

VILLAGE OF BRIGHTON, ILLINOIS
REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2016

VILLAGE OF BRIGHTON, ILLINOIS

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON BETHALTO

September 21, 2016

INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Trustees
Village of Brighton, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brighton, Illinois, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brighton, Illinois, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year end in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison, IMRF Schedules of Changes in Net Pension Liability, and notes to the required supplementary information on pages 34-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Brighton, Illinois' basic financial statements. The combining and individual nonmajor fund and enterprise fund financial statements, and the schedule of assessed valuations, rates, extensions, and collections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2016, on our consideration of the Village of Brighton, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Brighton, Illinois' internal control over financial reporting and compliance.

Schuffel Boyle

Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON BETHALTO

September 21, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Board of Trustees of the
Village of Brighton, Illinois

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Brighton, Illinois, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Village of Brighton, Illinois's basic financial statements, and have issued our report thereon dated September 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Brighton, Illinois's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Brighton, Illinois's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Village of Brighton, Illinois's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. We consider item 2016-1 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Brighton, Illinois's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Brighton, Illinois's Response to Findings

Village of Brighton, Illinois's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Village of Brighton, Illinois's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Samuel Boyle

Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON BETHALTO
September 21, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Village of Brighton, Illinois

Report on Compliance for Each Major Federal Program

We have audited Village of Brighton, Illinois's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Village of Brighton, Illinois's major federal programs for the year ended June 30, 2016. Village of Brighton, Illinois's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Village of Brighton, Illinois's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Village of Brighton, Illinois's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Village of Brighton, Illinois's compliance.

Opinion on Each Major Federal Program

In our opinion, the Village of Brighton, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-2. Our opinion on each major federal program is not modified with respect to these matters.

The Village of Brighton, Illinois's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village of Brighton, Illinois's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Village of Brighton, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered Village of Brighton, Illinois's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Village of Brighton, Illinois's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as 2016-2, that we consider to be significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Scheffel Boyle

Alton, Illinois

VILLAGE OF BRIGHTON, ILLINOIS

STATEMENT OF NET POSITION

JUNE 30, 2016

| | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> | <u>TOTAL</u> |
|---|--|---|----------------------|
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Current Assets: | | | |
| Cash | \$ 482,380 | \$ 982,623 | \$ 1,465,003 |
| Investments - Time Certificates | | 1,297,941 | 1,297,941 |
| Property Taxes Receivable | 221,152 | | 221,152 |
| Accounts Receivable and Unbilled Water Usage (Net of Allowance for Uncollectible Accounts) | | 207,625 | 207,625 |
| Prepaid Expenses | 9,053 | 14,160 | 23,213 |
| Due from Proprietary Funds | 6,549 | | 6,549 |
| Due from Governmental Agencies | 86,543 | | 86,543 |
| Total Current Assets | <u>\$ 805,677</u> | <u>\$ 2,502,349</u> | <u>\$ 3,308,026</u> |
| CAPITAL ASSETS (Net of Accumulated Depreciation) | <u>\$ 1,637,865</u> | <u>\$ 7,942,723</u> | <u>\$ 9,580,588</u> |
| Total Assets | <u>\$ 2,443,542</u> | <u>\$ 10,445,072</u> | <u>\$ 12,888,614</u> |
| Deferred Outflows of Resources: | | | |
| Deferred Outflows Related to Pension Liability | <u>\$ 123,374</u> | <u>\$ 41,125</u> | <u>\$ 164,499</u> |
| Total Deferred Outflows of Resources | <u>\$ 123,374</u> | <u>\$ 41,125</u> | <u>\$ 164,499</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 2,566,916</u> | <u>\$ 10,486,197</u> | <u>\$ 13,053,113</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF</u> <u>RESOURCES, AND NET POSITION</u> | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 122,879 | \$ 65,345 | \$ 188,224 |
| Customers' Deposits | | 93,560 | 93,560 |
| Accrued Expenses and Other Payables | 18,582 | | 18,582 |
| Due to Governmental Funds | | 6,549 | 6,549 |
| Long-Term Liabilities Due Within One Year | 94,854 | 45,927 | 140,781 |
| Total Current Liabilities | <u>\$ 236,315</u> | <u>\$ 211,381</u> | <u>\$ 447,696</u> |
| Long-Term Liabilities: | | | |
| Accrued Vacation | \$ 570 | | \$ 570 |
| Loan Payable | 44,963 | \$ 1,726,230 | 1,771,193 |
| Net Pension Liability | 109,279 | 36,426 | 145,705 |
| General Tax Obligation (Note) | 650,146 | | 650,146 |
| Total Long-Term Liabilities | <u>\$ 804,958</u> | <u>\$ 1,762,656</u> | <u>\$ 2,567,614</u> |
| Total Liabilities | <u>\$ 1,041,273</u> | <u>\$ 1,974,037</u> | <u>\$ 3,015,310</u> |
| Deferred Inflows of Resources: | | | |
| Property Taxes | \$ 221,152 | | \$ 221,152 |
| Lift Station Relocation | | \$ 192,855 | 192,855 |
| Total Deferred Inflows of Resources | <u>\$ 221,152</u> | <u>\$ 192,855</u> | <u>\$ 414,007</u> |
| Net Position: | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 847,902 | \$ 6,170,566 | \$ 7,018,468 |
| Restricted | 555,892 | 791,857 | 1,347,749 |
| Unrestricted | (99,303) | 1,356,882 | 1,257,579 |
| Total Net Position | <u>\$ 1,304,491</u> | <u>\$ 8,319,305</u> | <u>\$ 9,623,796</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u>\$ 2,566,916</u> | <u>\$ 10,486,197</u> | <u>\$ 13,053,113</u> |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

| | Net (Expense) Revenue and Changes in Net Position | | | | | | |
|--|--|-------------------------|--|--|----------------------------|-----------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants And Contributions | Capital Grants And Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 392,738 | \$ 32,207 | | | \$ (360,531) | \$ (360,531) | |
| Public Safety | 346,796 | 31,668 | | | (315,128) | (315,128) | |
| Streets and Highways | 226,454 | | | | (226,454) | (226,454) | |
| Welfare | 95,613 | | | | (95,613) | (95,613) | |
| Recreation | 70,774 | | | | (70,774) | (70,774) | |
| Total Governmental Activities | \$ 1,132,375 | \$ 63,875 | \$ 0 | \$ 0 | \$ (1,068,500) | \$ (1,068,500) | |
| Business-Type Activities: | | | | | | | |
| Water | \$ 1,032,084 | \$ 1,038,249 | | | | \$ 6,165 | \$ 6,165 |
| Sewer | 375,172 | 310,537 | | | (64,635) | (64,635) | |
| Total Business-Type Activities | \$ 1,407,256 | \$ 1,348,786 | \$ 0 | \$ 0 | \$ (58,470) | \$ (58,470) | |
| Total Primary Government | \$ 2,539,631 | \$ 1,412,661 | \$ 0 | \$ 0 | \$ (1,068,500) | \$ (1,126,970) | |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes | | | | | \$ 251,003 | \$ 251,003 | |
| Intergovernmental | | | | | 646,667 | 646,667 | |
| Interest | | | | | 784 | 3,927 | 4,711 |
| Miscellaneous | | | | | 116,004 | 116,004 | |
| Total General Revenues | | | | | \$ 1,014,458 | \$ 3,927 | \$ 1,018,385 |
| CHANGE IN NET POSITION | | | | | \$ (54,042) | \$ (54,543) | \$ (108,585) |
| NET POSITION, BEGINNING OF YEAR | | | | | 1,358,533 | 8,373,848 | 9,732,381 |
| NET POSITION, END OF YEAR | | | | | \$ 1,304,491 | \$ 8,319,305 | \$ 9,623,796 |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

| ASSETS | OTHER GOVERNMENTAL FUNDS | | | | | TOTALS |
|--------------------------------|--------------------------|-----------------------|-------------------|------------------|--------------------|---------------------|
| | GENERAL CORPORATE | BUSINESS TAX DISTRICT | STREET & BRIDGE | TORT INSURANCE | PARKS & RECREATION | |
| Cash | \$ 100,368 | \$ 19,610 | \$ 121,937 | \$ 37,262 | \$ 41,911 | \$ 482,380 |
| Property Taxes Receivable | 75,382 | | 13,504 | 35,102 | 19,768 | 221,152 |
| Prepaid Expenses | 83,348 | | | 9,053 | | 9,053 |
| Due from Governmental Agencies | 6,549 | | | | 3,195 | 86,543 |
| Due from Water Fund | | | | | | 6,549 |
| Due from Other Funds | | 221 | | | 13,044 | 13,265 |
| Due from Special Revenue Funds | 390,020 | | | | | 390,020 |
| TOTAL ASSETS | \$ 655,667 | \$ 19,610 | \$ 135,662 | \$ 81,417 | \$ 61,679 | \$ 1,208,962 |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY

| | | | | | | |
|---|-------------------|------------------|-------------------|------------------|------------------|---------------------|
| Liabilities: | | | | | | |
| Accounts Payable | \$ 18,321 | | | \$ 100 | \$ 84,169 | \$ 122,879 |
| Accrued Expenses | 17,868 | | | | 714 | 18,582 |
| Due to Other Funds | 14,158 | | | | 387 | 14,545 |
| Due to General Fund | | | \$ 253,300 | | 101,809 | 388,739 |
| Total Liabilities | \$ 50,347 | \$ 0 | \$ 253,300 | \$ 100 | \$ 186,365 | \$ 544,745 |
| Deferred Inflows of Resources: | | | | | | |
| Property Taxes | \$ 75,382 | | \$ 13,504 | \$ 35,102 | \$ 19,768 | \$ 221,152 |
| Intergovernmental | 20,974 | | | | | 20,974 |
| Total Deferred Inflows of Resources | \$ 96,356 | \$ 0 | \$ 13,504 | \$ 35,102 | \$ 19,768 | \$ 242,126 |
| Fund Balances | | | | | | |
| Nonspendable | \$ 390,020 | | | | | \$ 399,073 |
| Restricted | | \$ 19,610 | | | | 156,819 |
| Assigned | | | | | | 52,427 |
| Unassigned | 118,944 | | \$ (131,142) | | | (186,456) |
| Total Fund Balances (Deficit) | \$ 508,964 | \$ 19,610 | \$ (131,142) | \$ 46,215 | \$ (144,454) | \$ 422,091 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY | \$ 655,667 | \$ 19,610 | \$ 135,662 | \$ 81,417 | \$ 61,679 | \$ 1,208,962 |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

| | | |
|--|------------|--------------|
| Total Governmental Fund Balances | | \$ 422,091 |
| Total net position reported for government activities in the statement of net position is different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | |
| Those assets consist of | | |
| Land | \$ 154,300 | |
| Buildings and Improvements, net of \$351,377 accumulated depreciation | 129,905 | |
| Land Improvements, net of \$481,233 accumulated depreciation | 1,081,906 | |
| Equipment, net of \$578,421 accumulated depreciation | 271,754 | |
| Total | | 1,637,865 |
| Long-term liabilities, including government obligation notes payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of: | | |
| General Obligation Note Payable | | (745,000) |
| Capital Lease Payable | | (44,963) |
| Income taxes applicable to the Village's governmental activities are not earned until available and accordingly are reported as deferred income on the fund statements. | | |
| | | 20,974 |
| Net pension obligation is not due and payable in the current period, therefore, is not reported in governmental funds. | | |
| | | 14,094 |
| Balance of accrued vacation pay at June 30, 2016 | | |
| | | (570) |
| Total Net Position of Governmental Activities | | \$ 1,304,491 |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 JUNE 30, 2016

| | <u>GENERAL CORPORATE</u> | <u>BUSINESS TAX DISTRICT</u> | <u>STREET & BRIDGE</u> | <u>TORT INSURANCE</u> | <u>PARKS & RECREATION</u> | <u>OTHER GOVERNMENTAL FUNDS</u> | <u>TOTAL</u> |
|--|--------------------------|------------------------------|----------------------------|-----------------------|-------------------------------|---------------------------------|--------------|
| REVENUES: | | | | | | | |
| Taxes | \$ 81,309 | | \$ 41,097 | \$ 35,637 | \$ 20,227 | \$ 72,733 | \$ 251,003 |
| Intergovernmental | 497,078 | \$ 94,463 | | | | 57,827 | 649,368 |
| Licenses and Permits | 7,353 | | | | | | 7,353 |
| Fines | 31,668 | | | | | | 31,668 |
| Interest | 180 | 47 | 158 | 56 | 56 | 287 | 784 |
| Other | 100,916 | | 4,000 | | 29,631 | 6,311 | 140,858 |
| Total Revenues | \$ 718,504 | \$ 94,510 | \$ 45,255 | \$ 35,693 | \$ 49,914 | \$ 137,158 | \$ 1,081,034 |
| EXPENDITURES: | | | | | | | |
| General Government | \$ 257,934 | \$ 22,311 | | \$ 30,843 | | \$ 7,067 | \$ 318,155 |
| Public Safety | 315,239 | | | | | 13,406 | 328,645 |
| Streets and Highways | 28,394 | | \$ 43,983 | | | 139,309 | 211,686 |
| Welfare | 39,530 | | | | | 56,083 | 95,613 |
| Recreation | 9,318 | | | | \$ 125,944 | | 135,262 |
| Total Expenditures | \$ 650,415 | \$ 22,311 | \$ 43,983 | \$ 30,843 | \$ 125,944 | \$ 215,865 | \$ 1,089,361 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 68,089 | \$ 72,199 | \$ 1,272 | \$ 4,850 | \$ (76,030) | \$ (78,707) | \$ (8,327) |
| OTHER FINANCING SOURCES (USES) | | (79,500) | | | | | (79,500) |
| NET CHANGE IN FUND BALANCE | \$ 68,089 | \$ (7,301) | \$ 1,272 | \$ 4,850 | \$ (76,030) | \$ (78,707) | \$ (87,827) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | 440,875 | 26,911 | (132,414) | 41,365 | (68,424) | 201,605 | 509,918 |
| FUND BALANCE (DEFICIT), END OF YEAR | \$ 508,964 | \$ 19,610 | \$ (131,142) | \$ 46,215 | \$ (144,454) | \$ 122,898 | \$ 422,091 |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

| | |
|---|--------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (87,827) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeds capital outlay in the current period, including gains or losses on dispositions of fixed assets. | (43,978) |
| Expenses for Accrued Vacation reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | 4,044 |
| Repayments of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position | 86,494 |
| Changes in net pension obligations are reported only in the Statement of Activities | (10,074) |
| Income Taxes applicable to the Village's governmental activities are not earned until available for fund financial reporting and accordingly are not reported as revenues on the fund statements. | <u>(2,701)</u> |
| Changes in Net Position of Governmental Activities | <u>\$ (54,042)</u> |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | <u>OPERATION AND MAINTENANCE</u> | <u>OTHER ENTERPRISE FUNDS</u> | <u>TOTALS</u> |
|---|--|---------------------------------------|-----------------------------|
| CURRENT ASSETS: | | | |
| Cash | \$ 487,156 | \$ 495,467 | \$ 982,623 |
| Investments - Time Certificates | 916,876 | 381,065 | 1,297,941 |
| Accounts Receivable - Customers (Net of Allowance for Uncollectible Accounts) | 156,127 | | 156,127 |
| Estimated Unbilled Water and Sewer Usage | 51,498 | | 51,498 |
| Prepaid Expenses | 14,160 | | 14,160 |
| Due from Operation and Maintenance | | 8,985 | 8,985 |
| Total Current Assets | <u>\$ 1,625,817</u> | <u>\$ 885,517</u> | <u>\$ 2,511,334</u> |
| CAPITAL ASSETS | | | |
| (Net of Accumulated Depreciation) | \$ 7,942,723 | | \$ 7,942,723 |
| Total Assets | <u>\$ 9,568,540</u> | <u>885,517</u> | <u>\$ 10,454,057</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Deferred Outflows from Pension Contributions | \$ 41,125 | | \$ 41,125 |
| Total Deferred Outflows of Resources | <u>\$ 41,125</u> | <u>\$ 0</u> | <u>\$ 41,125</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>\$ 9,609,665</u></u> | <u><u>\$ 885,517</u></u> | <u><u>\$ 10,495,182</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accounts Payable | \$ 65,345 | | \$ 65,345 |
| Customers' Deposits | | \$ 93,560 | 93,560 |
| Due to Governmental Funds | 6,549 | | 6,549 |
| Due to Other Proprietary Funds | 8,985 | | 8,985 |
| Loan Payable Due Within One Year | 45,927 | | 45,927 |
| Total Current Liabilities | <u>\$ 126,806</u> | <u>\$ 93,560</u> | <u>\$ 220,366</u> |
| LONG TERM LIABILITIES: | | | |
| Loan Payable Due In More Than One Year | \$ 1,726,230 | | \$ 1,726,230 |
| Net Pension Liability | 36,426 | | 36,426 |
| Total Long Term Liabilities | <u>\$ 1,762,656</u> | <u>\$ 0</u> | <u>\$ 1,762,656</u> |
| Total Liabilities | <u>\$ 1,889,462</u> | <u>\$ 93,560</u> | <u>\$ 1,983,022</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Lift Station Relocation | \$ 192,855 | | \$ 192,855 |
| Total Deferred Inflows of Resources | <u>\$ 192,855</u> | <u>\$ 0</u> | <u>\$ 192,855</u> |
| NET POSITION: | | | |
| Invested in Capital Assets, net of Related Debt | \$ 6,170,566 | | \$ 6,170,566 |
| Restricted | | \$ 791,857 | 791,857 |
| Unrestricted | 1,356,782 | 100 | 1,356,882 |
| Total Net Position | <u>\$ 7,527,348</u> | <u>\$ 791,957</u> | <u>\$ 8,319,305</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u><u>\$ 9,609,665</u></u> | <u><u>\$ 885,517</u></u> | <u><u>\$ 10,495,182</u></u> |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

| | <u>OPERATION AND MAINTENANCE</u> | <u>OTHER ENTERPRISE FUNDS</u> | <u>TOTALS</u> |
|-------------------------------------|--|---------------------------------------|---------------------|
| OPERATING REVENUES: | | | |
| Sales of Water | \$ 993,414 | | \$ 993,414 |
| Bulk Water Sales | 675 | | 675 |
| Sewer Charges | 309,017 | | 309,017 |
| Late Penalties | 29,021 | | 29,021 |
| Commissions | 2,640 | | 2,640 |
| Miscellaneous | 14,019 | | 14,019 |
| Total Operating Revenues | <u>\$ 1,348,786</u> | | <u>\$ 1,348,786</u> |
| OPERATING EXPENSES: | | | |
| Water Purchased | \$ 355,331 | | \$ 355,331 |
| Salaries | 139,841 | | 139,841 |
| Payroll Taxes | 20,823 | | 20,823 |
| Repairs and Supplies | 140,994 | | 140,994 |
| Insurance | 69,139 | | 69,139 |
| Office Supplies and Expense | 110,911 | | 110,911 |
| Audit | 3,534 | | 3,534 |
| Fuel | 3,972 | | 3,972 |
| Miscellaneous | 47,606 | | 47,606 |
| Engineering | 513 | | 513 |
| Legal | 5,417 | | 5,417 |
| Rent | 60,000 | | 60,000 |
| Service Contracts | 159,234 | | 159,234 |
| Total Operating Expenses | <u>\$ 1,117,315</u> | | <u>\$ 1,117,315</u> |
| OPERATING INCOME | | | |
| BEFORE DEPRECIATION | \$ 231,471 | | \$ 231,471 |
| DEPRECIATION | <u>258,223</u> | | <u>258,223</u> |
| NET OPERATING INCOME | <u>\$ (26,752)</u> | | <u>\$ (26,752)</u> |
| OTHER INCOME (LOSS): | | | |
| Interest Income | \$ 1,903 | \$ 2,024 | \$ 3,927 |
| Interest Expense | (28,361) | | (28,361) |
| Pension Expense | (3,357) | | (3,357) |
| Total Other Income (Loss) | <u>\$ (29,815)</u> | <u>\$ 2,024</u> | <u>\$ (27,791)</u> |
| NET INCOME | \$ (56,567) | \$ 2,024 | \$ (54,543) |
| TRANSFER (TO) FROM: | <u>(130,008)</u> | <u>130,008</u> | <u>0</u> |
| INCREASE (DECREASE) IN NET POSITION | \$ (186,575) | \$ 132,032 | \$ (54,543) |
| NET POSITION, BEGINNING OF YEAR | <u>7,713,923</u> | <u>659,925</u> | <u>8,373,848</u> |
| NET POSITION, END OF YEAR | <u>\$ 7,527,348</u> | <u>\$ 791,957</u> | <u>\$ 8,319,305</u> |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2016

| | <u>OPERATION AND MAINTENANCE</u> | <u>OTHER ENTERPRISE FUNDS</u> | <u>TOTALS</u> |
|---|--|---------------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash Received from Customers | \$ 1,349,089 | \$ 6,539 | \$ 1,355,628 |
| Cash Payments for Goods and Services | (1,172,914) | | (1,172,914) |
| Net Cash Provided by Operating Activities | <u>\$ 176,175</u> | <u>\$ 6,539</u> | <u>\$ 182,714</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | |
| Operating Transfers From (to) Other Funds | \$ (130,008) | \$ 130,008 | \$ 0 |
| Increase (Decrease) in Due To/From Other Funds | 823 | | 823 |
| Net Cash (Used) Provided by Non-Capital Financing Activities | <u>\$ (129,185)</u> | <u>\$ 130,008</u> | <u>\$ 823</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Payments for Capital Acquisitions | \$ (1,029,671) | | \$ (1,029,671) |
| Proceeds for Future Capital Acquisitions | 23,355 | | 23,355 |
| Proceeds of Loans | 1,041,042 | | 1,041,042 |
| Interest Paid on Loan Payable | (28,361) | | (28,361) |
| Principal Paid on Loan Payable | (25,887) | | (25,887) |
| Net Cash (Used) by Capital and Related Financing Activities | <u>\$ (19,522)</u> | | <u>\$ (19,522)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest Income | \$ 1,903 | \$ 2,024 | \$ 3,927 |
| NET INCREASE IN CASH | \$ 29,371 | \$ 138,571 | \$ 167,942 |
| CASH, BEGINNING OF YEAR | 1,377,698 | 737,961 | 2,115,659 |
| CASH, END OF YEAR | <u>\$ 1,407,069</u> | <u>\$ 876,532</u> | <u>\$ 2,283,601</u> |
| RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | |
| Net Operating Income | \$ (26,752) | | \$ (26,752) |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities: | | | |
| Depreciation | 258,223 | | 258,223 |
| Increase in Accounts Receivable | (9,862) | | (9,862) |
| Decrease in Unbilled Water and Sewer | 10,166 | | 10,166 |
| Increase in Prepaid Expenses | (3,037) | | (3,037) |
| Increase in Customers' Deposits | | \$ 6,539 | 6,539 |
| Decrease in Accounts Payable | (55,599) | | (55,599) |
| Net Cash Provided by Operating Activities | <u>\$ 173,138</u> | <u>\$ 6,539</u> | <u>\$ 179,677</u> |

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Brighton, Illinois (the Village) financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The accounting policies of the Village conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

The following is a summary of the more significant policies:

A. Principles Used to Determine the Scope of the Reporting Entity

The Village's reporting entity includes the Village's governing board and all related organizations for which the Village exercises oversight responsibility.

The Village of Brighton, Illinois has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Village, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Village exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationship. The Village is not aware of any outside agencies that should be considered for inclusion as a component unit of the Village.

In addition, the Village of Brighton is not aware of any entity which would exercise such oversight as to result in the Village being considered a component unit of the entity.

B. Fund Accounting

The accounting system of the Village is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are grouped, in the financial statements in this report, into three generic fund types (General, Special Revenue and Enterprise) and two broad fund categories (Governmental and Proprietary). The Village does not maintain Capital Projects Funds, Special Assessments Funds or Trust and Agency Funds.

The Village's funds are grouped into two broad fund categories and three generic fund types for financial statement presentation purposes.

C. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statements of activities display information about the Village, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines and charges, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.)

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities. When appropriate prior year's financial information has been reclassified to conform with the current year presentation.

FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the Village. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Major Funds consist of:

General Fund – This is the primary general operating fund of the Village.

Business District Tax – This special revenue fund is used to account for revenues and restricted expenditures generated by businesses within the limits of the business district.

Street & Bridge – This special revenue fund is used to account for street operation and maintenance within the Village.

Tort Insurance - This special revenue fund is used to account for general insurance coverage for the Village.

Parks & Recreation – This special revenue fund is used to account for general park and recreational activity and maintenance within the Village.

GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if collected within 60 days of the end of the current fiscal year. This concept includes investment earnings, fines and forfeitures, and state-levied locally shared taxes (including sales and replacement taxes).

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The first installment of property tax though measurable, is not available until late July in the subsequent fiscal year. Therefore, management believes these taxes are not available to fulfill current year obligations. Therefore, property tax receivables are recorded (net of a 2% allowance for uncollectible accounts) and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

PROPRIETARY FUNDS

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility receivables are recorded at each year-end based on estimates arrived at by multiplying the average number of unbilled service days by the average dollar usage per customer derived from the last billings sent to the customer. An allowance for uncollectible accounts has been established based on specifically identified accounts plus an estimate based on historical figures.

D. Vacation and Sick Pay

The Village grants vacation leave each year to employees who have worked over one year based on the following schedule:

| <u>Years of Service</u> | <u>Days of Vacation</u> |
|-------------------------|-------------------------|
| 1 | 10.0 |
| 3 | 12.0 |
| 5 | 15.0 |
| 10 | 17.5 |
| 15 | 20.0 |
| 20 | 22.5 |
| 25 | 25.0 |

Vacation days are earned throughout the year of service, but cannot be taken before the employee's anniversary date. Vacation days are forfeited if not taken within one year of the anniversary date, but are payable at the cessation of a person's employment, so an accrual is recorded in the financial statements. The accrual includes the remaining unused days to which the employee was entitled as of the last anniversary date plus a pro rata share of the current anniversary year which is payable if the employee leaves. The Village is liable at June 30, 2016, for \$570.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Village's sick leave policy grants an employee 6 paid sick days per year. The policy permits an accumulation of up to 60 days of unused sick leave but is not payable upon cessation of a person's employment.

E. Cash

Cash is presented in the combined statement of cash flows and is defined as cash and other monetary investments that carry an original maturity date of 90 days or less. Transactions involving investments with maturity dates greater than 90 days are reflected in the statements of cash flows under the caption "Cash Flows From Investing Activities."

F. Governmental Receivables

Long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurements focus. Special reporting treatments are used to indicate; however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

G. Estimates

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

H. Net Position

Net position is the difference between assets, deferred outflows of resource, and liabilities, and deferred inflows of resources. Net position invested in capital assets are capital assets less accumulated depreciation and related debt. Net position is reported as restricted when there are legal limitations imposed on their use by Village legislation or external restrictions by other governments, creditors or grantors.

I. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 10 to 60 years; improvements/infrastructures, 5 to 60 years; equipment, 5 to 15 years.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide and fund financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the government-wide and fund financial statements include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences and how these balances are reported:

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. The Village had \$399,073 of nonspendable funds at fiscal year end June 30, 2016.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or law and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes. The Village has several revenue sources received within different funds that fall into these categories:

1. Property Tax Levy

Proceeds from this restricted tax levy are accounted for in the respective funds of the Village. At June 30, 2016, revenues received exceeded expenditures disbursed from tax levies, resulting in a restricted fund balance of \$65,783.

2. Sales Taxes

Proceeds from sales taxes and the related expenditures have been included in the Business Tax District Fund. At June 30, 2016, revenues received exceeded expenditures disbursed from sales taxes, resulting in a restricted fund balance of \$19,610.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

3. Motor Fuel Taxes

Proceeds from motor fuel taxes and the related expenditures have been included in the Motor Fuel Tax Fund. At June 30, 2016, revenues received exceeded expenditures disbursed from sales taxes, resulting in a restricted fund balance of \$71,426.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Village's Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The Village's Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. There were no committed balances for the Village as of June 30, 2016.

C. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village's Board itself or (b) the finance committee, if applicable, to assign amounts to be used for specific purposes. The Village had \$52,655 of assigned fund balances as of June 30, 2016.

D. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund, as well as Special Revenues funds that have a deficit fund balance at year end. The Village had (\$186,456) of unassigned fund balances as of June 30, 2016.

E. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 3. CASH AND CERTIFICATES OF DEPOSIT

Cash and investments as of June 30, 2016, are classified in the accompanying financial statements as follows:

| | |
|---------------------------------|---------------------|
| Cash | \$ 1,465,003 |
| Investments – Time Certificates | <u>1,297,941</u> |
| Total | <u>\$ 2,762,944</u> |

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 3. CASH AND CERTIFICATES OF DEPOSIT (CONTINUED)

Cash includes a book balance of \$303 of cash on hand and \$1,464,700 of deposits with financial institutions and a bank balance of \$1,489,698 of deposits with financial institutions. Differences between book and bank balance are due to timing differences of deposits and checks written.

The Village's investment policy, which was adopted on December 6, 1999, allows investments in any type of security allowed for in Illinois Statutes regarding the investment of Public Funds.

The Village's funds are required to be deposited and invested under the terms of a depository contract pursuant to Statute. The depository bank pledges for safekeeping and trust with the Village's third party agent, approved securities in an amount sufficient to protect Village funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation coverage. Under the depository contract, the Village, at its own discretion, invests funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Village manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2016, the remaining maturity for all certificates of deposit held by the Village is 12 months or less.

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village's deposits that are insured under FDIC is \$250,000 and any remaining balances in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the Village. Cash held in banks were 100% insured or collateralized at June 30, 2016.

NOTE 4. PROPERTY TAX REVENUES

The Village levies property taxes in December of each year. The calendar year 2015 tax levy was adopted on December 21, 2015. Property taxes levied become a lien on Village residents' properties on the first day of the levy year, which is the succeeding calendar year. The County Collectors mail the property tax statements approximately six or seven months after the lien sets in on properties. Taxes are usually payable in two installments. The County Collectors receive property tax revenues and remit them to the Village within two to six months after the statements have been mailed to the residents. The total time elapsed between the levy and collection of taxes by the Village is approximately one to one-and-one half years.

Due dates for 2015 taxes are as follows:

| | <u>First Installment</u> | <u>Second Installment</u> |
|-----------------|--------------------------|---------------------------|
| Macoupin County | July 28, 2016 | September 1, 2016 |
| Jersey County | July 29, 2016 | September 2, 2016 |

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended June 30, 2016, was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--------------------------------|------------------------------|--------------------|------------------|---------------------------|
| Governmental Activities: | | | | |
| Non-Depreciable: | | | | |
| Land | \$ 154,300 | | | \$ 154,300 |
| Subtotal | <u>\$ 154,300</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 154,300</u> |
| Depreciable Capital Assets: | | | | |
| Buildings and Improvements | \$ 481,282 | | | \$ 481,282 |
| Land Improvements | 1,556,278 | \$ 6,861 | | 1,563,139 |
| Equipment | <u>735,288</u> | <u>114,887</u> | <u>\$ 0</u> | <u>850,175</u> |
| Subtotal | <u>\$ 2,772,848</u> | <u>\$ 121,748</u> | <u>\$ 0</u> | <u>\$ 2,894,596</u> |
| Accumulated Depreciation: | | | | |
| Buildings and Improvements | \$ 341,897 | \$ 9,480 | | \$ 351,377 |
| Land Improvements | 418,130 | 63,103 | | 481,233 |
| Equipment | <u>518,159</u> | <u>60,262</u> | <u>\$ 0</u> | <u>578,421</u> |
| Subtotal | <u>\$ 1,278,186</u> | <u>\$ 132,845</u> | <u>\$ 0</u> | <u>\$ 1,411,031</u> |
| Net Depreciable Capital Assets | <u>\$ 1,494,662</u> | <u>\$ (11,097)</u> | <u>\$ 0</u> | <u>\$ 1,483,565</u> |
| Net Capital Assets | <u>\$ 1,648,962</u> | <u>\$ (11,097)</u> | <u>\$ 0</u> | <u>\$ 1,637,865</u> |

Depreciation was charged to functions as follows:

| | | |
|--|--|-------------------|
| Governmental activities: | | |
| General Government | | \$ 78,008 |
| Police | | 25,021 |
| Streets and Bridge | | 16,415 |
| Parks and Recreation | | <u>13,401</u> |
| Total Governmental Activities Depreciation Expense | | <u>\$ 132,845</u> |

A summary of business-type activities at June 30, 2016, follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|-----------------------------|------------------------------|---------------------|------------------|---------------------------|
| Business-type Activities: | | | | |
| Non-Depreciable | | | | |
| Land | \$ 34,378 | | | \$ 34,378 |
| Work in Process | <u>510,749</u> | <u>\$ 1,029,671</u> | <u>\$ 0</u> | <u>1,540,420</u> |
| Subtotal | <u>\$ 545,127</u> | <u>\$ 1,029,671</u> | <u>\$ 0</u> | <u>\$ 1,574,798</u> |
| Depreciable Capital Assets: | | | | |
| Buildings | \$ 290,692 | | | \$ 290,692 |
| Equipment | 759,282 | | | 759,282 |
| Sewer Plant | 5,649,418 | | | 5,649,418 |
| Tanks & Pumping Station | 674,897 | | | 674,897 |
| Water System | <u>4,334,241</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>4,334,241</u> |
| Subtotal | <u>\$ 11,708,530</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 11,708,530</u> |

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5. PROPERTY AND EQUIPMENT (CONTINUED)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--------------------------------|------------------------------|---------------------|------------------|---------------------------|
| Accumulated Depreciation: | | | | |
| Buildings | \$ 95,234 | \$ 16,288 | | \$ 111,522 |
| Equipment | 572,083 | 46,989 | | 619,072 |
| Sewer Plant | 2,726,186 | 101,459 | | 2,827,645 |
| Tanks & Pumping Station | 512,216 | 11,535 | | 523,751 |
| Water System | <u>1,176,663</u> | <u>81,952</u> | \$ 0 | <u>1,258,615</u> |
| Subtotal | <u>\$ 5,082,382</u> | <u>\$ 258,223</u> | <u>\$ 0</u> | <u>\$ 5,340,605</u> |
| Net Depreciable Capital Assets | <u>\$ 6,626,148</u> | <u>\$ (258,223)</u> | <u>\$ 0</u> | <u>\$ 6,367,925</u> |
| Net Capital Assets | <u>\$ 7,171,275</u> | <u>\$ 771,448</u> | <u>\$ 0</u> | <u>\$ 7,942,723</u> |

Depreciation was charged to functions as follows:

Business-type Activities:

| | |
|---|-------------------|
| Water | \$ 133,270 |
| Sewer | <u>124,953</u> |
| Total Business-type Activities Depreciation Expense | <u>\$ 258,223</u> |

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

A summary of inter-fund receivables and payables as of June 30, 2016 follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|----------------------------|----------------------------------|-------------------------------|
| Governmental Activities: | | |
| General Fund | \$ 396,569 | \$ 14,158 |
| Special Revenue Funds: | | |
| Street & Bridge | 221 | 253,300 |
| Social Security | | 11,488 |
| IMRF | | 16,385 |
| Police | 166 | 200 |
| Unemployment Insurance | 13,044 | |
| Park & Recreation | | 102,196 |
| Audit | | 5,723 |
| Subtotal | <u>\$ 410,000</u> | <u>\$ 403,450</u> |
| Business-Type Activities: | | |
| Water O & M | | \$ 15,535 |
| Water & Sewer Depreciation | \$ 3,985 | |
| Water & Sewer Surplus | 5,000 | |
| Subtotal | <u>\$ 8,985</u> | <u>\$ 15,535</u> |
| Total | <u>\$ 418,985</u> | <u>\$ 418,985</u> |

The governmental fund interfund receivables and payables are due to bills being paid by the General Fund at times when the other funds may not have sufficient cash balances primarily. Insufficient cash balances are due to the timing of property tax revenue payments. The proprietary fund interfund receivables and payables are due to a monthly transfer between the Water and Sewer Operation and Maintenance Fund and the Depreciation and Surplus Funds. The balances stated above are expected to be repaid when funds become available.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7. INTERGOVERNMENTAL COOPERATION CONTRACT -- RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage and destruction of assets; errors and omissions and natural disasters for which the Village provides insurance coverage.

The Village is a part of an intergovernmental cooperation contract with the Illinois Municipal League Risk Management Association for the purpose of maintaining insurance coverage.

Coverage is provided from a self-insured retention fund established by the Association from municipal member's yearly contributions. Each municipality, which is a member of the Association, has agreed through the intergovernmental cooperation contract to appropriate each year, by ordinance, a sum of money sufficient to pay its required contribution plus its pro-rata share of any deficits which may occur in the self-insured retention fund.

The Village's contributions to the self-insured retention fund during the year ended June 30, 2016, totaled \$44,939.

There have been no significant reductions in coverage for the prior year and settlements have not exceeded coverage in the past three years.

NOTE 8. LEGAL DEBT MARGIN

The computation of legal debt margin is as follows:

| | |
|---|---------------------|
| Assessed valuation | <u>\$26,895,138</u> |
| Debt limit - 8.625% of assessed valuation | \$ 2,319,706 |
| Less, outstanding debt | <u>(806,025)</u> |
| Legal debt margin | <u>\$ 1,513,681</u> |

NOTE 9. DEFICIT FUND BALANCE

The following funds showed deficit fund balances at June 30, 2016:

| | |
|----------------------|---------------------|
| Street and Bridge | <u>\$ (131,142)</u> |
| Parks and Recreation | <u>\$ (144,454)</u> |
| Audit | <u>\$ (777)</u> |
| IMRF | <u>\$ (11,371)</u> |
| Social Security | <u>\$ (17,656)</u> |

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10. GRANTS

In the normal course of operations, the Village receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained on-line at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

1. 3% of the original pension amount, or
2. 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

At December 31, 2015, the following employees were covered by the Plan:

| | |
|--|-----------|
| Active Employees | 10 |
| Inactive employees or beneficiaries currently receiving benefits | 8 |
| Inactive employees entitled to but not yet receiving benefits | <u>14</u> |
| Total | <u>32</u> |

Contributions. As set by statute, the Village's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2015 was 7.90 percent. For the fiscal year ended June 30, 2016, the Village contributed \$36,247 to the plan. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Assets Valuation Method | Market Value of Assets |
| Price Inflation | 2.75% |
| Salary Increases | 3.75% to 14.50% |
| Investment Rate of Return | 7.49% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013. |
| Mortality | For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. |

Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2015 Illinois Municipal Retirement Fund annual actuarial valuation report.

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

| Asset Class | Target Allocation | Return 12/31/2015 | Projected Returns/Risk | |
|------------------------|----------------------|----------------------|------------------------|-----------------------|
| | | | One Year Arithmetic | Ten Year Geometric |
| Equities | 38.00% | 2.00% | 8.85% | 7.39% |
| International Equities | 17.00% | -1.90% | 9.55% | 7.59% |
| Fixed Income | 27.00% | -0.90% | 3.05% | 3.00% |
| Real Estate | 8.00% | 11.99% | 7.20% | 6.00% |
| Alternatives | 9.00% | | | |
| Private Equity | | N/A | 13.15% | 8.15% |
| Hedge Funds | | N/A | 5.55% | 5.25% |
| Commodities | | N/A | 4.40% | 2.75% |
| Cash Equivalents | 1.00% | N/A | 2.25% | 2.25% |
| Total | 100.00% | | | |

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the difference between the actuarially determined contribution rates and member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.5%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

Changes in District's Net Pension Liability. Changes in the Village's net pension liability for the year ended December 31, 2015, were as follows:

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

| | Total Pension | Plan | |
|---|---------------|--------------|-------------------|
| | Pension | Fiduciary | Net Pension |
| | Liability | Net Position | Liability (Asset) |
| Balance, December 31, 2014 | \$ 1,523,826 | \$ 1,481,537 | \$ 42,289 |
| Changes for the year: | | | |
| Service Cost | 43,554 | | 43,554 |
| Interest | 112,949 | | 112,949 |
| Difference between expected and actual experience | 29,376 | | 29,376 |
| Changes in assumptions | 1,505 | | 1,505 |
| Contributions-employees | | 20,623 | (20,623) |
| Contributions- employer | | 35,577 | (35,577) |
| Net investment income | | 7,350 | (7,350) |
| Benefit payments including refunds of employee | | | |
| Contributions | (79,236) | (79,236) | 0 |
| Other (Net Transfer) | | 20,418 | (20,418) |
| Net Changes | 108,148 | 4,732 | 103,416 |
| Balance, December 31, 2015 | \$ 1,631,974 | \$ 1,486,269 | \$ 145,705 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.49 percent, as well as, what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.49 percent) or 1 percentage point higher (8.49 percent) than the current rate:

| | Discount Rate | Net Pension Liability (Asset) |
|-----------------------|---------------|-------------------------------|
| 1% decrease | 6.49% | \$ 309,950 |
| Current discount rate | 7.49% | 145,705 |
| 1% increase | 8.49% | 13,383 |

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2016, the Village recognized pension expense of \$52,743. At June 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred | Deferred |
|--|------------|------------|
| | Outflow of | Inflows of |
| | Resources | Resources |
| Differences between expected and actual experience | \$ 26,061 | |
| Changes of assumptions | 24,894 | |
| Net difference between projected and actual earnings on Plan investments | 94,896 | |
| Contributions after Measurement Date | 18,648 | |
| Total | \$ 164,499 | \$ 0 |

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ending December 31, | |
|--------------------------|-------------------|
| 2016 | \$ 66,946 |
| 2017 | 45,216 |
| 2018 | 31,602 |
| 2019 | 20,735 |
| 2020 | 0 |
| Thereafter | 0 |
| Total | <u>\$ 164,499</u> |

Payable. At December 31, 2015, the Village did not report any amount payable to IMRF.

NOTE 12. CONTINGENT LIABILITY LITIGATION

In the normal course of operations, there may be various outstanding contingent liabilities such as lawsuits, etc., which are not reflected in the accompanying basic financial statements. The Village's management is of the opinion that insurance coverage is adequate to cover any anticipated losses.

NOTE 13. LEASES

During fiscal year end June, 30 2016, the Village passed Ordinance 783 which established a rental charge to the Brighton Municipal Water and Sewer Department for office space in the Brighton Municipal Building at a rate of \$5,000 per month. The Ordinance was made retroactive to July 1, 2015 and there was no specified end date to the rental agreement. For the year ended June 30, 2016, total rental revenue recorded by the Village's Governmental Funds was \$60,000, while the Proprietary Funds recorded \$60,000 of rent expense.

NOTE 14. DEBT

Long-term liability activity for the fiscal year ended June 30, 2016, is as follows:

| | Balance | Issues or | Payments or | Balance | Amounts Due |
|------------------------------------|---------------------|--------------------|-------------------|----------------------|-------------------|
| | <u>July 1, 2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>June 30, 2016</u> | <u>Within</u> |
| | | | | | <u>One Year</u> |
| Governmental Activities: | | | | | |
| General Obligation Tax Note | \$ 824,500 | | \$ 79,500 | \$ 745,000 | \$ 82,300 |
| Capital Lease - Track Loader | 19,075 | | 1,646 | 17,429 | 1,700 |
| Capital Lease - 2016 Ford Explorer | | \$ 32,880 | 5,346 | 27,534 | 10,854 |
| Total | <u>\$ 843,575</u> | <u>\$ 32,880</u> | <u>\$ 86,492</u> | <u>\$ 789,963</u> | <u>\$ 94,854</u> |
| Business - Type Activities: | | | | | |
| Illinois EPA Loan | \$ 534,575 | | \$ 23,680 | \$ 510,895 | \$ 24,227 |
| USDA Loan | 204,158 | \$1,041,042 | | 1,245,200 | 20,000 |
| Capital Lease - Track Loader | 18,268 | | 2,206 | 16,062 | 1,700 |
| Total | <u>\$ 757,001</u> | <u>\$1,041,042</u> | <u>\$ 25,886</u> | <u>\$ 1,772,157</u> | <u>\$ 45,927</u> |
| Total | <u>\$1,600,576</u> | <u>\$1,073,922</u> | <u>\$ 112,378</u> | <u>\$ 2,562,120</u> | <u>\$ 140,781</u> |

During the fiscal year ended June 30, 2013, the Village entered into a loan agreement with the Illinois Environmental Protection Agency. As of June 30, 2014, the Village had been advanced \$1,075,739. The

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 14. DEBT (CONTINUED)

agreement states the loan is for \$1,163,881 with an annual interest rate of 2.295%, payable semi-annually over a 20 year term. As part of the loan, a total of \$533,169 would be forgiven by the State of Illinois pursuant to principal forgiveness provisions included in the loan rules. Total principal payments of \$23,680 and interest payments of \$12,133 were made during the fiscal year ended June 30, 2016. The following is a schedule of repayment:

| <u>Date</u> | |
|-----------------------|-------------------|
| 2017 | \$ 35,814 |
| 2018 | 35,814 |
| 2019 | 35,814 |
| 2020 | 35,814 |
| 2021 | 35,814 |
| 2022-Thereafter | 443,374 |
| Less Imputed Interest | <u>(111,549)</u> |
| Total | <u>\$ 510,895</u> |

During the fiscal year ended June 30, 2014, the Village issued a General Obligation Tax Note. The note was for \$900,000, dated June 4, 2014, with a variable interest rate between 1.25% and 4.00%, to be paid off in semi-annual installments beginning on December 4, 2014, with the final installment due June 4, 2024. Principal and interest payments of \$79,500 and \$22,311 respectively, were made during fiscal year ended June 30, 2016. Below is a schedule of repayment:

| <u>Date</u> | |
|-----------------------|-------------------|
| 2017 | \$ 114,157 |
| 2018 | 115,020 |
| 2019 | 115,336 |
| 2020 | 115,393 |
| 2021 | 114,933 |
| 2022-2024 | 338,861 |
| Less Imputed Interest | <u>(168,700)</u> |
| Total | <u>\$ 745,000</u> |

During the fiscal year ended June 30, 2016, the Village entered into a loan agreement with the USDA Rural Development. The loan was for an amount up to \$1,525,000 with an interest rate of 2.625% to be paid off in annual installments varying from \$25,000 to \$65,000. Annual installments are set to begin May 1, 2017, with the final installment due May 1, 2055. Principal and interest payments of \$0 and \$15,474 respectively, were made during fiscal year ended June 30, 2016. The loan has not been close out as of June 30, 2016, therefore below is an estimated schedule of repayment:

| <u>Date</u> | |
|-----------------------|--------------------|
| 2017 | \$ 55,800 |
| 2018 | 55,225 |
| 2019 | 54,650 |
| 2020 | 54,075 |
| 2021 | 58,500 |
| 2022-2055 | 1,636,818 |
| Less Imputed Interest | <u>(620,868)</u> |
| Total | <u>\$1,245,200</u> |

A capital lease was entered into during fiscal year June 30, 2015, for a Caterpillar Compact Track Loader. The cost of the equipment was capitalized for \$38,150 and is to be split between the Water Fund and Street and Bridge. The lease is for a period of 60 months at a 3.2% interest rate and monthly payments of

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 14. DEBT (CONTINUED)

\$370 are required. The current year lease expense was \$3,852. The following is a schedule of future lease payments at June 30:

| Year Ending | <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-----------------|------------------|-----------------|--------------|
| 2017 | \$ | 3,400 | \$ 1,040 | \$ 4,440 |
| 2018 | | 3,510 | 930 | 4,440 |
| 2019 | | 3,624 | 816 | 4,440 |
| 2020 | | 22,957 | 535 | 23,492 |
| Total | \$ | 33,491 | \$ 3,321 | \$ 36,812 |

A capital lease was entered into during the fiscal year, for a 2016 Ford Explorer. The cost of the equipment was capitalized for \$32,880. The lease is for a period of 3 years at a 2% interest rate and quarterly payments of \$2,833 are required, with a final option payment of \$1. The current year lease expense was \$5,346. The following is a schedule of future lease payments at June 30:

| Year Ending | <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-----------------|------------------|-----------------|--------------|
| 2017 | \$ | 10,854 | \$ 470 | \$ 11,324 |
| 2018 | | 11,073 | 251 | 11,324 |
| 2019 | | 5,607 | 42 | 5,649 |
| Total | \$ | 27,534 | \$ 763 | \$ 28,297 |

NOTE 15. COMMITMENTS

The Village has an active construction project as of June 30, 2016. The North Main Street Waterline Replacement project has a contracted cost of \$1,352,504. Construction on the project started before the end of the fiscal year and all associated costs incurred before June 30, 2016 will be recorded as construction in process. To assist in paying for the project, the Village has applied and received a \$1,525,000 loan from USDA Rural Development. As of June 30, 2015, \$1,245,200 was received on this loan.

As part of the USDA Rural Development Loan, the Village is required to maintain a Reserve bank account and a Short-lived Asset Depreciation bank account. After the last to occur of the project completion and becoming operational or the expiration of the interest-only payment time period of the loan, the Village is required to fund a Reserve Account in the sum of \$525 per month until the account accumulates a total of \$63,000; and is also required to fund a Short-lived Asset Depreciation account in the sum of \$4,533 per month. Prior to the start of this project, the Village had previously established a monthly transfer of \$5,000 from the Water O & M account to the Short-lived Asset Depreciation account. There is no intention of changing the current amount being transferred. The balance of the Reserve Account and Short-lived Asset Depreciation Account at June 30, 2016, were \$0 and \$87,476, respectively. The Village also held a Certificate of Deposit designated as water depreciation at June 30, 2016, with a balance of \$452,643. As of June 30, 2016, the requirements to fund these accounts have not begun, as the Village was still in the interest-only payment period of the loan and the project had not been completed.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events on the financial statements through the date of this report, which is the date the financial statements were available to be issued.

VILLAGE OF BRIGHTON, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

VILLAGE OF BRIGHTON, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>ORIGINAL AND FINAL BUDGET</u> | <u>ACTUAL</u> |
|--|--|-------------------|
| REVENUES: | | |
| Taxes | | \$ 81,309 |
| Intergovernmental Revenues | | 497,078 |
| Licenses & Permits | | 7,353 |
| Fines | | 31,668 |
| Interest | | 180 |
| Other | | 100,916 |
| Total Revenues | | <u>\$ 718,504</u> |
| EXPENDITURES: | | |
| General Government | \$ 506,010 | \$ 257,934 |
| Public Safety | 416,654 | 315,239 |
| Streets and Highways | 43,500 | 28,394 |
| Welfare | 18,000 | 39,530 |
| Recreation | | 9,318 |
| Total Expenditures | <u>\$ 984,164</u> | <u>\$ 650,415</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ 68,089 |
| FUND BALANCE, BEGINNING OF YEAR | | <u>440,875</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 508,964</u> |

VILLAGE OF BRIGHTON, ILLINOIS
BUSINESS DISTRICT TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>BUSINESS TAX DISTRICT</u> | |
|--|--|---------------|
| | <u>ORIGINAL AND FINAL BUDGET</u> | <u>ACTUAL</u> |
| REVENUES: | | |
| Intergovernmental | | \$ 94,463 |
| Interest | | 47 |
| Total Revenues | | \$ 94,510 |
| EXPENDITURES: | | |
| General Government | \$ 0 | \$ 22,311 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ 72,199 |
| OTHER FINANCING SOURCES (USES) | | (79,500) |
| FUND BALANCE, BEGINNING OF YEAR | | 26,911 |
| FUND BALANCE, END OF YEAR | | \$ 19,610 |

VILLAGE OF BRIGHTON, ILLINOIS
STREET AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>STREET AND BRIDGE</u> | |
|--|--|---------------|
| | <u>ORIGINAL AND FINAL BUDGET</u> | <u>ACTUAL</u> |
| REVENUES: | | |
| Property Taxes | | \$ 41,097 |
| Interest | | 158 |
| Other Income | | 4,000 |
| Total Revenues | | \$ 45,255 |
| EXPENDITURES: | | |
| Streets and Highways | \$ 1,715,300 | \$ 43,983 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ 1,272 |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | | (132,414) |
| FUND BALANCE (DEFICIT), END OF YEAR | | \$ (131,142) |

VILLAGE OF BRIGHTON, ILLINOIS
TORT INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | TORT INSURANCE | |
|--|--|---------------|
| | <u>ORIGINAL AND FINAL BUDGET</u> | <u>ACTUAL</u> |
| REVENUES: | | |
| Property Taxes | | \$ 35,637 |
| Interest | | 56 |
| Total Revenues | | \$ 35,693 |
| EXPENDITURES: | | |
| General Government | \$ 35,830 | \$ 30,843 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ 4,850 |
| FUND BALANCE, BEGINNING OF YEAR | | 41,365 |
| FUND BALANCE, END OF YEAR | | \$ 46,215 |

VILLAGE OF BRIGHTON, ILLINOIS
PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>PARKS AND RECREATION</u> | |
|--|--|---------------|
| | <u>ORIGINAL AND FINAL BUDGET</u> | <u>ACTUAL</u> |
| REVENUES: | | |
| Intergovernmental | | \$ 20,227 |
| Interest Income | | 56 |
| Miscellaneous | | 29,631 |
| Total Revenues | | \$ 49,914 |
| EXPENDITURES: | | |
| Recreation | \$ 191,600 | \$ 125,944 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ (76,030) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | | (68,424) |
| FUND BALANCE (DEFICIT), END OF YEAR | | \$ (144,454) |

THE VILLAGE OF BRIGHTON, ILLINOIS
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2014)

| Calendar year ending December 31, | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--|--------------|--------------|------|------|------|------|------|------|------|------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 43,554 | \$ 43,431 | | | | | | | | |
| Interest on the Total Pension Liability | 112,949 | 102,983 | | | | | | | | |
| Benefit Changes | 0 | 0 | | | | | | | | |
| Difference between Expected and Actual Experience | 29,376 | 9,063 | | | | | | | | |
| Assumption Changes | 1,505 | 50,167 | | | | | | | | |
| Benefit Payments and Refunds | (79,236) | (66,430) | | | | | | | | |
| Net Change in Total Pension Liability | 108,148 | 139,214 | | | | | | | | |
| Total Pension Liability - Beginning | 1,523,826 | 1,384,612 | | | | | | | | |
| Total Pension Liability - Ending (a) | \$ 1,631,974 | \$ 1,523,826 | | | | | | | | |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer Contributions | \$ 35,577 | \$ 26,899 | | | | | | | | |
| Employee Contributions | 20,623 | 18,972 | | | | | | | | |
| Pension Plan Net Investment Income | 7,350 | 85,176 | | | | | | | | |
| Benefit Payments and Refunds | (79,236) | (66,430) | | | | | | | | |
| Other | 20,418 | 10,306 | | | | | | | | |
| Net Change in Plan Fiduciary Net Position | 4,732 | 74,923 | | | | | | | | |
| Plan Fiduciary Net Position - Beginning | 1,481,537 | 1,406,614 | | | | | | | | |
| Plan Fiduciary Net Position - Ending (b) | \$ 1,486,269 | \$ 1,481,537 | | | | | | | | |
| Net Pension Liability/(Asset) -Ending (a)-(b) | 145,705 | 42,289 | | | | | | | | |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 91.07% | 97.22% | | | | | | | | |
| Covered Valuation Payroll | \$ 450,345 | \$ 422,560 | | | | | | | | |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 32.35% | 10.01% | | | | | | | | |

Notes to Schedule:

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

THE VILLAGE OF BRIGHTON, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST 10 CALENDAR YEARS

| <u>Calendar Year</u> <u>Ending</u> <u>December 31,</u> | <u>Actuarially</u> <u>Determined</u> <u>Contribution</u> | <u>Actual</u> <u>Contribution</u> | <u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u> | <u>Covered</u> <u>Valuation</u> <u>Payroll</u> | <u>Actual Contribution</u> <u>as a % of</u> <u>Covered Valuation Payroll</u> |
|--|--|--------------------------------------|---|--|--|
| 2014 | \$ 26,959 | \$ 26,899 | \$ 60 | \$ 421,609 | 6.38% |
| 2015 | 35,577 | 35,577 | | 450,345 | 7.90% |

Notes to Schedule:

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

THE VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2015 CONTRIBUTION RATE

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Aggregate Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years). |
| Asset Valuation Method | 5-Year smoothed market; 20% corridor |
| Wage Growth | 4.00% |
| Price Inflation | 3.00% - approximate; No explicit price inflation assumption is used in this valuation. |
| Salary Increases | 4.40% to 16.00% including inflation |
| Investment Rate of Return | 7.50% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010. |
| Mortality | RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projected scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years. |

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation

THE VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

Budgets and Budgetary Basis of Accounting:

A. Budgetary Process

1. The proposed budget is discussed by each committee and proposed budgets are presented to the Finance Committee for approval. Once approved by the Finance Committee, the budgets are presented to the Board of Trustees for final approval.
2. Prior to the the last of September, the Board of Trustees formally adopts the budget. The budget ordinance was passed on September 15, 2015.
3. The Village's treasurer causes monthly reports to be presented to the Board of Trustees explaining significant variances from the approved budget.
4. The Village budgets for all funds through the budget process.
5. The organizational budget lapses at fiscal year end and no revisions may be made after year end.

B. Legal Level of Budgetary Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the budget) is the fund level. The budgetary expenditure comparisons in the basic financial statements are from approved organizational budgets for all funds.

C. Amendments to the Budget

The Village had no amendments to the budget for the fiscal year ended June 30, 2016.

D. Budgetary Basis of Accounting

Budgets are prepared and adopted using the cash basis method of accounting.

E. Encumbrances

Encumbrance accounting is not used by the Village.

F. Expenditures Over Budget

The following funds had actual expenditures in excess of budgeted expenditures for the year ended June 30, 2016:

| | |
|-----------------------|-----------|
| Motor Fuel Tax | \$ 50,809 |
| Business District Tax | 22,311 |

VILLAGE OF BRIGHTON, ILLINOIS

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

VILLAGE OF BRIGHTON, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>TOTALS</u> | |
|---|-------------------|-------------------|
| | <u>2016</u> | <u>2015</u> |
| REVENUES: | | |
| Taxes: | | |
| General Property | \$ 77,139 | \$ 76,770 |
| Replacement | 4,170 | 4,555 |
| Total Taxes | <u>\$ 81,309</u> | <u>\$ 81,325</u> |
| Intergovernmental Revenue: | | |
| State Income Tax | \$ 228,471 | \$ 231,171 |
| Sales Tax | 219,459 | 213,700 |
| Telecommunications Tax | 45,663 | 49,967 |
| Video Gaming Tax | 3,485 | |
| Total Intergovernmental Revenue | <u>\$ 497,078</u> | <u>\$ 494,838</u> |
| Licenses: | | |
| Vendor | \$ 110 | \$ 110 |
| Tavern | 5,925 | 5,800 |
| Dog | 277 | 447 |
| Total Licenses | <u>\$ 6,312</u> | <u>\$ 6,357</u> |
| Permits | <u>\$ 1,041</u> | <u>\$ 3,145</u> |
| Fines | <u>\$ 31,668</u> | <u>\$ 20,484</u> |
| Interest | <u>\$ 180</u> | <u>\$ 186</u> |
| Other: | | |
| Grant | | \$ 119,937 |
| Franchise Fees | \$ 10,367 | 11,712 |
| Village Hall Rent | 2,000 | 1,925 |
| Equipment Rental | 12,487 | 11,936 |
| Miscellaneous | 76,062 | 13,104 |
| Total Other | <u>\$ 100,916</u> | <u>\$ 158,614</u> |
| Total Revenues | <u>\$ 718,504</u> | <u>\$ 764,949</u> |
| EXPENDITURES (SCHEDULE 5) | <u>650,415</u> | <u>749,439</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ 68,089</u> | <u>\$ 15,510</u> |
| OTHER FINANCING SOURCES | | |
| Transfers (Out) | <u>\$ 0</u> | <u>\$ 0</u> |
| Total Other Financing Sources | <u>\$ 0</u> | <u>\$ 0</u> |
| REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES | <u>\$ 68,089</u> | <u>\$ 15,510</u> |
| FUND BALANCE, BEGINNING OF YEAR | <u>440,875</u> | <u>425,365</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 508,964</u> | <u>\$ 440,875</u> |

VILLAGE OF BRIGHTON, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | | <u>2015</u> |
|--|-------------------|-------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | |
| General Government: | | | |
| Village Officers' Salaries | \$ 78,460 | \$ 73,212 | \$ 63,201 |
| Village Hall Salaries | 10,800 | | |
| Street Lighting | | 28,089 | 20,812 |
| Telephone | | 660 | 434 |
| Miscellaneous | 2,500 | 21,470 | 5,916 |
| Office Expense | 7,150 | 10,667 | 6,250 |
| Village Hall Expenditures | 24,500 | 22,011 | 34,894 |
| Legal Publications | 2,500 | 566 | 629 |
| Zoning | 1,100 | (64) | 27 |
| Animal Control | | 616 | 371 |
| Attorney | 15,000 | 24,340 | 18,760 |
| Audit | | | 6,497 |
| Capital Outlay | 82,500 | 26,703 | 34,966 |
| Gas | | 10,450 | 16,833 |
| Grant Expense | 210,000 | | 119,937 |
| Donations | 1,000 | 290 | 537 |
| Economic Development | 5,500 | (1,100) | 5,209 |
| Holiday/ Contingency Fund | 5,000 | 4,088 | 4,516 |
| PGAV Contract | 60,000 | 35,936 | |
| Total General Government | <u>\$ 506,010</u> | <u>\$ 257,934</u> | <u>\$ 339,789</u> |
| Public Safety: | | | |
| Police Salaries and Dispatching Salaries | \$ 294,854 | \$ 275,980 | \$ 258,510 |
| Police Department Expenditures | 101,600 | 39,259 | 37,742 |
| Capital Outlay | 20,200 | | |
| Total Public Safety | <u>\$ 416,654</u> | <u>\$ 315,239</u> | <u>\$ 296,252</u> |
| Streets and Highways: | | | |
| EMC Contract | \$ 43,500 | \$ 22,467 | \$ 23,861 |
| Decorations | | 146 | 133 |
| Miscellaneous | | 5,781 | 29,396 |
| Total Streets and Highways | <u>\$ 43,500</u> | <u>\$ 28,394</u> | <u>\$ 53,390</u> |
| Welfare: | | | |
| Employees Health Insurance | \$ 18,000 | \$ 35,289 | \$ 39,564 |
| IMRF | | 2,798 | |
| Social Security | | 1,443 | |
| Total Welfare | <u>\$ 18,000</u> | <u>\$ 39,530</u> | <u>\$ 39,564</u> |
| Parks and Recreation: | | | |
| Park Utilities | | \$ 4,911 | |
| Park and Recreation Expenses | | 4,407 | \$ 20,444 |
| Capital Expenditures | | | |
| Total Parks and Recreation | <u>\$ 0</u> | <u>\$ 9,318</u> | <u>\$ 20,444</u> |
| Total Expenditures | <u>\$ 984,164</u> | <u>\$ 650,415</u> | <u>\$ 749,439</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

| ASSETS | PARKS AND RECREATION | STREET AND BRIDGE | TORT INSURANCE | AUDIT | CIVIL DEFENSE | IMRF |
|---|----------------------------|-------------------------|-------------------|-----------|------------------|-------------|
| Cash | \$ 41,911 | \$ 121,937 | \$ 37,262 | \$ 4,946 | \$ 145 | \$ 7,301 |
| Property Taxes Receivable | 19,768 | 13,504 | 35,102 | 7,839 | | 27,431 |
| Prepaid Expenses | | | 9,053 | | | |
| Due from Other Funds | | 221 | | | | |
| TOTAL | \$ 61,679 | \$ 135,662 | \$ 81,417 | \$ 12,785 | \$ 145 | \$ 34,732 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY | | | | | | |
| LIABILITIES: | | | | | | |
| Accounts Payable | \$ 84,169 | | \$ 100 | | | \$ 2,287 |
| Due to General Fund | 101,809 | \$ 253,300 | | \$ 5,723 | | 16,385 |
| Due to Other Funds | 387 | | | | | |
| Total Liabilities | \$ 186,365 | \$ 253,300 | \$ 100 | \$ 5,723 | \$ 0 | \$ 18,672 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| Property Taxes | \$ 19,768 | \$ 13,504 | \$ 35,102 | \$ 7,839 | | \$ 27,431 |
| Total Deferred Inflows of Resources | \$ 19,768 | \$ 13,504 | \$ 35,102 | \$ 7,839 | \$ 0 | \$ 27,431 |
| FUND EQUITY: | | | | | | |
| Nonspendable | | | \$ 9,053 | | | |
| Restricted | | | 36,934 | | \$ 145 | |
| Assigned | | | 228 | | | |
| Unassigned | \$ (144,454) | \$ (131,142) | | \$ (777) | | \$ (11,371) |
| Fund Balance (Deficit) | \$ (144,454) | \$ (131,142) | \$ 46,215 | \$ (777) | \$ 145 | \$ (11,371) |
| TOTAL | \$ 61,679 | \$ 135,662 | \$ 81,417 | \$ 12,785 | \$ 145 | \$ 34,732 |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

| ASSETS | MOTOR FUEL TAX | POLICE | SOCIAL SECURITY | UNEMPLOYMENT INSURANCE | BUSINESS TAX DISTRICT | TOTALS | |
|---|----------------------|------------------|--------------------|---------------------------|--------------------------|-------------------|---------------------|
| | | | | | | 2016 | 2015 |
| Cash | \$ 83,113 | \$ 46,065 | \$ (5,454) | \$ 25,176 | \$ 19,610 | \$ 382,012 | \$ 1,368,754 |
| Property Taxes Receivable | | 19,768 | 42,126 | | | 145,770 | 131,819 |
| Prepaid Expenses | | | | | | 9,053 | 10,450 |
| Due from Other Funds | 3,195 | | | 13,044 | | 13,265 | 15,171 |
| Due from Governmental Agencies | | | | | | 3,195 | 4,387 |
| TOTAL | \$ 86,308 | \$ 65,833 | \$ 36,672 | \$ 38,220 | \$ 19,610 | \$ 553,295 | \$ 1,530,581 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY | | | | | | | |
| LIABILITIES: | | | | | | | |
| Accounts Payable | \$ 14,414 | \$ 3,588 | \$ 714 | | | \$ 104,558 | \$ 14,732 |
| Accrued Expenses | | | | | | 714 | 1,617 |
| Due to General Fund | | 34 | 11,488 | | | 388,739 | 250,140 |
| Due to Other Funds | | | | | | 387 | |
| Deferred Revenues | | | | | | | |
| Total Liabilities | \$ 14,414 | \$ 3,622 | \$ 12,202 | \$ 0 | \$ 0 | \$ 494,398 | \$ 269,307 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | | |
| Property Taxes | \$ 0 | \$ 19,768 | \$ 42,126 | \$ 0 | \$ 0 | \$ 145,770 | \$ 131,819 |
| Total Deferred Inflows of Resources | \$ 0 | \$ 19,768 | \$ 42,126 | \$ 0 | \$ 0 | \$ 145,770 | \$ 131,819 |
| FUND EQUITY: | | | | | | | |
| Nonspendable | \$ 71,426 | \$ 28,704 | | | \$ 19,610 | \$ 9,053 | \$ 10,450 |
| Restricted | 468 | 13,739 | | \$ 38,220 | | 156,819 | 1,187,827 |
| Assigned | | | | | | 52,655 | 82,373 |
| Unassigned | | | \$ (17,656) | | | (305,400) | (151,195) |
| Fund Balance (Deficit) | \$ 71,894 | \$ 42,443 | \$ (17,656) | \$ 38,220 | \$ 19,610 | \$ (86,873) | \$ 1,129,455 |
| TOTAL | \$ 86,308 | \$ 65,833 | \$ 36,672 | \$ 38,220 | \$ 19,610 | \$ 553,295 | \$ 1,530,581 |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | PARKS & RECREATION | | STREET AND BRIDGE | | TORT INSURANCE | | AUDIT | |
|--|--------------------|---------------------|---------------------|---------------------|------------------|------------------|-----------------|-----------------|
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| REVENUES: | | | | | | | | |
| Property Taxes | | \$ 20,227 | | \$ 41,097 | | \$ 35,637 | | \$ 7,317 |
| Interest | | 56 | | 158 | | 56 | | 51 |
| Other Income | | 29,631 | | 4,000 | | | | |
| Total Revenues | | <u>\$ 49,914</u> | | <u>\$ 45,255</u> | | <u>\$ 35,693</u> | | <u>\$ 7,368</u> |
| EXPENDITURES: | | | | | | | | |
| General Government | | | | | \$ 35,830 | \$ 30,843 | \$ 8,000 | \$ 7,067 |
| Streets and Highways | | | \$ 1,715,300 | \$ 43,983 | | | | |
| Recreation | \$ 191,600 | \$ 125,944 | | | | | | |
| Total Expenditures | <u>\$ 191,600</u> | <u>\$ 125,944</u> | <u>\$ 1,715,300</u> | <u>\$ 43,983</u> | <u>\$ 35,830</u> | <u>\$ 30,843</u> | <u>\$ 8,000</u> | <u>\$ 7,067</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ (76,030) | | \$ 1,272 | | \$ 4,850 | | \$ 301 |
| TRANSFERS (TO) FROM OTHER FUNDS | | | | | | | | |
| OTHER FINANCING (USES) | | | | | | | | |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | | (68,424) | | (132,414) | | 41,365 | | (1,078) |
| FUND BALANCE (DEFICIT), END OF YEAR | | <u>\$ (144,454)</u> | | <u>\$ (131,142)</u> | | <u>\$ 46,215</u> | | <u>\$ (777)</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | CIVIL DEFENSE | | IMRF | | MOTOR FUEL TAX | | POLICE | |
|--|---------------|-------------|-----------|-----------|----------------|------------|-----------|-----------|
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| REVENUES: | | | | | | | | |
| Property Taxes | | \$ 20,429 | | | | | \$ 20,227 | |
| Intergovernmental Revenues | | | | | | \$ 57,827 | | |
| Interest | | 3 | | | | 60 | | 158 |
| Other Income | | | | | | | | 6,311 |
| Total Revenues | \$ 0 | \$ 20,432 | | | | \$ 57,887 | | \$ 26,696 |
| EXPENDITURES: | | | | | | | | |
| Public Safety | \$ 1,150 | | | | | | \$ 31,601 | \$ 13,406 |
| Street and Highways | | | | | \$ 88,500 | \$ 139,309 | | |
| Welfare | | | \$ 28,000 | \$ 25,311 | | | | |
| Total Expenditures | \$ 1,150 | \$ 25,311 | \$ 28,000 | \$ 25,311 | \$ 88,500 | \$ 139,309 | \$ 31,601 | \$ 13,406 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 0 | \$ (4,879) | | | | | | \$ 13,290 |
| TRANSFERS (TO) FROM OTHER FUNDS | | | | | | | | |
| FUND BALANCE, BEGINNING OF YEAR | | 145 | | (6,492) | | 153,316 | | 29,153 |
| FUND BALANCE (DEFICIT), END OF YEAR | \$ 145 | \$ (11,371) | | | | \$ 71,894 | | \$ 42,443 |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

| | SOCIAL SECURITY | | UNEMPLOYMENT INSURANCE | | BUSINESS TAX DISTRICT | | TOTALS 2016 | | 2015 ACTUAL |
|---|-----------------|--------------------|------------------------|------------------|-----------------------|------------------|-------------|---------------------|---------------------|
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL | |
| REVENUES: | | | | | | | | | |
| Property Taxes | | \$ 24,760 | | | | | | \$ 169,694 | \$ 199,879 |
| Intergovernmental Revenues | | | | \$ 12 | | \$ 94,463 | | 152,290 | 184,568 |
| Interest | 3 | | | | | 47 | | 604 | 409 |
| Other | | | | | | | | 39,942 | 42,220 |
| Total Revenues | | <u>\$ 24,763</u> | | <u>\$ 12</u> | | <u>\$ 94,510</u> | | <u>\$ 362,530</u> | <u>\$ 427,076</u> |
| EXPENDITURES: | | | | | | | | | |
| General Government | | | \$ 10,000 | | | \$ 22,311 | | \$ 53,830 | \$ 191,317 |
| Public Safety | | | | | | | | 75,751 | 29,530 |
| Streets and Highways | | | | | | | | 1,803,800 | 86,498 |
| Welfare | \$ 43,000 | \$ 30,772 | | | | | | 71,000 | 56,904 |
| Recreation | | | | | | | | 191,600 | 60,994 |
| Library | | | | | | | | | 63,378 |
| Total Expenditures | | <u>\$ 43,000</u> | <u>\$ 10,000</u> | <u>\$ 0</u> | | <u>\$ 22,311</u> | | <u>\$ 2,152,981</u> | <u>\$ 438,946</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ (6,009) | | \$ 12 | | \$ 72,199 | | \$ (76,416) | \$ (61,545) |
| TRANSFERS (TO) FROM OTHER FUNDS | | | | | | | | | 16,322 |
| OTHER FINANCING SOURCES | | | | | | | | (79,500) | 900,000 |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | | (11,647) | | 38,208 | | 26,911 | | 69,043 | 274,678 |
| FUND BALANCE (DEFICIT), END OF YEAR | | <u>\$ (17,656)</u> | | <u>\$ 38,220</u> | | <u>\$ 19,610</u> | | <u>\$ (86,873)</u> | <u>\$ 1,129,455</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
STREET AND BRIDGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>BUDGET</u> | <u>2016</u> <u>ACTUAL</u> | <u>2015</u> |
|--|---------------------|------------------------------|---------------------|
| REVENUES: | | | |
| Property Taxes | | \$ 41,097 | \$ 40,300 |
| Interest | | 158 | 122 |
| Other Income | | 4,000 | |
| Total Revenues | | <u>\$ 45,255</u> | <u>\$ 40,422</u> |
| EXPENDITURES: | | | |
| Streets and Highways: | | | |
| EMC Contract | \$ 13,000 | \$ 13,191 | \$ 14,010 |
| Capital Outlay | 4,300 | 6,438 | 9,770 |
| Fuel | 6,000 | | |
| Repairs | 20,000 | | |
| Oil & Chip/Paving | 25,000 | | |
| Rock, Patch, Sand | 2,500 | | |
| Engineering | 5,000 | | |
| Salaries | 36,000 | 22,984 | 48,554 |
| Miscellaneous | 3,500 | 1,370 | |
| Special Projects | 1,600,000 | | |
| Total Expenditures | <u>\$ 1,715,300</u> | <u>\$ 43,983</u> | <u>\$ 72,334</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ 1,272 | \$ (31,912) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | | <u>(132,414)</u> | <u>(100,502)</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | | <u>\$ (131,142)</u> | <u>\$ (132,414)</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
TORT INSURANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> |
| REVENUES: | | |
| Property Taxes | | \$ 35,637 |
| Interest | | 56 |
| Total Revenues | | <u>\$ 35,693</u> |
| EXPENDITURES: | | |
| General Government: | | |
| Insurance | \$ 25,000 | \$ 20,843 |
| Dues | 330 | 330 |
| Legal Fees | 10,000 | 10,000 |
| Miscellaneous | 500 | |
| Total Expenditures | <u>\$ 35,830</u> | <u>\$ 21,321</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ 4,850 |
| FUND BALANCE, BEGINNING OF YEAR | | <u>41,365</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 46,215</u> |

VILLAGE OF BRIGHTON, ILLINOIS

SPECIAL REVENUE FUND

AUDIT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|-----------------|-------------------|
| REVENUES: | | |
| Property Taxes | \$ 7,317 | \$ 2,411 |
| Interest | 51 | 27 |
| Total Revenues | <u>\$ 7,368</u> | <u>\$ 2,438</u> |
| EXPENDITURES: | | |
| General Government: | | |
| Audit | <u>\$ 7,067</u> | <u>\$ 0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 301 | \$ 2,438 |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>(1,078)</u> | <u>(3,516)</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ (777)</u> | <u>\$ (1,078)</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
CIVIL DEFENSE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| REVENUES: | | |
| Interest | | |
| Total Revenues | \$ 0 | \$ 0 |
| EXPENDITURES: | | |
| General Government: | | |
| Public Safety | \$ 0 | \$ 0 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 0 | \$ 0 |
| FUND BALANCE, BEGINNING OF YEAR | 145 | 145 |
| FUND BALANCE, END OF YEAR | \$ 145 | \$ 145 |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
ILLINOIS MUNICIPAL RETIREMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|-------------------|
| REVENUES: | | |
| Property Taxes | \$ 20,429 | \$ 21,585 |
| Interest | 3 | 7 |
| Total Revenue | <u>\$ 20,432</u> | <u>\$ 21,592</u> |
| EXPENDITURES: | | |
| Welfare: | | |
| Illinois Municipal Retirement | \$ 25,311 | \$ 24,730 |
| Total Expenditures | <u>\$ 25,311</u> | <u>\$ 24,730</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (4,879) | \$ (3,138) |
| FUND BALANCE, (DEFICIT), BEGINNING OF YEAR | <u>(6,492)</u> | <u>(3,354)</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ (11,371)</u> | <u>\$ (6,492)</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
MOTOR FUEL TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>BUDGET</u> | <u>2016</u> <u>ACTUAL</u> | <u>2015</u> |
|--|------------------|------------------------------|-------------------|
| REVENUES: | | | |
| Intergovernmental - Allotments | | \$ 57,827 | \$ 62,671 |
| Interest | | 60 | 70 |
| Total Revenues | | <u>\$ 57,887</u> | <u>\$ 62,741</u> |
| EXPENDITURES: | | | |
| Streets and Highways: | | | |
| Oil and Asphalt | \$ 25,000 | \$ 32,128 | \$ 39,640 |
| Rock, Chips | 23,500 | 13,914 | 17,098 |
| Engineering | 3,000 | 73,963 | 4,123 |
| Cold Patch, Hot Mix | 7,500 | 665 | 812 |
| Slag | | 15,363 | 4,446 |
| Signs | 5,000 | | 282 |
| Equipment Rental | 5,000 | 3,276 | |
| Culverts | 5,000 | | |
| Sidewalks | 5,000 | | |
| Culvert & Ditch Cleaning | 2,000 | | |
| Other | 7,500 | | |
| Total Expenditures | <u>\$ 88,500</u> | <u>\$ 139,309</u> | <u>\$ 66,401</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | \$ (81,422) | \$ (3,660) |
| FUND BALANCE, BEGINNING OF YEAR | | <u>153,316</u> | <u>156,976</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 71,894</u> | <u>\$ 153,316</u> |

VILLAGE OF BRIGHTON, ILLINOIS

SPECIAL REVENUE FUND

POLICE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| REVENUES: | | |
| Property Taxes | \$ 20,227 | \$ 20,063 |
| Police Vehicle Fund | 6,311 | 10,586 |
| Interest | 158 | 123 |
| Total Revenues | <u>\$ 26,696</u> | <u>\$ 30,772</u> |
| EXPENDITURES | <u>\$ 13,406</u> | <u>\$ 43,822</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 13,290 | \$ (13,050) |
| FUND BALANCE, BEGINNING OF YEAR | <u>29,153</u> | <u>42,203</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 42,443</u> | <u>\$ 29,153</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
PARKS AND RECREATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|--------------------|
| REVENUES: | | |
| Property Taxes | \$ 20,227 | \$ 19,909 |
| Interest | 56 | 49 |
| Miscellaneous | 29,631 | 15,140 |
| Total Revenues | <u>\$ 49,914</u> | <u>\$ 35,098</u> |
| EXPENDITURES: | | |
| Recreation | <u>\$ 125,944</u> | <u>\$ 64,350</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (76,030) | \$ (29,252) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>(68,424)</u> | <u>(39,172)</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ (144,454)</u> | <u>\$ (68,424)</u> |

VILLAGE OF BRIGHTON, ILLINOIS
 SPECIAL REVENUE FUND
 SOCIAL SECURITY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|
| REVENUES: | | |
| Property Taxes | \$ 24,760 | \$ 24,100 |
| Interest | 3 | 7 |
| Total Revenues | <u>\$ 24,763</u> | <u>\$ 24,107</u> |
| EXPENDITURES: | | |
| Welfare: | | |
| Social Security | <u>\$ 30,772</u> | <u>\$ 31,103</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (6,009) | \$ (6,996) |
| FUND BALANCE (DEFICIT), BEGINNING OF YEAR | <u>(11,647)</u> | <u>(4,651)</u> |
| FUND BALANCE (DEFICIT), END OF YEAR | <u>\$ (17,656)</u> | <u>\$ (11,647)</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
UNEMPLOYMENT INSURANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| REVENUES: | | |
| Interest Income | \$ 12 | \$ 17 |
| Total Revenues | <u>\$ 12</u> | <u>\$ 17</u> |
| EXPENDITURES | | |
| Unemployment | \$ 0 | \$ 0 |
| Total Employment | <u>\$ 0</u> | <u>\$ 0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 12 | \$ 17 |
| FUND BALANCE, BEGINNING OF YEAR | <u>38,208</u> | <u>38,191</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 38,220</u> | <u>\$ 38,208</u> |

VILLAGE OF BRIGHTON, ILLINOIS
SPECIAL REVENUE FUND
BUSINESS TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>2016</u> | <u>2015</u> |
|--|------------------|-------------------|
| REVENUES: | | |
| Sales Tax | \$ 94,463 | \$ 100,492 |
| Interest Income | 47 | |
| Total Revenues | <u>\$ 94,510</u> | <u>\$ 100,492</u> |
| EXPENDITURES | | |
| Legal Fees | | \$ 994 |
| Interest Expense | \$ 22,311 | 23,255 |
| Capital Expense | | 949,434 |
| Total Expenditures | <u>\$ 22,311</u> | <u>\$ 973,683</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 72,199 | \$ (873,191) |
| TRANSFERS IN (OUT) | 0 | 3,943 |
| OTHER FINANCING SOURCES (USES) | (79,500) | (75,500) |
| FUND BALANCE, BEGINNING OF YEAR | <u>26,911</u> | <u>971,659</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 19,610</u> | <u>\$ 26,911</u> |

VILLAGE OF BRIGHTON, ILLINOIS
ENTERPRISE FUND
COMBINING BALANCE SHEET

JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

| | OPERATION AND MAINTENANCE | BOND AND INTEREST | DEPRECIATION | SURPLUS | CUSTOMERS' DEPOSITS ACCOUNT | TOTALS |
|---|---------------------------------|-------------------------|--------------|------------|-----------------------------------|---------------|
| | | | | | | 2016 |
| | | | | | | 2015 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| CASH | \$ 487,156 | \$ 100 | \$ 87,476 | \$ 314,331 | \$ 93,560 | \$ 822,368 |
| INVESTMENTS - TIME CERTIFICATES | \$ 916,876 | | \$ 381,065 | | | \$ 1,293,291 |
| RECEIVABLES: | | | | | | |
| Accounts - Customers, Net of Allowance for Uncollectible Accounts | \$ 156,127 | | | | | \$ 156,127 |
| Estimated Unbilled | 51,498 | | | | | 51,498 |
| Water and Sewer Usage | | | | | | |
| Loan Receivable | | | \$ 3,985 | \$ 5,000 | | 8,985 |
| Due from Operation and Maintenance | | | \$ 3,985 | \$ 5,000 | | 8,985 |
| Total Receivables | \$ 207,625 | | \$ 7,970 | \$ 10,000 | | \$ 216,913 |
| PREPAID EXPENSES | \$ 14,160 | | | | | \$ 14,160 |
| PROPERTY, PLANT AND EQUIPMENT, AT COST: | | | | | | |
| Buildings and Land | \$ 325,070 | | | | | \$ 325,070 |
| Water System | 4,334,240 | | | | | 4,349,568 |
| Sewerage System | 5,649,419 | | | | | 5,649,419 |
| Tanks and Pumping Station | 674,897 | | | | | 674,897 |
| Equipment | 759,282 | | | | | 759,282 |
| Work - In - Process | 1,540,420 | | | | | 1,540,420 |
| Total | \$ 13,283,328 | | | | | \$ 12,268,984 |
| Less, Accumulated Depreciation | 5,340,605 | | | | | 5,082,382 |
| Net Property, Plant and Equipment | \$ 7,942,723 | | | | | \$ 7,186,602 |
| TOTAL ASSETS | \$ 9,568,540 | \$ 100 | \$ 472,526 | \$ 319,331 | \$ 93,560 | \$ 9,530,297 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | |
| Deferred Outflows Related to Pension Liability | \$ 41,125 | | | | | |
| Total Deferred Outflows of Resources | \$ 41,125 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 18,628 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 9,609,665 | \$ 100 | \$ 472,526 | \$ 319,331 | \$ 93,560 | \$ 9,548,925 |

VILLAGE OF BRIGHTON, ILLINOIS
ENTERPRISE FUND
COMBINING BALANCE SHEET
JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

| | OPERATION AND MAINTENANCE | BOND AND INTEREST | DEPRECIATION | SURPLUS | CUSTOMERS' DEPOSITS ACCOUNT | TOTALS 2016 | TOTALS 2015 |
|--|---------------------------------|-------------------------|-------------------|-------------------|-----------------------------------|---------------------|--------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY | | | | | | | |
| CURRENT LIABILITIES: | | | | | | | |
| Accounts Payable | \$ 65,345 | | | | \$ 93,560 | \$ 65,345 | \$ 120,944 |
| Customers' Deposits | | | | | | 93,560 | 87,021 |
| Due to Governmental Funds | 6,549 | | | | | 6,549 | 5,726 |
| Due to Other Enterprise Funds | 8,985 | | | | | 8,985 | 8,985 |
| Loan Payable Due Within One Year | 45,927 | | | | | 45,927 | 237,070 |
| Total Current Liabilities | <u>\$ 126,806</u> | | | | <u>\$ 93,560</u> | <u>\$ 220,366</u> | <u>\$ 459,746</u> |
| LONG TERM LIABILITIES: | | | | | | | |
| Loan Payable | \$ 1,726,230 | | | | | \$ 1,726,230 | \$ 535,259 |
| Net Pension Liability | 36,426 | | | | | 36,426 | 10,572 |
| Total Long Term Liabilities | <u>\$1,762,656</u> | | | | | <u>\$ 1,762,656</u> | <u>\$ 545,831</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | | |
| Lift Station Relocation | \$ 192,855 | | | | | \$ 192,855 | \$ 169,500 |
| Total Deferred Inflows of Resources | <u>\$ 192,855</u> | | | | | <u>\$ 192,855</u> | <u>\$ 169,500</u> |
| FUND EQUITY: | | | | | | | |
| Reserve for Extraordinary Repairs and Replacement | | | \$ 472,526 | | | \$ 472,526 | \$ 411,021 |
| Surplus | | | | \$ 319,331 | | 319,331 | 248,904 |
| Total Reserves | | | <u>\$ 472,526</u> | <u>\$ 319,331</u> | | <u>\$ 791,857</u> | <u>\$ 659,925</u> |
| Retained Earnings | \$ 7,527,348 | \$ 100 | | | | 7,527,448 | 7,713,923 |
| Total Fund Equity | <u>\$7,527,348</u> | <u>\$ 100</u> | <u>\$ 472,526</u> | <u>\$ 319,331</u> | | <u>\$ 8,319,305</u> | <u>\$8,373,848</u> |
| TOTAL | <u>\$9,609,665</u> | <u>\$ 100</u> | <u>\$ 472,526</u> | <u>\$ 319,331</u> | <u>\$ 93,560</u> | <u>\$10,495,182</u> | <u>\$9,548,925</u> |

VILLAGE OF BRIGHTON, ILLINOIS
ENTERPRISE FUND
COMBINING STATEMENT OF CHANGES IN MUNICIPAL EQUITY
JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR JUNE 30, 2015

| | <u>OPERATION AND MAINTENANCE</u> | <u>BOND AND INTEREST</u> | <u>DEPRECIATION</u> | <u>SURPLUS</u> | <u>2016</u> | <u>TOTALS</u> <u>2015</u> |
|----------------------------|--|----------------------------------|---------------------|-------------------|---------------------|------------------------------|
| EQUITY, BEGINNING OF YEAR | \$ 7,713,923 | \$ 0 | \$ 411,021 | \$ 248,904 | \$ 8,373,848 | \$ 8,281,186 |
| NET INCOME | (56,567) | 100 | 1,505 | 419 | (54,543) | 96,605 |
| TRANSFERS | | | | | | |
| (TO) FROM ENTERPRISE FUNDS | (130,008) | | 60,000 | 70,008 | | (3,943) |
| TOTAL TRANSFERS | <u>\$ (130,008)</u> | <u>\$ 0</u> | <u>\$ 60,000</u> | <u>\$ 70,008</u> | <u>\$ 0</u> | <u>\$ (3,943)</u> |
| EQUITY, END OF YEAR | <u>\$ 7,527,348</u> | <u>\$ 100</u> | <u>\$ 472,526</u> | <u>\$ 319,331</u> | <u>\$ 8,319,305</u> | <u>\$ 8,373,848</u> |

SCHEDULE "21"

VILLAGE OF BRIGHTON, ILLINOIS
ENTERPRISE FUND

COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| | <u>OPERATION AND MAINTENANCE</u> | | <u>BOND</u> | <u>TOTALS</u> | |
|--------------------------------------|----------------------------------|-----------------|-----------------|---------------------|----------------|
| | <u>WATER</u> | <u>SEWER</u> | <u>AND</u> | <u>2016</u> | <u>2015</u> |
| | | <u>COMBINED</u> | <u>INTEREST</u> | <u>DEPRECIATION</u> | <u>SURPLUS</u> |
| <u>REVENUES:</u> | | | | | |
| Sale of Water | \$ 993,414 | \$ 993,414 | | \$ 993,414 | \$ 1,005,306 |
| Bulk Water Sales | 675 | 675 | | 675 | 821 |
| Sewer Charges | | \$ 309,017 | | 309,017 | 303,001 |
| Connection Charges | | | | 3,300 | |
| Late Penalties | 29,021 | 29,021 | | 29,021 | 28,405 |
| Commissions | 1,320 | 2,640 | | 2,640 | 3,354 |
| Miscellaneous | 13,819 | 200 | | 14,019 | 4,891 |
| Total Revenues | \$ 1,038,249 | \$ 310,537 | | \$ 1,348,786 | \$ 1,349,078 |
| EXPENSES (SCHEDULE 22) | | | | | |
| OPERATING INCOME BEFORE DEPRECIATION | 898,814 | 250,219 | | 1,149,033 | 999,904 |
| DEPRECIATION | \$ 139,435 | \$ 60,318 | | \$ 199,753 | \$ 349,174 |
| OPERATING INCOME (LOSS) | 133,270 | 124,953 | | 258,223 | 256,326 |
| OTHER INCOME (EXPENSES), NET: | | | | | |
| Investment Income and Other Income | \$ 6,165 | \$ (64,635) | | \$ (58,470) | \$ 92,848 |
| Loss on Disposal of Fixed Assets | \$ 874 | \$ 1,030 | \$ 100 | \$ 1,505 | \$ 3,782 |
| Total Other Income | \$ 874 | \$ 1,030 | \$ 100 | \$ 1,505 | (25) |
| NET INCOME (LOSS) | \$ 7,039 | \$ (63,606) | \$ 100 | \$ (54,543) | \$ 96,605 |

VILLAGE OF BRIGHTON, ILLINOIS
ENTERPRISE FUND
COMBINING SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 2015

| EXPENSES: | <u>OPERATION AND MAINTENANCE</u> | | <u>TOTALS</u> | |
|-----------------------------|--|-------------------|---------------------|-------------------|
| | <u>WATER</u> | <u>SEWER</u> | <u>2016</u> | <u>2015</u> |
| Water Purchased | \$ 355,331 | | \$ 355,331 | \$ 384,012 |
| Salaries | 139,841 | | 139,841 | 138,023 |
| Payroll Taxes | 20,823 | | 20,823 | 21,726 |
| Repairs and Supplies | 47,587 | \$ 93,407 | 140,994 | 67,609 |
| Insurance | 58,709 | 10,430 | 69,139 | 66,836 |
| Office Supplies and Expense | 50,862 | 60,049 | 110,911 | 95,711 |
| Audit | 1,767 | 1,767 | 3,534 | 2,998 |
| Fuel | 3,972 | | 3,972 | 6,197 |
| Miscellaneous | 23,112 | 24,494 | 47,606 | 40,927 |
| Legal | 3,055 | 2,362 | 5,417 | 12,094 |
| Engineering | | 513 | 513 | 2,115 |
| Interest Expense | 16,228 | 12,133 | 28,361 | 9,912 |
| Rent Expense | 60,000 | | 60,000 | |
| Pension Expense | 3,357 | | 3,357 | 1,168 |
| Service Contracts | 114,170 | 45,064 | 159,234 | 150,576 |
| | <u>114,170</u> | <u>45,064</u> | <u>159,234</u> | <u>150,576</u> |
| Total Expenses | <u>\$ 898,814</u> | <u>\$ 250,219</u> | <u>\$ 1,149,033</u> | <u>\$ 999,904</u> |

VILLAGE OF BRIGHTON, ILLINOIS
 ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS
 JUNE 30, 2016

TAX RATES

| TOTAL ASSESSED VALUE | PARKS AND RECREATION | | | | | | | | | | | STREET AND BRIDGE | UNEMPLOYMENT INSURANCE | LIBRARY | TOTAL |
|----------------------|----------------------|--------|---------------|-------|-------|------------|----------------|-----------------|-------|--|-------|-------------------|------------------------|---------|--------|
| | GENERAL | POLICE | CIVIL DEFENSE | IMRF | AUDIT | RECREATION | TORT INSURANCE | SOCIAL SECURITY | | | | | | | |
| 24,779,697 | .2599 | .0667 | | .0246 | .0165 | .0614 | .1423 | | .0879 | | .0546 | | .1364 | | .8503 |
| 27,296,331 | .2620 | .0428 | | .0550 | .0068 | .0687 | .0880 | | .0916 | | .0550 | | .1374 | | .8073 |
| 27,441,205 | .2860 | .0456 | | .0365 | .0118 | .0631 | .0729 | | .0912 | | .0600 | | .1500 | | .8170 |
| 28,422,114 | .2824 | .0690 | | .0354 | .0114 | .0672 | .0707 | | .0883 | | .0594 | | .1488 | | .8324 |
| 28,018,671 | .2860 | .0750 | | .0524 | .0215 | .0679 | .0841 | | .0821 | | .0600 | | .1500 | | .8789 |
| 27,586,000 | .2860 | .0750 | | .0746 | | .0688 | .1141 | | .0833 | | .0600 | | .1500 | | .9118 |
| 27,248,808 | .2860 | .0750 | | .0729 | .0085 | .0699 | .1178 | | .0847 | | .0600 | | .1500 | | .9248 |
| 27,633,095 | .2860 | .0750 | | .0779 | .0087 | .0718 | .1210 | | .0869 | | .0600 | | .0000 | | .7873 |
| 27,241,861 | .2860 | .0750 | | .0781 | .0180 | .0748 | .1285 | | .0909 | | .0600 | | | | .8113 |
| 26,895,138 | .2346 | .1289 | .0047 | .1041 | .1636 | .0750 | .1332 | | .1599 | | .0600 | 0.0214 | | | 1.0854 |

TAXES EXTENDED

| | | | | | | | | | |
|--------|--------|--------|-------|--------|--------|--------|--------|--------|---------|
| 64,226 | 16,439 | 6,096 | 4,062 | 15,120 | 35,042 | 13,460 | 21,677 | 33,260 | 209,382 |
| 71,516 | 11,683 | 15,013 | 1,856 | 18,753 | 24,021 | 15,013 | 25,003 | 37,505 | 220,363 |
| 78,482 | 12,534 | 10,037 | 3,235 | 17,337 | 20,026 | 16,465 | 25,044 | 41,162 | 224,322 |
| 80,435 | 19,655 | 10,080 | 3,262 | 19,140 | 20,135 | 16,926 | 25,162 | 42,292 | 237,087 |
| 80,133 | 21,014 | 14,669 | 6,004 | 19,005 | 23,554 | 16,811 | 23,001 | 42,028 | 246,219 |
| 78,896 | 20,689 | 20,570 | | 18,972 | 31,454 | 14,574 | 22,968 | 41,379 | 249,502 |
| 77,932 | 20,436 | 20,708 | 2,312 | 19,099 | 32,166 | 14,276 | 23,120 | 40,873 | 250,922 |
| 76,437 | 20,725 | 21,155 | 2,362 | 19,511 | 32,860 | 14,276 | 23,619 | | 210,945 |
| 77,911 | 20,431 | 21,802 | 3,167 | 20,329 | 34,444 | 13,983 | 24,637 | | 216,704 |
| 76,920 | 20,171 | 27,991 | 7,999 | 20,171 | 35,819 | 13,779 | 42,986 | 9,998 | 256,840 |

TOTAL TAXES COLLECTED

| TOTAL TAXES EXTENDED | TAXES COLLECTED | % OF TOTAL TAXES COLLECTED | UNCOLLECTED BALANCE AT JUNE 30 |
|----------------------|-----------------|----------------------------|--------------------------------|
| 209,382 | 207,591 | 99.14 | 1,791 |
| 220,363 | 218,803 | 99.29 | 1,560 |
| 224,322 | 222,822 | 99.33 | 1,500 |
| 237,087 | 236,663 | 99.82 | 424 |
| 246,219 | 244,685 | 99.38 | 1,534 |
| 249,502 | 248,439 | 99.57 | 1,063 |
| 250,922 | 240,091 | 95.68 | 10,831 |
| 210,945 | 216,403 | 102.59 | (5,458) |
| 216,704 | 219,396 | 101.24 | (2,692) |
| 256,840 | | | |

VILLAGE OF BRIGHTON, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

| Federal Grantor Agency/Program Pass-Through Grantor Title/Grant Name | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|------------------------------------|---|---------------------------------|
| United States Department of Agriculture | | | |
| Department of Agriculture | | | |
| Office of Rural Utilities Service | | | |
| Water and Disposal Systems for Rural Communities | 10.760 | N/A | <u>\$ 1,024,882</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 1,024,882</u></u> |

VILLAGE OF BRIGHTON, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Village of Brighton, Illinois under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Village of Brighton, Illinois, it is not intended to and does not present the financial position, changes in net position, or cash flows of Village of Brighton, Illinois.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Noncash Assistance, Federal Insurance and Loans/Loan Guarantees

Village of Brighton, Illinois did not receive any noncash assistance or federal insurance for any of its programs for the year ended June 30, 2016.

Village of Brighton, Illinois had outstanding loans of \$1,245,200 related to federal programs as of June 30, 2016.

Subrecipient Monitoring

Village of Brighton, Illinois did not pass through any of its federal funds to subrecipients during the year ended June 30, 2016.

Indirect Cost Rate

Village of Brighton, Illinois elected to use the 10% de minimus cost rate.

VILLAGE OF BRIGHTON, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

A. SUMMARY OF AUDITOR'S RESULT

- 1) The auditor's report expresses an unmodified opinion on whether the basic financial statements of Village of Brighton, Illinois were prepared in accordance with GAAP.
- 2) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements of Village of Brighton, Illinois. This significant deficiency is not considered to be a material weakness.
- 3) No instances of noncompliance material to the basic financial statements of Village of Brighton, Illinois which would be required to be reported in accordance with *Governmental Auditing Standards* were disclosed during the audit.
- 4) One significant deficiency in internal control over major federal award programs was disclosed during the audit and is reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the uniform guidance. No material weaknesses were reported.
- 5) The auditor's report on compliance for the major federal award program for Village of Brighton, Illinois expresses an unmodified opinion on all major federal programs.
- 6) The audit did not disclose any instances required to be reported in accordance with 2 CFR section 200.516(a) relative to the major Federal programs.
- 7) The programs tested as a major program:

United States Department of Agriculture

Water and Waste Disposal Systems for Rural Communities – CFDA # 10.760
- 8) The threshold used for distinguishing between Types A and B programs was \$750,000.
- 9) Village of Brighton, Illinois does not qualify as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2016-1 – Internal Control over Financial Statements

Condition and Criteria –An Organization is considered to have a deficiency when it does not have the personnel or staff with sufficient training or expertise to prepare the Village's financial statements and relies on the auditor to assist in the preparation of the annual financial statements.

Context – The Village does not prepare their own set of annual financial statements in accordance with accounting principles generally accepted in the United States of America.

Cause – The Village does not have personnel or staff with sufficient training or expertise to ensure the Village's annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

VILLAGE OF BRIGHTON, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

B. FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

Potential Effect – Management may not be able to reasonably determine that a material misstatement exists nor allow them to prevent, detect, nor correct one on a timely basis.

Recommendation – The Village should consider the costs and benefits of hiring additional expertise or training existing accounting staff to ensure the Village's annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

View of Responsible Officials – We believe our accounting staff maintains adequate books and records of the Village's transactions. Additionally, we do not believe it is cost beneficial to hire additional accounting expertise to ensure the Village's annual financial statements are prepared in accordance with accounting standards discussed above.

C. FINDINGS – MAJOR FEDERAL PROGRAMS

Finding 2016-2 – Reporting

United States Department of Agriculture
CFDA #10.760 Water and Waste Disposal Systems for Rural Communities

Criteria and Condition – Federal administrative requirements call for the preparation of form RD 442-2, *Statement of Budget, Income and Equity*. Reporting should be a reflection of what has been recorded in the accounting records maintained by the Village. The Village has not complied with these requirements.

Context – Audit tests revealed that total expenditures reported by the Village for the reporting period did not agree with the amounts reflected in Form RD 442-2.

Cause – The Village did not have an appropriate reconciliation control in place to ensure information was properly reported on form RD 442-2.

Effect – Expenditures accounted for by the Village exceed those reported on form RD 442-2 by \$23,342. No questioned costs were noted.

Recommendation – The Village should implement reconciliation procedures between reporting from the accounting software to what is being reported on form RD 442-2.

Views of Responsible Officials – We believe that the issue has been resolved. Reconciliation procedures have been put into place to ensure appropriate income and expense are reported.

VILLAGE OF BRIGHTON, ILLINOIS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

A. NONE