

CHARTER TOWNSHIP OF BRANDON

REPORT ON AUDIT OF FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2017

CHARTER TOWNSHIP OF BRANDON

TOWNSHIP OFFICIALS

Supervisor - Kathy Thurman

Clerk - Candee Allen

Treasurer - Terri Darnall

BOARD OF TRUSTEES

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Robert Marshall

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Kristopher Kordella

LEGAL COUNSEL

Karlstrom Cooney, LLP

Attorneys and Counselors at Law

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka

Certified Public Accountants

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Members:
AICPA Private Practice Companies Section
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INDEPENDENT AUDITORS' REPORT

May 4, 2018

To the Board of Trustees
Charter Township of Brandon
395 Mill Street
Ortonville, MI 48462

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented Fire Department component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Brandon, Michigan, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented Fire Department component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Brandon, Michigan, as of December 31, 2017, 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 - 55 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, Michigan'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, 2017

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, 2017. 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 plus deferred outflow, less liabilities plus deferred inflow, 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. There is one component unit, which is the Brandon Fire Department.

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 (full accrual) the assets of Brandon Township exceed its liabilities at the close of the fiscal year by \$5,337,392. Of this amount, \$1,646,276 is not invested in Capital Assets and is not restricted 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 \$3,893,682, an increase of \$833,544 in comparison with the prior year.

The individual fund balances were as follows:

General Fund	\$ 1,278,755
Police Fund	615,497
Designated General Fund	1,449,538
Non-major Funds	<u>549,892</u>
	<u>\$ 3,893,682</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		
	12/31/2017	12/31/2016	Increase (Decrease)	12/31/2017	12/31/2016	Increase (Decrease)
ASSETS						
Current and other assets	\$ 7,171,829	\$ 6,348,335	\$ 823,494	\$ 3,521,897	\$ 3,165,311	\$ 356,586
Capital assets, net of depreciation	2,957,599	3,016,563	(58,964)	4,374,624	4,545,342	(170,718)
Total assets	10,129,428	9,364,898	764,530	7,896,521	7,710,653	185,868
DEFERRED OUTFLOW OF RESOURCES						
Pension related activities	93,747	219,147	(125,400)	169,424	358,470	(189,046)
LIABILITIES						
Other liabilities	491,109	1,250,602	(759,493)	77,228	915,920	(838,692)
Long-term liabilities	1,550,662	1,242,027	308,635	1,734,569	1,050,201	684,368
Total liabilities	2,041,771	2,492,629	(450,858)	1,811,797	1,966,121	(154,324)
DEFERRED INFLOW OF RESOURCES						
Taxes levied for the following year	2,799,419	2,777,082	22,337	2,050,712	1,969,295	81,417
Pension related activities	44,593		44,593	80,590		80,590
Total deferred inflow of resources	2,844,012	2,777,082	66,930	2,131,302	1,969,295	162,007
NET POSITION						
Net investment in capital assets	2,957,599	3,016,563	(58,964)	4,374,624	4,545,342	(170,718)
Restricted	733,517	475,133	258,384	(251,778)	(411,635)	159,857
Unrestricted	1,646,276	822,638	823,638			
Total net position	\$ 5,337,392	\$ 4,314,334	\$ 1,023,058	\$ 4,122,846	\$ 4,133,707	\$ (10,861)

Summary of Changes in Net Position

	Governmental Activities			Component Unit-Fire		
	12/31/2017	12/31/2016	Increase (Decrease)	12/31/2017	12/31/2016	Increase (Decrease)
REVENUES						
Program revenues						
Charges for services	\$ 542,791	\$ 450,421	\$ 92,370	\$ 324,319	\$ 297,357	\$ 26,962
Operating grants and contributions		35,957	(35,957)			
Capital contributions	30,000	80,000	(50,000)		16,319	(16,319)
General revenues						
Special assessments	99,174	73,652	25,522			
State shared revenues	1,212,613	1,126,722	85,891			
Property taxes	2,789,103	2,742,283	46,820	1,971,972	1,925,244	46,728
Investment income	162,317	33,756	128,561	23,148	17,210	5,938
Other revenue	314,564	418,515	(103,951)	61,635	42,809	18,826
Gain (loss) on disposal of assets	(16,731)		(16,731)		8,993	(8,993)
Total revenues	5,133,831	4,961,306	172,525	2,381,074	2,307,932	73,142
EXPENSES						
General government	1,809,503	1,408,550	400,953			
Police protection	1,860,458	2,034,440	(173,982)			
Fire Protection				2,391,935	2,379,783	12,152
Culture and recreation	124,745	312,045	(187,300)			
Public works	304,145	411,038	(106,893)			
Interest on long-term debt	11,922	19,639	(7,717)			
Total expenses	4,110,773	4,185,712	(74,939)	2,391,935	2,379,783	12,152
Change in net position	1,023,058	775,594	247,464	(10,861)	(71,851)	60,990
Beginning net position	4,314,334	3,538,740	775,594	4,133,707	4,205,558	(71,851)
Ending net position	\$ 5,337,392	\$ 4,314,334	\$ 1,023,058	\$ 4,122,846	\$ 4,133,707	\$ (10,861)

Component Units

Due to their autonomous nature, the Fire Department is reported as a separate component unit within the Charter Township of Brandon's financial statements.

See Footnote regarding this component unit for more detail.

Financial Analysis of the Township's Funds

The Township has 3 major funds for the year ended December 31, 2017. These funds include:

- General Fund
- Designated General Fund
- Police Fund

The General Fund's fund balance increased by \$299,204 during the year. This was mostly due to an increase in property tax and state shared revenues, while actual expenditures decreased compared to the prior year.

The Designated General Fund's fund balance increased by \$217,583, primarily funded by transfers in from the General Fund to continue building the Township's "Rainy Day" fund balance.

The Police Fund's fund balance increased by \$242,867 due to an increase in tax revenue.

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 exceeded by actual expenditures in a few immaterial areas within the Police Fund. See details in required supplementary information.

Capital Asset and Debt Administration

The Township made total principle payments of \$295,000 for 2017.

The Township deems all capital purchases of \$5,000 or greater, with an estimated useful life of one year or greater as capital assets. During the year, total capital asset acquisitions totaled \$98,036, of which \$30,000 included donated equipment. The remaining \$68,036 consisted of the remainder of a Senior Center renovation project and cemetery construction in progress projects.

The Township began a new small kitchen renovation project which is expected to be completed within the next year. The project is 10% complete as of December 31, 2017, and is estimated to have a total cost of \$53,000.

The Township has paid preliminary costs toward a baseball park project, which incurred costs of \$56,465 paid through December 31, 2017. The project, with estimated costs of \$409,000, is expected to be completed over the next two years. This project will be partially funded by Land and Water Conservation Fund grants.

Economic Conditions and Future Activities

The real estate market and growth conditions in Brandon Township continue to improve from the downturn that took place between 2008 and 2012. According to Oakland County, growth levels experienced prior to 2007 will not be reached until sometime between 2020 and 2025. However, Brandon Township permitted 55 new homes in 2017, which is very close to the 59 new homes that were permitted in 2005. Residential building permits plateaued with 45 in 2015 and in 2016 prior to this increase. Noting that there was only one new home permit issued in 2011, we are experience a substantial increase. This surge can be attributed in part to revitalized activity in a couple of subdivisions that were dormant during the recession.

The Genisys Credit Union located on M-15 opened for business in 2017, and recently, Taco Bell submitted plans with an intent to build in 2018. Although we have seen some commercial construction, MDOT requirements and the lack of sewers are two factors that continue to hinder development along M-15 and in the business district of the Village of Ortonville. The state-wide decrease in young families, Brandon's high millage rate of 39 mills in the Brandon School District, and the far proximity to employment opportunities are keeping residential growth in check.

Tax revenue from the Enbridge Energy Line 6B petroleum pipeline and Consumers Energy natural gas main continue to positively impact Brandon Township. Although property values have returned to pre-recession levels, taxable values continue to struggle to make a significant gain. Brandon's general fund continues to rely on Constitutional Sales Tax revenue for its primary source of income.

Brandon Township was awarded a 2016 Land and Water Conservation Fund grant to build baseball fields and a 2017 LWCF grant to build basketball and volleyball courts at the Brandon Township Community Park. The building process is underway and should be completed in 2019. Sections of gravel road on Sashabaw and Oakhill are in the federal aid funding queue for paving in 2019 and 2025 respectively. Overall, the Township continues to experience limited growth, with moderately increasing financial position.

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 and Analysis 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, 2017

	Governmental Activities	Component Unit Fire
ASSETS		
Cash and investments	\$ 4,119,078	\$ 1,527,818
Receivables		
Taxes	2,560,797	1,853,345
Special assessments	89,003	
State shared revenues	202,797	
Other	156,621	81,133
Prepaid expenses	40,220	62,914
Interfund	3,313	(3,313)
Capital assets		
Not depreciated	1,338,494	1,929,312
Depreciable - net of accumulated depreciation	1,619,105	2,445,312
Total assets	10,129,428	7,896,521
DEFERRED OUTFLOW OF RESOURCES		
Pension related activities	93,747	169,424
LIABILITIES		
Accounts payable - trade	352,505	30,204
Accrued wages	22,247	37,315
Accrued expenditures	22,472	9,709
Unearned revenues	93,885	
Net pension liability	502,116	907,435
Net OPEB obligation	743,546	827,134
Long term obligations		
Other due within one year	305,000	
Total liabilities	2,041,771	1,811,797
DEFERRED INFLOW OF RESOURCES		
Property taxes levied for the following year	2,799,419	2,050,712
Pension related activities	44,593	80,590
Total deferred inflow of resources	2,844,012	2,131,302
NET POSITION		
Invested in capital assets, net of related debt	2,957,599	4,374,624
Restricted	733,517	(251,778)
Unrestricted	1,646,276	
Total net position	\$ 5,337,392	\$ 4,122,846

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit Fire</u>
PRIMARY GOVERNMENT					
Governmental activities					
General government	\$ (1,809,503)	\$ 183,480	\$ 30,000	\$ (1,596,023)	\$
Police protection	(1,860,458)	38,199		(1,822,259)	
Culture and recreation	(124,745)	2,800		(121,945)	
Public works	(304,145)	318,312		14,167	
Interest on long-term debt	(11,922)			(11,922)	
Total governmental activities	<u>\$ (4,110,773)</u>	<u>\$ 542,791</u>	<u>\$ 30,000</u>	<u>(3,537,982)</u>	
Component Unit					
Fire	<u>\$ (2,391,935)</u>	<u>\$ 324,319</u>	<u>\$</u>		<u>(2,067,616)</u>
General revenues					
Property taxes				2,774,838	1,971,972
State grants				1,226,878	
Special assessments				99,174	
Investment income and rent				162,317	23,148
Gain/(loss) on disposal of assets				(16,731)	
Other income				314,564	61,635
Total general revenues				<u>4,561,040</u>	<u>2,056,755</u>
Changes in net position				1,023,058	(10,861)
Net position, January 1, 2017				<u>4,314,334</u>	<u>4,133,707</u>
Net position, December 31, 2017				<u>\$ 5,337,392</u>	<u>\$ 4,122,846</u>

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, 2017

	General Fund	Designated General Fund	Police Fund	Non-major Funds	Totals	Component Unit Fire Fund
ASSETS						
Cash and investments	\$ 1,062,162	\$ 1,449,538	\$ 1,066,234	\$ 541,144	\$ 4,119,078	\$ 1,527,818
Receivables						
Taxes	469,775		1,821,846	268,460	2,560,081	1,853,345
Accounts	9,282		22,337	50,535	82,154	
Special assessments				89,003	89,003	
Due from other funds	65,785		5,576	6,210	77,571	77,430
Due from governmental units	202,797				202,797	
Prepaid expenditures	40,134		47	39	40,220	62,914
Total assets	<u>\$ 1,849,935</u>	<u>\$ 1,449,538</u>	<u>\$ 2,916,040</u>	<u>\$ 955,391</u>	<u>\$ 7,170,904</u>	<u>\$ 3,521,507</u>
LIABILITIES						
Accounts payable	\$ 36,453	\$	\$ 307,520	\$ 7,524	\$ 351,497	\$ 26,418
Accrued wages	21,034		771	1,599	23,404	37,315
Accrued expenditures						2,493
Due to other funds			83		83	3,396
Unearned revenue				93,885	93,885	
Total liabilities	<u>57,487</u>		<u>308,374</u>	<u>103,008</u>	<u>468,869</u>	<u>69,622</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenues				8,934	8,934	
Property taxes levied for the following year	513,693		1,992,169	293,557	2,799,419	2,050,712
Total deferred inflow of resources	<u>513,693</u>		<u>1,992,169</u>	<u>302,491</u>	<u>2,808,353</u>	<u>2,050,712</u>
FUND BALANCES						
Nonspendable for:						
Prepays	40,134		47	39	40,220	62,914
Restricted for:						
Fire protection						1,285,799
Police protection			615,450		615,450	
Parks and recreation				24,969	24,969	
Debt service				24,870	24,870	
Public works				68,228	68,228	
Committed for:						
Cable				324,466	324,466	
Recreation				30,512	30,512	
Municipal improvement		1,449,538			1,449,538	
Cemetery				64,214	64,214	
Assigned for future budget deficit				12,594	12,594	52,460
Unassigned	1,238,621				1,238,621	
Total fund balance	<u>1,278,755</u>	<u>1,449,538</u>	<u>615,497</u>	<u>549,892</u>	<u>3,893,682</u>	<u>1,401,173</u>
Total liabilities, deferred inflow of resources and fund balance	<u>\$ 1,849,935</u>	<u>\$ 1,449,538</u>	<u>\$ 2,916,040</u>	<u>\$ 955,391</u>	<u>\$ 7,170,904</u>	<u>\$ 3,521,507</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017

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

Total governmental fund balances		\$ 3,893,682
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 4,417,140	
Depreciation	<u>(1,459,541)</u>	
Total		2,957,599
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable	(305,000)	
Accrued compensated absences	<u>(21,315)</u>	
Total		(326,315)
Pension related activities are not a consumption of current resources and therefore are reported as deferred outflows and inflows of resources in the Statement of Net Position:		49,154
Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements		
Net pension liability		(502,116)
Other post employment benefit obligations liability not recognized under fund accounting		(743,546)
Unavailable revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>8,934</u>
Net position of governmental activities		<u><u>\$ 5,337,392</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, 2017

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

Total governmental fund balances	\$ 1,401,173
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Historical cost	\$ 8,080,898
Depreciation	<u>(3,706,274)</u>
Total	4,374,624
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:	
Accrued compensated absences	(7,216)
Pension related activities are not a consumption of current resources and therefore are reported as deferred outflows or (inflows) of resources in the Statement of Net Position:	88,834
Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements	
Net pension liability	(907,435)
Other Post Employment Benefit obligations liability not recognized under fund accounting	<u>(827,134)</u>
Net position of governmental activities	<u><u>\$ 4,122,846</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, 2017

	General Fund	Designated General Fund	Police Fund	Non-major Funds	Totals	Component Unit Fire Fund
REVENUES						
Taxes	\$ 510,282	\$	\$ 1,956,580	\$ 307,976	\$ 2,774,838	\$ 1,971,972
Special assessments - principal				108,108	108,108	
Special assessments - interest				893	893	
Licenses and permits	166,071		5,590		171,661	
State grants	1,215,371		9,764	1,743	1,226,878	
Charges for services	17,409			321,112	338,521	324,319
Fines and forfeitures			32,609		32,609	
Investment income and rent	125,504	16,332	15,836	3,752	161,424	23,148
Other revenue	223,206		82,946	8,412	314,564	61,635
Total revenues	<u>2,257,843</u>	<u>16,332</u>	<u>2,103,325</u>	<u>751,996</u>	<u>5,129,496</u>	<u>2,381,074</u>
EXPENDITURES						
General government	1,136,149				1,136,149	
Cable				190,774	190,774	
Public safety	139,271		1,860,458		1,999,729	2,003,932
Public works	98,885			113,371	212,256	
Culture and recreation	256,532			124,745	381,277	
Capital outlay						
General Township	51,199			16,837	68,036	
Fire						89,803
Debt service						
Principal				295,000	295,000	
Interest and fiscal charges				12,731	12,731	
Total expenditures	<u>1,682,036</u>		<u>1,860,458</u>	<u>753,458</u>	<u>4,295,952</u>	<u>2,093,735</u>
Excess (deficiency) of revenues over (under) expenditures	<u>575,807</u>	<u>16,332</u>	<u>242,867</u>	<u>(1,462)</u>	<u>833,544</u>	<u>287,339</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	93,075	294,326		95,352	482,753	
Transfers (out)	(369,678)	(93,075)		(20,000)	(482,753)	
Total other financing sources (uses)	<u>(276,603)</u>	<u>201,251</u>		<u>75,352</u>		
Net change in fund balance	<u>299,204</u>	<u>217,583</u>	<u>242,867</u>	<u>73,890</u>	<u>833,544</u>	<u>287,339</u>
FUND BALANCE JANUARY 1, 2017	<u>979,551</u>	<u>1,231,955</u>	<u>372,630</u>	<u>476,002</u>	<u>3,060,138</u>	<u>1,113,834</u>
FUND BALANCE DECEMBER 31, 2017	<u>\$ 1,278,755</u>	<u>\$ 1,449,538</u>	<u>\$ 615,497</u>	<u>\$ 549,892</u>	<u>\$ 3,893,682</u>	<u>\$ 1,401,173</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
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

Net change in fund balances - governmental funds		\$ 833,544
<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>		
Donated property	\$ 30,000	
Capital outlay	68,036	
Loss on disposal of assets	(16,731)	
Depreciation expense	<u>(140,269)</u>	
Net		(58,964)
<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>		
		295,000
<p>Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Position</p>		
		(7,506)
<p>Some pension contributions in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds</p>		
Change in net pension liability	139,911	
Change in deferred outflows or inflows of resources	<u>(169,993)</u>	
Net		(30,082)
<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>		
		<u>(8,934)</u>
Change in net position of governmental activities		<u><u>\$ 1,023,058</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 NET POSITION
COMPONENT UNIT - FIRE FUND
DECEMBER 31, 2017**

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

Net change in fund balances - governmental funds		\$ 287,339
<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 and depreciation is as follows:</p>		
Capital outlay	\$ 89,803	
Depreciation expense	<u>(260,521)</u>	
Net		(170,718)
<p>Accrued absences for vacation time for the employees is recorded on the Statement of Net Position</p>		
Accrued sick and vacation		(612)
<p>Some pension contributions in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Funds</p>		
Change in net pension liability	142,766	
Change in deferred outflow of resources	<u>(269,636)</u>	
Total		<u>(126,870)</u>
Change in net position of governmental activities		<u><u>\$ (10,861)</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

FIDUCIARY FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 4,641,430
Due from other funds	<u>1,008</u>

Total assets	<u><u>\$ 4,642,438</u></u>
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LIABILITIES

Due to others	\$ 4,489,908
Due to other funds	<u>152,530</u>

Total liabilities	<u><u>\$ 4,642,438</u></u>
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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, 2017

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 standards, 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 plus deferred outflow less liabilities plus deferred inflow 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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, a part of the basic financial statements are the fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statements. Although the GASB 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. 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.

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, 2017

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 2016 levy was assessed at an adjusted taxable value of \$504,401,360 for the Township and \$448,535,550 for the Fire Component Unit. The Fire Millage is considered a special assessment and is assessed on real property only. 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	0.9885
Police	3.8750
Fire	4.3905
Library	1.9677
Library debt service	<u>0.6100</u>
Total millage	<u>11.8317</u>

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. CAPITAL ASSETS

Under GASB Statements, 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 activities are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

F. FUND EQUITY

The objective of GASB standards for fund balance reporting 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-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard there are five fund balance classifications—nonspendable, restricted, committed, assigned, and unassigned, which are defined as follows:

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

I. DEFINED PENSION BENEFIT PLAN

For purposes of measuring the Net Pension Liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. DEFERRED INFLOW AND OUTFLOW OF RESOURCES

Under GASB standards the Township will report two new sections in the Statement of Net Position (Government Wide Statements) and in the Balance Sheet (Fund Statements) which are called Deferred Outflow (previously called assets) and Deferred Inflow (previously called liabilities).

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

Deferred outflow of resources represents a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met.

For the year ended December 31, 2017 the Township records deferred outflow of resources on the Statement of Net Position relating to pension differences from expected investment returns compared to actual, changes in experience, and changes in actuarial assumptions.

Deferred outflow of resources as of December 31, 2017 are as follows:

Deferred Outflow/(Inflow) of Resources	
Differences in experience	\$ 109,452
Differences in actuarial assumptions	153,719
Differences in investment expectations versus actual	<u>(125,183)</u>
Totals	<u><u>\$ 137,988</u></u>

Deferred inflow of resources represents an acquisition of net position that applies to a future period. The element will not be recognized as revenue until the time restriction is met. The Township has two transaction types which consist of elements considered deferred inflow listed on the balance sheets of various funds and the Statement of Net Position.

The first transaction type listed as a deferred inflow of resources is for property taxes received or reported as receivables before the period in which the levy was to apply. Thus, property taxes levied in December 2017 will not be recognized as revenue until the year 2017. This type of transaction is listed on both the Statement of Net Position as well as the Balance Sheets under Fund Accounting.

The second transaction type listed as a deferred inflow of resources are special assessments levied over a period of years in which the future principle collections exceeding one year are unavailable for fund accounting purposes. Therefore, is only listed on the Balance Sheets under Fund Accounting.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB), 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 not report the Library Fund in its financial statements. A separate audit is conducted of the Library operations by another Certified Public Accounting firm. The separate bound audit report with respective financial statements are available at the Library.
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.

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	\$ 60,138
General Fund	Current Tax Fund	716
General Fund	Health Reimbursement Fund	2,939
General Fund	BCN Reimbursement Fund	3,000
Fire Operating Fund	Police Fund	83
Fire Operating Fund	Payroll Fund	64,618
Fire Operating Fund	Health Reimbursement Fund	2,499
Fire Operating Fund	BCN Reimbursement Fund	3,000
Police Fund	Fire Fund	3,396
Police Fund	Payroll Fund	2,180
Ambulance Fund	Payroll Fund	6,230
Ambulance Fund	BCN Reimbursement Fund	1,000
Recreation Fund	Payroll Fund	3,555
Trust and Agency Fund	General Fund	1,008
Cable Savings Fund	Payroll Fund	2,655
		<u>\$ 157,017</u>

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

The following interfund transfers were made during the year ended December 31, 2017 in order to segregate cash for future projects and cash flow purposes.

<u>TRANSFER OUT</u>	<u>TRANSFER IN</u>	<u>AMOUNT</u>
General Fund	Designated General Fund	\$ 294,326
General Fund	Designated Cemetery Fund	60,000
General Fund	Cemetery Fund	15,352
Designated General Fund	General Fund	5,475
Designated General Fund	General Fund	50,065
Designated General Fund	General Fund	37,535
Designated Cemetery Fund	Cemetery Fund	20,000
		<u>\$ 482,753</u>

NOTE 4 - TOWNSHIP PENSION PLANS

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 Voya, Security Benefits/Cambridge and MERS. The Township does not contribute any funds to these plans.

DEFINED BENEFIT PLAN

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com and is available to the public.

Benefits Provided

The defined benefit plan is comprised of two divisions, with Division 01 open to all full time general Township employees and Division 10 open to all Township trustees. The plan calls for benefits to be paid as 2.00% of the final 5 year's wages for both divisions with no maximum.

Both divisions have a plan vesting period of 8 years, with normal retirement at age 60, and early retirement with normal benefits eligible at age 55 with 20 years of service. Early retirement is available with reduced benefits at age 50 with 25 years of service or 55 with 15 years of service.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - TOWNSHIP PENSION PLANS (continued)

DEFINED BENEFIT PLAN (continued)

Employees covered by benefit terms

At the December 31, 2016 valuation date, the following employees were covered by the benefit terms:

	Division 01	Division 10
	General	Trustees
Inactive employees or beneficiaries currently receiving benefits	14	2
Inactive employees entitled to but not yet receiving benefits	4	0
Active employees	22	4
	<u>40</u>	<u>6</u>

Contributions

The Township is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The actuarially determined rate for the year ended December 31, 2017 was 13.72% of eligible wages for Division 01, with total contributions of \$193,733 and 10.02% for Division 10 with total contributions of \$1,206. The Township also requires employees to contribute 2.0% of eligible wages for both divisions to help fund the plan.

Net Pension Liability

The employer's Net Pension Liability was rolled forward to December 31, 2017, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2016.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - TOWNSHIP PENSION PLANS (continued)

DEFINED BENEFIT PLAN (continued)

Actuarial assumptions

The total pension liability in the December 31, 2016 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%.

Salary Increases: 3.5% in the long term.

Investment rate of return: 7.75%, net investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with price inflation of 3.5%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of 50% Male and 50% Female blend.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study from 2009 to 2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	57.50%	5.02%
Global Fixed Income	20.00%	2.18%
Real Assets	12.50%	4.23%
Diversifying Strategies	10.00%	6.56%

Discount Rate

The discount rate used to measure the total pension liability is 8.00% for 2017. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - TOWNSHIP PENSION PLANS (continued)

DEFINED BENEFIT PLAN (continued)

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at 12/31/2016	\$ 6,790,481	\$ 5,098,253	\$ 1,692,228
Changes for the year			
Service cost	119,575		119,575
Interest on total pension liability	534,023		534,023
Changes in benefits			
Difference between expected and actual experience	(21,333)		(21,333)
Changes in assumptions			
Employer contributions		194,939	(194,939)
Employee contributions		27,164	(27,164)
Net investment income		678,378	(678,378)
Benefit payments, including employee refunds	(349,939)	(349,939)	
Administrative expense		(10,755)	10,755
Other changes	(25,216)		(25,216)
Net Changes	<u>257,110</u>	<u>539,787</u>	<u>(282,677)</u>
Balances as of 12/31/2017	<u>\$ 7,047,591</u>	<u>\$ 5,638,040</u>	<u>\$ 1,409,551</u>

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - TOWNSHIP PENSION PLANS (continued)

DEFINED BENEFIT PLAN (continued)

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability at 12/31/17	\$ 1,409,551	\$ 1,409,551	\$ 1,409,551
Change in Net Pension Liability (NPL) from change in discount rate	734,172		(629,553)
Calculated NPL	\$ 2,143,723	\$ 1,409,551	\$ 779,998

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

Pension Expense and Deferred Outflow/Inflow of Resources Related to Pension

For the year ended December 31, 2017, the Township recognized pension expense of \$351,891. The Township reported deferred outflow and inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences in experience	\$ 109,452	\$
Differences in assumptions	153,719	
(Excess) Deficit of Investment Returns		(125,183)
Totals	\$ 263,171	\$ (125,183)

Amounts reported as deferred outflow and inflow of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Expense
2018	\$142,235
2019	142,235
2020	(91,269)
2021	(55,213)
Total	\$137,988

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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	
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 25 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 with verified alternate coverage, and receive \$2,000 in compensation 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. The Township has elected to contribute 12% of covered payroll to fund the MERS Defined Benefit pension plan and MERS Retiree Health Funding Vehicle (RHFV). The MERS Defined Benefit plan contributions are determined annually through an actuarial valuation, with the difference contributed toward the RHFV. RHFV contributions for the year ended December 31, 2017 were 1.02% for General and Fire employees and 5.86% for Trustees.

Funding Progress: For the year ended December 31, 2017, the Township estimated the cost of retiree healthcare benefits through an actuarial valuation as of December 1, 2014. 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, 2017

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	\$	232,123
Interest on prior years net OPEB obligation		102,525
Adjustment to the annual required contribution		<u>(83,506)</u>
Annual OPEB cost		251,142
Amounts contributed:		
Payments of current premiums		(76,596)
Advance funding		<u>(68,509)</u>
Change in net OPEB obligation		106,037
Net OPEB obligation, January 1, 2017		<u>1,464,643</u>
Net OPEB obligation, December 31, 2017	\$	<u><u>1,570,680</u></u>

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

General government	\$	743,546
Fire department		827,134
Net OPEB obligation		<u><u>\$ 1,570,680</u></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>
12/31/2017	12/31/2014	\$ 251,142	\$ 145,105	58%	\$ 1,570,680
12/31/2014	1/1/2012	\$ 440,329	\$ 273,693	62%	\$ 1,631,279

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.
12/31/14	\$ 901,285	\$ 2,926,053	\$ 2,024,768	30.8%	Not aval.	Not aval.

The actuarial valuation of plan assets in the above table reflects funding as of December 31, 2014. Advance funding contributions were made subsequent to the valuation date. As of December 31, 2017, the market value of plan assets held in the MERS Retiree Health Funding Vehicle was \$1,481,052.

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.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - OTHER POST EMPLOYMENT BENEFITS (continued)

In the December 31, 2014 actuarial valuation, the following assumptions were made:

Valuation date:	January 1, 2012
Actuarial cost method:	Entry Age Cost Method
Amortization method:	Level Percentage of Payroll
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:	National Health Expenditures Table 3 Calendar years 2005-2020
Mortality:	United States Life Tables, 2007

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Governmental Activities	Balance 1/1/2017	Additions	Deletions	Reclassifications	Balance 12/31/2017
Capital assets not being depreciated:					
Land	\$ 1,276,356	\$	\$	\$	\$ 1,276,356
Construction in progress	122,899	63,036		(123,797)	62,138
Total capital assets not being depreciated	1,399,255	63,036		(123,797)	1,338,494
Capital assets being depreciated					
Buildings and building improvements	2,445,832			123,797	2,569,629
Vehicles	124,697				124,697
Equipment	393,361	35,000	(44,041)		384,320
Total capital assets being depreciated	2,963,890	35,000	(44,041)	123,797	3,078,646
Less accumulated depreciation for:					
Buildings and building improvements	(1,051,866)	(86,107)			(1,137,973)
Vehicles	(38,981)	(16,001)			(54,982)
Equipment	(255,735)	(38,161)	27,310		(266,586)
Subtotal - depreciation	(1,346,582)	(140,269)	27,310		(1,459,541)
Net capital assets being depreciated	1,617,308	(105,269)	(16,731)	123,797	1,619,105
Net capital assets	\$ 3,016,563	\$ (42,233)	\$ (16,731)	\$	\$ 2,957,599

Depreciation expense is allocated to the following activities:

Governmental Activities:	
General government	\$ 84,756
Police	7,182
Sidewalks	8,333
Recreation programs	23,370
Senior citizen services	16,628
Total depreciation	\$ 140,269

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 - CAPITAL ASSETS (continued)

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

Fire Department	Balance 1/1/2017	Additions	Deletions	Reclassifications	Balance 12/31/2017
Capital assets not being depreciated:					
Land	\$ 1,857,202	\$	\$	\$	\$ 1,857,202
Construction in progress	159,251	89,803		(176,944)	72,110
Total capital assets not being depreciated	2,016,453	89,803		(176,944)	1,929,312
Capital assets being depreciated:					
Buildings and land improvements	3,238,824			176,944	3,415,768
Vehicles	2,112,507		(114,000)		1,998,507
Equipment	737,311				737,311
Total capital assets being depreciated	6,088,642		(114,000)	176,944	6,151,586
Less accumulated depreciation for:					
Buildings and building improvements	(1,549,324)	(70,373)			(1,619,697)
Vehicles	(1,586,028)	(104,421)	114,000		(1,576,449)
Equipment	(424,401)	(85,727)			(510,128)
Subtotal - depreciation	(3,559,753)	(260,521)	114,000		(3,706,274)
Net capital assets being depreciated	2,528,889	(260,521)		176,944	2,445,312
Net capital assets	\$ 4,545,342	\$ (170,718)	\$	\$	\$ 4,374,624

The construction in progress for the Township activities consists of additional costs put into the baseball park project and new kitchen renovations. The baseball project includes costs of \$56,465 paid through December 31, 2017. The project, with estimated costs of \$409,000, is expected to be completed over the next two years. This project will be partially funded by Land and Water Conservation Fund grants, and is approximately 14% complete. The kitchen renovations include costs of \$5,673 paid through December 31, 2017. The project, with estimated costs of \$53,000, is expected to be completed within the next year. This project is approximately 10% complete.

The construction in progress for the Fire activities consists of a chassis remount for a fire vehicle. The chassis remount includes costs of \$72,110 paid through December 31, 2017. The project, with estimated costs of \$144,220, is expected to be completed within the next year. This project is 50% complete.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 7 - LONG-TERM OBLIGATIONS

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>\$ 305,000</u>

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

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017	Due within one year
Governmental Activities					
General obligation bonds	\$ 600,000	\$	\$ 295,000	\$ 305,000	\$ 305,000
Accumulated compensated absences	<u>15,756</u>	<u>6,716</u>		<u>22,472</u>	<u>1,157</u>
Total general obligations	<u>\$ 615,756</u>	<u>\$ 6,716</u>	<u>\$ 295,000</u>	<u>\$ 327,472</u>	<u>\$ 306,157</u>
Component Unit Activities - Fire					
Accumulated compensated absences	<u>\$ 9,808</u>	<u>\$</u>	<u>\$ 99</u>	<u>\$ 9,709</u>	<u>\$ 2,493</u>

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

	Governmental Activities		
	Principal	Interest	Total
2018	<u>\$ 305,000</u>	<u>\$ 4,118</u>	<u>\$ 309,118</u>

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

As of December 31, 2017 cash, cash equivalents and investments consist of the following:

CASH AND INVESTMENTS GOVERNMENTAL AND COMPONENT UNIT

Deposits	Total	Cash	Investments
Checking accounts	\$ 5,980,746	\$ 5,980,746	\$
Savings accounts	55,387	55,387	
Total deposits	6,036,133	6,036,133	
Investments			
Oakland County Investment Pool	4,523,804		4,523,804
Total deposits and investments	\$ 10,559,937	\$ 6,036,133	\$ 4,523,804

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

Statement of Net Position	
Cash and cash equivalents	\$ 5,646,896
Fiduciary Funds	
Cash and cash equivalents	4,641,430
Total cash and cash equivalents	\$ 10,288,326

The carrying amount of cash is stated at \$10,288,326 as of December 31, 2017. The difference between the carrying amount of cash and amount mentioned above stems 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. 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.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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 means of managing its exposure to fair value losses arising from increasing interest rates.

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, 2017.

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, 2017 the custodial credit risk, including the Fire and Library component units, is as follows:

Insured by FDIC	\$ 562,392
Uninsured and uncollateralized	<u>5,473,741</u>
Total deposits	<u><u>\$ 6,036,133</u></u>

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, 2017 are not subject to custodial credit risk.

CHARTER TOWNSHIP OF BRANDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

CASH AND INVESTMENTS - COMPONENT UNIT (FIRE)

	Total	Cash	Investments
Deposits			
Checking accounts	\$ 376,513	\$ 376,513	\$
Investments			
Oakland County Investment Pool	1,150,665		1,150,665
Total deposits and investments	\$ 1,527,178	\$ 376,513	\$ 1,150,665

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

Statement of Net Position	
Cash and cash equivalents	\$ 1,527,818

The differences between the carrying amount of cash and the balances per the financial institutions as of December 31, 2017 stems from outstanding checks and deposits in transit.

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

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, 2017**

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 520,643	\$ 520,643	\$ 510,282	\$ (10,361)
Licenses and permits	86,725	94,225	166,071	71,846
State grants	1,119,386	1,121,821	1,215,371	93,550
Charges for services	11,447	11,447	17,409	5,962
Investment income and rent	111,500	115,664	125,504	9,840
Other revenue	185,404	197,855	223,206	25,351
Total revenues	<u>2,035,105</u>	<u>2,061,655</u>	<u>2,257,843</u>	<u>196,188</u>
EXPENDITURES				
Trustees	18,800	18,800	12,126	6,674
Supervisor	125,270	125,270	118,805	6,465
Elections	40,950	49,950	32,509	17,441
Assessor	78,150	78,150	68,269	9,881
Clerk	153,449	153,449	145,319	8,130
Board of review	3,250	3,250	1,996	1,254
Treasurer	139,399	139,399	110,428	28,971
Property maintenance	54,400	59,875	44,302	15,573
Senior Activity Center	83,766	83,766	78,703	5,063
Vehicle/Apparatus	75,681	75,681	64,970	10,711
Community development - C.D.B.G.	32,758	32,758	15,501	17,257
Miscellaneous	93,600	115,100	80,676	34,424
Building inspection	143,963	150,963	137,712	13,251
Ordinance enforcement	1,600	2,100	1,559	541
Street lighting	25,000	25,000	22,399	2,601
Roads	104,500	104,500	76,486	28,014
Recreation	71,608	71,608	66,103	5,505
Township park operations	36,700	67,600	40,070	27,530
LWCF grant		37,858	37,858	
Planning commission	10,815	10,815	2,908	7,907
Appeal Board	7,550	7,550	5,605	1,945
Equipment shared expenditures	30,300	30,300	22,782	7,518
Insurance and bonds	41,000	41,000	29,964	11,036
Other functions	488,808	522,259	464,986	57,273
Total expenditures	<u>1,861,317</u>	<u>2,007,001</u>	<u>1,682,036</u>	<u>324,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>173,788</u>	<u>54,654</u>	<u>575,807</u>	<u>521,153</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	36,700	104,017	93,075	(10,942)
Transfers (out)	(202,324)	(341,509)	(369,678)	(28,169)
Total other financing sources (uses)	<u>(165,624)</u>	<u>(237,492)</u>	<u>(276,603)</u>	<u>(39,111)</u>
Net change in fund balance	<u>8,164</u>	<u>(182,838)</u>	<u>299,204</u>	<u>482,042</u>
FUND BALANCE, JANUARY 1, 2017	<u>979,551</u>	<u>979,551</u>	<u>979,551</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 987,715</u>	<u>\$ 796,713</u>	<u>\$ 1,278,755</u>	<u>\$ 482,042</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, 2017**

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,979,205	\$ 1,979,205	\$ 1,956,580	\$ (22,625)
Licenses and permits	5,000	5,000	5,590	590
State grants		9,764	9,764	
Fines and forfeitures	26,000	26,000	32,609	6,609
Investment income	8,500	8,500	15,836	7,336
Other revenue	96,600	96,600	82,946	(13,654)
Total revenues	2,115,305	2,125,069	2,103,325	(21,744)
EXPENDITURES				
Police protection	1,777,806	1,787,806	1,755,634	32,172
Salaries	116,300	116,300	18,178	98,122
Payroll taxes	1,400	1,400	1,381	19
Insurance	4,300	4,300	4,520	(220)
Supplies	1,600	1,600	1,736	(136)
Professional services	61,000	61,000	71,599	(10,599)
Utilities	9,200	9,200	6,320	2,880
Repairs and maintenance	4,000	4,000	612	3,388
Tax tribunal	3,000	3,000	247	2,753
Equipment	2,500	2,500	17	2,483
Miscellaneous expense	200	200	214	(14)
Total expenditures	1,981,306	1,991,306	1,860,458	130,848
Net change in fund balance	133,999	133,763	242,867	109,104
FUND BALANCE, JANUARY 1, 2017	372,630	372,630	372,630	
FUND BALANCE, DECEMBER 31, 2017	\$ 506,629	\$ 506,393	\$ 615,497	\$ 109,104

CHARTER TOWNSHIP OF BRANDON
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule of Employer Contributions

	For the Plan Year Ended December 31,		
	2017	2016	2015
Actuarial determined contributions	\$ 194,939	\$ 146,190	\$ 136,353
Contributions in relation to the actuarial determined contribution	194,939	146,190	136,353
Contribution (deficiency) excess	\$	\$	\$
Covered employee payroll	\$ 1,338,501	\$ 1,344,123	\$ 1,313,982
Contributions as a percentage of covered payroll	14.56%	10.88%	10.38%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

Notes to the Schedule of Employer Contributions (Both divisions)

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	Division 01: 23 Years - Initial AAL 22 Years - Gain/(loss) on investments Division 10: 15 Years - Gain/(loss) on investments
Asset valuation method	5 years smoothed
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	7.75%
Retirement age	Age 60 Early retirement with normal benefits at age 55 with 20 years of service. Early retirement with reduced benefits at age 50 with 25 years of service or 55 with 15 years of service.
Mortality	50% Female/50% Male RP-2014 group Annuity Mortality Table

Previous Actuarial Methods and Assumptions

A seven-year smoothed asset valuation method was used for the time period of 2005 through 2013.

CHARTER TOWNSHIP OF BRANDON

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	For the Plan Year Ended December 31,		
	2017	2016	2015
TOTAL PENSION LIABILITY			
Service cost	\$ 119,575	\$ 118,296	\$ 103,700
Interest	534,023	483,683	461,392
Changes in benefit terms			
Differences between expected and actual experience	(21,333)	250,906	
Changes of assumptions		307,437	
Benefit payments, including refunds of employee contributions	(349,939)	(312,578)	(270,578)
Other changes	(25,216)	(17,229)	(5,617)
Net change in total pension liability	257,110	830,515	288,897
TOTAL PENSION LIABILITY - BEGINNING	6,790,481	5,959,966	5,671,069
TOTAL PENSION LIABILITY - ENDING	\$ 7,047,591	\$ 6,790,481	\$ 5,959,966
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 194,939	\$ 146,190	\$ 136,353
Contributions - employee	27,164	26,750	140,462
Net investment income	678,378	536,189	(74,504)
Benefit payments, including refunds of employee contributions	(349,939)	(312,578)	(270,578)
Administrative expenses	(10,755)	(10,566)	(10,686)
Net change in plan fiduciary net position	539,787	385,985	(78,953)
PLAN FIDUCIARY NET POSITION, BEGINNING	5,098,253	4,712,268	4,791,221
PLAN FIDUCIARY NET POSITION, ENDING	\$ 5,638,040	\$ 5,098,253	\$ 4,712,268
NET PENSION LIABILITY (TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)	\$ 1,409,551	\$ 1,692,228	\$ 1,247,698
Plan fiduciary net position as percentage of total pension liability	80.00%	75.08%	79.07%
Covered employee payroll	\$ 1,338,501	\$ 1,344,123	\$ 1,313,982
Net pension liability as a percentage of covered employee payroll	105.31%	125.90%	94.96%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

CHARTER TOWNSHIP OF BRANDON

SCHEDULES OF OPEB FUNDING PROGRESS (UNAUDITED)
DECEMBER 31, 2017

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

<u>Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 446,157	\$ 93,432	21%	\$ 684,056
2011	\$ 493,259	\$ 116,011	24%	\$ 1,061,303
2012	\$ 444,726	\$ 336,040	76%	\$ 1,169,989
2013	\$ 448,180	\$ 153,526	34%	\$ 1,464,643
2014	\$ 251,142	\$ 145,105	58%	\$ 1,570,680

No actuarial valuation was available as of December 31, 2017.

SUPPLEMENTARY INFORMATION

**COMBINING FINANCIAL
STATEMENTS**

CHARTER TOWNSHIP OF BRANDON

COMBINING BALANCE SHEET
ALL FUNDS INCLUDED IN FIRE FUND CONSOLIDATION
DECEMBER 31, 2017

	Fire Operating	Equipment and Housing	Ambulance	Public Contributions	Eliminations	Totals Restated Fire and Ambulance Funds
ASSETS						
Cash and investments	\$ 721,463	\$ 300,336	\$ 499,884	\$ 6,135	\$	\$ 1,527,818
Taxes receivable	1,604,099	249,246				1,853,345
Due from other funds	73,986		7,230		(3,786)	77,430
Prepaid expenses	61,641		1,273			62,914
Total assets	<u>\$ 2,461,189</u>	<u>\$ 549,582</u>	<u>\$ 508,387</u>	<u>\$ 6,135</u>	<u>\$ (3,786)</u>	<u>\$ 3,521,507</u>
LIABILITIES						
Accounts payable	\$ 10,969	\$ 11,586	\$ 3,863	\$	\$	\$ 26,418
Accrued wages	34,954		2,361			37,315
Accrued expenditures	2,493					2,493
Due to other funds	3,396		3,786		(3,786)	3,396
Total liabilities	<u>51,812</u>	<u>11,586</u>	<u>10,010</u>		<u>(3,786)</u>	<u>69,622</u>
DEFERRED INFLOW OF RESOURCES						
Property taxes levied for the following year	<u>1,774,924</u>	<u>275,788</u>				<u>2,050,712</u>
FUND BALANCE						
Non-spendable - prepaid	61,641		1,273			62,914
Restricted - fire protection	572,812	262,208	444,644	6,135		1,285,799
Assigned for future budget deficit			52,460			52,460
Total fund balance	<u>634,453</u>	<u>262,208</u>	<u>498,377</u>	<u>6,135</u>		<u>1,401,173</u>
Total liabilities, deferred inflow of resources and fund balance	<u>\$ 2,461,189</u>	<u>\$ 549,582</u>	<u>\$ 508,387</u>	<u>\$ 6,135</u>	<u>\$ (3,786)</u>	<u>\$ 3,521,507</u>

CHARTER TOWNSHIP OF BRANDON

NONMAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017

	SPECIAL REVENUE FUNDS							
	Seymour Lake Cemetery Fund	Designated Cemetery Fund	Recreation Fund	Designated Parks Fund	Cable Savings Fund	Presidio and Freedom Trail Fund	Zarieda Street Sewer Fund	Upper Bushman Fund
ASSETS								
Cash and investments	\$ 19,885	\$ 44,329	\$ 29,727	\$ 30,512	\$ 286,599	\$ 1,987	\$ 4,058	\$ 17,915
Accounts receivable					50,535			
Prepaid expenses					39			
Taxes receivable								
Special assessment receivable						8,934	8,063	6,077
Due from other funds			3,555		2,655			
Total assets	<u>\$ 19,885</u>	<u>\$ 44,329</u>	<u>\$ 33,282</u>	<u>\$ 30,512</u>	<u>\$ 339,828</u>	<u>\$ 10,921</u>	<u>\$ 12,121</u>	<u>\$ 23,992</u>
LIABILITIES								
Accounts payable	\$	\$	\$ 3,084	\$	\$ 2,165	\$	\$	\$
Unearned revenue			4,242				8,063	6,548
Accrued wages			987		612			
Total liabilities			<u>8,313</u>		<u>2,777</u>		<u>8,063</u>	<u>6,548</u>
DEFERRED INFLOW OF RESOURCES								
Unavailable revenues						8,934		
FUND BALANCES								
Nonspendable for:								
Prepays					39			
Restricted for:								
Parks and recreation			24,969					
Public works						1,987	4,058	17,400
Debt service								
Committed for:								
Cable					324,466			
Recreation				30,512				
Cemetery	19,885	44,329						
Assigned for future budget deficit					12,546			44
Total fund balances	<u>19,885</u>	<u>44,329</u>	<u>24,969</u>	<u>30,512</u>	<u>337,051</u>	<u>1,987</u>	<u>4,058</u>	<u>17,444</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 19,885</u>	<u>\$ 44,329</u>	<u>\$ 33,282</u>	<u>\$ 30,512</u>	<u>\$ 339,828</u>	<u>\$ 10,921</u>	<u>\$ 12,121</u>	<u>\$ 23,992</u>

CHARTER TOWNSHIP OF BRANDON

NONMAJOR FUNDS
COMBINING BALANCE SHEET (continued)
DECEMBER 31, 2017

	SPECIAL REVENUE FUNDS				DEBT	Totals
	Lake Louise Fund	Shelmar Lane Fund	Legault Boulevard Fund	Seymour Lake SAD Fund	SERVICE FUND Library Fund	
ASSETS						
Cash and investments	\$ 36,196	\$ 188	\$ 10,921	\$ 8,860	\$ 49,967	\$ 541,144
Accounts receivable						50,535
Prepaid expenses						39
Taxes receivable					268,460	268,460
Special assessment receivable	36,415	5,350	9,746	14,418		89,003
Due from other funds						6,210
Total assets	<u>\$ 72,611</u>	<u>\$ 5,538</u>	<u>\$ 20,667</u>	<u>\$ 23,278</u>	<u>\$ 318,427</u>	<u>\$ 955,391</u>
LIABILITIES						
Accounts payable	\$ 1,750	\$	\$ 525	\$	\$	\$ 7,524
Unearned revenue	43,000	5,350	10,632	16,050		93,885
Accrued wages						1,599
Total liabilities	<u>44,750</u>	<u>5,350</u>	<u>11,157</u>	<u>16,050</u>		<u>103,008</u>
DEFERRED INFLOW OF RESOURCES						
Taxes levied for the following year					293,557	302,491
FUND BALANCES						
Nonspendable for:						
Prepays						39
Restricted for:						
Parks and recreation						24,969
Public works	27,861	188	9,510	7,224		68,228
Debt service					24,870	24,870
Committed for:						
Cable						324,466
Recreation						30,512
Cemetery						64,214
Assigned for future budget deficit				4		12,594
Total fund balances	<u>27,861</u>	<u>188</u>	<u>9,510</u>	<u>7,228</u>	<u>24,870</u>	<u>549,892</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 72,611</u>	<u>\$ 5,538</u>	<u>\$ 20,667</u>	<u>\$ 23,278</u>	<u>\$ 318,427</u>	<u>\$ 955,391</u>

CHARTER TOWNSHIP OF BRANDON

AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017

	<u>Escrow Fund</u>	<u>Payroll Fund</u>	<u>Tax Collection Fund</u>	<u>Delinquent Tax Fund</u>	<u>Health Reimbursement Fund</u>	<u>BCN Health Reimbursement Fund</u>	<u>Totals</u>
ASSETS							
Cash and investments	\$ 10,688	\$ 162,100	\$4,453,864	\$ 2,335	\$ 5,438	\$ 7,005	\$4,641,430
Due from other funds	1,008						1,008
Total assets	<u>\$ 11,696</u>	<u>\$ 162,100</u>	<u>\$4,453,864</u>	<u>\$ 2,335</u>	<u>\$ 5,438</u>	<u>\$ 7,005</u>	<u>\$4,642,438</u>
LIABILITIES							
Due to others	\$ 11,696	\$ 22,724	\$4,453,148	\$ 2,335	\$	\$ 5	\$4,489,908
Due to other funds		139,376	716		5,438	7,000	152,530
Total liabilities	<u>\$ 11,696</u>	<u>\$ 162,100</u>	<u>\$4,453,864</u>	<u>\$ 2,335</u>	<u>\$ 5,438</u>	<u>\$ 7,005</u>	<u>\$4,642,438</u>

CHARTER TOWNSHIP OF BRANDON

ALL FUNDS INCLUDED IN FIRE FUND CONSOLIDATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Fire Operating</u>	<u>Equipment and Housing</u>	<u>Ambulance</u>	<u>Public Contributions</u>	<u>Totals Restated Fire and Ambulance Fund</u>
Revenues					
Taxes	\$1,706,779	\$ 265,193	\$	\$	\$1,971,972
Charges for services			324,319		324,319
Investment income	13,351	4,125	5,672		23,148
Other revenue	9,261	33,963	4,303	14,108	61,635
Total revenues	<u>1,729,391</u>	<u>303,281</u>	<u>334,294</u>	<u>14,108</u>	<u>2,381,074</u>
Expenditures					
Fire operating	1,586,159				1,586,159
Ambulance			208,241		208,241
Equipment and housing		195,384			195,384
Contributions				14,148	14,148
Capital Outlay - Fire		17,693	72,110		89,803
Total expenditures	<u>1,586,159</u>	<u>213,077</u>	<u>280,351</u>	<u>14,148</u>	<u>2,093,735</u>
Net change in fund balance	143,232	90,204	53,943	(40)	287,339
FUND BALANCE, JANUARY 1, 2017	<u>491,221</u>	<u>172,004</u>	<u>444,434</u>	<u>6,175</u>	<u>1,113,834</u>
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 634,453</u>	<u>\$ 262,208</u>	<u>\$ 498,377</u>	<u>\$ 6,135</u>	<u>\$1,401,173</u>

CHARTER TOWNSHIP OF BRANDON

**NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	SPECIAL REVENUE FUNDS							
	Seymour Lake Cemetery Fund	Designated Cemetery Fund	Recreation Fund	Designated Recreation Fund	Cable Savings Fund	Presidio and Freedom Trail Fund	Zarieda Street Sewer Fund	Upper Bushman Fund
REVENUES								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Special assessments:								
Principal						8,934	6,567	6,548
Interest						893		
State grants								
Charges for services	2,800		116,329		201,983			
Investment income		157	300	22	2,620		10	27
Other revenue			5,436		2,822			
Total revenues	2,800	157	122,065	22	207,425	9,827	6,577	6,575
EXPENDITURES								
Cable					190,774			
Recreation			124,745					
Public works	16,099					9,827	7,842	3,924
Capital outlay								
Cemetery	16,837							
Debt payment								
Principal								
Interest								
Other								
Total expenditures	32,936		124,745		190,774	9,827	7,842	3,924
Excess (deficiency) of revenues over expenditures	(30,136)	157	(2,680)	22	16,651		(1,265)	2,651
OTHER FINANCING SOURCES (USES)								
Transfers in	35,352	60,000						
Transfers (out)		(20,000)						
Total other financing sources (uses)	35,352	40,000						
Net change in fund balance	5,216	40,157	(2,680)	22	16,651		(1,265)	2,651
FUND BALANCE, JANUARY 1, 2017	14,669	4,172	27,649	30,490	320,400	1,987	5,323	14,793
FUND BALANCE, DECEMBER 31, 2017	\$ 19,885	\$ 44,329	\$ 24,969	\$ 30,512	\$337,051	\$ 1,987	\$ 4,058	\$ 17,444

CHARTER TOWNSHIP OF BRANDON

NONMAJOR FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	SPECIAL REVENUE FUNDS					DEBT SERVICE	Totals
	Lake Louise Fund	Shelmar Lane Fund	Legault Boulevard Fund	Shelmar	Seymour Lake SAD Fund	Library Fund	
				Lane SAD # 2 Fund			
REVENUES							
Taxes	\$	\$	\$	\$	\$	\$ 307,976	\$ 307,976
Special assessments:							
Principal	43,000	5,350	10,424	11,235	16,050		108,108
Interest							893
State grants						1,743	1,743
Charges for services							321,112
Investment income	250	1	6	2	6	351	3,752
Other revenue		154					8,412
Total revenues	43,250	5,505	10,430	11,237	16,056	310,070	751,996
EXPENDITURES							
Cable							190,774
Recreation							124,745
Public works	41,620	7,155	6,839	11,237	8,828		113,371
Capital outlay							
Cemetery							16,837
Debt payment							
Principal						295,000	295,000
Interest						11,922	11,922
Other						809	809
Total expenditures	41,620	7,155	6,839	11,237	8,828	307,731	753,458
Excess (deficiency) of revenues over expenditures	1,630	(1,650)	3,591		7,228	2,339	(1,462)
OTHER FINANCING SOURCES (USES)							
Transfers in							95,352
Transfers (out)							(20,000)
Total other financing sources (uses)							75,352
Net change in fund balance	1,630	(1,650)	3,591		7,228	2,339	73,890
FUND BALANCE, JANUARY 1, 2017	26,231	1,838	5,919			22,531	476,002
FUND BALANCE, DECEMBER 31, 2017	\$ 27,861	\$ 188	\$ 9,510	\$	\$ 7,228	\$ 24,870	\$ 549,892

INDIVIDUAL FUNDS

GENERAL FUND

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments		\$ 1,062,162
Taxes receivable		469,775
Accounts receivable - other		9,282
Due from other funds		65,785
Due from other governments		202,797
Prepaid expenses		<u>40,134</u>
Total assets		<u><u>\$ 1,849,935</u></u>

LIABILITIES

Accounts payable	\$ 36,453	
Compensated absences	1,157	
Accrued wages	<u>19,877</u>	
Total liabilities		\$ 57,487

DEFERRED INFLOW OF RESOURCES

Property taxes levied for the following year		513,693
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FUND BALANCE

Total liabilities, deferred inflow of resources and fund balance		<u><u>\$ 1,849,935</u></u>
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CHARTER TOWNSHIP OF BRANDON

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 520,643	\$ 510,282	\$ (10,361)
Licenses and permits	94,225	166,071	71,846
State grants	1,121,821	1,215,371	93,550
Charges for services	11,447	17,409	5,962
Investment income and rent	115,664	125,504	9,840
Other revenue	197,855	223,206	25,351
Total revenues	<u>2,061,655</u>	<u>2,257,843</u>	<u>196,188</u>
EXPENDITURES			
Trustees	18,800	12,126	6,674
Supervisor	125,270	118,805	6,465
Elections	49,950	32,509	17,441
Assessor	78,150	68,269	9,881
Clerk	153,449	145,319	8,130
Board of review	3,250	1,996	1,254
Treasurer	139,399	110,428	28,971
Property maintenance/ utilities	59,875	44,302	15,573
Senior activity center	83,766	78,703	5,063
Vehicle/apparatus	75,681	64,970	10,711
Community development - C.D.B.G.	32,758	15,501	17,257
Miscellaneous	115,100	80,676	34,424
Building inspection	150,963	137,712	13,251
Ordinance enforcement	2,100	1,559	541
Street lighting	25,000	22,399	2,601
Roads	104,500	76,486	28,014
Recreation	71,608	66,103	5,505
Township park operations	67,600	40,070	27,530
LWCF Grant	37,858	37,858	
Planning commission	10,815	2,908	7,907
Appeal board	7,550	5,605	1,945
Equipment shared expenditures	30,300	22,782	7,518
Insurance and bonds	41,000	29,964	11,036
Other functions	522,259	464,986	57,273
Total expenditures	<u>2,007,001</u>	<u>1,682,036</u>	<u>324,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,654</u>	<u>575,807</u>	<u>521,153</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	104,017	93,075	(10,942)
Transfers (out)	(341,509)	(369,678)	(28,169)
Total other financing sources (uses)	<u>(237,492)</u>	<u>(276,603)</u>	<u>(39,111)</u>
Net change in fund balance	<u>(182,838)</u>	<u>299,204</u>	<u>482,042</u>
FUND BALANCE, JANUARY 1, 2017	<u>979,551</u>	<u>979,551</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 796,713</u>	<u>\$ 1,278,755</u>	<u>\$ 482,042</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
TAXES			
Current tax collections	\$ 512,643	\$ 501,579	\$ (11,064)
Mobile home tax	5,000	5,216	216
Penalties and collections	3,000	3,487	487
Total taxes	520,643	510,282	(10,361)
LICENSES AND PERMITS	94,225	166,071	71,846
STATE GRANTS			
State shared revenues	1,056,360	1,133,978	77,618
CVT revenue sharing	27,260	40,062	12,802
LCSA Stabilization share revenue	2,758	2,758	
State SMART grant	23,000	26,130	3,130
Metro Authority	12,443	12,443	
Total state grants	1,121,821	1,215,371	93,550
CHARGES FOR SERVICES			
Compliance and appeals fees	6,200	10,825	4,625
Dog licenses fees	800	839	39
Site planning fees	1,800	1,612	(188)
SAD fees	2,647	4,133	1,486
Total charges for services	11,447	17,409	5,962
INVESTMENT INCOME AND RENT			
Cell tower	109,164	109,164	
Senior building rental fee	1,500	1,500	
Interest	5,000	14,840	9,840
Total investment income and rent	115,664	125,504	9,840
OTHER REVENUE			
Donations	4,350	5,774	1,424
School collection fees	38,000	46,712	8,712
CDBG reimbursements	32,758	36,563	3,805
Reimbursements	122,497	133,949	11,452
Miscellaneous	250	208	(42)
Total other revenue	197,855	223,206	25,351
Total revenues	\$ 2,061,655	\$ 2,257,843	\$ 196,188

CHARTER TOWNSHIP OF BRANDON

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TRUSTEES	\$ 18,800	\$ 12,126	\$ 6,674
SUPERVISOR			
Supervisor's salary	58,801	58,801	
Wages	56,969	56,131	838
Supplies	4,000	1,610	2,390
Equipment	3,200	1,176	2,024
Education	1,300	408	892
Mileage	1,000	679	321
Total supervisor	<u>125,270</u>	<u>118,805</u>	<u>6,465</u>
ELECTIONS			
Salaries	19,500	15,023	4,477
Supplies	13,900	10,584	3,316
Maintenance and repair	4,000	96	3,904
Equipment	11,500	6,691	4,809
Miscellaneous expense	1,050	115	935
Total elections	<u>49,950</u>	<u>32,509</u>	<u>17,441</u>
ASSESSOR			
Contracted wages	74,500	65,701	8,799
Supplies	1,600	1,881	(281)
Equipment maintenance and repair	300		300
Miscellaneous expense	1,750	687	1,063
Total assessor	<u>78,150</u>	<u>68,269</u>	<u>9,881</u>
CLERK			
Clerk's salary	51,580	51,580	
Wages	92,069	86,825	5,244
Supplies	3,400	3,148	252
Equipment repairs	250	25	225
Minute indexing	500	250	250
Mileage	700	442	258
Dues and memberships	150		150
Publications	2,900	1,625	1,275
Education	1,400	969	431
Equipment	500	455	45
Total clerk	<u>153,449</u>	<u>145,319</u>	<u>8,130</u>

CHARTER TOWNSHIP OF BRANDON

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
BOARD OF REVIEW			
Salaries	3,100	1,900	1,200
Publications	150	96	54
Total board of review	<u>3,250</u>	<u>1,996</u>	<u>1,254</u>
TREASURER			
Treasurer's salary	51,580	51,580	
Wages	71,119	52,011	19,108
Supplies	2,000	1,475	525
Tax bills	6,000	4,747	1,253
Equipment maintenance	1,000	81	919
Mileage	850	226	624
Publications	650		650
Education	2,500		2,500
Office renovations	400	138	262
Equipment	3,300	170	3,130
Total treasurer	<u>139,399</u>	<u>110,428</u>	<u>28,971</u>
PROPERTY MAINTENANCE/UTILITIES			
Janitorial	5,500	3,605	1,895
Supplies	1,600	1,916	(316)
Utilities/telecommunications	25,000	16,390	8,610
Repairs and maintenance	27,775	22,391	5,384
Total township hall	<u>59,875</u>	<u>44,302</u>	<u>15,573</u>
SENIOR ACTIVITY CENTER			
Salaries	60,066	54,842	5,224
Supplies	4,800	3,291	1,509
Utilities/telecommunications	8,000	9,072	(1,072)
Newsletters	1,000	781	219
Repair and maintenance	8,700	9,953	(1,253)
Miscellaneous	1,200	764	436
Total senior activity center	<u>83,766</u>	<u>78,703</u>	<u>5,063</u>

CHARTER TOWNSHIP OF BRANDON

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
VEHICLES/APPARATUS			
Salaries	55,511	46,581	8,930
Supplies	50	14	36
Gas/oil	13,100	7,667	5,433
Utilities	720	699	21
Repairs and maintenance	6,200	10,009	(3,809)
Miscellaneous	100		100
	<u>75,681</u>	<u>64,970</u>	<u>10,711</u>
COMMUNITY DEVELOPMENT - C.D.B.G.			
Public service	10,000	6,686	3,314
Senior center	22,758	8,815	13,943
	<u>32,758</u>	<u>15,501</u>	<u>17,257</u>
MISCELLANEOUS			
Emergency management planning	10,000		10,000
Professional services	96,500	72,623	23,877
Dues	7,000	6,678	322
Storage rental	1,600	1,375	225
	<u>115,100</u>	<u>80,676</u>	<u>34,424</u>
BUILDING INSPECTION			
Salaries	122,688	119,953	2,735
Supplies	2,825	1,834	991
Repair and maintenance	3,400	2,594	806
Professional services	17,500	12,199	5,301
Publications	300	234	66
Vehicle	1,100	647	453
Equipment	1,500		1,500
Dues	500	135	365
Education	1,150	116	1,034
	<u>150,963</u>	<u>137,712</u>	<u>13,251</u>

CHARTER TOWNSHIP OF BRANDON

**GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ORDINANCE ENFORCEMENT			
Salaries	600	309	291
Printing	1,300	1,250	50
Transportation	200		200
Total ordinance enforcement	<u>2,100</u>	<u>1,559</u>	<u>541</u>
STREET LIGHTING	<u>25,000</u>	<u>22,399</u>	<u>2,601</u>
ROADS	<u>104,500</u>	<u>76,486</u>	<u>28,014</u>
RECREATION	<u>71,608</u>	<u>66,103</u>	<u>5,505</u>
TOWNSHIP PARK OPERATIONS	<u>67,600</u>	<u>40,070</u>	<u>27,530</u>
LWCF GRANT			
Contracted services	17,935	17,935	
Professional services	19,603	19,603	
Equipment rental	320	320	
Total LWCF grant	<u>37,858</u>	<u>37,858</u>	
PLANNING COMMISSION			
Salaries	8,090	2,309	5,781
Supplies	600	185	415
Mileage	200	51	149
Professional service	550	250	300
Publications	1,375	113	1,262
Total planning commission	<u>10,815</u>	<u>2,908</u>	<u>7,907</u>
APPEAL BOARD			
Salaries	6,000	4,532	1,468
Supplies	200		200
Mileage	150	103	47
Professional services	500	250	250
Publications	700	720	(20)
Total appeal board	<u>7,550</u>	<u>5,605</u>	<u>1,945</u>

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EQUIPMENT SHARED EXPENDITURES	<u>30,300</u>	<u>22,782</u>	<u>7,518</u>
INSURANCE AND BONDS	<u>41,000</u>	<u>29,964</u>	<u>11,036</u>
OTHER FUNCTIONS			
Contracted payroll services	5,000	5,388	(388)
Payroll taxes	53,500	54,164	(664)
Medical and dental benefits	262,091	224,357	37,734
Longevity	20,000	18,071	1,929
Life insurance	4,000	2,609	1,391
Retirement	65,009	64,434	575
OPEB	68,158	68,000	158
Public relations	2,400	2,982	(582)
Drains at large		2,832	(2,832)
Tax refunds/chargebacks	10,000	92	9,908
Bank charges	2,500	46	2,454
Youth assistance	3,000	3,000	
Clean up days	7,150	8,647	(1,497)
Miscellaneous	1,000	530	470
Maintenance and repairs	15,000	6,383	8,617
West Nile program	<u>3,451</u>	<u>3,451</u>	
Total other functions	<u>522,259</u>	<u>464,986</u>	<u>57,273</u>
Total expenditures	<u>\$ 2,007,001</u>	<u>\$ 1,682,036</u>	<u>\$ 324,965</u>

DESIGNATED GENERAL FUND

CHARTER TOWNSHIP OF BRANDON

DESIGNATED GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments \$ 1,449,538

FUND BALANCE - DESIGNATED FOR:

Municipal improvement	\$ 120,703
Tower/park development	437,915
Building - Truck	7,619
Metro funds	62,742
Tri-party project	89,368
General carryforward	<u>731,191</u>

Total fund balance \$ 1,449,538

CHARTER TOWNSHIP OF BRANDON

DESIGNATED GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	
Investment income	\$ 16,332
EXPENDITURES	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<hr/> 16,332
OTHER FINANCING SOURCES (USES)	
Transfers in	294,326
Transfers (out)	<hr/> (93,075)
Total other financing sources (uses)	<hr/> 201,251
Net change in fund balance	217,583
FUND BALANCE, JANUARY 1, 2017	<hr/> 1,231,955
FUND BALANCE, DECEMBER 31, 2017	<hr/> <hr/> \$1,449,538

POLICE FUND

CHARTER TOWNSHIP OF BRANDON

POLICE FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 1,066,234
Taxes receivable	1,821,846
Due from others	22,337
Due from other funds	5,576
Prepaid expenditures	<u>47</u>

Total assets \$ 2,916,040

LIABILITIES

Accounts payable	\$ 307,520
Accrued wages	771
Due from other funds	<u>83</u>

Total liabilities \$ 308,374

DEFERRED INFLOW OF RESOURCES

Property taxes levied for the following year	1,992,169
--	-----------

FUND BALANCE

615,497

**Total liabilities, deferred inflow of resources
and fund balance** \$ 2,916,040

CHARTER TOWNSHIP OF BRANDON

POLICE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,979,205	\$ 1,956,580	\$ (22,625)
Licenses and permits	5,000	5,590	590
State grants	9,764	9,764	
Fines and forfeitures	26,000	32,609	6,609
Investment income	8,500	15,836	7,336
Other revenue	96,600	82,946	(13,654)
	<u>2,125,069</u>	<u>2,103,325</u>	<u>(21,744)</u>
EXPENDITURES			
Police protection	1,787,806	1,755,634	32,172
Salaries	116,300	18,178	98,122
Payroll taxes	1,400	1,381	19
Insurance	4,300	4,520	(220)
Supplies	1,600	1,736	(136)
Professional services	61,000	71,599	(10,599)
Utilities	9,200	6,320	2,880
Repairs and maintenance	4,000	612	3,388
Tax tribunal	3,000	247	2,753
Equipment	2,500	17	2,483
Miscellaneous expense	200	214	(14)
	<u>1,991,306</u>	<u>1,860,458</u>	<u>130,848</u>
Net change in fund balance	133,763	242,867	109,104
FUND BALANCE, JANUARY 1, 2017	<u>372,630</u>	<u>372,630</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 506,393</u>	<u>\$ 615,497</u>	<u>\$ 109,104</u>

SEYMOUR LAKE CEMETERY FUND

CHARTER TOWNSHIP OF BRANDON

**SEYMOUR LAKE CEMETERY FUND
BALANCE SHEET
DECEMBER 31, 2017**

ASSETS

Cash and investments

\$ 19,885

FUND BALANCE

\$ 19,885

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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Sale of lots	\$ 3,000	\$ 2,800	\$ (200)
EXPENDITURES			
Cemetery maintenance	18,100	16,099	2,001
Capital outlay	<u>16,600</u>	<u>16,837</u>	<u>(237)</u>
Total expenditures	<u>34,700</u>	<u>32,936</u>	<u>1,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,700)</u>	<u>(30,136)</u>	<u>1,564</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>35,000</u>	<u>35,352</u>	<u>352</u>
Net change in fund balance	3,300	5,216	1,916
FUND BALANCE, JANUARY 1, 2017	<u>14,669</u>	<u>14,669</u>	
FUND BALANCE, DECEMBER 31, 2017	<u><u>\$ 17,969</u></u>	<u><u>\$ 19,885</u></u>	<u><u>\$ 1,916</u></u>

DESIGNATED CEMETERY FUND

CHARTER TOWNSHIP OF BRANDON

**DESIGNATED CEMETERY FUND
BALANCE SHEET
DECEMBER 31, 2017**

ASSETS

Cash and investments

\$ 44,329

FUND BALANCE

\$ 44,329

CHARTER TOWNSHIP OF BRANDON

DESIGNATED CEMETERY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	
Investment income	\$ 157
EXPENDITURES	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<hr/> 157
OTHER FINANCING SOURCES (USES)	
Transfers in	60,000
Transfers (out)	<hr/> (20,000)
Total other financing sources (uses)	<hr/> 40,000
Net change in fund balance	40,157
FUND BALANCE, JANUARY 1, 2017	<hr/> 4,172
FUND BALANCE, DECEMBER 31, 2017	<hr/> <u>\$ 44,329</u>

RECREATION FUND

CHARTER TOWNSHIP OF BRANDON

RECREATION FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments		\$ 29,727
Due from other funds		<u>3,555</u>
Total assets		<u>\$ 33,282</u>

LIABILITIES

Accounts payable	\$ 3,084	
Accrued wages	987	
Unearned revenue	<u>4,242</u>	
Total liabilities		\$ 8,313

FUND BALANCE

		<u>24,969</u>
Total liabilities and fund balance		<u>\$ 33,282</u>

CHARTER TOWNSHIP OF BRANDON

RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Charges for services	\$ 125,141	\$ 116,329	\$ (8,812)
Investment income	100	300	200
Other revenue	5,700	5,436	(264)
Total revenues	<u>130,941</u>	<u>122,065</u>	<u>(8,876)</u>
EXPENDITURES	<u>131,913</u>	<u>124,745</u>	<u>7,168</u>
Excess (deficiency) of revenues over (under) expenditures	(972)	(2,680)	(1,708)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(2,754)</u>	<u></u>	<u>2,754</u>
Net change in fund balance	(3,726)	(2,680)	1,046
FUND BALANCE, JANUARY 1, 2017	<u>27,649</u>	<u>27,649</u>	<u></u>
FUND BALANCE, DECEMBER 31, 2017	<u><u>\$ 23,923</u></u>	<u><u>\$ 24,969</u></u>	<u><u>\$ 1,046</u></u>

DESIGNATED RECREATION FUND

CHARTER TOWNSHIP OF BRANDON

**DESIGNATED RECREATION FUND
BALANCE SHEET
DECEMBER 31, 2017**

ASSETS

Cash and investments

\$ 30,512

FUND BALANCE - Restricted

\$ 25,000

FUND BALANCE - Unrestricted

5,512

TOTAL FUND BALANCE

\$ 30,512

CHARTER TOWNSHIP OF BRANDON

DESIGNATED RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	
Investment income	\$ 22
EXPENDITURES	<hr/>
Net change in fund balance	22
FUND BALANCE, JANUARY 1, 2017	<hr/> 30,490
FUND BALANCE, DECEMBER 31, 2017	<hr/> <u>\$ 30,512 *</u>

*\$25,000 of the above fund balance is restricted for Park Development as provided by grant monies.

CABLE SAVINGS FUND

CHARTER TOWNSHIP OF BRANDON

CABLE SAVINGS FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments		\$ 286,599
Accounts receivable		50,535
Due from other funds		2,655
Prepaid expenses		<u>39</u>

Total assets \$ 339,828

LIABILITIES

Accounts payable	\$ 2,165
Accrued wages	<u>612</u>

Total liabilities \$ 2,777

FUND BALANCE 337,051

Total liabilities and fund balance \$ 339,828

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Charges for services	\$ 207,030	\$ 201,983	\$ (5,047)
Investment income	1,800	2,620	820
Other revenue		2,822	2,822
Total revenues	<u>208,830</u>	<u>207,425</u>	<u>(1,405)</u>
EXPENDITURES			
Payroll processing fees	1,000	724	276
Wages - permanent part time	39,000	27,019	11,981
Wages - contracted services	30,600	31,212	(612)
Payroll taxes	2,500	2,058	442
Operating supplies	1,500	2,060	(560)
Equipment maintenance and repairs	26,000	10,056	15,944
Bank fees	50	23	27
Professional fees	300		300
Rent	7,784	7,860	(76)
Insurance	5,600	4,481	1,119
Utilities, cable and internet	12,400	11,349	1,051
Education	1,000		1,000
Contributions to local communities	93,932	93,932	
Total expenditures	<u>221,666</u>	<u>190,774</u>	<u>30,892</u>
Net change in fund balance	(12,836)	16,651	29,487
FUND BALANCE, JANUARY 1, 2017	<u>320,400</u>	<u>320,400</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 307,564</u>	<u>\$ 337,051</u>	<u>\$ 29,487</u>

PRESIDIO AND FREEDOM TRAIL FUND

CHARTER TOWNSHIP OF BRANDON
PRESIDIO AND FREEDOM TRAIL FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 1,987
Special assessment receivable	<u>8,934</u>
Total assets	<u><u>\$ 10,921</u></u>

DEFERRED INFLOW OF RESOURCES

Unavailable revenue	\$ 8,934
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FUND BALANCE

	<u>1,987</u>
Total deferred inflow of resources and fund balance	<u><u>\$ 10,921</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$ 9,380	\$ 8,934	\$ (446)
Special assessments - interest		893	893
	<hr/>	<hr/>	<hr/>
Total revenues	9,380	9,827	447
EXPENDITURES			
Public works	9,380	9,827	(447)
	<hr/>	<hr/>	<hr/>
Net change in fund balance			
FUND BALANCE, JANUARY 1, 2017	<hr/> 1,987	<hr/> 1,987	<hr/>
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 1,987</u>	<u>\$ 1,987</u>	<u>\$</u>

ZARIEDA STREET SEWER FUND

CHARTER TOWNSHIP OF BRANDON

ZARIEDA STREET SEWER FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 4,058
Special assessment receivable	<u>8,063</u>
Total assets	<u>\$ 12,121</u>

LIABILITIES

Unearned revenue	\$ 8,063
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FUND BALANCE

	<u>4,058</u>
Total liabilities and fund balance	<u>\$ 12,121</u>

CHARTER TOWNSHIP OF BRANDON

ZARIEDA STREET SEWER FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 6,774	\$ 6,567	\$ (207)
Investment income	3	10	7
	<hr/>	<hr/>	<hr/>
Total revenues	6,777	6,577	(200)
EXPENDITURES			
Public works	6,784	7,842	(1,058)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(7)	(1,265)	(1,258)
FUND BALANCE, JANUARY 1, 2017	5,323	5,323	<hr/>
	<hr/>	<hr/>	<hr/>
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 5,316</u>	<u>\$ 4,058</u>	<u>\$ (1,258)</u>

UPPER BUSHMAN FUND

CHARTER TOWNSHIP OF BRANDON

UPPER BUSHMAN FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 17,915
Special assessment receivable	<u>6,077</u>
Total assets	<u><u>\$ 23,992</u></u>

LIABILITIES

Unearned revenues	\$ 6,548
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FUND BALANCE

	<u>17,444</u>
Total liabilities and fund balance	<u><u>\$ 23,992</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 6,551	\$ 6,548	\$ (3)
Investment income	4	27	23
	<hr/>	<hr/>	<hr/>
Total revenue	6,555	6,575	20
 EXPENDITURES			
Public works	7,019	3,924	3,095
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(464)	2,651	3,115
 FUND BALANCE, JANUARY 1, 2017	<hr/> 14,793	<hr/> 14,793	<hr/>
 FUND BALANCE, DECEMBER 31, 2017	<u><u>\$ 14,329</u></u>	<u><u>\$ 17,444</u></u>	<u><u>\$ 3,115</u></u>

LAKE LOUISE FUND

CHARTER TOWNSHIP OF BRANDON

LAKE LOUISE FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments		\$ 36,196
Special assessment receivable		<u>36,415</u>
Total assets		<u>\$ 72,611</u>

LIABILITIES

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

FUND BALANCE

		<u>27,861</u>
Total liabilities and fund balance		<u>\$ 72,611</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 43,000	\$ 43,000	\$
Investment income	200	250	50
Total revenues	43,200	43,250	50
EXPENDITURES			
Public works	43,000	41,620	1,380
Net change in fund balance	200	1,630	1,430
FUND BALANCE, JANUARY 1, 2017	<u>26,231</u>	<u>26,231</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 26,431</u>	<u>\$ 27,861</u>	<u>\$ 1,430</u>

SHELMAR LANE FUND

CHARTER TOWNSHIP OF BRANDON

SHELMAR LANE FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and Investments	\$	188
Special assessment receivable		<u>5,350</u>

Total assets	\$	<u>5,538</u>
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LIABILITIES

Unearned revenue	\$	5,350
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FUND BALANCE

Total liabilities and fund balance	\$	<u>5,538</u>
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CHARTER TOWNSHIP OF BRANDON

SHELMAR LANE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 5,000	\$ 5,350	\$ 350
Investment income	2	1	(1)
Other revenue	<u>350</u>	<u>154</u>	<u>(196)</u>
Total revenues	5,352	5,505	153
EXPENDITURES			
Public works	<u>5,360</u>	<u>7,155</u>	<u>(1,795)</u>
Net change in fund balance	(8)	(1,650)	(1,642)
FUND BALANCE, JANUARY 1, 2017	<u>1,838</u>	<u>1,838</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 1,830</u>	<u>\$ 188</u>	<u>\$ (1,642)</u>

LEGAULT BOULEVARD FUND

CHARTER TOWNSHIP OF BRANDON

LEGAULT BOULEVARD FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments		\$	10,921
Special assessment receivable			<u>9,746</u>
Total assets		\$	<u><u>20,667</u></u>

LIABILITIES

Accounts payable	\$	525	
Unearned revenue		<u>10,632</u>	
Total liabilities	\$		11,157

FUND BALANCE

			<u>9,510</u>
Total liabilities and fund balance	\$		<u><u>20,667</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, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 10,424	\$ 10,424	\$
Investment income	4	6	2
	<hr/>	<hr/>	<hr/>
Total revenues	10,428	10,430	2
EXPENDITURES			
Public works	10,641	6,839	3,802
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(213)	3,591	3,804
FUND BALANCE, JANUARY 1, 2017	<hr/> 5,919	<hr/> 5,919	<hr/>
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 5,706</u>	<u>\$ 9,510</u>	<u>\$ 3,804</u>

SHELMAR LANE SAD #2 FUND

CHARTER TOWNSHIP OF BRANDON

**SHELMAR LANE SAD #2 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 11,235	\$ 11,235	\$
Investment income		<u>2</u>	<u>2</u>
Total revenues	11,235	11,237	2
EXPENDITURES			
Public works	<u>11,235</u>	<u>11,237</u>	<u>(2)</u>
Net change in fund balance			
FUND BALANCE, JANUARY 1, 2017	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, DECEMBER 31, 2017	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

SEYMOUR LAKE SAD FUND

CHARTER TOWNSHIP OF BRANDON

SEYMOUR LAKE SAD FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 8,860
Special assessment receivable	<u>14,418</u>
Total assets	<u><u>\$ 23,278</u></u>

LIABILITIES

Unearned revenue	\$ 16,050
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FUND BALANCE

	<u>7,228</u>
Total liabilities and fund balance	<u><u>\$ 23,278</u></u>

CHARTER TOWNSHIP OF BRANDON

SEYMOUR LAKE SAD FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$ 16,050	\$ 16,050	\$
Investment income		<u>6</u>	<u>6</u>
Total revenues	16,050	16,056	6
EXPENDITURES			
Public works	<u>16,050</u>	<u>8,828</u>	<u>7,222</u>
Net change in fund balance		7,228	7,228
FUND BALANCE, JANUARY 1, 2017	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, DECEMBER 31, 2017	<u><u>\$</u></u>	<u><u>\$ 7,228</u></u>	<u><u>\$ 7,228</u></u>

FIRE OPERATING FUND

CHARTER TOWNSHIP OF BRANDON

FIRE OPERATING FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$	721,463
Taxes receivable		1,604,099
Due from other funds		73,986
Prepaid expenses		<u>61,641</u>

Total assets \$ 2,461,189

LIABILITIES

Accounts payable	\$	10,969
Accrued wages		34,954
Accrued compensated absences		2,493
Due to other funds		<u>3,396</u>

Total liabilities \$ 51,812

DEFERRED INFLOW OF RESOURCES

Taxes levied for the following year		1,774,924
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FUND BALANCE

634,453

Total liabilities, deferred inflow of resources and fund balance \$ 2,461,189

CHARTER TOWNSHIP OF BRANDON

FIRE OPERATING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,731,035	\$ 1,706,779	\$ (24,256)
Investment income	8,000	13,351	5,351
Other revenue	1,000	9,261	8,261
Total revenues	<u>1,740,035</u>	<u>1,729,391</u>	<u>(10,644)</u>
EXPENDITURES			
Physicals, drug testing and health reimbursement	12,500	380	12,120
Property maintenance, utilities	41,500	27,490	14,010
Miscellaneous expenses, office support	9,900	4,509	5,391
Contracted services	10,300	5,102	5,198
Fire prevention	3,250	1,306	1,944
Training, memberships	14,500	9,623	4,877
Uniforms	10,000	7,882	2,118
Fuels	28,000	22,983	5,017
Full time wage and benefits	1,432,800	1,283,043	149,757
PC wage and benefits	206,500	190,646	15,854
Tax tribunal refunds	1,000	231	769
Dispatch fees and equipment	33,000	32,964	36
Total expenditures	<u>1,803,250</u>	<u>1,586,159</u>	<u>217,091</u>
Net change in fund balance	(63,215)	143,232	206,447
FUND BALANCE, JANUARY 1, 2017	<u>491,221</u>	<u>491,221</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 428,006</u>	<u>\$ 634,453</u>	<u>\$ 206,447</u>

FIRE EQUIPMENT AND HOUSING FUND

CHARTER TOWNSHIP OF BRANDON
FIRE EQUIPMENT AND HOUSING FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 300,336
Taxes receivable	<u>249,246</u>
Total assets	<u><u>\$ 549,582</u></u>

LIABILITIES

Accounts payable	\$ 11,586
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DEFERRED INFLOW OF RESOURCES

Taxes levied for the following year	275,788
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FUND BALANCE

	<u>262,208</u>
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Total liabilities, deferred inflow of resources and fund balance	<u><u>\$ 549,582</u></u>
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CHARTER TOWNSHIP OF BRANDON

FIRE EQUIPMENT AND HOUSING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 268,994	\$ 265,193	\$ (3,801)
Investment income	4,500	4,125	(375)
Other revenue	26,000	33,963	7,963
Total revenues	<u>299,494</u>	<u>303,281</u>	<u>3,787</u>
EXPENDITURES			
Maintenance and utilities	84,500	78,472	6,028
Fire apparatus	85,000	35,936	49,064
Misc expense and office support	2,700	1,961	739
Bank charges	100	73	27
Equipment	87,500	34,645	52,855
Computer and maintenance	11,000	9,089	1,911
Tax tribunal refunds	1,000	61	939
Insurance	53,000	52,840	160
Total expenditures	<u>324,800</u>	<u>213,077</u>	<u>111,723</u>
Net change in fund balance	(25,306)	90,204	115,510
FUND BALANCE, JANUARY 1, 2017	<u>172,004</u>	<u>172,004</u>	
FUND BALANCE, DECEMBER 31, 2017	<u>\$ 146,698</u>	<u>\$ 262,208</u>	<u>\$ 115,510</u>

FIRE AMBULANCE FUND

CHARTER TOWNSHIP OF BRANDON

FIRE AMBULANCE FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$	499,884
Due from other funds		7,230
Prepaid expenses		<u>1,273</u>

Total assets \$ 508,387

LIABILITIES

Accounts payable	\$	3,863
Accrued wages		2,361
Due to other funds		<u>3,786</u>

Total liabilities \$ 10,010

FUND BALANCE

Total liabilities and fund balance \$ 508,387

CHARTER TOWNSHIP OF BRANDON

FIRE AMBULANCE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Charges for services	\$ 275,000	\$ 324,319	\$ 49,319
Investment income	6,000	5,672	(328)
Other revenue	1,000	4,303	3,303
Total revenues	<u>282,000</u>	<u>334,294</u>	<u>52,294</u>
EXPENDITURES			
Ambulance expenditures	104,750	83,777	20,973
Ambulance wages and benefits	114,050	107,590	6,460
Equipment	116,000	88,788	27,212
Contracted services	250	196	54
Total expenditures	<u>335,050</u>	<u>280,351</u>	<u>54,699</u>
Net change in fund balance	(53,050)	53,943	106,993
FUND BALANCE, JANUARY 1, 2017	<u>444,434</u>	<u>444,434</u>	
FUND BALANCE, DECEMBER 31, 2017	<u><u>\$ 391,384</u></u>	<u><u>\$ 498,377</u></u>	<u><u>\$ 106,993</u></u>

PUBLIC CONTRIBUTIONS FUND

CHARTER TOWNSHIP OF BRANDON

**PUBLIC CONTRIBUTIONS FUND
BALANCE SHEET
DECEMBER 31, 2017**

ASSETS

Cash and investments

\$ 6,135

FUND BALANCE

\$ 6,135

CHARTER TOWNSHIP OF BRANDON

PUBLIC CONTRIBUTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

ADDITIONS

Public contributions \$ 14,108

DEDUCTIONS

Public safety 14,148

Net change in fund balance (40)

FUND BALANCE, JANUARY 1, 2017 6,175

FUND BALANCE, DECEMBER 31, 2017 \$ 6,135

LIBRARY DEBT SERVICE FUND

CHARTER TOWNSHIP OF BRANDON

LIBRARY DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 49,967
Taxes receivable	<u>268,460</u>
Total assets	<u>\$ 318,427</u>

DEFERRED INFLOW OF RESOURCES

Property taxes levied for the following year	\$ 293,557
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FUND BALANCE

Reserved for debt service	<u>24,870</u>
Total deferred inflow of resources and fund balance	<u>\$ 318,427</u>

CHARTER TOWNSHIP OF BRANDON

LIBRARY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES

Taxes	\$ 307,976
State grants	1,743
Investment income	351
	<hr/>
Total revenues	310,070

EXPENDITURES

Debt service	
Principal retirement	295,000
Interest and fiscal charges	11,922
Miscellaneous	809
	<hr/>
Total expenditures	307,731

Net change in fund balance 2,339

FUND BALANCE, JANUARY 1, 2017

22,531

FUND BALANCE, DECEMBER 31, 2017

\$ 24,870

TAX COLLECTION FUND

CHARTER TOWNSHIP OF BRANDON

TAX COLLECTION FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments \$ 4,453,864

LIABILITIES

Due to other governments \$ 4,453,148
Due to other funds 716

Total liabilities \$ 4,453,864

DELINQUENT TAX FUND

CHARTER TOWNSHIP OF BRANDON

**DELINQUENT TAX FUND
BALANCE SHEET
DECEMBER 31, 2017**

ASSETS

Cash

\$ 2,335

LIABILITIES

Due to others

\$ 2,335

PAYROLL FUND

CHARTER TOWNSHIP OF BRANDON

PAYROLL FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	<u>\$ 162,100</u>
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LIABILITIES

Due to others	\$ 3,497
Due to other governments	19,227
Due to other funds	<u>139,376</u>

Total liabilities	<u>\$ 162,100</u>
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ESCROW FUND

CHARTER TOWNSHIP OF BRANDON

ESCROW FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	\$ 10,688
Due from other funds	<u>1,008</u>
Total assets	<u><u>\$ 11,696</u></u>

LIABILITIES

Due to others	<u><u>\$ 11,696</u></u>
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HEALTH REIMBURSEMENT FUND

CHARTER TOWNSHIP OF BRANDON

**HEALTH REIMBURSEMENT FUND
BALANCE SHEET
DECEMBER 31, 2017**

ASSETS

Cash and investments

\$ 5,438

LIABILITIES

Due to other funds

\$ 5,438

BCN HEALTH REIMBURSEMENT FUND

CHARTER TOWNSHIP OF BRANDON

BCN HEALTH REIMBURSEMENT FUND
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

Cash and investments	<u>\$ 7,005</u>
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LIABILITIES

Due to other funds	\$ 7,000
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Due to others	<u>5</u>
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Total liabilities	<u>\$ 7,005</u>
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