

VILLAGE OF BRIGHTON, ILLINOIS

WATER DEPARTMENT

AUDIT
APRIL 30, 1965

July 21, 1965

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, 1965, 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, 1965, 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, 1965, 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. Schaffel & Company

GENERAL COMMENTS

We submit the following financial statements:

EXHIBIT "A" - Fund Balance Sheet
As At April 30, 1965

EXHIBIT "B" - Statement of Income and Expense
For the Fiscal Year Ended April 30, 1965

EXHIBIT "C" - Statement of Fund Balances
For the Fiscal Year Ended April 30, 1965

EXHIBIT "D" - Construction Account
Statement of Receipts, Disbursements and
Investments for the Fiscal Year Ended April 30, 1965

SCHEDULE "1" - Schedule of Operating Expenses
For the Fiscal Year Ended April 30, 1965

SCHEDULE "2" - Schedule of Outstanding Revenue Bonds
At April 30, 1965

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, 1965, as compared with the previous year,
is presented below: (Inter-Fund Accounts are eliminated):

<u>ASSETS</u>	<u>APRIL 30</u>		<u>INCREASE OR (DECREASE)</u>
	<u>1965</u>	<u>1964</u>	
Cash in Hand and In Bank	\$ 16,292.93	\$ 32,935.75	\$(16,642.82)
Accounts Receivable	10,382.43	7,173.55	3,208.88
Investments	37,909.86	45,129.56	(7,219.70)
Fixed Assets (Net)	<u>838,376.43</u>	<u>781,929.62</u>	<u>56,446.81</u>
Totals	<u>\$902,961.65</u>	<u>\$867,168.48</u>	<u>\$ 35,793.17</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts Payable	\$ 3,012.32	\$ 5,247.46	\$(2,235.14)
Due to Contractors	29,418.70	13,022.06	16,396.64
Customer Meter Deposits	3,172.35	2,306.75	865.60
Accrued Interest on Bonds	415.63	415.80	(.17)
Bonds Payable	583,000.00	589,000.00	(6,000.00)
Fund Balances	<u>283,942.65</u>	<u>257,176.41</u>	<u>26,766.24</u>
Totals	<u>\$902,961.65</u>	<u>\$867,168.48</u>	<u>\$ 35,793.17</u>

The number of users as at April 30, 1965, were as follows:

857 Water Customers
337 Sewer Users

The Waterworks was covered by the following insurance:

American States Insurance Company to November 10, 1965
Liability, Bodily Injury, 10,000/20,000/25,000
Property Damage - 5,000/25,000/25,000/25,000/25,000

RECOMMENDATIONS

1. We recommend that the amount due the depreciation fund actually be funded by transferring funds from the Savings and Loan investments in the operating fund to such an account in the Depreciation Fund.
2. During the year ended April 30, 1963, a transfer of \$3,384.24 was made from the Bond and Interest Sinking Fund to the Waterworks and Sewerage Fund Constructions Account. This has not been repaid to date. We recommend that repayment be made, since 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 cooperation extended to us by your officials during our examination.

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
FUND BALANCE SHEET AS AT APRIL 30, 1965

A S S E T S

OPERATING FUND:			
Cash on Hand and In Bank		\$ 11,890.80	
Accounts Receivable - Users	\$ 8,882.43		
Accounts Receivable - Connection Charges	<u>50.00</u>	8,932.43	
Investments (Savings and Loan Associations)		<u>17,553.24</u>	
Total			\$ 38,376.47
CUSTOMERS' METER DEPOSIT FUND:			
Cash in Bank			3,172.35
BOND FUND:			
Cash in Bank		\$.06	
Due from Village of Brighton and Interest Fund		<u>1,450.00</u>	
Total			1,450.06
BOND RESERVE FUND:			
Cash in Bank		\$ 692.68	
U. S. Treasury Bonds (Cost)		<u>8,134.82</u>	
Total			8,827.50
DEPRECIATION FUND:			
Investment (Savings and Loan Association)		\$ 2,524.38	
Due from Operating Fund		<u>12,066.45</u>	
Total			14,590.83
PLANT FUND: (Note 1)			
Waterworks System	\$268,409.58		
Sewerage System	536,569.33		
Standpipe and Pumping Station	59,630.20		
Building and Land	4,425.00		
Equipment	<u>7,383.77</u>	876,417.88	
Less, Accumulated Depreciation		<u>38,041.45</u>	
Total		\$838,376.43	
Cash and Investments (Exhibit "D")		<u>10,234.46</u>	
Total			848,610.89
TOTAL			<u>\$915,028.10</u>

(NOTE 1) - This statement does not reflect a liability of \$3,384.24 arising from the transfer of funds from the Village of Brighton Bond and Interest Sinking Fund to the Waterworks and Sewerage Fund Construction account during the fiscal year ended April 30, 1963, see recommendation Number "2".

LIABILITIES AND FUND BALANCES

OPERATING FUND:

Accounts Payable	\$ 3,012.32	
Due to Depreciation Fund	12,066.45	
Fund Balance (Exhibit "C")	<u>23,297.70</u>	
Total		\$ 38,376.47

CUSTOMERS' METER DEPOSIT FUND:

Customers' Meter Deposits		3,172.35
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BOND FUND:

Accrued Interest	\$ 415.63	
Fund Balance (Exhibit "C")	<u>1,034.43</u>	
Total		1,450.06

BOND RESERVE FUND:

Fund Balance (Exhibit "C")		8,827.50
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DEPRECIATION FUND:

Fund Balance (Exhibit "C")		14,590.83
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PLANT FUND:

Bonds Payable (Schedule "2") -		
Within One Year	\$ 6,000.00	
After One Year	<u>577,000.00</u>	\$583,000.00
Due to Contractors		29,418.70
Fund Balance (Exhibit "C")		<u>236,192.19</u>
Total		<u>848,610.89</u>

TOTAL

\$915,028.10

EXHIBIT "B"

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF INCOME AND EXPENSE
FOR THE FISCAL YEAR ENDED APRIL 30, 1965

	<u>FUND</u>					
	<u>TOTAL</u>	<u>OPERATING</u>	<u>BOND</u>	<u>BOND RESERVE</u>	<u>DEPRECIATION</u>	<u>PLANT</u>
INCOME:						
Sale of Water	\$ 65,711.75	\$ 65,711.75				
Sale of Sewerage Services	16,877.20	16,877.20				
Sale of Meter Installation Supplies	2,285.12	2,285.12				
Connection Charges	9,467.00	9,467.00				
Late Penalties	339.14	339.14				
Dividends on Investments	2,642.55	1,823.95		\$ 127.50	\$ 24.38	\$ 666.72
Total Income	<u>\$ 97,322.76</u>	<u>\$ 96,504.16</u>	<u>\$ -0-</u>	<u>\$ 127.50</u>	<u>\$ 24.38</u>	<u>\$ 666.72</u>
OPERATING EXPENSES:						
Schedule "I"	\$ 33,354.45	\$ 33,354.45				
Depreciation	8,538.94					\$ 8,538.94
Interest	31,163.13		\$ 31,163.13			
Total Operating Expenses	<u>\$ 73,056.52</u>	<u>\$ 33,354.45</u>	<u>\$ 31,163.13</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,538.94</u>
NET INCOME OR (LOSS)	<u>\$ 24,266.24</u>	<u>\$ 63,149.71</u>	<u>\$(31,163.13)</u>	<u>\$ 127.50</u>	<u>\$ 24.38</u>	<u>\$ (7,872.22)</u>

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF FUND BALANCES
FOR THE FISCAL YEAR ENDED APRIL 30, 1965

	<u>FUND</u>					
	<u>TOTAL</u>	<u>OPERATING</u>	<u>BOND</u>	<u>BOND RESERVE</u>	<u>DEPRECIATION</u>	<u>PLANT</u>
FUND BALANCES, MAY 1, 1964	\$257,176.41	\$ 38,963.13	\$ 2,724.04	\$ 3,900.00	\$ 11,566.45	\$200,022.79
ADDITIONS:						
Net Income or (Loss) (Exhibit "B")	24,266.24	63,149.71	(31,163.13)	127.50	24.38	(7,872.22)
Transfers From -						
Operating Fund	43,273.52		35,473.52	4,800.00	3,000.00	
Construction Fund	9,269.98	9,269.98				
General Fund	2,500.00	2,500.00				
Operating Fund - Capital Outlay	47,311.60					47,311.60
Bond Fund - (Debt Retirement)	6,000.00					6,000.00
Total	\$389,797.75	\$113,882.82	\$ 7,034.43	\$ 8,827.50	\$ 14,590.83	\$245,462.17
DEDUCTIONS:						
Transfers to -						
Bond Fund	\$ 35,473.52	\$ 35,473.52				
Bond Reserve Fund	4,800.00	4,800.00				
Depreciation Fund	3,000.00	3,000.00				
Plant Fund - (Capital Outlay)	47,311.60	47,311.60				
Plant Fund - (Debt Retirement)	6,000.00		\$ 6,000.00			
Operating Fund	9,269.98					\$ 9,269.98
Total	\$105,855.10	\$ 90,585.12	\$ 6,000.00	\$ -0-	\$ -0-	\$ 9,269.98
FUND BALANCES, APRIL 30, 1965	<u>\$283,942.65</u>	<u>\$ 23,297.70</u>	<u>\$ 1,034.43</u>	<u>\$ 8,827.50</u>	<u>\$ 14,590.83</u>	<u>\$236,192.19</u>

VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
CONSTRUCTION ACCOUNT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND INVESTMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 1965

RECEIPTS:

Investment Income - Savings and Loan Association	\$ 666.72
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DISBURSEMENTS:

Transfers to Operating Fund	\$ 9,269.98
Payments to Contractors	<u>1,277.51</u>
Total Cash Disbursements	<u>10,547.49</u>

EXCESS OF CASH DISBURSEMENTS OVER CASH RECEIPTS	\$ (9,880.77)
BALANCE CASH AND INVESTMENTS, MAY 1, 1964	<u>20,115.23</u>

BALANCE, CASH AND INVESTMENTS, APRIL 30, 1965	<u>\$ 10,234.46</u>
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CONSISTING OF:

Cash in Bank	\$ 537.04
Investments -	
Piasa First Federal Savings and Loan	1,216.42
Germania Savings and Loan	1,882.42
Alton Savings and Loan	<u>6,598.58</u>

TOTAL	<u>\$ 10,234.46</u>
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VILLAGE OF BRIGHTON, ILLINOIS
WATERWORKS AND SEWERAGE FUND
OPERATING FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED APRIL 30, 1965

Water Purchased		\$ 11,081.36
Salaries and Wages -		
Meter Reader	\$ 1,199.88	
Maintenance	2,400.00	
Bookkeeper	2,100.00	
Labor	4,983.00	
Water Board	60.00	
Commissions	<u>1,170.79</u>	11,913.67
Meters and Materials		4,171.37
Repairs and Supplies		2,112.26
Bank Collection Charges		930.38
Office Supplies		577.95
Electric		1,863.72
Uncollectible Accounts		48.93
Accounting		300.00
Tractor, Gas and Repairs		121.42
Insurance		189.79
Miscellaneous		<u>43.60</u>
Total Expenses		<u>\$ 33,354.45</u>

SCHEDULE "2"

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
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	\$548,000.00	\$680,820.00	\$ 35,000.00	\$ 61,512.50	\$583,000.00	\$742,332.50