

# **City of Brighton, Michigan**

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## **Comprehensive Annual Financial Report with Supplemental Information For the Fiscal Year Ended June 30, 2009**

# City of Brighton, Michigan

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October 15, 2009

Honorable Mayor and City Council  
City of Brighton

The Comprehensive Annual Financial Report of the City of Brighton, Michigan for the fiscal year ended June 30, 2009 is submitted herewith. It was prepared by staff in the Finance Department with the assistance of the audit staff from Plante & Moran. This report was prepared in accordance with regulations and standards set forth by the City Charter, the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing, the Treasurer of the State of Michigan and the Government Finance Officers Association. Responsibility for the accuracy, completeness, and fairness of the financial data herein, including all disclosures, rests with the City's management.

The accompanying report includes full accrual government-wide financial statements. The purpose of these statements is to demonstrate the operational accountability of the City. Operational accountability is the City's responsibility to report the extent to which we have met our operating objectives efficiently and effectively, using all resources available for that purpose, and whether we can continue to meet our objectives for the foreseeable future. Both the providers and users of City services want to know (1) what public services are provided today and will the City be able to maintain that same (or increased) level of services in future years without an increase in the tax rate and/or user fees?, (2) how much debt is outstanding and will the City be able to repay it without cutting back on the public services provided or increasing the tax rate?, and (3) what types of trends is the City experiencing and how do they compare to other cities with similar characteristics? I will attempt to provide some insight to begin to address answers or how we can address answers to these questions below in "The Future" section of this letter.

The information presented is accurate in all material aspects. The financial statements presented are designed to provide the reader with information to assist in determining both the long-term fiscal health of the City and the City's ability to meet obligations on a short-term basis. The financial statements contained in this report are designed to fairly set forth the financial position and results of operations of the City and include all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

## **The Reporting Entity**

As required by generally accepted accounting principles (GAAP), these financial statements present the City of Brighton and related component units. The individual component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The report includes all funds of the City and encompasses a full range of municipal services in the administrative, public safety, community development and public services functions of the City.

## **Report Organization**

The Comprehensive Annual Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

**Introductory Section** – This section introduces the reader to the City of Brighton and to this report, by way of this transmittal letter.

**Financial Section/Basic Financial Statements** – The independent auditor's report, management's discussion and analysis, government-wide financial statements, combined fund financial statements, component unit financial statements, and notes to the financial statements are included here.

**Financial Section/Required Supplemental Information** – This section contains a comparative analysis of actual revenue and expenditures versus the original and final amended budget for the General Fund and each individual major Special Revenue Fund.

**Financial Section/Other Supplemental Information** – This section contains a comparative analysis of actual revenue and expenditures versus the final amended budget for the each individual nonmajor governmental fund, as well as other supplemental information for the nonmajor governmental funds.

**Statistical Section** – Although this section contains substantial financial data, these schedules differ from financial statements in that they present some non-accounting data, cover more than the current year, and are designed to reflect economic and financial trends.

## **General Information**

The City of Brighton is located approximately forty-five miles northwest of Downtown Detroit. It was incorporated as a village in 1867 and became a Home Rule City in 1928. Brighton encompasses an area of approximately 3.65 square miles, has an estimated household population of approximately 7,173, and is the central business hub for approximately 47% of Livingston County's approximate 183,488 household population, who reside in its southeast quadrant. The City's estimated 3,553 households reflect an approximate average of 2.02 persons per household, which is the lowest in Livingston County.

The City is primarily residential and commercial in nature, with residential land uses comprising 65% of the land area and contributing 50% of the total ad valorem tax base. Although commercial uses comprise only 22% of the City's land they generate approximately 36% of the tax base. Industrial land uses occupy 13% of the land and contribute 6% to the property tax base. The remaining 8% of the ad valorem tax base is comprised of Personal Property Taxes on Commercial and Industrial real estate.

Brighton has the quality of life of a small city, but also has the advantage of being ideally located with easy access to the metropolitan areas of Ann Arbor, Detroit, Flint, and Lansing. The City operates under the Council-Manager form of government. The Mayor is chosen by the seven-member elected City Council from among its members. The City Council appoints the City Manager who is responsible for the administration of the City's activities. The City Council also appoints the City Attorney, City Planner, and City Engineer.

### **Major Initiatives in 2008-2009**

- The City added approximately \$1,497,000 of New Fixed Capital Assets, Net of Disposals; including road improvements to Oakridge Drive, a new Parking Lot on Second Street, the construction of the Mill Pond Bypass Sewer, and an In-car Video System for the Police Department.
- The City issued \$185,000 of Special Assessment Bonds for the Orndorf Drive Road Improvement Project.
- The City received approximately \$514,000 in Federal Grant revenue and receivables, primarily from MSHDA and the EPA.
- The City created an Arts and Cultural Commission Fund.
- The City received its third Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its submittal for the City's FY 2008-09 Budget document.

### **Accounting System and Budgetary Control**

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. Therefore, the City's accounting system is organized and operated on a "fund basis". Each fund is a distinct, self-balancing accounting entity.

This report consists of management's representations concerning the finances of the City of Brighton. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these presentations, management of the City of Brighton has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Brighton's financial statements in conformity with GAAP. Internal controls consist of a plan of organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise accounting control over assets, liabilities, revenues and expenditures.

In view of the importance of the budget as a planning and control instrument in the City, the accounting system provides the basis for appropriate budgetary control. Budget-to-actual comparisons are included in the Required Supplemental Information found on pages 51-53 of this report. Unlike accounting, budgeting is not essentially a financial procedure; it is primarily a policy-planning process. Therefore, it is much less amenable to standardization, however, the importance of GAAP, audit standards, the credit markets' need for more complete disclosure of the City's underlying condition, and the heightened sophistication of the public and press about the importance of outcomes as well as projections, have combined to professionalize and conform budgeting terms and definitions to GAAP. As a result, common terminology, measurement, and classification are used consistently throughout the City's budget, accounting records and financial reports.

Expenditures are authorized via an annual budget passed by resolution in which the Council authorizes the level of funding for City operations. The Council adopts an activity level budget, which is considered the maximum authorization to incur liabilities and not a mandate to spend. No obligation shall be incurred against, and no payment shall be made from any appropriation account that lacks a sufficient balance available to meet the obligation. All expenditures, except personnel costs and certain defined exceptions, are required to have an authorized purchase order.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Brighton operates.

**Local economy.** The economic future of the City of Brighton is inseparably linked and interconnected with the stability and growth of businesses in the Brighton area and the economic future of southeast and south-central Michigan. Economic diversification which enhances the tax base while meeting the service needs of residents without requiring extensive City services is vital to Brighton's economic future. The City can do little to affect interest rates, consumer prices, or, except for very brief periods, the unemployment rate. When it comes to development, however, the City has considerable ability to stimulate the City's economic development through autonomous actions. Although the availability of a skilled labor supply, location and transportation facilities, and energy costs are far more important in industry location decisions than are local tax and expenditure policies, the level of taxation in the City may be an important determinant of business location within the region. How much the City is willing to provide in tax incentives for economic development depends on the probability that the fiscal incentive will work, the need for jobs in the City, and the potential effect of any new industry on the City's revenue and costs. Whatever the effect of the fiscal environment, the City does what it is most capable of to influence location decisions through the fiscal system. According to the Southeast Michigan Council of Governments (SEMCOG), as modified by City data, businesses in the City of Brighton employ approximately 9,000 workers, which is forecasted to decrease in the near term based on the recent downturn in the economy, but increase 43% to approximately 12,900 by 2035.

The City's property tax base is well distributed among its taxpayers and until recently had been increasing steadily. However, Proposal A which was voted into law on March 15, 1994 created an artificial "assessment cap" of 5% or the rate of inflation, whichever is less, until property ownership is transferred, at which time the cap is lifted to the subsequent year's assessed value. In good economic times where property inflation exceeds overall inflation, the City is prevented from levying property taxes on the assessed values, thereby limiting the City's ability to raise revenue beyond artificially capped taxable values. On the other hand, in bad economic times where property values are declining, the City's overall taxbase may actually decrease in real terms as declines in assessed values force a decline in taxable values. Furthermore, in good economic times as ownership of properties are transferred and their respective assessment caps are lifted the cumulative increase in taxable value may exceed the rate of inflation, causing the City's operating millage to be rolled back based on the Headlee Millage Reduction Fraction, which is currently at 15.2734 mills. On the other hand, in bad economic times, the Headlee Millage Reduction Fraction may remain unchanged, but will not increase. Therefore, without significant new taxable land development within the City, the current statewide property tax system will continue to adversely affect the City's future ability to finance existing City services.

Property tax administration involves discovery of the tax base, preparation of an inventory or property list, appraisal and assessment of property value, recognition of exemptions, determination of the tax levy, and finally collection, remittance and reconciliation of the tax. Fundamental to accomplishing these tasks is the establishment and maintenance of adequate position levels staffed with highly qualified employees, the establishment and maintenance of complete and accurate procedures and forms, and the provision of a system to maintain records and retrieve information in a timely and accurate manner.

To that end, I believe the City needs to utilize its existing personnel and technological resources to their optimal value, while at the same time evaluating the need for structural and organizational changes to prepare for the future demands and workloads of this vital and most important revenue source of the City's governmental activities.

The adjusted ad valorem taxable valuation of \$443,618,875 represents a 1.1% increase over the previous year's adjusted taxable valuation. The ratio of total City tax collections to-date for tax year 2008 (current & delinquent) to the current tax levy is 99.23 percent.

**Long-term financial planning.** The City's Master Plan includes the goals to provide for capital improvements that are needed to sustain a quality life for its residents; and to explore methods of generating additional revenue to fund operational and capital projects, including alternative funding options such as grant funding. Annually City staff prepares a 6-year Capital Improvement Plan (CIP), which is Reviewed by the City Planning Commission and Adopted by the City Council. The first year of the adopted CIP is incorporated into the City Manager's Proposed Budget, if funding is available. The City's DDA has its own Development Plan, which was previously adopted by the City Council and is also reviewed annually for budgetary considerations. The City's Debt Management Policy has established debt capacity limits or guidelines for the City to use in conjunction with its capital planning and budgeting processes.

**Cash Management policies and practices.** The City makes a serious effort to maximize investment earnings, diversification and insurability of its investable funds. Idle cash during the year was invested in U.S. Treasuries, cash management funds, guaranteed investment contracts, and annuity funds. Interest earned for the current fiscal year amounted to \$116,306, a decrease of \$263,091 or 69% from the preceding year, which was caused by a combination of a steady decline in market rate yields and a decrease in the average monthly cash balance available for investments generally due to less tax and utility revenue and capital contributions due to the downturn in the economy. Due to the recent credit market problems, which have caused many banks to experience liquidity and overall financial difficulties, the City will need to step up its efforts to diversify its investment portfolio to increase its insured and collateralized deposits.

## **The Future**

We continue to be fiscally sound, accountable and have operated the City in a good financial manner despite rising costs and demands for services. However, maintaining a sound financial condition for the City continues to be more challenging than ever. The City's true financial condition can be broadly defined as its ability to finance its services on a continuing basis, i.e. to find a path to Fiscal Sustainability. More specifically, financial condition refers to the City's ability to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline, and change.

### **Maintaining existing service levels:**

The City currently struggles to afford to continue paying for the services it now provides. Current services include Police Protection, Refuse Collection & Disposal, Street Lighting, Street Repair & Maintenance, Cemetery Care, the operations and maintenance of City Facilities & Grounds, Building & Code Enforcement, Planning, Water, Sanitary Sewer & Stormwater utilities, Legislative, Board and Commission functions, Elections, and Administrative Services; including the City Management, Legal Services, City Clerk services, Human Resources, Finance & Accounting, Assessing & Tax Administration, Utility Billing and Information Technology. In addition, the continued provision of City services requires funds for future liabilities, such as debt service payments for Capital Projects, which are pledged against the future full faith and credit of the City's tax base. Also, the services provided by the City's Downtown Development Authority consume City tax revenue for dedicated Projects.

As the City approaches the practical build-out of its existing undeveloped lands; and if the current negative trends of reduced property values, reduced Revenue Sharing, reduced personal property taxing ability, the cumulative effects of the Headlee Amendment and Proposal A, reduced utility connection fees and the ever growing OPEB and Pension Liabilities continue well into the future, then the City will be forced to look seriously at possible service cuts.

Due to the City's relatively high debt burden, this may include a temporary moratorium on any new debt issuance for the financing of any new and/or replacement and/or expansion of existing City facilities and infrastructure, and will probably not allow for the funding of new services or increased service levels on existing services.

**Withstanding economic disruption:**

The City's current General Fund - undesignated fund balance provides it a slim cushion to withstand periodic local and regional economic disruptions, such as a decision by a major employer to move out of the City, producing a significant negative impact on City employment and its tax base; or a surge of regional inflation that affects expenditures more heavily than revenue, leaving the City more funds but less purchasing power. Although the unemployment rate for the City of Brighton is not specifically tracked, the unemployment rate for Livingston County has increased from 7.1% to 13.3% over the last year. In addition, the Consumer Price Index (CPI) for our region (Detroit/Ann Arbor/Flint) decreased by 1.5% from the last year.

There are some indications that the local economic downturn could linger for another two to four years. Increasing foreclosures can have a detrimental impact on the City of Brighton. A concentration of home foreclosures in a neighborhood hurts property values in several ways. A glut of foreclosed homes for sale depresses home market values for the other owners. Neighboring businesses often experience a direct monetary loss from reduced sales and neighborhood landlords experience a loss or reduction in rental income. Moreover, the homes left vacant by foreclosure lower the desirability of the neighborhood since there is often an increase or a perceived increase in crime associated with a vacant house. If concentrated foreclosures persist in the City, then the value of surrounding homes may decline. Should housing prices decline dramatically, the effects could be significant. To the extent that price declines reflect a decline in demand for new housing, construction activity will decline. This contraction is already under way, and has reduced residential investment significantly in the City.

House price declines can also affect economic activity through their effect on household wealth. Household wealth, along with income, helps to determine the level of aggregate consumption. Higher levels of wealth lead to higher consumption, all things being equal. Since declines in home prices reduce wealth, they reduce consumption and thus output and employment. If the price of houses were to fall 20 percent in a short period of time, we might well see a shift in overall business confidence. This could produce negative effects on credit markets, as recent events have illustrated. Higher interest rates or restrictions on business credit can in turn reduce real economic activity. In addition, business decision-making and capital investment can be affected by any changes in confidence.

Therefore, given the current state of the local economy, the current General Fund - undesignated fund balance may not be sufficient in the event of a natural or criminal disaster, which could require the City to borrow short-term to cover unanticipated emergency expenditures.

**Meeting demands of growth and decline:**

According to recent estimations provided by SEMCOG, the City of Brighton's current household population has decreased by 95 from a year earlier but is expected to begin to steadily increase in a few years to approximately 9,381 by the year 2035, with an estimated 4,077 households and an estimate of 2.30 persons-per household. As we have seen in recent years, population growth can force the City to rapidly assume new debt to finance streets and utility lines, or it can cause a sudden increase in the operating budget to provide necessary services. Loss of population, on the other hand, can leave the City with the same streets and utilities to maintain, but with fewer people to pay for them.

Even stability can create financial pressure if a population changes composition. For example, a stable population that becomes older and poorer can require new government programs with expensive start-up costs and operating costs that are more expensive than the current service levels. SEMCOG's projections show a 121% increase in the City population age 65 or older from the 2000 census to the year 2035, at which time 26% of the City population will be comprised of seniors 65 or older and 39% of the households will be comprised of at least one senior.

### **Financial Forecasting:**

In order to better understand the financial condition of the City it will become increasingly important to continue the development of an ongoing Financial Forecasting model. The end result of this forecasting model should be intended to communicate what is likely to happen in the future based on where the City is today and where it appears to be heading. The preparation of a reasonably complete forecast will allow the City to look at its options and prudently plan and act accordingly. As the forecasts are developed over time, they should incorporate benchmark trend analysis to measure how our actual results compare to our projections and to the actual results of other similar benchmark communities. A key benchmark for the General Fund will be its unreserved fund balance, which was \$1,014,977 or 15% of operating expenditures on June 30, 2009. The Utilities Fund Current Ratio was 1.56 on June 30, 2009, which is below the target of 2:1. Working capital, a key benchmark of the Utilities Fund, decreased by approximately \$119,000 to approximately \$830,000 at June 30, 2009, which covered 20% of the Utilities Fund Expenses, including depreciation. Exclusive of depreciation, the coverage was 31% of expenses.

### **Accounting and Financial Reporting Resources:**

GASB continues to issue new Statements, which impact and change how the City accounts and reports its financial activities. The Statement, which will impact the City the most beginning next year, is GASB 45, which will require changes in the Reporting of Other Post Employment Benefits (OPEB). This accounting statement will require the City to calculate an estimate of the non-pension benefits for the City's retirees and potential future retirees, such as retiree health care, to be shown as an accrued liability on the City's accounting records. Rather than using pay-as-you-go for retiree benefits, as the City currently does, GASB 45 will require the City to estimate the future value of such benefits for its retirees, and potential future retirees, and then calculate an actuarially-type derived yearly expense to be shown in its financial accounting records. While GASB 45 requires only accrued accounting of retiree benefits, failure to then fund the calculated annual liability may have additional credit consequences, as an un-funded paper liability will materialize over time.

The effective date of this new accounting standard for the City of Brighton will be in FY 2009-10. An actuarial valuation of OPEB as of June 30, 2006 reflected the present value of all benefits expected to be paid to current plan members was approximately \$13,000,000, of which approximately \$10,670,000 was the actuarial accrued liability, which is the portion attributable to service accrued by plan members as of June 30, 2006. The Annual Required Contribution (ARC) for FY 2007-08 was estimated to be approximately \$881,000. For FY 2008-09 \$266,280 was actually paid out in premiums. The difference between the ARC and what is paid out during the year is the Net OPEB Obligation (NOO), so if the ARC remained at \$881,000 for FY 2008-09, then the NOO would have been \$614,720.

The FY 2009-10 budget reflects \$310,229 to be paid out in retiree premiums. Non-union administrative employees began contributing 5% towards their City provided health care in July 2008. At June 30, 2009 the City had \$315,845 reserved in the MERS Retirement Health Funding Vehicle, an Irrevocable Trust, for the OPEB liability, however, to balance the City's General Fund and Utilities Fund budgets for FY 2009-10, the City did not budget appropriations to the OPEB Reserve Trust. The City will have an actuarial valuation of OPEB completed during 2009 as the basis for beginning compliance with GASB 45 for FY 2009-10.

In anticipation of the significant results of this actuarial valuation, the City must continue to work on developing recommendations to reduce and fund the NOO, which I am recommending be ultimately funded at least at an 80% level.

During FY 2006-07 GASB issued Statement No. 50, Pension Disclosures, which modifies the notes and required supplementary information (RSI) for pension benefits to make them more similar to the information required for OPEB. Based on this Statement, the City will need to analyze more closely the future funding needs of its employee pension system (MERS). For the year ended June 30, 2009, the City's annual pension cost (required actuarial contribution) was \$499,699, a decrease of \$43,369 or 8% from the preceding year. The accrued liability of the City's MERS Plan was 67% funded in 2008, down from 69% in 2007. Historically, the standard amortization period to fund the unfunded liability has been 30 years. This amortization period was reduced to 29 years in 2006, 28 years in 2007, 2008 and will remain at 28 years in 2009 and then be reduced by one year in each of the next eight annual valuations, reaching 20 years in the 2017 valuation. Beginning with the 2018 valuation a 20-year period will be reestablished with each annual valuation. It is my recommendation that the City should establish a financial policy to ultimately become at least 80% funded. This will require significant annual cash contributions from the City, over and above the annual required contributions.

During FY 2008-09 GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which will fundamentally alter the categories and terminology used to present the amount on the governmental fund balance sheet, when implemented in FY 2010-11. This Statement is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. In essence, it establishes a hierarchy based largely on the extent to which a government is bound to observe spending constraints that govern how it can use amounts reported in the governmental funds balance sheet. Statement 54 establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- Nonspendable fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

- Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the General fund.

### **Fiscal Sustainability:**

The City of Brighton is subject to increasing financial pressures, which will only worsen with increasing health care costs, stagnant revenue, and an aging population. The common reaction to fiscal pressure for many communities has been across-the-board budget cuts, which weaken every program equally, regardless of its impact on citizens. Instead, I suggest the City continue to develop an ongoing objective financial planning and budgeting approach for a long-term path to fiscal sustainability by:

1. Assessing the City's Financial Condition, i.e., fund balance/working capital, unfunded liabilities, capital planning etc;
2. Developing a six-year financial forecast, i.e., near to long-term, annual fund balance/working capital snapshot, fiscal indicators, etc.;
3. Evaluating potential additional revenue opportunities, i.e., fees and fines, ads on government property, administrative fees, special assessments and new taxes, etc.;
4. Considering potential general cost reduction opportunities, i.e., early retirements, overtime review, privatization options, cost allocations, etc.;
5. If the forecast projects a budget shortfall, then;
6. Create a department prioritization matrix, measuring the importance and cost of each department;
7. Identify target departments to cut by high cost and low importance;
8. Create a comprehensive list of functions and services for the target departments;
9. Prioritize individual services/functions within a department by a pairwise comparison method;

10. Identify reductions/revisions based upon importance rankings; i.e., positions, alternative service delivery, etc.;
11. If the annual shortfall is met, then;
12. Reduce identified positions and costs in next year's budget; and
13. Establish performance metrics for annual target reductions.

This approach to fiscal sustainability starts with the results citizens want and focuses not on how to cut 10 or 15 percent from the budget, but on how to maximize the results produced with the remaining 85 to 90 percent. This sustainable approach to budgeting can be used year after year to maintain long-term fiscal balance while simultaneously improving the value of the services we deliver to the public.

### **Independent Audit**

The City Charter requires an annual audit of all accounts of the City by Certified Public Accountants selected by the City Council. This requirement has been complied with and the report of Plante & Moran, Certified Public Accountants, is included herein. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Brighton for fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Brighton's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

### **Acknowledgments**

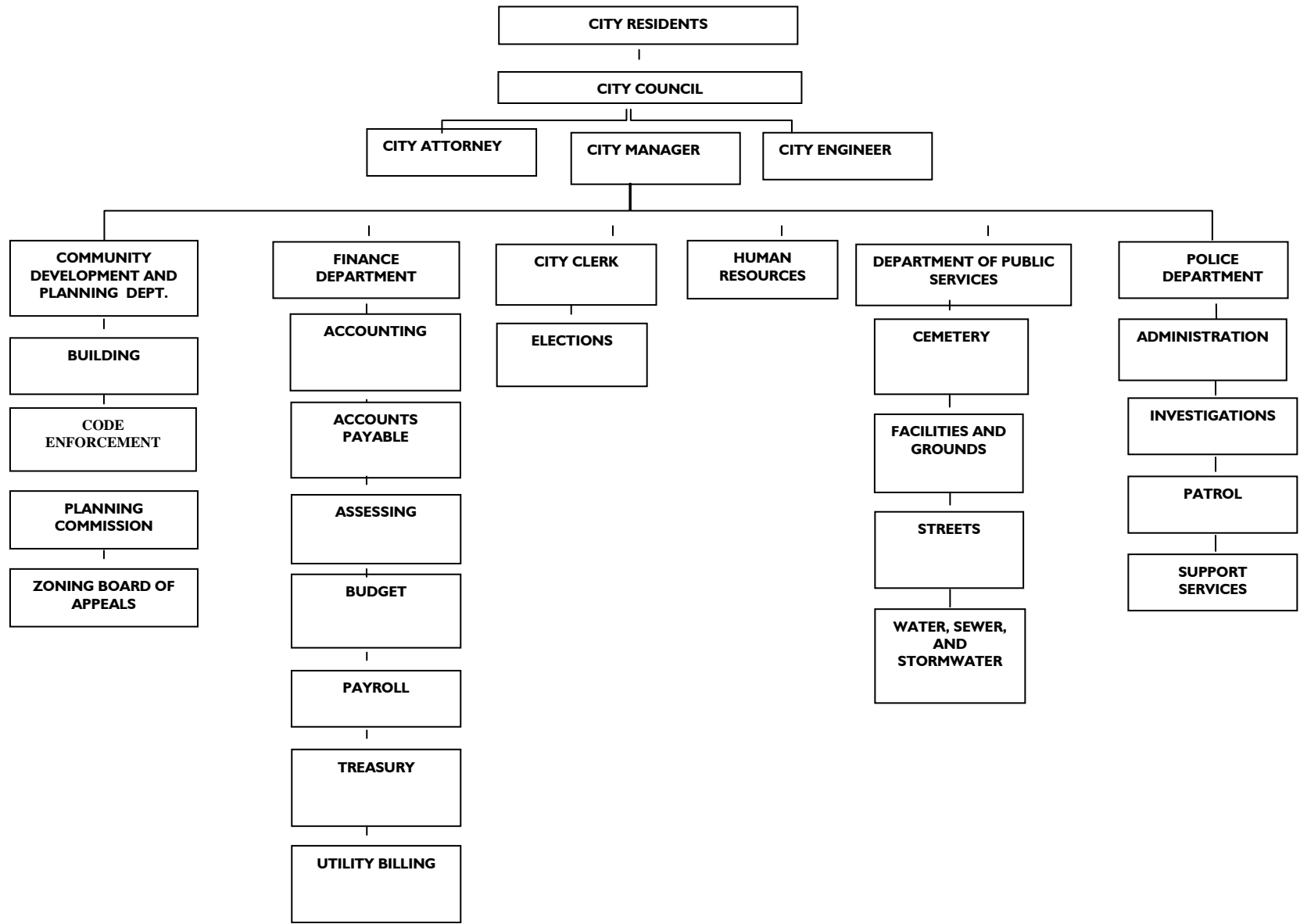
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department, as well as the advice from Plante & Moran. I wish to express my sincere appreciation to all members of the Department who assisted and contributed to its preparation. I would also like to express my thanks to the City Manager, the Department Directors and each of you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



David C. Gajda  
Finance Director

**CITY OF BRIGHTON ORGANIZATIONAL CHART**



CITY OF BRIGHTON, MICHIGAN  
List of Elected and Appointed Officials  
For the Fiscal Year Ended June 30, 2009

**ELECTED OFFICIALS**

Kate Lawrence  
Ricci Bandkau  
Jim Bohn  
Chad Cooper  
Jim Muzzin  
Claudia Roblee  
John Tunis

Mayor  
Mayor Pro Tem  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

**APPOINTED OFFICIALS**

Dana Foster  
Paul Burns  
Dave Gajda  
Diana Lowe  
Matthew Modrack

Jenni Piasecki

Matt Schindewolf

Thomas Wightman

City Manager  
City Attorney  
Finance Director  
City Clerk  
Community  
Development/Planning  
Director  
Human Resources  
Director  
Public Services  
Director  
Police Chief



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## Independent Auditor's Report

To the City Council  
City of Brighton, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Brighton, Michigan (the "City") as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the City Council  
City of Brighton, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brighton's basic financial statements. The management's discussion and analysis and the major fund budgetary comparison schedules, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. The letter of transmittal, other supplemental information, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not required parts of the basic financial statements. The budgetary comparison schedules and other supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it. The letter of transmittal and statistical disclosure section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of the City of Brighton, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Plante & Moran, PLLC*

September 18, 2009

# City of Brighton, Michigan

## Management's Discussion and Analysis

As the finance director of the City of Brighton, Michigan (the "City"), I offer readers of the City of Brighton, Michigan's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. I encourage readers to consider the information presented here in conjunction with additional information that I have furnished in my letter of transmittal, which can be found on pages i-xi of this report.

### Financial Highlights

- The assets of the primary government and component units of the City exceeded its liabilities at the close of the most recent fiscal year by \$55,894,015 (net assets). Of this amount, \$2,420,865 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$910,504. This decrease is the net result of an increase of \$341,327 in component unit (DDA & LDFA) net assets and a decrease of \$1,251,831 in the net assets of the primary government.
- The \$1,251,831 decrease in the net assets of the primary government is the net result of a \$1,011,776 decrease in the net assets of the governmental activities and a \$240,055 decrease in net assets of the business-type activities (Utilities Fund). The decrease in net assets of the Utilities Fund is primarily the result of a decrease in capital assets - net of depreciation, which is caused by a reduction in capital contributions from connection fees, which go to support the replacement and expansion of the utilities plant and equipment. The decrease in net assets of the governmental activities is primarily the result of decreases in cash and investments in the General Fund and Major Streets Fund.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,202,472, a decrease of \$1,368,916 in comparison with the prior year. A total of \$1,287,208 or approximately 58 percent of the fund balance is available for spending at the City's discretion (unreserved fund balance). However, \$420,510 of the unreserved fund balance is designated for expenditures in fiscal year 2009-2010. Therefore, the remaining \$866,698 of fund balance is unreserved and undesignated, of which \$833,806 is in the General Fund.
- At the end of the current fiscal year, unreserved (designated and undesignated) fund balance for the General Fund was \$1,014,977, or 15 percent of total current General Fund budgeted operating expenditures for the year ending June 30, 2010.
- The City's total debt (primary government and component units) decreased by \$1,995,986 (7 percent) during the current fiscal year. The decrease was caused by the annual maturity of pre-existing debt, offset slightly by one new small special assessment bond issue during the fiscal year.

# City of Brighton, Michigan

## Management's Discussion and Analysis (Continued)

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Brighton's basic financial statements. The City of Brighton, Michigan's basic financial statements currently comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

**Government-wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of the City of Brighton, Michigan's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of the City of Brighton, Michigan's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position and performance of the City of Brighton, Michigan are improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Brighton, Michigan that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Brighton, Michigan include general government, public safety, community development, and public services. The business-type activities of the City of Brighton, Michigan include the water and sewer utility operations.

The government-wide financial statements include not only the City of Brighton, Michigan itself (known as the primary government), but also a legally separate Downtown Development Authority and a legally separate Local Development Finance Authority, for which the City of Brighton, Michigan is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13-15 of this report.

# City of Brighton, Michigan

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## Management's Discussion and Analysis (Continued)

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Brighton, Michigan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Brighton, Michigan can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Brighton, Michigan currently maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balance for the General Fund, Major Streets Fund, Local Streets Fund, and Capital Improvement Fund, which are considered to be major funds; and for the Principal Shopping District Fund, Arts & Cultural Commission Fund, two Street Debt Funds, and Building Authority Fund, which are considered to be nonmajor funds.

The City of Brighton, Michigan adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund in the required supplemental information to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 16-20 of this report.

**Proprietary Funds** - The City of Brighton, Michigan maintains one type of propriety fund, which is an Enterprise Fund used to report and account for its Utilities (Water and Sewer) Fund operations. The Utilities Fund (which is considered a major fund) is used to report the same functions presented as business-type activities in the government-wide financial statements, but only in more detail. The Proprietary Fund financial statements can be found on pages 21-23 of this report.

# City of Brighton, Michigan

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## Management's Discussion and Analysis (Continued)

**Fiduciary Funds** - Fiduciary funds are intended to be used to account for resources held for the benefit of parties outside the City government organization. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Brighton, Michigan's own programs. The accounting used for fiduciary funds is much like that of propriety funds. The City of Brighton, Michigan maintains two fiduciary funds, which are Agency Funds, one for current tax collections and the other for delinquent personal property tax collections. The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

**Notes to the Financial Statements** - The notes provide additional information which is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-48 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City of Brighton, Michigan's budgetary comparisons with actual for its General Fund and Major Special Revenue Funds. Required supplemental information can be found on pages 50-54 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position and performance. As shown below, for the year ended June 30, 2009, assets exceeded liabilities by \$55,894,015.

By far the largest portion of the City of Brighton, Michigan's net assets (90 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Brighton, Michigan uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Brighton, Michigan's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# City of Brighton, Michigan

## Management's Discussion and Analysis (Continued)

### Summary Condensed Statement of Net Assets (normally presented in thousands of dollars)

	Governmental Activities		Business-type Activities		Component Units		Total	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
<b>Assets</b>								
Current assets	\$ 5,382.5	\$ 6,645.6	\$ 2,483.2	\$ 2,315.0	\$ 735.0	\$ 525.6	\$ 8,600.8	\$ 9,486.2
Capital assets	32,817.0	33,298.0	38,961.9	39,971.0	5,021.9	5,300.6	76,800.8	78,569.6
Total assets	38,199.6	39,943.6	41,445.1	42,286.0	5,757.0	5,826.2	85,401.6	88,055.8
<b>Liabilities</b>								
Current liabilities	1,902.7	1,836.9	1,483.8	1,119.8	441.4	421.8	3,827.9	3,378.5
Long-term liabilities	12,117.3	12,915.3	10,702.6	11,667.5	2,860.0	3,290.0	25,679.9	27,872.8
Total liabilities	14,020.0	14,752.2	12,186.4	12,787.3	3,301.4	3,711.8	29,507.8	31,251.3
<b>Net Assets</b>								
Invested in capital assets -								
Net of related debt	20,539.9	20,830.1	27,453.4	27,838.0	2,321.8	2,250.6	50,315.1	50,918.7
Restricted	3,157.9	3,437.5	-	284.0	-	-	3,157.9	3,721.5
Unrestricted (deficit)	481.8	923.8	1,805.3	1,376.7	133.8	(136.2)	2,420.9	2,164.4
Total net assets	\$ 24,179.6	\$ 25,191.4	\$ 29,258.7	\$ 29,498.7	\$ 2,455.6	\$ 2,114.4	\$ 55,893.9	\$ 56,804.5

An additional portion of the City of Brighton, Michigan's net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$2,420,865) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its primary government and each of its separate activities, i.e., the governmental and business-type activities, and as well for its component units.

**Governmental Activities** - As shown below, governmental activities decreased the City's net assets by \$1,011,776. Last fiscal year, the net assets of the governmental activities decreased by \$2,125,824. The year-over-year change is the net result of \$175,164 more total revenue than last fiscal year and \$938,884 less total program expenses than last fiscal year. The increase in revenue is primarily in the area of capital grants and contributions. The decrease in expenses is in all governmental activities, i.e., the general government, public safety, public services, and community development programs, as well as interest on long-term debt.

**Business-type Activities** - Business-type activities decreased the City's net assets by \$240,055. Last fiscal year, the net assets of the business-type activities decreased by \$792,983. The year-over-year change is the net result of \$499,894 more total revenue than last fiscal year and \$53,034 less total program expenses than last fiscal year. The increase in revenue is primarily the result of more debt service fees, building rents, and grants. The decrease in expenses is primarily the result of less personnel costs and interest expense.

**Component Units** - Component units increased the City of Brighton's net assets by \$341,327, compared to an increase of \$435,849 in the prior year. The year-over-year change is the net result of \$94,439 more total revenue than last fiscal year and \$188,961 more total program expenses than last fiscal year. The increase in revenue is from tax increment revenue. The increase in expenses is from increases in overall DDA and LDFA expenses.

# City of Brighton, Michigan

## Management's Discussion and Analysis (Continued)

**Summary Condensed Income Statement** (normally presented in thousands of dollars):

	Governmental Activities		Business-type Activities		Component Units		Total	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
<b>Revenue</b>								
Program revenue:								
Charges for services	\$ 744.5	\$ 804.9	\$ 3,322.8	\$ 3,082.0	\$ -	\$ -	\$ 4,067.3	\$ 3,886.9
Operating grants and contributions	446.4	402.6	-	-	25.1	-	471.5	402.6
Capital grants and contributions	401.8	-	646.2	357.5	-	26.1	1,048.0	383.6
General revenue:								
Property taxes	6,302.8	6,308.6	-	-	1,103.2	992.7	7,406.0	7,301.3
State-shared revenue	582.6	624.3	-	-	-	-	582.6	624.3
Unrestricted investment earnings	229.2	472.4	18.3	47.9	9.5	20.9	257.0	541.2
Other	294.7	239.7	-	-	2.5	6.1	297.2	245.8
Loan on sale of assets	-	(25.7)	-	-	-	-	-	(25.7)
<b>Total revenue</b>	<b>9,002.0</b>	<b>8,826.8</b>	<b>3,987.3</b>	<b>3,487.4</b>	<b>1,140.3</b>	<b>1,045.8</b>	<b>14,129.6</b>	<b>13,360.0</b>
<b>Program Expenses</b>								
General government	2,472.2	2,878.7	-	-	-	-	2,472.2	2,878.7
Public safety	2,410.3	2,519.0	-	-	-	-	2,410.3	2,519.0
Public services	4,161.1	4,426.5	-	-	798.9	609.9	4,960.0	5,036.4
Community development	407.2	539.8	-	-	-	-	407.2	539.8
Interest on long-term debt	563.0	588.6	-	-	-	-	563.0	588.6
Water and sewer	-	-	4,227.4	4,280.4	-	-	4,227.4	4,280.4
<b>Total program expenses</b>	<b>10,013.8</b>	<b>10,952.6</b>	<b>4,227.4</b>	<b>4,280.4</b>	<b>798.9</b>	<b>609.9</b>	<b>15,040.1</b>	<b>15,842.9</b>
<b>Change in Net Assets</b>	<b>\$ (1,011.8)</b>	<b>\$ (2,125.8)</b>	<b>\$ (240.1)</b>	<b>\$ (793.0)</b>	<b>\$ 341.4</b>	<b>\$ 435.9</b>	<b>\$ (910.5)</b>	<b>\$ (2,482.9)</b>

### The City's Funds

**Governmental Funds** - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved undesignated fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,202,472, a decrease of \$1,368,916 in comparison with the prior year. Approximately 39 percent of this total amount (\$866,698) constitutes unreserved undesignated fund balance, which is available for investment and/or spending at the City's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed to (1) liquidate contracts and purchase orders of the prior period or for subsequent year expenditures and (2) be reserved for contingent liabilities and other restricted purposes.

# City of Brighton, Michigan

## Management's Discussion and Analysis (Continued)

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved undesignated fund balance of the General Fund was \$833,806 while the total unreserved fund balance reached \$1,014,977. As a measure of the General Fund's liquidity, it may be useful to compare the total unreserved fund balance to total fund operating expenditures. Unreserved fund balance represents 15 percent of total current General Fund budgeted operating expenditures for the year ending June 30, 2010.

The total fund balance of the City's General Fund decreased by \$508,110 during the current fiscal year. The primary factors for this decrease were less revenue in the areas of property sales, interest earnings, building permits, and service charges.

At the end of the current fiscal year, unreserved undesignated fund balance of the Special Revenue Funds (Major and Local Streets Funds, Principal Shopping District Fund, and Arts and Cultural Commission Fund) was \$32,892, while the total unreserved fund balance was \$272,231. The \$32,892 of unreserved and undesignated fund balance at year end is in the Local Streets Fund and Arts and Cultural Commission Fund.

At the end of the current fiscal year, the Debt Service Funds (Street Voted and Street Non-voted Debt Funds) had a total fund balance of \$0.

At the end of the current fiscal year, fund balance of the Capital Projects Fund (Capital Improvement and Building Authority Funds) was \$129,432, which is reserved for encumbrances.

**Proprietary Funds** - The City of Brighton, Michigan's Utilities Enterprise Fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Utilities Fund at the end of the year amounted to \$1,805,252, up from \$1,376,700 in the prior year. The Utilities Fund had a \$365,545 operating loss primarily because the operating revenue does not cover all the depreciation expense. This fund generated a net loss of \$240,055. Although this net loss, or decrease in net assets, is less than the operating loss, the one-time collections of connection fees and developer contributions fell short of covering the annual depreciation expenses not covered by operating revenue.

### **General Fund Budgetary Highlights**

Differences between the original budget and final amended budget can be briefly summarized as follows:

- The \$647,518 or 7.6 percent decrease in total revenue from the original budget reflected a net of less than expected state-shared revenue, service charges, licenses and permits, interest earnings, other revenue, and transfers in; partially offset by more than anticipated property taxes, federal grants, and fines and penalties.

# City of Brighton, Michigan

## Management's Discussion and Analysis (Continued)

- The \$97,891 or 1.1 percent decrease in total expenditures from the original budget reflected primarily a net of less than expected expenditures in the public safety, public services, and community development activity budgets, partially offset by more than anticipated expenditures in the general government and transfers out activity budgets.

### Capital Asset and Debt Administration

**Capital Assets** - As shown below, the City's investment in capital assets for its primary government (governmental and business-type activities) as of June 30, 2009 amounts to \$71,778,875 (net of accumulated depreciation). This investment in capital assets includes land (including rights-of-way), buildings and system, improvements, machinery and equipment, park facilities, streets, and bridges. The City's investment in capital assets for its component units (DDA) as of June 30, 2009 amounts to \$5,021,911 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and improvements. The total decrease in the City's investment in capital assets for the current year was 2.3 percent (a 1.4 percent decrease in governmental activities, a 2.5 percent decrease for business-type activities, and a 5.3 percent decrease for its component units).

Capital Assets (Net of Depreciation) (in thousands of dollars)

	Primary Government							
	Governmental Activities		Business-type Activities		Component Units		Total	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
Land	\$ 13,530.8	\$ 13,530.8	\$ 157.4	\$ 157.4	\$ 578.8	\$ 578.8	\$ 14,266.9	\$ 14,267.0
Buildings and system	4,798.3	4,928.1	18,352.1	19,063.6	896.0	1,170.4	24,046.5	25,162.1
Machinery and equipment	816.9	939.5	442.5	530.2	3,547.1	3,551.4	4,806.5	5,021.1
Infrastructure	13,658.7	13,862.4	19,971.0	20,219.8	-	-	33,629.7	34,082.2
Construction in progress	12.2	37.2	38.9	-	-	-	51.2	37.2
<b>Total</b>	<b>\$ 32,816.9</b>	<b>\$ 33,298.0</b>	<b>\$ 38,961.9</b>	<b>\$ 39,971.0</b>	<b>\$ 5,021.9</b>	<b>\$ 5,300.6</b>	<b>\$ 76,800.8</b>	<b>\$ 78,569.6</b>

Major capital assets acquired during the current fiscal year included the following:

- **Governmental Activities** - Road improvements to Oakridge Drive, the construction of a new parking lot on Second Street, an in-car police video system and new garage doors at the fire hall.
- **Business-type Activities** - Utility related improvements included the Mill Pond Lane bypass sewer, the overhaul of the Pierce Street Well #1, and developer contributions to the water system.
- **Component Units** - DDA improvements included the Mill Pond Park drinking fountain.

Additional information on the City's capital assets can be found in Note 5 on pages 38-41 of this report.

# City of Brighton, Michigan

## Management's Discussion and Analysis (Continued)

**Long-term Debt** - As shown below, at the end of the current fiscal year, the City had total debt outstanding of \$27,386,894. Of this total, \$17,296,894 or 63 percent comprises debt backed by the full faith and credit of the City, including \$1,154,294 of Revenue Bonds, \$2,790,000 or 10 percent is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment, and \$7,300,000 or 27 percent comprises revenue bonds backed by the revenue of the City's Utility Fund. A total of \$12,588,450 or 46 percent of the total debt is governmental activities debt, \$11,508,444 or 42 percent is business-type activities debt, and the remaining \$3,290,000 or 12 percent is component unit debt.

### Outstanding Debt (General Obligation, Special Assessment, and Revenue Debt)

	Primary Government							
	Governmental Activities		Business-type Activities		Component Units		Total	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
General obligation bonds/ notes	\$ 9,903.5	\$ 10,546.0	\$ 2,949.2	\$ 3,313.8	\$ 3,290.0	\$ 3,690.0	\$ 16,142.6	\$ 17,549.8
Special assessment bonds	2,685.0	2,730.0	105.0	140.0	-	-	2,790.0	2,870.0
Revenue bonds with a general obligation pledge	-	-	1,154.3	1,265.0	-	-	1,154.3	1,265.0
Revenue bonds	-	-	7,300.0	7,698.1	-	-	7,300.0	7,698.1
<b>Total</b>	<b>\$ 12,588.5</b>	<b>\$ 13,276.0</b>	<b>\$ 11,508.5</b>	<b>\$ 12,416.9</b>	<b>\$ 3,290.0</b>	<b>\$ 3,690.0</b>	<b>\$ 27,386.9</b>	<b>\$ 29,382.9</b>

The City's total debt decreased by \$1,995,986 (7 percent) during the current fiscal year. The decrease was the result of the annual maturity of pre-existing debt, offset slightly by one new small special assessment bond issue.

The City maintains non-insured ratings as follows: A+ from Standard & Poor's, A1/A2 rating from Moody's, and an A+ from Fitch.

State statutes limit the amount of general obligation debt a City may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is \$51,629,596, which is significantly in excess of the City's total net debt (total debt less special assessment, revenue, MTF, and County-shared debt) of \$14,135,000. Therefore, the legal debt margin, or what the City could legally add to its outstanding debt at June 30, 2009, was \$37,494,596.

Additional information on the City's long-term debt can be found in Note 7 on pages 42-45 of this report.

# City of Brighton, Michigan

## Management's Discussion and Analysis (Continued)

### Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City has not been tracked since December 31, 2004. At June 30, 2009, the average unemployment rate for Livingston County was 13.3 percent, which is an increase from 7.1 percent a year ago; for the State of Michigan it was 15.4 percent, and for the United States it was 9.5 percent.
- The Consumer Price Index (CPI) for our region (Detroit/Ann Arbor/Flint) for the year ended June 30, 2009 decreased by 1.5 percent from a year ago, the midwest urban average CPI rate decreased by 1.7 percent from a year ago, and the national CPI rate decreased by 1.4 percent from a year ago.

The trends in these economic factors will be considered in preparing the City's fiscal year 2010-2011 budget.

During the current fiscal year, unreserved fund balance in the General Fund decreased by \$518,898 to \$1,014,977. The City has designated \$181,171 of this amount for future subsequent year expenditures. The remaining unreserved balance of \$833,806 is undesignated. The unreserved fund balance represents 15 percent of the total current General Fund budgeted operating expenditures at June 30, 2010, while the unreserved and undesignated fund balance represents 12 percent of the total current General Fund budgeted operating expenditures at June 30, 2010. In anticipation of the significant liability numbers which may result from the OPEB actuarial valuation as of June 30, 2010, as well as any additional contributions over and above the annual required contributions, which may be needed to increase the City's funding level of the MERS retirement system, the City may want to consider designating all of the remaining unreserved and undesignated portion of the General Fund fund balance for these purposes.

The City's utility user fees were increased by an average of 5 percent for the fiscal year 2009-2010 budget year. The user fee rate increase was necessary to support the ongoing operations and maintenance of the City's utility systems. The City continues to see a trend of reduced connection fee sales, based on the recent economic downturn and as the City approaches its eventual build-out. If connection fees continue to diminish by the sale of reduced units, then the City will need to not only eliminate its use of utility reserves to fund significant new utility capital projects, but also adjust its user fees to cover what may be necessary to fund needed improvements to its utility systems.

### Contacting the City's Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to David C. Gajda, finance director, City of Brighton, Michigan 200 N. First Street, Brighton, MI 48116.

# City of Brighton, Michigan

## Statement of Net Assets June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (Note 3)	\$ 2,178,830	\$ 979,409	\$ 3,158,239	\$ 720,149
Receivables (Note 4):				
Due within one year	462,572	1,193,816	1,656,388	14,995
Due in more than one year	2,376,251	-	2,376,251	-
Restricted assets (Note 9)	311,311	-	311,311	-
Inventories	-	140,200	140,200	-
Prepaid costs and other assets	53,675	169,823	223,498	-
Capital assets - Not being depreciated (Note 5)	13,543,051	196,299	13,739,350	578,764
Capital assets - Net of depreciation (Note 5)	19,273,974	38,765,551	58,039,525	4,443,147
<b>Total assets</b>	<b>38,199,664</b>	<b>41,445,098</b>	<b>79,644,762</b>	<b>5,757,055</b>
<b>Liabilities</b>				
Accounts payable	378,081	440,364	818,445	11,371
Accrued and other liabilities	293,590	126,231	419,821	-
Noncurrent liabilities (Note 7):				
Due within one year	1,231,067	917,200	2,148,267	430,000
Due in more than one year	12,117,253	10,702,645	22,819,898	2,860,000
<b>Total liabilities</b>	<b>14,019,991</b>	<b>12,186,440</b>	<b>26,206,431</b>	<b>3,301,371</b>
<b>Net Assets</b>				
Invested in capital assets - Net of related debt	20,539,886	27,453,406	47,993,292	2,321,911
Restricted:				
Roads and capital projects	2,828,150	-	2,828,150	-
Cemetery care	327,659	-	327,659	-
Economic development	2,138	-	2,138	-
Unrestricted	481,840	1,805,252	2,287,092	133,773
<b>Total net assets</b>	<b>\$ 24,179,673</b>	<b>\$ 29,258,658</b>	<b>\$ 53,438,331</b>	<b>\$ 2,455,684</b>

# City of Brighton, Michigan

	Program Revenues		
	Charges for	Operating	Capital Grants
Expenses	Services	Grants and	and
		Contributions	Contributions
<b>Functions/Programs</b>			
Primary government:			
Governmental activities:			
General government	\$ 2,472,165	\$ 397,968	\$ -
Public safety	2,410,316	346,522	58,557
Public services	4,161,139	-	387,846
Community development	407,174	-	-
Interest on long-term debt	562,972	-	-
Total governmental activities	10,013,766	744,490	446,403
Business-type activities - Water and sewer	4,227,377	3,322,796	-
Total primary government	<u>\$ 14,241,143</u>	<u>\$ 4,067,286</u>	<u>\$ 446,403</u>
Component units:			
Downtown Development Authority	\$ 618,779	\$ -	\$ 25,051
Local Development Finance Authority	180,116	-	-
Total component units	<u>\$ 798,895</u>	<u>\$ -</u>	<u>\$ 25,051</u>
General revenues:			
Property taxes			
State-shared revenues			
Interest			
Other			
Total general revenues			
<b>Change in Net Assets</b>			
<b>Net Assets - Beginning of year</b>			
<b>Net Assets - End of year</b>			

**Statement of Activities**  
**Year Ended June 30, 2009**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (2,074,197)	\$ -	\$ (2,074,197)	\$ -
(2,005,237)	-	(2,005,237)	-
(3,371,532)	-	(3,371,532)	-
(407,174)	-	(407,174)	-
(562,972)	-	(562,972)	-
(8,421,112)	-	(8,421,112)	-
-	(258,344)	(258,344)	-
(8,421,112)	(258,344)	(8,679,456)	-
-	-	-	(593,728)
-	-	-	(180,116)
-	-	-	(773,844)
6,302,824	-	6,302,824	1,103,206
582,580	-	582,580	-
229,198	18,289	247,487	9,488
294,734	-	294,734	2,477
7,409,336	18,289	7,427,625	1,115,171
(1,011,776)	(240,055)	(1,251,831)	341,327
25,191,449	29,498,713	54,690,162	2,114,357
<b><u>\$ 24,179,673</u></b>	<b><u>\$ 29,258,658</u></b>	<b><u>\$ 53,438,331</u></b>	<b><u>\$ 2,455,684</u></b>

# City of Brighton, Michigan

	General Fund	Major Streets Fund	Local Streets Fund	Capital Improvement
<b>Assets</b>				
Cash and investments	\$ 1,516,191	\$ 572,550	\$ 1,335	\$ -
Receivables:				
Delinquent taxes	26,951	-	-	-
Customer	43,309	-	-	-
Special assessments	-	2,376,251	-	-
Due from other governmental units	179,887	196,974	15,451	-
Restricted assets (Note 9)	-	181,267	-	130,044
Total assets	<u>\$ 1,766,338</u>	<u>\$ 3,327,042</u>	<u>\$ 16,786</u>	<u>\$ 130,044</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 173,102	\$ 203,032	\$ 1,335	\$ 612
Accrued liabilities	137,361	-	-	-
Deposits	19,727	-	-	-
Deferred revenue	65,567	2,525,756	-	-
Total liabilities	395,757	2,728,788	1,335	612
<b>Fund Balances</b>				
Reserved for:				
Cemetery care	327,659	-	-	-
Economic development	2,138	-	-	-
Encumbrances	25,807	268,917	-	129,432
Road construction projects	-	161,311	-	-
Unreserved - Reported in:				
Designated for subsequent years' expenditures	181,171	168,026	50	-
General Fund	833,806	-	-	-
Special Revenue Funds	-	-	15,401	-
Total fund balances	<u>1,370,581</u>	<u>598,254</u>	<u>15,451</u>	<u>129,432</u>
Total liabilities and fund balances	<u>\$ 1,766,338</u>	<u>\$ 3,327,042</u>	<u>\$ 16,786</u>	<u>\$ 130,044</u>

Amounts reported for governmental activities in the statement of net assets are different because:

## Fund Balance - Total Governmental Funds

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds - Net of accumulated depreciation

Receivables are expected to be collected over several years and are not available to pay for current year expenditures

Long-term liabilities are not due and payable in the current period and are not reported in the funds

Accrued interest is not due and payable in the current period and is not reported in the funds

Capitalized bond discount costs are not reported in the governmental funds - Net of amortization

## Net Assets of Governmental Activities

**Governmental Funds  
Balance Sheet  
June 30, 2009**

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 88,754	\$ 2,178,830
-	26,951
-	43,309
-	2,376,251
-	392,312
-	311,311
<b><u>\$ 88,754</u></b>	<b><u>\$ 5,328,964</u></b>

\$ -	\$ 378,081
-	137,361
-	19,727
-	2,591,323
-	3,126,492
-	327,659
-	2,138
-	424,156
-	161,311
71,263	420,510
-	833,806
17,491	32,892
<u>88,754</u>	<u>2,202,472</u>
<b><u>\$ 88,754</u></b>	<b><u>\$ 5,328,964</u></b>

\$ 2,202,472
32,817,025
2,591,323
(13,348,320)
(136,502)
<u>53,675</u>
<b><u>\$ 24,179,673</u></b>

# City of Brighton, Michigan

	General Fund	Major Streets Fund	Local Streets Fund	Capital Improvement
<b>Revenue</b>				
Property taxes	\$ 6,302,824	\$ -	\$ -	\$ -
State-shared	582,580	291,815	95,678	-
Federal grants	58,557	353	-	-
Charges for services	103,810	-	-	-
Special assessment	-	211,763	-	-
Fines and penalties	346,522	-	-	-
Licenses and permits	268,455	22,658	3,045	-
Interest	76,419	150,166	128	689
Contributions from other funds	-	-	-	-
Other	239,587	-	-	35,537
<b>Total revenue</b>	<b>7,978,754</b>	<b>676,755</b>	<b>98,851</b>	<b>36,226</b>
<b>Expenditures</b>				
Current:				
General government	2,339,139	-	-	-
Public safety	2,316,609	-	-	-
Public services	1,960,135	1,556,849	206,716	-
Community development	401,791	-	-	-
Capital outlay	-	-	-	116,479
Debt service	-	-	-	166,399
<b>Total expenditures</b>	<b>7,017,674</b>	<b>1,556,849</b>	<b>206,716</b>	<b>282,878</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>961,080</b>	<b>(880,094)</b>	<b>(107,865)</b>	<b>(246,652)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	219,000	83,690	315,713
Transfers out	(1,469,190)	(425,529)	-	-
Debt issuance	-	185,000	-	-
<b>Total other financing sources (uses)</b>	<b>(1,469,190)</b>	<b>(21,529)</b>	<b>83,690</b>	<b>315,713</b>
<b>Net Change in Fund Balances</b>	<b>(508,110)</b>	<b>(901,623)</b>	<b>(24,175)</b>	<b>69,061</b>
<b>Fund Balances - Beginning of year</b>	<b>1,878,691</b>	<b>1,499,877</b>	<b>39,626</b>	<b>60,371</b>
<b>Fund Balances - End of year</b>	<b>\$ 1,370,581</b>	<b>\$ 598,254</b>	<b>\$ 15,451</b>	<b>\$ 129,432</b>

**Governmental Funds  
Statement of Revenue, Expenditures, and  
Changes in Fund Balances  
Year Ended June 30, 2009**

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,302,824
-	970,073
-	58,910
-	103,810
73,329	285,092
-	346,522
-	294,158
1,796	229,198
-	-
<u>19,610</u>	<u>294,734</u>
94,735	8,885,321
95,274	2,434,413
-	2,316,609
-	3,723,700
2,530	404,321
-	116,479
<u>1,277,316</u>	<u>1,443,715</u>
<u>1,375,120</u>	<u>10,439,237</u>
(1,280,385)	(1,553,916)
1,277,316	1,895,719
(1,000)	(1,895,719)
<u>-</u>	<u>185,000</u>
<u>1,276,316</u>	<u>185,000</u>
(4,069)	(1,368,916)
<u>92,823</u>	<u>3,571,388</u>
<u>\$ 88,754</u>	<u>\$ 2,202,472</u>

# City of Brighton, Michigan

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2009

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (1,368,916)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and recorded as depreciation expense:	
Capital outlay	\$ 1,034,975
Depreciation expense	<u>(1,515,927)</u> (480,952)
Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 60 days of year end	116,669
Bond proceeds received. Governmental funds report proceeds as revenues when received rather than capitalizing the long-term debt	(185,000)
Bond discounts from the issuance of debt. Governmental funds report discounts as expense when received rather than capitalizing and amortizing the discount	12,114
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	872,500
Increases in accumulated employee sick and vacation pay, as well as estimated general liability claims, are recorded when incurred in the statement of activities	13,566
Decrease in interest expense accrued on long-term debt	<u>8,243</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ (1,011,776)</u></b>

# City of Brighton, Michigan

## Proprietary Funds Statement of Net Assets June 30, 2009

	Enterprise - Utility Fund
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 979,409
Receivables:	
Customer	712,614
Grants	368,711
Special assessments	112,491
Inventories	<u>140,200</u>
Total current assets	2,313,425
Noncurrent assets:	
Other assets	169,823
Capital assets	<u>38,961,850</u>
Total noncurrent assets	<u>39,131,673</u>
Total assets	41,445,098
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	440,364
Accrued and other liabilities	126,231
Current portion of long-term debt	<u>917,200</u>
Total current liabilities	1,483,795
Noncurrent liabilities:	
Provision for compensated absences	111,401
Long-term debt - Net of current portion	<u>10,591,244</u>
Total noncurrent liabilities	<u>10,702,645</u>
Total liabilities	<u>12,186,440</u>
<b>Net Assets</b>	
Invested in capital assets - Net of related debt	27,453,406
Unrestricted	<u>1,805,252</u>
Total net assets	<u><u>\$ 29,258,658</u></u>

# City of Brighton, Michigan

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended June 30, 2009

	Enterprise - Utility Fund
<b>Operating Revenue</b>	
Sales	\$ 2,520,032
Penalties	39,125
Tap charges and other	763,639
Total operating revenue	3,322,796
<b>Operating Expenses</b>	
Salaries and fringe benefits	1,163,094
Other purchased services	252,207
Purchased property services	116,777
Professional and technical services	50,607
Supplies	199,481
Depreciation	1,553,423
Amortization	27,964
Property	20,367
Utilities	301,952
Other	2,469
Total operating expenses	3,688,341
<b>Operating Loss</b>	(365,545)
<b>Nonoperating Revenue (Expense)</b>	
Interest income	18,289
Interest expense	(539,036)
Total nonoperating expense	(520,747)
<b>Loss - Before contributions</b>	(886,292)
<b>Capital Contributions</b>	646,237
<b>Change in Net Assets</b>	(240,055)
<b>Net Assets - Beginning of year</b>	29,498,713
<b>Net Assets - End of year</b>	<b>\$ 29,258,658</b>

# City of Brighton, Michigan

## Proprietary Funds Statement of Cash Flows Year Ended June 30, 2009

	Enterprise - Utility Fund
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 2,935,545
Payments to suppliers	(561,598)
Payments to employees	<u>(1,174,263)</u>
Net cash provided by operating activities	1,199,684
<b>Cash Flows from Capital and Related Financing Activities</b>	
Contributions received	292,034
Principal paid on debt	(859,700)
Federal grants received	304,203
Acquisition and construction of capital assets	(544,250)
Interest paid on debt	<u>(539,036)</u>
Net cash used in capital and related financing activities	(1,346,749)
<b>Cash Flows from Investing Activities</b> - Interest received on investments	<u>18,289</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(128,776)
<b>Cash and Cash Equivalents</b> - Beginning of year	<u>1,108,185</u>
<b>Cash and Cash Equivalents</b> - End of year	<u><b>\$ 979,409</b></u>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>	
Operating loss	\$ (365,545)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization expense	1,581,387
Changes in assets and liabilities:	
Accounts receivable	(387,251)
Inventories and other assets	63,438
Accounts payable	318,824
Accrued and other liabilities	<u>(11,169)</u>
Net cash provided by operating activities	<u><b>\$ 1,199,684</b></u>

**Noncash Investing, Capital, and Financing Activities** - During the year ended June 30, 2009, developers constructed water lines with an estimated value of \$50,000 and donated them to the City's Enterprise Fund.

# City of Brighton, Michigan

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## Fiduciary Funds Statement of Assets and Liabilities June 30, 2009

	<u>Agency Fund - Tax Collection</u>
<b>Assets</b> - Cash and equivalents	<u>\$ 2,029</u>
<b>Liabilities</b> - Accounts payable and other	<u>\$ 2,029</u>

# City of Brighton, Michigan

## Fiduciary Funds Statement of Changes in Assets and Liabilities June 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<b>Assets - Cash and cash equivalents</b>	<b><u>\$ 2,246</u></b>	<b><u>\$ 19,806,970</u></b>	<b><u>\$ 19,807,187</u></b>	<b><u>\$ 2,029</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 1,542	\$ 12,081,083	\$ 12,080,600	\$ 2,025
Due to other governments	<u>704</u>	<u>7,724,060</u>	<u>7,724,760</u>	<u>4</u>
Total liabilities	<b><u>\$ 2,246</u></b>	<b><u>\$ 19,805,143</u></b>	<b><u>\$ 19,805,360</u></b>	<b><u>\$ 2,029</u></b>

# City of Brighton, Michigan

## Component Units Statement of Net Assets (Deficit) June 30, 2009

	Downtown Development Authority	Local Development Finance Authority	Total
<b>Assets</b>			
Cash and investments	\$ 675,837	\$ 44,312	\$ 720,149
Receivables - Delinquent taxes	14,995	-	14,995
Capital assets	5,021,911	-	5,021,911
Total assets	5,712,743	44,312	5,757,055
<b>Liabilities</b>			
Accounts payable	6,399	4,972	11,371
Long-term debt	2,700,000	590,000	3,290,000
Total liabilities	2,706,399	594,972	3,301,371
<b>Net Assets (Deficit)</b>			
Investment in capital assets - Net of related debt	2,321,911	-	2,321,911
Unrestricted (deficit)	684,433	(550,660)	133,773
Total net assets (deficit)	<b><u>\$ 3,006,344</u></b>	<b><u>\$ (550,660)</u></b>	<b><u>\$ 2,455,684</u></b>

# City of Brighton, Michigan

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	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Operating Grants and Contributions</u>
Downtown Development Authority	\$ 618,779	\$ 25,051
Local Development Finance Authority	<u>180,116</u>	<u>-</u>
Total governmental activities	<u><b>\$ 798,895</b></u>	<u><b>\$ 25,051</b></u>

General revenues:

- Taxes
- Interest
- Other

Total general revenues

**Change in Net Assets**

**Net Assets (Deficit) - Beginning of year**

**Net Assets (Deficit) - End of year**

**Component Units  
Statement of Activities  
Year Ended June 30, 2009**

Net (Expense) Revenue and Changes in Net Assets		
Downtown Development Authority	Local Development Authority	Total
\$ (593,728)	\$ -	\$ (593,728)
-	(180,116)	(180,116)
(593,728)	(180,116)	(773,844)
943,415	159,791	1,103,206
8,107	1,381	9,488
2,477	-	2,477
953,999	161,172	1,115,171
360,271	(18,944)	341,327
2,646,073	(531,716)	2,114,357
<b><u>\$ 3,006,344</u></b>	<b><u>\$ (550,660)</u></b>	<b><u>\$ 2,455,684</u></b>

## **Note I - Summary of Significant Accounting Policies**

The accounting policies of the City of Brighton, Michigan (the “City”) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City:

### **Reporting Entity**

The City is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

### **Discretely Presented Component Units**

- a. The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The DDA’s governing body, which consists of 13 individuals, is selected by the City Council. In addition, the DDA’s budget is subject to approval by the City Council.
- b. The Local Development Financing Authority (the “Authority”) was created to encourage local economic development to prevent conditions of unemployment and promote economic growth in the community. The Authority’s governing body, consisting of 10 individuals, is selected by the City Council. In addition, the Authority’s budget is subject to approval by the City Council.

Financial statements for the discretely presented component units are available during office hours at the City of Brighton, 200 N. First Street, Brighton, MI 48116.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

## **Note I - Summary of Significant Accounting Policies (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Enterprise Fund and component unit financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds and the Agency Fund utilize the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, for special assessments, which will be collected after the period of availability, receivables have been recorded for these, along with a "deferred revenue" liability.

## **Note I - Summary of Significant Accounting Policies (Continued)**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The City reports the following major governmental funds:

**General Fund** - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Major and Local Streets Funds** - Major and Local Streets Funds are used to account for the proceeds of earmarked revenue or financing activities requiring separate accounting because of legal or regulatory provisions.

**Capital Improvement Fund** - The Capital Improvement Fund is a Capital Projects Fund used to account for the development of non-street related governmental activity capital improvements and related debt of the City.

The City reports the following major proprietary fund:

**Utility Fund** - The Utility Fund accounts for the results of operations that provide a service to citizens that is financed primarily by a user charge for the provision of that service.

Additionally, the City reports the following nonmajor funds:

**Principal Shopping District Fund** - The Principal Shopping District Fund is a Special Revenue Fund used to account for funds generated to promote economic activity in the district.

**Arts and Cultural Commission** - The Arts and Cultural Commission was created by Ordinance 533 in fiscal year 2007-2008 to serve in an advisory capacity to the City Council. Section 2-266 of the ordinance states that the Commission shall annually recommend to the City Council an estimate of the costs and expenses necessary for the City Council to further the objectives and purposes of the Commission which shall be to advise and recommend to the City Council and City administration appropriate means to encourage, facilitate and promote arts and culture in the City of Brighton, Michigan.

## **Note I - Summary of Significant Accounting Policies (Continued)**

**Street Voted Debt and Street Nonvoted Debt Funds** - Street Voted Debt and Street Nonvoted Debt Funds are used to account for the annual payment of principal, interest, and expenses in connection with certain long-term debt other than debt payable from the operations of an Enterprise Fund.

**Building Authority Fund** - The Building Authority Fund is a Capital Projects Fund used to account for the development of governmental activity capital facility/building improvements and related debt of the City. This fund was created in 1994 by resolution of the City Council.

**Agency Fund** - The Agency Fund accounts for assets held by the City in a trustee capacity or an agent for individuals, organizations, other governments, or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The City has elected to also follow private sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

## **Note I - Summary of Significant Accounting Policies (Continued)**

### **Property Tax Revenue**

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes have a final collection date of February 28 of the following year, at which time uncollected taxes are added to the county tax rolls.

The City's 2008 tax is levied and collectible on July 1, 2008 and is recognized as revenue in the year ended June 30, 2009, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2008 taxable valuation of the City totaled \$443,618,875 (a portion of which is captured by the LDFA and DDA), on which taxes levied consisted of 14.8872 mills for operating purposes and .9877 mills for debt service. This resulted in \$6,604,232 for operating (a portion of which is captured by the LDFA and DDA) and \$438,162 for debt service. These amounts (less what is captured in the LDFA and DDA) are recognized in the General Fund as tax revenue. Revenues recognized related to the debt service levy are then transferred to the Street Voted Debt Service Fund to properly reflect the debt service levy in that fund.

### **Assets, Liabilities, and Net Assets or Equity**

**Bank Deposits and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of one year or less when acquired. Investments are stated at fair value. Pooled investment income from various funds is generally allocated to each fund using a weighted average method.

**Receivables and Payables** - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

### Note I - Summary of Significant Accounting Policies (Continued)

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Roads and sidewalks	15 to 20 years
Water and sewer transmission lines	40 to 50 years
Retention/Equilization basin	40 to 50 years
Building/Treatment facilities	40 to 50 years
Buildings and improvements	40 to 50 years
Machinery and equipment	3 to 15 years
Equipment and other	3 to 15 years

**Compensated Absences (Vacation and Sick Leave)** - It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

**Long-term Obligations** - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

### Note 1 - Summary of Significant Accounting Policies (Continued)

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The unrestricted fund deficit in the Local Development Finance Authority is due to debt issued for assets constructed and subsequently transferred to the City. Tax captures in future years are intended to pay the related debt service.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### Note 2 - Stewardship, Compliance, and Accountability

**Construction Code Fees** - The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Shortfall at July 1, 2008		\$ (432,833)
Current year building permit revenue		144,856
Related expenses:		
Direct costs	\$ 299,971	
Estimated indirect costs	<u>22,498</u>	
Total construction code expenses		<u>322,469</u>
Current year expenditures in excess of revenue		<u>(177,613)</u>
Cumulative shortfall at June 30, 2009		<u>\$ (610,446)</u>

## **Note 3 - Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The City has designated 10 banks for the deposit of its funds. The investment policy adopted by the Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above.

The City's cash and investments are subject to two types of risk, which are examined in more detail below:

### **Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$681,528 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The total amount of bank deposits (certificates of deposit, checking, and savings accounts) insured at year end was \$888,380. The total amount of bank deposits collateralized with securities held by the pledging financial institution was \$1,997,263. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 3 - Deposits and Investments (Continued)

The component units do not have a deposit policy for custodial credit risk. At year end, the component units had no bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The total amount of bank deposits (certificates of deposit, checking, and savings account) that were insured and collateralized at year end was \$751,745. The component units evaluate each financial institution with which they deposit funds and assess the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Interlocal Agreement Fund	\$ 557,591	Aaa	Moody's

### Note 4 - Receivables

Receivables as of year end for the City, including the applicable allowances for uncollectible accounts, are as follows:

	Primary Government							Component Units
	Governmental Activities				Business-type Activities		Total	
	General Fund	Major Streets Fund	Local Streets Fund	Total				
Receivables:								
Taxes	\$ 26,951	\$ -	\$ -	\$ 26,951	\$ -	\$ 26,951	\$ 14,995	
Customer	43,309	-	-	43,309	712,614	755,923	-	
Special assessments	-	2,376,251	-	2,376,251	112,491	2,488,742	-	
Intergovernmental	179,887	196,974	15,451	392,312	368,711	761,023	-	
Net receivables	\$ 250,147	\$ 2,573,225	\$ 15,451	\$ 2,838,823	\$ 1,193,816	\$ 4,032,639	\$ 14,995	

The City considers all receivables to be collectible and has not recorded an allowance for doubtful accounts.

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 4 - Receivables (Continued)

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the only component of deferred revenue was as follows:

	Unavailable
Delinquent property taxes	\$ 26,951
Special assessments	2,376,251
Federal grants	<u>188,121</u>
Total	<u>\$ 2,591,323</u>

### Note 5 - Capital Assets

Capital asset activity of the City's governmental and business-type activities was as follows:

	Balance		Disposals and	Balance
	July 1, 2008	Additions	Adjustments	June 30, 2009
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land - Including right-of-ways	\$ 13,530,821	\$ -	\$ -	\$ 13,530,821
Construction in progress	<u>37,231</u>	<u>12,230</u>	<u>37,231</u>	<u>12,230</u>
Subtotal	13,568,052	12,230	37,231	13,543,051
Capital assets being depreciated:				
Roads and sidewalks	24,796,686	931,015	-	25,727,701
Buildings and improvements	6,701,362	44,339	-	6,745,701
Equipment and other	<u>2,999,329</u>	<u>84,622</u>	<u>-</u>	<u>3,083,951</u>
Subtotal	34,497,377	1,059,976	-	35,557,353
Accumulated depreciation:				
Roads and sidewalks	10,934,306	1,134,671	-	12,068,977
Buildings and improvements	1,773,271	174,094	-	1,947,365
Equipment and other	<u>2,059,875</u>	<u>207,162</u>	<u>-</u>	<u>2,267,037</u>
Subtotal	<u>14,767,452</u>	<u>1,515,927</u>	<u>-</u>	<u>16,283,379</u>
Net capital assets being depreciated	<u>19,729,925</u>	<u>(455,951)</u>	<u>-</u>	<u>19,273,974</u>
Net capital assets	<u>\$ 33,297,977</u>	<u>\$ (443,721)</u>	<u>\$ 37,231</u>	<u>\$ 32,817,025</u>

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 5 - Capital Assets (Continued)

<b>Business-type Activities</b>	Balance July 1, 2008	Additions	Disposals and Adjustments	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 157,362	\$ -	\$ -	\$ 157,362
Construction in progress	-	38,937	-	38,937
Subtotal	157,362	38,937	-	196,299
Capital assets being depreciated:				
Water and sewer transmission lines	24,426,505	472,090	-	24,898,595
Retention/Equalization basin	4,126,587	-	-	4,126,587
Buildings/Treatment facilities	29,687,064	32,593	-	29,719,657
Machinery and equipment	1,405,092	632	90,742	1,314,982
Subtotal	59,645,248	505,315	90,742	60,059,821
Accumulated depreciation:				
Water and sewer transmission lines	7,729,981	615,669	-	8,345,650
Retention/Equalization basin	603,263	105,308	-	708,571
Buildings/Treatment facilities	10,623,454	744,083	-	11,367,537
Machinery and equipment	874,891	88,363	90,742	872,512
Subtotal	19,831,589	1,553,423	90,742	21,294,270
Net capital assets being depreciated	39,813,659	(1,048,108)	-	38,765,551
Net capital assets	<u>\$ 39,971,021</u>	<u>\$ (1,009,171)</u>	<u>\$ -</u>	<u>\$ 38,961,850</u>

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 5 - Capital Assets (Continued)

Capital asset activity for the City of Brighton's component units for the year was as follows:

Component Units	Balance July 1, 2008	Additions	Balance June 30, 2009
Capital assets not being depreciated -			
Land	\$ 578,764	\$ -	\$ 578,764
Capital assets being depreciated:			
Buildings	2,851,111	8,123	2,859,234
Equipment and other	3,576,889	-	3,576,889
Subtotal	6,428,000	8,123	6,436,123
Accumulated depreciation:			
Buildings	1,680,664	282,539	1,963,203
Equipment and other	25,484	4,289	29,773
Subtotal	1,706,148	286,828	1,992,976
Net capital assets being depreciated	4,721,852	(278,705)	4,443,147
Net capital assets	<u>\$ 5,300,616</u>	<u>\$ (278,705)</u>	<u>\$ 5,021,911</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 63,432
Public safety	93,707
Public services	1,355,935
Community development	2,853
Total governmental activities	<u>\$ 1,515,927</u>

Depreciation expense for business-type activities was \$1,553,423.

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 5 - Capital Assets (Continued)

**Construction Commitments** - The City has two active construction projects at year end. At year end, the City's commitment with the contractors is as follows:

Project Description	Spent to Date	Remaining Commitment
Mill Pond Lane By-Pass Sewer	\$ 350,431	\$ 43,797
Second Street Parking Lot	110,070	39,765
Total	<u>\$ 460,501</u>	<u>\$ 83,562</u>

In addition, as of year end, the City has committed to one construction project that is scheduled to begin subsequent to year end, as follows:

	Commitment
Orndorf Drive road improvement	\$ 471,817

### Note 6 - Interfund Transfers

Interfund transfers reported in the fund financial statements are comprised of the following:

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Street Non-Voted Debt Fund	\$ 369,961
General Fund	Street Voted Debt Fund	438,513
General Fund	Capital Improvement Fund	314,713
General Fund	Building Authority Fund	119,563
General Fund	Major Streets Fund	219,000
General Fund	Local Streets Fund	7,440
Major Streets Fund	Street Non-Voted Debt Fund	349,279
Major Streets Fund	Local Streets Fund	76,250
Principal Shopping District Fund	Capital Projects Fund	1,000
	Total	<u>\$ 1,895,719</u>

The transfers from the General Fund to the Street Voted Debt Fund, Building Authority Fund, and Capital Improvement Fund, as well as transfers from the Major Street Fund to the Street Voted Debt Fund and Local Street Fund, represent the use of unrestricted resources to finance those programs, except for the transfer from the General Fund to the Street Voted Debt Fund, which is restricted for debt service, in accordance with budgetary authorizations.

### Note 7 - Long-term Debt

#### Outstanding Debt

The following is a summary of the debt outstanding of the City as of June 30, 2009:

	Governmental Activities	Business-type Activities
Capital Improvement Bonds General Obligation Limited Tax, 5.25%, dated September 1, 2007; maturing October 2031 Original issuance amount - \$2,285,000 for Various Street and Utility Projects	\$ 1,497,450	\$ 737,550
Capital Improvement Bonds General Obligation Limited Tax, 3.00% to 4.60%, dated June 1, 2005; maturing October 2025 Original issuance amount - \$3,000,000 for Various Street, Curb and Gutter, Sidewalk, Cemetery, Facility, and Equipment Projects	2,850,000	-
Capital Improvement Bonds General Obligation Limited Tax, 3.00% to 4.60%, dated November 1, 2004; maturing October 2026 Original issuance amount - \$2,200,000 for Various Street, Sidewalk, Stormwater, Facility, and Equipment Projects	1,800,000	200,000
Capital Improvement Bonds General Obligation Limited Tax, 3.00% to 4.60%, dated August 13, 2003; maturing in April 2018 Original issuance amount - \$530,000 for Various Capital Projects	410,000	-
Capital Improvement Limited Tax Bond, Limited Tax, 4.00% to 6.00%, dated March 3, 2006; maturing October 2025 Original issuance amount - \$800,000 for Various Street, Utility and Equipment Projects	551,000	174,000
Special Assessment Limited Tax Bond, 3.50% to 5.00%, dated May 29, 2002; maturing in October 2021 Original issuance amount - \$3,570,000 for Challis Road and Cross Street Improvements	2,500,000	-
Special Assessment Limited Tax General Obligation Bond, 4.75% to 5.50%, dated June 11, 2009; maturing October 2023 Original issuance amount - \$185,000 for Orndorf Drive Road Improvements	185,000	-
Street Bonds General Obligation Limited Tax, 3.50% to 5.00%, dated May 29, 2002; maturing in October 2021 Original issuance amount - \$410,000 for Challis Road and Cross Street Improvements	325,000	-
Street Bonds General Obligation Unlimited Tax, 5.00% to 5.80%, dated June 1, 1996; maturing in October 2011 Original issuance amount - \$2,000,000 for Various Street Projects	600,000	-
Building Authority General Obligation Limited Tax, 5.00% to 5.90%, dated August 1, 1996; maturing in November 2015 Original issuance amount - \$1,200,000 for New Police and DPS facility, and City Hall Renovations	725,000	-
Street Bonds General Obligation Unlimited Tax, 4.40% to 4.75%, dated October 1, 1996; maturing in November 2012 Original issuance amount - \$2,000,000 for Various Street Projects	975,000	-
1999 Michigan Transportation Fund Bonds, 5.00% to 7.00%, dated September 1, 1999; maturing in August 2013 Original issuance amount - \$320,000 for Various Street Projects	170,000	-
2004 Drinking Water Revolving Funds, 2.125%, dated March 25, 2004; maturing October 2023 Original issuance amount - \$1,520,000 for Rehabilitation of the Pierce Street Water Facility	-	1,154,295
1995 Special Assessment Bonds, 5.00% to 5.50%, dated July 1, 1993; maturing April 2012 Original issuance amount - \$665,000 for Challis Sewer	-	105,000
Contract Payable - Livingston County Water Supply System, 6.00%, dated December 1, 1997; maturing December 2016 Original issuance amount - \$344,000 for Extension of City Water to Genoa Township	-	137,600
Contract Payable - Livingston County Water Project, 5.20% to 7.20%, dated September 1, 1988; maturing October 2009 Original issuance amount - \$825,000 for Challis Road Water Plant	-	200,000
Contract Payable - Livingston County Water Supply System, 4.20% to 5.00%, dated September 1, 1988; maturing November 2015 Original issuance amount - \$2,900,000 for Challis Road Water Plant	-	575,000

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 7 - Long-term Debt

#### Outstanding Debt (Continued)

	Governmental Activities	Business-type Activities
Contract Payable - Livingston County Water Supply System, 5.00% to 6.50%, dated December 1, 1999; maturing November 2020 Original issuance amount - \$1,200,000 for Various Utility Projects	\$ -	\$ 925,000
Michigan Municipal Bond Authority - Wastewater Plant Expansion Revenue Bonds, 3.50% to 5.38%, dated March 29, 2001; maturing November 2020 Original issuance amount - \$8,950,000 for Expansion of the Wastewater Treatment Plant	-	7,300,000
Compensated absences	<u>759,870</u>	<u>111,400</u>
Total	<u>\$ 13,348,320</u>	<u>\$ 11,619,845</u>

The following is a summary of the debt outstanding of the component units as of June 30, 2009:

2002 Downtown Development Bonds General Obligation Limited Tax, 2.00% to 4.00%, dated November 1, 2002 Original issuance amount - \$3,000,000 for North and Pierce St Parking Lot Improvements, and East Block Redevelopment Project	\$ 1,950,000
2004 Local Development Bonds General Obligation Limited Tax, 4.50% to 4.90%, dated May 29, 2002 Original issuance amount - \$570,000 for Orndorf Drive Improvements	485,000
1995 Downtown Development Bonds General Obligation Limited Tax, 6.00% to 6.40%, dated October 1, 1996 Original issuance amount - \$750,000 for Various DDA Projects	375,000
Local Development Bonds General Obligation Limited Tax, 5.10% to 5.70%, dated October 1, 1996 Original issuance amount - \$375,000 for Improvements to Challis	105,000
Downtown Development Bonds General Obligation Limited Tax, 4.25% to 7.25%, dated September 1, 1998 Original issuance amount - \$995,000 for Various DDA Projects Including the Mill Pond Walkway	<u>375,000</u>
Total	<u>\$ 3,290,000</u>

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 7 - Long-term Debt (Continued)

#### Changes in Long-term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds and notes payable	\$ 10,545,950	\$ -	\$ (642,500)	\$ 9,903,450	\$ 770,000
Special assessment bonds	2,730,000	185,000	(230,000)	2,685,000	175,000
Compensated absences	773,436	-	(13,566)	759,870	286,067
Total governmental activities	<u>\$ 14,049,386</u>	<u>\$ 185,000</u>	<u>\$ (886,066)</u>	<u>\$ 13,348,320</u>	<u>\$ 1,231,067</u>
<b>Business-type Activities</b>					
General obligation bonds and notes payable	\$ 12,276,930	\$ -	\$ (873,486)	\$ 11,403,444	\$ 882,200
Special assessment bonds	140,000	-	(35,000)	105,000	35,000
Compensated absences	115,265	-	(3,864)	111,401	-
Total business-type activities	<u>\$ 12,532,195</u>	<u>\$ -</u>	<u>\$ (912,350)</u>	<u>\$ 11,619,845</u>	<u>\$ 917,200</u>
<b>Component Unit - General obligation bonds and notes payable</b>					
	<u>\$ 3,690,000</u>	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>\$ 3,290,000</u>	<u>\$ 430,000</u>

#### Debt Service Requirements

The annual requirements to service all debt outstanding of the City as of June 30, 2009 (excluding sick and vacation benefits), including both principal and interest, are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 945,000	\$ 534,359	\$ 1,479,359	\$ 917,200	\$ 507,605	\$ 1,424,805
2011	1,020,000	491,871	1,511,871	772,200	470,395	1,242,595
2012	1,050,000	444,704	1,494,704	802,200	435,963	1,238,163
2013	900,000	400,589	1,300,589	822,200	399,072	1,221,272
2014	680,000	365,908	1,045,908	827,200	362,236	1,189,436
2015-2019	3,389,700	1,378,213	4,767,913	4,461,900	1,192,359	5,654,259
2020-2024	2,857,500	669,723	3,527,223	2,476,794	235,715	2,712,509
2025-2029	1,444,750	169,616	1,614,366	280,250	59,553	339,803
2030-2034	301,500	19,422	320,922	148,500	9,566	158,066
Total	<u>\$ 12,588,450</u>	<u>\$ 4,474,405</u>	<u>\$ 17,062,855</u>	<u>\$ 11,508,444</u>	<u>\$ 3,672,464</u>	<u>\$ 15,180,908</u>

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 7 - Long-term Debt (Continued)

The annual requirements to service all debt outstanding of the component units as of June 30, 2009, including both principal and interest, are as follows:

	Component Units		
	Principal	Interest	Total
2010	\$ 430,000	\$ 142,491	\$ 572,491
2011	455,000	124,094	579,094
2012	505,000	104,536	609,536
2013	450,000	82,800	532,800
2014	505,000	63,340	568,340
2015-2019	740,000	99,298	839,298
2020-2024	205,000	29,272	234,272
Total	<u>\$ 3,290,000</u>	<u>\$ 645,831</u>	<u>\$ 3,935,831</u>

### Description of Long-term Debt

**Primary Government** - The City 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 City. County contractual agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the district) are received.

### Note 8 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for health and disability claims and participates in the Michigan Municipal League risk pool for claims relating to general liability, property, and workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

## **Note 8 - Risk Management (Continued)**

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

## **Note 9 - Restricted Assets**

The balance of the restricted assets in the governmental funds is approximately \$311,000, which represents unspent bond proceeds that are restricted for capital improvement projects.

## **Note 10 - Defined Benefit Pension Plan**

**Plan Description** - The City participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplemental information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

**Funding Policy** - The obligation to contribute to and maintain the MERS for these employees was established by negotiation with the City's competitive bargaining units and requires no contribution from the employees. The funding policy provides for periodic employer contributions at actuarially determined rates.

**Annual Pension Cost** - For the year ended June 30, 2009, the City's annual pension cost of \$499,699 for the plan was equal to the City's required actuarial contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2006, using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent to 12.90 percent per year, and (c) 2.0 percent to 2.5 percent per year cost of living adjustments for certain retirees. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The amortization period is 28 years.

# City of Brighton, Michigan

## Notes to Financial Statements June 30, 2009

### Note 10 - Defined Benefit Pension Plan (Continued)

	Fiscal Year Ended June 30		
	2007	2008	2009
Annual pension costs (APC)	\$ 465,835	\$ 543,068	\$ 499,699
Cost of living adjustment	\$ 321,183	\$ -	\$ -
Percentage of APC contributed	100%	100%	100%
Net pension obligation	None	None	None

	Valuation Dated December 31		
	2006	2007	2008
Actuarial value of assets	\$ 7,375,710	\$ 8,218,700	\$ 8,806,573
Actuarial accrued liability (AAL)			
(entry age)	\$ 10,172,786	\$ 11,968,086	\$ 13,202,369
Unfunded AAL (UAAL)	\$ 2,797,076	\$ 3,749,386	\$ 4,395,796
Funded ratio	73%	69%	67%
Covered payroll	\$ 3,298,689	\$ 3,637,750	\$ 3,688,786
UAAL as a percentage of covered payroll	85%	103%	119%

### Note 11 - Other Postemployment Benefits

The City provides postemployment health benefits to all full-time employees upon retirement, in accordance with City policy. Currently, 20 retirees are eligible for postemployment health benefits. The City includes pre-Medicare retirees and their dependents in its insured healthcare plan, with no contribution required by the participant. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. Expenditures for postemployment health benefits are recognized in the General Fund and Utility Fund as the insurance premiums become due; during the year, this amounted to approximately \$266,000.

In 2008, the City placed its assets from the OPEB Reserve Trust into the Municipal Employees' Retirement System of Michigan Health Funding Vehicle. Given that this plan is administered by MERS, the City does not report the plan's assets within the basic financial statements. As of year end, the total holdings of the trust were \$315,845.

## **Note 12 - Upcoming Reporting Change**

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any other postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the healthcare premiums are paid. The new pronouncement is effective for the year ending June 30, 2010.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more 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 upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The City will implement Statement No. 54 beginning with the fiscal year ending June 30, 2011.

## **Required Supplemental Information**

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# City of Brighton, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 6,275,700	\$ 6,302,373	\$ 6,302,824	\$ 451
State-shared	584,709	578,842	582,580	3,738
Federal grants	7,000	7,395	58,557	51,162
Charges for services	111,500	103,000	103,810	810
Fines and penalties	312,450	343,630	346,522	2,892
Licenses and permits	304,125	270,000	268,455	(1,545)
Interest	290,100	72,000	76,419	4,419
Other	622,554	215,229	239,587	24,358
<b>Total revenue</b>	<b>8,508,138</b>	<b>7,892,469</b>	<b>7,978,754</b>	<b>86,285</b>
<b>Expenditures</b>				
General government:				
City Council	50,450	52,130	44,770	7,360
City manager	194,285	194,285	188,447	5,838
City clerk	309,516	303,112	266,396	36,716
Legal services	199,033	256,400	256,385	15
Personnel	93,788	74,034	64,740	9,294
Finance	783,256	800,697	800,634	63
Information technology	215,262	201,196	200,165	1,031
Postemployment benefits	231,251	244,501	244,501	-
Other agencies	196,414	270,807	270,807	-
Contingencies	(21,823)	2,294	2,294	-
<b>Total general government</b>	<b>2,251,432</b>	<b>2,399,456</b>	<b>2,339,139</b>	<b>60,317</b>
Public safety - Police department	2,453,047	2,388,392	2,316,609	71,783
Public services	2,204,095	2,131,846	1,960,135	171,711
Community development	475,501	446,807	401,791	45,016
<b>Total expenditures</b>	<b>7,384,075</b>	<b>7,366,501</b>	<b>7,017,674</b>	<b>348,827</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	31,849	-	-	-
Operating transfers out	(1,274,565)	(1,390,030)	(1,469,190)	(79,160)
<b>Total other financing uses</b>	<b>(1,242,716)</b>	<b>(1,390,030)</b>	<b>(1,469,190)</b>	<b>(79,160)</b>
<b>Net Change in Fund Balance</b>	<b>(118,653)</b>	<b>(864,062)</b>	<b>(508,110)</b>	<b>355,952</b>
<b>Fund Balance - Beginning of year</b>	<b>1,878,691</b>	<b>1,878,691</b>	<b>1,878,691</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 1,760,038</b>	<b>\$ 1,014,629</b>	<b>\$ 1,370,581</b>	<b>\$ 355,952</b>

# City of Brighton, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Major Street Fund Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
<b>Revenue</b>				
State-shared	\$ 305,000	\$ 305,000	\$ 291,815	\$ (13,185)
Grants	-	-	353	353
Special assessments	169,739	169,739	211,763	42,024
Fines and penalties	250	250	-	(250)
Licenses and permits	22,089	22,089	22,658	569
Interest	159,235	159,235	150,166	(9,069)
Total revenue	656,313	656,313	676,755	20,442
<b>Expenditures</b>				
Administration	68,042	68,042	46,226	21,816
Street construction	1,387,500	1,441,019	913,778	527,241
Routine maintenance	153,116	243,431	240,003	3,428
Trust maintenance	64,507	88,824	34,791	54,033
Traffic service	128,616	73,651	116,500	(42,849)
Winter maintenance	89,460	89,460	174,403	(84,943)
Storm water	52,053	52,053	31,148	20,905
Total expenditures	1,943,294	2,056,480	1,556,849	499,631
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	-	219,000	219,000
Operating transfers out	(656,542)	(656,542)	(425,529)	231,013
Proceeds from issuance of debt	920,000	920,000	185,000	(735,000)
Total other financing sources (uses)	263,458	263,458	(21,529)	(284,987)
<b>Net Change in Fund Balance</b>	(1,023,523)	(1,136,709)	(901,623)	235,086
<b>Fund Balance - Beginning of year</b>	1,499,877	1,499,877	1,499,877	-
<b>Fund Balance - End of year</b>	<u>\$ 476,354</u>	<u>\$ 363,168</u>	<u>\$ 598,254</u>	<u>\$ 235,086</u>

# City of Brighton, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Local Street Fund Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
<b>Revenue</b>				
State-shared	\$ 100,000	\$ 93,945	\$ 95,678	\$ 1,733
Fines and penalties	250	250	-	(250)
Licenses and permits	3,000	3,000	3,045	45
Interest	1,000	1,000	128	(872)
Total revenue	104,250	98,195	98,851	656
<b>Expenditures</b>				
Administration	3,842	3,842	3,840	2
Routine maintenance	82,705	82,705	91,614	(8,909)
Trust maintenance	9,491	9,491	2,866	6,625
Traffic service	40,898	40,898	36,574	4,324
Winter maintenance	55,848	70,841	71,822	(981)
Total expenditures	192,784	207,777	206,716	1,061
<b>Other Financing Sources (Uses) -</b>				
Operating transfers in (out)	(76,250)	(76,250)	83,690	(159,940)
<b>Net Change in Fund Balance</b>	(164,784)	(185,832)	(24,175)	(158,223)
<b>Fund Balance - Beginning of year</b>	39,626	39,626	39,626	-
<b>Fund Balance (Deficit) - End of year</b>	<u>\$ (125,158)</u>	<u>\$ (146,206)</u>	<u>\$ 15,451</u>	<u>\$ (158,223)</u>

# City of Brighton, Michigan

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## Notes to Required Supplemental Information June 30, 2009

**Capital Improvement Fund Budget** - The Council adopted a budget for the Capital Improvement Fund based on total expenditures. The original and amended budgeted expenditures were \$1,282,345 and \$1,342,716, respectively. Actual expenditures were \$282,878.

**Budgetary Information** - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. The City's budget is prepared in compliance with the uniform budgeting provisions of Michigan law.

Expenditures are authorized via an annual budget passed by resolution in which the Council authorizes the level of funding for City operations. The Council adopts an activity level budget which is considered the maximum authorization to incur liabilities and not a mandate to spend. No obligation shall be incurred against, and no payment shall be made from, any appropriation account that lacks a sufficient balance available to meet the obligation.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

**Budgetary Process** - The City's annual budget process for the subsequent year begins soon after the audited annual financial report for the prior year is presented to the City Council. After the audit presentation, the City Council holds an annual fall goal-setting retreat, which results in the establishment of the City's goals and objectives for the following year. Soon after the Council's annual goal-setting retreat, staff prepares a six-year Capital Improvement Program (CIP), which is reviewed by the Planning Commission and adopted by the City Council in February. The first year of the adopted six-year CIP is then considered for inclusion in the next year's requested budget document. In January of each year, staff begins developing the operating budget for the next year. In March of each year, the City manager presents to the City Council the manager's recommended budget for the next year. In April and May of each year, the City Council reviews the manager's recommended budget, makes changes at their discretion, holds a public hearing, and ultimately adopts the City budget for the fiscal year, which begins the next July 1.

# City of Brighton, Michigan

## Notes to Required Supplemental Information June 30, 2009

**Excess of Expenditures of Appropriations in Budgeted Funds** - During the year, the City incurred expenditures that were in excess of the amounts budgeted for the following expenditure category in the General Fund:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating transfers out	\$ 1,390,030	\$ 1,469,190	\$ (79,160)

The primary reason that operating transfers out are \$79,160 greater than the amended budget is the result of an additional transfer required to comply with certain state regulations and determined necessary subsequent to the final budget amendment.

During the year, the City incurred expenditures that were in excess of the amounts budgeted for the following expenditure categories in the major street fund:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Traffic service	\$ 73,651	\$ 116,500	\$ (42,849)
Winter maintenance	89,460	174,403	(84,943)

The primary reason that traffic service actual expenditures are \$42,849 more than the amended budget is due to an increased level of personnel and equipment use activity during the year. The primary reason that winter maintenance actual expenditures are \$84,943 more than the amended budget is due to an increased level of personnel and equipment use activity during the year, as well as increased use and costs of snow removal supplies.

## **Other Supplemental Information**

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# City of Brighton, Michigan

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	Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds	
	Principal Shopping District	Arts and Cultural Commission	Street Voted Debt	Street Nonvoted Debt
<b>Assets - Cash and investments</b>	<b>\$ 71,263</b>	<b>\$ 17,491</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances - Unreserved - Reported in</b>				
Designated for subsequent years' expenditures	\$ 71,263	\$ -	\$ -	\$ -
Special Revenue Funds	-	17,491	-	-
Total fund balances	71,263	17,491	-	-
Total liabilities and fund balances	<b>\$ 71,263</b>	<b>\$ 17,491</b>	<b>\$ -</b>	<b>\$ -</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
Year Ended June 30, 2009**

Nonmajor Capital Project Fund - Building Authority	Total Nonmajor Governmental Funds
<u>\$ -</u>	<u>\$ 88,754</u>
\$ -	\$ 71,263
<u>-</u>	<u>17,491</u>
<u>-</u>	<u>88,754</u>
<u>\$ -</u>	<u>\$ 88,754</u>

# City of Brighton, Michigan

	Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds	
	Principal Shopping District	Arts and Cultural Commission	Street Voted Debt	Street Non-Voted Debt
<b>Revenue</b>				
Special assessment	\$ 73,329	\$ -	\$ -	\$ -
Interest	1,385	411	-	-
Other	-	19,610	-	-
Total revenue	74,714	20,021	-	-
<b>Expenditures - Current</b>				
General government	95,274	-	-	-
Community development	-	2,530	-	-
Debt service	-	-	438,513	719,240
Total expenditures	95,274	2,530	438,513	719,240
<b>Excess of Revenue Over (Under) Expenditures</b>	(20,560)	17,491	(438,513)	(719,240)
<b>Other Financing Sources (Uses)</b>	(1,000)	-	438,513	719,240
<b>Net Change in Fund Balances</b>	(21,560)	17,491	-	-
<b>Fund Balances - Beginning of year</b>	92,823	-	-	-
<b>Fund Balances - End of year</b>	<u>\$ 71,263</u>	<u>\$ 17,491</u>	<u>\$ -</u>	<u>\$ -</u>

**Other Supplemental Information  
Combining Statement of Revenue, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2009**

Nonmajor Capital Project Fund - Building Authority	Total Nonmajor Governmental Funds
\$ -	\$ 73,329
-	1,796
-	19,610
-	94,735
-	95,274
-	2,530
<u>119,563</u>	<u>1,277,316</u>
<u>119,563</u>	<u>1,375,120</u>
(119,563)	(1,280,385)
<u>119,563</u>	<u>1,276,316</u>
-	(4,069)
-	92,823
<u>\$ -</u>	<u><b>88,754</b></u>

# City of Brighton, Michigan

	Nonmajor Special Revenue Funds					
	Principal Shopping District			Arts and Cultural Commission		
	Amended Budget	Actual	Variance with Amended Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>						
Special assessment	\$ 74,955	\$ 73,329	\$ (1,626)	\$ -	\$ -	\$ -
Interest	476	1,385	909	-	411	411
Other	-	-	-	4,991	19,610	14,619
Total revenue	75,431	74,714	(717)	4,991	20,021	15,030
<b>Expenditures - Current</b>						
General government	90,000	95,274	(5,274)	-	-	-
Community development	-	-	-	20,000	2,530	17,470
Debt service	-	-	-	-	-	-
Total expenditures	90,000	95,274	(5,274)	20,000	2,530	17,470
<b>Excess of Revenue Over (Under) Expenditures</b>	(14,569)	(20,560)	(5,991)	(15,009)	17,491	32,500
<b>Other Financing Sources (Uses)</b>	-	(1,000)	(1,000)	-	-	-
<b>Net Change in Fund Balances</b>	(14,569)	(21,560)	(6,991)	(15,009)	17,491	32,500
<b>Fund Balances - Beginning of year</b>	92,823	92,823	-	-	-	-
<b>Fund Balances (Deficit) - End of year</b>	<b>\$ 78,254</b>	<b>\$ 71,263</b>	<b>\$ (6,991)</b>	<b>\$ (15,009)</b>	<b>\$ 17,491</b>	<b>\$ 32,500</b>

**Other Supplemental Information  
Combining Statement of Revenue, Expenditures,  
and Changes in Fund Balances - Amended Budget and Actual  
Nonmajor Governmental Funds  
Year Ended June 30, 2009**

Nonmajor Debt Service Funds						Nonmajor Capital Project Fund		
Street Voted Debt			Street Non-Voted Debt			Building Authority		
Amended Budget	Actual	Variance with Amended Budget	Amended Budget	Actual	Variance with Amended Budget	Amended Budget	Actual	Variance with Amended Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
438,513	438,513	-	719,405	719,240	165	119,563	119,563	-
438,513	438,513	-	719,405	719,240	165	119,563	119,563	-
(438,513)	(438,513)	-	(719,405)	(719,240)	165	(119,563)	(119,563)	-
438,513	438,513	-	719,405	719,240	(165)	119,563	119,563	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# City of Brighton, Michigan

## Other Supplemental Information Balance Sheet/Statement of Net Assets Downtown Development Authority Year Ended June 30, 2009

	Downtown Development Authority General		Government- wide Statement of Net Assets
	Fund	Adjustments	
<b>Assets</b>			
Cash and investments	\$ 675,837	\$ -	\$ 675,837
Receivables	14,995	-	14,995
Capital assets	-	5,021,911	5,021,911
Total assets	<u>\$ 690,832</u>	<u>\$ 5,021,911</u>	<u>\$ 5,712,743</u>
<b>Liabilities</b>			
Accounts payable	\$ 6,399	\$ -	\$ 6,399
Long-term debt	-	2,700,000	2,700,000
Total liabilities	6,399	2,700,000	2,706,399
<b>Fund Balance - Unreserved</b>	684,433	(684,433)	-
<b>Net Assets</b>			
Invested in capital assets net of related debt	-	2,321,911	2,321,911
Unrestricted	-	684,433	684,433
Total liabilities and fund balance	<u>\$ 690,832</u>	<u>\$ 5,021,911</u>	<u>\$ 5,712,743</u>

# City of Brighton, Michigan

## Other Supplemental Information Statement of Revenues, Expenditures, and Changes in Fund Balance/ Statement of Activities Downtown Development Authority Year Ended June 30, 2009

	Downtown Development Authority General Fund	Adjustments	Government- wide Statement of Net Assets
<b>Revenue</b>			
Property taxes	\$ 943,415	\$ -	\$ 943,415
Interest	8,107	-	8,107
Operating grants	25,051	-	25,051
Other	2,477	-	2,477
	<hr/>	<hr/>	<hr/>
Total revenue	979,050	-	979,050
<b>Expenditures</b>			
Current:			
Community development	205,063	286,828	491,891
Capital outlay	8,123	(8,123)	-
Debt service:			
Principal repayment	350,000	(350,000)	-
Interest	126,888	-	126,888
	<hr/>	<hr/>	<hr/>
Total expenditures	690,074	(71,295)	618,779
Total expenditures	<hr/>	<hr/>	<hr/>
<b>Change in Fund Balance</b>	288,976	71,295	360,271
<b>Fund Balance</b>			
Beginning of year	395,457	2,250,616	2,646,073
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 684,433</u>	<u>\$ 2,321,911</u>	<u>\$ 3,006,344</u>

# City of Brighton, Michigan

## Other Supplemental Information Balance Sheet/Statement of Net Assets Local Development Finance Authority Year Ended June 30, 2009

	Local Development Finance Authority General Fund	Adjustments	Government- wide Statement of Net Assets
<b>Assets - Cash and investments</b>	<b><u>\$ 44,312</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 44,312</u></b>
<b>Liabilities</b>			
Accounts payable	\$ 4,972	\$ -	\$ 4,972
Long-term debt	<u>-</u>	<u>590,000</u>	<u>590,000</u>
Total liabilities	4,972	590,000	594,972
<b>Fund Balance - Unreserved</b>	39,340	(39,340)	-
<b>Net Assets - Unrestricted (deficit)</b>	<u>-</u>	<u>(550,660)</u>	<u>(550,660)</u>
Total liabilities and fund balance	<b><u>\$ 44,312</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 44,312</u></b>

# City of Brighton, Michigan

## Other Supplemental Information Statement of Revenues, Expenditures, and Changes in Fund Balance/ Statement of Activities Local Development Finance Authority Year Ended June 30, 2009

	Local Development Finance Authority General Fund	Adjustments	Government- wide Statement of Net Assets
<b>Revenue</b>			
Property taxes	\$ 159,791	-	\$ 159,791
Interest	1,381	-	1,381
	<u>161,172</u>	<u>-</u>	<u>161,172</u>
Total revenue	161,172	-	161,172
<b>Expenditures</b>			
Current - Community development	147,891	-	147,891
Debt service:			
Principal repayment	50,000	(50,000)	-
Interest	32,225	-	32,225
	<u>230,116</u>	<u>(50,000)</u>	<u>180,116</u>
Total expenditures	230,116	(50,000)	180,116
<b>Change in Fund Balance</b>	(68,944)	50,000	(18,944)
<b>Fund Balance</b>			
Beginning of year	<u>108,284</u>	<u>(640,000)</u>	<u>(531,716)</u>
End of year	<u>\$ 39,340</u>	<u>\$ (590,000)</u>	<u>\$ (550,660)</u>

## **Statistical Section**

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## **STATISTICAL SECTION**

This part of the City of Brighton's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

The statistical section is organized into the following main categories:

- Financial trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.
- Revenue capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.
- Debt capacity - These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- Demographic and economic information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.
- Operating information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

# City of Brighton, Michigan

## Statistical Section Financial Trend Information Net Assets by Component Year Ended June 30, 2009

	As of June 30						
	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>							
Invested in capital assets - Net of related debt	\$ -	\$ 22,255,092	\$ 21,091,689	20,408,614	\$ 21,300,214	\$ 20,830,130	\$ 20,539,886
Restricted	-	1,057,616	4,324,672	4,753,721	4,052,527	3,437,505	3,157,947
Unrestricted	-	4,104,363	1,607,231	1,843,363	1,964,532	923,814	481,840
Total net assets	26,993,536	27,417,071	27,023,592	27,005,698	27,317,273	25,191,449	24,179,673
<b>Business-type Activities</b>							
Invested in capital assets - Net of related debt	-	24,979,909	26,433,896	27,426,792	28,592,237	27,838,052	27,453,406
Restricted	-	-	-	-	-	283,961	-
Unrestricted	-	5,791,516	4,690,079	3,861,279	1,699,459	1,376,700	1,805,252
Total net assets	29,997,398	30,771,425	31,123,975	31,288,071	30,291,696	29,498,713	29,258,658
<b>Primary Government in Total</b>							
Invested in capital assets - Net of related debt	-	47,235,001	47,525,585	47,835,406	49,892,451	48,668,182	47,681,981
Restricted	-	1,057,616	4,324,672	4,753,721	4,052,527	3,721,466	3,157,947
Unrestricted	-	9,895,879	6,297,310	5,704,642	3,663,991	2,300,514	2,287,092
Total net assets	<u>\$ 56,990,934</u>	<u>\$ 58,188,496</u>	<u>\$ 58,147,567</u>	<u>\$ 58,293,769</u>	<u>\$ 57,608,969</u>	<u>\$ 54,690,162</u>	<u>\$ 53,127,020</u>

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

## Statistical Section Financial Trend Information Changes in Governmental Net Assets Year Ended June 30, 2009

	Fiscal Year Ended June 30					
	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
General government	\$ 1,636,112	\$ 1,665,151	\$ 1,929,394	\$ 2,349,855	\$ 2,878,690	\$ 2,472,165
Public safety	1,790,068	1,995,052	2,123,785	2,153,697	2,519,047	2,410,316
Public services	3,159,268	3,578,053	3,437,104	3,195,010	4,426,522	4,161,139
Community development	613,794	636,678	584,427	571,655	539,752	407,174
Interest on long-term debt	457,190	496,697	570,384	569,394	588,639	562,972
Total governmental activities	<u>7,656,432</u>	<u>8,371,631</u>	<u>8,645,094</u>	<u>8,839,611</u>	<u>10,952,650</u>	<u>10,013,766</u>
<b>Program Revenues</b>						
Charges for services	1,003,435	1,048,700	992,936	896,726	804,901	744,490
Operating grants and contributions	699,588	423,000	413,954	416,732	402,555	446,403
Capital grants and contributions	10,812	14,325	179,208	406,429	-	401,761
Total program revenue	<u>1,713,835</u>	<u>1,486,025</u>	<u>1,586,098</u>	<u>1,719,887</u>	<u>1,207,456</u>	<u>1,592,654</u>
<b>Net Expenses</b>	(5,942,597)	(6,885,606)	(7,058,996)	(7,119,724)	(9,745,194)	(8,421,112)
<b>General Revenues</b>						
Property taxes	4,946,662	5,228,267	5,654,956	6,108,946	6,308,624	6,302,824
State-shared revenues	625,134	624,339	613,149	603,754	624,346	582,580
Investment earnings	255,485	322,100	494,997	545,532	472,416	229,198
Other	289,143	317,421	278,000	185,217	239,642	294,734
Transfers	249,708	-	-	-	-	-
Loss on disposal of asset	-	-	-	(12,150)	(25,658)	-
Total general revenues	<u>6,366,132</u>	<u>6,492,127</u>	<u>7,041,102</u>	<u>7,431,299</u>	<u>7,619,370</u>	<u>7,409,336</u>
<b>Change in Net Assets</b>	<u>\$ 423,535</u>	<u>\$ (393,479)</u>	<u>\$ (17,894)</u>	<u>\$ 311,575</u>	<u>\$ (2,125,824)</u>	<u>\$ (1,011,776)</u>

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

## Statistical Section Financial Trend Information Changes in Business-type Net Assets Year Ended June 30, 2009

	Fiscal Year Ended June 30					
	2004	2005	2006	2007	2008	2009
<b>Operating Revenue</b>						
Sales	\$ 2,107,713	\$ 2,224,214	\$ 2,455,922	\$ 2,501,333	\$ 2,561,992	\$ 2,520,032
Penalties	31,957	31,420	36,214	36,906	43,906	39,125
Tap charges and other	462,928	432,265	407,793	470,504	476,130	763,639
Total operating revenue	<u>2,602,598</u>	<u>2,687,899</u>	<u>2,899,929</u>	<u>3,008,743</u>	<u>3,082,028</u>	<u>3,322,796</u>
<b>Operating Expenses</b>						
Salaries and fringe benefits	1,255,299	1,203,460	1,254,269	1,466,307	1,213,420	1,163,094
Other purchased services	282,168	449,515	391,987	392,352	222,861	252,207
Purchased property services	103,616	136,611	121,291	129,562	85,976	116,777
Professional and technical services	100,010	78,255	86,569	114,441	46,743	50,607
Supplies	172,531	158,723	110,149	660,374	230,767	199,481
Depreciation	1,320,638	1,429,624	1,456,073	1,500,372	1,543,820	1,553,423
Amortization	26,529	28,033	28,225	27,325	27,964	27,964
Property	53,745	45,311	12,230	75,932	43,687	20,367
Utilities	280,161	278,116	286,684	285,756	291,885	301,952
Other	2,576	2,603	3,670	2,369	2,535	2,469
Total operating expenses	<u>3,597,273</u>	<u>3,810,251</u>	<u>3,751,147</u>	<u>4,654,790</u>	<u>3,709,658</u>	<u>3,688,341</u>
<b>Operating Loss</b>	(994,675)	(1,122,352)	(851,218)	(1,646,047)	(627,630)	(365,545)
<b>Nonoperating Revenue (Expenses)</b>						
Investment income	55,679	90,298	156,814	78,493	47,909	18,289
Interest expense	(660,417)	(643,587)	(614,014)	(581,106)	(570,753)	(539,036)
Loss on disposal of fixed assets	-	-	-	(45,765)	-	-
Total nonoperating expenses	<u>(604,738)</u>	<u>(553,289)</u>	<u>(457,200)</u>	<u>(548,378)</u>	<u>(522,844)</u>	<u>(520,747)</u>
<b>Loss - Before transfers and contributions</b>	(1,599,413)	(1,675,641)	(1,308,418)	(2,194,425)	(1,150,474)	(886,292)
<b>Operating Transfers - Transfers out</b>	(249,708)	-	-	-	-	-
<b>Contributions</b>	<u>2,623,148</u>	<u>2,028,191</u>	<u>1,467,534</u>	<u>1,198,050</u>	<u>357,491</u>	<u>646,237</u>
<b>Change in Net Assets</b>	<u>\$ 774,027</u>	<u>\$ 352,550</u>	<u>\$ 159,116</u>	<u>\$ (996,375)</u>	<u>\$ (792,983)</u>	<u>\$ (240,055)</u>

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

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	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ 2,060	\$ 2,082
Unreserved	<u>2,538,712</u>	<u>2,007,424</u>	<u>2,174,337</u>	<u>1,702,626</u>
Total General Fund	2,538,712	2,007,424	2,176,397	1,704,708
<b>All Other Governmental Funds</b>				
Reserved	-	-	-	-
Unreserved - Reported in:				
Special Revenue Funds	494,451	309,907	3,810,887	1,110,089
Capital Project Funds	950,649	440,100	-	-
Debt Service Funds	<u>7,114</u>	<u>-</u>	<u>2,380</u>	<u>-</u>
Total all other governmental funds	<u>1,452,214</u>	<u>750,007</u>	<u>3,813,267</u>	<u>1,110,089</u>
Total	<u><b>\$ 3,990,926</b></u>	<u><b>\$ 2,757,431</b></u>	<u><b>\$ 5,989,664</b></u>	<u><b>\$ 2,814,797</b></u>

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section  
Financial Trend Information  
Fund Balances  
Governmental Funds  
Year Ended June 30, 2009**

2004	2005	2006	2007	2008	2009
\$ 329,748	\$ 329,763	\$ 329,777	\$ 390,274	\$ 344,816	\$ 355,604
<u>1,647,746</u>	<u>1,974,173</u>	<u>2,350,518</u>	<u>2,116,372</u>	<u>1,533,875</u>	<u>1,014,977</u>
1,977,494	2,303,936	2,680,295	2,506,646	1,878,691	1,370,581
-	-	-	12,581	981,660	559,660
727,868	2,302,809	1,909,744	1,414,990	711,037	272,231
67,575	1,842,217	234,423	117,423	-	-
-	-	-	-	-	-
<u>795,443</u>	<u>4,145,026</u>	<u>2,144,167</u>	<u>1,544,994</u>	<u>1,692,697</u>	<u>831,891</u>
<b><u>\$ 2,772,937</u></b>	<b><u>\$ 6,448,962</u></b>	<b><u>\$ 4,824,462</u></b>	<b><u>\$ 4,051,640</u></b>	<b><u>\$ 3,571,388</u></b>	<b><u>\$ 2,202,472</u></b>

# City of Brighton, Michigan

	Year Ended			
	2000	2001	2002	2003
<b>Revenue</b>				
Property taxes	\$ 4,006,713	\$ 4,334,464	\$ 4,645,795	\$ 4,618,690
State-shared	1,034,213	1,108,794	1,151,811	1,083,263
Federal grants	43,217	56,105	406,997	10,000
Charges for services	341,046	201,903	229,908	229,526
Special assessment	60,000	60,000	182,162	234,987
Fines and penalties	71,762	82,249	85,707	86,141
Licenses and permits	409,518	332,080	357,179	365,657
Interest	365,058	352,751	181,986	198,184
Contributions from other funds				
Other	<u>466,460</u>	<u>443,544</u>	<u>360,415</u>	<u>302,797</u>
Total revenue	6,797,987	6,971,890	7,601,960	7,129,245
<b>Expenditures</b>				
Current:				
General government	1,228,203	1,549,515	1,338,917	1,416,735
Community development	674,927	643,497	664,513	532,158
Public safety	1,661,139	1,470,982	1,395,203	1,506,373
Public services - Operating	1,540,565	1,502,967	1,815,027	1,982,612
Public services - Capital (streets)	909,472	1,554,436	1,511,099	3,802,354
Capital outlay (exclusive of streets)	553,149	788,788	680,576	428,562
Debt service	<u>743,201</u>	<u>819,082</u>	<u>910,764</u>	<u>1,086,902</u>
Total expenditures	<u>7,310,656</u>	<u>8,329,267</u>	<u>8,316,099</u>	<u>10,755,696</u>
<b>Excess of Expenditures Over Revenue</b>	(512,669)	(1,357,377)	(714,139)	(3,626,451)
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,542,107	2,316,051	1,841,494	2,860,615
Transfers out	(1,629,619)	(2,735,042)	(1,848,643)	(2,106,293)
Issuance of debt - Net	<u>745,444</u>	<u>542,873</u>	<u>3,953,521</u>	<u>-</u>
Total other financing sources	<u>657,932</u>	<u>123,882</u>	<u>3,946,372</u>	<u>754,322</u>
<b>Net Change in Fund Balances</b>	145,263	(1,233,495)	3,232,233	(2,872,129)
<b>Fund Balances - Beginning of year</b>	<u>3,845,663</u>	<u>3,990,926</u>	<u>2,757,431</u>	<u>5,989,664</u>
<b>Fund Balances - End of year</b>	<u><b>\$ 3,990,926</b></u>	<u><b>\$ 2,757,431</b></u>	<u><b>\$ 5,989,664</b></u>	<u><b>\$ 3,117,535</b></u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	15%	16%	17%	20%

**Statistical Section  
Financial Trend Information  
Changes in Fund Balance  
Governmental Funds  
Year Ended June 30, 2009**

June 30					
2004	2005	2006	2007	2008	2009
\$ 4,946,662	\$ 5,228,267	\$ 5,654,956	\$ 6,108,946	\$ 6,308,624	\$ 6,302,824
1,063,279	1,043,420	1,027,103	1,020,486	1,026,901	970,073
261,443	3,919	-	-	-	58,910
399,748	220,318	254,030	226,681	102,677	103,810
273,234	231,517	230,836	300,229	246,563	285,092
100,484	290,546	276,500	310,987	337,470	346,522
429,986	521,237	462,406	359,058	329,493	294,158
255,485	322,145	494,997	545,532	472,416	229,198
				40,498	-
<u>362,361</u>	<u>334,008</u>	<u>278,000</u>	<u>185,217</u>	<u>234,405</u>	<u>294,734</u>
8,092,682	8,195,377	8,678,828	9,057,136	9,099,047	8,885,321
1,507,881	1,588,897	1,622,722	2,177,398	2,816,783	2,434,413
610,250	633,141	580,886	568,114	536,544	404,321
1,675,356	1,877,046	1,982,940	2,038,945	2,417,734	2,316,609
2,171,842	2,366,576	2,422,938	2,515,072	2,982,939	2,809,922
1,518,689	856,361	962,532	832,093	719,029	913,778
436,533	885,692	1,917,129	323,716	297,297	116,479
<u>1,296,437</u>	<u>1,277,822</u>	<u>1,416,101</u>	<u>1,374,620</u>	<u>1,339,923</u>	<u>1,443,715</u>
<u>9,216,988</u>	<u>9,485,535</u>	<u>10,905,248</u>	<u>9,829,958</u>	<u>11,110,249</u>	<u>10,439,237</u>
(1,124,306)	(1,290,158)	(2,226,420)	(772,822)	(2,011,202)	(1,553,916)
1,929,642	1,431,716	1,573,754	-	1,939,909	1,895,719
(1,679,934)	(1,431,716)	(1,573,754)	-	(1,939,909)	(1,895,719)
<u>530,000</u>	<u>4,966,183</u>	<u>601,920</u>	<u>-</u>	<u>1,530,950</u>	<u>185,000</u>
<u>779,708</u>	<u>4,966,183</u>	<u>601,920</u>	<u>-</u>	<u>1,530,950</u>	<u>185,000</u>
(344,598)	3,676,025	(1,624,500)	(772,822)	(480,252)	(1,368,916)
<u>3,117,535</u>	<u>2,772,937</u>	<u>6,448,962</u>	<u>4,824,462</u>	<u>4,051,640</u>	<u>3,571,388</u>
<b><u>\$ 2,772,937</u></b>	<b><u>\$ 6,448,962</u></b>	<b><u>\$ 4,824,462</u></b>	<b><u>\$ 4,051,640</u></b>	<b><u>\$ 3,571,388</u></b>	<b><u>\$ 2,202,472</u></b>
22%	20%	21%	19%	15%	18%

# City of Brighton, Michigan

Ad Valorem Taxable Value by Property Type							
Real Property							
Tax Year	Year Ended June 30	Residential	Commercial	Industrial	Personal Property	Total Taxable Value	City Tax Millage
1999	2000	\$ 125,684,500	\$ 79,495,000	\$ 13,258,800	\$ 25,573,000	\$ 244,011,300	17.5783
2000	2001	136,401,100	83,626,800	14,399,700	27,862,700	262,290,300	17.4689
2001	2002	150,972,300	92,092,100	14,448,400	31,058,900	288,571,700	17.1149
2002	2003	163,674,700	102,640,100	14,880,600	29,566,500	310,761,900	15.9864
2003	2004	174,972,500	108,478,900	15,469,300	29,769,800	328,690,500	16.0494
2004	2005	191,737,300	114,550,700	17,609,700	30,625,900	354,523,600	15.9300
2005	2006	207,300,655	123,326,800	18,942,000	36,392,200	385,961,655	15.9418
2006	2007	222,088,140	139,489,820	22,333,650	37,238,103	421,149,713	15.8217
2007	2008	230,789,400	145,831,650	23,163,840	38,970,715	438,755,605	15.8090
2008	2009	229,013,040	151,805,205	28,128,150	34,672,480	443,618,875	15.8749

Note: Under Michigan law, the revenue base is referred to as “taxable value.” This amount represents assessed value (50 percent of true cash value limited for each property by the lower of 5 percent or inflation).

Taxes levied in a particular “tax year” become revenue of the subsequent fiscal year.

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section**  
**Revenue Capacity Information**  
**Taxable Value and Actual Value of Taxable Property**  
**Year Ended June 30, 2009**

Assessed Value	Estimated Actual Value	Taxable Value as a Percentage of Assessed Value	Taxable Value as a Percentage of Actual	IFT Value	City Levy
\$ 271,042,700	\$ 542,085,400	90	45	\$ 6,586,900	\$ 4,289,304
292,188,300	584,376,600	90	45	17,501,200	4,581,923
346,948,700	693,897,400	83	42	12,176,700	4,938,876
371,088,100	742,176,200	84	42	12,107,800	4,967,964
396,171,700	792,343,400	83	41	11,967,600	5,275,285
428,528,700	857,057,400	83	41	12,945,700	5,647,561
474,639,350	949,278,700	81	41	14,956,550	6,152,924
515,698,393	1,031,396,786	82	41	21,008,240	6,663,304
519,328,055	1,038,656,110	84	42	19,067,290	6,936,287
500,989,560	1,001,979,120	89	44	15,268,920	7,042,405

# City of Brighton, Michigan

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Tax Year	Year Ended June 30	Millage Rates - Direct City Taxes			Overlapping	
		City Operating	City Debt	Total Direct City Tax Rates	Livingston County	Brighton District Library
1999	2000	16.2500	1.3283	17.5783	4.4661	1.0261
2000	2001	16.1192	1.3497	17.4689	4.3787	1.0083
2001	2002	15.8872	1.2277	17.1149	4.2368	0.9915
2002	2003	14.8872	1.0992	15.9864	4.2215	0.9609
2003	2004	14.8872	1.1622	16.0494	4.1454	0.9442
2004	2005	14.8872	1.0428	15.9300	3.9168	0.9059
2005	2006	14.8872	1.0546	15.9418	3.9020	0.8878
2006	2007	14.8872	0.9345	15.8217	3.8842	0.7072
2007	2008	14.8872	0.9218	15.8090	3.8842	1.0392
2008	2009	14.8872	0.9877	15.8749	3.8842	0.8792

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section  
Revenue Capacity Information  
Direct and Overlapping Property Tax Rates  
Year Ended June 30, 2009**

Taxes					Total Tax Rate	
Brighton Area Fire Authority	State Education Tax	Livingston Educational Service Agency	Brighton Area Schools - Homestead	Brighton Area Schools - Non- homestead	Homestead	Non- homestead
-	6.0000	2.5714	6.6275	18.0000	38.2694	56.2694
-	6.0000	2.5213	6.6140	18.0000	37.9912	55.9912
1.0000	6.0000	2.4788	6.6016	18.0000	38.4236	56.4236
0.9906	6.0000	2.4484	6.5947	18.0000	37.2025	55.2025
0.9763	5.0000	2.4088	6.5827	18.0000	36.1068	54.1068
0.9612	6.0000	2.3824	6.1310	18.0000	36.2273	54.2273
0.9532	6.0000	2.3507	6.1203	18.0000	36.1558	54.1558
1.2500	6.0000	2.3361	6.1184	18.0000	36.1176	54.1176
1.2500	6.0000	2.3361	6.1184	18.0000	36.4369	54.4369
1.2500	6.0000	2.3361	5.2000	18.0000	35.4244	53.4244

# City of Brighton, Michigan

## Statistical Section Revenue Capacity Information Principal Property Taxpayers Year Ended June 30, 2009

Taxpayer	2008		1999		1999 Rank
	Ad Valorem Taxable Value	Percentage of Total	Ad Valorem Taxable Value	Percentage of Total	
1 Brighton Mall Associates	\$ 8,667,640	0.02	\$ 4,842,800	0.02	1
2 BMH Realty, LLC	7,202,640	0.02	2,955,900	0.01	6
3 Brighton Holdings LLC	7,167,310	0.02	*	*	*
4 Emerivent Brighton, LLC	5,849,380	0.01	*	*	*
5 Good Will Co, LLC	5,248,600	0.01	*	*	*
6 MJR Group LLC	5,131,880	0.01	*	*	*
7 Aberden of Brighton	5,075,890	0.01	*	*	*
8 Brighton Hotel Suites, Inc.	4,832,910	0.01	*	*	*
9 Brighton Intier Automotive	4,677,150	0.01	*	*	*
10 TG Fluid Systems USA Corp.	4,541,730	0.01	*	*	*
Total taxable value	\$ 443,618,875		\$ 244,011,300		

\* Not available

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

## Statistical Section Revenue Capacity Information Property Tax Levies and Collections Year Ended June 30, 2009

Tax Year	Year Ended June 30	Total Ad Valorem Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
1999	2000	\$ 4,289,304	\$ 4,224,106	98.48	\$ 46,554	\$ 4,270,660	99.57
2000	2001	4,581,923	4,509,987	98.43	51,893	4,561,880	99.56
2001	2002	4,938,876	4,847,013	98.14	82,157	4,929,170	99.80
2002	2003	4,967,964	4,868,108	97.99	74,980	4,943,088	99.50
2003	2004	5,275,285	5,169,780	98.00	91,371	5,261,151	99.73
2004	2005	5,647,561	5,531,786	97.95	83,912	5,615,698	99.44
2005	2006	6,152,924	6,023,669	97.90	111,197	6,134,866	99.71
2006	2007	6,663,304	6,452,094	96.83	198,070	6,650,164	99.80
2007	2008	6,936,287	6,625,497	95.52	286,897	6,912,394	99.66
2008	2009	7,042,405	6,793,118	96.46	195,035	6,988,153	99.23

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

	2000	2001	2002	2003
<b>Governmental Activities</b>				
General obligation bonds	\$ 5,562,228	\$ 5,273,264	\$ 5,395,000	\$ 5,105,000
Installment purchase agreements	727,902	1,140,651	917,601	678,073
Special assessment bonds	525,000	465,000	3,975,000	3,890,000
Total	6,815,130	6,878,915	10,287,601	9,673,073
<b>Business-type Activities</b>				
General obligation bonds	6,417,222	5,902,400	5,317,576	4,717,753
Special assessment bonds	420,000	385,000	350,000	315,000
Revenue bonds	-	8,950,000	8,950,000	8,950,000
Total	6,837,222	15,237,400	14,617,576	13,982,753
<b>Total Debt of the Primary Government</b>	13,652,352	22,116,315	24,905,177	23,655,826
<b>Total Taxable Value</b>	244,011,300	262,290,300	288,571,700	310,761,900
<b>Ratio of Total Debt to Taxable Value</b>	5.59%	8.43%	8.63%	7.61%
<b>Total Population</b>	6,701	6,800	6,900	7,100
<b>Total Debt per Capita</b>	\$ 2,037	\$ 3,252	\$ 3,609	\$ 3,332

Note: Does not include outstanding debt of the City's component units

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section  
Debt Capacity Information  
Ratios of Outstanding Debt  
Year Ended June 30, 2009**

	2004	2005	2006	2007	2008	2009
\$	5,285,000	\$ 9,865,000	\$ 10,048,000	\$ 9,544,000	\$ 10,545,950	\$ 9,903,450
	427,069	248,239	60,798	-	-	-
	<u>3,660,000</u>	<u>3,425,000</u>	<u>3,190,000</u>	<u>2,960,000</u>	<u>2,730,000</u>	<u>2,685,000</u>
	9,372,069	13,538,239	13,298,798	12,504,000	13,275,950	12,588,450
	4,082,930	3,941,994	3,251,200	2,903,000	3,313,850	2,949,150
	280,000	245,000	210,000	175,000	140,000	105,000
	<u>10,084,406</u>	<u>9,824,406</u>	<u>9,743,080</u>	<u>9,378,080</u>	<u>8,963,080</u>	<u>8,454,294</u>
	<u>14,447,336</u>	<u>14,011,400</u>	<u>13,204,280</u>	<u>12,456,080</u>	<u>12,416,930</u>	<u>11,508,444</u>
	23,819,405	27,549,639	26,503,078	24,960,080	25,692,880	24,096,894
	328,690,500	354,523,600	385,961,655	421,149,713	438,755,605	443,618,875
	7.25%	7.77%	6.87%	5.93%	5.86%	5.43%
	7,173	7,182	7,263	7,517	7,268	7,173
\$	3,321	\$ 3,836	\$ 3,649	\$ 3,320	\$ 3,535	\$ 3,359

# City of Brighton, Michigan

## Statistical Section Debt Capacity Information Ratios of General Bonded Debt Outstanding Year Ended June 30, 2009

Fiscal Year	Tax Limited	Tax Supported Bonds (UTGO)	Other General Obligation Debt	Total General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value		Debt per Capita
	General Obligation Bonds (LTGO)					Population		
2000	\$ 1,812,228	\$ 3,750,000	\$ 727,902	\$ 6,290,130	\$ 244,011,300	2.58	6,701	\$ 939
2001	1,698,264	3,575,000	1,140,651	6,413,915	262,290,300	2.45	6,800	943
2002	1,995,000	3,400,000	917,601	6,312,601	288,571,700	2.19	6,900	915
2003	1,880,000	3,225,000	678,073	5,783,073	310,761,900	1.86	7,100	815
2004	2,285,000	3,000,000	427,069	5,712,069	328,690,500	1.74	7,173	796
2005	7,090,000	2,775,000	248,239	10,113,239	354,523,600	2.85	7,182	1,408
2006	7,548,000	2,500,000	60,798	10,108,798	385,961,655	2.62	7,263	1,392
2007	7,319,000	2,225,000	-	9,544,000	421,149,713	2.27	7,517	1,270
2008	8,620,950	1,925,000	-	10,545,950	438,755,605	2.40	7,268	1,451
2009	8,328,450	1,575,000	-	9,903,450	443,618,875	2.23	7,173	1,381

Note: Does not include outstanding debt of the City's business-type activities or component units

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

## Statistical Section Debt Capacity Information Direct and Overlapping Governmental Activities Debt Year Ended June 30, 2009

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Brighton Area School District	\$ 50,716,000	19.09	\$ 9,681,684
Livingston Educational Service Agency	2,115,000	5.69	120,344
Livingston County	15,755,526	5.02	790,927
Brighton Area District Library	<u>2,680,000</u>	20.32	<u>544,576</u>
Total overlapping debt	71,266,526		11,137,531
Direct net city debt	<u>14,135,000</u>	100	<u>14,135,000</u>
Total direct and overlapping debt	<u><b>\$ 85,401,526</b></u>		<u><b>\$ 25,272,531</b></u>

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

	2000	2001	2002	2003
<b>Calculation of Debt Limit</b>				
State Equalized Valuation:				
Ad Valorem	\$ 271,042,700	\$ 292,188,300	\$ 346,948,700	\$ 371,088,100
IFT	<u>6,586,900</u>	<u>17,501,200</u>	<u>12,176,700</u>	<u>12,107,800</u>
Total valuation	277,629,600	309,689,500	359,125,400	383,195,900
<b>Debt Limit</b> (10 percent of taxable value)	27,762,960	30,968,950	35,912,540	38,319,590
<b>Calculation of Debt Subject to Limit</b>				
Total debt*	14,910,831	22,883,464	26,327,576	28,217,753
Less debt not subject to limit:				
Special assessment bonds	945,000	850,000	4,325,000	4,205,000
MTF bonds	685,000	610,000	535,000	455,000
Revenue bonds	-	8,950,000	8,950,000	8,950,000
Share of County-issued bonds	<u>4,465,861</u>	<u>4,203,464</u>	<u>3,887,576</u>	<u>3,622,753</u>
Net debt subject to limit	<u>8,814,970</u>	<u>8,270,000</u>	<u>8,630,000</u>	<u>10,985,000</u>
<b>Legal Debt Margin</b>	<u><b>\$ 18,947,990</b></u>	<u><b>\$ 22,698,950</b></u>	<u><b>\$ 27,282,540</b></u>	<u><b>\$ 27,334,590</b></u>
<b>Net Debt Subject to Limit as Percentage of Debt Limit</b>	31.75%	26.70%	24.03%	28.67%

\* Does not include installment loans

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records.

**Statistical Section  
Debt Capacity Information  
Legal Debt Margin  
Year Ended June 30, 2009**

2004	2005	2006	2007	2008	2009
\$ 396,171,700	\$ 428,528,700	\$ 474,639,350	\$ 515,698,393	\$ 501,131,290	\$ 500,989,560
<u>11,967,600</u>	<u>12,945,700</u>	<u>14,956,550</u>	<u>21,008,240</u>	<u>15,306,400</u>	<u>15,306,400</u>
408,139,300	441,474,400	489,595,900	536,706,633	516,437,690	516,295,960
40,813,930	44,147,440	48,959,590	53,670,663	51,643,769	51,629,596
28,638,600	31,996,400	30,822,280	29,020,080	29,382,880	27,386,894
3,940,000	3,670,000	3,400,000	3,135,000	2,870,000	2,790,000
365,000	270,000	245,000	220,000	195,000	170,000
10,084,406	10,060,000	9,743,080	9,378,080	8,963,080	8,454,294
<u>3,393,600</u>	<u>3,131,400</u>	<u>2,844,200</u>	<u>2,507,000</u>	<u>2,174,800</u>	<u>1,837,600</u>
<u>10,855,594</u>	<u>14,865,000</u>	<u>14,590,000</u>	<u>13,780,000</u>	<u>15,180,000</u>	<u>14,135,000</u>
<b><u>\$ 29,958,336</u></b>	<b><u>\$ 29,282,440</u></b>	<b><u>\$ 34,369,590</u></b>	<b><u>\$ 39,890,663</u></b>	<b><u>\$ 36,463,769</u></b>	<b><u>\$ 37,494,596</u></b>
26.60%	33.67%	29.80%	25.68%	29.39%	27.38%

# City of Brighton, Michigan

Water and Sewer Revenue Bonds						
Fiscal Year	Gross Revenue	Applicable Expenses	Net Revenue	Debt Service		Coverage*
				Principal	Interest	
2000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2001	-	-	-	-	-	-
2002	2,644,179	1,718,945	925,234	-	452,951	472,283
2003	2,712,858	2,025,493	687,365	-	415,975	271,390
2004	2,658,277	2,250,106	408,171	150,000	413,350	(155,179)
2005	2,778,197	2,352,594	425,603	250,000	449,075	(273,472)
2006	3,056,743	2,266,849	789,894	315,000	424,003	50,891
2007	3,087,236	3,127,093	(39,857)	365,000	415,951	(820,808)
2008	3,129,937	2,137,874	992,063	415,000	401,719	175,344
2009	3,645,288	2,106,954	1,538,334	460,000	385,191	693,143

\* Shortfalls in revenue coverage have been subsidized by capital contributions from connection fees.

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section  
Debt Capacity Information  
Pledged-revenue Coverage  
Year Ended June 30, 2009**

Special Assessment Bonds				
Special Assessment Collections		Debt Service		
		Principal	Interest	Coverage
\$	153,399	\$ 95,000	\$ 54,878	\$ 3,521
	147,515	95,000	49,233	3,282
	138,747	95,000	43,538	209
	345,090	120,000	177,804	47,286
	471,481	265,000	181,334	25,147
	450,377	270,000	170,768	9,609
	446,248	270,000	159,654	16,594
	426,098	265,000	148,660	12,438
	358,316	265,000	137,453	(44,137)
	363,160	265,000	126,417	(28,257)

# City of Brighton, Michigan

## Statistical Section Demographic and Economic Information Demographic and Economic Statistics Year Ended June 30, 2009

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemploy- ment Rate (Percent)
1999	6,550	\$ 35,551	*	1.80
2000	6,701	47,897	\$ 21,007	1.80
2001	6,800	47,897	21,007	2.71
2002	6,900	47,897	22,487	4.10
2003	7,100	47,897	22,487	3.90
2004	7,173	47,897	22,808	3.60
2005	7,182	47,897	22,917	*
2006	7,263	47,897	23,251	*
2007	7,483	47,897	23,364	*
2008	7,268	47,897	23,595	*
2009	7,173	47,897	23,711	*

\* Not available/no longer available

Note: Personal income is equal to the median household income and only available per the decennial census data.

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

## Statistical Section Demographic and Economic Information Principal Employers Year Ended June 30, 2009

Taxpayer	2009 Employees	Percentage of Total	2000 Employees	Percentage of Total	2000 Rank
1 Brighton Area Schools	860	9.56%	821	10.36%	1
2 Meijer	310	3.44%	673	8.49%	2
3 Target	275	3.06%	196	2.47%	6
4 TG Fluid Systems	267	2.97%	*	- %	-
5 March Coatings	250	2.78%	55	0.69%	11
6 Eberspaecher	217	2.41%	*	- %	-
7 VG's	153	1.70%	*	- %	-
8 Home Depot	150	1.67%	233	2.94%	4
9 Work Skills Corporation	150	1.67%	*	- %	-
11 Brighton Post Office	85	0.94%	*	- %	-
Total	<u>2,717</u>	<u>30.19%</u>	<u>1,978</u>	<u>24.95%</u>	
Estimated total city employment	9,000		7,925		

\* Not available

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

# City of Brighton, Michigan

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Function/Program	2000	2001	2002	2003	2004
General government:					
City manager	1.00	1.00	1.00	1.00	1.00
City clerk/Human resources	2.35	2.35	2.35	2.35	2.35
Finance	<u>6.25</u>	<u>5.00</u>	<u>6.25</u>	<u>6.39</u>	<u>6.39</u>
Total general government	9.60	8.35	9.60	9.74	9.74
Community development	6.00	6.00	7.00	6.00	6.00
Public safety (police)	16.20	16.20	17.60	18.60	18.60
Public services:					
Cemetery	2.00	2.00	2.00	2.00	2.00
Facilities and grounds	-	-	-	2.00	2.00
Streets	7.00	8.00	9.00	9.00	9.00
Utilities	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>
Total public services	<u>17.00</u>	<u>18.00</u>	<u>19.00</u>	<u>22.00</u>	<u>22.00</u>
Total	<u><b>48.80</b></u>	<u><b>48.55</b></u>	<u><b>53.20</b></u>	<u><b>56.34</b></u>	<u><b>56.34</b></u>

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section  
Operating Information  
Full-time Equivalent Government Employees  
Year Ended June 30, 2009**

2005	2006	2007	2008	2009
1.00	1.00	1.00	1.50	1.50
2.35	2.35	2.63	3.13	2.50
<u>6.39</u>	<u>8.39</u>	<u>9.00</u>	<u>9.25</u>	<u>9.25</u>
9.74	11.74	12.63	13.88	13.25
6.00	5.00	5.63	5.00	5.00
18.60	18.60	18.60	20.60	19.60
2.00	2.00	2.00	2.00	2.00
2.00	3.00	3.00	3.00	3.00
9.00	8.00	8.00	8.00	8.00
<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
<u>22.00</u>	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>
<b><u>56.34</u></b>	<b><u>57.34</u></b>	<b><u>58.86</u></b>	<b><u>61.48</u></b>	<b><u>59.85</u></b>

# City of Brighton, Michigan

Function/Program	2000	2001	2002	2003
<b>Election data:</b>				
Registered voters	4,776	4,990	5,003	5,065
Voters (at the polls or absentee)	*	3,274	373	2,645
Percent voting	*	1	7.46%	52.22%
<b>Human resource data - Number of recruitments</b>				
	11	20	17	16
<b>Finance data:</b>				
Number of A/P checks	2,948	2,721	2,806	2,854
Number of property tax parcels	3,591	3,658	3,724	3,869
Number of utility bill customers	*	*	3,073	3,168
<b>Police:</b>				
Physical arrests	950	1,159	1,135	1,102
Traffic violations	2,837	3,129	3,348	3,406
Investigations	6,901	8,245	8,744	8,306
<b>Community development data:</b>				
Number of building permits	307	348	326	342
Value of building permits	\$ 14,365,383	\$ 19,376,387	\$ 27,560,351	\$ 30,976,003
Number of building inspections	1,370	1,287	1,189	1,274
<b>Public works data:</b>				
Miles of street constructed, reconstructed, and resurfaced	2.60	5.47	5.32	5.35
Road salt used (tons)	998	1,000	1,100	650
R.O.W. tree plantings	150	235	50	40
Grave openings	62	64	46	53
<b>Water data:</b>				
Total billed consumption (000s)	*	391,693	457,908	462,355
Avg. billed consump./user (000s)	*	*	149	159
Number of water main breaks	1	1	-	1
<b>Sewer data - Avg. daily treatment (MGD)</b>				
	1.110	1.120	1.224	1.207

\* Not available

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section  
Operating Information  
Operating Indicators  
Year Ended June 30, 2009**

2004	2005	2006	2007	2008	2009
5,039	5,333	5,380	5,443	5,406	5,307
388	4,018	992	3,239	2,307	2,970
7.70%	75.34%	18.44%	59.51%	42.67%	55.96%
17	16	17	12	12	2
2,884	2,915	2,831	2,330	2,181	2,156
3,863	3,949	4,093	4,107	4,093	3,969
3,248	3,218	3,318	3,376	3,508	3,516
901	1,113	1,028	1,341	1,031	944
3,248	4,234	3,912	3,637	5,160	4,102
9,363	11,722	10,382	12,073	11,986	12,103
362	352	386	326	311	258
\$ 36,151,757	\$ 23,223,783	\$ 14,315,439	\$ 15,753,583	\$ 8,003,905	\$ 5,103,742
785	1,073	1,083	789	793	679
1.32	0.67	0.75	1.00	1.25	1.00
950	1,100	1,550	1,250	1,250	2,300
-	80	54	-	20	10
49	94	60	41	64	66
463,403	467,964	508,125	485,455	495,863	445,079
148	141	152	144	141	127
1	2	2	3	1	1
1.172	1.368	1.360	1.200	1.300	1.450

# City of Brighton, Michigan

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Function/Program	2000	2001	2002	2003	2004
Police - Patrol units	8	8	8	9	10
Public works:					
Streets (miles):					
Major streets	10.40	10.40	11.32	11.32	11.32
Local streets	13.10	13.10	13.10	13.10	13.10
Sidewalks	*	*	*	*	*
Traffic signals	*	*	*	*	*
Water:					
Mains (miles)	*	*	*	*	*
Fire hydrants	*	*	*	*	*
Storage capacity	1,137,000,000	1,137,000,000	1,137,000,000	1,137,000,000	1,137,000,000
Sewer:					
Miles of sanitary sewers	*	*	*	*	*
Miles of storm sewers	*	*	*	*	*
Treatment capacity	1,500,000,000	1,500,000,000	1,500,000,000	2,250,000,000	2,250,000,000

\* Not available

Source: Audited Financial Statements of the City of Brighton and/or City Finance Department Records

**Statistical Section  
Operating Information  
Capital Asset Statistics  
Year Ended June 30, 2009**

2005	2006	2007	2008	2009
10	10	12	8	8
11.32	11.32	11.32	11.32	11.32
14.99	14.99	15.99	14.99	14.99
*	*	80	80	80
*	*	9	9	9
50	52	52	52	52
*	572	481	484	484
1,620,000,000	1,620,000,000	1,620,000,000	1,620,000,000	1,620,000,000
45	45	45	45	45
*	*	27	27	27
2,250,000,000	2,250,000,000	2,250,000,000	2,250,000,000	2,250,000,000