	61,615	61,615	58,874	2,741
Building inspection	111,337	134,637	121,226	13,411
Ordinance enforcement	1,000	1,000	325	675
Metro Authority	11,000	11,000	11,000	
Street lighting	24,000	24,000	21,323	2,677
Roads	115,000	115,000	86,490	28,510
Recreation	50,550	50,550	48,969	1,581
Planning commission	10,625	10,625	5,150	5,475
Appeal Board	6,430	6,430	3,486	2,944
Equipment shared expenditures	35,000	44,898	28,446	16,452
Insurance and bonds	40,000	40,000	19,473	20,527
Other functions	537,828	568,467	377,157	191,310
Total expenditures	<u>1,703,818</u>	<u>1,768,655</u>	<u>1,408,382</u>	<u>360,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,747)</u>	<u>(166,284)</u>	<u>387,278</u>	<u>553,562</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets			1,312	1,312
Transfers in	104,328	121,027	118,894	(2,133)
Transfers (out)	(15,000)	(41,699)	(107,027)	(65,328)
Total other financing sources (uses)	<u>89,328</u>	<u>79,328</u>	<u>13,179</u>	<u>(66,149)</u>
Net change in fund balance	<u>(51,419)</u>	<u>(86,956)</u>	<u>400,457</u>	<u>487,413</u>
FUND BALANCE, JANUARY 1, 2013	<u>418,332</u>	<u>418,332</u>	<u>418,332</u>	
FUND BALANCE DECEMBER 31, 2013	<u>\$ 366,913</u>	<u>\$ 331,376</u>	<u>\$ 818,789</u>	<u>\$ 487,413</u>

CHARTER TOWNSHIP OF BRANDON

POLICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$	\$	\$ 1,477,210	\$
Licenses and permits			5,129	
Interest			7,494	
Other revenues			21,069	
Reimbursement from schools			93,764	
Total revenues	<u>1,640,917</u>	<u>1,640,917</u>	<u>1,604,666</u>	<u>(36,251)</u>
EXPENDITURES				
Public safety	<u>1,707,085</u>	<u>1,707,085</u>	<u>1,741,255</u>	<u>(34,170)</u>
Excess (deficiency) of revenues over (under) expenditures	(66,168)	(66,168)	(136,589)	(70,421)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>54,328</u>	<u>54,328</u>	<u>54,328</u>	
Net change in fund balance	(11,840)	(11,840)	(82,261)	(70,421)
FUND BALANCE, JANUARY 1, 2013	<u>125,839</u>	<u>125,839</u>	<u>125,839</u>	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 113,999</u>	<u>\$ 113,999</u>	<u>\$ 43,578</u>	<u>\$ (70,421)</u>

CHARTER TOWNSHIP OF BRANDON

SCHEDULES OF OPEB FUNDING PROGRESS (UNAUDITED)
DECEMBER 31, 2013

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) is as follows:

Year Ended December 31,	Annual OPEB Cost	Amount Contributed	Percentage Contributed	Net OPEB Obligation
2009	\$ 401,579	\$ 70,247	17%	\$ 331,332
2010	\$ 446,157	\$ 93,432	21%	\$ 352,725
2011	\$ 493,259	\$ 116,011	24%	\$ 377,248
2012	\$ 444,726	\$ 336,040	76%	\$ 108,686
2013	\$ 448,180	\$ 153,526	34%	\$ 294,654

SUPPLEMENTARY INFORMATION

**COMBINING FINANCIAL
STATEMENTS**

CHARTER TOWNSHIP OF BRANDON

COMBINING BALANCE SHEET
 ALL FUNDS INCLUDED IN GASB 54 CONSOLIDATION - FIRE FUND
 DECEMBER 31, 2013

	<u>Fire Operating</u>	<u>Equipment and Housing</u>	<u>Designated Ambulance</u>	<u>Ambulance</u>
ASSETS				
Cash and investments	\$ 354,463	\$ 359,512	\$ 471,471	\$ 280,446
Taxes receivable	607,887	164,425		
Due from other funds	573,827	154,402		470,820
Prepaid expenses	151,721	45		
	<u>1,687,898</u>	<u>678,384</u>	<u>471,471</u>	<u>751,266</u>
Total assets	<u>\$ 1,687,898</u>	<u>\$ 678,384</u>	<u>\$ 471,471</u>	<u>\$ 751,266</u>
LIABILITIES				
Accounts payable	\$ 14,609	\$ 4,523	\$	\$ 4,317
Accrued wages	23,012			1,697
Due to other funds			469,820	
Deferred revenue	1,363,018	368,678		
	<u>1,400,639</u>	<u>373,201</u>	<u>469,820</u>	<u>6,014</u>
Total liabilities	<u>1,400,639</u>	<u>373,201</u>	<u>469,820</u>	<u>6,014</u>
FUND BALANCE	<u>287,259</u>	<u>305,183</u>	<u>1,651</u>	<u>745,252</u>
Total liabilities and fund balance	<u>\$ 1,687,898</u>	<u>\$ 678,384</u>	<u>\$ 471,471</u>	<u>\$ 751,266</u>

<u>Public Contributions</u>	<u>Eliminations</u>	<u>Totals Restated Fire and Ambulance Fund</u>
\$ 7,791	\$	\$ 1,473,683
	(469,820)	772,312
		729,229
		151,766
<u>\$ 7,791</u>	<u>\$ (469,820)</u>	<u>\$ 3,126,990</u>
\$ 20	\$	\$ 23,469
	(469,820)	24,709
		1,731,696
<u>20</u>	<u>(469,820)</u>	<u>1,779,874</u>
<u>7,771</u>		<u>1,347,116</u>
<u>\$ 7,791</u>	<u>\$ (469,820)</u>	<u>\$ 3,126,990</u>

CHARTER TOWNSHIP OF BRANDON

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

	Police Fund	Seymour Lake Cemetery Fund	Designated Cemetery Fund	Designated General Fund	Recreation Fund	Cable Savings Fund
ASSETS						
Cash and investments	\$ 400,968	\$ 1,056	\$ 630	\$ 526,688	\$ 15,060	\$ 209,053
Accounts receivable						48,214
Prepaid expenses						1,469
Taxes receivable	710,924					
Special assessment receivable						
Due from other funds	611,991					
Due from other governments						
Total assets	\$ 1,723,883	\$ 1,056	\$ 630	\$ 526,688	\$ 15,060	\$ 258,736
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ 162,855	\$ 300	\$	\$	\$ 4,550	\$ 507
Deferred revenue	1,517,340				5,592	
Accrued wages	110				1,334	
Total liabilities	1,680,305	300			11,476	507
FUND BALANCES						
Nonspendable for:						
Prepays						1,469
Restricted for:						
Fire protection						
Police protection	39,017					
Parks and recreation					(4,455)	
Library						
Public works						
Committed for:						
Cable						241,730
Recreation					8,039	
Municipal improvement				526,688		
Cemetery			630			
Assigned for future budget deficit	4,561	756				15,030
Total fund balances (deficit)	43,578	756	630	526,688	3,584	258,229
Total liabilities and fund balance	\$ 1,723,883	\$ 1,056	\$ 630	\$ 526,688	\$ 15,060	\$ 258,736

Presidio and Freedom Trail Fund	Zarieda Street Fund	Upper Bushman Fund	Lake Louise Fund	Shelmer Lane Fund	Legault Boulevard Fund	Totals
\$ 8,305	\$ 9,361	\$ 8,291	\$ 14,713	\$ 4,887	\$ 5,408	\$ 1,204,420
						48,214
						1,469
						710,924
40,533	3,226	2,789	24,122	2,599	2,456	75,725
3,722	3,226	3,204	14,683	1,819	6,003	644,648
<u>\$ 52,560</u>	<u>\$ 15,813</u>	<u>\$ 14,284</u>	<u>\$ 53,518</u>	<u>\$ 9,305</u>	<u>\$ 13,867</u>	<u>\$ 2,685,400</u>
\$ 44,668	\$ 6,452	\$ 6,922	\$ 1,750	\$ 225	\$ 9,823	\$ 170,187
			43,000	5,198		1,638,995
						1,444
<u>44,668</u>	<u>6,452</u>	<u>6,922</u>	<u>44,750</u>	<u>5,423</u>	<u>9,823</u>	<u>1,810,626</u>
						1,469
						39,017
						(4,455)
6,370	9,361	7,183	8,768	3,882	4,044	39,608
						241,730
						8,039
						526,688
						630
<u>1,522</u>	<u></u>	<u>179</u>	<u></u>	<u></u>	<u></u>	<u>22,048</u>
<u>7,892</u>	<u>9,361</u>	<u>7,362</u>	<u>8,768</u>	<u>3,882</u>	<u>4,044</u>	<u>874,774</u>
<u>\$ 52,560</u>	<u>\$ 15,813</u>	<u>\$ 14,284</u>	<u>\$ 53,518</u>	<u>\$ 9,305</u>	<u>\$ 13,867</u>	<u>\$ 2,685,400</u>

CHARTER TOWNSHIP OF BRANDON
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (continued)
DECEMBER 31, 2013

		Component Units	
		Fire Fund	Library Fund
<u>ASSETS</u>			
ASSETS			
Cash and investments		\$ 1,473,683	\$ 120,379
Accounts receivable			
Prepaid expenses		151,766	1,033
Taxes receivable		772,312	757,142
Special assessment receivable			
Due from other funds		729,229	
Due from other governments			2,310
Total assets		\$ 3,126,990	\$ 880,864
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable		\$ 23,469	\$ 21,877
Deferred revenue		1,731,696	868,915
Accrued wages		24,709	12,002
Total liabilities		1,779,874	902,794
FUND BALANCES			
Nonspendable for:			
Prepays		151,766	
Restricted for:			
Fire protection		1,035,315	
Police protection			
Parks and recreation			
Library			(21,930)
Public works			
Committed for:			
Cable			
Recreation			
Municipal improvement			
Cemetery			
Assigned for future budget deficit		160,035	
Total fund balances (deficit)		1,347,116	(21,930)
Total liabilities and fund balance		\$ 3,126,990	\$ 880,864

CHARTER TOWNSHIP OF BRANDON

AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

	<u>Tax Collection Fund</u>	<u>Delinquent Tax Fund</u>	<u>Payroll Fund</u>	<u>Escrow Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and investments	<u>\$ 3,420,152</u>	<u>\$ 27</u>	<u>\$ 2,000</u>	<u>\$ 68,808</u>
<u>LIABILITIES</u>				
LIABILITIES				
Due to others	\$ 1,759,235	\$	\$	\$ 68,808
Due to other funds	<u>1,660,917</u>	<u>27</u>	<u>2,000</u>	<u></u>
Total liabilities	<u>\$ 3,420,152</u>	<u>\$ 27</u>	<u>\$ 2,000</u>	<u>\$ 68,808</u>

<u>Health Reimbursement Fund</u>	<u>BCN Health Reimbursement Fund</u>	<u>Totals</u>
<u>\$ 103</u>	<u>\$ 7,005</u>	<u>\$ 3,498,095</u>
<u>\$ 103</u>	<u>\$ 5 7,000</u>	<u>\$ 1,828,048 1,670,047</u>
<u>\$ 103</u>	<u>\$ 7,005</u>	<u>\$ 3,498,095</u>

CHARTER TOWNSHIP OF BRANDON

ALL FUNDS INCLUDED IN GASB 54 FIRE AND AMBULANCE FUND CONSOLIDATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Fire Operating</u>	<u>Equipment and Housing</u>	<u>Ambulance</u>
Revenues			
Taxes	\$ 1,338,781	\$ 362,092	\$
Charges for services			243,009
Interest	6,988	3,908	5,840
Miscellaneous	6,217	19	971
Public contributions			
	<hr/>	<hr/>	<hr/>
Total revenues	1,351,986	366,019	249,820
Expenditures			
Salaries	880,304		90,050
Pension	76,448		6,809
Insurance	411,104		19,680
Payroll taxes	65,936		6,801
OPEB	54,352		1,473
Fire protection	151,233	96,056	178,138
Debt payment - principal		136,950	
Debt payment - interest		22,290	
	<hr/>	<hr/>	<hr/>
Total expenditures	1,639,377	255,296	302,951
Excess (deficiency) of revenues over expenditures	(287,391)	110,723	(53,131)
OTHER FINANCING SOURCES			
Sale of assets		1,683	
Transfer in	180,000		
Transfer (out)			(180,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources	180,000	1,683	(180,000)
Net change in fund balance	(107,391)	112,406	(233,131)
FUND BALANCE, JANUARY 1, 2013	394,650	192,777	978,383
FUND BALANCE, DECEMBER 31, 2013	\$ 287,259	\$ 305,183	\$ 745,252

<u>Designated Ambulance Fund</u>	<u>Public Contributions</u>	<u>Eliminations</u>	<u>Totals Restated Fire and Ambulance Fund</u>
\$	\$	\$	\$ 1,700,873
			243,009
	5		16,741
1,651			8,858
<u>1,651</u>	<u>15,407</u>	<u></u>	<u>15,407</u>
<u>1,651</u>	<u>15,412</u>	<u></u>	<u>1,984,888</u>
			970,354
			83,257
			430,784
			72,737
			55,825
	16,506		441,933
			136,950
			<u>22,290</u>
	<u>16,506</u>	<u></u>	<u>2,214,130</u>
<u>1,651</u>	<u>(1,094)</u>	<u></u>	<u>(229,242)</u>
			1,683
		(180,000)	
		<u>180,000</u>	<u></u>
			1,683
<u>1,651</u>	<u>(1,094)</u>	<u></u>	<u>(227,559)</u>
	8,865		1,574,675
<u>\$ 1,651</u>	<u>\$ 7,771</u>	<u>\$</u>	<u>\$ 1,347,116</u>

CHARTER TOWNSHIP OF BRANDON

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Police Fund	Seymour Lake Cemetery Fund	Designated Cemetery Fund	Designated General Fund	Recreation Fund	Cable Savings Fund
REVENUES						
Taxes	\$ 1,477,210	\$	\$	\$	\$	\$
Interest income	7,494		63	4,376	14	1,329
Charges for services	5,129	1,575			98,952	188,181
Reimbursement from schools	93,764					
Special assessments - principal						
Special assessments - interest						
Other revenue	21,069			82,512	17,484	
Total revenues	1,604,666	1,575	63	86,888	116,450	189,510
EXPENDITURES						
Cable						96,983
Recreation					152,249	
Public works		17,961				
Public safety	1,741,255					
Library						
Total expenditures	1,741,255	17,961			152,249	96,983
Excess (deficiency) of revenues over expenditures	(136,589)	(16,386)	63	86,888	(35,799)	92,527
OTHER FINANCING SOURCES (USES)						
Sale of assets						
Transfers in	54,328	17,000	9,000	41,699	21,000	
Transfers (out)			(15,000)	(72,000)		(54,328)
Total other financing sources (uses)	54,328	17,000	(6,000)	(30,301)	21,000	(54,328)
Net change in fund balance	(82,261)	614	(5,937)	56,587	(14,799)	38,199
FUND BALANCE, (DEFICIT) JANUARY 1, 2013	125,839	142	6,567	470,101	18,383	220,030
FUND BALANCE, (DEFICIT) DECEMBER 31, 2013	\$ 43,578	\$ 756	\$ 630	\$ 526,688	\$ 3,584	\$ 258,229

Presidio and Freedom Trail Fund	Zarieda Street Fund	Upper Bushman Fund	Lake Louise Fund	Shelmer Lane Fund	Legault Boulevard Fund	Totals
\$	\$	\$	\$	\$	\$	\$
	22	17		3	4	1,477,210
						13,322
						293,837
						93,764
8,934	6,452	6,923	37,000	5,198	9,823	74,330
2,680						2,680
						121,065
<u>11,614</u>	<u>6,474</u>	<u>6,940</u>	<u>37,000</u>	<u>5,201</u>	<u>9,827</u>	<u>2,076,208</u>
						96,983
						152,249
	5,621	5,238	39,794	4,832	8,511	81,957
						1,741,255
	<u>5,621</u>	<u>5,238</u>	<u>39,794</u>	<u>4,832</u>	<u>8,511</u>	<u>2,072,444</u>
<u>11,614</u>	<u>853</u>	<u>1,702</u>	<u>(2,794)</u>	<u>369</u>	<u>1,316</u>	<u>3,764</u>
						143,027
<u>(13,566)</u>						<u>(154,894)</u>
<u>(13,566)</u>						<u>(11,867)</u>
(1,952)	853	1,702	(2,794)	369	1,316	(8,103)
<u>9,844</u>	<u>8,508</u>	<u>5,660</u>	<u>11,562</u>	<u>3,513</u>	<u>2,728</u>	<u>882,877</u>
<u>\$ 7,892</u>	<u>\$ 9,361</u>	<u>\$ 7,362</u>	<u>\$ 8,768</u>	<u>\$ 3,882</u>	<u>\$ 4,044</u>	<u>\$ 874,774</u>

CHARTER TOWNSHIP OF BRANDON

SPECIAL REVENUE FUNDS (continued)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Component Unit	
	Fire Fund	Library Fund
REVENUES		
Taxes	\$ 1,700,873	\$ 837,747
Interest income	18,392	2,394
Charges for services	243,009	42,967
Reimbursement from schools		
Special assessments - principal		
Special assessments - interest		
Other revenue	22,614	25,143
Total revenues	1,984,888	908,251
EXPENDITURES		
Cable		
Recreation		
Public works		
Public safety	2,214,130	
Library		894,676
Total expenditures	2,214,130	894,676
Excess (deficiency) of revenues over expenditures	(229,242)	13,575
OTHER FINANCING SOURCES (USES)		
Sale of assets	1,683	
Transfers in		
Transfers (out)		
Total other financing sources (uses)	1,683	
Net change in fund balance	(227,559)	13,575
FUND BALANCE, (DEFICIT) JANUARY 1, 2013	1,574,675	(35,505)
FUND BALANCE, (DEFICIT) DECEMBER 31, 2013	\$ 1,347,116	\$ (21,930)

INDIVIDUAL FUNDS

GENERAL FUND

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$	692,878
Taxes receivable		206,918
Other receivables		4,399
Due from other funds		178,086
Due from other governments		180,213
Prepaid expenses		36,240
		<hr/>
Total assets	\$	<u><u>1,298,734</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	32,629
Accrued wages		8,389
Deferred revenue		435,506
Due to other funds		3,421
		<hr/>
Total liabilities	\$	479,945

FUND BALANCE

		<hr/>
		818,789
Total liabilities and fund balance	\$	<u><u>1,298,734</u></u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 430,061	\$ 428,558	\$ (1,503)
Licenses and permits	85,604	121,956	36,352
Intergovernmental	1,003,000	1,043,100	40,100
Charges for services	10,210	31,328	21,118
Interest	4,500	6,268	1,768
Other revenues	68,996	164,450	95,454
Total revenues	<u>1,602,371</u>	<u>1,795,660</u>	<u>193,289</u>
EXPENDITURES			
Trustees	14,800	10,997	3,803
Supervisor	113,493	108,333	5,160
Elections	18,931	10,199	8,732
Assessor	72,150	65,713	6,437
Clerk	139,789	132,250	7,539
Board of review	3,550	1,845	1,705
Treasurer	127,339	112,988	14,351
Township Hall	52,150	45,698	6,452
Senior Activity Center	63,879	63,009	870
Senior Van	62,113	62,568	(455)
Community development - C.D.B.G.	32,239	12,863	19,376
Other costs	61,615	58,874	2,741
Building inspection	134,637	121,226	13,411
Ordinance enforcement	1,000	325	675
Metro Authority	11,000	11,000	
Street lighting	24,000	21,323	2,677
Roads	115,000	86,490	28,510
Recreation	50,550	48,969	1,581
Planning commission	10,625	5,150	5,475
Appeal Board	6,430	3,486	2,944
Equipment shared expenditures	44,898	28,446	16,452
Insurance and bonds	40,000	19,473	20,527
Other functions	568,467	377,157	191,310
Total expenditures	<u>1,768,655</u>	<u>1,408,382</u>	<u>360,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(166,284)</u>	<u>387,278</u>	<u>553,562</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets		1,312	1,312
Transfers in	121,027	118,894	(2,133)
Transfers (out)	(41,699)	(107,027)	(65,328)
Total other financing sources (uses)	<u>79,328</u>	<u>13,179</u>	<u>(66,149)</u>
Net change in fund balance	<u>(86,956)</u>	<u>400,457</u>	<u>487,413</u>
FUND BALANCE, JANUARY 1, 2013	<u>418,332</u>	<u>418,332</u>	
FUND BALANCE DECEMBER 31, 2013	<u>\$ 331,376</u>	<u>\$ 818,789</u>	<u>\$ 487,413</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES			
Current tax collections	\$	\$ 419,432	\$
Mobile home tax		5,016	
Penalties and collections		4,110	
Total taxes	<u>430,061</u>	<u>428,558</u>	<u>(1,503)</u>
BUSINESS LICENSES AND PERMITS	<u>85,604</u>	<u>121,956</u>	<u>36,352</u>
INTERGOVERNMENTAL			
State shared revenues		1,021,922	
State SMART grant		21,178	
Total intergovernmental	<u>1,003,000</u>	<u>1,043,100</u>	<u>40,100</u>
CHARGES FOR SERVICES			
Compliance and appeals fees		6,505	
Dog licenses fees		684	
Site planning fees		2,884	
SAD fees		21,255	
Total charges for services	<u>10,210</u>	<u>31,328</u>	<u>21,118</u>
OTHER			
Donations		4,435	
School collection fees		37,157	
Senior rental fee		1,425	
CDBG reimbursements		64,849	
Other refunds/reimbursements		55,451	
Interest		6,268	
Miscellaneous		1,133	
Total other	<u>73,496</u>	<u>170,718</u>	<u>97,222</u>
Total revenues	<u>\$ 1,602,371</u>	<u>\$ 1,795,660</u>	<u>\$ 193,289</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TRUSTEES			
Salary	\$	\$ 10,797	\$
Education		200	
Total trustees	<u>14,800</u>	<u>10,997</u>	<u>3,803</u>
SUPERVISOR			
Supervisor's salary		55,518	
Wages		47,973	
Office supplies		2,107	
Equipment		1,213	
Miscellaneous expense		1,522	
Total supervisor	<u>113,493</u>	<u>108,333</u>	<u>5,160</u>
ELECTIONS			
Salaries		8,578	
Office supplies		493	
Equipment		423	
Maintenance and repair		665	
Miscellaneous expense		40	
Total elections	<u>18,931</u>	<u>10,199</u>	<u>8,732</u>
ASSESSOR			
Contracted wages		64,592	
Office supplies		1,121	
Total assessor	<u>72,150</u>	<u>65,713</u>	<u>6,437</u>
CLERK			
Clerk's salary		48,577	
Wages		72,550	
Office supplies		2,946	
Minute indexing		500	
Mileage		594	
Publications		2,669	
Education		1,508	
Equipment		2,845	
Miscellaneous		61	
Total clerk	<u>139,789</u>	<u>132,250</u>	<u>7,539</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
BOARD OF REVIEW			
Salaries		1,800	
Publications		45	
Total board of review	<u>3,550</u>	<u>1,845</u>	<u>1,705</u>
TREASURER			
Treasurer's salary		48,577	
Wages		54,018	
Office supplies		5,656	
Publications		71	
Equipment		2,408	
Mileage		754	
Education		1,504	
Total treasurer	<u>127,339</u>	<u>112,988</u>	<u>14,351</u>
TOWNSHIP HALL			
Janitorial		4,838	
Supplies		1,457	
Utilities/telecommunications		34,543	
Repairs and maintenance		4,860	
Total township hall	<u>52,150</u>	<u>45,698</u>	<u>6,452</u>
SENIOR ACTIVITY CENTER			
Salaries		38,746	
Office supplies		3,855	
Professional service		268	
Utilities/telecommunications		11,883	
Repair and maintenance		7,189	
Equipment		1,068	
Total senior activity center	<u>63,879</u>	<u>63,009</u>	<u>870</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SENIOR VAN			
Salaries		45,015	
Supplies		85	
Gas/oil		10,935	
Utilities		791	
Repairs and maintenance		5,742	
	<u>62,113</u>	<u>62,568</u>	<u>(455)</u>
COMMUNITY DEVELOPMENT			
Public service		3,000	
Planning		1,000	
Printing and publishing		2,748	
Senior center		6,115	
	<u>32,239</u>	<u>12,863</u>	<u>19,376</u>
OTHER COSTS			
Professional services		45,622	
Dues		549	
Storage rental		1,375	
Property purchase		11,328	
	<u>61,615</u>	<u>58,874</u>	<u>2,741</u>
BUILDING INSPECTION			
Salaries		80,757	
Office supplies		2,414	
Repair and maintenance		1,839	
Professional services		9,535	
Vehicle		1,676	
Equipment		24,660	
Dues		345	
	<u>134,637</u>	<u>121,226</u>	<u>13,411</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ORDINANCE ENFORCEMENT			
Salaries		206	
Transportation		119	
Total ordinance enforcement	<u>1,000</u>	<u>325</u>	<u>675</u>
METRO AUTHORITY	<u>11,000</u>	<u>11,000</u>	
STREET LIGHTING	<u>24,000</u>	<u>21,323</u>	<u>2,677</u>
ROADS	<u>115,000</u>	<u>86,490</u>	<u>28,510</u>
RECREATION	<u>50,550</u>	<u>48,969</u>	<u>1,581</u>
PLANNING COMMISSION			
Salaries		3,674	
Office supplies		453	
Mileage		95	
Professional service		845	
Publications		83	
Total planning commission	<u>10,625</u>	<u>5,150</u>	<u>5,475</u>
APPEAL BOARD			
Salaries		3,005	
Mileage		95	
Publications		376	
Miscellaneous		10	
Total appeal board	<u>6,430</u>	<u>3,486</u>	<u>2,944</u>
EQUIPMENT SHARED EXPENDITURES	<u>44,898</u>	<u>28,446</u>	<u>16,452</u>
INSURANCE AND BONDS	<u>40,000</u>	<u>19,473</u>	<u>20,527</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FUNCTIONS			
Contracted payroll services		7,485	
Payroll taxes		44,761	
Medical and dental benefits		170,553	
Longevity		13,361	
Life insurance		2,329	
Retirement		73,257	
OPEB		38,406	
Public relations		670	
Computer expenditures		12,690	
Tax refunds/chargebacks		5,809	
Bank charges		1,799	
Youth assistance		1,000	
Clean up days		4,937	
Unemployment tax charges		100	
	<u>568,467</u>	<u>377,157</u>	<u>191,310</u>
Total other functions			
	<u>\$ 1,768,655</u>	<u>\$ 1,408,382</u>	<u>\$ 360,273</u>
Total expenditures			

POLICE FUND

CHARTER TOWNSHIP OF BRANDON

POLICE FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$	400,968
Taxes receivable		710,924
Due from other funds		<u>611,991</u>
Total assets	\$	<u>1,723,883</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	162,855
Accrued wages		110
Deferred revenue		<u>1,517,340</u>

Total liabilities \$ 1,680,305

FUND BALANCE

43,578

Total liabilities and fund balance **\$ 1,723,883**

CHARTER TOWNSHIP OF BRANDON

POLICE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 1,482,777	\$ 1,477,210	\$ (5,567)
Licenses and permits	4,200	5,129	929
Interest	10,000	7,494	(2,506)
Other revenues	35,100	21,069	(14,031)
Reimbursement from schools	108,840	93,764	(15,076)
	<u>1,640,917</u>	<u>1,604,666</u>	<u>(36,251)</u>
EXPENDITURES			
Police protection	1,614,885	1,647,782	(32,897)
Salaries	3,500	3,743	(243)
Payroll taxes	300	293	7
Supplies	1,400	3,412	(2,012)
Professional services	60,000	50,499	9,501
Utilities	8,500	8,119	381
Repairs and maintenance	14,000	13,672	328
Tax tribunal	3,000	12,624	(9,624)
Miscellaneous expense	1,500	1,111	389
	<u>1,707,085</u>	<u>1,741,255</u>	<u>(34,170)</u>
Excess (deficiency) of revenues over (under) expenditures	(66,168)	(136,589)	(70,421)
OTHER FINANCING SOURCES (USES)			
Transfers in	54,328	54,328	
	<u>54,328</u>	<u>54,328</u>	
Net change in fund balance	(11,840)	(82,261)	(70,421)
FUND BALANCE, JANUARY 1, 2013	<u>125,839</u>	<u>125,839</u>	
FUND BALANCE DECEMBER 31, 2013	<u>\$ 113,999</u>	<u>\$ 43,578</u>	<u>\$ (70,421)</u>

SEYMOUR LAKE CEMETERY FUND

CHARTER TOWNSHIP OF BRANDON

SEYMOUR LAKE CEMETERY FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

Cash and investments

\$ 1,056

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 300

FUND BALANCE

756

Total liabilities and fund balance

\$ 1,056

CHARTER TOWNSHIP OF BRANDON

SEYMOUR LAKE CEMETERY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Sale of lots	\$ 1,000	\$ 1,575	\$ 575
EXPENDITURES	<u>16,050</u>	<u>17,961</u>	<u>(1,911)</u>
Excess (deficiency) of revenues over (under) expenditures	(15,050)	(16,386)	(1,336)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>15,100</u>	<u>17,000</u>	<u>1,900</u>
Net change in fund balance	50	614	564
FUND BALANCE, JANUARY 1, 2013	<u>142</u>	<u>142</u>	
FUND BALANCE, DECEMBER 31, 2013	<u><u>\$ 192</u></u>	<u><u>\$ 756</u></u>	<u><u>\$ 564</u></u>

DESIGNATED GENERAL FUND

CHARTER TOWNSHIP OF BRANDON

DESIGNATED GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 526,688

FUND BALANCE

FUND BALANCE

General fund

\$ 526,688

CHARTER TOWNSHIP OF BRANDON

DESIGNATED GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUES

Interest	\$ 4,376
Cell tower rent	71,328
Metro funds	<u>11,184</u>

Total revenues 86,888

EXPENDITURES

Excess (deficiency) of revenues over (under) expenditures	<u>86,888</u>
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OTHER FINANCING SOURCES (USES)

Transfers in	41,699
Transfers (out)	<u>(72,000)</u>

Total other financing sources (uses) (30,301)

Net change in fund balance 56,587

FUND BALANCE, JANUARY 1, 2013 470,101

FUND BALANCE DECEMBER 31, 2013 \$ 526,688

DESIGNATED AMBULANCE FUND

CHARTER TOWNSHIP OF BRANDON
DESIGNATED AMBULANCE FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 471,471
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 469,820
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FUND BALANCE

1,651

Total liabilities and fund balance	\$ 471,471
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This supplementary information shows the Designated Ambulance Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRANDON

DESIGNATED AMBULANCE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (PRE GASB 54 - RESTATEMENT)
FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUES	
Interest	\$ 1,651
EXPENDITURES	<hr/>
Net change in fund balance	1,651
FUND BALANCE, JANUARY 1, 2013	<hr/>
FUND BALANCE DECEMBER 31, 2013	<u>\$ 1,651</u>

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

DESIGNATED RECREATION FUND

CHARTER TOWNSHIP OF BRANDON

DESIGNATED RECREATION FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 8,039

FUND BALANCE

FUND BALANCE

\$ 8,039

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

CHARTER TOWNSHIP OF BRANDON

DESIGNATED RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (PRE GASB 54 - RESTATEMENT)
FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUES	
Interest	\$ 5
EXPENDITURES	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<hr/> 5
OTHER FINANCING SOURCES (USES)	
Transfers in	10,000
Transfers (out)	<hr/> (14,300)
Total other financing sources (uses)	<hr/> (4,300)
Net change in fund balance	(4,295)
FUND BALANCE, JANUARY 1, 2013	<hr/> 12,334
FUND BALANCE DECEMBER 31, 2013	<hr/> <hr/> \$ 8,039

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

DESIGNATED CEMETERY FUND

CHARTER TOWNSHIP OF BRANDON

DESIGNATED CEMETERY FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 630

FUND BALANCE

FUND BALANCE

\$ 630

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

CHARTER TOWNSHIP OF BRANDON

DESIGNATED CEMETERY FUND (PRE GASB 54 RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUES	
Interest	\$ 63
EXPENDITURES	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	<u> 63</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	9,000
Transfers (out)	<u>(15,000)</u>
Total other financing sources (uses)	<u> (6,000)</u>
Net change in fund balance	(5,937)
FUND BALANCE, JANUARY 1, 2013	<u> 6,567</u>
FUND BALANCE DECEMBER 31, 2013	<u><u> \$ 630</u></u>

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

RECREATION FUND

CHARTER TOWNSHIP OF BRANDON

RECREATION FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments		\$	7,021
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	4,550
Accrued wages		1,334
Deferred revenue		<u>5,592</u>

Total liabilities		\$	11,476
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FUND BALANCE - DEFICIT

			<u>(4,455)</u>
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Total liabilities and fund balance		\$	<u>7,021</u>
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This supplementary information shows the Recreation Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRANDON

RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Charges for services	\$	\$ 98,952	\$
Interest		9	
Other revenues		17,484	
Total revenues	<u>106,490</u>	<u>116,445</u>	<u>9,955</u>
EXPENDITURES	<u>132,125</u>	<u>152,249</u>	<u>(20,124)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,635)</u>	<u>(35,804)</u>	<u>(10,169)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	25,000	35,300	10,300
Transfers (out)		(10,000)	(10,000)
Total other financing sources (uses)	<u>25,000</u>	<u>25,300</u>	<u>300</u>
Net change in fund balance	(635)	(10,504)	(9,869)
FUND BALANCE, JANUARY 1, 2013	<u>6,049</u>	<u>6,049</u>	
FUND BALANCE (DEFICIT), DECEMBER 31, 2013	<u>\$ 5,414</u>	<u>\$ (4,455)</u>	<u>\$ (9,869)</u>

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

CABLE SAVINGS FUND

CHARTER TOWNSHIP OF BRANDON

CABLE SAVINGS FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 209,053
Prepaid expenses	1,469
Accounts receivable	<u>48,214</u>
Total assets	<u><u>\$ 258,736</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 507
------------------	--------

FUND BALANCE

Total liabilities and fund balance	<u><u>\$ 258,736</u></u>
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CHARTER TOWNSHIP OF BRANDON

CABLE SAVINGS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$	\$ 1,329	\$
Charges for services		188,181	
Total revenues	<u>165,500</u>	<u>189,510</u>	<u>24,010</u>
EXPENDITURES			
Public works	<u>111,239</u>	<u>96,983</u>	<u>14,256</u>
Excess (deficiency) of revenues over (under) expenditures	54,261	92,527	38,266
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(54,328)</u>	<u>(54,328)</u>	
Net change in fund balance	(67)	38,199	38,266
FUND BALANCE, JANUARY 1, 2013	<u>220,030</u>	<u>220,030</u>	
FUND BALANCE, DECEMBER 31, 2013	<u><u>\$ 219,963</u></u>	<u><u>\$ 258,229</u></u>	<u><u>\$ 38,266</u></u>

PRESIDIO AND FREEDOM TRAIL FUND

CHARTER TOWNSHIP OF BRANDON

PRESIDIO AND FREEDOM TRAIL FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 8,305
Special assessment receivable	40,533
Due from other funds	<u>3,722</u>
Total assets	<u><u>\$ 52,560</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 44,668
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FUND BALANCE

	<u>7,892</u>
Total liabilities and fund balance	<u><u>\$ 52,560</u></u>

CHARTER TOWNSHIP OF BRANDON

PRESIDIO AND FREEDOM TRAIL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 8,934	\$
Special assessments - interest		2,680	
Total revenues	11,614	11,614	
EXPENDITURES			
Excess (deficiency) of revenues over (under) expenditures	11,614	11,614	
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(16,699)	(13,566)	3,133
Net change in fund balance	(5,085)	(1,952)	3,133
FUND BALANCE, JANUARY 1, 2013	9,844	9,844	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 4,759</u>	<u>\$ 7,892</u>	<u>\$ 3,133</u>

ZARIEDA STREET FUND

CHARTER TOWNSHIP OF BRANDON

ZARIEDA STREET FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 9,361
Special assessment receivable	3,226
Due from other funds	<u>3,226</u>
Total assets	<u><u>\$ 15,813</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 6,452
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FUND BALANCE

	<u>9,361</u>
Total liabilities and fund balance	<u><u>\$ 15,813</u></u>

CHARTER TOWNSHIP OF BRANDON

ZARIEDA STREET FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$	\$ 22	\$
Special assessments		<u>6,452</u>	
Total revenues	6,477	6,474	(3)
EXPENDITURES			
Public works	<u>5,610</u>	<u>5,621</u>	<u>(11)</u>
Net change in fund balance	867	853	(14)
FUND BALANCE, JANUARY 1, 2013	<u>8,508</u>	<u>8,508</u>	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 9,375</u>	<u>\$ 9,361</u>	<u>\$ (14)</u>

UPPER BUSHMAN FUND

CHARTER TOWNSHIP OF BRANDON

UPPER BUSHMAN FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 8,291
Special assessment receivable	2,789
Due from other funds	<u>3,204</u>
Total assets	<u><u>\$ 14,284</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ 6,922
Deferred revenues	
FUND BALANCE	<u>7,362</u>
Total liabilities and fund balance	<u><u>\$ 14,284</u></u>

CHARTER TOWNSHIP OF BRANDON

UPPER BUSHMAN FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$	\$ 17	\$
Special assessments		6,923	
		<u>6,943</u>	
Total revenue	6,943	6,940	(3)
EXPENDITURES			
Public works	<u>7,122</u>	<u>5,238</u>	<u>1,884</u>
Net change in fund balance	(179)	1,702	1,881
FUND BALANCE, JANUARY 1, 2013	<u>5,660</u>	<u>5,660</u>	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 5,481</u>	<u>\$ 7,362</u>	<u>\$ 1,881</u>

LAKE LOUISE FUND

CHARTER TOWNSHIP OF BRANDON

LAKE LOUISE FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 14,713
Special assessment receivable	24,122
Due from other funds	<u>14,683</u>
Total assets	<u><u>\$ 53,518</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,750
Deferred revenue	<u>43,000</u>
Total liabilities	44,750

FUND BALANCE

	<u>8,768</u>
Total liabilities and fund balance	<u><u>\$ 53,518</u></u>

CHARTER TOWNSHIP OF BRANDON

LAKE LOUISE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 37,000	\$ 37,000	\$
EXPENDITURES			
Public works	<u>41,075</u>	<u>39,794</u>	<u>1,281</u>
Net change in fund balance	(4,075)	(2,794)	1,281
FUND BALANCE, JANUARY 1, 2013	<u>11,562</u>	<u>11,562</u>	
FUND BALANCE, DECEMBER 31, 2013	<u><u>\$ 7,487</u></u>	<u><u>\$ 8,768</u></u>	<u><u>\$ 1,281</u></u>

SHELMER LANE FUND

CHARTER TOWNSHIP OF BRANDON

SHELMER LANE FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$	4,887
Special assessment receivable		2,599
Due from other funds		<u>1,819</u>
Total assets	\$	<u><u>9,305</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	225
Deferred revenue		<u>5,198</u>
Total liabilities		5,423

FUND BALANCE

		<u>3,882</u>
Total liabilities and fund balance	\$	<u><u>9,305</u></u>

CHARTER TOWNSHIP OF BRANDON

SHELMER LANE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$	\$ 3	\$
Special assessments		5,198	
Total revenues	4,704	5,201	497
EXPENDITURES			
Public works	4,148	4,832	(684)
Net change in fund balance	556	369	(187)
FUND BALANCE, JANUARY 1, 2013	3,513	3,513	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 4,069</u>	<u>\$ 3,882</u>	<u>\$ (187)</u>

LEGAULT BOULEVARD FUND

CHARTER TOWNSHIP OF BRANDON

LEGAULT BOULEVARD FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 5,408
Special assessment receivable	2,456
Due from other funds	<u>6,003</u>
Total assets	<u><u>\$ 13,867</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 9,823
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FUND BALANCE

	<u>4,044</u>
Total liabilities and fund balance	<u><u>\$ 13,867</u></u>

CHARTER TOWNSHIP OF BRANDON

LEGAULT BOULEVARD FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest income	\$	\$ 4	\$
Special assessments		9,823	
Total revenues	9,828	9,827	(1)
EXPENDITURES			
Public works	9,630	8,511	1,119
Net change in fund balance	198	1,316	1,118
FUND BALANCE, JANUARY 1, 2013	2,728	2,728	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 2,926</u>	<u>\$ 4,044</u>	<u>\$ 1,118</u>

FIRE OPERATING FUND

CHARTER TOWNSHIP OF BRANDON
FIRE OPERATING FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$	354,463
Taxes receivable		607,887
Due from other funds		573,827
Prepaid expenses		<u>151,721</u>
Total assets		<u><u>\$ 1,687,898</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	14,609
Accrued wages		23,012
Deferred revenue		<u>1,363,018</u>
Total liabilities		1,400,639

FUND BALANCE

		<u>287,259</u>
Total liabilities fund balance		<u><u>\$ 1,687,898</u></u>

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

CHARTER TOWNSHIP OF BRANDON

FIRE OPERATING FUND (PRE GASB 54 - RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$	\$ 1,338,781	\$
Interest		6,988	
Miscellaneous		6,217	
Total revenues	<u>1,348,341</u>	<u>1,351,986</u>	<u>3,645</u>
EXPENDITURES			
Salaries		880,304	
Insurance		411,104	
Pension		76,448	
Utilities and telephone		45,281	
OPEB		54,352	
Fuel		30,823	
Dispatch pager fees and maintenance		24,264	
MTT refunds and chargebacks		10,623	
Payroll taxes		65,936	
Education, dues and training		8,680	
Equipment		1,862	
Repairs and maintenance		6,321	
Supplies		1,865	
Uniforms		10,129	
Offices consumables		3,281	
Legal		2,772	
Enforcement		62	
Fees		5,270	
Total expenditures	<u>1,795,084</u>	<u>1,639,377</u>	<u>155,707</u>
Excess (deficiency) of revenues, over (under) expenditures	(446,743)	(287,391)	159,352
OTHER FINANCING SOURCES			
Transfers in	<u>205,500</u>	<u>180,000</u>	<u>(25,500)</u>
Net change in fund balance	(241,243)	(107,391)	133,852
FUND BALANCE, JANUARY 1, 2013	<u>394,650</u>	<u>394,650</u>	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 153,407</u>	<u>\$ 287,259</u>	<u>\$ 133,852</u>

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

FIRE EQUIPMENT AND HOUSING FUND

CHARTER TOWNSHIP OF BRANDON

FIRE EQUIPMENT AND HOUSING FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 359,512
Taxes receivable	164,425
Due from other funds	154,402
Prepaid expenses	<u>45</u>
Total assets	<u><u>\$ 678,384</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,523
Deferred revenue	<u>368,678</u>
Total liabilities	373,201

FUND BALANCE

	<u>305,183</u>
Total liabilities and fund balance	<u><u>\$ 678,384</u></u>

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

CHARTER TOWNSHIP OF BRANDON

FIRE EQUIPMENT AND HOUSING FUND (PRE GASB 54 - RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$	\$ 362,092	\$
Interest		3,908	
Other revenue		19	
Total revenues	<u>366,525</u>	<u>366,019</u>	<u>(506)</u>
EXPENDITURES			
Fire protection		96,056	
Debt payment - principal		136,950	
Debt payment - interest		22,290	
Total expenditures	<u>328,341</u>	<u>255,296</u>	<u>73,045</u>
Excess (deficiency) of revenues over (under) expenditures	38,184	110,723	72,539
OTHER FINANCING SOURCES (USES)			
Sale of assets		1,683	1,683
Net change in fund balance	<u>38,184</u>	<u>112,406</u>	<u>74,222</u>
FUND BALANCE, JANUARY 1, 2013	<u>192,777</u>	<u>192,777</u>	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 230,961</u>	<u>\$ 305,183</u>	<u>\$ 74,222</u>

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

FIRE AMBULANCE FUND

CHARTER TOWNSHIP OF BRANDON
FIRE AMBULANCE FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 280,446
Due from other funds	<u>470,820</u>
Total assets	<u><u>\$ 751,266</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,317
Accrued wages	<u>1,697</u>
Total liabilities	6,014

FUND BALANCE

	<u>745,252</u>
Total liabilities and fund balance	<u><u>\$ 751,266</u></u>

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

CHARTER TOWNSHIP OF BRANDON

FIRE AMBULANCE FUND (PRE GASB 54 - RESTATEMENT)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Fees and charges	\$	\$ 243,009	\$
Interest		5,840	
Miscellaneous		971	
Total revenues	<u>232,000</u>	<u>249,820</u>	<u>17,820</u>
EXPENDITURES			
Salaries		90,050	
Payroll taxes		6,801	
Pension		6,809	
OPEB		1,473	
Insurance		19,680	
Fire protection		178,138	
Total expenditures	<u>373,439</u>	<u>302,951</u>	<u>70,488</u>
Excess (deficiency) of revenues over (under) expenditures	(141,439)	(53,131)	88,308
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(649,820)</u>	<u>(180,000)</u>	<u>469,820</u>
Net change in fund balance	(791,259)	(233,131)	558,128
FUND BALANCE, JANUARY 1, 2013	<u>978,383</u>	<u>978,383</u>	
FUND BALANCE, DECEMBER 31, 2013	<u>\$ 187,124</u>	<u>\$ 745,252</u>	<u>\$ 558,128</u>

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

PUBLIC CONTRIBUTIONS FUND

CHARTER TOWNSHIP OF BRANDON
PUBLIC CONTRIBUTIONS FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 7,791
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to others	\$ 20
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FUND BALANCE

Total liabilities and fund balance	\$ 7,791
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This supplementary information shows the Public Contributions Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

CHARTER TOWNSHIP OF BRANDON

PUBLIC CONTRIBUTIONS (PRE GASB 54 - RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

ADDITIONS	
Public contributions	\$ 15,407
Interest	<u>5</u>
Total additions	15,412
DEDUCTIONS	
Public safety	<u>16,506</u>
Net change in fund balance	(1,094)
FUND BALANCE, JANUARY 1, 2013	<u>8,865</u>
FUND BALANCE, DECEMBER 31, 2013	<u><u>\$ 7,771</u></u>

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

LIBRARY - GENERAL FUND

CHARTER TOWNSHIP OF BRANDON

LIBRARY - GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

Cash and investments	\$ 120,379
Accounts receivable	
Taxes	757,142
Due from other governments	2,310
Prepaid expenses	<u>1,033</u>
Total assets	<u><u>\$ 880,864</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 21,877
Accrued wages	12,002
Deferred revenue	<u>868,915</u>

Total liabilities 902,794

FUND BALANCE (DEFICIT) (21,930)

Total liabilities and fund balance \$ 880,864

CHARTER TOWNSHIP OF BRANDON

LIBRARY - GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$	\$ 837,747	\$
Charges for services		8,761	
Fines and forfeits		34,206	
Interest income		2,394	
Other income		25,143	
	<u>913,896</u>	<u>908,251</u>	<u>(5,645)</u>
Total revenues			
EXPENDITURES			
Salaries		498,243	
Fringe benefits		129,594	
Supplies		21,252	
Cooperative expenses		32,288	
Professional services		27,506	
Professional development		3,458	
Insurance expense		17,720	
Community relations		20,443	
Utilities		37,415	
Repairs and maintenance		37,222	
Administrative expenses		6,644	
Library collection materials		62,812	
Equipment rental		79	
	<u>891,839</u>	<u>894,676</u>	<u>(2,837)</u>
Total expenditures			
Net change in fund balance	22,057	13,575	(8,482)
FUND BALANCE (DEFICIT), JANUARY 1, 2013	<u>(35,505)</u>	<u>(35,505)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31, 2013	<u>\$ (13,448)</u>	<u>\$ (21,930)</u>	<u>\$ (8,482)</u>

LIBRARY DEBT SERVICE FUND

CHARTER TOWNSHIP OF BRANDON

LIBRARY DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments	\$ 77,546
Taxes receivable	141,025
Due from other funds	<u>121,505</u>
Total assets	<u><u>\$ 340,076</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 300,993
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FUND BALANCE

Reserved for debt service	<u>39,083</u>
Total liabilities and fund balance	<u><u>\$ 340,076</u></u>

CHARTER TOWNSHIP OF BRANDON

LIBRARY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUES

Taxes	\$ 309,890
Interest	415
Total revenues	<u>310,305</u>

EXPENDITURES

Debt service	
Principal retirement	260,000
Interest and fiscal charges	35,690
Miscellaneous	3,000
Total expenditures	<u>298,690</u>

Net change in fund balance 11,615

FUND BALANCE, JANUARY 1, 2013 27,468

FUND BALANCE, DECEMBER 31, 2013 \$ 39,083

TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRANDON

TAX COLLECTION FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 3,420,152

LIABILITIES

LIABILITIES

Due to others

\$ 1,759,235

Due to other funds

1,660,917

Total liabilities

\$ 3,420,152

DELINQUENT TAX FUND

CHARTER TOWNSHIP OF BRANDON

DELINQUENT TAX FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash

\$ 27

LIABILITIES

LIABILITIES

Due to other funds

\$ 27

PAYROLL FUND

CHARTER TOWNSHIP OF BRANDON

PAYROLL FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 2,000

LIABILITIES

LIABILITIES

Due to other funds

\$ 2,000

ESCROW FUND

CHARTER TOWNSHIP OF BRANDON

ESCROW FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 68,808

LIABILITIES

LIABILITIES

Due to others

\$ 68,808

HEALTH REIMBURSEMENT FUND

CHARTER TOWNSHIP OF BRANDON

HEALTH REIMBURSEMENT FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 103

LIABILITIES

LIABILITIES

Due to other funds

\$ 103

BCN HEALTH REIMBURSEMENT FUND

CHARTER TOWNSHIP OF BRANDON

BCN HEALTH REIMBURSEMENT FUND
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

ASSETS

Cash and investments

\$ 7,005

LIABILITIES

LIABILITIES

Due to other funds

\$ 7,000

Due to others

5

Total liabilities

\$ 7,005



PFEFFER ▪ HANNIFORD ▪ PALKA
Certified Public Accountants

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June 6, 2014

Charter Township of Brandon
Honorable Board of Trustees
395 Mill Street
Ortonville, Michigan 48462

Dear Honorable Board of Trustees:

In planning and performing our audit of the financial statements of the governmental activities, the aggregate discretely presented component unit - Fire Department, each major fund, and the aggregate remaining fund information of the Charter Township of Brandon as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Charter Township of Brandon's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township of Brandon's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Township of Brandon's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the Charter Township of Brandon's internal control to be material weaknesses:

1. **Establish Control Over the Financial Reporting Process** - Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to financial statements, in conformity with U.S. generally accepted accounting principles.

At times, management may choose to outsource certain accounting functions due to cost or training considerations. Such accounting functions and service providers must be governed by the control policies and procedures of the Company. Management is as responsible for outsourced functions performed by a service provider as it would be if your personnel performed such functions. Specifically, management is responsible for management decisions and functions for designating an individual with suitable skill, knowledge, or experience to oversee any outsourced services; and for evaluating the adequacy and results of those services and accepting responsibility for them.

As part of the audit, management requested us to prepare a draft of your financial statements, including the related notes to financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management did not have the accounting expertise to perform a detailed review of the financial statements. The absence of this control procedure is considered a material weakness because the potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the Township's internal control.

The existence of significant deficiencies or material weaknesses may already be known to management and may represent a conscious decision by management or those charged with governance to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions.

Response by Management - Management believes the benefit of hiring additional personnel with the qualified experience to draft the financial statements does not outweigh the costs. Management has decided to maintain the current practice of requesting the auditing firm to draft the financial statements.

2. **Cash Receipting and Segregation of Duties** - Monies are being receipted by personnel at other locations besides the Treasurer's staff at the treasurer's office located at the Township Hall. This policy often allows the same person to update internal accounting records and receive cash (two (2) duties which should be segregated and done by two (2) different individuals). The absence of this control procedure is considered a material weakness because the potential exists for a misappropriation of assets which would not be prevented or detected by management.

Response by Management - Management believes due to the size of the Township and the additional effort which would be imposed on the residents if cash collections and posting of records were separated as two distinct duties by two (2) separate individuals cannot be done without significant additional costs. Therefore, management has decided to maintain the current practice.

The following are other comments and recommendations we would like to discuss with you.

1. ACCOUNTING FOR PAYROLL

The accounting for the payroll process was discussed in the prior year. It appears there have been some improvements, however, it is our opinion more improvements can and should be made. The improvements we are referring to relate to “how the postings are made to the general ledger”. The separate payroll fund is not being used for its intended purposes. Proper recording of payroll in the general ledger would enable overseers (management, accounting staff) to verify such things as withholdings are being paid properly.

We have discussed the accounting for payroll (recording in general ledger) with the clerk’s and treasurer’s offices and believe proper recording should be instituted midyear 2014.

2. DONATIONS OF EQUIPMENT FROM OUTSIDE SOURCES

During the audit process of reviewing for fixed asset acquisitions we noted a generator was donated to the senior center. The donation was not included in any accounting records for the recording of the acquisition. Some type of procedure should be set up to record these types of transactions. For example, a policy requiring donations of a tangible asset over the \$5,000 threshold should be reported to the clerk’s department to be put into the accounting system.

3. ACCOUNTS PAYABLE BALANCES – RECONCILIATION WITH GENERAL LEDGER

Accounts payable balances (amounts owed to vendors) for each fund as listed in the general ledger did not always reconcile with accounts payable balances as listed in the subsystem. Unaccounted for differences should be reconciled before the month – end is closed out in the accounting system.

4. CASH RECEIPTING SYSTEM – IDENTIFICATION OF INDIVIDUAL POSTING THE TRANSACTION

We noted in some receipting transactions at the fire department the system was set up as showing two names being identified when a receipt transaction was posted into the system. We suggested this be changed to one name which would be the name of the individual actually receipting the transaction.

5. CURRENT TAX COLLECTION – PILT MONIES

We noted PILT monies received from the Department of Natural Resources into the tax collection fund were not disbursed to the proper parties by year end. This has since been completed by the Treasurer’s office.

We would like to thank the Township officials and employees that assisted us during the audit process for their assistance and cooperation.

If you should have any questions, comments or concerns please do not hesitate to call us.

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants