

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND

AUDIT
APRIL 30, 1963

Partners—

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

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METROPOLITAN BUILDING
307 Henry Street
ALTON, ILL.

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July 29, 1963

Village of Brighton, Illinois
Waterworks and Sewerage Fund
Brighton, Illinois

Gentlemen:

We have examined the Fund Balance Sheet of the Brighton Waterworks and Sewerage Fund as of April 30, 1963, and the related statements of income and fund balances for the period from August 1, 1962 to April 30, 1963. 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 April 30, 1963 were not confirmed by direct correspondence with debtors, however we satisfied ourselves by other means as to their correctness.

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

- EXHIBIT "A" - FUND BALANCE SHEET AS OF APRIL 30, 1963.
- EXHIBIT "B" - WATERWORKS DEPARTMENT - OPERATING FUND
Statement of Income and Fund Balance
For the Period from August 1, 1962 to April 30, 1963.
- EXHIBIT "C" - WATERWORKS AND SEWERAGE FUND
Statement of Fund Balances - Other Funds
As of April 30, 1963.
- EXHIBIT "D" - CONSTRUCTION ACCOUNT
Statement of Receipts, Disbursements and Investments
For the Period from August 7, 1962 to April 30, 1963.
- EXHIBIT "E" - BOND ACCOUNT
Statement of Receipts and Disbursements
For the Period from August 7, 1962 to April 30, 1963.
- SCHEDULE "I" - SCHEDULE OF REVENUE 5 1/4% WATERWORKS
AND SEWERAGE BONDS OUTSTANDING
As of April 30, 1963.

COMMENTS

A summary of all the assets of the Waterworks and Sewerage Fund as of April 30, 1963 is presented below (inter-fund accounts are eliminated):

Cash on Hand and in Banks	\$ 64,998.55
Accounts Receivable	5,328.17
Investments	118,250.77
Fixed Assets (Net After Depreciation)	<u>616,357.80</u>
Total Assets	<u>\$804,935.29</u>

Total liabilities and fund balances are summarized below (inter-fund accounts are eliminated):

Accounts Payable	\$ 4,947.08
Meter Connection Deposits	150.00
Customer Meter Deposits	1,508.00
Bonds Payable	565,000.00
Fund Balances	<u>233,330.21</u>
Total Liabilities and Fund Balances	<u>\$804,935.29</u>

In August, 1962, the Village sold \$565,000.00 Waterworks and Sewerage Revenue Bonds as authorized by ordinance no. 275. The proceeds of this bond issue retired \$119,000.00 outstanding bonds of the water department with the remainder being used for construction of the new sewerage system, as detailed in Exhibit "D". These bonds have a rate of 5 1/4% and were sold at a total discount of \$44,600.00, thus increasing the effective rate of interest a significant amount. These bonds were sold on a negotiated basis rather than on a bid basis.

The waterworks and sewerage fund has changed its fiscal year from July 31, to April 30, to coincide with the fiscal year of the Village of Brighton.

In our opinion, the accompanying Fund Balance Sheet and related Statements of Income and Fund Balances present fairly the financial position of the Waterworks and Sewerage Fund of the Village of Brighton, Illinois, at April 30, 1963 and the results of its operation for the period August 1, 1962 to April 30, 1963, in conformity with generally accepted auditing principles applied on a basis consistent with that of the preceding period.

A handwritten signature in blue ink that reads "R. C. Scheffel & Company". The signature is written in a cursive, flowing style.

R. C. SCHEFFEL & COMPANY

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
FUND BALANCE SHEET AS OF APRIL 30, 1963

A S S E T S

OPERATING FUND:

Cash on Hand and in Bank		\$ 6,081.10	
Accounts Receivable - Water Users -			
Customers Billed	\$ 1,623.72		
Customers Billed May 1, 1963	<u>3,654.45</u>	5,278.17	
Accounts Receivable - Connection Charges		50.00	
Investments (Savings and Loan Associations)		<u>37,588.14</u>	
Total			\$ 48,997.41

CUSTOMERS METER DEPOSIT FUND:

Cash in Bank			1,508.00
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DEPRECIATION FUND:

Due from Operating Fund			8,701.45
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PLANT FUND:

Waterworks System	\$263,379.61		
Building and Land	4,221.00		
Equipment	<u>5,112.06</u>	\$272,712.67	
Less, Accumulated Depreciation		<u>22,280.76</u>	
Total		\$250,431.91	
Sewerage System (Under Construction)	\$365,925.89		
Cash and Investments (Exhibit "D")	<u>138,072.08</u>	<u>503,997.97</u>	
Total			<u>754,429.88</u>

TOTAL			<u>\$813,636.74</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	\$ 4,947.08
Meter Connection Deposits	150.00
Due to Depreciation Fund	8,701.45
Fund Balance (Exhibit "B")	<u>35,198.88</u>

Total \$ 48,997.41

CUSTOMERS METER DEPOSIT FUND:

Customers Meter Deposits 1,508.00

DEPRECIATION FUND:

Fund Balance (Exhibit "C") 8,701.45

PLANT FUND:

Bonds Payable -	
Within One Year	\$ 5,000.00
After One Year	<u>560,000.00</u> \$565,000.00
Fund Balance (Exhibit "C")	<u>189,429.88</u>

Total 754,429.88

TOTAL \$813,636.74

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS DEPARTMENT - OPERATING FUND
STATEMENT OF INCOME AND FUND BALANCE
FOR THE PERIOD FROM AUGUST 1, 1962 TO APRIL 30, 1963

INCOME:

Sale of Water -			
Metered Customers	\$ 30,225.07		
Bulk	3,842.80	\$ 34,067.87	
Connection Charges		4,856.00	
Late Penalties		156.70	
Dividends on Investments		866.79	
GROSS INCOME			\$ 39,947.36

EXPENSES:

Water Purchased		\$ 5,079.54	
Salaries and Wages -			
Meter Reader	\$ 849.83		
Meter Installation	355.00		
Maintenance	1,350.00		
Bookkeeper	1,125.00		
Commissions	578.50		
Water Board	27.00		
Labor	2,438.75	6,724.08	
Meters and Materials		4,820.10	
Repairs and Supplies		1,185.22	
Bank Collection Fees		395.79	
Office Supplies		274.72	
Electric		691.50	
Uncollectible Accounts		2.40	
Accounting		200.00	
Insurance		172.78	
Tractor Gas and Repairs		69.30	
Taxes		136.38	
Miscellaneous		71.66	
Total Expenses			19,823.47
NET INCOME BEFORE PROVISION FOR RESERVES, DEBT RETIREMENT, AND CAPITAL OUTLAY			\$ 20,123.89
PROVISION FOR RESERVES, DEBT RETIREMENT AND CAPITAL OUTLAY:			
Waterworks and Sewerage Fund, Bond Account		\$ 3,247.97	
Allocation to Depreciation Reserves		600.00	
Capital Outlay -			
Extension of Water Mains	\$ 1,663.50		
Relocation of Main	11,204.80		
Purchase of Land	1,000.00		
New Equipment	1,394.06	15,262.36	19,110.33
NET ADDITION TO FUND BALANCE			\$ 1,013.56
FUND BALANCE, AUGUST 1, 1962			34,185.32
FUND BALANCE, APRIL 30, 1963 (Exhibit "A")			\$ 35,198.88

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF FUND BALANCES - OTHER FUNDS
AS OF APRIL 30, 1963

	<u>DEPRECIATION</u> <u>FUND</u>	<u>BOND AND</u> <u>INTEREST</u> <u>FUND</u>	<u>PLANT</u> <u>FUND</u>
FUND BALANCE, AUGUST 1, 1962	\$ 8,101.45	\$ 5,000.00	\$114,250.00
ADDITIONS:			
Allocation From -			
Operating Fund	\$ 600.00	\$ -0-	\$ 15,262.36
Brighton Municipal Sewer Fund	-0-	-0-	13,755.02
Bond and Interest Sinking Fund	-0-	-0-	8,039.52
Sewer Planning Fund	-0-	-0-	11,423.57
Investment Income	-0-	-0-	5,379.86
General Obligation Bonds	-0-	-0-	64,000.00
Bonds Retired from Bond and			
Interest Fund	-0-	-0-	5,000.00
Total	<u>\$ 8,701.45</u>	<u>\$ 5,000.00</u>	<u>\$237,110.33</u>
DEDUCTIONS:			
Depreciation, Water System	\$ -0-	\$ -0-	\$ 3,080.45
Bonds Retired	-0-	5,000.00	-0-
Discount on Sale of Bonds	-0-	-0-	44,600.00
Total	<u>\$ -0-</u>	<u>\$ 5,000.00</u>	<u>\$ 47,680.45</u>
FUND BALANCE, APRIL 30, 1963 (Exhibit "A")	<u>\$ 8,701.45</u>	<u>\$ -0-</u>	<u>\$189,429.88</u>

VILLAGE OF BRIGHTON, ILLINOIS
 WATERWORKS AND SEWERAGE FUND - CONSTRUCTION ACCOUNT
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND INVESTMENTS
 FOR THE PERIOD FROM AUGUST 7, 1962 TO APRIL 30, 1963

RECEIPTS:

Sale of Revenue Bonds	\$565,000.00	
Less, Discount on Sale	<u>(44,600.00)</u>	\$520,400.00
Sale of General Obligation Bonds		64,000.00
Accrued Interest Sold -		
Revenue Bonds	\$ 2,797.08	
General Obligation Bonds (Contra)	<u>844.45</u>	3,641.53
Sale of U. S. Treasury Bills	\$479,050.60	
Cost of U. S. Treasury Bills	<u>474,446.76</u>	4,603.90
Transfer, Brighton Municipal Sewer Fund		13,755.02
Transfer, Bond and Interest Sinking Fund		8,039.52
Transfer, Sewer Planning Fund		11,423.57
Investment Income - Savings and Loan		<u>775.96</u>
Total Cash Receipts		\$626,639.50

DISBURSEMENTS:

Engineer Services	\$ 15,827.98	
Inspection Fees	2,641.90	
Buildings	97,535.10	
Sewer Lines	222,412.73	
Water Main to Disposal Area	3,132.13	
Legal	527.20	
Payroll Taxes	433.85	
Transfer to Bond Interest and Sinking Fund (Contra)	844.45	
Transfer to Waterworks and Sewerage Fund		
Bond Account (Note)	26,212.08	
Prior Revenue Bonds Retired	<u>119,000.00</u>	
Total Cash Disbursements		488,567.42

BALANCE, APRIL 30, 1963

\$138,072.08

CONSISTING OF:

Cash in Bank	\$ 57,409.45	
Investments -		
Germania Savings and Loan	3,545.66	
Alton Savings and Loan	6,044.06	
U. S. Treasury Bills (Cost)	59,576.73	
Piasa 1st Federal Savings and Loan	8,111.94	
East Alton Savings and Loan	<u>3,384.24</u>	<u>\$138,072.08</u>

NOTE - Includes \$2,797.08 of accrued interest collected at the time bonds were sold.

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND - BOND ACCOUNT
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD FROM AUGUST 7, 1962 TO APRIL 30, 1963

RECEIPTS:

Transfer from Waterworks and Sewerage Fund, Construction Account		\$ 26,212.08	
Transfer from Waterworks Department, Operating Fund		3,247.97	
Cost of U. S. Treasury Bills	\$ 19,737.45		
Sale of U. S. Treasury Bills	<u>20,000.00</u>	<u>262.55</u>	
Total Receipts			\$ 29,722.60

DISBURSEMENTS:

Shipping Charges	\$ 3.85		
Interest Expense (Note)	<u>9,887.50</u>		
Total Disbursements			<u>9,891.35</u>

CASH IN BANK, APRIL 30, 1963

\$ 19,831.25

NOTE - This balance was on deposit with Harris Trust and Savings Bank for the payment of the bonds and interest due May 1, 1963. Both this cash balance and the bonds and interest due May 1, 1963 have been excluded from the Balance Sheet (Exhibit "A") at April 30, 1963.

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE DEPARTMENT
SCHEDULE OF REVENUE 5 1/4%
WATERWORKS AND SEWERAGE BONDS OUTSTANDING
AS OF APRIL 30, 1963

<u>BOND NUMBERS</u>	<u>DUE MAY 1</u>	<u>PRINCIPAL DUE YEARLY</u>	<u>TOTAL PRINCIPAL DUE</u>
1 to 5	1963	\$ 5,000.00	\$ 5,000.00
6 to 23	1964 to 1966	6,000.00	18,000.00
24 to 51	1967 to 1970	7,000.00	28,000.00
52 to 91	1971 to 1975	8,000.00	40,000.00
92 to 100	1976	9,000.00	9,000.00
101 to 110	1977	10,000.00	10,000.00
111 to 120	1978	10,000.00	10,000.00
121 to 160	1979 to 1982	10,000.00	40,000.00
161 to 265	1983 to 1989	15,000.00	105,000.00
266 to 385	1990 to 1995	20,000.00	120,000.00
386 to 435	1996 to 1997	25,000.00	50,000.00
436 to 495	1998 to 1999	30,000.00	60,000.00
496 to 565	2000 to 2001	35,000.00	70,000.00
TOTAL			<u>\$565,000.00</u>

NOTE - The above schedule reflects principal only and the principal and interest due on May 1, 1963 has been transferred to the paying agent at April 30, 1963.