

**CHARTER TOWNSHIP OF BRANDON**

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

**For The Year Ended December 31, 2011**

## **CHARTER TOWNSHIP OF BRANDON**

### **TOWNSHIP OFFICIALS**

Supervisor - Kathy Thurman  
Clerk - Jeannie McCreery  
Treasurer - Tyrone Beltramo

### **BOARD OF TRUSTEES**

David King  
Dana DePalma  
Tom Stowell  
Cheryl Gault

### **LEGAL COUNSEL**

Karlstrom Cooney, LLP  
Attorneys and Counselors at Law

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

## TABLE OF CONTENTS

### PAGE NUMBER

INDEPENDENT AUDITORS' REPORT	
MANAGEMENT DISCUSSION AND ANALYSIS	8
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds and Component Units	19
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	20
Reconciliation of Total Governmental Fund Balances to Net Assets Component Unit - Fire Fund	21
Reconciliation of Total Governmental Fund Balances to Net Assets Component Unit - Library	22
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	23
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund Component Unit - Fire Fund	25
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund Component Unit - Library	26
Fiduciary Funds - Combining Balance Sheet	27
NOTES TO FINANCIAL STATEMENTS	29
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	48
Police Fund - Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	49
Schedules of OPEB Funding Progress (Unaudited)	50
<u>SUPPLEMENTARY INFORMATION</u>	
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheet -	
All Funds Included in GASB 54 Consolidation - Fire Fund	53
All Funds Included in GASB 54 Consolidation - Library	54
Special Revenue Funds	55
Agency Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	
All Funds Included in GASB 54 Fire Fund Consolidation	57
Special Revenue Funds	58

**TABLE OF CONTENTS**

**PAGE NUMBER**

**INDIVIDUAL FUNDS**

**GENERAL FUND**

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

**POLICE FUND**

Balance Sheet	69
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	70

**SEYMOUR LAKE CEMETERY FUND**

Balance Sheet	72
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	73

**DESIGNATED FUND**

Balance Sheet	75
Statement of Revenues, Expenditures and Changes in Fund Balance	76

**RECREATION FUND**

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

**CABLE SAVINGS FUND**

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

**PRESIDIO AND FREEDOM TRAIL FUND**

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

**ZARIEDA STREET FUND**

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

**UPPER BUSHMAN FUND**

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

**LAKE LOUISE FUND**

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

**SHELMER LANE FUND**

Balance Sheet	96
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	97

**LEGAULT BOULEVARD FUND**

Balance Sheet	99
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**TABLE OF CONTENTS**

**PAGE NUMBER**

**INDIVIDUAL FUNDS**

FIRE OPERATING FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	101
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	102
FIRE EQUIPMENT AND HOUSING FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	104
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	105
FIRE AMBULANCE FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	107
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	108
PUBLIC CONTRIBUTIONS FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	110
Statement of Revenues, Expenditures and Changes in Fund Balance	111
LIBRARY - GENERAL FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	113
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	114
LIBRARY CLEARING FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	116
LIBRARY DEBT SERVICE FUND	
Balance Sheet	118
Statement of Revenues, Expenditures and Changes in Fund Balance	119
TAX COLLECTION FUND	
Balance Sheet	121
PAYROLL FUND	
Balance Sheet	123
ESCROW FUND	
Balance Sheet	125
HEALTH REIMBURSEMENT FUND	
Balance Sheet	127



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May 31, 2012

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

**INDEPENDENT AUDITORS' REPORT**

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Brandon as of and for the year ended December 31, 2011, which collectively comprise the Charter Township of Brandon's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Brandon's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Brandon as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 through 13 and 48 through 50 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 operations, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Brandon's basic financial statements. The combining and individual non-major fund and component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund and component unit financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

## **MANAGEMENT DISCUSSION AND ANALYSIS**

## **Management Discussion and Analysis December 31, 2011**

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Within this section of the Charter Township of Brandon's annual financial report, we are providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended December 31, 2011. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary functions and, unless otherwise noted, component units reported separately from the primary government are not included.

### **Overview of the Financial Statements**

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

### ***Government-wide Financial Statements***

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

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

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Governmental activities include such activities as general government, fire, police, parks, building and planning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds the Township Board is responsible for and, additionally, funds which the Township handles but are not under the control or jurisdiction of the Township Board. These component units include the Fire Fund and the Library Fund.

### ***Fund Financial Statements***

A fund is an accountability unit used to segregate resources for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.



**The Township has two kinds of funds:**

*Governmental funds* such as General Fund, Fire Fund, Police Fund and others are reported in the financial statements. These statements report short-term fiscal conditions focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Fiduciary funds* such as the tax and escrow funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

**Notes to the financial statements**

The accompanying notes to the financial statements provide information to assist with a full understanding of both the government-wide and fund financial statements.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining, individual statements and schedules for non-major funds are presented in a subsequent section of this report.

**Financial Analysis of the Township as a Whole**

The Township had implemented the new financial reporting model used in this report beginning with the fiscal year ended December 31, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

Under GASB 34 the assets of Brandon Township exceed its liabilities at the close of the fiscal year by \$1,952,865. Of this amount, \$843,731 is not invested in Capital Assets and may be used to meet the Township’s ongoing obligations.

As of the close of the current fiscal year under governmental fund accounting the Township’s governmental funds reported combined ending fund balances of \$1,289,380, an increase of \$426,205 in comparison with the prior year.

At the end of the current fiscal year under fund accounting standards fund balances were:

General Fund	\$	434,866
Police Fund		335,911
Designated Fund		324,620
Library Debt Service Fund		19,838
Non-major Funds		<u>174,145</u>
	\$	<u>1,289,380</u>

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

**Summary of Net Assets**

	<u>Governmental Activities</u>			<u>Component Unit-Fire</u>			<u>Component Unit-Library</u>		
	<u>12/31/11</u>	<u>12/31/10</u>	<u>Increase (Decrease)</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>Increase (Decrease)</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 3,599,339	\$ 5,618,591	\$ (2,019,252)	\$ 3,496,232	\$ 3,637,891	\$ (141,659)	\$ 835,346	\$ 929,727	\$ (94,381)
Capital assets, net of depreciation	<u>3,074,134</u>	<u>3,348,240</u>	<u>(274,106)</u>	<u>4,676,465</u>	<u>4,838,320</u>	<u>(161,855)</u>	<u>3,204,866</u>	<u>3,405,179</u>	<u>(200,313)</u>
<b>Total assets</b>	<u>6,673,473</u>	<u>8,966,831</u>	<u>(2,293,358)</u>	<u>8,172,697</u>	<u>8,476,211</u>	<u>(303,514)</u>	<u>4,040,212</u>	<u>4,334,906</u>	<u>(294,694)</u>
Other liabilities	2,447,942	2,539,687	(91,745)	1,926,289	1,975,978	(49,689)	796,227	3,071,271	(2,275,044)
Long-term liabilities	<u>2,272,666</u>	<u>2,234,084</u>	<u>38,582</u>	<u>1,041,437</u>	<u>729,393</u>	<u>312,044</u>			
<b>Total liabilities</b>	<u>4,720,608</u>	<u>4,773,771</u>	<u>(53,163)</u>	<u>2,967,726</u>	<u>2,705,371</u>	<u>262,355</u>	<u>796,227</u>	<u>3,071,271</u>	<u>(2,275,044)</u>
Net assets:									
Invested in capital assets, net of related debt	1,109,134	1,114,156	(5,022)	3,946,902	3,871,578	75,324	3,204,866	1,158,315	2,046,551
Unrestricted/restricted	<u>843,731</u>	<u>3,078,904</u>	<u>(2,235,173)</u>	<u>1,258,069</u>	<u>1,899,262</u>	<u>(641,193)</u>	<u>39,119</u>	<u>105,320</u>	<u>(66,201)</u>
<b>Total net assets</b>	<u>\$ 1,952,865</u>	<u>\$ 4,193,060</u>	<u>\$ (2,240,195)</u>	<u>\$ 5,204,971</u>	<u>\$ 5,770,840</u>	<u>\$ (565,869)</u>	<u>\$ 3,243,985</u>	<u>\$ 1,263,635</u>	<u>\$ 1,980,350</u>

## Summary of Changes in Net Assets

	Governmental Activities			Component Unit-Fire			Component Unit-Library		
	12/31/2011	12/31/2010	Increase (Decrease)	12/31/2011	12/31/2010	Increase (Decrease)	12/31/2011	12/31/2010	Increase (Decrease)
<b>REVENUES</b>									
Program revenues									
Charges for services	\$ 384,104	\$ 442,049	\$ (57,945)	\$ 232,591	\$ 238,690	\$ (6,099)	\$ 10,251	\$ 10,748	\$ (497)
Operating grants and contributions		881,901	(881,901)	14,152		14,152	6,535	26,451	(19,916)
General revenues									
Special assessments	175,262		175,262						
State shared revenues	999,786		999,786						
Property taxes	2,245,958	2,373,634	(127,676)	1,699,620	1,984,745	(285,125)	793,764	1,117,384	(323,620)
Interest income	20,500	170,672	(150,172)	29,285	29,822	(537)	5,033	4,343	690
Other revenues	282,719	131,144	151,575	1,053	40,913	(39,860)	44,743	96,115	(51,372)
Gain (loss) on disposal of assets	(2,407)		(2,407)	3,759	(534)	4,293	(3,902)		(3,902)
<b>Total revenues</b>	<b>4,105,922</b>	<b>3,999,400</b>	<b>106,522</b>	<b>1,980,460</b>	<b>2,293,636</b>	<b>(313,176)</b>	<b>856,424</b>	<b>1,255,041</b>	<b>(398,617)</b>
<b>EXPENSES</b>									
General government	1,143,156	1,250,197	(107,041)						
Library							1,106,074	1,223,355	(117,281)
Police protection	1,581,534	1,898,978	(317,444)						
Fire Protection				2,260,640	2,147,340	113,300			
Culture and recreation	470,981	286,942	184,039						
Public works	244,017	280,837	(36,820)						
Interest on long-term debt	53,514	155,364	(101,850)						
<b>Total expenses</b>	<b>3,493,202</b>	<b>3,872,318</b>	<b>(379,116)</b>	<b>2,260,640</b>	<b>2,147,340</b>	<b>113,300</b>	<b>1,106,074</b>	<b>1,223,355</b>	<b>(117,281)</b>
<b>Change in net assets</b>	<b>612,720</b>	<b>127,082</b>	<b>485,638</b>	<b>(280,180)</b>	<b>146,296</b>	<b>(426,476)</b>	<b>(249,650)</b>	<b>31,686</b>	<b>(281,336)</b>
<b>Beginning net assets</b>	<b>4,193,060</b>	<b>4,065,978</b>	<b>127,082</b>	<b>5,770,840</b>	<b>5,624,544</b>	<b>146,296</b>	<b>1,263,635</b>	<b>1,231,949</b>	<b>31,686</b>
<b>Prior period adjustment</b>	<b>(2,852,915)</b>		<b>(2,852,915)</b>	<b>(285,689)</b>		<b>(285,689)</b>	<b>2,230,000</b>		<b>2,230,000</b>
<b>Ending net assets</b>	<b>\$ 1,952,865</b>	<b>\$ 4,193,060</b>	<b>\$ (2,240,195)</b>	<b>\$ 5,204,971</b>	<b>\$ 5,770,840</b>	<b>\$ (565,869)</b>	<b>\$ 3,243,985</b>	<b>\$ 1,263,635</b>	<b>\$ 1,980,350</b>

**Component Units**

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

See Footnote regarding the component units for more detail.

**Financial Analysis of the Township’s Funds**

The Township has 4 major funds for the year ended December 31, 2011. These funds include:

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

The General Fund’s fund balance increased \$262,573 during the year.

The Designated Fund’s fund balance increased \$96,202.

Both increases in the above two funds are the result of the work put forth by the Brandon Township Board of Trustees in an effort to build the Township’s “Rainy Day” fund balance.

The Police Fund's fund balance increased by \$134,838.

The Library Debt Service Fund increased by \$17,437.

**General Fund Budgetary Highlights**

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

Overall, the Township departments were \$125,000 under budget (approximately 8%) before considering the interfund transfers. As of December 31, 2011 the General Fund’s fund balance plus the designated fund balance was equivalent to approximately 54% of annual general fund operating expenditures. Without the Designated Fund the General Fund balance is approximately 31% of annual general fund operating expenditures. We have been told the recommended minimum is 25%. Our auditors recommend 100%. The Township has increased the percentage from the prior year by more than double and intends to increase the percentage over the next several years. A larger fund balance will be needed to cover the legendary costs, (OPEB, Pensions) Brandon Township is facing.

**Capital Asset and Debt Administration**

The Township made total principle payments of \$265,000 for 2011.

The Township deems all capital purchases of \$500 or greater as capital assets. During the year, total capital asset acquisitions totaled \$80,290. Capital purchases included;

Senior Center	\$	17,250
Cable production		54,919
Copier		<u>8,121</u>
	\$	<u>80,290</u>

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

Economic conditions in Brandon Township like all other areas of the State are impacted significantly by the very poor economic condition of the State of Michigan. Historically the Township tax base had been stable and increasing. Over the past few years, there has been a significant reduction in the number of new residential building permits and applications for new commercial and industrial development.

In addition to the drastic reduction in new construction and development activity the market value of property has been dropping. Although Proposal A has reduced the impact of this reduction the Township is experiencing a reduction in Taxable Value which will result in a reduction in tax revenue for all funds.

The loss of tax revenue in the Township's General Fund has been offset in part by the realization of an increase in Constitutional Sales Tax. The Police and Fire Departments do not share in these revenues and therefore experienced a more dramatic reduction to their revenues due to the recent economic conditions. With the implementation of multi-year budgeting practices, steps have been taken in all departments to offset revenue reductions by reducing expenditures. Even though the Township General Fund appears to be stabilizing, the Police and Fire Funds will require further scrutiny in order for them to reach the same plateau. Another consideration before us is the impending reduction to personal property tax revenue in the Police and General Funds. Although increasing property taxes is always an option, the current Board of Trustees prefers to explore alternative means to address these challenges.

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

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

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

CHARTER TOWNSHIP OF BRANDON

STATEMENT OF NET ASSETS  
DECEMBER 31, 2011

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Component Unit Fire</u>	<u>Component Unit Library</u>
Cash and investments	\$ 1,258,986	\$ 1,803,387	\$ 130,498
Receivables			
Special assessments	93,047		
Taxes	1,048,049	828,545	372,794
Intergovernmental	972,766	773,359	326,842
State shared revenues	167,750		
Other	25,983		334
Prepaid expenses	32,758	90,941	4,878
Capital assets - not depreciated	1,227,369	1,857,202	171,000
Capital assets - net of depreciation	<u>1,846,765</u>	<u>2,819,263</u>	<u>3,033,866</u>
<b>Total assets</b>	<u>6,673,473</u>	<u>8,172,697</u>	<u>4,040,212</u>
<u>LIABILITIES</u>			
Accrued OPEB	567,666	493,637	
Accounts payable - trade	72,068	23,162	20,600
Deferred revenues	2,095,133	1,703,740	741,984
Accrued wages	15,019	10,829	9,469
Compensated absences	5,722	6,795	24,174
Bonds payable			
Current	260,000		
Non-current	1,705,000		
Installment purchase			
Current		181,763	
Non-current		<u>547,800</u>	
<b>Total liabilities</b>	<u>4,720,608</u>	<u>2,967,726</u>	<u>796,227</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,109,134	3,946,902	3,204,866
Restricted	277,040	1,258,069	39,119
Unrestricted	<u>566,691</u>		
<b>Total net assets</b>	<u>\$ 1,952,865</u>	<u>\$ 5,204,971</u>	<u>\$ 3,243,985</u>

The notes are an integral part of the financial statements.



**CHARTER TOWNSHIP OF BRANDON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit Fire</u>	<u>Component Unit Library</u>
GOVERNMENTAL ACTIVITIES						
General government	\$ (1,143,156)	\$ 272,866	\$	\$ (870,290)	\$	\$
Police protection	(1,581,534)	111,238		(1,470,296)		
Culture and recreation	(470,981)			(470,981)		
Public works	(244,017)			(244,017)		
Interest on long-term debt	(53,514)			(53,514)		
<b>Total governmental activities</b>	<b><u>\$ (3,493,202)</u></b>	<b><u>\$ 384,104</u></b>	<b><u>\$</u></b>	<b><u>(3,109,098)</u></b>		
Component Units						
Fire	\$ (2,260,640)	\$ 232,591	\$ 14,152		(2,013,897)	
Library	(1,106,074)	10,251	6,535			(1,089,288)
<b>Total component units</b>	<b><u>\$ (3,366,714)</u></b>	<b><u>\$ 242,842</u></b>	<b><u>\$ 20,687</u></b>		<b><u>(2,013,897)</u></b>	<b><u>(1,089,288)</u></b>
General revenues						
Property taxes				2,245,958	1,699,620	793,764
Special assessments				175,262		
State shared revenues				999,786		
Investment earnings				20,500	29,285	5,033
Other income				282,719	1,053	44,743
Gain (loss) on disposal of assets				(2,407)	3,759	(3,902)
<b>Total general revenues</b>				<b><u>3,721,818</u></b>	<b><u>1,733,717</u></b>	<b><u>839,638</u></b>
<b>Changes in net assets</b>				<b>612,720</b>	<b>(280,180)</b>	<b>(249,650)</b>
<b>Net assets, January 1, 2011</b>				<b>4,193,060</b>	<b>5,770,840</b>	<b>1,263,635</b>
<b>Prior period adjustment</b>				<b><u>(2,852,915)</u></b>	<b><u>(285,689)</u></b>	<b><u>2,230,000</u></b>
<b>Net assets, December 31, 2011</b>				<b><u>\$ 1,952,865</u></b>	<b><u>\$ 5,204,971</u></b>	<b><u>\$ 3,243,985</u></b>

The notes are an integral part of the financial statements.

**FUND FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRANDON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS AND COMPONENT UNITS**  
**DECEMBER 31, 2011**

	<b>General Fund</b>	<b>Police Fund</b>	<b>Designated</b>
<b><u>ASSETS</u></b>			
<b>ASSETS</b>			
Cash and investments	\$ 283,857	\$ 422,188	\$ 324,620
Receivables			
Taxes	210,045	682,498	
Accounts		25,983	
Special assessments			
Due from other funds	209,558	601,069	
Other governmental units	167,750		
Prepaid expenditures	31,533		
	<b>\$ 902,743</b>	<b>\$ 1,731,738</b>	<b>\$ 324,620</b>
	<b>\$ 902,743</b>	<b>\$ 1,731,738</b>	<b>\$ 324,620</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 32,870	\$ 36,371	\$
Accrued wages	14,524	57	
Due to other funds	2,187		
Deferred revenue	418,296	1,359,399	
	<b>467,877</b>	<b>1,395,827</b>	
	<b>467,877</b>	<b>1,395,827</b>	
<b>FUND BALANCES</b>			
Nonspendable for:			
Prepays	31,533		
Restricted for:			
Fire protection			
Police protection		235,748	
Parks and recreation			
Debt service			
Library			
Public works			
Committed for:			
Cable			
Recreation			13,570
Municipal improvement			308,810
Cemetery			2,240
Assigned for future budget deficit		100,163	
Unassigned	403,333		
	<b>434,866</b>	<b>335,911</b>	<b>324,620</b>
	<b>434,866</b>	<b>335,911</b>	<b>324,620</b>
<b>Total liabilities and fund balance</b>	<b>\$ 902,743</b>	<b>\$ 1,731,738</b>	<b>\$ 324,620</b>

The notes are an integral part of the financial statements.

Library Debt Service Fund	Other Non-major Funds	Totals	Component Units	
			Fire Fund	Library Fund
\$ 37,639	\$ 190,682	\$ 1,258,986	\$ 1,803,387	\$ 130,498
155,506		1,048,049	828,545	372,794
		25,983		334
	93,047	93,047		
136,354	31,105	978,086	774,465	326,880
		167,750		
	1,225	32,758	90,941	4,878
<u>\$ 329,499</u>	<u>\$ 316,059</u>	<u>\$ 3,604,659</u>	<u>\$ 3,497,338</u>	<u>\$ 835,384</u>
\$ 152	\$ 2,675	\$ 72,068	\$ 23,162	\$ 20,600
	438	15,019	10,829	9,469
	3,133	5,320	1,106	38
309,509	135,668	2,222,872	1,703,740	741,984
<u>309,661</u>	<u>141,914</u>	<u>2,315,279</u>	<u>1,738,837</u>	<u>772,091</u>
	1,225	32,758	90,941	4,878
			1,119,483	
		235,748		
	547	547		
19,838		19,838		
				58,415
	20,907	20,907		
	144,143	144,143		
		13,570		
		308,810		
	33	2,273		
	7,290	107,453	548,077	
		403,333		
<u>19,838</u>	<u>174,145</u>	<u>1,289,380</u>	<u>1,758,501</u>	<u>63,293</u>
<u>\$ 329,499</u>	<u>\$ 316,059</u>	<u>\$ 3,604,659</u>	<u>\$ 3,497,338</u>	<u>\$ 835,384</u>

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS  
OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2011

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

Total governmental fund balances		\$ 1,289,380
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 4,058,385	
Depreciation	<u>(984,251)</u>	
Total		3,074,134
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable	(1,965,000)	
Accrued compensated absences	<u>(5,722)</u>	
Total		(1,970,722)
Other post employment benefit obligations liability not recognized under fund accounting		(567,666)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>127,739</u>
<b>Net assets of governmental activities</b>		<u><u>\$ 1,952,865</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS  
COMPONENT UNIT - FIRE FUND  
DECEMBER 31, 2011

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

Total governmental fund balances		\$ 1,758,501
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 7,543,282	
Depreciation	<u>(2,866,817)</u>	
Total		4,676,465
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable	(729,563)	
Accrued compensated absences	<u>(6,795)</u>	
Total		(736,358)
Other Post Employment Benefit obligations liability not recognized under fund accounting		<u>(493,637)</u>
<b>Net assets of governmental activities</b>		<u><u>\$ 5,204,971</u></u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS  
COMPONENT UNIT - LIBRARY  
DECEMBER 31, 2011

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

Total governmental fund balances		\$	63,293
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			
Cost of capital assets	\$	6,268,548	
Depreciation		<u>(3,063,682)</u>	
Total			3,204,866
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:			
Accrued compensated absences			<u>(24,174)</u>
<b>Net assets of governmental activities</b>			<u><u>\$ 3,243,985</u></u>

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRANDON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General Fund</u>	<u>Police Fund</u>	<u>Designated Fund</u>
<b>REVENUES</b>			
Taxes	\$ 456,616	\$ 1,453,724	\$
Licenses and permits	52,199		
Intergovernmental	999,786		
Charges for services	8,654	111,238	
Interest	4,880	11,111	2,580
Miscellaneous	107,469	34,218	83,547
Special assessments			
Public donations			
<b>Total revenues</b>	<u>1,629,604</u>	<u>1,610,291</u>	<u>86,127</u>
<b>EXPENDITURES</b>			
General government	900,719		
Public safety	79,089	1,495,453	
Public works	109,510		
Culture and recreation	227,231		
Capital outlay			
General government	80,290		
Library			
Fire			
Debt service			
Principal			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>1,396,839</u>	<u>1,495,453</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>232,765</u>	<u>114,838</u>	<u>86,127</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of assets			
Transfers in	142,606	20,000	108,970
Transfers out	(112,798)		(98,895)
<b>Total other financing sources (uses)</b>	<u>29,808</u>	<u>20,000</u>	<u>10,075</u>
<b>Net change in fund balance</b>	262,573	134,838	96,202
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>172,293</u>	<u>201,073</u>	<u>228,418</u>
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u>\$ 434,866</u>	<u>\$ 335,911</u>	<u>\$ 324,620</u>

The notes are an integral part of the financial statements.



Library Debt Service Fund	Other Non-major Funds	Totals	Component Units	
			Fire Fund	Library Fund
\$ 335,618	\$	\$ 2,245,958	\$ 1,699,620	\$ 793,764
		52,199		
		999,786		
	264,212	384,104	232,591	10,251
333	1,596	20,500	29,285	5,033
	5,286	230,520	1,053	51,278
	47,523	47,523		
			14,152	
<u>335,951</u>	<u>318,617</u>	<u>3,980,590</u>	<u>1,976,701</u>	<u>860,326</u>
		900,719		
		1,574,542	2,084,144	
	126,174	235,684		
	217,405	444,636		896,898
		80,290		
				5,455
			40,965	
265,000		265,000		
53,514		53,514		
<u>318,514</u>	<u>343,579</u>	<u>3,554,385</u>	<u>2,125,109</u>	<u>902,353</u>
17,437	(24,962)	426,205	(148,408)	(42,027)
			3,759	
	16,937	288,513		
	(76,820)	(288,513)		
	(59,883)			
			3,759	
17,437	(84,845)	426,205	(144,649)	(42,027)
2,401	258,990	863,175	1,903,150	105,320
<u>\$ 19,838</u>	<u>\$ 174,145</u>	<u>\$ 1,289,380</u>	<u>\$ 1,758,501</u>	<u>\$ 63,293</u>

**CHARTER TOWNSHIP OF BRANDON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

Net change in fund balances - governmental funds		\$ 426,205
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The net amount of capital outlay expenditures and depreciation is as follows:</p>		
Capital outlay	\$ 80,290	
Depreciation expense	(109,847)	
Disposal of assets	<u>(2,407)</u>	
Net		(31,964)
<p>Repayment of bond and contract payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets</p>		
Repayment of bonds payable		265,000
<p>Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Assets</p>		
Accrued absences at December 31, 2010	4,649	
Accrued absences at December 31, 2011	<u>(5,722)</u>	
Net		(1,073)
Other Post Employment Benefit expense not recognized for fund accounting		(173,187)
<p>Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are initially (first year of assessment) levied for the Statement of Activities</p>		
Principal levied on assessments		<u>127,739</u>
<b>Change in net assets of governmental activities</b>		<u><u>\$ 612,720</u></u>

The notes are an integral part of the financial statements

**CHARTER TOWNSHIP OF BRANDON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS  
COMPONENT UNIT - FIRE FUND  
DECEMBER 31, 2011**

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

Net change in fund balances - governmental funds		\$ (144,649)
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The net amount of capital outlay expenditures and depreciation is as follows:</p>		
Capital outlay	\$ 40,965	
Depreciation expense	<u>(202,820)</u>	
Net		(161,855)
<p>Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Assets</p>		
Accrued sick and vacation	2,040	
Accrued compensated absences	<u>228,344</u>	
Net		230,384
Other Post Employment Benefit expense not recognized for fund accounting		<u>(204,060)</u>
<b>Change in net assets of governmental activities</b>		<u><u>\$ (280,180)</u></u>

The notes are an integral part of the financial statements.

**CHARTER TOWNSHIP OF BRANDON**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
COMPONENT UNIT - LIBRARY  
DECEMBER 31, 2011**

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

Net change in fund balances - governmental funds \$ (42,027)

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

Capital outlay	\$	5,455	
Depreciation expense		(201,866)	
Disposal of assets		<u>(3,902)</u>	
Net			(200,313)

Accrued absences for vacation and sick time for the  
employees is recorded on the Statement of Net Assets

Accrued absences at December 31, 2010		16,864	
Accrued absences at December 31, 2011		<u>(24,174)</u>	
Net			<u>(7,310)</u>

**Change in net assets of governmental activities \$ (249,650)**

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF BRANDON

FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments

\$ 3,428,516

LIABILITIES

**LIABILITIES**

Due to others

\$ 1,355,549

Due to other funds

2,072,967

**Total liabilities**

\$ 3,428,516

The notes are an integral part of the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. BASIC FINANCIAL STATEMENTS**

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

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

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

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

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

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Township reports the following major governmental funds:

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

The Designated Fund accounts for the activities related to committing funds for specific board purposes. This fund is primarily supported through interest and transfers from other funds.

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

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

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

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

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

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

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

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.



**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. BUDGETARY DATA**

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

**D. PROPERTY TAXES**

The Township property tax is levied each December 1 on the taxable valuation of property located in the township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2010 levy was assessed at an adjusted taxable value of \$446,973,755. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General township operations	1.0000
Police	3.2500
Fire	3.8905
Library	1.7739
Library Debt Service	0.7500
<b>Total millage</b>	<b>10.6644</b>

**E. CAPITAL ASSETS**

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$500 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

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

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

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. MANAGEMENT ESTIMATES**

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

**G. RISK MANAGEMENT**

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

**NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

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

Component Units

1. The Library operates under PA 164, thus the Library Board is independently elected, approves its own budget, maintains control over expenditures of all funds credited to the Library and has the responsibility to see that adequate funding is provided. The Township has chosen to report the Library Fund as a separate discretely presented component unit of the Township's audited financial statements.
2. The Fire Department was created by the Township and the Village of Ortonville under an agreement in 1954. There is a joint Fire Board which is made up of representatives from the Township and Village. The budget process requires approvals from the Township Board of Trustees, Village Council and the joint Fire Board. The Township has chosen to report the Fire Department as a separate discretely presented component unit of the Township's audited financial statements.

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

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

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
Fire Operating Fund	Current Tax Fund	\$ 774,465
General Fund	Presidio/Freedom Trail	3,133
General Fund	Trust and Agency	221
General Fund	Payroll Fund	491
General Fund	Current Tax Fund	204,567
General Fund	Health Reimbursement	2
General Fund	Library Clearing	38
General Fund	Fire Ambulance	1,106
Lake Louise	Current Tax Fund	14,890
Legault Boulevard	Current Tax Fund	5,618
Library	Current Tax Fund	326,880
Library DSWF	Current Tax Fund	136,354
Police Fund	General Fund	2,187
Police Fund	Current Tax Fund	598,882
Presidio/Freedom Trail	Current Tax Fund	4,914
Shelmer Lane	Current Tax Fund	1,819
Upper Bushman	Current Tax Fund	2,789
Zarieda Street Sewers	Current Tax Fund	1,075
		<u>\$ 2,079,431</u>

The following interfund transfers were made for cash flow purposes during the year ended December 31, 2011.

<u>TRANSFER IN</u>	<u>TRANSFER OUT</u>	<u>AMOUNT</u>
General Fund	Designated	\$ 81,958
Police Fund	General Fund	20,000
Designated	Presidio/Freedom Trail	15,537
Designated	General Fund	92,797
Recreation Fund	Designated	10,000
Designated	Recreation Fund	636
Designated	Cemetery Fund	6,937
General Fund	Cable Fund	60,648
		<u>\$ 288,513</u>

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 4 - TOWNSHIP PENSION PLANS**

**DEFINED CONTRIBUTION PLAN** - The Township originally adopted a Defined Contribution Plan with Manulife in July 1977, which has since become John Hancock. The plan is offered to both Township and Library elected officials and eligible full-time employees who are at least 18 years of age and have provided three months of service. The Township contributes 12% of compensation. Employees are permitted to make voluntary after-tax contributions in amounts ranging from 1-15%. As of December 31, 2011 no employees had elected to make after-tax contributions. Benefits attributable to employer contributions are 100% vested. Employees are eligible for normal retirement at age 65.

A summary of the most recent available plan's activity for the period January 1, 2011 through December 31, 2011 for both Township and Library employees is as follows:

<b>Total Value January 1, 2011</b>	\$ 357,462
Employer Contributions	40,568
Investment Income (loss)	(12,492)
Charges	<u>(3,267)</u>
 <b>Total Value December 31, 2011</b>	 <b><u>\$ 382,271</u></b>

The Township made contributions totaling \$40,568 for the year ended December 31, 2011. Covered and total payroll was \$338,066 and \$1,610,778 respectively for the year ended December 31, 2011.

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

**DEFINED BENEFIT PLAN** - Brandon Township participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. Full-time employees and elected officials are eligible to participate in the plan. Covered and total payrolls for the year ended December 31, 2011 were \$1,297,488 and \$1,610,778 respectively. As of December 31, 2011 there were 29 active employees enrolled in the plan. Total contributions made to the plan during the year ended December 31, 2011 were \$123,339.

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

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 4 - TOWNSHIP PENSION PLANS (continued)**

The pension benefit obligation was determined as part of an actuarial valuation of the plan as of December 31, 2010. Significant actuarial assumptions used in determining the pension benefit obligation include (1) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.9% to 4.5% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

At December 31, 2010, the unfunded pension benefit obligation was \$606,026 determined as follows:

**GASB 25 INFORMATION (AS OF DECEMBER 31, 2010)**

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 2,104,296
Terminated employees (vested former members) not yet receiving benefits	117,386
Non-vested terminated employees (pending refunds of accumulated member contributions)	1,062
Current employees	
Accumulated employee contributions including allocated investment income	1,239,317
Employer financed	<u>1,533,819</u>
<b>Total actuarial accrued liability</b>	<b>4,995,880</b>
Net assets available for benefits, actuarial value (Market Value is \$3,774,851)	<u>4,389,854</u>
<b>Unfunded actuarial accrued liability</b>	<b><u><u>\$ 606,026</u></u></b>

**GASB 27 INFORMATION (AS OF DECEMBER 31, 2010)**

Fiscal year Beginning January 1, 2012	
Annual Required Contribution (ARC)	\$ 123,864
Amortization Factor Used - Underfunded liabilities (28 years)	0.055889
Amortization Factor Used - Overfunded liabilities (10 years)	0.119963

**SCHEDULE OF PENSION FUNDING PROGRESS (UNAUDITED)**

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

**ANALYSIS OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (Overfunded) Actuarial Liability (UAAL)</u>	<u>Unfunded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2010	\$ 4,389,854	\$ 4,995,880	\$ 606,026	12.1%	\$ 1,303,727	46%

The annual Actuarial Report was not available at the time of writing report, thus information could not be provided for the year ended December 31, 2011.

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 5 - OTHER POST EMPLOYMENT BENEFITS**

As of the fiscal year ended December 31, 2011, Brandon Township has implemented Governmental Accounting Standards Board (GASB) Statement No. 45 which addresses the reporting and disclosure requirements for other postemployment benefits (OPEB). GASB No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

***Plan Description:*** The Township is a member of the Michigan Employees' Retirement System (MERS), an agent-multiple retiree health care funding vehicle that accumulates funds for postemployment health care benefits. Elected officials and full-time employees that have reached his or her fifty-fifth birthday are eligible for health care benefits as follows:

- Individuals with at least twenty years of service and 55 years of age are eligible for continued healthcare benefits consistent with the plan in effect for retirees at time of retirement. This benefit terminates upon the death of the retiree.
- Individuals who opt out of the Township offered health care coverage can receive a \$2,000 lump sum payment annually. This benefit terminates upon the death of the retiree.

The Township pays for the entire cost of these benefits without provisions for employee contributions or cost sharing for employees hired prior to January 2006. There is also a 2% contribution made by all active members through payroll deduction. Employees hired after January 2006 are required to pay 15% of the single rate premium and an additional 5% if they choose to cover their spouse and/or children. Currently there are seven individuals receiving these benefits (four from the Township and three from the Fire Department). The total expenditures at the fund level to fund these benefit programs amounted to \$116,011 (\$53,712 funded by the Township and \$62,299 funded by the Fire Department). These expenditures include contributions to fund the actuarially determined annual required contribution (ARC) for the year which is used in determining the unfunded actuarial accrued liability that existed when GASB Statement No. 45 was implemented.

***Funding Policy:*** Under GASB Statement No. 45 the Township has no obligation to make contributions prior to the time insurance premiums are due to be paid. In essence, the Township may fund these obligations on a pay-as-you-go basis.

***Funding Status and Progress:*** As of December 31, 2007, the most recent actuarial valuation date, the funding status and progress was as follows:

Actuarial Accrued Liability (AAL)	\$ 4,340,432
Actuarial Value of Assets	200,662
Unfunded AAL (UAAL)	4,139,770
Funded ratio	4.6%
Ratio of UAAL to covered payroll	not available

The actuarial value of assets is set equal to the reported market value of such assets at the valuation date. The valuation report dated December 31, 2010 was not available at the time this financial report was released.

***Annual OPEB Cost and Net OPEB Liability:*** The Township's annual OPEB cost is calculated based on the annual required contribution (ARC), an actuarially determined contribution rate determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 5 - OTHER POST EMPLOYMENT BENEFITS (continued)**

The following shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation:

	<u>TOTAL</u>	<u>GOVERNMENTAL</u>	<u>FIRE</u>
Annual required contribution (ARC)	\$ 406,050	\$ 186,783	\$ 219,267
Interest on net OPEB obligation	32,484	14,943	17,541
Adjustment to ARC	54,725	25,173	29,551
Annual OPEB cost / expense	493,259	226,899	266,359
Contributions made	(116,011)	(53,712)	(62,299)
Increase in OPEB obligation	377,248	173,187	204,060
Net OPEB obligation, beginning of year	684,056	394,479	289,577
Net OPEB obligation, end of year	<u>\$ 1,061,304</u>	<u>\$ 567,666</u>	<u>\$ 493,637</u>

The Township did not require that their actuarial report be divided between the governmental unit and the fire component unit. The above calculation is an estimate based upon related payroll of these units. There are many more factors that determine the true obligation per unit. The Township will request that their next actuarial reported be divided accordingly.

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

<u>Year Ended</u> <u>December 31,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Amount</u> <u>Contributed</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2009	\$ 401,579	\$ 70,247	17%	\$ 331,332
2010	\$ 446,157	\$ 93,432	21%	\$ 352,725
2011	\$ 493,259	\$ 116,011	24%	\$ 377,248

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based upon the substantive plan (the plan understood by the Township and its plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Township and its plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term prospective of the calculations.

The Individual Entry-Age cost method was used in the December 31, 2007 actuarial valuation. Actuarial assumptions used were as follows:

Investment rate of return:	8%
Healthcare cost trend rate:	8.5% for 2008 grading to 4.5% in 2017
Amortization method of UAAL:	Level percent of payroll if the divisions are open to new hires and as a level dollar if divisions are closed to new hires.
Remaining Amortization Periods of UAAL at December 31, 2011:	27 years

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2011 was as follows:

<b>Governmental Activities</b>	<b>Balance 1/1/2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2011</b>
Capital assets not being depreciated:				
Land	\$ 1,227,369	\$	\$	\$ 1,227,369
Construction in progress	727,196		727,196	
<b>Subtotal</b>	<u>1,954,565</u>		<u>727,196</u>	<u>1,227,369</u>
Capital assets being depreciated				
Buildings and building improvements	1,643,529	744,446	21,996	2,409,971
Vehicles	41,335			41,335
Equipment	360,662	63,040		423,702
<b>Total capital assets</b>	<u>2,045,526</u>	<u>807,486</u>	<u>21,996</u>	<u>2,875,008</u>
Less accumulated depreciation	<u>(1,034,220)</u>	<u>(109,847)</u>		<u>(1,144,067)</u>
<b>Net capital assets being depreciated</b>	<u>1,151,533</u>	<u>697,639</u>	<u>\$ 2,407</u>	<u>1,846,765</u>
<b>Net capital assets</b>	<u><u>\$ 3,106,098</u></u>	<u><u>\$ 697,639</u></u>	<u><u>\$ 729,603</u></u>	<u><u>\$ 3,074,134</u></u>

Depreciation expense is allocated to the following activities:

<b>Governmental Activities:</b>	
General government	\$ 54,201
Police	6,992
Sidewalks	8,333
Recreation programs	26,345
Senior citizen services	13,976
	<u>\$ 109,847</u>



**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 6 - CAPITAL ASSETS (continued)**

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

<b>Fire Department</b>	<b>Balance 1/1/2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2011</b>
Capital assets not being depreciated:				
Land	\$ 1,857,202	\$	\$	\$ 1,857,202
Capital assets being depreciated:				
Buildings and land improvements	3,186,239	33,224		3,219,463
Vehicles	1,991,936		27,849	1,964,087
Equipment	513,518	7,741	18,729	502,530
<b>Total capital assets</b>	<b>5,691,693</b>	<b>40,965</b>	<b>46,578</b>	<b>5,686,080</b>
Less accumulated depreciation for:				
Buildings and land improvements	1,152,309	66,328		1,218,637
Vehicles	1,204,963	113,581	32,890	1,285,654
Equipment	353,303	22,911	13,688	362,526
<b>Subtotal - depreciation</b>	<b>2,710,575</b>	<b>202,820</b>	<b>46,578</b>	<b>2,866,817</b>
<b>Net capital assets being depreciated</b>	<b>2,981,118</b>	<b>(161,855)</b>		<b>2,819,263</b>
<b>Net capital assets</b>	<b>\$ 4,838,320</b>	<b>\$ (161,855)</b>	<b>\$</b>	<b>\$ 4,676,465</b>

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

<b>Library</b>	<b>Balance 1/1/2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2011</b>
Non-depreciable items				
Land	\$ 171,000	\$	\$	\$ 171,000
Depreciable items				
Buildings and land improvements	3,796,414			3,796,414
Computer equipment	98,933		48,159	50,774
Equipment	51,051	5,455	21,093	35,413
Library materials	1,742,374			1,742,374
Furniture and fixtures	673,848		201,275	472,573
<b>Total capital assets</b>	<b>6,362,620</b>	<b>5,455</b>	<b>270,527</b>	<b>6,097,548</b>
Accumulated depreciation				
Buildings and land improvements	1,029,968	94,910		1,124,878
Computer equipment	79,476	6,565	45,214	40,827
Equipment	47,280	1,184	20,644	27,820
Library materials	1,303,992	93,592		1,397,584
Furniture and fixtures	667,087	6,253	200,767	472,573
<b>Subtotal - depreciation</b>	<b>3,127,803</b>	<b>202,504</b>	<b>266,625</b>	<b>3,063,682</b>
<b>Net capital assets being depreciated</b>	<b>3,234,817</b>	<b>(197,049)</b>	<b>3,902</b>	<b>3,033,866</b>
<b>Net capital assets</b>	<b>\$ 3,405,817</b>	<b>\$ (197,049)</b>	<b>\$ 3,902</b>	<b>\$ 3,204,866</b>

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 7 - LONG-TERM DEBT**

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

<u>Description</u>	<u>Amount</u>
<b>Governmental Activities</b>	
<b>General obligations:</b>	
2010 Library Refunding LTGO bonds, issued in the amount of \$2,230,000 to finance library construction. The bond bears interest from 2% to 2.7%, and matures through 2018	<u>\$ 2,230,000</u>
<b>Component Units Activities</b>	
<b>Installment purchase agreements:</b>	
2006 installment purchase agreement, issued in the amount of \$248,448 to purchase a fire tanker. The agreement bears interest at 3.6% and matures through 2012	\$ 39,497
2006 installment purchase agreement, issued in the amount of \$33,433 to purchase a fire utility truck. The agreement bears interest at 3.6% and matures through 2012	5,316
2006 installment purchase agreement, issued in the amount of \$1,369,500 to purchase land for a future fire station. The agreement bears interest at 4.069% and matures through 2016	<u>684,750</u>
<b>Total of installment purchase agreements</b>	<u>\$ 729,563</u>

**CHARTER TOWNSHIP OF BRANDON**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 7 - LONG-TERM DEBT (continued)**

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

	<u>Balance 1/1/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2011</u>	<u>Due within one year</u>
<b>Governmental Activities</b>					
General obligation bonds	\$ 2,230,000	\$	\$ 265,000	\$ 1,965,000	\$ 260,000
Accumulated compensated absences	<u>4,649</u>	<u>1,073</u>		<u>5,722</u>	
<b>Total general obligations</b>	<u><u>\$ 2,234,649</u></u>	<u><u>\$ 1,073</u></u>	<u><u>\$ 265,000</u></u>	<u><u>\$ 1,970,722</u></u>	<u><u>\$ 260,000</u></u>
<b>Component Unit Activities</b>					
Installment purchase obligations	\$ 957,907	\$	\$ 228,344	\$ 729,563	\$ 181,763
Accumulated compensated absences	<u>25,699</u>	<u>5,270</u>		<u>30,969</u>	
<b>Total component unit</b>	<u><u>\$ 983,606</u></u>	<u><u>\$ 5,270</u></u>	<u><u>\$ 228,344</u></u>	<u><u>\$ 760,532</u></u>	<u><u>\$ 181,763</u></u>

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

	<b>Governmental Activities</b>				<b>Component Units</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 260,000	\$ 40,890	\$ 300,890	2012	\$ 179,763	\$ 29,529	\$ 209,292
2013	260,000	35,690	295,690	2013	136,950	22,290	159,240
2014	275,000	30,340	305,340	2014	136,950	16,717	153,667
2015	280,000	24,790	304,790	2015	136,950	11,145	148,095
2016	290,000	18,800	308,800	2016	136,950	5,573	142,523
2017 - 2018	<u>600,000</u>	<u>16,041</u>	<u>616,041</u>	2022-2024			
<b>Total</b>	<u><u>\$ 1,965,000</u></u>	<u><u>\$ 166,551</u></u>	<u><u>\$ 2,131,551</u></u>	<b>Total</b>	<u><u>\$ 727,563</u></u>	<u><u>\$ 85,254</u></u>	<u><u>\$ 812,817</u></u>

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Township to deposit and invest in the accounts of federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits are in accordance with statutory authority.

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

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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

As of December 31, 2011 cash, cash equivalents and investments consist of the following:

**CASH AND INVESTMENTS - GOVERNMENTAL FUNDS**

Deposits	
Deposits with financial institutions	\$ 3,578,411
Investments	
Oakland County Investment Pool	<u>1,079,780</u>
<b>Total deposits and investments</b>	<b><u><u>\$ 4,658,191</u></u></b>

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

Statement of Net Assets	
Deposits and investments	\$ 1,258,986
Fiduciary Funds	
Deposits and investments	<u>3,428,516</u>
<b>Total deposits and investments</b>	<b><u><u>\$ 4,687,502</u></u></b>

The carrying amount of cash is stated at \$4,687,502 as of December 31, 2011. The difference between the carrying amounts and amounts mentioned above stem from petty cash and outstanding items.

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

**DEPOSIT AND INVESTMENT RISK**

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

**INTEREST RATE RISK**

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

**CREDIT RISK**

State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with maximum maturities and ratings when purchased, banker's acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on investment credit risk. The Township's investments were not rated as of December 31, 2011.

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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

**CUSTODIAL CREDIT RISK - DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial risk. As of December 31, 2011 the custodial credit risk is as follows:

Insured by FDIC	\$ 528,178
Uninsured and uncollateralized	<u>2,522,055</u>
	<u><u>\$ 3,050,233</u></u>

**CUSTODIAL CREDIT RISK - INVESTMENTS**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. The Township's investments at December 31, 2011 are not subject to custodial credit risk.

**CASH AND INVESTMENTS - COMPONENT UNIT (FIRE)**

Deposits	
Deposits with financial institutions	\$ 263,777
Investments	
Oakland County Investment Pool	<u>1,619,837</u>
Total deposits and investments	<u><u>\$ 1,883,614</u></u>

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

Statement of Net Assets - Component Unit (Fire)	
Cash and investments	<u><u>\$ 1,803,387</u></u>

The carrying amount of cash is stated at \$1,803,387 as of December 31, 2011. The difference between the carrying amounts and amounts mentioned above stem from petty cash and outstanding items.

**CUSTODIAL CREDIT RISK - DEPOSITS - COMPONENT UNIT (FIRE)**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial risk. As of December 31, 2011 the custodial credit risk is as follows:

Insured by FDIC	\$ -
Uninsured and uncollateralized	<u>263,777</u>
	<u><u>\$ 263,777</u></u>

All other deposit and investment risk assessments are the same as the Township.

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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

**CASH AND INVESTMENTS - COMPONENT UNIT (LIBRARY)**

Deposits		
Deposits with financial institutions	\$	68,794
 Investments		
Oakland County Investment Pool		<u>63,827</u>
Total deposits and investments	\$	<u><u>132,621</u></u>
 Cash and investments are presented in the financial statements in the following areas:		
 Statement of Net Assets - Component Unit		
Cash and investments	\$	<u><u>130,498</u></u>

The carrying amount of cash is stated at \$130,498 as of December 31, 2011. The difference between the carrying amounts and amounts mentioned above stem from petty cash and outstanding items.

**CUSTODIAL CREDIT RISK - DEPOSITS - COMPONENT UNIT (LIBRARY)**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial risk. As of December 31, 2011 the custodial credit risk is as follows:

Insured by FDIC		\$ -
Uninsured and uncollateralized		<u>68,794</u>
	\$	<u><u>68,794</u></u>

All other deposit and investment risk assessments are the same as the Township.

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 9 - CONTINGENT LIABILITIES**

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

**NOTE 10 - PRIOR PERIOD ADJUSTMENTS**

<b>GENERAL FUND</b>		
<hr/>		
\$ (394,479)		Other Post Employment Benefits liability not recorded.
(242,142)		Write off roads that were previously capitalized but not owned or maintained by the Township.
	(2,230,000)	Write off lease receivable from the Library (there is no documented lease).
	13,706	Write off unaccounted for accrued interest.
	<hr/>	
	\$ (2,852,915)	
	<hr/> <hr/>	
<b>FIRE FUND</b>		
<hr/>		
\$ (289,577)		Other Post Employment Benefits liability not recorded.
3,888		Write off unaccounted accrued interest receivable.
	<hr/>	
	\$ (285,689)	
	<hr/> <hr/>	
<b>LIBRARY FUND</b>		
<hr/>		
\$ 2,230,000		Write off lease payable to Township.
	<hr/> <hr/>	

The following prior-period adjustments were made after review of the circumstances surrounding each transaction.

**CHARTER TOWNSHIP OF BRANDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 11 - NEW ACCOUNTING STANDARDS**

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the resources reported in the governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved will be replaced with five new classifications of non-spendable, restricted, committed, assigned and unassigned.

The hierarchy of five possible classifications of fund balance is:

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

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

**Unassigned Fund Balance**

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



**REQUIRED SUPPLEMENTARY  
INFORMATION**

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 462,767	\$ 462,767	\$ 456,616	\$ (6,151)
Licenses and permits	34,100	50,500	52,199	1,699
Intergovernmental	848,000	848,000	999,786	151,786
Charges for services	10,160	14,860	8,654	(6,206)
Interest	4,000	4,000	4,880	880
Other revenues	87,314	96,314	113,898	17,584
<b>Total revenues</b>	<b>1,446,341</b>	<b>1,476,441</b>	<b>1,636,033</b>	<b>159,592</b>
<b>EXPENDITURES</b>				
Trustees	12,000	12,000	10,602	1,398
Supervisor	106,419	106,419	103,982	2,437
Elections	25,100	25,100	20,816	4,284
Assessor	62,150	68,550	66,795	1,755
Clerk	124,917	125,197	124,738	459
Board of review	3,500	3,500	2,016	1,484
Treasurer	118,027	118,027	117,702	325
Township Hall	48,950	48,950	40,067	8,883
Senior Activity Center	45,182	45,182	41,906	3,276
Senior Van	56,802	60,802	60,927	(125)
Community development	38,380	38,380	37,001	1,379
Miscellaneous	39,425	46,931	40,157	6,774
Building inspection	84,593	92,093	79,089	13,004
Ordinance enforcement	1,000	1,000	467	533
Metro Authority	11,000	11,000	11,000	
Street lighting	18,500	21,000	20,313	687
Roads and streets	64,000	96,172	89,197	6,975
Recreation	81,165	85,165	87,397	(2,232)
Planning commission	9,125	9,125	6,528	2,597
Appeal Board	6,330	6,330	3,022	3,308
Equipment shared	28,270	36,872	33,268	3,604
Insurance and bonds	37,200	31,200	27,973	3,227
Other functions	433,013	433,013	378,305	54,708
<b>Total expenditures</b>	<b>1,455,048</b>	<b>1,522,008</b>	<b>1,403,268</b>	<b>118,740</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(8,707)</b>	<b>(45,567)</b>	<b>232,765</b>	<b>278,332</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	121,000	141,958	142,606	648
Transfers (out)	(45,000)	(95,073)	(112,798)	(17,725)
<b>Total other financing sources (uses)</b>	<b>76,000</b>	<b>46,885</b>	<b>29,808</b>	<b>(17,077)</b>
<b>Net change in fund balance</b>	<b>67,293</b>	<b>1,318</b>	<b>262,573</b>	<b>261,255</b>
<b>FUND BALANCE, JANUARY 1, 2011</b>	<b>172,293</b>	<b>172,293</b>	<b>172,293</b>	
<b>FUND BALANCE DECEMBER 31, 2011</b>	<b>\$ 239,586</b>	<b>\$ 173,611</b>	<b>\$ 434,866</b>	<b>\$ 261,255</b>

CHARTER TOWNSHIP OF BRANDON

POLICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,470,849	\$ 1,470,849	\$ 1,453,724	\$ (17,125)
Licenses and permits	3,500	3,500	4,533	1,033
Interest	5,000	5,000	11,111	6,111
Other revenues	38,000	38,000	34,218	(3,782)
Reimbursement from schools			106,705	106,705
<b>Total revenues</b>	<u>1,517,349</u>	<u>1,517,349</u>	<u>1,610,291</u>	<u>92,942</u>
<b>EXPENDITURES</b>				
Public safety	<u>1,473,628</u>	<u>1,473,628</u>	<u>1,495,453</u>	<u>(21,825)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	43,721	43,721	114,838	71,117
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
<b>Net change in fund balance</b>	63,721	63,721	134,838	71,117
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>201,073</u>	<u>201,073</u>	<u>201,073</u>	
<b>FUND BALANCE DECEMBER 31, 2011</b>	<u>\$ 264,794</u>	<u>\$ 264,794</u>	<u>\$ 335,911</u>	<u>\$ 71,117</u>

CHARTER TOWNSHIP OF BRANDON

SCHEDULES OF OPEB FUNDING PROGRESS (UNAUDITED)  
DECEMBER 31, 2011

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

<u>Year Ended</u> <u>December 31,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Amount</u> <u>Contributed</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2009	\$ 401,579	\$ 70,247	17%	\$ 331,332
2010	\$ 446,157	\$ 93,432	21%	\$ 352,725
2011	\$ 493,259	\$ 116,011	24%	\$ 377,248

**SUPPLEMENTARY INFORMATION**

**COMBINING FINANCIAL  
STATEMENTS**

CHARTER TOWNSHIP OF BRANDON

COMBINING BALANCE SHEET  
 ALL FUNDS INCLUDED IN GASB 54 CONSOLIDATION - FIRE FUND  
 DECEMBER 31, 2011

	<u>Fire Operating</u>	<u>Equipment and Housing</u>	<u>Ambulance</u>
<b>ASSETS</b>			
Cash and investments	\$ 600,785	\$ 168,616	\$ 1,025,459
Taxes receivable	652,148	176,397	
Due from other funds	629,861	164,884	
Prepaid expenses	88,915	102	1,924
<b>Total assets</b>	<u>1,971,709</u>	<u>509,999</u>	<u>1,027,383</u>
<b>LIABILITIES</b>			
Accounts payable	16,346	4,300	2,516
Accrued wages	9,786		1,043
Due to other funds			21,386
Deferred revenue	1,341,013	362,727	
<b>Total liabilities</b>	<u>1,367,145</u>	<u>367,027</u>	<u>24,945</u>
<b>FUND BALANCE</b>	<u>604,564</u>	<u>142,972</u>	<u>1,002,438</u>
<b>Total liabilities and fund balance</b>	<u>\$ 1,971,709</u>	<u>\$ 509,999</u>	<u>\$ 1,027,383</u>

<u>Public Contributions</u>	<u>Eliminations</u>	<u>Totals Restated Fire and Ambulance Fund</u>
\$ 8,527	\$	\$ 1,803,387
	(20,280)	828,545
		774,465
		90,941
<u>8,527</u>	<u>(20,280)</u>	<u>3,497,338</u>
		23,162
		10,829
	(20,280)	1,106
		<u>1,703,740</u>
	<u>(20,280)</u>	<u>1,738,837</u>
<u>8,527</u>		<u>1,758,501</u>
<u>\$ 8,527</u>	<u>\$ (20,280)</u>	<u>\$ 3,497,338</u>



**CHARTER TOWNSHIP OF BRANDON**  
**COMBINING BALANCE SHEET**  
**ALL FUNDS INCLUDED IN GASB 54 CONSOLIDATION - LIBRARY**  
**DECEMBER 31, 2011**

	<b>Library General Fund</b>	<b>Library Clearing Fund</b>	<b>Totals Restated Library Fund</b>
<b><u>ASSETS</u></b>			
<b>ASSETS</b>			
Cash and investments	\$ 130,460	\$ 38	\$ 130,498
Accounts receivable			
Taxes	372,794		372,794
Others	334		334
Due from other funds	326,880		326,880
Prepaid expenses	4,878		4,878
<b>Total assets</b>	<b>\$ 835,346</b>	<b>\$ 38</b>	<b>\$ 835,384</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 20,473	\$	\$ 20,473
Accrued wages	9,469		9,469
Deferred revenue	741,984		741,984
Sales tax payable	127		127
Due to other funds		38	38
<b>Total liabilities</b>	772,053	38	772,091
<b>FUND BALANCE</b>	63,293		63,293
<b>Total liabilities and fund balance</b>	<b>\$ 835,346</b>	<b>\$ 38</b>	<b>\$ 835,384</b>

CHARTER TOWNSHIP OF BRANDON

SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2011

	Police Fund	Seymour Lake Cemetery Fund	Designated Fund	Recreation Fund	Cable Savings Fund	Presidio and Freedom Trail Fund
<b>ASSETS</b>						
<b>ASSETS</b>						
Cash and investments	\$ 422,188	\$ 33	\$ 324,620	\$ 11,858	\$ 145,150	\$ 1,363
Accounts receivable	25,983					
Prepaid expenses				625	600	
Taxes receivable	682,498					
Special assessment receivable						57,176
Due from other funds	601,069					4,914
<b>Total assets</b>	<b>\$ 1,731,738</b>	<b>\$ 33</b>	<b>\$ 324,620</b>	<b>\$ 12,483</b>	<b>\$ 145,750</b>	<b>\$ 63,453</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 36,371	\$	\$	\$ 1,921	\$ 754	\$
Due to other funds						3,133
Deferred revenue	1,359,399			7,929		62,537
Accrued wages	57			191	247	
<b>Total liabilities</b>	<b>1,395,827</b>			<b>10,041</b>	<b>1,001</b>	<b>65,670</b>
<b>FUND BALANCES</b>						
Nonspendable for:						
Prepays				625	600	
Restricted for:						
Fire protection						
Police protection	335,911					
Parks and recreation				1,817		
Library						
Public works						(2,217)
Committed for:						
Cable					144,149	
Recreation				13,570		
Municipal improvement				308,810		
Cemetery		33	2,240			
<b>Total fund balances</b>	<b>335,911</b>	<b>33</b>	<b>324,620</b>	<b>2,442</b>	<b>144,749</b>	<b>(2,217)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,731,738</b>	<b>\$ 33</b>	<b>\$ 324,620</b>	<b>\$ 12,483</b>	<b>\$ 145,750</b>	<b>\$ 63,453</b>

Zarieda Street Fund	Upper Bushman Fund	Lake Louise Fund	Shelmer Lane Fund	Legault Boulevard Fund	Totals	Component Units	
						Fire Fund	Library Fund
\$ 7,643	\$ 6,248	\$ 14,303	\$ 3,281	\$ 803	\$ 937,490	\$ 1,803,387	\$ 130,498
					25,983		334
					1,225	90,941	4,878
					682,498	828,545	372,794
5,377	3,669	20,757	2,859	3,209	93,047		
1,075	2,789	14,890	1,819	5,618	632,174	774,465	326,880
<u>\$ 14,095</u>	<u>\$ 12,706</u>	<u>\$ 49,950</u>	<u>\$ 7,959</u>	<u>\$ 9,630</u>	<u>\$ 2,372,417</u>	<u>\$ 3,497,338</u>	<u>\$ 835,384</u>
\$	\$	\$	\$	\$	\$ 39,046	\$ 31,689	\$ 20,600
					3,133	1,106	38
6,452	6,922	37,000	5,198	9,630	1,495,067	1,703,740	741,984
					495	10,829	9,469
<u>6,452</u>	<u>6,922</u>	<u>37,000</u>	<u>5,198</u>	<u>9,630</u>	<u>1,537,741</u>	<u>1,747,364</u>	<u>772,091</u>
					1,225	90,941	4,878
						1,659,033	
					335,911		
					1,817		
7,643	5,784	12,950	2,761		26,921		58,415
					144,149		
					13,570		
					308,810		
					2,273		
<u>7,643</u>	<u>5,784</u>	<u>12,950</u>	<u>2,761</u>		<u>834,676</u>	<u>1,749,974</u>	<u>63,293</u>
<u>\$ 14,095</u>	<u>\$ 12,706</u>	<u>\$ 49,950</u>	<u>\$ 7,959</u>	<u>\$ 9,630</u>	<u>\$ 2,372,417</u>	<u>\$ 3,497,338</u>	<u>\$ 835,384</u>

CHARTER TOWNSHIP OF BRANDON

AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2011

	<u>Tax Collection Fund</u>	<u>Payroll Fund</u>	<u>Escrow Fund</u>	<u>Health Reimbursement Fund</u>	<u>Totals</u>
<b><u>ASSETS</u></b>					
<b>ASSETS</b>					
Cash and investments	\$ 3,394,692	\$ 4,208	\$ 29,512	\$ 104	\$ 3,428,516
<b><u>LIABILITIES</u></b>					
<b>LIABILITIES</b>					
Due to others	\$ 1,322,439	\$ 3,717	\$ 29,291	\$ 102	\$ 1,355,549
Due to other funds	2,072,253	491	221	2	2,072,967
<b>Total liabilities</b>	<u>\$ 3,394,692</u>	<u>\$ 4,208</u>	<u>\$ 29,512</u>	<u>\$ 104</u>	<u>\$ 3,428,516</u>

CHARTER TOWNSHIP OF BRANDON

ALL FUNDS INCLUDED IN GASB 54 FIRE FUND CONSOLIDATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Fire Operating</u>	<u>Equipment and Housing</u>	<u>Ambulance</u>
<b>Revenues</b>			
Taxes	\$ 1,440,924	\$ 258,696	\$
Charges for services			232,591
Interest	14,112	3,948	11,216
Miscellaneous	1,038		15
Public contributions			
<b>Total revenues</b>	<u>1,456,074</u>	<u>262,644</u>	<u>243,822</u>
<b>Expenditures</b>			
Salaries	938,162		90,504
Pension	72,636		6,507
Insurance	369,267		20,814
Payroll taxes	10,417		5,227
Fire protection	142,709	116,378	70,177
Debt payment - principal		228,514	
Debt payment - interest		38,303	
<b>Total expenditures</b>	<u>1,533,191</u>	<u>383,195</u>	<u>193,229</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(77,117)	(120,551)	50,593
<b>OTHER FINANCING SOURCES</b>			
Disposal of assets		3,759	
Transfer in		55,000	
Transfer out			(55,000)
<b>Total other financing sources</b>		<u>58,759</u>	<u>(55,000)</u>
<b>Net change in fund balance</b>	(77,117)	(61,792)	(4,407)
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>681,681</u>	<u>204,764</u>	<u>1,006,845</u>
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u>\$ 604,564</u>	<u>\$ 142,972</u>	<u>\$ 1,002,438</u>

<u>Public Contributions</u>	<u>Eliminations</u>	<u>Totals Restated Fire and Ambulance Fund</u>
\$	\$	\$ 1,699,620
		232,591
		29,276
9		1,062
<u>14,152</u>		<u>14,152</u>
<u>14,161</u>		<u>1,976,701</u>
		1,028,666
		79,143
		390,081
		15,644
15,494		344,758
		228,514
		<u>38,303</u>
<u>15,494</u>		<u>2,125,109</u>
(1,333)		(148,408)
		3,759
	(55,000)	
	<u>55,000</u>	
		<u>3,759</u>
(1,333)		(144,649)
<u>9,860</u>		<u>1,903,150</u>
<u>\$ 8,527</u>	<u>\$</u>	<u>\$ 1,758,501</u>

**CHARTER TOWNSHIP OF BRANDON**

**SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Police Fund</b>	<b>Seymour Lake Cemetery Fund</b>	<b>Designated Fund</b>	<b>Recreation Fund</b>	<b>Cable Savings Fund</b>
<b>REVENUES</b>					
Taxes	\$ 1,453,724	\$	\$	\$	\$
Interest income	11,111		2,580	33	1,485
Charges for services	4,533	750		102,743	160,719
Reimbursement from schools	106,705				
Special assessments					
Other revenue	34,218		83,547	5,286	
<b>Total revenues</b>	<b>1,610,291</b>	<b>750</b>	<b>86,127</b>	<b>108,062</b>	<b>162,204</b>
<b>EXPENDITURES</b>					
Cable					152,846
Recreation				126,174	
Public works		8,681			
Public safety	1,495,453				
Library					
<b>Total expenditures</b>	<b>1,495,453</b>	<b>8,681</b>		<b>126,174</b>	<b>152,846</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>114,838</b>	<b>(7,931)</b>	<b>86,127</b>	<b>(18,112)</b>	<b>9,358</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of assets					
Transfers in	20,000	6,937	108,970	10,000	
Transfers (out)			(98,895)	(636)	(60,648)
<b>Total other financing sources (uses)</b>	<b>20,000</b>	<b>6,937</b>	<b>10,075</b>	<b>9,364</b>	<b>(60,648)</b>
<b>Net change in fund balance</b>	<b>134,838</b>	<b>(994)</b>	<b>96,202</b>	<b>(8,748)</b>	<b>(51,290)</b>
<b>FUND BALANCE, JANUARY 1, 2011</b>	<b>201,073</b>	<b>1,027</b>	<b>228,418</b>	<b>11,190</b>	<b>196,039</b>
<b>FUND BALANCE, (DEFICIT) DECEMBER 31, 2011</b>	<b>\$ 335,911</b>	<b>\$ 33</b>	<b>\$ 324,620</b>	<b>\$ 2,442</b>	<b>\$ 144,749</b>

Presidio and Freedom Trail Fund	Zarieda Street Fund	Upper Bushman Fund	Lake Louise Fund	Shelmer Lane Fund	Totals	Component Unit	
						Fire Fund	Library Fund
\$	\$	\$	\$	\$	\$	\$	\$
	39	35		4	1,453,724	1,699,620	793,764
					15,287	29,276	5,033
					268,745	232,591	10,251
8,801	3,226	3,554	27,524	4,418	106,705		
					47,523		
					123,051	1,053	51,278
<u>8,801</u>	<u>3,265</u>	<u>3,589</u>	<u>27,524</u>	<u>4,422</u>	<u>2,015,035</u>	<u>1,962,540</u>	<u>860,326</u>
					152,846		
	5,142	6,179	40,719	3,838	126,174		
					64,559	2,109,615	
							902,353
	<u>5,142</u>	<u>6,179</u>	<u>40,719</u>	<u>3,838</u>	<u>1,839,032</u>	<u>2,109,615</u>	<u>902,353</u>
8,801	(1,877)	(2,590)	(13,195)	584	176,003	(147,075)	(42,027)
						3,759	
(15,536)					145,907		
					(175,715)		
<u>(15,536)</u>					<u>(29,808)</u>	<u>3,759</u>	
(6,735)	(1,877)	(2,590)	(13,195)	584	146,195	(143,316)	(42,027)
4,518	9,520	8,374	26,145	2,177	688,481	1,893,290	105,320
<u>\$ (2,217)</u>	<u>\$ 7,643</u>	<u>\$ 5,784</u>	<u>\$ 12,950</u>	<u>\$ 2,761</u>	<u>\$ 834,676</u>	<u>\$ 1,749,974</u>	<u>\$ 63,293</u>



**INDIVIDUAL FUNDS**

**GENERAL FUND**

CHARTER TOWNSHIP OF BRANDON

GENERAL FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	283,857
Taxes receivable		210,045
Due from other funds		209,558
Due from other governments		167,750
Prepaid expenses		31,533
		<hr/>
<b>Total assets</b>	<b>\$</b>	<b>902,743</b>
		<hr/> <hr/>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$	32,870
Accrued wages		14,524
Deferred revenue		418,296
Due to other funds		2,187
		<hr/>

**Total liabilities** \$ 467,877

**FUND BALANCE**

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434,866

**Total liabilities and fund balance** **\$ 902,743**

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CHARTER TOWNSHIP OF BRANDON

GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$ 462,767	\$ 456,616	\$ (6,151)
Licenses and permits	50,500	52,199	1,699
Intergovernmental	848,000	999,786	151,786
Charges for services	14,860	8,654	(6,206)
Interest	4,000	4,880	880
Other revenues	96,314	113,898	17,584
<b>Total revenues</b>	<u>1,476,441</u>	<u>1,636,033</u>	<u>159,592</u>
<b>EXPENDITURES</b>			
Trustees	12,000	10,602	1,398
Supervisor	106,419	103,982	2,437
Elections	25,100	20,816	4,284
Assessor	68,550	66,795	1,755
Clerk	125,197	124,738	459
Board of review	3,500	2,016	1,484
Treasurer	118,027	117,702	325
Township Hall	48,950	40,067	8,883
Senior Activity Center	45,182	41,906	3,276
Senior Van	60,802	60,927	(125)
Community development	38,380	37,001	1,379
Other costs	46,931	40,157	6,774
Building inspection	92,093	79,089	13,004
Ordinance enforcement	1,000	467	533
Metro Authority	11,000	11,000	
Street lighting	21,000	20,313	687
Roads	96,172	89,197	6,975
Recreation	85,165	87,397	(2,232)
Planning commission	9,125	6,528	2,597
Appeal Board	6,330	3,022	3,308
Equipment shared expenditures	36,872	33,268	3,604
Insurance and bonds	31,200	27,973	3,227
Other functions	433,013	378,305	54,708
<b>Total expenditures</b>	<u>1,522,008</u>	<u>1,403,268</u>	<u>118,740</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<u>(45,567)</u>	<u>232,765</u>	<u>278,332</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	141,958	142,606	648
Transfers (out)	(95,073)	(112,798)	(17,725)
<b>Total other financing sources (uses)</b>	<u>46,885</u>	<u>29,808</u>	<u>(17,077)</u>
<b>Net change in fund balance</b>	<u>1,318</u>	<u>262,573</u>	<u>261,255</u>
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>172,293</u>	<u>172,293</u>	
<b>FUND BALANCE DECEMBER 31, 2011</b>	<u>\$ 173,611</u>	<u>\$ 434,866</u>	<u>\$ 261,255</u>

**CHARTER TOWNSHIP OF BRANDON**  
**GENERAL FUND**  
**STATEMENT OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TAXES</b>			
Current tax collections	\$	\$ 447,506	\$
Mobile home tax		5,436	
Penalties and collections		3,674	
<b>Total taxes</b>	<u>462,767</u>	<u>456,616</u>	<u>(6,151.00)</u>
<b>BUSINESS LICENSES AND PERMITS</b>			
Licenses and permits		51,449	
Occupancy permits		750	
<b>Total business licenses and permits</b>	<u>50,500</u>	<u>52,199</u>	<u>1,699</u>
<b>INTERGOVERNMENTAL</b>			
State shared revenues		977,771	
State SMART grant		22,015	
<b>Total intergovernmental</b>	<u>848,000</u>	<u>999,786</u>	<u>151,786</u>
<b>CHARGES FOR SERVICES</b>			
Compliance and appeals fees		5,080	
Dog licenses fees		951	
Site planning fees		552	
Other charges for services		1,354	
SAD fees		717	
<b>Total charges for services</b>	<u>14,860</u>	<u>8,654</u>	<u>(6,206)</u>
<b>OTHER</b>			
Donations		9,356	
School collection fees		50,960	
Senior rental fee		1,725	
Park grant		7,500	
CDBG reimbursements		20,176	
Other refunds/reimbursements		3,966	
Interest		4,880	
Miscellaneous		20,215	
<b>Total other</b>	<u>100,314</u>	<u>118,778</u>	<u>18,464</u>
<b>Total revenues</b>	<u>\$ 1,476,441</u>	<u>\$ 1,636,033</u>	<u>\$ 159,592</u>

**CHARTER TOWNSHIP OF BRANDON**

**GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TRUSTEES</b>	\$ 12,000	\$ 10,602	\$ 1,398
<b>SUPERVISOR</b>			
Supervisor's salary		55,518	
Wages		45,186	
Office supplies		2,838	
Professional services		440	
<b>Total supervisor</b>	<u>106,419</u>	<u>103,982</u>	<u>2,437</u>
<b>ELECTIONS</b>			
Salaries		8,554	
Office supplies		797	
School expenses		10,338	
Mileage		83	
Printing and publishing		117	
Equipment		927	
<b>Total elections</b>	<u>25,100</u>	<u>20,816</u>	<u>4,284</u>
<b>ASSESSOR</b>			
Contracted wages		65,002	
Office supplies		989	
Equipment		804	
<b>Total assessor</b>	<u>68,550</u>	<u>66,795</u>	<u>1,755</u>
<b>CLERK</b>			
Clerk's salary		48,577	
Wages		69,235	
Office supplies		2,550	
Minute indexing		500	
Mileage		50	
Publications		2,355	
Education		701	
Equipment		770	
<b>Total clerk</b>	<u>125,197</u>	<u>124,738</u>	<u>459</u>
<b>BOARD OF REVIEW</b>			
Salaries		1,900	
Publications		116	
<b>Total board of review</b>	<u>3,500</u>	<u>2,016</u>	<u>1,484</u>

**CHARTER TOWNSHIP OF BRANDON**

**GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TREASURER</b>			
Treasurer's salary		48,577	
Wages		61,868	
Office supplies		6,192	
Publications		165	
Equipment rental		900	
	<u>118,027</u>	<u>117,702</u>	<u>325</u>
<b>TOWNSHIP HALL</b>			
Janitorial		4,734	
Supplies		653	
Utilities/telecommunications		34,310	
Repairs and maintenance		370	
	<u>48,950</u>	<u>40,067</u>	<u>8,883</u>
<b>SENIOR ACTIVITY CENTER</b>			
Salaries		23,824	
Office supplies		4,155	
Utilities/telecommunications		9,521	
Repair and maintenance		4,406	
	<u>45,182</u>	<u>41,906</u>	<u>3,276</u>
<b>SENIOR VAN</b>			
Salaries		42,456	
Gas/oil		12,193	
Utilities		920	
Repairs and maintenance		5,358	
	<u>60,802</u>	<u>60,927</u>	<u>(125)</u>
<b>COMMUNITY DEVELOPMENT</b>			
Public service		7,852	
Planning		935	
Printing and publishing		3,964	
Senior center		24,250	
	<u>38,380</u>	<u>37,001</u>	<u>1,379</u>

**CHARTER TOWNSHIP OF BRANDON**

**GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OTHER COSTS</b>			
Park development/surveys		1,814	
Professional services		36,418	
Storage rental		1,925	
<b>Total other costs</b>	<u>46,931</u>	<u>40,157</u>	<u>6,774</u>
<b>BUILDING INSPECTION</b>			
Salaries		61,623	
Office supplies		2,872	
Repair and maintenance		1,445	
Professional services		11,401	
Fuel		815	
Education		648	
Dues		285	
<b>Total building inspection</b>	<u>92,093</u>	<u>79,089</u>	<u>13,004</u>
<b>ORDINANCE ENFORCEMENT</b>			
Salaries		243	
Transportation		224	
<b>Total ordinance officer</b>	<u>1,000</u>	<u>467</u>	<u>533</u>
<b>METRO AUTHORITY</b>	<u>11,000</u>	<u>11,000</u>	
<b>STREET LIGHTING</b>	<u>21,000</u>	<u>20,313</u>	<u>687</u>
<b>ROADS</b>	<u>96,172</u>	<u>89,197</u>	<u>6,975</u>
<b>RECREATION</b>	<u>85,165</u>	<u>87,397</u>	<u>(2,232)</u>
<b>PLANNING COMMISSION</b>			
Salaries		4,740	
Office supplies		441	
Minute indexing		250	
Mileage		53	
Publications		1,044	
<b>Total planning commission</b>	<u>9,125</u>	<u>6,528</u>	<u>2,597</u>



**CHARTER TOWNSHIP OF BRANDON**

**GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>APPEAL BOARD</b>			
Salaries	\$	\$ 2,755	\$
Office supplies		2	
Publications		265	
	<hr/>	<hr/>	<hr/>
<b>Total appeal board</b>	6,330	3,022	3,308
	<hr/>	<hr/>	<hr/>
<b>EQUIPMENT SHARED EXPENDITURES</b>	36,872	33,268	3,604
	<hr/>	<hr/>	<hr/>
<b>INSURANCE AND BONDS</b>	31,200	27,973	3,227
	<hr/>	<hr/>	<hr/>
<b>OTHER FUNCTIONS</b>			
Contracted payroll		12,214	
Payroll taxes		45,717	
Medical and dental benefits		159,630	
Longevity		15,355	
Life insurance		2,879	
Retirement		102,726	
Public relations		116	
Computer expenditures		10,240	
Tax refunds		5,108	
Bank charges		4,607	
Miscellaneous		617	
Clean up days		5,448	
Unemployment tax charges		13,648	
	<hr/>	<hr/>	<hr/>
<b>Total other functions</b>	433,013	378,305	54,708
	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<u>\$ 1,522,008</u>	<u>\$ 1,403,268</u>	<u>\$ 118,740</u>

**POLICE FUND**

CHARTER TOWNSHIP OF BRANDON

POLICE FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	422,188
Taxes receivable		682,498
Accounts receivable		25,983
Due from other funds		601,069
		<hr/>

**Total assets**

**\$ 1,731,738**

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$	36,371
Accrued wages		57
Deferred revenue		1,359,399
		<hr/>

**Total liabilities**

**\$ 1,395,827**

**FUND BALANCE**

**335,911**

**Total liabilities and fund balance**

**\$ 1,731,738**

**CHARTER TOWNSHIP OF BRANDON**

**POLICE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 1,470,849	\$ 1,453,724	\$ (17,125)
Licenses and permits	3,500	4,533	1,033
Interest	5,000	11,111	6,111
Other revenues	38,000	34,218	(3,782)
Reimbursement from schools		106,705	106,705
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	<b>1,517,349</b>	<b>1,610,291</b>	<b>92,942</b>
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Police protection		1,410,763	
Salaries		3,263	
Payroll taxes		240	
Supplies		774	
Professional services		58,165	
Utilities		7,646	
Repairs and maintenance		2,182	
Tax tribunal		12,229	
Other reimbursements		191	
		<hr/>	
<b>Total expenditures</b>	<b>1,473,628</b>	<b>1,495,453</b>	<b>(21,825)</b>
	<hr/>	<hr/>	<hr/>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>43,721</b>	<b>114,838</b>	<b>71,117</b>
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	20,000	20,000	
	<hr/>	<hr/>	<hr/>
<b>Net change in fund balance</b>	<b>63,721</b>	<b>134,838</b>	<b>71,117</b>
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE, JANUARY 1, 2011</b>	<b>201,073</b>	<b>201,073</b>	
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE DECEMBER 31, 2011</b>	<b>\$ 264,794</b>	<b>\$ 335,911</b>	<b>\$ 71,117</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**SEYMOUR LAKE CEMETERY FUND**

CHARTER TOWNSHIP OF BRANDON

SEYMOUR LAKE CEMETERY FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments

\$ 33

FUND BALANCE

**FUND BALANCE**

\$ 33

**CHARTER TOWNSHIP OF BRANDON**

**SEYMOUR LAKE CEMETERY FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Sale of lots	\$ 2,000	\$ 750	\$ (1,250)
<b>EXPENDITURES</b>	<u>9,466</u>	<u>8,681</u>	<u>785</u>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	(7,466)	(7,931)	(465)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>6,439</u>	<u>6,937</u>	<u>498</u>
<b>Net change in fund balance</b>	(1,027)	(994)	33
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>1,027</u>	<u>1,027</u>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u><u>\$</u></u>	<u><u>\$ 33</u></u>	<u><u>\$ 33</u></u>

**DESIGNATED FUND**



CHARTER TOWNSHIP OF BRANDON

DESIGNATED FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments

\$ 324,620

FUND BALANCE

**FUND BALANCE**

General fund

\$ 308,810

Cemetery

2,240

Recreation

13,570

**Total fund balance**

\$ 324,620

CHARTER TOWNSHIP OF BRANDON

DESIGNATED FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011

**REVENUES**

Interest	\$ 2,580
Cell tower rent	69,767
Metro funds	10,734
Energy credit	2,546
Miscellaneous income	500

**Total revenues**

86,127

**EXPENDITURES**

**Excess (deficiency) of revenues  
over (under) expenditures**

86,127

**OTHER FINANCING SOURCES (USES)**

Transfers in	108,970
Transfers (out)	(98,895)

**Total other financing sources (uses)**

10,075

**Net change in fund balance**

96,202

**FUND BALANCE, JANUARY 1, 2011**

228,418

**FUND BALANCE DECEMBER 31, 2011**

\$ 324,620

**RECREATION FUND**

CHARTER TOWNSHIP OF BRANDON

RECREATION FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	11,858	
Prepaid expenses		625	
			<hr/>
<b>Total assets</b>	\$	<b>12,483</b>	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$	1,921	
Accrued wages		191	
Deferred revenue		7,929	
			<hr/>

**Total liabilities** \$ 10,041

**FUND BALANCE**

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2,442

**Total liabilities and fund balance** 

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\$ 12,483

**CHARTER TOWNSHIP OF BRANDON**

**RECREATION FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Charges for services	\$ 127,090	\$ 102,743	\$ (24,347)
Interest	100	33	(67)
Other revenues	5,900	5,286	(614)
<b>Total revenues</b>	133,090	108,062	(25,028)
<b>EXPENDITURES</b>	143,837	126,174	17,663
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(10,747)	(18,112)	(7,365)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	10,000	10,000	
Transfers (out)	(1,200)	(636)	564
<b>Total other financing sources (uses)</b>	8,800	9,364	564
<b>Net change in fund balance</b>	(1,947)	(8,748)	(6,801)
<b>FUND BALANCE, JANUARY 1, 2011</b>	11,190	11,190	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	\$ 9,243	\$ 2,442	\$ (6,801)

**CABLE SAVINGS FUND**

CHARTER TOWNSHIP OF BRANDON

CABLE SAVINGS FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	145,150
Prepaid expenses		<u>600</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>145,750</u></u></b>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$	754
Accrued payroll		<u>247</u>
<b>Total liabilities</b>		1,001

**FUND BALANCE**

		<u>144,749</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>145,750</u></u></b>

CHARTER TOWNSHIP OF BRANDON

CABLE SAVINGS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest income	\$ 2,000	1,485	(515)
Charges for services	<u>165,000</u>	<u>160,719</u>	<u>(4,281)</u>
<b>Total revenues</b>	<u>167,000</u>	<u>162,204</u>	<u>(4,796)</u>
<b>EXPENDITURES</b>			
Public works	<u>165,212</u>	<u>152,846</u>	<u>12,366</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	1,788	9,358	7,570
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(60,648)</u>	<u>(60,648)</u>	
<b>Net change in fund balance</b>	(58,860)	(51,290)	7,570
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>196,039</u>	<u>196,039</u>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u><u>\$ 137,179</u></u>	<u><u>\$ 144,749</u></u>	<u><u>\$ 7,570</u></u>



**PRESIDIO AND FREEDOM TRAIL FUND**

**CHARTER TOWNSHIP OF BRANDON  
PRESIDIO AND FREEDOM TRAIL FUND  
BALANCE SHEET  
DECEMBER 31, 2011**

**ASSETS**

**ASSETS**

Cash and investments	\$ 1,363
Special assessment	57,176
Due from other funds	<u>4,914</u>
<b>Total assets</b>	<b><u><u>\$ 63,453</u></u></b>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Due to other funds	\$ 3,133
Deferred revenue	<u>62,537</u>
<b>Total liabilities</b>	65,670

**FUND BALANCE (DEFICIT)**

	<u>(2,217)</u>
<b>Total liabilities and fund balance</b>	<b><u><u>\$ 63,453</u></u></b>

**CHARTER TOWNSHIP OF BRANDON**

**PRESIDIO AND FREEDOM TRAIL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Special assessments	\$ 13,434	\$ 8,801	\$ (4,633)
<b>EXPENDITURES</b>			
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	13,434	8,801	(4,633)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(16,000)</u>	<u>(15,536)</u>	<u>464</u>
<b>Net change in fund balance</b>	(2,566)	(6,735)	(4,169)
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>4,518</u>	<u>4,518</u>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31, 2011</b>	<u><u>\$ 1,952</u></u>	<u><u>\$ (2,217)</u></u>	<u><u>\$ (4,169)</u></u>

**ZARIEDA STREET FUND**

CHARTER TOWNSHIP OF BRANDON

ZARIEDA STREET FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	7,643
Special assessment receivable		5,377
Due from other funds		<u>1,075</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>14,095</u></u></b>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Deferred revenue	\$	6,452
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**FUND BALANCE**

		<u>7,643</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>14,095</u></u></b>

CHARTER TOWNSHIP OF BRANDON

ZARIEDA STREET FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest income	\$ 42	\$ 39	\$ (3)
Special assessments	<u>6,452</u>	<u>3,226</u>	<u>(3,226)</u>
<b>Total revenues</b>	6,494	3,265	(3,229)
<b>EXPENDITURES</b>			
Public works	<u>5,611</u>	<u>5,142</u>	<u>469</u>
<b>Net change in fund balance</b>	883	(1,877)	(2,760)
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>9,520</u>	<u>9,520</u>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u><u>\$ 10,403</u></u>	<u><u>\$ 7,643</u></u>	<u><u>\$ (2,760)</u></u>

**UPPER BUSHMAN FUND**

CHARTER TOWNSHIP OF BRANDON

UPPER BUSHMAN FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	6,248
Special assessment receivable		3,669
Due from other funds		<u>2,789</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>12,706</u></u></b>

LIABILITIES AND FUND BALANCE

<b>LIABILITIES</b>	\$	6,922
Deferred revenues		
<b>FUND BALANCE</b>		<u>5,784</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>12,706</u></u></b>



**CHARTER TOWNSHIP OF BRANDON**

**UPPER BUSHMAN FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest income	\$ 36	\$ 35	\$ (1)
Special assessments	<u>6,664</u>	<u>3,554</u>	<u>(3,110)</u>
<b>Total revenue</b>	6,700	3,589	(3,111)
<b>EXPENDITURES</b>			
Public works	<u>5,600</u>	<u>6,179</u>	<u>(579)</u>
<b>Net change in fund balance</b>	1,100	(2,590)	(3,690)
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>8,374</u>	<u>8,374</u>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u><u>\$ 9,474</u></u>	<u><u>\$ 5,784</u></u>	<u><u>\$ (3,690)</u></u>

**LAKE LOUISE FUND**

CHARTER TOWNSHIP OF BRANDON

LAKE LOUISE FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	14,303
Special assessment receivable		20,757
Due from other funds		<u>14,890</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>49,950</u></u></b>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Deferred revenue	\$	37,000
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**FUND BALANCE**

		<u>12,950</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>49,950</u></u></b>

**CHARTER TOWNSHIP OF BRANDON**

**LAKE LOUISE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Special assessments	\$ 37,004	\$ 27,524	\$ (9,480)
<b>EXPENDITURES</b>			
Public works	41,075	40,719	356
<b>Net change in fund balance</b>	(4,071)	(13,195)	(9,124)
<b>FUND BALANCE, JANUARY 1, 2011</b>	26,145	26,145	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	\$ 22,074	\$ 12,950	\$ (9,124)

**SHELMER LANE FUND**

CHARTER TOWNSHIP OF BRANDON

SHELMER LANE FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	3,281
Special assessment receivable		2,859
Due from other funds		<u>1,819</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>7,959</u></u></b>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Deferred revenue		5,198
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**FUND BALANCE**

		<u>2,761</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>7,959</u></u></b>

**CHARTER TOWNSHIP OF BRANDON**

**SHELMER LANE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Interest income	\$ 4	\$ 4	\$
Special assessments	<u>10,396</u>	<u>4,418</u>	<u>(5,978)</u>
<b>Total revenues</b>	10,400	4,422	(5,978)
<b>EXPENDITURES</b>			
Public works	<u>3,600</u>	<u>3,838</u>	<u>(238)</u>
<b>Net change in fund balance</b>	6,800	584	(6,216)
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>2,177</u>	<u>2,177</u>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u>\$ 8,977</u>	<u>\$ 2,761</u>	<u>\$ (6,216)</u>

**LEGAULT BOULEVARD FUND**



CHARTER TOWNSHIP OF BRANDON

LEGAULT BOULEVARD FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	803
Special assessment receivable		3,209
Due from other funds		<u>5,618</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>9,630</u></u></b>

LIABILITY

**LIABILITY**

Deferred revenue	\$	<u><u>9,630</u></u>
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**FIRE OPERATING FUND**

**CHARTER TOWNSHIP OF BRANDON**  
**FIRE OPERATING FUND (PRE GASB 54 - RESTATEMENT)**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

**ASSETS**

**ASSETS**

Cash and investments	\$ 600,785
Taxes receivable	652,148
Due from other funds	629,861
Prepaid expenses	<u>88,915</u>
<b>Total assets</b>	<b><u><u>\$ 1,971,709</u></u></b>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 16,346
Accrued wages	9,786
Deferred revenue	<u>1,341,013</u>
<b>Total liabilities</b>	<b>1,367,145</b>

**FUND BALANCE**

	<u>604,564</u>
<b>Total liabilities fund balance</b>	<b><u><u>\$ 1,971,709</u></u></b>

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

**CHARTER TOWNSHIP OF BRANDON**

**FIRE OPERATING FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$ 1,442,935	\$ 1,440,924	\$ (2,011)
Interest	6,000	14,112	8,112
Miscellaneous	1,050	1,038	(12)
<b>Total revenues</b>	<u>1,449,985</u>	<u>1,456,074</u>	<u>6,089</u>
<b>EXPENDITURES</b>			
Salaries		938,162	
Insurance		369,267	
Pension		72,636	
Utilities and telephone		43,253	
Fuel		27,062	
Dispatch pager fees and maintenance		22,289	
MTT refunds		12,725	
Payroll taxes		10,417	
Education, dues and training		8,617	
Equipment		6,854	
Repairs and maintenance		5,836	
Supplies		5,408	
Uniforms		5,371	
Offices consumables		2,497	
Legal		1,815	
Physicals		931	
Fees		51	
<b>Total expenditures</b>	<u>1,652,665</u>	<u>1,533,191</u>	<u>119,474</u>
<b>Excess (deficiency) of revenues, over (under) expenditures</b>	(202,680)	(77,117)	125,563
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>125,000</u>		<u>(125,000)</u>
<b>Net change in fund balance</b>	(77,680)	(77,117)	563
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>681,681</u>	<u>681,681</u>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u>\$ 604,001</u>	<u>\$ 604,564</u>	<u>\$ 563</u>

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

**FIRE EQUIPMENT AND HOUSING FUND**

CHARTER TOWNSHIP OF BRANDON

FIRE EQUIPMENT AND HOUSING FUND (PRE GASB 54 - RESTATEMENT)  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$ 168,616
Taxes receivable	176,397
Due from other funds	164,884
Prepaid expenses	102
<b>Total assets</b>	<b>\$ 509,999</b>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$ 4,300
Deferred revenue	362,727

**Total liabilities** 367,027

**FUND BALANCE**

142,972

**Total liabilities and fund balance** \$ 509,999

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

**CHARTER TOWNSHIP OF BRANDON**

**FIRE EQUIPMENT AND HOUSING FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$ 259,075	\$ 258,696	\$ (379)
Interest	5,500	3,948	(1,552)
<b>Total revenues</b>	<u>264,575</u>	<u>262,644</u>	<u>(1,931)</u>
<b>EXPENDITURES</b>			
Fire protection		116,378	
Debt payment - principal		228,514	
Debt payment - interest		38,303	
<b>Total expenditures</b>	<u>573,788</u>	<u>383,195</u>	<u>190,593</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(309,213)</u>	<u>(120,551)</u>	<u>188,662</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	55,000	55,000	
Disposal of assets		3,759	3,759
<b>Total other financing sources (uses)</b>	55,000	58,759	3,759
<b>Net change in fund balance</b>	<u>(254,213)</u>	<u>(61,792)</u>	<u>192,421</u>
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>204,764</u>	<u>204,764</u>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<u>\$ (49,449)</u>	<u>\$ 142,972</u>	<u>\$ 192,421</u>

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

**FIRE AMBULANCE FUND**



**CHARTER TOWNSHIP OF BRANDON**  
**FIRE AMBULANCE FUND (PRE GASB 54 - RESTATEMENT)**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

**ASSETS**

**ASSETS**

Cash and investments	\$	1,025,459
Prepaid expenses		1,924
		1,924
<b>Total assets</b>		<b>\$ 1,027,383</b>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$	2,516
Accrued wages		1,043
Due to other funds		21,386
		21,386
<b>Total liabilities</b>		<b>24,945</b>

**FUND BALANCE**

		1,002,438
<b>Total liabilities and fund balance</b>		<b>\$ 1,027,383</b>

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

**CHARTER TOWNSHIP OF BRANDON**

**FIRE AMBULANCE FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Fees and charges	\$ 215,000	\$ 232,591	\$ 17,591
Interest	6,000	11,216	5,216
Miscellaneous	1,000	15	(985)
<b>Total revenues</b>	<b>222,000</b>	<b>243,822</b>	<b>21,822</b>
<b>EXPENDITURES</b>			
Salaries		90,504	
Payroll taxes		5,227	
Pension		6,507	
Insurance		20,814	
Fire protection		70,177	
<b>Total expenditures</b>	<b>351,678</b>	<b>193,229</b>	<b>158,449</b>
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<b>(129,678)</b>	<b>50,593</b>	<b>180,271</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(180,000)	(55,000)	125,000
<b>Net change in fund balance</b>	<b>(309,678)</b>	<b>(4,407)</b>	<b>305,271</b>
<b>FUND BALANCE, JANUARY 1, 2011</b>	<b>1,006,845</b>	<b>1,006,845</b>	
<b>FUND BALANCE, DECEMBER 31, 2011</b>	<b>\$ 697,167</b>	<b>\$ 1,002,438</b>	<b>\$ 305,271</b>

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

**PUBLIC CONTRIBUTIONS FUND**

**CHARTER TOWNSHIP OF BRANDON**  
**PUBLIC CONTRIBUTIONS (PRE GASB 54 - RESTATEMENT)**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

**ASSETS**

**ASSETS**

Cash and investments

\$ 8,527

**FUND BALANCE**

**FUND BALANCE**

\$ 8,527

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

**CHARTER TOWNSHIP OF BRANDON**  
**PUBLIC CONTRIBUTIONS (PRE GASB 54 - RESTATEMENT)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>ADDITIONS</b>	
Public contributions	\$ 14,152
Interest	<u>9</u>
<b>Total additions</b>	14,161
 <b>DEDUCTIONS</b>	
Public safety	<u>15,494</u>
<b>Net change in net assets</b>	(1,333)
 <b>NET ASSETS, JANUARY 1, 2011</b>	 <u>9,860</u>
 <b>NET ASSETS, DECEMBER 31, 2011</b>	 <u><u>\$ 8,527</u></u>

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

**LIBRARY - GENERAL FUND**

**CHARTER TOWNSHIP OF BRANDON**  
**LIBRARY - GENERAL FUND (PRE GASB 54 - RESTATEMENT)**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

**ASSETS**

**CURRENT ASSETS**

Cash and investments	\$ 130,460
Accounts receivable	
Others	334
Taxes	372,794
Due from other funds	326,880
Prepaid expenses	4,878
	4,878
<b>Total assets</b>	<b>\$ 835,346</b>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 20,473
Accrued wages	9,469
Deferred revenue	741,984
Sales tax payable	127
	772,053
<b>Total liabilities</b>	<b>772,053</b>

**FUND BALANCE**

	63,293
<b>Total liabilities and fund balance</b>	<b>\$ 835,346</b>

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

**CHARTER TOWNSHIP OF BRANDON**

**LIBRARY - GENERAL FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 801,217	793,764	(7,453)
State revenue	8,345	3,535	(4,810)
Charges for services	9,500	10,251	751
Fines and forfeits	36,030	34,629	(1,401)
Interest income	6,300	5,033	(1,267)
FOL grant revenue	8,330	6,535	(1,795)
Contributions and donations	350	1,112	762
Other income	27,685	5,467	(22,218)
<b>Total revenues</b>	<u>897,757</u>	<u>860,326</u>	<u>(37,431)</u>
<b>EXPENDITURES/EXPENSES</b>			
Salaries	475,166	481,007	(5,841)
Fringe benefits	144,565	144,497	68
Office supplies	8,090	6,223	1,867
Operating supplies	7,800	18,351	(10,551)
Cooperative supplies	36,415	29,708	6,707
Professional services	23,245	31,538	(8,293)
Professional development	4,725	8,875	(4,150)
Insurance expense	23,535	17,344	6,191
Community relations	29,805	17,277	12,528
Utilities	39,780	37,046	2,734
Repairs and maintenance	32,357	29,556	2,801
Administrative expenses	500	8,533	(8,033)
Building additions and improvements	1,000		1,000
Equipment and furnishings	1,000	270	730
Books and materials	44,097	42,261	1,836
Audio books, etc	9,850	8,439	1,411
Periodicals	13,994	12,821	1,173
Rental expense	225	71	154
Leases	9,000	8,536	464
<b>Total expenditures/expenses</b>	<u>905,149</u>	<u>902,353</u>	<u>2,796</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(7,392)	(42,027)	(34,635)
<b>OTHER FINANCING SOURCES (USES)</b>	<u>7,392</u>		<u>(7,392)</u>
<b>Net change in fund balance</b>		(42,027)	(42,027)
<b>FUND BALANCE, JANUARY 1, 2011</b>	<u>105,320</u>	<u>105,320</u>	
<b>FUND BALANCE/NET ASSETS, DECEMBER 31, 2011</b>	<u>\$ 105,320</u>	<u>\$ 63,293</u>	<u>\$ (42,027)</u>

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



**LIBRARY CLEARING FUND**

**CHARTER TOWNSHIP OF BRANDON**  
**LIBRARY CLEARING FUND (PRE GASB 54 - RESTATEMENT)**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

**ASSETS**

**ASSETS**

Cash and investments

\$ 38

**LIABILITIES**

**LIABILITIES**

Due to other funds

\$ 38

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

**LIBRARY DEBT SERVICE FUND**

CHARTER TOWNSHIP OF BRANDON

LIBRARY DEBT SERVICE FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments	\$	37,639
Taxes receivable		155,506
Due from other funds		<u>136,354</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>329,499</u></u></b>

LIABILITIES AND FUND BALANCE

**LIABILITIES**

Accounts payable	\$	152
Deferred revenue		<u>309,509</u>
<b>Total liabilities</b>		309,661

**FUND BALANCE**

Reserved for debt service		<u>19,838</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>329,499</u></u></b>

CHARTER TOWNSHIP OF BRANDON

LIBRARY DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DECEMBER 31, 2011

**REVENUES**

Taxes	\$ 335,618
Interest	<u>333</u>
<b>Total revenues</b>	<u>335,951</u>

**EXPENDITURES**

Debt service	
Principal retirement	265,000
Interest and fiscal charges	50,612
Miscellaneous	<u>2,902</u>
<b>Total expenditures</b>	<u>318,514</u>

**Net change in fund balance** 17,437

**FUND BALANCE, JANUARY 1, 2011** 2,401

**FUND BALANCE, DECEMBER 31, 2011** \$ 19,838

**TAX COLLECTION FUND**

CHARTER TOWNSHIP OF BRANDON

TAX COLLECTION FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments

\$ 3,394,692

LIABILITIES

**LIABILITIES**

Due to others

\$ 1,322,439

Due to other funds

2,072,253

**Total liabilities**

\$ 3,394,692

**PAYROLL FUND**



CHARTER TOWNSHIP OF BRANDON

PAYROLL FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments

\$ 4,208

LIABILITIES

**LIABILITIES**

Due to other funds

\$ 491

Due to others

3,717

**Total liabilities**

\$ 4,208

**ESCROW FUND**

CHARTER TOWNSHIP OF BRANDON

ESCROW FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments

\$ 29,512

LIABILITIES

**LIABILITIES**

Due to other funds

\$ 221

Due to others

29,291

**Total liabilities**

\$ 29,512

**HEALTH REIMBURSEMENT FUND**

CHARTER TOWNSHIP OF BRANDON

HEALTH REIMBURSEMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2011

ASSETS

**ASSETS**

Cash and investments

\$ 104

LIABILITIES

**LIABILITIES**

Due to others

\$ 102

Due to other funds

2

**Total liabilities**

\$ 104



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

**John M. Pfeffer, C.P.A.**  
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May 31, 2012

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

Dear Honorable Board of Trustees:

In planning and performing our audit of the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Brandon as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Charter Township of Brandon's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township of Brandon's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Township of Brandon's internal control.

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

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

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

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

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

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

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

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

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

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

1. **Cell Phones in Township's Name** - We noted the Township provides cell phones to certain employees who need the phone for Township use. The cell phones are in the Township name. We suggest the Township consider reimbursing employees for cell phone usage instead of maintaining its own cell phone plan. We believe this would reduce the Township's exposure to liability.
2. **Filing of Paid Invoices** - Currently the Township files paid invoices by paid date. For efficiency purposes, we suggest the paid invoices be filed by vendor.
3. **Paying Vendors – Using Statements** - We noted a few instances where payments were made to vendors using statements with no invoices attached. All payments to vendors should be based on invoices to help reduce the probability of a payment for the same goods or services of being paid twice.
4. **Medical/Dental Insurance Coverage for Retirees** - We noted dental insurance is provided for retirees. The Township's policies and procedures do not mention dental coverage for retirees as it does medical insurance. We suggest the Township's policies and procedures be updated for the dental coverage.

5. **Letters to Donors – Substantiation Requirements for Tax Deductions** - In reviewing documentation (thank you letters) given by the Fire Department to donors of money or non-monetary goods we noted the letters did not include required verbiage by the IRS. The letters should state the following if it is true “You (donor) did not receive any tangible benefit (goods or services) for your donation”. We have seen where the IRS has denied tax deductibility for donations to municipalities/non-profits because the aforementioned verbiage was not listed.
6. **Billing Procedures – Fire Department** - The Fire Department uses an outside company to do the billings for all billable ambulance and fire runs. In reviewing the procedures in place for accounting of the billings and collections we noted there is no reconciliation procedure to verify proper accounting of the funds. We suggest a monthly reconciliation be completed to oversee the accounting and completeness of monthly reports provided by the outside billing company. We have met with the Chief and administrative personnel to explain the reconciliation process.
7. **Accounting – Payroll Items and Non-Payroll Items Being Posted to Same Account** - It was very time consuming in reconciling the payroll tax filings (941's, W-3) to the general ledger. We noted the reason for this was because non-payroll items were being posted to payroll accounts. We suggest that expense accounts categorized as wages only include payroll postings and non-payroll items be posted to a separate expense account.
8. **Billings for Police Services** - The Township is billing the School for police services. Invoices are not pre-numbered or accounted for in the accounting system. We suggest the Township pre-number the invoices and billings be posted to the general ledger.
9. **Parks and Recreation - Accounting of Deferred Revenue** - We noted a schedule of monies receipted toward the end of the year which were for services starting in the next fiscal year was not maintained and the receipts were not recorded as deferred revenues (liability account). The deferred revenue amount was estimated for 2011 based on the prior year. We suggest that proper account coding be done for 2012 i.e. deferred revenue or revenue and a schedule be maintained for all deferred items.
10. **Signed Agreements with Schools for Tax Collection** - The Township did not have a signed agreement with one school district for collecting taxes on the school's behalf. Agreements should state the fees (amount per parcel) and the outcome of any interest earned while in the Township's bank accounts (if accounts are interest bearing).
11. **Sales Tax Paid by Township** - We noted a few instances where the Township paid sales tax for goods. Since the Township is a municipality it should not be paying sales tax. We suggest that invoices be reviewed for sales tax prior to paying.
12. **Capital Asset Capitalization Policy** - The Township's current capitalization policy requires assets acquired by the Township which will last more than one year and cost \$500 or more be capitalized for financial statement purposes. We suggest the threshold be changed from \$500 to \$5,000 for efficiency purposes.



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

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

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

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants