

Partners:

Arthur C. Starnes, M.A.
Cora F. Kerschbaum, M.A.
Guy McGee, M.A.

H. C. Thompson, M.A.
Cora F. Kerschbaum, M.A.
W. H. Phillips, M.A.
W. H. Phillips, M.A.
W. H. Phillips, M.A.

VILLAGE OF BRIGHTON, ILLINOIS

WATER DEPARTMENT

Village of Brighton, Ill.
Water Department
Brighton, Ill.

Book No.

W. H. Phillips

W. H. Phillips

W. H. Phillips

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W. H. Phillips

AUDIT
JULY 31, 1962

1965
1966

6,000

4,320

10,320

carried and maintained by other
ment of said bonds and the in-

Partners—

RICHARD C. SCHEFFEL, C.P.A.
GENE F. KRATZSCHMER, C.P.A.
GUY McCUNE, C.P.A.

R. C. SCHEFFEL & COMPANY

Certified Public Accountants
METROPOLITAN BUILDING
307 Henry Street
ALTON, ILLINOIS

PHONES: HOWARD 5-4288
HOWARD 5-4289

September 5, 1962

Village of Brighton, Illinois
Water Department
Brighton, Illinois

Dear Sirs:

We have examined the Fund Balance Sheet of the Brighton Municipal Water Department as of July 31, 1962 and the related statements of income and fund balances for the fiscal year then ended. 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.

Accounts receivable at July 31, 1962 were not confirmed by direct correspondence with debtors.

We submit the following financial statements, together with our related comments:

- EXHIBIT "A" - FUND BALANCE SHEET AS AT JULY 31, 1962.
- EXHIBIT "B" - OPERATING FUND
COMPARATIVE STATEMENT OF INCOME AND FUND BALANCES
FOR THE FISCAL YEARS ENDED JULY 31, 1962, AND JULY 31, 1961.
- EXHIBIT "C" - OTHER FUNDS
STATEMENT OF FUND BALANCES FOR THE FISCAL YEAR
ENDED JULY 31, 1962.
- SCHEDULE "I" - SCHEDULE OF GENERAL REVENUE BONDS OUTSTANDING
AS AT JULY 31, 1962.

1966	6,000	4,320	10,320
1967	6,000	4,080	10,080
1968	6,000	3,840	9,840
1969	6,000	3,600	9,600
1970	6,000	3,360	9,360
1971	7,000	3,120	9,120
1972	7,000	2,880	9,880
1973	7,000	2,600	9,600
1974	7,000	2,320	9,320
1975	7,000	2,040	9,040
1976	7,000	1,760	8,760
1977	7,000	1,480	8,480
1978	7,000	1,200	8,200
1979	8,000	920	7,920
1980	8,000	640	8,640
		320	8,320

If all bonds authorized hereunder be not issued, or if some of the bonds which are issued be retired before maturity, then the amount to be deposited as above stated shall be correspondingly reduced. No error in stating the amounts due in any year shall impair the obligation upon said Village to pay promptly all bonds and the interest thereon.

SECTION 13. That if the revenues derived from the operation of the waterworks system should be insufficient at any time to make the payments or deposits required by Section 11 of this ordinance, the deficiency shall be made good by additional payments to be made out of first available revenues of said system received during any succeeding month or months. Whenever and as long as sums actually on deposit in the Waterworks Interest and Redemption Account and in the Waterworks Bond Reserve Account together shall equal the principal amount of all outstanding bonds, plus the amount of all interest due thereon until the respective maturity dates of all such bonds, then no further deposits need be made into said accounts. All sums in the accounts created by Section 11 hereof shall be kept on deposit in bank accounts, separate from other bank

accounts of the Village, in a bank or banks which are members of the Federal Deposit Insurance Corporation and of the Federal Reserve System, and such bank or banks shall be subject to the approval of the original purchaser of the bonds, so long as the original purchaser shall be a holder of any of the bonds.

SECTION 14. That the Village of Brighton covenants and agrees with the holder or holders of the bonds herein authorized to be issued that it will perform all duties with respect to the operation and maintenance of said waterworks system, including all improvements and extensions thereto, and with respect to the fixing, maintaining and collecting of the rates, fees and charges for the services and facilities thereof, and the establishment of the accounts herein authorized and created, and all other matters and things required by law, and by this ordinance, and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the principal of and the interest on the bonds herein authorized to be issued, as the same shall mature and accrue.

Said Village further covenants with the holders of said bonds as follows:

carried and maintained by other municipalities or private companies rendering services of a similar character in similar communities. The proceeds of all such insurance, except public liability insurance, shall be used only for the maintenance and restoration of said waterworks system, or for the payment of the principal of and the interest on the bonds authorized to be issued by this ordinance. As long as any of the bonds authorized hereby are owned or held by Reconstruction Finance Corporation or any successor thereto, the insurers writing such insurance, together with the amount and type of insurance on the system, shall be satisfactory to the Chief or Acting Chief, Public Agency Branch, Office of Loans of said Corporation, or to whom ever shall succeed to the functions of such officer.

(d) That said Village shall set up and maintain a proper system of accounts and records separate from all other accounts and records, showing the amount of revenue received from its waterworks system and the application of such revenues and all financial transactions in connection therewith. Such accounts, at least once a year, shall be audited properly by an independent certified public accountant employed for the purpose. A report of such audit shall be furnished each year, without further request, to the original purchaser of the bonds authorized hereby, within sixty (60) days after the close of the fiscal years, and, upon request, to any bondholder. The annual audit of the waterworks system shall include

(1) A statement of the gross revenues received, of the operating expenditures, of the net operating revenue, of the amount of any capital expenditures in connection with the waterworks system for the fiscal year;

ment of said bonds and the interest thereon to maturity in full, according to their terms.

(g) That said Village shall employ a competent, experienced and qualified person to supervise and manage the operation of said waterworks system and such further employees as may be required for its efficient and economical operation.

(h) That the President and Board of Trustees shall require that accounts be rendered to it monthly as of the first of each month, showing the revenues, disbursements and other transactions in connection with its waterworks system. Copies of such statements shall be mailed to the original purchaser of the bonds without further request.

(i) That the Village of Brighton shall, in each and every year, while any of said bonds or the interest thereon shall remain unpaid, deposit in the Waterworks Fund the monthly sum of \$6.75 for each fire hydrant operated by said Village for any part of the month and connected to said waterworks system. All sums so deposited shall be deemed a part of the revenues of said system and shall be allocated in accordance with Section 11 hereof.

SECTION 15. That the Village will not issue any other obligations payable from the revenues derived from the operation of said system or any part thereof, including improvements and extensions thereto, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien of the bonds, issued pursuant to this ordinance, and the interest thereon, upon the system or any part thereof, including improvements and extensions thereto, or upon any of the incomes and revenues of said system or any part

(Continued on page eight)

On June 18, 1962, Ordinance No. 275 authorizing \$565,000.00 Waterworks and Sewerage Revenue Bonds, Series of 1962 of the Village of Brighton, Illinois, was recorded. This will combine the new sewerage system with the existing water department. The ordinance retires the \$119,000.00 outstanding bonds of the water department with the remainder of the \$565,000.00 to be used for the new sewerage system.

OPINION

In our opinion, the accompanying Fund Balance Sheet and related Statements of Income and Fund Balances present fairly the financial position of the Water Department of the Village of Brighton, Illinois, at July 31, 1962 and the results of its operations for the fiscal year then ended, in conformity with generally accepted auditing principles applied on a basis consistent with that of the preceding year.

R. C. Scheffel & Company

R. C. SCHEFFEL & COMPANY

VILLAGE OF BRIGHTON, ILLINOIS
WATER DEPARTMENT
FUND BALANCE SHEET AS AT JULY 31, 1962

A S S E T S

OPERATING FUND:

Cash on Hand and in Bank		\$ 7,072.16	
Accounts Receivable - Water Users			
Customers Billed	\$ 536.86		
Customers Billed,			
August 1, 1962	3,230.75		
Village of Brighton	19,216.25	\$ 22,983.86	
Less, Reserve for Doubtful			
Accounts		19,216.25	3,767.61
Accounts Receivable - Connection Charges			100.00
Investments (Savings and Loan Association's)		36,721.35	
Total			\$ 47,661.12

CUSTOMERS METER DEPOSIT FUND:

Cash in Bank		1,050.00
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DEPRECIATION FUND:

Due from Operating Fund		8,101.45
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BOND INTEREST AND REDEMPTION FUND:

Cash in Bank		\$ 7,500.00
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Total		7,500.00
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PLANT FUND:

Water System	\$250,511.31		
Building and Land	3,221.00		
Equipment	3,718.00	\$257,450.31	
Less, Accumulated Depreciation		19,200.31	
Total			238,250.00

TOTAL			<u>\$302,562.57</u>
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L I A B I L I T I E S A N D F U N D B A L A N C E

OPERATING FUND:

Accounts Payable	\$ 5,074.35	
Meter Connection Deposits	300.00	
Due to Depreciation Fund	8,101.45	
Fund Balance (Exhibit "B")	<u>34,185.32</u>	

Total		\$ 47,661.12
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CUSTOMERS METER DEPOSIT FUND:

Customers Meter Deposits		1,050.00
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DEPRECIATION FUND:

Fund Balance (Exhibit "C")		8,101.45
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BOND INTEREST AND REDEMPTION FUND:

Interest Coupons Not Redeemed	\$ 20.00	
Interest Payable (Due 8/1/62)	<u>2,480.00</u>	\$ 2,500.00
Fund Balance (Exhibit "C")		<u>5,000.00</u>
Total		7,500.00

PLANT FUND:

Bonds Payable - Current (Due August 1, 1962)	\$ 5,000.00	
Bonds Payable - Long Term	<u>119,000.00</u>	\$ 124,000.00
Fund Balance (Exhibit "C")		<u>114,250.00</u>
Total		<u>238,250.00</u>

TOTAL		<u>\$302,562.57</u>
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EXHIBIT "B"

VILLAGE OF BRIGHTON, ILLINOIS
 WATER DEPARTMENT - OPERATING FUND
 COMPARATIVE STATEMENT OF INCOME AND FUND BALANCE
 FOR THE FISCAL YEARS ENDED JULY 31, 1961 AND JULY 31, 1962

	FOR THE FISCAL YEAR ENDED JULY 31, 1962		FOR THE FISCAL YEAR ENDED JULY 31, 1961	
INCOME:				
Sale of Water -				
Metered Customers	\$ 35,122.54		\$ 30,480.20	
Bulk	1,740.50		7,603.60	
Village of Brighton	<u>2,025.00</u>	\$ 38,888.04	<u>2,025.00</u>	\$ 40,108.80
Connection Charges		4,381.00		5,520.95
Late Penalties		175.33		137.04
Dividends on Investments		<u>1,849.45</u>		<u>1,353.74</u>
GROSS INCOME		\$ 45,293.82		\$ 47,120.53
EXPENSES:				
Water Purchased		\$ 6,315.96		\$ 6,237.49
Salaries and Wages -				
Meter Reader	\$ 1,111.35		\$ 1,056.90	
Meter Installation	1,185.00		2,315.00	
Maintenance	1,800.00		1,300.00	
Bookkeeper	1,500.00		1,000.00	
Commissions	264.49		1,128.71	
Water Board	36.00		36.00	
Labor	<u>640.00</u>	6,536.84	<u>-0-</u>	6,836.61
Meters and Materials		2,654.62		6,472.83
Repairs and Supplies		4,344.53		266.82
Bank Collection Fees		424.60		393.75
Office Supplies		129.35		360.52
Electric		885.42		906.65
Uncollectible Accounts		2,061.71		2,029.00
Accounting		140.00		110.00
Insurance		176.87		100.00
Miscellaneous		100.86		14.68
Engineers Fees		<u>183.31</u>		<u>720.00</u>
Total Expenses		23,954.07		24,448.35
NET INCOME BEFORE PROVISION FOR RESERVES, DEBT RETIREMENT, AND CAPITAL OUTLAY (Page 2)		\$ 21,339.75		\$ 22,672.18

VILLAGE OF BRIGHTON, ILLINOIS
WATER DEPARTMENT - OPERATING FUND
COMPARATIVE STATEMENT OF INCOME AND FUND BALANCE
FOR THE FISCAL YEARS ENDED JULY 31, 1961 AND JULY 31, 1962

	FOR THE FISCAL YEAR ENDED JULY 31, 1962			FOR THE FISCAL YEAR ENDED JULY 31, 1961		
NET INCOME BEFORE PROVISION FOR RESERVES, DEBT RETIREMENT, AND CAPITAL OUTLAY (Page 1)			\$ 21,339.75			\$ 22,672.18
PROVISION FOR RESERVES, DEBT RETIREMENT AND CAPITAL OUTLAY:						
Retirement of Bonds			\$ 5,000.00			\$ 5,000.00
Interest on Bonds			4,960.00			5,160.00
Allocation to Depreciation Reserves			600.00			600.00
Capital Outlay -						
Extension of Water Mains	\$ 3,818.59			\$ 4,758.49		
Purchase of Land	2,526.00			-0-		
Purchase of Tractor	3,718.00	10,062.59	20,622.59	-0-	4,758.49	15,518.49
NET ADDITION TO FUND BALANCE			\$ 717.16			\$ 7,153.69
FUND BALANCE, AUGUST 1			33,468.16			26,314.47
FUND BALANCE, JULY 31, (Exhibit "A")			\$ 34,185.32			\$ 33,468.16

VILLAGE OF BRIGHTON, ILLINOIS
WATER DEPARTMENT
STATEMENT OF FUND BALANCES - OTHER FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 1962

	<u>DEPRECIATION FUND</u>	<u>BOND AND INTEREST FUND</u>	<u>PLANT FUND</u>
FUND BALANCE, AUGUST 1, 1961	\$ 7,501.45	\$ 5,000.00	\$101,762.02
ADDITIONS:			
Allocation From Operating Fund	600.00	9,960.00	-0-
Bonds Retired (Paid from Bond and Interest Fund)	-0-	-0-	5,000.00
Capital Outlay (Paid from Operating Fund)	-0-	-0-	10,062.59
Total	<u>\$ 8,101.45</u>	<u>\$ 14,960.00</u>	<u>\$116,824.61</u>
DEDUCTIONS:			
Depreciation	\$ -0-	\$ -0-	\$ 2,574.61
Bonds Retired	-0-	5,000.00	-0-
Interest on Bonds	-0-	4,960.00	-0-
Total	<u>\$ -0-</u>	<u>\$ 9,960.00</u>	<u>\$ 2,574.61</u>
FUND BALANCE, JULY 31, 1962 (Exhibit "A")	<u>\$ 8,101.45</u>	<u>\$ 5,000.00</u>	<u>\$114,250.00</u>

VILLAGE OF BRIGHTON, ILLINOIS
WATER DEPARTMENT
SCHEDULE OF GENERAL REVENUE
4% WATER BONDS OUTSTANDING
AS AT JULY 31, 1962

<u>BOND NUMBERS</u>	<u>DUE AUGUST 1</u>	<u>PRINCIPAL</u>	<u>INTEREST*</u>	<u>TOTAL DUE</u>
45 to 49 Incl.	1962	\$ 5,000.00	\$ 2,480.00	\$ 7,480.00
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>\$ 124,000.00</u>	<u>\$ 50,280.00</u>	<u>\$ 174,280.00</u>

* Interest due August 1 and February 1 of each year.