

TOWN OF BRIGHTON, TENNESSEE

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION

**TOWN OF BRIGHTON, TENNESSEE
TOWN OFFICIALS
JUNE 30, 2020**

Mayor

Sarah Crocker

Aldermen

Shane Greer
Kenny Hall
George Smith
Stephanie Washam

Department Heads

Recorder
Police Chief
Fire Chief
Water Superintendent

Tammy McKinney (CMFO designee)
Mike Durham
Ricky Russell
Jonathan Briles

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Sarah Crocker, Mayor
Members of the Board of Aldermen
Town of Brighton, Tennessee
Brighton, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brighton, Tennessee as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Brighton, Tennessee's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An

audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brighton, Tennessee as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS, and schedule of contributions based on participation in the public employee pension plan of TCRS on pages 5 through 12 and 48 through 51, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Brighton, Tennessee's basic financial statements. The introductory section, combining fund financial statements, schedules, nonaccounting information, and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section, nonaccounting information, and management's corrective action plan have 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, on our consideration of the Town of Brighton, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Brighton, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Brighton, Tennessee's internal control over financial reporting and compliance.

Whitchorn Tankersly & Davis, PLLC

Covington, Tennessee
October 22, 2021

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

Our discussion and analysis of the Town of Brighton, Tennessee's (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Town's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- The Town's total net position decreased by a total of 1.4 percent as a result of this year's operations. Net position of our business-type activities decreased approximately 1.0 percent, and net position of our governmental activities decreased by 1.8 percent.
- During the year, the Town had expenses that were approximately \$56,000 more than total revenues for governmental programs and activities.
- For the Town's business-type activities, expenses exceeded revenue by approximately \$42,000.
- Total revenues and other financing sources in our governmental funds were approximately \$30,000 more than projected final budgeted revenues and other financing sources for the year, and expenditures were approximately \$3,000 less than projected final budgeted expenditures.
- The total net cost of running the Town of Brighton for the year ending June 30, 2020 (total cost of Business-type and governmental programs net of direct program revenues) was approximately (\$1,137,000).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13-16) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 17. For governmental activities, these fund statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements and other information provide financial information that is required by the state and other regulatory bodies.

REPORTING THE TOWN AS A WHOLE

Our analysis of the Town as a whole begins on page 7. One of the most important questions asked about its finances is "Is the Town as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
YEAR ENDED JUNE 30, 2020**

year's revenues and expenses are taken into account regardless of when cash is received or paid, often into the future.

These two statements report the Town's net position and changes in them. The Town's net position - the difference between assets and liabilities - is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- **Governmental activities** - Most of the Town's basic services are reported here, including the police, fire, public works, and parks departments, and general administration. Property taxes, sales taxes, and local grants finance most of these activities. The Town's General, State Street Aid, and Drug Funds are reported here.
- **Business-type activities** - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Water-Sewer and Stormwater Funds are reported here.

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

Our analysis of the Town's major funds begins on page 9. The fund financial statements provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by state law and by bond covenants. However, the Town's Board establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds - governmental and proprietary - use different accounting approaches.

- **Governmental funds** - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The individual governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations to the fund financial statements.

TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
YEAR ENDED JUNE 30, 2020

- **Proprietary funds** - When the Town charges customers for the services it provides - whether to outside customers or to other units of the Town - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash-flows, for proprietary funds.

THE TOWN AS A WHOLE

The Town's combined net position decreased from a year ago - decreasing from \$7,104,811 to \$7,006,419. Looking at the net position and net expenses of governmental and business-type activities separately, however, is necessary because state laws prohibit intermingling the assets, and each activity must stand on its own. Our analysis below focuses on the net position (Table 1) changes from the prior year.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 1,009	\$ 899	\$ 933	\$ 954	\$ 1,942	\$ 1,853
Capital assets	2,919	2,534	3,787	3,659	6,706	6,193
Other assets	277	209	104	78	381	287
Total assets	4,205	3,642	4,824	4,691	9,029	8,333
Deferred outflows ...	36	40	12	15	48	55
Long-term debt	520	42	707	547	1,227	589
Other liabilities	47	42	153	157	200	199
Total liabilities ...	567	84	860	704	1,427	788
Deferred inflows	614	483	30	12	644	495
Net Position						
Net investment in capital assets	2,400	2,492	3,080	3,113	5,480	5,605
Restricted	306	266	107	137	413	403
Unrestricted	353	357	760	740	1,113	1,097
Total Net Position	\$ 3,059	\$ 3,115	\$ 3,947	\$ 3,990	\$ 7,006	\$ 7,105

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
YEAR ENDED JUNE 30, 2020**

**Table 2
Changes in Net Position
(in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for services	\$ 126	\$ 258	\$ 1,054	\$ 966	\$ 1,180	\$ 1,224
Operating grants and contributions	187	178	-	-	187	178
Capital grants and contributions	-	-	115	141	115	141
General revenues						
Local taxes	743	689	-	-	743	689
Intergovernmental revenues	292	282	-	-	292	282
Other general revenues	<u>1</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>6</u>
Total revenues	<u>1,349</u>	<u>1,410</u>	<u>1,172</u>	<u>1,110</u>	<u>2,521</u>	<u>2,520</u>
Program expenses						
General government	157	150	-	-	157	150
Public safety	946	861	-	-	946	861
Public works	236	210	-	-	236	210
Health, welfare recreation and education	60	112	-	-	60	112
Debt service	6	3	-	-	6	3
Water-sewer	<u>-</u>	<u>-</u>	<u>1,214</u>	<u>1,073</u>	<u>1,214</u>	<u>1,073</u>
Total expenses ..	<u>1,405</u>	<u>1,336</u>	<u>1,214</u>	<u>1,073</u>	<u>2,619</u>	<u>2,409</u>
Increase (decrease) in net position	<u>\$ (56)</u>	<u>\$ 74</u>	<u>\$ (42)</u>	<u>\$ 37</u>	<u>\$ (98)</u>	<u>\$ 111</u>

GOVERNMENTAL ACTIVITIES - (TOWN AS A WHOLE)

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are as follows:

FUNCTION

SPECIFIC REVENUES

General government

Licenses, permits, and other related fees; grants are listed under capital grants.

Public safety

Police fines and forfeitures; charges for fire subscriptions; grants are listed under operating grants.

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
YEAR ENDED JUNE 30, 2020**

<u>FUNCTION</u>	<u>SPECIFIC REVENUES</u>
Public works	Specific operating grants include gas taxes since the State of Tennessee imposes this tax, and gas taxes are reported as an operating grant specific to streets.
Health, welfare, recreation and education	Community center rents and fees and parks and recreation fees.

All other governmental revenues are reported as General Revenues.

For the year ending June 30, 2020, governmental activities’ expenditures exceeded revenues of governmental activities by approximately \$56,000. Included in this excess of expenditures over revenues were services paid for directly by users of approximately \$126,000 and other governments that subsidized certain programs with grants and contributions of approximately \$187,000.

Table 3 represents the cost of each of the Town’s functions as well as each function’s net cost which shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**Table 3
Governmental Activities
(in Thousands)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General government	\$ 157	\$ 150	\$ 143	\$ 103
Public safety	946	861	749	595
Public works	236	210	133	109
Health, welfare, recreation and education	60	112	60	89
Debt service	6	3	6	3
Totals	<u>\$ 1,405</u>	<u>\$ 1,336</u>	<u>\$ 1,091</u>	<u>\$ 899</u>

THE TOWN’S FUNDS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 17) reported a combined fund balance of \$427,738 which is an increase from last year’s total of \$404,396. The chief reasons for this increase are given below. It must be pointed out that the increase in governmental fund balances of \$23,342 is different from the decrease in net position of governmental funds of \$55,893 because of two differences in the measurement basis

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
YEAR ENDED JUNE 30, 2020**

of these funds. The measurement basis used in fund balances go to the immediate future - 60 days - to measure assets on hand or immediately realizable at June 30, 2020 and do not take into account governmental capital assets and depreciation, since in this basis capital asset acquisitions are considered expenditures when incurred, and the asset is not recognized as carrying value into future periods. Also, depreciation is not recognized since the assets were considered "expensed" when acquired. A detail explanation of these differences is given in the reconciliation on page 20.

The chief reasons for the increase in fund balances of \$23,342 from the year ending June 30, 2019 are as follows:

- The Town is currently budgeting general fund appropriations in excess of revenues for necessary expenses and improvements.
- Total expenditures were approximately \$1,303,000 in the prior year and \$1,867,000 in the current year.
- Street Aid revenues exceeded expenditures by approximately \$25,000.

Water-Sewer Fund

Revenues of the Town's Water-Sewer Fund increased by approximately \$44,000 (4%) due primarily to an increase in overall water and sewer demand. The Town's Water-Sewer expenses during the current year increased by approximately \$135,000 (1.2%).

Stormwater Fund

The Stormwater Fund was newly formed by the Town during the fiscal year ended June 30, 2021. During the year, total revenues were approximately \$44,000 and total expenses were approximately \$3,000. Capital contributions were approximately \$100,000.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

Revenues were approximately \$796,000 less than the original budget estimate of \$1,643,627 for the General Fund, State Street Aid Fund and Drug Fund. The chief variance was intergovernmental revenues.

Expenditures for the year were approximately \$293,000 less than original budgeted expenditures. The most significant variances were expenditures connected with public works.

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At year end, the Town had \$6,705,986 invested in capital assets, including police and fire equipment, buildings, park facilities and water and sewer lines. (See Table 4 below.) This amount represents a net increase from last year of approximately \$512,000.

**Table 4
Capital Assets at Year-end
(Net of Deprecation, in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 193	\$ 193	\$ 4	\$ 4	\$ 197	\$ 197
Construction in progress	-	-	857	595	857	595
Buildings and infrastructure	2,118	2,195	28	30	2,146	2,225
Vehicles and equipment	608	146	134	124	742	270
Water-Sewer System	-	-	2,764	2,907	2,764	2,907
Totals	<u>\$ 2,919</u>	<u>\$ 2,534</u>	<u>\$ 3,787</u>	<u>\$ 3,660</u>	<u>\$ 6,706</u>	<u>\$ 6,194</u>

This year's major additions for governmental activities included \$541,000 in equipment. Additions for business-type activities included \$76,000 in equipment and water distribution system, and \$762,000 in construction in progress.

Debt

At year end the Town had \$1,226,416 in bonds, notes, and revolving fund loan obligations outstanding versus \$588,645 last year, a net increase of \$637,711 as shown in Table 5, due to the 2018 State Revolving Fund Loan, 2019 general obligation bond note, and a capital lease obligation.

**Table 5
Debt Outstanding at Year-end
(in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Lease Obligation ...	\$ 31	\$ -	\$ -	\$ -	\$ 31	\$ -
Lease Obligation ...	-	-	-	-	-	-
General Obligation debt	488	-	-	-	488	-
Capital Outlay Notes	-	42	-	-	-	42
Revenue Bonds and Notes (backed by specific tax and fee revenues)	-	-	707	547	707	547
Totals	<u>\$ 519</u>	<u>\$ 42</u>	<u>\$ 707</u>	<u>\$ 547</u>	<u>\$ 1,226</u>	<u>\$ 589</u>

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Revenues and other financing sources for our FY 2021 year governmental funds are projected at approximately \$123,000 more than final revenues and other financing sources for the year ending June 30, 2020. The main reasons for this are projected increases in intergovernmental revenues.

Total budgeted expenditures for governmental funds are projected at approximately \$397,000 less than our prior year actual expenditures. The primary reason for this is a projected decrease in capital expenditures.

During January 2021, the Town approved a bid to a local company for the purchase of septic tanks in the amount of approximately \$39,000.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and the related impact of such closings on operating results. The Town is currently unable to ascertain the effects, if any, on its operating results.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional information, contact the Recorder's Office at Town Hall.

BASIC FINANCIAL STATEMENTS

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 303,438	\$ 663,543	\$ 966,981
Investments - certificates of deposit	7,350	153,754	161,104
Prepaid expenses	26,458	5,727	32,185
Receivables			
Customer accounts	-	97,459	97,459
Property taxes, less allowance for bad debts of \$41,428	539,531	-	539,531
Due from Tipton County	47,977	-	47,977
Due from State of Tennessee	62,255	-	62,255
Grants receivable	-	33,682	33,682
Other	56	873	929
Internal balances	21,310	(21,310)	-
Restricted assets			
Capital assets, net	2,919,300	3,786,686	6,705,986
Net pension asset	<u>277,143</u>	<u>103,512</u>	<u>380,655</u>
TOTAL ASSETS	<u>4,204,818</u>	<u>4,823,926</u>	<u>9,028,744</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	<u>36,341</u>	<u>12,450</u>	<u>48,791</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 4,241,159</u>	<u>\$ 4,836,376</u>	<u>\$ 9,077,535</u>
LIABILITIES			
Accounts and contracts payable	\$ 27,723	\$ 67,295	\$ 95,018
Accrued expenses	20,047	14,826	34,873
Customer deposits	-	70,444	70,444
Long-term debt			
Due within one year	27,648	40,152	67,800
Due in more than one year	461,014	666,856	1,127,870
Obligations under capital leases			
Due within one year	9,658	-	9,658
Due in more than one year	<u>21,088</u>	<u>-</u>	<u>21,088</u>
TOTAL LIABILITIES	<u>567,178</u>	<u>859,573</u>	<u>1,426,751</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property tax	535,667	-	535,667
Deferred inflows - pension	<u>79,140</u>	<u>29,558</u>	<u>108,698</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>614,807</u>	<u>29,558</u>	<u>644,365</u>

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF NET POSITION - CONTINUED
JUNE 30, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
NET POSITION			
Net investment in capital assets	\$ 2,399,892	\$ 3,079,678	\$ 5,479,570
Restricted for			
Streets	97,674	-	97,674
Drug enforcement	10,434	-	10,434
Grants	-	33,682	33,682
Pension	198,003	73,954	271,957
Unrestricted	<u>353,171</u>	<u>759,931</u>	<u>1,113,102</u>
TOTAL NET POSITION	<u>3,059,174</u>	<u>3,947,245</u>	<u>7,006,419</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
	<u>\$ 4,241,159</u>	<u>\$ 4,836,376</u>	<u>\$ 9,077,535</u>

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities							
General government	\$ 156,586	\$ 13,666	\$ -	\$ -	\$ (142,920)	\$ -	\$ (142,920)
Public safety	946,041	112,830	84,701	-	(748,510)	-	(748,510)
Public works	236,211	-	102,628	-	(133,583)	-	(133,583)
Health, welfare, recreation and education	59,686	-	-	-	(59,686)	-	(59,686)
Interest	6,211	-	-	-	(6,211)	-	(6,211)
TOTAL GOVERNMENTAL ACTIVITIES	<u>1,404,735</u>	<u>126,496</u>	<u>187,329</u>	<u>-</u>	<u>(1,090,910)</u>	<u>-</u>	<u>(1,090,910)</u>
Business-type activities							
Water-sewer system	1,208,247	1,009,738	-	15,213	-	(183,296)	(183,296)
Stormwater system	6,115	43,800	-	99,860	-	137,545	137,545
TOTAL BUSINESS-TYPE ACTIVITIES	<u>1,214,362</u>	<u>1,053,538</u>	<u>-</u>	<u>115,073</u>	<u>-</u>	<u>(45,751)</u>	<u>(45,751)</u>
TOTAL GOVERNMENT	<u>\$ 2,619,097</u>	<u>\$ 1,180,034</u>	<u>\$ 187,329</u>	<u>\$ 115,073</u>	<u>(1,090,910)</u>	<u>(45,751)</u>	<u>(1,136,661)</u>
GENERAL REVENUES							
Taxes							
Sales taxes					442,511	-	442,511
Property taxes					456,998	-	456,998
Alcoholic beverage taxes					60,892	-	60,892
State income taxes					1,611	-	1,611
TVA taxes					33,639	-	33,639
Business taxes					23,436	-	23,436
Cable TV franchise taxes					9,527	-	9,527
Telecommunications taxes					797	-	797
State reimbursements					4,800	-	4,800
Investment earnings					806	3,252	4,058
TOTAL GENERAL REVENUES					<u>1,035,017</u>	<u>3,252</u>	<u>1,038,269</u>
CHANGE IN NET POSITION					(55,893)	(42,499)	(98,392)

See notes to financial statements

**TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF ACTIVITIES - CONTINUED
YEAR ENDED JUNE 30, 2020**

<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>			
	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
NET POSITION						
Balance at July 1, 2019				\$ 3,115,067	\$ 3,989,744	\$ 7,104,811
Balance at June 30, 2020				\$ 3,059,174	\$ 3,947,245	\$ 7,006,419

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>GENERAL FUND</u>	<u>OTHER GOVERN- MENTAL FUNDS</u>	<u>TOTAL GOVERN- MENTAL FUNDS</u>
ASSETS			
Cash	\$ 216,444	\$ 86,994	\$ 303,438
Investments - certificates of deposit ...	-	7,350	7,350
Prepaid expenses	26,458	-	26,458
Receivables			
Property taxes, less allowance for bad debts of \$41,428	539,531	-	539,531
Due from Tipton County	47,977	-	47,977
Due from State of Tennessee	49,143	16,121	65,264
Other	-	56	56
Due from other funds	<u>21,310</u>	<u>-</u>	<u>21,310</u>
TOTAL ASSETS	<u>\$ 900,863</u>	<u>\$ 110,521</u>	<u>\$ 1,011,384</u>
LIABILITIES			
Accounts payable	\$ 25,310	\$ 2,413	\$ 27,723
Accrued expenses	<u>20,047</u>	<u>-</u>	<u>20,047</u>
TOTAL LIABILITIES	<u>45,357</u>	<u>2,413</u>	<u>47,770</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	535,670	-	535,670
Unavailable revenue - state income taxes	<u>206</u>	<u>-</u>	<u>206</u>
TOTAL DEFERRED INFLOWS OF RESOURCES ...	<u>535,876</u>	<u>-</u>	<u>535,876</u>
FUND BALANCE			
Nonspendable			
Prepaid expenses	26,458	-	26,458
Restricted			
Street expenditures	-	97,674	97,674
Drug enforcement	-	10,434	10,434
Unassigned	<u>293,172</u>	<u>-</u>	<u>293,172</u>
TOTAL FUND BALANCE ..	<u>319,630</u>	<u>108,108</u>	<u>427,738</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 900,863</u>	<u>\$ 110,521</u>	<u>\$ 1,011,384</u>

See notes to financial statements

**TOWN OF BRIGHTON, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>TOTAL GOVERNMENTAL FUNDS</u>
TOTAL FUND BALANCE	
TOTAL GOVERNMENTAL FUNDS	\$ 427,738
 AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	2,919,300
Long-term liabilities, including lease obligations payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet	(519,408)
Deferred outflows of resources related to pensions in which the consumption of net position will occur in a future period; therefore it is not reported in the governmental funds	33,332
Deferred inflows of resources related to pensions in which the acquisition of net position will occur in future periods; therefore it is not reported in the governmental funds	(79,140)
The net pension asset is not a financial resource and, therefore, is not reported in the governmental funds	277,143
Unavailable revenues are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds balance sheet	<u>209</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,059,174</u>

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>GENERAL FUND</u>	<u>OTHER GOVERN- MENTAL FUNDS</u>	<u>TOTAL GOVERN- MENTAL FUNDS</u>
REVENUES			
Local taxes	\$ 742,911	\$ -	\$ 742,911
Intergovernmental revenues	380,233	97,198	477,431
Charges for services	1,514	-	1,514
Fines and forfeitures	108,480	2,836	111,316
Licenses and permits	2,679	-	2,679
Other	<u>6,930</u>	<u>4,863</u>	<u>11,793</u>
TOTAL REVENUES	<u>1,242,747</u>	<u>104,897</u>	<u>1,347,644</u>
EXPENDITURES			
Current			
General government	140,288	-	140,288
Public safety	1,411,654	24,334	1,435,988
Public works	151,018	30,023	181,041
Health, welfare, recreation and education	38,182	-	38,182
Debt service	<u>23,974</u>	<u>47,075</u>	<u>71,049</u>
TOTAL EXPENDITURES ..	<u>1,765,116</u>	<u>101,432</u>	<u>1,866,548</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(522,369)</u>	<u>3,465</u>	<u>(518,904)</u>
OTHER FINANCING SOURCES			
Loan proceeds	500,000	-	500,000
Capital lease proceeds	<u>25,770</u>	<u>16,476</u>	<u>42,246</u>
TOTAL OTHER FINANCING SOURCES	<u>525,770</u>	<u>16,476</u>	<u>542,246</u>
NET CHANGE IN FUND BALANCE	3,401	19,941	23,342
FUND BALANCE			
Balance at July 1, 2019	<u>316,229</u>	<u>88,167</u>	<u>404,396</u>
Balance at June 30, 2020	<u>\$ 319,630</u>	<u>\$ 108,108</u>	<u>\$ 427,738</u>

See notes to financial statements

**TOWN OF BRIGHTON, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

NET CHANGE IN FUND BALANCE -		
TOTAL GOVERNMENTAL FUNDS	\$	23,342
 AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlays capitalized		545,967
Depreciation expense		(161,093)
 The proceeds from lease obligations provide current financial resources to the governmental funds, while the repayment of principal of lease obligations consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		
Lease obligation proceeds		(42,246)
Lease obligation principal payments		11,500
 The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to the governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Loan proceeds		(500,000)
Loan principal payments		53,338
 The actuarially determined pension income does not provide current financial resources and, therefore, is not reported in the governmental funds. It is reported as a reduction of expenses in statement of activities		
		14,497
 Some revenues will not be collected for several months after the Town's fiscal year end and are reported as unavailable revenues in the funds. This is the net difference between the amounts unavailable in the current and prior years.		
		<u>(1,198)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(55,893)</u>

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	WATER-SEWER FUND	STORMWATER FUND	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	\$ 555,360	\$ 108,183	\$ 663,543
Investments - certificates of deposit	153,754	-	153,754
Accounts receivable, net	83,768	13,691	97,459
Grants receivable	33,682	-	33,682
Prepaid expenses	5,727	-	5,727
Accrued interest	873	-	873
TOTAL CURRENT ASSETS	833,164	121,874	955,038
RESTRICTED ASSETS			
Net pension asset	103,512	-	103,512
NONCURRENT ASSETS			
Capital Assets			
Depreciable assets, net	2,926,172	-	2,926,172
Nondepreciable assets	690,006	170,508	860,514
TOTAL NONCURRENT ASSETS	3,616,178	170,508	3,786,686
TOTAL ASSETS	4,552,854	292,382	4,845,236
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	12,450	-	12,450
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,565,304	\$ 292,382	\$ 4,857,686
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 40,454	\$ 26,841	\$ 67,295
Accrued expenses	11,830	2,996	14,826
Customer deposits	70,444	-	70,444
Due to other funds	21,310	-	21,310
Current portion of notes payable	30,552	9,600	40,152
TOTAL CURRENT LIABILITIES	174,590	39,437	214,027
NONCURRENT LIABILITIES			
Long term notes payable, less current portion	551,456	115,400	666,856
TOTAL LIABILITIES	726,046	154,837	880,883
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	29,558	-	29,558
NET POSITION			
Net investment in capital assets	3,034,170	18,667	3,052,837
Restricted for pension	73,954	-	73,954
Restricted for grants	33,682	-	33,682
Unrestricted	667,894	118,878	786,772
TOTAL NET POSITION	3,809,700	137,545	3,947,245
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 4,565,304	\$ 292,382	\$ 4,857,686

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>WATER-SEWER FUND</u>	<u>STORMWATER FUND</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services	\$ 971,868	\$ 43,800	\$ 1,015,668
Fees and other	<u>37,870</u>	<u>-</u>	<u>37,870</u>
TOTAL OPERATING REVENUES	<u>1,009,738</u>	<u>43,800</u>	<u>1,053,538</u>
OPERATING EXPENSES			
Personal services and fringe benefits	310,548	-	310,548
Contractual services	360,953	2,861	363,814
Water purchases	220,645	-	220,645
Supplies	84,481	258	84,739
Fixed charges	17,959	-	17,959
Depreciation	<u>210,852</u>	<u>-</u>	<u>210,852</u>
TOTAL OPERATING EXPENSES	<u>1,205,438</u>	<u>3,119</u>	<u>1,208,557</u>
OPERATING INCOME (LOSS)	<u>(195,700)</u>	<u>40,681</u>	<u>(155,019)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	3,252	-	3,252
Interest expense	<u>(2,809)</u>	<u>(2,996)</u>	<u>(5,805)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>443</u>	<u>(2,996)</u>	<u>(2,553)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(195,257)	37,685	(157,572)
CAPITAL CONTRIBUTIONS	<u>15,213</u>	<u>99,860</u>	<u>115,073</u>
CHANGE IN NET POSITION	(180,044)	137,545	(42,499)
NET POSITION			
Balance at July 1, 2019	<u>3,989,744</u>	<u>-</u>	<u>3,989,744</u>
Balance at June 30, 2020.	<u>\$ 3,809,700</u>	<u>\$ 137,545</u>	<u>\$ 3,947,245</u>

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	WATER-SEWER FUND	STORMWATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,079,801	\$ 30,109	\$ 1,109,910
Payments to suppliers	(738,615)	(123)	(738,738)
Payments to employees	(252,425)	-	(252,425)
Payments for taxes	(17,399)	-	(17,399)
Customer deposits refunded	(3,506)	-	(3,506)
NET CASH PROVIDED BY OPERATING ACTIVITIES	67,856	29,986	97,842
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(188,915)	(143,667)	(332,582)
Proceeds of long-term debt	60,851	125,000	185,851
Proceeds of capital contributions	-	99,860	99,860
Payments on principal of long-term debt	(10,275)	-	(10,275)
Interest and fee payments on long-term debt	(2,809)	(2,996)	(5,805)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(141,148)	78,197	(62,951)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(1,070)	-	(1,070)
Interest income	3,288	-	3,288
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,218	-	2,218
NET INCREASE (DECREASE) IN CASH	(71,074)	108,183	37,109
CASH			
Beginning of year	626,434	-	626,434
End of year	\$ 555,360	\$ 108,183	\$ 663,543

See notes to financial statements

**TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - CONTINUED
YEAR ENDED JUNE 30, 2020**

	<u>WATER-SEWER FUND</u>	<u>STORMWATER FUND</u>	<u>TOTAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (195,700)	\$ 40,681	\$ (155,019)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities			
Depreciation	210,852	-	210,852
Net change in pension related accounts	(5,416)	-	(5,416)
Changes in assets and liabilities			
Accounts receivable	33,151	(13,691)	19,460
Grants receivable	36,912	-	36,912
Prepaid expenses	(1,690)	-	(1,690)
Accounts payable and accrued expenses ...	(9,746)	2,996	(6,750)
Interfund accounts	2,999	-	2,999
Customer deposits	(3,506)	-	(3,506)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 67,856</u>	<u>\$ 29,986</u>	<u>\$ 97,842</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Capital contribution - forgiveness of debt	\$ 15,213	\$ -	\$ 15,213
Liabilities incurred for acquisition of capital assets	\$ -	\$ 26,841	\$ 26,841

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
REVENUES				
Local taxes				
Property taxes	\$ -	\$ -	\$ 456,998	\$ -
Local sales tax	-	-	193,339	-
Wholesale beer tax	-	-	59,611	-
Business tax	-	-	23,436	-
Cable TV franchise tax	-	-	9,527	-
	<u>679,000</u>	<u>723,500</u>	<u>742,911</u>	<u>19,411</u>
Intergovernmental revenues				
State income and excise tax	-	-	413	-
State beer tax	-	-	1,281	-
Petroleum special	-	-	5,430	-
State sales tax	-	-	249,172	-
State reimbursements	-	-	4,800	-
Telecommunications tax	-	-	761	-
Modern market telecom	-	-	36	-
TVA tax	-	-	33,639	-
County grants	-	-	84,701	-
	<u>655,177</u>	<u>380,077</u>	<u>380,233</u>	<u>156</u>
Charges for services	<u>24,450</u>	<u>1,850</u>	<u>1,514</u>	<u>(336)</u>
Fines and forfeitures	<u>175,000</u>	<u>119,000</u>	<u>108,480</u>	<u>(10,520)</u>
Licenses and permits	<u>5,500</u>	<u>2,700</u>	<u>2,679</u>	<u>(21)</u>
Other				
Interest income	-	-	736	-
Community center rents and fees	-	-	3,526	-
Miscellaneous	-	-	2,668	-
	<u>8,000</u>	<u>2,500</u>	<u>6,930</u>	<u>4,430</u>
TOTAL REVENUES	<u>1,547,127</u>	<u>1,229,627</u>	<u>1,242,747</u>	<u>13,120</u>

Note: The budgetary basis of accounting is the same as the accounting basis used for fund reporting purposes.

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - GENERAL FUND - CONTINUED
YEAR ENDED JUNE 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
EXPENDITURES				
General government				
Legislative board				
Personal services	\$ -	\$ -	\$ 14,904	\$ -
Fixed charges	<u>-</u>	<u>-</u>	<u>42</u>	<u>-</u>
	<u>19,125</u>	<u>15,125</u>	<u>14,946</u>	<u>(179)</u>
Other general government				
Personal services	-	-	48,593	-
Contractual services	-	-	64,008	-
Supplies	-	-	5,963	-
Fixed charges	<u>-</u>	<u>-</u>	<u>6,778</u>	<u>-</u>
	<u>123,890</u>	<u>134,515</u>	<u>125,342</u>	<u>(9,173)</u>
Total general government	<u>143,015</u>	<u>149,640</u>	<u>140,288</u>	<u>(9,352)</u>
Public Safety				
Police				
Administration				
Personal services	-	-	413,507	-
Contractual services	-	-	73,844	-
Supplies	-	-	25,478	-
Fixed charges	-	-	16,562	-
Capital outlay	<u>-</u>	<u>-</u>	<u>25,770</u>	<u>-</u>
	<u>554,200</u>	<u>554,200</u>	<u>555,161</u>	<u>961</u>
Fire protection and control				
Fire administration				
Personal services	-	-	253,933	-
Contractual services	-	-	54,316	-
Supplies	-	-	32,537	-
Fixed charges	-	-	16,830	-
Capital outlay	<u>-</u>	<u>-</u>	<u>498,877</u>	<u>-</u>
	<u>807,350</u>	<u>859,019</u>	<u>856,493</u>	<u>(2,526)</u>
Total public safety	<u>1,361,550</u>	<u>1,413,219</u>	<u>1,411,654</u>	<u>(1,565)</u>

Note: The budgetary basis of accounting is the same as the accounting basis used for fund reporting purposes.

See notes to financial statements

TOWN OF BRIGHTON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - GENERAL FUND - CONTINUED
YEAR ENDED JUNE 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
EXPENDITURES - CONTINUED				
Public works				
Other public works projects				
Personal services	\$ -	\$ -	\$ 88,633	\$ -
Contractual services	-	-	52,428	-
Supplies	-	-	5,762	-
Fixed charges	-	-	4,195	-
Total public works	<u>493,320</u>	<u>150,515</u>	<u>151,018</u>	<u>503</u>
Health, welfare, recreation and education				
Park administration				
Contractual services	-	-	18,895	-
Supplies	-	-	5,327	-
Fixed charges	-	-	9,116	-
Capital outlay	-	-	4,844	-
Total health, welfare, recreation and education	<u>37,963</u>	<u>37,983</u>	<u>38,182</u>	<u>199</u>
Debt service				
Principal	-	-	18,338	-
Interest	-	-	5,636	-
Total debt service	<u>37,247</u>	<u>17,000</u>	<u>23,974</u>	<u>6,974</u>
TOTAL EXPENDITURES	<u>2,073,095</u>	<u>1,768,357</u>	<u>1,765,116</u>	<u>(3,241)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(525,968)</u>	<u>(538,730)</u>	<u>(522,369)</u>	<u>16,361</u>
OTHER FINANCING SOURCES				
Loan proceeds	-	500,000	500,000	-
Capital lease proceeds	-	-	25,770	25,770
Insurance recoveries	-	8,500	-	(8,500)
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>508,500</u>	<u>525,770</u>	<u>17,270</u>
NET CHANGE IN FUND BALANCE	(525,968)	(30,230)	3,401	33,631
FUND BALANCE				
Balance at July 1, 2019	<u>316,229</u>	<u>316,229</u>	<u>316,229</u>	<u>-</u>
Balance at June 30, 2020	<u>\$ (209,739)</u>	<u>\$ 285,999</u>	<u>\$ 319,630</u>	<u>\$ 33,631</u>

Note: The budgetary basis of accounting is the same as the accounting basis used for fund reporting purposes.

See notes to financial statements

**TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL STATEMENT - The Town of Brighton, Tennessee, (the “Town”) complies with accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Town applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

SCOPE OF REPORTING ENTITY - The Town’s financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town’s reporting entity include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The Town holds the corporate powers of the organization.
- The Town appoints a voting majority of the organization’s board.
- The Town is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Town.
- There is fiscal dependency by the organization on the Town.

Based on the aforementioned criteria, the Town has no component units. Local schools are County owned and operated, and there are no other related entities or agencies whereby the Town is considered to exercise financial accountability.

BASIS OF PRESENTATION - The Town’s basis of presentation differs as to whether government-wide or fund financial statements are presented.

GOVERNMENT-WIDE FINANCIAL STATEMENTS - In the government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town’s net position is reported in three parts - net investment in capital assets, restricted net position, and unrestricted net position. All interfund balances are eliminated in the government-wide Statement of Net Position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town’s governmental functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses including

**TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

GOVERNMENT-WIDE FINANCIAL STATEMENTS - CONTINUED

depreciation by related program revenues, operating, and capital grants. Program revenues must be directly associated with the governmental function or a business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital specific grants.

The net costs by function or business-type activity are normally covered by general revenue such as property, sales or gas taxes, intergovernmental revenues and interest income.

The Town does not allocate indirect costs but specific costs are charged to each department as this government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

FUND FINANCIAL STATEMENTS - Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined; or
- The Town officials may select any other fund not meeting the above criteria as a major fund if the officials believe the fund is of particular importance to financial statement users.

Based on the above-mentioned criteria, Town officials believe that the major funds for the Town are the General Fund, Water-Sewer Fund, and the Stormwater Fund.

The Town had the following funds at year end:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the primary operating fund of the Town and is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

FUND FINANCIAL STATEMENTS - CONTINUED

GOVERNMENTAL FUNDS - CONTINUED

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for certain purposes. For the current year the following were in existence:

State Street Aid Fund, used to account for the Town's share of gas tax revenues supplied by the State of Tennessee. Expenditures are restricted for the use of streets and sidewalks, including street lights.

Drug Fund, used to account for the Town's share of certain drug-related fines, and can be used only for police-related expenditures.

PROPRIETARY FUND FINANCIAL STATEMENTS - Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund. The Proprietary or Enterprise Fund is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Town of Brighton Water-Sewer Fund and Stormwater Fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement focus - On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus. Accordingly, all of the Town's assets and liabilities, including capital assets and deferred outflows/inflows of resources, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - CONTINUED

Measurement Focus - Continued

The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, liabilities, and deferred outflows/inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are local sales taxes, wholesale beer taxes, and intergovernmental revenues. Charges for services and other revenues are recorded as revenues when received because they are generally not measurable until they are received. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the funds. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the Statement of Net Position and the Statement of Net Position of Proprietary Funds report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and thus, will not be recognized as an outflow of resources (expense) until that time.

**TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - CONTINUED

In addition to liabilities, the Statement of Net Position, the Balance Sheet of governmental funds, and the Statement of Net Position of Proprietary Funds report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until that time.

INTERFUND RECEIVABLES AND PAYABLES - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund financial statements. Interfund receivables and payables between funds are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

BUDGETS AND BUDGETARY ACCOUNTING - Municipalities are required by state statute to adopt budgets for the general fund and special revenue funds. The Town utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. The budget of the Town of Brighton, which is prepared at the functional expenditure level, is legally enacted through passage of an ordinance which reflects the total appropriated amounts for each department of each fund. The Mayor is authorized to transfer budgeted amounts within departments.
2. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds.
3. Budgets for the general and revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Encumbrance accounting is not used since it is not legally required.

Budgets were prepared for all governmental funds. Budgeted amounts are as amended.

For the year ended June 30, 2020, expenditures exceeded appropriations in the Drug Fund by approximately \$16,000. The excess expenditures of the Drug Fund were covered by available fund balances.

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

INVENTORIES, INTERPERIOD ALLOCATIONS, AND PREPAID ITEMS - Inventories are considered expenditures at the time of purchase. Insurance and expenditures for services which extend over more than one period are accounted for similarly. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

CASH FLOWS - For purposes of reporting cash flows, cash consists of cash on hand and on deposit with banks. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Certificates of deposit with original maturities of three months or more when purchased are classified as investments.

DEPOSITS - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. Although the Town has not formally adopted a policy regarding collateralization of deposits, the Town follows collateralization requirements of State of Tennessee (the "State") statutes. State statutes requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance, the Tennessee Bank Collateral Pool, or by collateral held by the Town's agent in the Town's name, or by the Federal Reserve Banks acting as third party agents.

INVESTMENTS - State statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest by the United States or any of its agencies, repurchase agreements, the Tennessee local government investment pool, certificates of deposit at state and federally chartered banks and savings and loan associations, and the Town's own bonds or notes. The Town has not adopted a formal investment policy that limits its interest rate or credit risk.

RECEIVABLES - Receivables result primarily from unpaid billings for service to customers, local taxes from businesses and individuals, and intergovernmental revenues due from other government entities. Receivables are reported net of an allowance for uncollectible accounts and revenues are reported net of uncollectibles. Allowances are reported when accounts are proven, or estimated, to be uncollectible. The only allowance deemed necessary was related to property taxes.

PROPERTY TAXES - Under authority of state and local law the Town annually levies a property tax on all taxable real and personal property within its boundaries. The tax is levied on property as of each January 1 and becomes a lien on that date; taxes are payable as of October 1 and become delinquent on the following February 28. Delinquent property taxes are filed with the Chancery Court on the first business day of April each year once the taxes become 2 years old.

**TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

COMPENSATED ABSENCES - Vacation pay for employees is accrued as an expense at the time the employees have a vested right to receive it. Vacation pay is considered a current liability, as it lapses each year. Sick leave is not accrued as employees do not have vested rights to receive it.

CAPITAL ASSETS AND DEPRECIATION - The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The Town does not have a formally adopted capitalization policy, but generally only assets with an individual cost of at least \$2,500 and an estimated useful life in excess of one year are capitalized.

Government-wide Financial Statements - In the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1997.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets, in accordance with GASB standards, are subject only to prospective reporting (reporting from July 1, 2003 forward).

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	30-40 years
Vehicles and equipment	7-10 years
Water-sewer system	33 years
Infrastructure	40-50 years

Fund Financial Statements - In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

RESTRICTED ASSETS - When applicable, the Town elects to use restricted assets before unrestricted assets when the situation arises where either can be used. In governmental funds, the Town's policy is to first apply the expenditures toward restricted fund balance and then to other less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

**TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

LONG-TERM DEBT - The accounting treatment of long-term debt and other long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Long-term debt consists of fixed-rate loans, a general obligation bond, and a capital lease obligation.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and payment of principal and interest are reported as expenditures.

GOVERNMENT-WIDE NET POSITION - Equity is classified in the government-wide statements as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation, less any related liabilities.
- Unrestricted - All other net position that do not meet the definition of the above categories.

GOVERNMENTAL FUND BALANCE - Equity is classified as fund balance and displayed in the following five components, if applicable:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Consists of fund balance for which constraints are placed thereon by outside sources or external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities.

Committed - Amounts that can be used only for specific purposes determined by a formal action by the Town's Board of Mayor and Aldermen's highest level of decision-making authority (passage of an ordinance). Commitments may be modified or rescinded only by a like action.

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

GOVERNMENTAL FUND BALANCE - CONTINUED

Assigned - Amounts that are intended to be used for specific purposes that are not considered restricted or committed. The authority to assign, modify, and/or rescind prior assignments of fund balance has been granted to the Board of Mayor and Aldermen.

Unassigned - All amounts not included in other spendable classifications.

PENSION - For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension income, information about the fiduciary net position of the Town's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the Town's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Employee Plan of TCRS. Investments are reported at fair value.

NOTE 2 - DEPOSITS

As of June 30, 2020, the Town's bank balances of cash deposits were entirely insured by either federal depository insurance or by pledged securities held by the bank's agent in the name of the Town.

NOTE 3 - RECEIVABLES

Receivables as of June 30, 2020, including the applicable allowances for the uncollectible accounts, are as follows:

	<u>GENERAL FUND</u>	<u>STATE STREET AID FUND</u>	<u>WATER - SEWER FUND</u>	<u>STORMWATER FUND</u>	<u>TOTAL</u>
Receivables					
Property taxes	\$ 580,959	\$ -	\$ -	\$ -	\$ 580,959
Accounts	-	-	83,768	13,691	97,459
Grants	-	-	33,682	-	33,682
Receivable from other governments	94,111	16,121	-	-	110,232
Other	-	56	873	-	929
Gross receivables	<u>675,070</u>	<u>16,177</u>	<u>118,323</u>	<u>13,691</u>	<u>823,261</u>
Less: Allowance for doubtful accounts . .	<u>(41,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,428)</u>
Net receivables	<u>\$ 633,642</u>	<u>\$ 16,177</u>	<u>\$ 118,323</u>	<u>\$ 13,691</u>	<u>\$ 781,833</u>

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>TRANSFERS/ RETIREMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 193,171	\$ -	\$ -	\$ 193,171
Other capital assets				
Buildings and improvements	537,481	4,844	-	542,325
Equipment	528,616	-	-	528,616
Vehicles	419,447	541,123	-	960,570
Infrastructure	<u>2,523,484</u>	<u>-</u>	<u>-</u>	<u>2,523,484</u>
Total other capital assets at historical cost	<u>4,009,028</u>	<u>545,967</u>	<u>-</u>	<u>4,554,995</u>
Less accumulated depreciation				
Buildings and improvements	(343,751)	(15,273)	-	(359,024)
Equipment	(461,428)	(13,326)	-	(474,754)
Vehicles	(341,124)	(66,026)	-	(407,150)
Infrastructure	<u>(521,470)</u>	<u>(66,468)</u>	<u>-</u>	<u>(587,938)</u>
Total accumulated depreciation	<u>(1,667,773)</u>	<u>(161,093)</u>	<u>-</u>	<u>(1,828,866)</u>
Other capital assets, net	<u>2,341,255</u>	<u>384,874</u>	<u>-</u>	<u>2,726,129</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 2,534,426</u>	<u>\$ 384,874</u>	<u>\$ -</u>	<u>\$ 2,919,300</u>
DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL ACTIVITIES FUNCTIONS AS FOLLOWS				
General government		\$ 4,262		
Public safety		72,091		
Public works		58,392		
Health, welfare, recreation and education		<u>26,348</u>		
TOTAL GOVERNMENTAL ACTIVITIES DEPRECIATION EXPENSE		<u>\$ 161,093</u>		

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 4 - CAPITAL ASSETS - CONTINUED

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>TRANSFERS/ RETIREMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,700	\$ -	\$ -	\$ 3,700
Construction in progress	<u>594,505</u>	<u>262,309</u>	<u>-</u>	<u>856,814</u>
	<u>598,205</u>	<u>262,309</u>	<u>-</u>	<u>860,514</u>
Other capital assets				
Buildings	43,762	-	-	43,762
Water distribution system	2,445,003	10,159	-	2,455,162
Sewer system	4,201,753	35,000	-	4,236,753
Equipment	<u>400,925</u>	<u>30,615</u>	<u>-</u>	<u>431,540</u>
Total other capital assets at historical cost	<u>7,091,443</u>	<u>75,774</u>	<u>-</u>	<u>7,167,217</u>
Less accumulated depreciation				
Buildings	(14,130)	(1,412)	-	(15,542)
Water distribution system	(1,260,526)	(76,594)	-	(1,337,120)
Sewer system	(2,478,947)	(111,446)	-	(2,590,393)
Equipment	<u>(276,590)</u>	<u>(21,400)</u>	<u>-</u>	<u>(297,990)</u>
Total accumulated depreciation	<u>(4,030,193)</u>	<u>(210,852)</u>	<u>-</u>	<u>(4,241,045)</u>
Net depreciable assets	<u>3,061,250</u>	<u>(135,078)</u>	<u>-</u>	<u>2,926,172</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 3,659,455</u>	<u>\$ 127,231</u>	<u>\$ -</u>	<u>\$ 3,786,686</u>
DEPRECIATION EXPENSE WAS CHARGED TO BUSINESS-TYPE ACTIVITIES FUNCTIONS AS FOLLOWS				
Water-sewer		\$ 210,852		
Stormwater		<u>-</u>		
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES .		<u>\$ 210,852</u>		

NOTE 5 - INTERFUND BALANCES

The composition of interfund balances as of June 30, 2020, is as follows:

<u>Due to/from other funds</u>	<u>Fund Due To</u>	<u>Amount</u>
<u>Fund Due From</u>	<u>General Fund (major)</u>	<u>\$ 21,310</u>
Water-Sewer Fund (major)		

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 5 - INTERFUND BALANCES - CONTINUED

Due to and due from balances result from the time lag between dates that interfund goods and services were provided and payments between funds were made. These amounts are expected to be paid in the subsequent fiscal year.

NOTE 6 - LONG-TERM DEBT

Debt outstanding as of June 30, 2020 consisted of the following:

	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUED</u>	<u>DEBTS OUTSTANDING</u>
GOVERNMENTAL ACTIVITIES				
Direct borrowings and direct placements				
Capital Lease Obligation - Truck	5.99%	2023	\$ 42,246	\$ 30,746
General Obligation Bond				
Anticipation Note - Series 2019	2.75%	2034	500,000	<u>488,662</u>
				<u>519,408</u>
BUSINESS-TYPE ACTIVITIES				
Direct borrowings and direct placements				
State Revolving Fund Loan 2016	0.58%	2038	74,872	67,486
State Revolving Fund Loan 2018	0.39%	2037	558,720	514,522
General Obligation Capital				
Outlay Note 2019	3.50%	2030	125,000	<u>125,000</u>
				<u>707,008</u>
				<u>\$ 1,226,416</u>

During the year ended June 30, 2020, the Town entered into a four-year lease/purchase agreement for a truck. The gross cost of assets and accumulated amortization recorded under this capital lease at June 30, 2020 was \$42,246 and \$4,225, respectively. The truck was acquired through a lease/purchase agreement with an implicit interest rate of 5.99%, that required no down payment and is payable in four equal annual payments of \$11,500 through 2023. At the end of the lease/purchase term, title to the truck will pass to the Town. The balance of the capital lease obligation at June 30, 2020 was \$30,746.

During the year ended June 30, 2018, the Town entered into a 2016 State Revolving Fund Loan in the amount of \$374,360. The loan was authorized on April 27, 2017 and is to be repaid in monthly installments of \$335 beginning June 1, 2018 and maturing on October 1, 2037. A portion of this funding totaling \$299,488 represents principal forgiveness. Interest is paid monthly at a fixed rate of .58%. The balance of this loan at June 30, 2020 was \$67,486 net of principal forgiveness of \$299,488.

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT - CONTINUED

During the year ended June 30, 2019, the Town entered into a 2018 State Revolving Fund Loan in the amount of \$698,400. The loan was authorized on October 17, 2017 and is to be repaid in monthly installments of \$2,420 beginning February 1, 2020 and maturing on March 1, 2037. A portion of this funding totaling \$134,114 represents principal forgiveness. Interest is paid monthly at a fixed rate of .39%. The balance of this loan at June 30, 2020 was \$514,522, net of principal forgiveness of \$134,114.

During the year ended June 30, 2020, the Town entered into a Series 2019 General Obligation Bond in the amount of \$500,000. The bond was authorized on January 22, 2020 and is to be repaid in monthly installments of \$3,395 beginning February 1, 2020 and maturing on December 1, 2034. Interest is paid monthly at a fixed rate of 2.75%. The balance of this bond at June 30, 2020 was \$488,622.

During the year ended June 30, 2020, the Town entered into a 2019 General Obligation Capital Outlay Note in the amount of \$125,000. The note was authorized on November 18, 2019 and is to be repaid in annual installments of principal ranging from \$9,600 to \$14,700 beginning February 2, 2021 and maturing on February 1, 2030. Interest is paid semi-annually at a fixed rate of 3.5%. The balance of this note as of June 30, 2020 was \$125,000.

General obligation bonds and notes are the general obligation of the Town with all tax revenues, to the extent required, pledged for the repayment of the notes. The State Revolving Fund Loans are secured by the net revenues to be derived from the operation of the water-sewer system and are additionally secured by the full faith and credit of the Town. The general obligation bond contains a provision that in the event of default, outstanding amounts may be declared immediately due and payable.

A summary of long-term debt activity for the year ended June 30, 2020 is as follows:

GOVERNMENTAL ACTIVITIES	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>	<u>DUE</u> <u>WITHIN</u> <u>ONE YEAR</u>
Direct borrowings and direct placements					
Capital Lease					
Obligation - Truck	\$ -	\$ 42,246	\$ 11,500	\$ 30,746	\$ 9,658
General Obligation Capital					
Outlay Note - Series 2012	42,000	-	42,000	-	-
General Obligation Bond					
Note - Series 2019	<u>-</u>	<u>500,000</u>	<u>11,338</u>	<u>488,662</u>	<u>27,648</u>
	<u>42,000</u>	<u>542,246</u>	<u>64,838</u>	<u>519,408</u>	<u>37,306</u>

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT - CONTINUED

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>	<u>DUE</u> <u>WITHIN</u> <u>ONE YEAR</u>
BUSINESS-TYPE ACTIVITIES					
Direct borrowings and direct placements					
State Revolving Fund	71,041	-	3,555	67,486	3,600
Loan 2016					
State Revolving Fund					
Loan 2018	475,604	60,851	21,933	514,522	26,952
General Obligation Capital					
Outlay Note 2019	-	125,000	-	125,000	9,600
	<u>546,645</u>	<u>185,851</u>	<u>25,488</u>	<u>707,008</u>	<u>40,152</u>
	<u>\$ 588,645</u>	<u>\$ 728,097</u>	<u>\$ 90,326</u>	<u>\$1,226,416</u>	<u>\$ 77,458</u>

Presented below is a summary of debt service requirements by years:

<u>YEAR ENDING</u> <u>JUNE 30</u>	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS - TYPE ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2021 ..	\$ 37,306	\$ 14,935	\$ 40,152	\$ 8,038
2022 ..	38,655	13,585	41,772	6,378
2023 ..	40,061	12,180	42,304	5,871
2024 ..	29,922	10,717	42,824	5,348
2025 ..	30,858	9,882	43,356	4,800
2026-2030 ..	167,674	36,029	225,812	15,267
2031-2035 ..	174,932	11,424	160,488	4,620
2036-2040 ..	-	-	110,300	1,327
	<u>\$ 519,408</u>	<u>\$ 108,752</u>	<u>\$ 707,008</u>	<u>\$ 51,649</u>

NOTE 7 - RISK MANAGEMENT

The Town 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 Town considers it to be more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, worker's compensation, and property and casualty insurance. As such, the Town participates with Public Entity Partners, which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee. The Town pays an annual premium to Public Entity Partners for its for certain general liability, worker's compensation, and property and casualty insurance. Each political subdivision that has participated with Public Entity Partners is subject to assessment if the funds it paid as

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 7 - RISK MANAGEMENT - CONTINUED

premiums are insufficient to meet the obligations of the Public Entity Partners. Public Entity Partners may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company.

It is the policy of the Town to purchase commercial insurance for all other risks of loss to which it is exposed, including certain general liability, property and casualty, worker's compensation, and employee health, life, and accident insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 8 - NET POSITION RESTRICTED FOR PENSION

The components of net position restricted for pension are as follows:

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Net pension asset	\$ 277,143	\$ 103,512	\$ 380,655
Less deferred inflows-pension	<u>(79,140)</u>	<u>(29,558)</u>	<u>(108,698)</u>
Net position restricted for pension	<u>\$ 198,003</u>	<u>\$ 73,954</u>	<u>\$ 271,957</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The Town does not currently operate a water producing plant, but purchases water for its customers from a single supplier, an adjacent utility district. The current contract term is for ten years beginning March 15, 2017. Either party may terminate the contract by providing a notice of termination two years in advance.

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

The Town is a party to a wastewater treatment agreement (as amended November 1989) with the adjacent City of Munford and Town of Atoka which was entered into in connection with the construction of joint wastewater facilities. Each town paid for their proportionate share of construction costs and is carrying such costs as capital assets on their books and records. The City of Munford maintains and operates the joint facilities. The City of Munford bills the other two towns for their share of joint maintenance and operation expenses. The Town was billed \$63,139 by the City of Munford under this agreement for the year ended June 30, 2020. No party has the right to cancel or amend the agreement. The duration of the agreement is indefinite and continuing.

**TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

NOTE 9 - COMMITMENTS AND CONTINGENCIES - CONTINUED

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and the related impact of such closings on operating results. The Town is currently unable to ascertain the effects, if any, on its operating results.

NOTE 10 - SUBSEQUENT EVENT

During January 2021, the Town approved a bid to a local company for the purchase of septic tanks in the amount of approximately \$39,000.

NOTE 11 - PENSION PLAN

General Information about the Pension Plan

PLAN DESCRIPTION - Employees of the Town are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/retirement/boards-and-governance/reporting-and-investment-policies.

BENEFITS PROVIDED - Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

EMPLOYEES COVERED BY BENEFIT TERMS - At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 11 - PENSION PLAN - CONTINUED

General Information about the Pension Plan - Continued

EMPLOYEES COVERED BY BENEFIT TERMS - CONTINUED

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	28
Active employees	<u>20</u>
	<u><u>50</u></u>

CONTRIBUTIONS - Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. The Town makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, employer contributions for the Town were \$14,299 based on a rate of 1.76 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Town's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The Town's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS - The total pension liability as of June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included on the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 11 - PENSION PLAN - CONTINUED

Net Pension Liability (Asset) - Continued

ACTUARIAL ASSUMPTIONS - CONTINUED

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>ASSET CLASS</u>	<u>LONG-TERM EXPECTED REAL RATE OF RETURN</u>	<u>TARGET ALLOCATION</u>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	<u>1%</u>
Total		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

DISCOUNT RATE - The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Town will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 11 - PENSION PLAN - CONTINUED

Net Pension Liability (Asset) - Continued

DISCOUNT RATE - CONTINUED

available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	INCREASE (DECREASE)		
	TOTAL PENSION LIABILITY (a)	PLAN FIDUCIARY NET POSITION (b)	NET PENSION LIABILITY (ASSET) (a) - (b)
BALANCE AT 6/30/18	\$ 553,756	\$ 841,388	\$ (287,632)
CHANGES FOR THE YEAR			
Service cost	52,674	-	52,674
Interest	41,611	-	41,611
Differences between expected and actual experience	(75,023)	-	(75,023)
Changes in assumptions	-	-	-
Contributions - employer	-	13,506	(13,506)
Contributions - employees	-	38,370	(38,370)
Net investment income	-	62,099	(62,099)
Benefit payments, including refunds of employee contributions	(64,984)	(64,984)	-
Administrative expense	-	(1,690)	1,690
Other changes	-	-	-
NET CHANGES	<u>(45,722)</u>	<u>47,301</u>	<u>(93,023)</u>
BALANCE AT 6/30/19	<u>\$ 508,034</u>	<u>\$ 888,689</u>	<u>\$ (380,655)</u>

SENSITIVITY OF THE NET PENSION LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE - The following presents the net pension liability (asset) of the Town calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% DECREASE (6.25%)	CURRENT DISCOUNT RATE (7.25%)	1% INCREASE (8.25%)
Town's net pension liability (asset)	<u>\$ (281,396)</u>	<u>\$ (380,655)</u>	<u>\$ (458,403)</u>

TOWN OF BRIGHTON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2020

NOTE 11 - PENSION PLAN - CONTINUED

Negative Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

NEGATIVE PENSION EXPENSE - For the year ended June 30, 2020, the Town recognized negative pension expense of \$5,613.

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES - For the year ended June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>DEFERRED INFLOWS OF RESOURCES</u>
Differences between expected and actual experience	\$ 23,202	\$ (98,476)
Net difference between projected and actual earnings on pension plan investments	-	(10,222)
Changes in assumptions	11,290	-
Contributions subsequent to the measurement date of June 30, 2019	<u>14,299</u>	<u>-</u>
Total	<u>\$ 48,791</u>	<u>\$ (108,698)</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

YEAR ENDED JUNE 30

2021	\$ (10,596)
2022	(16,362)
2023	(11,411)
2024	(9,817)
2025	(5,623)
Thereafter	(20,397)

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

PAYABLE TO THE PENSION PLAN - At June 30, 2020, the Town reported a payable of \$4,537 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS BASED ON PARTICIPATION IN THE
PUBLIC EMPLOYEE PENSION PLAN OF TCRS
LAST FISCAL YEAR ENDING JUNE 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
TOTAL PENSION LIABILITY (ASSET)						
Service cost	\$ 29,257	\$ 25,975	\$ 31,138	\$ 39,872	\$ 50,812	\$ 52,674
Interest	25,714	27,336	26,240	31,494	36,526	41,611
Changes in benefit terms	-	-	-	-	-	-
Differences between actual and expected experience ...	(8,781)	(49,210)	19,828	(9,607)	17,086	(75,023)
Change of assumptions	-	-	-	16,936	-	-
Benefit payments, including refunds of employee contributions	(22,393)	(20,172)	(27,576)	(4,188)	(7,321)	(64,984)
Net change in total pension liability (asset)	23,797	(16,071)	49,630	74,507	97,103	(45,722)
TOTAL PENSION LIABILITY, BEGINNING OF YEAR ..	<u>324,790</u>	<u>348,587</u>	<u>332,516</u>	<u>382,146</u>	<u>456,653</u>	<u>553,756</u>
TOTAL PENSION LIABILITY, END OF YEAR (a)	<u>\$ 348,587</u>	<u>\$ 332,516</u>	<u>\$ 382,146</u>	<u>\$ 456,653</u>	<u>\$ 553,756</u>	<u>\$ 508,034</u>
PLAN FIDUCIARY NET POSITION						
Contributions from employer	\$ 25,095	\$ 26,420	\$ 29,281	\$ 11,805	\$ 12,696	\$ 13,506
Contributions from employees	17,007	26,741	29,637	33,537	36,068	38,370
Net investment income	73,497	16,839	15,783	73,174	62,963	62,099
Benefit payments, including refunds of employee contributions	(22,393)	(20,172)	(27,576)	(4,188)	(7,321)	(64,984)
Administrative expense	(494)	(720)	(1,135)	(1,420)	(1,668)	(1,690)
Net change in plan fiduciary net position	92,712	49,108	45,990	112,908	102,738	47,301
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	<u>437,932</u>	<u>530,644</u>	<u>579,752</u>	<u>625,742</u>	<u>738,650</u>	<u>841,388</u>
PLAN FIDUCIARY NET POSITION, END OF YEAR (b)	<u>\$ 530,644</u>	<u>\$ 579,752</u>	<u>\$ 625,742</u>	<u>\$ 738,650</u>	<u>\$ 841,388</u>	<u>\$ 888,689</u>

TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS BASED ON PARTICIPATION IN THE
PUBLIC EMPLOYEE PENSION PLAN OF TCRS - CONTINUED
LAST FISCAL YEAR ENDING JUNE 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
NET PENSION LIABILITY (ASSET) - ENDING (a)-(b) . . .	\$ (182,057)	\$ (247,236)	\$ (243,596)	\$ (281,997)	\$ (287,632)	\$ (380,655)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	152.23%	174.35%	163.74%	161.75%	151.94%	174.93%
COVERED PAYROLL	\$ 507,991	\$ 534,816	\$ 592,740	\$ 670,732	\$ 721,351	\$ 767,405
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	(35.84)%	(46.23)%	(41.10)%	(42.04)%	(39.87)%	(49.60)%

Notes to schedule:

Changes of assumptions. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost of living adjustment, and salary growth and mortality improvements.

GASB 68 requires a 10-year schedule for this data to be presented with the implementation of *GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date.

**TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
LAST FISCAL YEAR ENDING JUNE 30**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 25,095	\$ 26,344	\$ 29,282	\$ 11,805	\$ 12,696	\$ 13,506	\$ 14,299
Contributions in relation to the actuarially determined contribution	<u>25,095</u>	<u>26,344</u>	<u>29,282</u>	<u>11,805</u>	<u>12,696</u>	<u>13,506</u>	<u>14,299</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 507,991	\$ 534,816	\$ 592,741	\$ 670,731	\$ 721,351	\$ 767,405	\$ 816,213
Contributions as a percentage covered employee payroll	4.94%	4.94%	4.94%	1.76%	1.76%	1.76%	1.76%

GASB 68 requires a 10-year schedule for this data to be presented with the implementation of *GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date.

Notes to Schedule:

Valuation date - Actuarially determined contribution rates for 2020 were calculated based on the July 1, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement

TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS - CONTINUED
LAST FISCAL YEAR ENDING JUNE 30

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

COMBINING FUND FINANCIAL STATEMENTS

**TOWN OF BRIGHTON, TENNESSEE
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>STATE STREET AID FUND</u>	<u>DRUG FUND</u>	<u>TOTAL OTHER GOVERN- MENTAL FUNDS</u>
ASSETS			
Cash	\$ 76,560	\$ 10,434	\$ 86,994
Investment - certificate of deposit ..	7,350	-	7,350
Due from State of Tennessee	16,121	-	16,121
Receivable - other	<u>56</u>	<u>-</u>	<u>56</u>
TOTAL ASSETS	<u>\$ 100,087</u>	<u>\$ 10,434</u>	<u>\$ 110,521</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ 2,413</u>	<u>\$ -</u>	<u>\$ 2,413</u>
FUND BALANCES			
Restricted			
Street expenditures	97,674	-	97,674
Drug enforcement	<u>-</u>	<u>10,434</u>	<u>10,434</u>
TOTAL FUND BALANCES ..	<u>97,674</u>	<u>10,434</u>	<u>108,108</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 100,087</u>	<u>\$ 10,434</u>	<u>\$ 110,521</u>

TOWN OF BRIGHTON, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>STATE STREET AID FUND</u>	<u>DRUG FUND</u>	<u>TOTAL OTHER GOVERN- MENTAL FUNDS</u>
REVENUES			
Intergovernmental revenues			
Gas 1989	\$ 7,870	\$ -	\$ 7,870
Gas 2017	24,971		24,971
Gas 3 cent	14,582	-	14,582
Gasoline and motor fuel tax	<u>49,775</u>	<u>-</u>	<u>49,775</u>
Total intergovernmental revenues	<u>97,198</u>	<u>-</u>	<u>97,198</u>
Fines and forfeitures	<u>-</u>	<u>2,836</u>	<u>2,836</u>
Other revenue	<u>69</u>	<u>4,794</u>	<u>4,863</u>
TOTAL REVENUES	<u>97,267</u>	<u>7,630</u>	<u>104,897</u>
EXPENDITURES			
Public safety			
Police			
Contractual services	-	912	912
Supplies	-	6,946	6,946
Capital outlay	-	<u>16,476</u>	<u>16,476</u>
Total public safety	<u>-</u>	<u>24,334</u>	<u>24,334</u>
Public works			
Highways and streets			
Contractual services	<u>30,023</u>	<u>-</u>	<u>30,023</u>
Total public works	<u>30,023</u>	<u>-</u>	<u>30,023</u>
Debt service			
Principal	42,000	4,500	46,500
Interest	<u>575</u>	<u>-</u>	<u>575</u>
Total debt service	<u>42,575</u>	<u>4,500</u>	<u>47,075</u>
TOTAL EXPENDITURES	<u>72,598</u>	<u>28,834</u>	<u>101,432</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,669	(21,204)	3,465
OTHER FINANCING SOURCES			
Capital lease proceeds	<u>-</u>	<u>16,476</u>	<u>16,476</u>
NET CHANGE IN FUND BALANCE	24,669	(4,728)	19,941
FUND BALANCE			
Balance at July 1, 2019	<u>73,005</u>	<u>15,162</u>	<u>88,167</u>
Balance at July 1, 2020	<u>\$ 97,674</u>	<u>\$ 10,434</u>	<u>\$ 108,108</u>

SCHEDULES

TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - STATE STREET AID FUND
YEAR ENDED JUNE 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
REVENUES				
Intergovernmental revenues				
Gas 1989	\$ -	\$ -	\$ 7,870	\$ -
Gas 2017	-	-	24,971	-
Gas 3 cent	-	-	14,582	-
Gasoline and motor fuel tax	<u>-</u>	<u>-</u>	<u>49,775</u>	<u>-</u>
	<u>90,000</u>	<u>97,000</u>	<u>97,198</u>	<u>198</u>
Other revenues	<u>-</u>	<u>-</u>	<u>69</u>	<u>69</u>
TOTAL REVENUES	<u>90,000</u>	<u>97,000</u>	<u>97,267</u>	<u>267</u>
EXPENDITURES				
Public works				
Highways and streets				
Contractual services	<u>-</u>	<u>-</u>	<u>30,023</u>	<u>-</u>
Total public works	<u>29,000</u>	<u>30,425</u>	<u>30,023</u>	<u>(402)</u>
Debt service				
Principal	-	-	42,000	-
Interest	<u>-</u>	<u>-</u>	<u>575</u>	<u>-</u>
Total debt service	<u>42,575</u>	<u>42,576</u>	<u>42,575</u>	<u>(1)</u>
TOTAL EXPENDITURES	<u>71,575</u>	<u>73,001</u>	<u>72,598</u>	<u>(403)</u>
NET CHANGE IN FUND BALANCE ...	18,425	23,999	24,669	670
FUND BALANCE				
Balance at July 1, 2019	<u>73,005</u>	<u>73,005</u>	<u>73,005</u>	<u>-</u>
Balance at June 30, 2020	<u>\$ 91,430</u>	<u>\$ 97,004</u>	<u>\$ 97,674</u>	<u>\$ 670</u>

TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - DRUG FUND
YEAR ENDED JUNE 30, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 2,836	\$ -
Other	<u>-</u>	<u>-</u>	<u>4,794</u>	<u>-</u>
TOTAL REVENUES	<u>6,500</u>	<u>7,500</u>	<u>7,630</u>	<u>130</u>
EXPENDITURES				
Public safety				
Police				
Contractual services	-	-	912	-
Supplies	-	-	6,946	-
Capital outlay	<u>-</u>	<u>-</u>	<u>16,476</u>	<u>-</u>
Total public safety	<u>15,000</u>	<u>12,776</u>	<u>24,334</u>	<u>11,558</u>
Debt Service				
Principal	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Total Debt Service	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>
TOTAL EXPENDITURES	<u>15,000</u>	<u>12,776</u>	<u>28,834</u>	<u>16,058</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(8,500)	(5,276)	(21,204)	(15,928)
OTHER FINANCING SOURCES				
Capital lease proceeds	<u>-</u>	<u>-</u>	<u>16,476</u>	<u>16,476</u>
NET CHANGE IN FUND BALANCE ..	(8,500)	(5,276)	(4,728)	548
FUND BALANCE				
Balance at July 1, 2019	<u>15,162</u>	<u>15,162</u>	<u>15,162</u>	<u>-</u>
Balance at June 30, 2020	<u>\$ 6,662</u>	<u>\$ 9,886</u>	<u>\$ 10,434</u>	<u>\$ 548</u>

**TOWN OF BRIGHTON, TENNESSEE
EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS- THROUGH GRANTOR'S NUMBER</u>	<u>RECEIVABLE (UNAVAILABLE)/ RESTRICTED BALANCE AT JULY 1, 2019</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>RECEIVABLE (UNAVAILABLE)/ RESTRICTED BALANCE AT JUNE 30, 2020</u>
<u>CASH FEDERAL AWARDS</u>						
Department of Agriculture Passed through State of Tennessee Department of Agriculture Community Facilities Loans and Grants	10.766	N/A	\$ -	\$ (500,000)	\$ 500,000	\$ -
Department of Housing and Urban Development Passed through State of Tennessee Department of Economic and Community Development Community Development Block Grant - Imminent Threat	14.228	33004-48719	-	(98,060)	98,060	-
Community Development Block Grant - Community Livability	14.228	33004-17120	-	(1,800)	1,800	-
Total U.S. Department of Housing and Urban Development			-	(99,860)	99,860	-
Environmental Protection Agency Passed through State of Tennessee Capitalization Grants for Drinking Water State Revolving Fund 2018 Loan	66.468	FS984272XX	50,349	(84,253)	60,850	26,946
Principal Forgiveness	66.468	FS984272XX	12,587	(21,064)	15,213	6,736
Total Environmental Protection Agency			62,936	(105,317)	76,063	33,682
TOTAL CASH FEDERAL AWARDS			\$ 62,936	\$ (705,177)	\$ 675,923	\$ 33,682

Note: Significant Accounting Policies

All of the federal awards are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned. Expenditures are recognized when the related liability is incurred or economic asset is used.

**TOWN OF BRIGHTON, TENNESSEE
EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2020**

<u>PROGRAM TITLE</u>	<u>GRANTOR'S NUMBER</u>	<u>(RECEIVABLE) DEFERRED/ RESTRICTED BALANCE AT JULY 1, 2019</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>(RECEIVABLE) DEFERRED/ RESTRICTED BALANCE AT JUNE 30, 2020</u>
<u>CASH STATE AWARDS</u>					
Department of Environment and Conservation					
Capitalization Grants for Drinking Water					
State Revolving Fund 2018					
Loan	DW6 2018-201	\$ 6,126	\$ (6,126)	\$ -	\$ -
Principal Forgiveness	DW6 2018-201	<u>1,532</u>	<u>(1,532)</u>	<u>-</u>	<u>-</u>
TOTAL CASH STATE AWARDS		<u>\$ 7,658</u>	<u>\$ (7,658)</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Significant Accounting Policies

All of the state awards are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned. Expenditures are recognized when the related liability is incurred or economic asset is used.

TOWN OF BRIGHTON, TENNESSEE
LONG-TERM DEBT PRINCIPAL AND INTEREST
REQUIREMENTS BY YEAR
JUNE 30, 2020

ENDING	GOVERNMENTAL ACTIVITIES						BUSINESS - TYPE ACTIVITIES				
	CAPITAL LEASE OBLIGATION		GENERAL OBLIGATION BOND SERIES 2019		TOTAL	TOTAL	TOTAL	STATE REVOLVING FUND LOAN 2016		STATE REVOLVING FUND LOAN 2018	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	COMBINED	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2021	\$ 9,658	\$ 1,842	\$ 27,648	\$ 13,093	\$ 37,306	\$ 14,935	\$ 52,241	\$ 3,600	\$ 384	\$ 26,952	\$ 2,088
2022	10,237	1,263	28,418	12,322	38,655	13,585	52,240	3,612	360	27,060	1,980
2023	10,851	650	29,210	11,530	40,061	12,180	52,241	3,636	348	27,168	1,872
2024	-	-	29,922	10,717	29,922	10,717	40,639	3,660	324	27,264	1,776
2025	-	-	30,858	9,882	30,858	9,882	40,740	3,684	300	27,372	1,668
2026	-	-	31,717	9,023	31,717	9,023	40,740	3,708	276	27,480	1,560
2027	-	-	32,605	8,138	32,605	8,138	40,743	3,720	252	27,588	1,452
2028	-	-	33,509	7,231	33,509	7,231	40,740	3,744	240	27,696	1,344
2029	-	-	34,442	6,298	34,442	6,298	40,740	3,768	216	27,804	1,236
2030	-	-	35,401	5,339	35,401	5,339	40,740	3,792	192	27,912	1,128
2031	-	-	36,390	4,350	36,390	4,350	40,740	3,816	168	28,020	1,020
2032	-	-	37,402	3,338	37,402	3,338	40,740	3,828	144	28,128	912
2033	-	-	38,442	2,298	38,442	2,298	40,740	3,852	132	28,248	792
2034	-	-	39,512	1,228	39,512	1,228	40,740	3,876	108	28,356	684
2035	-	-	23,186	210	23,186	210	23,396	3,900	84	28,464	576
2036	-	-	-	-	-	-	-	3,924	60	28,572	468
2037	-	-	-	-	-	-	-	3,948	36	28,692	348
2038	-	-	-	-	-	-	-	3,418	5	28,800	240
2039	-	-	-	-	-	-	-	-	-	12,946	170
	<u>\$ 30,746</u>	<u>\$ 3,755</u>	<u>\$ 488,662</u>	<u>\$ 104,997</u>	<u>\$ 519,408</u>	<u>\$ 108,752</u>	<u>\$ 628,160</u>	<u>\$ 67,486</u>	<u>\$ 3,629</u>	<u>\$ 514,522</u>	<u>\$ 21,314</u>

TOWN OF BRIGHTON, TENNESSEE
LONG-TERM DEBT PRINCIPAL AND INTEREST
REQUIREMENTS BY YEAR - CONTINUED
JUNE 30, 2020

ENDING	BUSINESS - TYPE ACTIVITIES					
	GENERAL OBLIGATION CAPITAL OUTLAY		TOTAL PRINCIPAL	TOTAL INTEREST	TOTAL COMBINED	COMBINED TOTAL
	NOTE 2019 PRINCIPAL	INTEREST				
2021	\$ 9,600	\$ 5,566	\$ 40,152	\$ 8,038	\$ 48,190	\$ 100,431
2022	11,100	4,038	41,772	6,378	48,150	100,390
2023	11,500	3,651	42,304	5,871	48,175	100,416
2024	11,900	3,248	42,824	5,348	48,172	88,811
2025	12,300	2,832	43,356	4,800	48,156	88,896
2026	12,800	2,400	43,988	4,236	48,224	88,964
2027	13,200	1,953	44,508	3,657	48,165	88,908
2028	13,700	1,491	45,140	3,075	48,215	88,955
2029	14,200	1,012	45,772	2,464	48,236	88,976
2030	14,700	515	46,404	1,835	48,239	88,979
2031	-	-	31,836	1,188	33,024	73,764
2032	-	-	31,956	1,056	33,012	73,752
2033	-	-	32,100	924	33,024	73,764
2034	-	-	32,232	792	33,024	73,764
2035	-	-	32,364	660	33,024	56,420
2036	-	-	32,496	528	33,024	33,024
2037	-	-	32,640	384	33,024	33,024
2038	-	-	32,218	245	32,463	32,463
2039	-	-	12,946	170	13,116	13,116
	<u>\$ 125,000</u>	<u>\$ 26,706</u>	<u>\$ 707,008</u>	<u>\$ 51,649</u>	<u>\$ 758,657</u>	<u>\$1,386,817</u>

TOWN OF BRIGHTON, TENNESSEE
CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
YEAR ENDED JUNE 30, 2020

	<u>AMOUNT ISSUED</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>BALANCE AT JULY 1, 2019</u>	<u>ISSUED</u>	<u>PAID</u>	<u>REFUNDED</u>	<u>BALANCE AT JUNE 30, 2020</u>
Capital Lease Obligation	\$ 42,246	5.99%	5/28/20	5/28/23	\$ -	\$ 42,246	\$ (11,500)	\$ -	\$ 30,746
General Obligation Bond - Series 2019	500,000	2.75%	1/22/20	12/22/34	-	500,000	(11,338)	-	488,662
General Obligation Capital Outlay Note - Series 2012	270,000	2.74%	11/2/12	11/1/19	42,000	-	(42,000)	-	-
State Revolving Fund Loan - 2016	74,872	0.58%	3/21/17	10/1/38	71,041	-	(3,555)	-	67,486
State Revolving Fund Loan - 2018	558,720	0.39%	10/17/17	3/1/37	475,604	60,851	(21,933)	-	514,522
General Obligation Capital Outlay Note - 2019	125,000	3.50%	10/23/19	2/1/30	-	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
					<u>\$ 588,645</u>	<u>\$ 728,097</u>	<u>\$ (90,326)</u>	<u>\$ -</u>	<u>\$ 1,226,416</u>

**TOWN OF BRIGHTON, TENNESSEE
PROPERTY TAXES
YEAR ENDED JUNE 30, 2020**

<u>YEAR OF LEVY</u>	<u>BALANCE JULY 1, 2019</u>	<u>ASSESSMENT</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE JUNE 30, 2020</u>
2020	\$ -	\$ 535,670	\$ -	\$ -	\$ 535,670
2019	450,686	-	-	(421,615)	29,071
2018	37,863	-	-	(30,856)	7,007
2017	1,600	-	191	-	1,791
2016	3,946	-	445	-	4,391
2015	571	-	-	(269)	302
2014	406	-	-	(47)	359
2013	576	-	-	(78)	498
2012	298	-	-	(22)	276
2011	524	-	-	(359)	165
2010	359	-	-	(142)	217
2009	718	-	-	(483)	235
2008	2,652	-	-	(2,292)	360
2007	1,009	-	-	(392)	617
2006	<u>479</u>	<u>-</u>	<u>(36)</u>	<u>(443)</u>	<u>-</u>
	\$ 501,687	<u>\$ 535,670</u>	<u>\$ 600</u>	<u>\$ (456,998)</u>	\$ 580,959
Allowance for uncollectible property taxes	<u>(45,901)</u>				<u>(41,428)</u>
Net receivables	<u>\$ 455,786</u>				<u>\$ 539,531</u>

<u>YEAR OF LEVY</u>	<u>ASSESSED VALUATION</u>	<u>TAX RATE PER \$100</u>	<u>ASSESSMENTS</u>
2020	\$ 53,567,066	\$ 1.00	\$ 535,670
2019	45,055,852	1.00	450,686
2018	45,254,063	1.00	452,672
2017	44,777,996	1.00	447,996
2016	44,657,955	0.78	346,296
2015	44,681,778	0.78	346,478
2014	44,110,746	0.78	342,034
2013	44,878,133	0.75	336,586
2012	44,580,334	0.50	221,250
2011	44,083,024	0.50	218,784

Delinquent Property Taxes

Uncollected taxes prior to tax year 2007 have been charged off for financial reporting purposes. Such amounts are not significant. Uncollected taxes for tax years prior to tax year 2017 have been turned over to Chancery Court for collection.

**TOWN OF BRIGHTON, TENNESSEE
UTILITY RATES AND NUMBER OF CUSTOMERS
JUNE 30, 2020**

RATES IN EFFECT AT JUNE 30, 2020

	<u>WATER</u>	<u>SEWER</u>
First 500 gallons	\$ 11.00	\$ 11.00
All over 500 gallons	4.82	4.82

The above rates are in effect for customers inside and outside the Town.

STORMWATER

Residential	\$ 4.00
Commercial	Various, depending on a formula of square footage of a commercial property divided by the average square footage of residential property, multiplied by \$4.00 residential rate

NUMBER OF CUSTOMERS

Water	1,434
Sewer	1,063
Stormwater	1,066

TOWN OF BRIGHTON, TENNESSEE
NET POSITION OF WATER-SEWER FUND
JUNE 30, 2020

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ -	\$ 660,417	\$ 660,417
Investments - certificates of deposit	76,877	76,877	153,754
Accounts receivable, net	48,880	34,888	83,768
Grants receivable	33,682	-	33,682
Prepaid expenses	2,863	2,864	5,727
Accrued interest	436	437	873
TOTAL CURRENT ASSETS	<u>162,738</u>	<u>775,483</u>	<u>938,221</u>
RESTRICTED ASSETS			
Net pension asset	<u>51,756</u>	<u>51,756</u>	<u>103,512</u>
NONCURRENT ASSETS			
Capital Assets			
Depreciable assets, net	1,200,250	1,725,922	2,926,172
Nondepreciable assets	<u>688,156</u>	<u>1,850</u>	<u>690,006</u>
TOTAL NONCURRENT ASSETS	<u>1,888,406</u>	<u>1,727,772</u>	<u>3,616,178</u>
TOTAL ASSETS	<u>2,102,900</u>	<u>2,555,011</u>	<u>4,657,911</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	<u>6,225</u>	<u>6,225</u>	<u>12,450</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,109,125</u>	<u>\$ 2,561,236</u>	<u>\$ 4,670,361</u>
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	\$ 105,057	\$ -	\$ 105,057
Accounts payable	20,227	20,227	40,454
Accrued expenses	8,007	3,823	11,830
Customer deposits	40,858	29,586	70,444
Due to other funds	10,655	10,655	21,310
Current portion of notes payable	<u>30,552</u>	<u>-</u>	<u>30,552</u>
TOTAL CURRENT LIABILITIES	<u>215,356</u>	<u>64,291</u>	<u>279,647</u>
NONCURRENT LIABILITIES			
Long term notes payable, less current portion	<u>551,456</u>	<u>-</u>	<u>551,456</u>
TOTAL LIABILITIES	<u>766,812</u>	<u>64,291</u>	<u>831,103</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	<u>14,779</u>	<u>14,779</u>	<u>29,558</u>
NET POSITION			
Net investment in capital assets	1,306,398	1,727,772	3,034,170
Restricted for pension	36,977	36,977	73,954
Restricted for grants	33,682	-	33,682
Unrestricted	<u>(49,523)</u>	<u>717,417</u>	<u>667,894</u>
TOTAL NET POSITION	<u>1,327,534</u>	<u>2,482,166</u>	<u>3,809,700</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 2,109,125</u>	<u>\$ 2,561,236</u>	<u>\$ 4,670,361</u>

**TOWN OF BRIGHTON, TENNESSEE
REVENUES, EXPENSES, AND CHANGES
IN NET POSITION OF WATER-SEWER FUND
YEAR ENDED JUNE 30, 2020**

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
OPERATING REVENUES			
Charges for services	\$ 567,907	\$ 403,961	\$ 971,868
Fees and other	<u>18,564</u>	<u>19,306</u>	<u>37,870</u>
TOTAL OPERATING REVENUES	<u>586,471</u>	<u>423,267</u>	<u>1,009,738</u>
OPERATING EXPENSES			
Personal services and fringe benefits	155,274	155,274	310,548
Contractual services	180,476	180,477	360,953
Water purchases	220,645	-	220,645
Supplies	42,240	42,241	84,481
Fixed charges	8,979	8,980	17,959
Depreciation	<u>88,000</u>	<u>122,852</u>	<u>210,852</u>
TOTAL OPERATING EXPENSES	<u>695,614</u>	<u>509,824</u>	<u>1,205,438</u>
OPERATING (LOSS)	<u>(109,143)</u>	<u>(86,557)</u>	<u>(195,700)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	1,626	1,626	3,252
Interest expense	<u>(2,809)</u>	<u>-</u>	<u>(2,809)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,183)</u>	<u>1,626</u>	<u>443</u>
(LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(110,326)</u>	<u>(84,931)</u>	<u>(195,257)</u>
CAPITAL CONTRIBUTIONS	<u>15,213</u>	<u>-</u>	<u>15,213</u>
CHANGE IN NET POSITION	<u>(95,113)</u>	<u>(84,931)</u>	<u>(180,044)</u>
NET POSITION			
Balance at July 1, 2019	<u>1,422,647</u>	<u>2,567,097</u>	<u>3,989,744</u>
Balance at June 30, 2020	<u>\$ 1,327,534</u>	<u>\$ 2,482,166</u>	<u>\$ 3,809,700</u>

**TOWN OF BRIGHTON, TENNESSEE
CASH FLOWS OF WATER-SEWER FUND
YEAR ENDED JUNE 30, 2020**

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 652,720	\$ 427,081	\$ 1,079,801
Payments to suppliers	(479,628)	(258,987)	(738,615)
Payments to employees	(126,213)	(126,212)	(252,425)
Payments for taxes	(8,825)	(8,574)	(17,399)
Customer deposits refunded	<u>(2,116)</u>	<u>(1,390)</u>	<u>(3,506)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>35,938</u>	<u>31,918</u>	<u>67,856</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase in bank overdraft	<u>53,792</u>	<u>-</u>	<u>53,792</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>53,792</u>	<u>-</u>	<u>53,792</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(138,607)	(50,308)	(188,915)
Proceeds of long-term debt	60,851	-	60,851
Payments on principal of long-term debt	(10,275)	-	(10,275)
Interest and fee payments on long-term debt	<u>(2,809)</u>	<u>-</u>	<u>(2,809)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(90,840)</u>	<u>(50,308)</u>	<u>(141,148)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(535)	(535)	(1,070)
Interest income	<u>1,645</u>	<u>1,643</u>	<u>3,288</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,110</u>	<u>1,108</u>	<u>2,218</u>
NET (DECREASE) IN CASH	-	(17,282)	(17,282)
CASH			
Beginning of year	<u>-</u>	<u>677,699</u>	<u>677,699</u>
End of year	<u>\$ -</u>	<u>\$ 660,417</u>	<u>\$ 660,417</u>

TOWN OF BRIGHTON, TENNESSEE
CASH FLOWS OF WATER-SEWER FUND - CONTINUED
YEAR ENDED JUNE 30, 2020

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating (loss)	\$ (109,143)	\$ (86,557)	\$ (195,700)
Adjustments to reconcile net operating (loss) to net cash provided by operating activities			
Depreciation	88,000	122,852	210,852
Net change in pension related accounts	(2,708)	(2,708)	(5,416)
Changes in assets and liabilities			
Accounts receivable	29,337	3,814	33,151
Grants receivable	36,912	-	36,912
Prepaid expenses	(844)	(846)	(1,690)
Accounts payable and accrued expenses	(4,999)	(4,747)	(9,746)
Interfund accounts	1,499	1,500	2,999
Customer deposits	<u>(2,116)</u>	<u>(1,390)</u>	<u>(3,506)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 35,938</u>	 <u>\$ 31,918</u>	 <u>\$ 67,856</u>
 NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Capital contribution - forgiveness of debt	\$ 15,213	\$ -	\$ 15,213

NONACCOUNTING INFORMATION



AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association.

? [Click to access definition](#)
+ [Click to add a comment](#)

Water Audit Report for: Town of Brighton (TN 0000070)
Reporting Year: 2020 7/2019 - 6/2020

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where

WATER SUPPLIED

		← Enter grading in column 'E' and 'J' →				Master Meter and Supply Error Adjustments	
Volume from own sources:	+ ?	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr	+ ?	<input type="text"/>	<input type="text"/>
Water imported:	+ ?	<input type="text" value="10"/>	<input type="text" value="92.653"/>	MG/Yr	+ ?	<input type="text"/>	<input type="text"/>
Water exported:	+ ?	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr	+ ?	<input type="text"/>	<input type="text"/>

WATER SUPPLIED: MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	<input type="text" value="9"/>	<input type="text" value="90.410"/>	MG/Yr
Billed unmetered:	+ ?	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
Unbilled metered:	+ ?	<input type="text" value="5"/>	<input type="text" value="0.094"/>	MG/Yr
Unbilled unmetered:	+ ?	<input type="text" value="7"/>	<input type="text" value="1.158"/>	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: MG/Yr

Click here: ?
for help using option buttons below

Pcnt: Value: MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: Value: MG/Yr

MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

MG/Yr

Apparent Losses

Unauthorized consumption: + ? MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies: + ? MG/Yr
Systematic data handling errors: + ? MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? MG/Yr

WATER LOSSES: MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: ? MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: + ? miles
Number of active AND inactive service connections: + ?
Service connection density: ? conn./mile main

Are customer meters typically located at the curbside or property line?

Average length of customer service line: + ? ft (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? psi

COST DATA

Total annual cost of operating water system: + ? \$/Year
Customer retail unit cost (applied to Apparent Losses): + ? \$/1000 gallons (US)
Variable production cost (applied to Real Losses): + ? \$/Million gallons Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 86 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

-
-
-

AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.

Water Audit Report for:
 Reporting Year:

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 86 out of 100 ***

System Attributes:

	Apparent Losses:	<input type="text" value="0.458"/>	MG/Yr
+	Real Losses:	<input type="text" value="0.534"/>	MG/Yr
=	Water Losses:	<input type="text" value="0.991"/>	MG/Yr

? Unavoidable Annual Real Losses (UARL): MG/Yr

Annual cost of Apparent Losses:

Annual cost of Real Losses:

Valued at **Variable Production Cost**
 Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial: { Non-revenue water as percent by volume of Water Supplied:
 Non-revenue water as percent by cost of operating system: Real Losses valued at Variable Production Cost

Operational Efficiency: { Apparent Losses per service connection per day: gallons/connection/day
 Real Losses per service connection per day: gallons/connection/day
 Real Losses per length of main per day*:
 Real Losses per service connection per day per psi pressure: gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]:

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

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

Honorable Sarah Crocker, Mayor
Members of the Board of Aldermen
Town of Brighton, Tennessee
Brighton, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brighton, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Brighton, Tennessee's basic financial statements and have issued our report thereon dated October 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Brighton, Tennessee's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Town of Brighton, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Brighton, Tennessee's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control that we consider to be a material weakness (Item No. 2020-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Brighton, Tennessee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as Items No. 2020-002 and 2020-003.

Town of Brighton, Tennessee's Responses to Findings

The Town of Brighton, Tennessee's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Town of Brighton, Tennessee's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

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

Whitchorn Zampursky & Davis, PLLC

Covington, Tennessee
October 22, 2021

**TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

Material Weakness

Item No. 2020-001: Material Audit Adjustments

Condition: The following material audit adjustment was proposed:

General Fund

(1) Account balances were adjusted to reflect the correct amount of other revenue. This adjustment decreased assets and revenue by approximately \$14,000.

Criteria: The financial statements should be fairly stated and free of material misstatement before commencement of the audit.

Cause: Adjustments were due to overlooked accounting errors.

Effect: The account balances of the General Fund were materially misstated.

Recommendation: Appropriate care should be taken to ensure that general ledger balances are properly stated prior to commencement of the audit.

Management response: We concur with this finding.

Compliance and Other Matters

Item No. 2020-002: Budget Overruns - General and Drug Funds

Condition: Annually since 2011, the Town has incurred budget overruns. During the current year, even though total expenditures were within budgeted amounts, the Town experienced four departmental cost overruns in the General Fund totaling approximately \$8,600. The Town experienced two departmental cost overruns in the Drug Fund totaling approximately \$16,000. Total expenditures exceeded the budgeted amount of the Drug Fund by approximately \$16,000. The Town's annual budget is approved at the departmental expenditure level by the Board of Mayor and Aldermen.

Criteria: State statutes assign the responsibility of the budgeting process and establish budgetary authority for municipal expenditures.

Cause: The Town amended budgets once cost overruns become apparent, but the amendments were insufficient.

Effect: Certain expenditures exceeded budgeted amounts.

**TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
YEAR ENDED JUNE 30, 2020**

Compliance and Other Matters - Continued

Item No. 2020-002: Budget Overruns - General and Drug Funds - Continued

Recommendation: We recommend that sufficient budget amendments be adopted to keep expenditures within budgeted amounts. We also recommend that adequate fund balances be present to cover all anticipated expenditures.

Management response: We concur with this finding.

Item No. 2020-003: Utility Losses - Water Sewer Fund

Condition: The Town's Water-Sewer Fund has reported an operating loss. During the current year, the Town's Water-Sewer Fund reported an operating loss of approximately \$196,000.

Criteria: TCA 7-82-403 requires utility rates to be established that will produce revenue sufficient to provide all expenses of operation and maintenance of the system (there should not be a loss).

Effect: The Town is in violation of the State statute and is not operating the Water-Sewer Fund to cover all expenses.

Recommendation: Along with establishing sufficient rates, the Town should also monitor its monthly financial statements to determine when expenses may need to be limited in order to avoid incurring a loss for the year.

Management response: We concur with this finding.

**TOWN OF BRIGHTON, TENNESSEE
SCHEDULE OF PRIOR YEAR'S FINDINGS
YEAR ENDING JUNE 30, 2020**

Financial Statement Findings

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2019-001	Material Audit Adjustments (Original Finding 2018-001)	Repeated (2020-001)
2019-002	Unrecorded Transactions (Original Finding 2018-002)	Corrected
2019-003	Budget Overrun - General Fund	Repeated (2020-002)

TOWN OF BRIGHTON

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STEPHANIE WASHAM, MAYOR
TAMMY MCKINNEY, RECORDER

TOWN OF BRIGHTON, TENNESSEE MANAGEMENT'S CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2020

We reviewed the financial statement findings and recommendations with management to provide an opportunity for their response as required by *Tennessee Code Annotated*, Section 9-3-Part 4. Management's corrective action plans for all financial statement findings are presented below.

Corrective Action – Financial Statement Findings

Item 2020-001: Material Audit Adjustments

Response and corrective action plan prepared by: Tammy McKinney, Recorder

Person responsible for implementing corrective action: Same as above

Anticipated completion date of corrective action: June 30, 2022

Repeat finding: Yes

Reason why corrective action was not taken – prior year: Adjustments were due to overlooked accounting errors. Certain account balances of the General Fund were materially misstated.

Planned corrective action: Town officials will ensure that all material transactions are recorded and classified properly in the Town's general ledger before commencement of the audit. These functions will be accomplished in conjunction with our outside CPA who reconciles the Town's books and records.

Item 2020-002: Budget Overruns - General and Drug Funds

Response and corrective action plan prepared by: Tammy McKinney, Recorder

Person responsible for implementing corrective action: Same as above

Anticipated completion of date of corrective action: June 30, 2022

Repeat finding: Yes

**TOWN OF BRIGHTON, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN - CONTINUED
YEAR ENDED JUNE 30, 2020**

Reason why corrective action was not taken – prior year: The Town amended budgets once cost overruns became apparent, but amendments were insufficient. Certain expenditures exceeded budgeted amounts.

Planned corrective action: We continue to make progress in our budgeting process. We will continue working with our outside CPA to ensure that budget amendments, as passed by the Board of Mayor and Aldermen, capture all actual expenditures during the year.

Item 2020-003: Utility Losses – Water-Sewer Fund

Response and corrective action plan prepared by: Tammy McKinney, Recorder

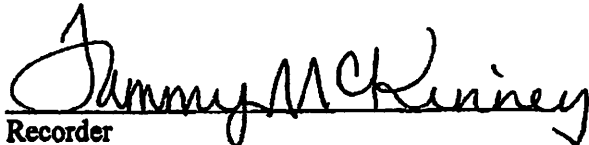
Person responsible for implementing corrective action: Same as above

Anticipated completion date of corrective action: June 30, 2022

Repeat finding: No

Reason why corrective action was not taken – prior year: N/A

Planned corrective action: We incurred significant expenses during the year related to repair and maintenance of existing pipes in the Town. Now that our project to replace cement pipes in the Town has been completed, we fully expect that repair and maintenance costs will decrease dramatically in the future. We are also monitoring other costs to ensure that water and sewer rates are sufficient to not operate the system at a loss.


Recorder