

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND

AUDIT
APRIL 30, 1964

Partners—

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

R. C. SCHEFFEL & COMPANY

Certified Public Accountants
METROPOLITAN BUILDING
307 Henry Street
ALTON, ILL.

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June 23, 1964

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, 1964, and the related statements of income and fund balances for the 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 April 30, 1964, were not confirmed by direct correspondence with debtors; however, we satisfied ourselves by other means as to their accuracy.

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 Funds of the Village of Brighton, Illinois, at April 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

R. C. Scheffel & Company

GENERAL COMMENTS

We submit the following financial statements:

- EXHIBIT "A" - FUND BALANCE SHEET
AS AT APRIL 30, 1964.
- EXHIBIT "B" - STATEMENT OF INCOME AND EXPENSE
FOR THE FISCAL YEAR ENDED APRIL 30, 1964.
- EXHIBIT "C" - STATEMENT OF FUND BALANCES
FOR THE FISCAL YEAR ENDED APRIL 30, 1964.
- EXHIBIT "D" - CONSTRUCTION ACCOUNT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND INVESTMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 1964.
- SCHEDULE "1" - SCHEDULE OF OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED APRIL 30, 1964.
- SCHEDULE "2" - SCHEDULE OF OUTSTANDING REVENUE BONDS
AT APRIL 30, 1964.

We found the internal control procedures in use to be generally adequate, considering the limited number of personnel available.

A comparative summary of the combined assets of the Waterworks and Sewerage Funds as at April 30, 1964, as compared with the previous year, is presented below:
(Inter-Fund Accounts are eliminated)

	<u>1964</u>	<u>APRIL 30,</u> <u>1963</u>	<u>INCREASE OR</u> <u>(DECREASE)</u>
<u>A S S E T S</u>			
Cash on Hand and in Banks	\$ 32,935.75	\$ 64,998.55	\$(32,062.80)
Accounts Receivable	7,173.55	5,328.17	1,845.38
Investments	45,129.56	118,250.77	(73,121.21)
Fixed Assets (Net)	<u>781,929.62</u>	<u>616,357.80</u>	<u>165,571.82</u>
Total	<u>\$867,168.48</u>	<u>\$804,935.29</u>	<u>\$ 62,233.19</u>
<u>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 S</u>			
Accounts Payable	\$ 5,247.46	\$ 5,097.08	\$ 150.38
Due to Contractor	13,022.06	-0-	13,022.06
Customer Meter Deposits	2,306.75	1,508.00	798.75
Accrued Interest on Bonds	415.80	-0-	415.80
Bonds Payable	589,000.00	560,000.00	29,000.00
Fund Balances	<u>257,176.41</u>	<u>238,330.21</u>	<u>18,846.20</u>
Total	<u>\$867,168.48</u>	<u>\$804,935.29</u>	<u>\$ 62,233.19</u>

In January, 1964, the Village sold an additional \$35,000.00 of Waterworks and Sewerage Revenue Bonds. These bonds were sold at a discount of 10%, at a rate of 4 3/4%, and were sold on a negotiated basis.

The number of users as at April 30, 1964, were as follows:

781	Water Customers
413	Sewer Users

It is estimated that approximately 100 of the above sewer users will not be billed or required to pay monthly sewer charges after August, 1964, because under the terms of their connection fee agreement as non-users, this is the final payment of their connection fee which, until that date, is billed as a sewer use fee. The exact number is not known, as these parties will be those who either have paid the fees for vacant lots, or have not yet connected to the sewer.

The Waterworks was covered by the following insurance:

American States Insurance Co., to 11/10/64
Liability, Bodily Injury, 5,000/20,000/25,000
Property Damage, 5,000/25,000/25,000

RECOMMENDATIONS

The Waterworks and Sewerage Funds have been operated, in general, in compliance with the authorizing ordinance. A separate letter has been sent to the Board containing minor recommendations as to compliance with the additions to the various funds required by the ordinance. Included in this letter is a recommendation that the amount due the depreciation fund should be actually funded. This could easily be accomplished by transferring enough funds from the Savings and Loan Investments in the Operating Fund to such an account of the Depreciation Fund.

We suggest that consideration be given to the investment of a majority of the funds in the Customers' Meter Deposit Fund.

Our separate report covering the general funds of the Village contains a recommendation that transfers made during the year ended April 30, 1963, from the Bond and Interest Sinking Fund to the Waterworks and Sewerage Fund Construction Account, in the amount of \$3,384.24, be repaid as soon as possible. If these funds are not repaid, the future tax receipts for retirement of bonded debt will be insufficient to meet the total requirements.

We wish to express our appreciation for the courtesy and co-operation extended to us by your officials during our examination.

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
FUND BALANCE SHEET AS AT APRIL 30, 1964

A S S E T S

OPERATING FUND:

Cash on Hand and in Bank		\$ 13,504.63	
Accounts Receivable - Users -			
Customers Billed	\$ 1,272.70		
Customers Billed May 1, 1964	<u>5,850.85</u>	7,123.55	
Accounts Receivable - Connection Charges		50.00	
Investments (Savings and Loan Associations)		<u>35,098.86</u>	
Total			\$ 55,777.04

CUSTOMERS' METER DEPOSIT FUND:

Cash in Bank			2,306.75
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BOND FUND:

Cash in Bank			3,139.84
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BOND RESERVE FUND:

Cash in Bank			3,900.00
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DEPRECIATION FUND:

Due from Operating Fund			11,566.45
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PLANT FUND:

Waterworks System	\$265,043.20		
Sewerage System	536,569.33		
Buildings and Land	4,425.00		
Equipment	<u>5,394.60</u>	\$811,432.13	
Less, Accumulated Depreciation		<u>29,502.51</u>	
Total		\$781,929.62	
Cash and Investments (Exhibit "D")		<u>20,115.23</u>	
Total			<u>802,044.85</u>

TOTAL			<u>\$878,734.93</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 S

OPERATING FUND:

Accounts Payable	\$ 5,247.46
Due to Depreciation Fund	11,566.45
Fund Balance (Exhibit "C")	<u>38,963.13</u>

Total \$ 55,777.04

CUSTOMERS' METER DEPOSIT FUND:

Customers' Meter Deposits 2,306.75

BOND FUND:

Accrued Interest on Bonds	\$ 415.80
Fund Balance (Exhibit "C")	<u>2,724.04</u>
Total	3,139.84

BOND RESERVE FUND:

Fund Balance (Exhibit "C") 3,900.00

DEPRECIATION FUND:

Fund Balance (Exhibit "C") 11,566.45

PLANT FUND:

Bonds Payable (Schedule "2") -	
Within One Year	\$ 6,000.00
After One Year	<u>583,000.00</u>
Due to Contractor	\$589,000.00
Fund Balance (Exhibit "C")	13,022.06
	<u>200,022.79</u>

Total 802,044.85

TOTAL \$878,734.93

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF INCOME AND EXPENSE
FOR THE FISCAL YEAR ENDED APRIL 30, 1964

	-----FUND-----			
	<u>TOTAL</u>	<u>OPERATING</u>	<u>BOND</u>	<u>PLANT</u>
INCOME:				
Sale of Water -				
Metered Customers	\$ 48,510.12	\$ 48,510.12		
Bulk	<u>5,579.50</u>	<u>5,579.50</u>		
Total	\$ 54,089.62	\$ 54,089.62		
Sale of Sewerage Services	14,562.00	14,562.00		
Connection Charges	9,961.50	9,961.50		
Late Penalties	271.27	271.27		
Dividends on Investments	<u>2,520.75</u>	<u>1,510.72</u>		\$ 1,010.03
Total Income	<u>\$ 81,405.14</u>	<u>\$ 80,395.11</u>	<u>\$ -0-</u>	<u>\$ 1,010.03</u>
OPERATING EXPENSES:				
Schedule "I"	\$ 33,093.72	\$ 33,093.72	\$	\$
Depreciation	7,221.75			7,221.75
Interest	<u>29,626.46</u>		<u>29,815.80</u>	<u>(189.34)</u>
Total Operating Expenses	<u>\$ 69,941.93</u>	<u>\$ 33,093.72</u>	<u>\$ 29,815.80</u>	<u>\$ 7,032.41</u>
NET INCOME OR (LOSS)	<u>\$ 11,463.21</u>	<u>\$ 47,301.39</u>	<u>\$ (29,815.80)</u>	<u>\$ (6,022.38)</u>

VILLAGE OF BRIGHTON, ILLINOIS
 WATERWORKS AND SEWERAGE FUND
 STATEMENT OF FUND BALANCES
 FOR THE FISCAL YEAR ENDED APRIL 30, 1964

	- F U N D -					
	<u>TOTAL</u>	<u>OPERATING</u>	<u>BOND</u>	<u>BOND RESERVE</u>	<u>DEPRECIATION</u>	<u>PLANT</u>
FUND BALANCES, MAY 1, 1963	\$238,330.21	\$ 35,198.88	\$ -0-	\$ -0-	\$ 8,701.45	\$194,429.88
ADDITIONS:						
Net Income or (Loss) (Exhibit "B")	11,463.21	47,301.39	(29,815.80)	-0-	-0-	(6,022.38)
Transfers from -						
Operating Fund	45,115.00		38,350.00	3,900.00	2,865.00	
Construction Fund	189.84		189.84			
General Fund	3,727.99	3,727.99				
Operating Fund (Capital Outlay)	2,150.13					2,150.13
Bond Fund (Debt Retirement)	6,000.00					6,000.00
Brighton Municipal Sewer Fund	7,155.00					7,155.00
Total	<u>\$314,131.38</u>	<u>\$ 86,228.26</u>	<u>\$ 8,724.04</u>	<u>\$ 3,900.00</u>	<u>\$ 11,566.45</u>	<u>\$203,712.63</u>
DEDUCTIONS:						
Discount on Sale of Bonds	\$ 3,500.00	\$	\$	\$	\$	\$ 3,500.00
Transfers to -						
Bond Fund	38,539.84	38,350.00				189.84
Bond Reserve Fund	3,900.00	3,900.00				
Depreciation Fund	2,865.00	2,865.00				
Plant Fund (Capital Outlay)	2,150.13	2,150.13				
Plant Fund (Debt Retirement)	6,000.00		6,000.00			
Total	<u>\$ 56,954.97</u>	<u>\$ 47,265.13</u>	<u>\$ 6,000.00</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,689.84</u>
FUND BALANCES, APRIL 30, 1964	<u>\$257,176.41</u>	<u>\$ 38,963.13</u>	<u>\$ 2,724.04</u>	<u>\$ 3,900.00</u>	<u>\$ 11,566.45</u>	<u>\$200,022.79</u>

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
CONSTRUCTION ACCOUNT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND INVESTMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 1964

BALANCE, CASH AND INVESTMENTS, MAY 1, 1963			\$138,072.08
RECEIPTS:			
Sale of Revenue Bonds	\$ 35,000.00		
Less, Discount on Sale	<u>(3,500.00)</u>	\$ 31,500.00	
Accrued Interest on Bonds Sold		189.34	
Sale of U. S. Treasury Bills	\$ 60,000.00		
Cost of U. S. Treasury Bills	<u>59,576.73</u>	423.27	
Transfer from Brighton Municipal Sewer Fund		7,155.00	
Investment Income - Savings and Loan Associations		<u>586.76</u>	
Total Cash Receipts			<u>39,854.37</u>
TOTAL AVAILABLE			\$177,926.45
DISBURSEMENTS:			
Engineering		\$ 8,647.18	
Inspection Fees		1,096.00	
Buildings		60,068.29	
Sewer Lines		87,709.91	
Other Costs		100.00	
Transfer to Bond Fund		<u>189.84</u>	
Total Cash Disbursements			<u>157,811.22</u>
BALANCE, CASH AND INVESTMENTS, APRIL 30, 1964			<u>\$ 20,115.23</u>
CONSISTING OF:			
Cash in Bank		\$ 10,084.53	
Investments -			
Germania Savings and Loan		3,711.60	
Alton Savings and Loan		<u>6,319.10</u>	
Total			<u>\$ 20,115.23</u>

SCHEDULE "I"

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
OPERATING FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED APRIL 30, 1964

Water Purchased		\$ 8,894.10
Salaries and Wages -		
Meter Reader	\$ 1,199.88	
Meter Installation	245.00	
Maintenance	1,800.00	
Bookkeeper	1,900.00	
Commissions	822.92	
Water Board	60.00	
Labor	<u>4,745.00</u>	10,772.80
Meters and Materials		7,455.41
Repairs and Supplies		2,070.15
Bank Collection Charges		781.31
Office Supplies		589.28
Electric		1,535.53
Uncollectible Accounts		124.65
Accounting		275.00
Engineer Fees		384.25
Insurance		142.06
Tractor Gas and Repairs		4.35
Miscellaneous		<u>64.83</u>
Total Expenses		<u>\$ 33,093.72</u>

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
SCHEDULE OF OUTSTANDING REVENUE BONDS
AS AT APRIL 30, 1964

DUE IN FISCAL YEAR ENDED APRIL 30,	5 1/4% ISSUE OF 1962		4 3/4% ISSUE OF 1964		TOTAL	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
1965	\$ 6,000.00	\$ 29,085.00	\$	\$ 2,078.30	\$ 6,000.00	\$ 31,163.30
1966	6,000.00	28,770.00		1,662.50	6,000.00	30,432.50
1967	7,000.00	28,455.00		1,662.50	7,000.00	30,117.50
1968	7,000.00	28,087.50		1,662.50	7,000.00	29,750.00
1969	7,000.00	27,720.00		1,662.50	7,000.00	29,382.50
1970	7,000.00	27,352.50		1,662.50	7,000.00	29,015.00
1971	8,000.00	26,985.00		1,662.50	8,000.00	28,647.50
1972	8,000.00	26,565.00		1,662.50	8,000.00	28,227.50
1973	8,000.00	26,145.00		1,662.50	8,000.00	27,807.50
1974	8,000.00	25,725.00		1,662.50	8,000.00	27,387.50
1975	8,000.00	25,305.00		1,662.50	8,000.00	26,967.50
1976	9,000.00	24,885.00		1,662.50	9,000.00	26,547.50
1977	10,000.00	24,412.50		1,662.50	10,000.00	26,075.00
1978	10,000.00	23,887.50		1,662.50	10,000.00	25,550.00
1979	10,000.00	23,362.50		1,662.50	10,000.00	25,025.00
1980	10,000.00	22,837.50		1,662.50	10,000.00	24,500.00
1981	10,000.00	22,312.50		1,662.50	10,000.00	23,975.00
1982	10,000.00	21,787.50		1,662.50	10,000.00	23,450.00
1983	15,000.00	21,262.50		1,662.50	15,000.00	22,925.00
1984	15,000.00	20,475.00		1,662.50	15,000.00	22,137.50
1985	15,000.00	19,687.50		1,662.50	15,000.00	21,350.00
1986	15,000.00	18,900.00		1,662.50	15,000.00	20,562.50
1987	15,000.00	18,112.50		1,662.50	15,000.00	19,775.00
1988	15,000.00	17,325.00		1,662.50	15,000.00	18,987.50
1989	15,000.00	16,537.50		1,662.50	15,000.00	18,200.00
1990	20,000.00	15,750.00		1,662.50	20,000.00	17,412.50
1991	20,000.00	14,700.00		1,662.50	20,000.00	16,362.50
1992	20,000.00	13,650.00		1,662.50	20,000.00	15,312.50
1993	20,000.00	12,600.00		1,662.50	20,000.00	14,262.50
1994	20,000.00	11,550.00		1,662.50	20,000.00	13,212.50
1995	20,000.00	10,500.00		1,662.50	20,000.00	12,162.50
1996	25,000.00	9,450.00		1,662.50	25,000.00	11,112.50
1997	25,000.00	8,137.50		1,662.50	25,000.00	9,800.00
1998	30,000.00	6,825.00		1,662.50	30,000.00	8,487.50
1999	30,000.00	5,250.00		1,662.50	30,000.00	6,912.50
2000	35,000.00	3,675.00		1,662.50	35,000.00	5,337.50
2001	35,000.00	1,837.50		1,662.50	35,000.00	3,500.00
2002			35,000.00	1,662.50	35,000.00	1,662.50
TOTALS	<u>\$554,000.00</u>	<u>\$709,905.00</u>	<u>\$ 35,000.00</u>	<u>\$ 63,590.80</u>	<u>\$589,000.00</u>	<u>\$773,495.80</u>