

JAMES G. MURPHY
CERTIFIED PUBLIC ACCOUNTANT
2508 BROWN STREET
ALTON, ILL.

August 30, 1952

VILLAGE OF BRIGHTON, ILLINOIS
WATER DEPARTMENT
BRIGHTON, ILLINOIS.

VILLAGE OF BRIGHTON, ILLINOIS

Gentlemen:

WATER DEPARTMENT

BRIGHTON, ILLINOIS

We have examined the Financial Transactions of the WATER DEPARTMENT, VILLAGE OF BRIGHTON, ILLINOIS for the fiscal year ended July 31, 1952 and the Statement of Income and Expense of the Operating Fund for the period beginning December 1, 1951 and ending July 31, 1952. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We submit herewith the following Financial Statements and our related Comments:

EXHIBIT "A" WATER DEPARTMENT, FUND BALANCE SHEET AS AT
JULY 31, 1952.

EXHIBIT "B" WATER DEPARTMENT, AUDIT OPERATING FUND, STATEMENT
OF INCOME JULY 31, 1952 FOR THE PERIOD BEGINNING
DECEMBER 1, 1951 ENDING JULY 31, 1952.

EXHIBIT "C" RECONCILIATION OF CONTINGENT AND CAPITAL FUND
BALANCES FOR THE FISCAL YEAR ENDING JULY 31, 1952.

SCHEDULE "1" SCHEDULE OF GENERAL REVENUE WATER BONDS OUTSTANDING
AS AT JULY 31, 1952.

GENERAL COMMENTS - FUND BALANCE SHEET
1. Operating Fund.

We did not confirm Accounts Receivable at July 31, 1952 by direct confirmation with customers. Accounts Receivable not billed in an amount of \$1,067.05 due from customers and \$162.00 due from the Village of Brighton, listed in the Accounts Receivable section of the Balance Sheet, represents the sale of Water during the month of July 1952 but not billed until August 1, 1952. That amount will during the continuation of the water system be a proper charge to the plant.

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August 30, 1952

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The amount of \$350.00 listed as due the Depreciation Fund, represents the minimum Depreciation Reserve requirements as set forth VILLAGE OF BRIGHTON, ILLINOIS Depreciation Fund at July 31, 1952. WATER DEPARTMENT BRIGHTON, ILLINOIS.

Comments of Operating Fund.

3. Contingent Fund.

The income of the Contingent Fund represents two \$500.00 items Gentlemen:ed from the Brighton Picnic Association.

We have examined the Financial Transactions of the WATER DEPARTMENT, VILLAGE OF BRIGHTON, ILLINOIS for the Fiscal Year ended July 31, 1952 and the Statement of Income and Expense of the Operating Fund for the period beginning December 1, 1951 and ending July 31, 1952. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Funds were provided for the Construction of the Water System from We submit herewith the following Financial Statements and our related Comments:

Sale of General Obligation Tax Bonds \$ 45,000.00
EXHIBIT "A" WATER DEPARTMENT, FUND BALANCE SHEET AS AT JULY 31, 1952. 168,000.00

Customers Connection Charges 7,500.00
EXHIBIT "B" WATER DEPARTMENT, OPERATING FUND, STATEMENT OF INCOME AND EXPENSE FOR THE PERIOD BEGINNING DECEMBER 1, 1951 AND ENDING JULY 31, 1952.

Water Revenue Bonds Outstanding at July 31, 1952 were \$166,000.00.
The General EXHIBIT "C" RECONCILIATION OF CONTINGENT AND CAPITAL FUND BALANCES FOR THE FISCAL YEAR ENDING JULY 31, 1952. Department since they are

SCHEDULE "1" SCHEDULE OF GENERAL REVENUE WATER BONDS OUTSTANDING AS AT JULY 31, 1952. for the retirement of Water Bonds. The above mentioned Bonds should have been retired by the Interest and Redemption Fund by funds provided from the Operating Fund, GENERAL COMMENTS - FUND BALANCE SHEET originally anticipated, thereby delaying the revenue of the Operating Fund 1. Operating Fund. at the retirement date of the Bonds.

We did not confirm Accounts Receivable at July 31, 1952 by direct confirmation with customers. Accounts Receivable not billed in an amount of \$1,067.05 due from customers and \$162.00 due from the Village of Brighton, listed in the Accounts Receivable section of the Balance Sheet, represents the sale of Water during the month of July 1952 but not billed until August 1, 1952. that interest paid during the construction of the Water System is a proper charge to the plant.

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The amount of \$350.00 listed as due the Depreciation Fund, represents the minimum Depreciation Reserve requirements as set forth by the Bond Indenture due the Depreciation Fund at July 31, 1952.

2. Depreciation Fund.

See comments of Operating Fund.

3. Contingent Fund.

The income of the Contingent Fund represents two \$500.00 items received from the Brighton Picnic Association.

Disbursements for Operating Fund expenses were made in an amount of \$764.37 during the year are shown as a transfer from the Contingent Fund to the Operating Fund so that the statement of Income and Expense of the Operating Fund reveals the total expenses of that Fund for the period.

4. Capital Fund.

Funds were provided for the Construction of the Water System from the following sources:

Sale of General Obligation Tax Bonds	\$ 45,000.00
Premium on Sale of General Obligation Tax Bonds	4,000.00
Sale of Water Revenue Bonds	168,000.00
Customers Connection Charges	7,500.00

Total

\$224,500.00

Water Revenue Bonds Outstanding at July 31, 1952 were \$166,000.00. The General Obligation Tax Bonds are not shown as an obligation of the Water Department since they are to be retired by taxes levied for that purpose.

Disbursements from the Capital Fund included an amount of \$2,000.00 for the retirement of Water Revenue Bonds. The above mentioned Bonds should have been retired by the Interest and Redemption Fund by funds provided from the Operating Fund, but the Water System was not completed at the date originally anticipated, thereby delaying the revenue of the Operating Fund so that funds were not available at the retirement date of the Bonds.

The first interest payment of the Water Revenue Bonds was paid from the Capital Fund for the same reason as explained in the preceding paragraph. The interest paid from the Capital Fund or an amount of \$3,360.00 minus the accrued interest of \$877.33 received on the sale of the Water Revenue Bonds, producing a net result of \$2,482.67 was included as a cost of the Water System, on the theory that interest paid during the construction of the Water System is a proper charge to the plant.

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WATER DEPARTMENT - STATEMENT OF OPERATIONS

The Water System was placed in operation during the year and only a portion of a year is reflected in the Operating Statement. During the month of December 1951 the first water sales were made when an amount of \$24.00 was charged to customers and sales increased month by month until by July 1952 the sales reached \$1,275.55.

Only six months interest was charged to the Operating Section of the Water Department as explained under caption (CAPITAL FUND).

In our opinion, subject to the comments contained therein, the accompanying Balance Sheet and related Statement of Operations, present fairly the financial position of the Water Department of the Village of Brighton, Illinois at July 31, 1952, and the results of its operations for the period beginning December 1, 1951 and ending July 31, 1952, in conformity with generally accepted accounting principles.

CONTINGENT FUND:
Cash in Bank
CAPITAL FUND:
Cash in Bank
Water System (Cost)
Less Reserve for Depreciation

Respectfully submitted

James G. Murphy
by P.C.B.

Certified Public Accountant

\$ 2,178.78

350.00

425.63

\$ 9,270.84

6,000.00

36,150.00

231,420.84

\$234,375.25

VILLAGE OF BRIGHTON, ILLINOIS

VILLAGE OF BRIGHTON, ILLINOIS

WATER DEPARTMENT - OPERATING FUND

WATER DEPARTMENT

STATEMENT OF INCOME AND EXPENSE

FUND BALANCE SHEET AS AT JULY 31, 1952

FOR THE PERIOD DECEMBER 1, 1951 TO DECEMBER 31, 1952

LIABILITIES AND FUND BALANCES

OPERATING FUND:
Cash in Bank
Accounts Receivable - Water Users
Customers Billed
Village of Brighton - Billed
Customers - Not Billed
Village of Brighton - Not Billed

\$ 89.20
324.00
1,067.05
162.00
1,642.25

OPERATING FUND:
Accrued Expenses
Meter Connection Deposits
Due to Depreciation Fund
Total Liabilities
Fund Balance (See Exhibit "B")

\$ 487.38
520.00
350.00
1,357.38
821.40

\$ 2,178.78

\$ 2,178.78

DEPRECIATION FUND:
Due From Operating Fund
Less Reserve For Depreciation

350.00

350.00

CONTINGENT FUND:
Cash in Bank

425.63

425.63

CAPITAL FUND:
Cash in Bank
Water System (Cost)
Less Reserve For Depreciation

\$ 11,952.20
350.00
3,219,468.64

CAPITAL FUND:
Due Contractor
Bonds Payable - Long Term (See Schedule "I")
Fund Balance (See Exhibit "C")

\$ 9,270.84
166,000.00
56,150.00
231,420.84

Total Expenses

231,420.84

\$234,375.25

NET OPERATING INCOME

\$234,375.25

VILLAGE OF BRIGHTON, ILLINOIS

WATER DEPARTMENT - OPERATING FUND

STATEMENT OF INCOME AND EXPENSE AND BALANCES

FOR THE PERIOD DECEMBER 1, 1951 TO JULY 31, 1952

	CONTINGENT FUND	CAPITAL FUND	
OPERATING INCOME:			
Water Sales		\$ 5,293.80	
Connection Charges		245.00	
Transferred From Contingent Fund	\$ 190.00	764.37	\$ -0-
Late Penalties		7.13	
GROSS OPERATING INCOME		\$45,000.00	\$ 6,310.30
OPERATING EXPENSES:			
Water Purchased		\$ 636.91	
Wages - Meter Reader		283.50	
Wages - Installation of Meters	\$ 1,000.00	231.98	
Insurance	1,000.00	237.35	56,500.00
Office Supplies and Printing	\$ 1,190.00	184.97	56,500.00
Electric		68.58	
Permits	\$ 764.37	25.00	
Meters		55.00	
Bank Collection Charges		55.61	350.00
Depreciation		350.00	
Bond Interest	\$ 425.63	3,360.00	56,150.00
Total Expenses			5,488.90
NET OPERATING INCOME			\$ 821.40

VILLAGE OF BRIGHTON, ILLINOIS

WATER DEPARTMENT

SCHEDULE OF GENERAL REVENUE

WATER BONDS OUTSTANDING AS AT JULY 31, 1952

<u>BOND NUMBERS</u>	<u>DUE AUGUST 1,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DUE</u>
3 to 5 Incl.	1953	\$ 3,000.00	\$ 6,640.00	\$ 9,640.00
6 to 9 Incl.	1954	4,000.00	6,520.00	10,520.00
10 to 14 Incl.	1955	5,000.00	6,360.00	11,360.00
15 to 19 Incl.	1956	5,000.00	6,160.00	11,160.00
20 to 24 Incl.	1957	5,000.00	5,960.00	10,960.00
25 to 29 Incl.	1958	5,000.00	5,760.00	10,760.00
30 to 34 Incl.	1959	5,000.00	5,560.00	10,560.00
35 to 39 Incl.	1960	5,000.00	5,360.00	10,360.00
40 to 44 Incl.	1961	5,000.00	5,160.00	10,160.00
45 to 49 Incl.	1962	5,000.00	4,960.00	9,960.00
50 to 54 Incl.	1963	5,000.00	4,760.00	9,760.00
55 to 60 Incl.	1964	6,000.00	4,560.00	10,560.00
61 to 66 Incl.	1965	6,000.00	4,320.00	10,320.00
67 to 72 Incl.	1966	6,000.00	4,080.00	10,080.00
73 to 78 Incl.	1967	6,000.00	3,840.00	9,840.00
79 to 84 Incl.	1968	6,000.00	3,600.00	9,600.00
85 to 90 Incl.	1969	6,000.00	3,360.00	9,360.00
91 to 96 Incl.	1970	6,000.00	3,120.00	9,120.00
97 to 103 Incl.	1971	7,000.00	2,880.00	9,880.00
104 to 110 Incl.	1972	7,000.00	2,600.00	9,600.00
111 to 117 Incl.	1973	7,000.00	2,320.00	9,320.00
118 to 124 Incl.	1974	7,000.00	2,040.00	9,040.00
125 to 131 Incl.	1975	7,000.00	1,760.00	8,760.00
132 to 138 Incl.	1976	7,000.00	1,480.00	8,480.00
139 to 145 Incl.	1977	7,000.00	1,200.00	8,200.00
146 to 152 Incl.	1978	7,000.00	920.00	7,920.00
153 to 160 Incl.	1979	8,000.00	640.00	8,640.00
161 to 168 Incl.	1980	8,000.00	320.00	8,320.00
TOTALS		<u>\$166,000.00</u>	<u>\$106,240.00</u>	<u>\$272,240.00</u>