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# Township of Hamburg

Livingston County, Michigan

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**Financial Report  
with Supplementary Information  
June 30, 2024**

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## Independent Auditor's Report

To the Board of Trustees  
Township of Hamburg

### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Hamburg (the "Township") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of June 30, 2024 and the respective changes in its financial position, and where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Library Fund, which represents 14.3 percent, 17.7 percent, and 9.0 percent of the assets, fund balances, and revenue, respectively, of the governmental funds. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Library Fund, is based solely on the report of the other auditors.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees  
Township of Hamburg

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as described in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees  
Township of Hamburg

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

November 26, 2024

Draft

As management of the Township of Hamburg (the "Township"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2024. Please read it in conjunction with the Township's financial statements.

### ***Financial Highlights***

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2024:

- Interest income on investments experienced an increase in fiscal year 2023-2024. The Township received over \$230,000 of additional interest revenue in 2024 compared to 2023. The Township remains proactive in monitoring spending to ensure that it adds to net position for funding during potential future declines in the economy.
- The Township has earmark approximately \$250,000 for future maintenance, vehicle, and equipment expenditures.

### ***Using This Annual Report***

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year and how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

### ***The Township as a Whole***

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$61,395,506 at the close of the most recent fiscal year.

**The Township's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and other assets	\$ 19,264,083	\$ 20,049,088	\$ 6,167,138	\$ 6,564,354	\$ 25,431,221	\$ 26,613,442
Capital assets	21,137,713	19,926,604	24,360,817	24,738,391	45,498,530	44,664,995
Total assets	40,401,796	39,975,692	30,527,955	31,302,745	70,929,751	71,278,437
<b>Deferred Outflows of Resources</b>						
	1,242,570	1,458,066	-	-	1,242,570	1,458,066
<b>Liabilities</b>						
Current liabilities	1,246,511	2,435,709	522,423	121,698	1,768,934	2,557,407
Noncurrent liabilities	6,574,964	7,150,306	2,414,584	2,926,249	8,989,548	10,076,555
Total liabilities	7,821,475	9,586,015	2,937,007	3,047,947	10,758,482	12,633,962
<b>Deferred Inflows of Resources</b>						
	18,333	40,251	-	-	18,333	40,251
<b>Net Position</b>						
Net investment in capital assets	17,735,980	15,964,031	21,991,656	21,844,950	39,727,636	37,808,981
Restricted	10,554,636	10,806,239	4,642,867	4,180,312	15,197,503	14,986,551
Unrestricted	5,513,942	5,037,222	956,425	2,229,536	6,470,367	7,266,758
Total net position	<b>\$ 33,804,558</b>	<b>\$ 31,807,492</b>	<b>\$ 27,590,948</b>	<b>\$ 28,254,798</b>	<b>\$ 61,395,506</b>	<b>\$ 60,062,290</b>

The Township's combined net position increased from a year ago to \$61.4 million. The governmental activities net position is approximately \$33.8 million, up from \$31.8 million at June 30, 2023. The net position of the business-type activities (i.e., the Sewer Fund) is approximately \$27.6 million, a slight decrease from a year ago.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations, is approximately \$5.5 million for the governmental activities, which is an increase from June 30, 2023. Unrestricted net position for the business-type activities is approximately \$956,000, which is a decrease from the June 30, 2023 amount.

# Township of Hamburg

## Management's Discussion and Analysis (Continued)

The following table shows the changes in net position during 2024 and 2023:

### The Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 916,266	\$ 1,377,008	\$ 2,592,098	\$ 2,479,073	\$ 3,508,364	\$ 3,856,081
Operating grants	1,465,410	478,643	-	-	1,465,410	478,643
Capital grants	1,015,899	323,384	527,632	1,164,356	1,543,531	1,487,740
General revenue:						
Property taxes	8,275,696	8,350,857	-	-	8,275,696	8,350,857
State-shared revenue and grants	2,416,601	2,370,008	-	-	2,416,601	2,370,008
Investment earnings	708,636	420,569	226,693	137,219	935,329	557,788
Other revenue:						
Cable franchise fees	303,945	332,972	-	-	303,945	332,972
Proceeds from sale of capital assets	37,253	14,726	-	-	37,253	14,726
Other miscellaneous income	206,712	65,329	-	-	206,712	65,329
<b>Total revenue</b>	<b>15,346,418</b>	<b>13,733,496</b>	<b>3,346,423</b>	<b>3,780,648</b>	<b>18,692,841</b>	<b>17,514,144</b>
<b>Expenses</b>						
General government	4,025,353	3,776,422	-	-	4,025,353	3,776,422
Public safety	7,645,432	6,722,047	-	-	7,645,432	6,722,047
Public works	910,223	1,484,434	-	-	910,223	1,484,434
Recreation and culture	693,252	740,264	-	-	693,252	740,264
Debt service	75,092	97,335	-	-	75,092	97,335
Sewer	-	-	4,010,273	3,301,518	4,010,273	3,301,518
<b>Total expenses</b>	<b>13,349,352</b>	<b>12,820,502</b>	<b>4,010,273</b>	<b>3,301,518</b>	<b>17,359,625</b>	<b>16,122,020</b>
<b>Change in Net Position</b>	<b>1,997,066</b>	<b>912,994</b>	<b>(663,850)</b>	<b>479,130</b>	<b>1,333,216</b>	<b>1,392,124</b>
<b>Net Position - Beginning of year</b>	<b>31,807,492</b>	<b>30,894,498</b>	<b>28,254,798</b>	<b>27,775,668</b>	<b>60,062,290</b>	<b>58,670,166</b>
<b>Net Position - End of year</b>	<b>\$ 33,804,558</b>	<b>\$ 31,807,492</b>	<b>\$ 27,590,948</b>	<b>\$ 28,254,798</b>	<b>\$ 61,395,506</b>	<b>\$ 60,062,290</b>

#### *Governmental Activities*

The Township's total governmental activities revenue totaled approximately \$15.3 million, with state-shared revenue and grants representing \$2.4 million of the total. The State's future financial situation will continue to be monitored during the upcoming year given the significance of the revenue source.

Expenses for the fiscal year were approximately \$13.4 million. The Township has closely monitored its spending in all areas. As a result, there was an increase in net position of over \$1.9 million from 2023 to 2024.

#### *Business-type Activities*

The Township's business-type activities consist of the Sewer Fund. We provide sewage treatment through a township-owned and operated sewage treatment plant, as well as through the use of a plant owned and operated by a neighboring community.



***The Township's Funds***

Our analysis of the Township's major funds follows the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The township board creates funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2023-2024 include the General Fund, the Police Special Revenue Fund, the Fire Special Revenue Fund, the 2020 Road Fund, the Water System Debt Service Fund, and the Library Fund..

The General Fund pays for most of the Township's governmental services. In August 2018, a new millage was passed by the voters for the Police Special Revenue Fund. This millage provides funding for the Police Special Revenue Fund, reducing future support from the General Fund. Both the police and fire services are supported by separate police and fire millages, which are recorded in the Police Special Revenue Fund and the Fire Special Revenue Fund.

**General Fund Budgetary Highlights**

Over the course of the year, the Township amended the budget to consider events during the year. Significant amendments were made to account for the expense of ARPA funding to construct an addition to the Police Department building.

***Capital Assets and Debt Administration***

At the end of fiscal year 2024, the Township had approximately \$46 million invested in a broad range of capital assets, net of depreciation, including buildings, police and fire equipment, and sewer lines.

***Economic Factors and Next Year's Budgets and Rates***

The Township's budget for next year will need to be watched very closely once again, especially relating to the General Fund. Despite recent increases in revenue sharing, the pandemic remains a concern for the State; therefore, the economy will need to be monitored closely in order to determine if expenditures in the upcoming fiscal year need to be adjusted.

***Requests for Further Information***

This financial report is intended to provide a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, please contact the township clerk's office at (810) 231-1000.

**June 30, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents (Note 2)	\$ 14,182,966	\$ 81,726	\$ 14,264,692
Receivables:			
Customers and other	147,485	670,125	817,610
Accrued interest receivable	89,081	47,502	136,583
Due from other governments	739,172	-	739,172
Special assessments receivable (Note 9)	2,215,565	36,739	2,252,304
Internal balances	(14,649)	14,649	-
Inventory	-	681,614	681,614
Prepaid expenses and other assets	180,421	-	180,421
Other current assets	-	28,655	28,655
Cash restricted for capital and debt (Note 9)	1,678,932	4,107,641	5,786,573
Land held for resale	45,110	-	45,110
Capital assets: (Note 4)			
Assets not subject to depreciation	1,470,108	1,560,631	3,030,739
Assets subject to depreciation	19,667,605	22,800,186	42,467,791
Restricted assets (Note 9)	-	498,487	498,487
<b>Total assets</b>	<b>40,401,796</b>	<b>30,527,955</b>	<b>70,929,751</b>
<b>Deferred Outflows of Resources</b> - Deferred outflows related to pensions (Note 8)	1,242,570	-	1,242,570
<b>Liabilities</b>			
Accounts payable	202,574	436,058	638,632
Due to other governmental units	27,030	-	27,030
Performance bonds payable	135,045	-	135,045
Accrued liabilities and other	862,660	86,365	949,025
Unearned revenue	19,202	-	19,202
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 5)	286,450	16,404	302,854
Current portion of long-term debt (Note 5)	555,875	249,125	805,000
Due in more than one year:			
Compensated absences (Note 5)	323,916	29,019	352,935
Net pension liability (Note 8)	2,562,865	-	2,562,865
Long-term debt (Note 5)	2,845,858	2,120,036	4,965,894
<b>Total liabilities</b>	<b>7,821,475</b>	<b>2,937,007</b>	<b>10,758,482</b>
<b>Deferred Inflows of Resources</b> - Deferred inflows related to pensions (Note 8)	18,333	-	18,333
<b>Net Position</b>			
Net investment in capital assets	17,735,980	21,991,656	39,727,636
Restricted:			
Roads	4,450,953	-	4,450,953
Debt service	1,788,390	-	1,788,390
Capital projects and debt service	453,760	4,642,867	5,096,627
Police and fire operations	469,643	-	469,643
Parks and recreation	608,846	-	608,846
Cemetery expenditures	8,168	-	8,168
Library	2,774,876	-	2,774,876
Unrestricted	5,513,942	956,425	6,470,367
<b>Total net position</b>	<b>\$ 33,804,558</b>	<b>\$ 27,590,948</b>	<b>\$ 61,395,506</b>

# Township of Hamburg

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,025,353	\$ 727,984	\$ 118,926	\$ -
Public safety	7,645,432	47,039	1,346,484	33,979
Public works	910,223	108,284	-	981,920
Recreation and culture	693,252	32,959	-	-
Interest on long-term debt	75,092	-	-	-
Total governmental activities	13,349,352	916,266	1,465,410	1,015,899
Business-type activities - Sewage disposal	4,010,273	2,592,098	-	527,632
Total primary government	<b>\$ 17,359,625</b>	<b>\$ 3,508,364</b>	<b>\$ 1,465,410</b>	<b>\$ 1,543,531</b>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other income				
Total general revenue				
<b>Changes in Net Position</b>				
<b>Net Position - Beginning of year</b>				
<b>Net Position - End of year</b>				

## Statement of Activities

Year Ended June 30, 2024

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,178,443)	\$ -	\$ (3,178,443)
(6,217,930)	-	(6,217,930)
179,981	-	179,981
(660,293)	-	(660,293)
(75,092)	-	(75,092)
(9,951,777)	-	(9,951,777)
-	(890,543)	(890,543)
(9,951,777)	(890,543)	(10,842,320)
8,275,696	-	8,275,696
2,416,601	-	2,416,601
708,636	226,693	935,329
303,945	-	303,945
37,253	-	37,253
206,712	-	206,712
11,948,843	226,693	12,175,536
1,997,066	(663,850)	1,333,216
31,807,492	28,254,798	60,062,290
<b>\$ 33,804,558</b>	<b>\$ 27,590,948</b>	<b>\$ 61,395,506</b>

# Township of Hamburg

	General Fund	Police Special Revenue Fund	Fire Special Revenue Fund	Water System Debt Service Fund
<b>Assets</b>				
Cash and cash equivalents (Note 2)	\$ 6,994,671	\$ 66,007	\$ 374,711	\$ 683,994
Receivables:				
Special assessments receivable	109,722	-	-	233,768
Customers and other	89,207	41,591	15,597	-
Accrued interest receivable	47,320	153	2,676	8,053
Due from other governments	728,179	-	-	-
Due from other funds (Note 3)	-	-	-	-
Advances to other funds (Note 3)	459,648	-	-	-
Prepaid expenses and other assets	54,833	66,407	44,853	-
Cash restricted for capital and debt	-	-	-	446,153
Land held for resale	45,110	-	-	-
<b>Total assets</b>	<b>\$ 8,528,690</b>	<b>\$ 174,158</b>	<b>\$ 437,837</b>	<b>\$ 1,371,968</b>
<b>Liabilities</b>				
Accounts payable	\$ 79,739	\$ -	\$ 15,122	\$ -
Due to other governmental units	-	752	-	-
Due to other funds (Note 3)	16,563	-	-	-
Advances from other funds (Note 3)	-	-	-	459,648
Performance bonds payable	135,045	-	-	-
Accrued liabilities and other	687,395	71,230	59,198	-
Unearned revenue	19,202	-	-	-
<b>Total liabilities</b>	<b>937,944</b>	<b>71,982</b>	<b>74,320</b>	<b>459,648</b>
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>117,575</b>	<b>33,075</b>	<b>15,597</b>	<b>238,418</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,055,519</b>	<b>105,057</b>	<b>89,917</b>	<b>698,066</b>
<b>Fund Balances</b>				
Nonspendable	559,591	66,407	44,853	-
Restricted:				
Roads	-	-	-	-
Police	-	2,694	-	-
Fire	-	-	303,067	-
Debt service	-	-	-	673,902
Capital projects	-	-	-	-
Parks and recreation	-	-	-	-
Future cemetery expenditures	-	-	-	-
Library	-	-	-	-
Committed:				
Township building maintenance	7,253	-	-	-
Equipment	181,716	-	-	-
Vehicles	73,759	-	-	-
Flood prevention	22,300	-	-	-
Unassigned	6,628,552	-	-	-
<b>Total fund balances</b>	<b>7,473,171</b>	<b>69,101</b>	<b>347,920</b>	<b>673,902</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,528,690</b>	<b>\$ 174,158</b>	<b>\$ 437,837</b>	<b>\$ 1,371,968</b>

See notes to financial statements.

Governmental Funds  
Balance Sheet

June 30, 2024

2020 Road Fund	Library	Nonmajor Governmental Funds	Total
\$ -	\$ 2,788,975	\$ 3,274,608	\$ 14,182,966
1,786,552	-	85,523	2,215,565
-	-	1,090	147,485
8,814	4,195	17,870	89,081
-	10,993	-	739,172
-	-	16,563	16,563
-	-	-	459,648
-	8,431	5,897	180,421
1,232,779	-	-	1,678,932
-	-	-	45,110
<b>\$ 3,028,145</b>	<b>\$ 2,812,594</b>	<b>\$ 3,401,551</b>	<b>\$ 19,754,943</b>
\$ -	\$ 11,440	\$ 96,273	\$ 202,574
-	26,278	-	27,030
-	-	14,649	31,212
-	-	-	459,648
-	-	-	135,045
9,386	-	16,182	843,391
-	-	-	19,202
9,386	37,718	127,104	1,718,102
1,777,166	-	86,613	2,268,444
1,786,552	37,718	213,717	3,986,546
-	8,431	5,897	685,179
-	-	1,314,619	1,314,619
-	-	12,984	15,678
-	-	-	303,067
-	-	876,070	1,549,972
1,241,593	-	368,237	1,609,830
-	-	601,859	601,859
-	-	8,168	8,168
-	2,766,445	-	2,766,445
-	-	-	7,253
-	-	-	181,716
-	-	-	73,759
-	-	-	22,300
-	-	-	6,628,552
1,241,593	2,774,876	3,187,834	15,768,397
<b>\$ 3,028,145</b>	<b>\$ 2,812,594</b>	<b>\$ 3,401,551</b>	<b>\$ 19,754,943</b>

**Governmental Funds**

**Reconciliation of the Balance Sheet to the Statement of Net Position**

---

**June 30, 2024**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 15,768,397</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	21,137,713
Special assessment and other receivables are expected to be collected over several years and are not available to pay for current year expenditures	2,268,444
Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources and deferred inflows of resources in the statement of net position but are reported as expenses in the governmental funds	1,224,237
Bonds payable are not due and payable in the current period and are not reported in the funds	(3,401,733)
Accrued interest is not due and payable in the current period and is not reported in the funds	(19,269)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(610,366)
Net pension liability in governmental activities is not reported in the funds	<u>(2,562,865)</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 33,804,558</u></u></b>

# Township of Hamburg

	General Fund	Police Special Revenue Fund	Fire Special Revenue Fund	Water System Debt Service Fund
<b>Revenue</b>				
Property taxes	\$ 1,051,479	\$ 3,174,270	\$ 2,198,724	\$ -
Special assessments	18,744	-	-	75,986
State-shared revenue and grants:				
Federal grants	1,310,364	-	-	-
State sources	2,459,971	19,268	50,831	-
Charges for services	649,295	27,408	-	-
Fines and forfeitures	-	12,304	-	-
Licenses and permits	303,945	-	-	-
Investment income	352,944	4,722	20,694	48,300
Other revenue	96,541	4,020	7,320	65,000
Total revenue	6,243,283	3,241,992	2,277,569	189,286
<b>Expenditures</b>				
Current services:				
General government	3,081,060	-	-	-
Public safety	1,570,782	3,763,632	3,132,300	-
Public works	42,210	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	255,574
Total expenditures	4,694,052	3,763,632	3,132,300	255,574
<b>Excess of Revenue Over (Under) Expenditures</b>	1,549,231	(521,640)	(854,731)	(66,288)
<b>Other Financing Sources (Uses)</b>				
Transfers in (Note 3)	-	167,161	-	154,000
Transfers out (Note 3)	(916,992)	-	-	-
Proceeds from sale of capital assets	-	36,189	1,064	-
Total other financing sources (uses)	(916,992)	203,350	1,064	154,000
<b>Net Change in Fund Balances</b>	632,239	(318,290)	(853,667)	87,712
<b>Fund Balances</b> - Beginning of year, as previously reported	6,840,932	387,391	1,201,587	586,190
<b>Change within financial reporting entity</b> (Note 1)	-	-	-	-
<b>Fund Balances</b> - Beginning of year, as adjusted or restated	6,840,932	387,391	1,201,587	586,190
<b>Fund Balances</b> - End of year	<u>\$ 7,473,171</u>	<u>\$ 69,101</u>	<u>\$ 347,920</u>	<u>\$ 673,902</u>



Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

2020 Road Fund	Library Fund	Formerly Major - Road Fund	Other Non- major Governmental Funds	Total Governmental Funds
\$ -	\$ 1,187,735	\$ -	\$ 663,488	\$ 8,275,696
379,593	-	-	1,040,159	1,514,482
-	-	-	-	1,310,364
-	3,300	-	3,696	2,537,066
-	7,530	-	32,959	717,192
-	42,857	-	-	55,161
-	-	-	-	303,945
55,552	109,407	-	117,017	708,636
-	60,020	-	78,000	310,901
435,145	1,410,849	-	1,935,319	15,733,443
-	-	-	-	3,081,060
-	-	-	-	8,466,714
-	-	-	214,188	256,398
-	1,091,966	-	570,227	1,662,193
-	214,673	-	623,720	838,393
362,795	-	-	32,086	650,455
362,795	1,306,639	-	1,440,221	14,955,213
72,350	104,210	-	495,098	778,230
-	-	-	595,831	916,992
-	-	-	-	(916,992)
-	-	-	-	37,253
-	-	-	595,831	37,253
72,350	104,210	-	1,090,929	815,483
1,169,243	2,670,666	1,220,348	876,557	14,952,914
-	-	(1,220,348)	1,220,348	-
1,169,243	2,670,666	-	2,096,905	14,952,914
<b>\$ 1,241,593</b>	<b>\$ 2,774,876</b>	<b>\$ -</b>	<b>\$ 3,187,834</b>	<b>\$ 15,768,397</b>

**Governmental Funds**

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in  
Fund Balances to the Statement of Activities**

**Year Ended June 30, 2024**

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$</b>	<b>815,483</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Capital outlay		2,629,670
Depreciation expense		(1,418,561)
Special assessment revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end		(425,813)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		560,720
Change in accrued interest payable and other		11,643
Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment		1,044
Change in net pension liability and deferred inflows/outflows related to pension is recorded when incurred in the statement of activities		(177,120)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>1,997,066</u></b>

**June 30, 2024**

	Sewer Fund
<b>Assets</b>	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 81,726
Receivables	717,627
Due from other funds (Note 3)	14,649
Inventory	681,614
Other current assets	28,655
Total current assets	1,524,271
Noncurrent assets:	
Cash restricted for capital and debt (Note 9)	4,107,641
Assets restricted for capital and debt (Note 9)	36,739
Capital assets: (Note 4)	
Assets not subject to depreciation	1,560,631
Assets subject to depreciation	22,800,186
Restricted assets (Note 9)	498,487
Total noncurrent assets	29,003,684
Total assets	30,527,955
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	436,058
Accrued liabilities and other	86,365
Compensated absences (Note 5)	16,404
Current portion of long-term debt (Note 5)	249,125
Total current liabilities	787,952
Noncurrent liabilities:	
Compensated absences (Note 5)	29,019
Long-term debt (Note 5)	2,120,036
Total noncurrent liabilities	2,149,055
Total liabilities	2,937,007
<b>Net Position</b>	
Net investment in capital assets	21,991,656
Restricted - Capital projects and debt service	4,642,867
Unrestricted	956,425
Total net position	<b>\$ 27,590,948</b>

## Township of Hamburg

### Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2024

	<u>Sewer Fund</u>
<b>Operating Revenue</b>	
Sewage disposal charges	\$ 1,754,211
Debt service charges and other	<u>837,887</u>
Total operating revenue	2,592,098
<b>Operating Expenses</b>	
Cost of sewage treatment	2,814,915
Depreciation	<u>1,102,079</u>
Total operating expenses	<u>3,916,994</u>
<b>Operating Loss</b>	(1,324,896)
<b>Nonoperating Revenue (Expense)</b>	
Investment income	226,693
Interest expense	<u>(93,279)</u>
Total nonoperating revenue	<u>133,414</u>
<b>Loss - Before capital contributions</b>	(1,191,482)
<b>Capital Contributions - Tap fees</b>	<u>527,632</u>
<b>Change in Net Position</b>	(663,850)
<b>Net Position - Beginning of year</b>	<u>28,254,798</u>
<b>Net Position - End of year</b>	<u><u>\$ 27,590,948</u></u>

**Proprietary Fund  
Statement of Cash Flows**

**Year Ended June 30, 2024**

	Sewer Fund
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 2,567,740
Payments to suppliers	(1,520,326)
Payments to employees	(863,588)
	183,826
<b>Cash Flows from Capital and Related Financing Activities</b>	
Collection of tap fees and capital charges	527,632
Collection of principal and interest on customer assessments	8,341
Purchase of capital assets	(724,505)
Principal and interest paid on capital debt	(619,196)
	(807,728)
<b>Cash Flows Provided by Investing Activities</b> - Interest received on investments	217,678
<b>Net Decrease in Cash and Cash Equivalents</b>	(406,224)
<b>Cash and Cash Equivalents</b> - Beginning of year	5,094,078
<b>Cash and Cash Equivalents</b> - End of year	<b>\$ 4,687,854</b>
<b>Statement of Net Position Classification of Cash and Cash Equivalents</b>	
Cash and investments	\$ 81,726
Segregated bank deposits resulting from special assessments	4,107,641
Segregated bank deposits for future capital investments	498,487
	<b>\$ 4,687,854</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>	
Operating loss	\$ (1,324,896)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	1,102,079
Changes in assets and liabilities:	
Receivables	(24,358)
Inventories	6,720
Prepaid and other assets	9,304
Accrued and other liabilities	12,968
Accounts payable	402,009
	<b>\$ 183,826</b>

**Fiduciary Fund  
Statement of Fiduciary Net Position**

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**June 30, 2024**

	<u>Current Tax Collection</u>
<b>Assets</b>	\$ 1,517
<b>Liabilities - Accounts payable</b>	<u>1,517</u>
<b>Net Position</b>	<u><u>\$ -</u></u>

Draft

**Fiduciary Fund**  
**Statement of Changes in Fiduciary Net Position**

**Year Ended June 30, 2024**

	<u>Current Tax Collection</u>
<b>Additions</b> - Property tax collections on behalf of others	\$ 30,039,776
<b>Deductions</b> - Property tax disbursement to others	<u>30,039,776</u>
<b>Net Change in Fiduciary Net Position</b>	-
<b>Net Position</b> - Beginning of year	<u>-</u>
<b>Net Position</b> - End of year	<u><u>\$ -</u></u>

Draft

**Note 1 - Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies used by the Township of Hamburg (the "Township"):

**Reporting Entity**

The Township of Hamburg is governed by an elected seven-member board. The accompanying financial statements present the Township.

**Accounting and Reporting Principles**

The Township follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

**Report Presentation**

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.



**Note 1 - Summary of Significant Accounting Policies (Continued)**

***Fund Accounting***

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

**Governmental Funds**

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and a capital project fund. The Township reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Police Special Revenue Fund and Fire Special Revenue Fund are for full-service departments whose main source of revenue comes from voter-approved millages on all real property. The funds provide safety, fire suppression, fire prevention, and emergency medical services in the Township.
- The 2020 Road Fund accounts for improvements to various roads in the Township. Its main source of revenue comes from special assessments.
- The Water System Debt Service Fund accounts for debt service payments related to the water system. The main source of revenue is the collection of special assessments. The General Fund made advances to this fund to meet current obligations.
- The Library Fund provides public library services to the residents of Hamburg Township. Its main source of revenue comes from a voter-approved millage.

**Proprietary Funds**

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Township reports the following fund as a major enterprise fund:

- The Sewer Fund accounts for the results of operations that provide sewer services to citizens and is financed primarily by a user charge for the provision of those services.

**Fiduciary Funds**

Additionally, the Township reports the Current Tax Collection Fund as a custodial fund. The custodial fund accounts for assets held by the Township in a trustee capacity.

**Interfund Activity**

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Specific Balances and Transactions***

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

**Receivables and Payables**

In general, outstanding balances between funds are reported as due to/from other funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as advances to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and property tax receivables are shown as net of an allowance for uncollectible amounts.

**Restricted Assets**

Restricted assets in the 2020 Road Fund and the Sewer Fund consist of cash and cash equivalents restricted for debt payments and capital improvements.

**Capital Assets**

Capital assets, which include property, plant, equipment, intangibles, and infrastructure, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year for non-computer-related assets and \$500 for computer equipment. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings and building improvements	5-50
Machinery and tools	3-15
Vehicles, boats, and related equipment	3-7
Office furnishings and equipment	3-10
Library collection materials	10
Leasehold improvements	50
Business-type activities - Utility system	3-50

**Long-term Obligations**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term debt. The Sewer Fund is used to liquidate proprietary fund long-term debt.

**Unearned Revenue**

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of June 30, 2024, the General Fund balance of unearned revenue includes \$10,701 of American Rescue Plan Act cash received in advance of eligibility criteria being met. Unearned amounts are reported as liabilities.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that falls into this category, the deferred outflows of resources related to the defined benefit pension plan. The deferred outflows of resources related to the defined benefit pension plan are reported in the government-wide financial statements.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Township has two items that qualify for reporting in this category, deferred inflows of resources related to unavailable revenue and deferred inflows of resources related to pensions. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflows of resources related to the defined benefit pension plan are reported in the government-wide financial statements.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Net Position**

Net position of the Township is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

**Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied. Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Township's board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township's board has by resolution authorized the finance director to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

June 30, 2024

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Property Tax Revenue**

The taxable valuation of the Township totaled \$1.317 billion. Property taxes are levied and become a lien on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. The amounts are recognized in the financial statements as tax revenue net of delinquent tax revenue and administrative fees.

The Township's approximate property tax levy for the year ended June 30, 2024 was as follows:

Purpose	Millage Rate	Revenue
Operating	0.7948	\$ 1,049,000
Police	2.4056	3,175,000
Fire	1.6663	2,199,000
Library	0.9000	1,188,000
Roads	0.5000	660,000
Total		<u>\$ 8,271,000</u>

**Pension**

The Township offers a defined benefit pension plan to its employees. The Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Compensated Absences (Vacation and Sick Leave)**

It is the Township's policy to permit employees to accumulate earned but unused sick and vacation time. Sick and vacation time is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements. Generally, the funds that report each employee's compensation (the General, Police Special Revenue, Fire Special Revenue, Parks and Recreation, and Sewer funds primarily) are used to liquidate obligation.

**Proprietary Funds Operating Classification**

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Sewer Fund is charges to customers for sales and services. The Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.



**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Earmarked Fund Balance**

Fund balances in the Police Special Revenue Fund are restricted by law as part of a special voted levy to be used only for those purposes. The Township's board has further earmarked resources within those funds to be used as follows:

Fund	Purpose	Amount
Police Special Revenue	Retiree leave time	\$ 20,742
Police Special Revenue	Building maintenance	25,000
Total		<u>\$ 45,742</u>

**Upcoming Accounting Pronouncement**

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Township's financial statements for the year ending June 30, 2025.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the Township's financial statements for the year ending June 30, 2025.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Township's financial statements for the year ending June 30, 2026.

**Accounting Changes and Error Corrections**

**Changes to or within the Financial Reporting Entity**

**Change in Major Funds**

The Road Fund was previously reported as a major fund but is now reported as a nonmajor fund for fiscal year 2024. The effects of this change in major funds are shown in the table at the end of this section.

June 30, 2024

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Adjustments to and Restatements of Beginning Balances**

During fiscal year 2024, the changes noted above resulted in adjustments to and restatements of beginning governmental funds fund balance as follows:

	June 30, 2023		June 30, 2023
	As Previously Reported	Change in Major Funds	As Adjusted
Governmental funds:			
Major funds:			
Road Fund	\$ 1,220,348	\$ (1,220,348)	\$ -
Nonmajor funds	\$ 876,557	\$ 1,220,348	\$ 2,096,905

**Note 2 - Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated 14 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of the above-mentioned investment vehicles.

The Township's cash and investments are subject to various types of risk, which are examined in more detail below:

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had bank deposits of \$14,432,550 (certificates of deposit and checking and savings accounts) that were uninsured or uncollateralized.

***Credit Risk***

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Michigan CLASS investment pool	\$ 6,450,050	AAAm	S&P
U.S. government agency securities	499,314	AA+	S&P
Total	\$ 6,949,364		

June 30, 2024

**Note 2 - Deposits and Investments (Continued)**

**Concentration of Credit Risk**

The Township places no limit on the amount it may invest in any one issuer. There are no investments held by the Township with a 5 percent or more concentration in the current year.

**Fair Value Measurements**

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (NAV) (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Township has the following recurring fair value measurements as of June 30, 2024:

	Assets Measured at Fair Value on a Recurring Basis			
	Balance at June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at net asset value (NAV) - Michigan CLASS investment pool	\$ 6,450,050	\$ -	\$ -	\$ -
U.S. government agency securities	-	499,314	-	-

**Investments in Entities that Calculate Net Asset Value per Share**

The Township holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At June 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
<b>Assets</b>				
Total investments measured at NAV - Michigan CLASS investment pool	\$ 6,450,050	\$ -	\$ -	\$ -

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.



June 30, 2024

**Note 3 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor governmental funds	General Fund	\$ 16,563
Sewer Fund	Nonmajor governmental funds	14,649
	Total	<u>\$ 31,212</u>

The Township has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
General Fund	Water System Debt Service Fund	\$ 459,648

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund advances reported in the fund financial statements are related to the purchase of the water system assets and payment of the related debt. The advance is due from the Water System Debt Service Fund to the General Fund, with payment due once the system generates revenue from the user charge for the provision of water services.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Water System Debt Service Fund	\$ 154,000
	Police Special Revenue Fund	167,161
	Nonmajor governmental funds	<u>595,831</u>
	Total General Fund	916,992

Transfers were for capital purchases and general operations.

June 30, 2024

**Note 4 - Capital Assets**

Capital asset activity of the Township's governmental and business-type activities was as follows:

**Governmental Activities**

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated - Land	\$ 1,470,108	\$ -	\$ -	\$ 1,470,108
Capital assets being depreciated:				
Intangible rights	8,878,138	-	-	8,878,138
Buildings and improvements	15,263,943	2,020,980	-	17,284,923
Machinery and equipment	2,558,007	145,826	-	2,703,833
Vehicles	2,941,533	413,211	(33,061)	3,321,683
Office furnishings	1,695,852	17,559	-	1,713,411
Library collection material	949,150	32,094	(116,874)	864,370
Land improvements	1,067,950	-	-	1,067,950
Subtotal	33,354,573	2,629,670	(149,935)	35,834,308
Accumulated depreciation:				
Intangible rights	749,159	178,988	-	928,147
Buildings and improvements	7,382,125	424,373	-	7,806,498
Machinery and equipment	1,807,476	257,490	-	2,064,966
Vehicles	2,116,589	463,108	(33,061)	2,546,636
Office furnishings	1,623,777	42,246	-	1,666,023
Library collection materials	935,827	27,112	(116,874)	846,065
Land improvements	283,124	25,244	-	308,368
Subtotal	14,898,077	1,418,561	(149,935)	16,166,703
Net capital assets being depreciated	18,456,496	1,211,109	-	19,667,605
Net governmental activities capital assets	<u>\$ 19,926,604</u>	<u>\$ 1,211,109</u>	<u>\$ -</u>	<u>\$ 21,137,713</u>

June 30, 2024

**Note 4 - Capital Assets (Continued)**

***Business-type Activities***

	Balance July 1, 2023	Reclassifications and Adjustments	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 1,303,361	\$ -	\$ -	\$ -	\$ 1,303,361
Construction in progress - Sewer hookups	381,958	(174,975)	-	-	206,983
Construction in progress - Other	50,287	-	-	-	50,287
Subtotal	1,735,606	(174,975)	-	-	1,560,631
Capital assets being depreciated:					
Utility system	28,434,196	174,975	74,263	-	28,683,434
Buildings and improvements	8,066,933	-	-	-	8,066,933
Machinery and equipment	573,249	-	326,422	(30,583)	869,088
GPS system	5,779,208	-	323,820	-	6,103,028
Subtotal	42,853,586	174,975	724,505	(30,583)	43,722,483
Accumulated depreciation:					
Utility system	12,052,749	-	595,680	-	12,648,429
Buildings and improvements	2,972,231	-	160,736	-	3,132,967
Machinery and equipment	423,743	-	89,308	(30,583)	482,468
GPS system	4,402,078	-	256,355	-	4,658,433
Subtotal	19,850,801	-	1,020,799	(30,583)	20,922,297
Net capital assets being depreciated	23,002,785	174,975	(377,574)	-	22,800,186
Net business-type activities capital assets	<u>\$ 24,738,391</u>	<u>\$ -</u>	<u>\$(377,574)</u>	<u>\$ -</u>	<u>\$ 24,360,817</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 435,577
Public safety	829,854
Public works	30,105
Recreation and culture	123,025
Total governmental activities	<u>\$ 1,418,561</u>

June 30, 2024

**Note 5 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2024 can be summarized as follows:

**Governmental Activities**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Other debt:							
2012 Water system project refunding bond:							
Amount of issue - \$1,730,000	2.00%-	\$60,000-					
Maturing through 2031	3.50%	\$115,000	\$ 920,000	\$ -	\$ (100,000)	\$ 820,000	\$ 100,000
2008 Special assessment:							
Amount of issue - \$1,435,000	3.00%-	\$50,000-					
Maturing through 2028	4.20%	\$125,000	525,000	-	(100,000)	425,000	100,000
2010 Special assessment:							
Amount of issue - \$445,000							
Portion related to governmental activities -							
\$431,240	3.25%-	\$19,382-					
Maturing through 2030	5.75%	\$24,225	140,505	-	(24,225)	116,280	19,380
2020 Special assessment:							
Amount of issue - \$3,315,000							
Portion related to governmental activities -							
\$3,280,822	1.00%-	\$272,170-					
Maturing through 2030	1.30%	\$341,450	2,372,095	-	(336,495)	2,035,600	336,495
Total other debt			3,957,600	-	(560,720)	3,396,880	555,875
Unamortized bond premiums			4,973	-	(120)	4,853	-
Subtotal			3,962,573	-	(560,840)	3,401,733	555,875
Accumulated compensated absences			611,410	285,933	(286,977)	610,366	286,450
Total governmental activities long-term debt			<u>\$ 4,573,983</u>	<u>\$ 285,933</u>	<u>\$ (847,817)</u>	<u>\$ 4,012,099</u>	<u>\$ 842,325</u>

June 30, 2024

**Note 5 - Long-term Debt (Continued)**

**Business-type Activities**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Other debt:							
2010 Special assessment:							
Amount of issue - \$445,000							
Portion related to business-							
type activities - \$13,760							
3.00%-							
5.75%	\$618-\$775	\$	4,495	\$	-	\$ (775)	\$ 3,720
							620
Maturing through 2030							
Revenue bonds -							
2007 Waste Water Treatment							
Plant:							
Amount of issue - \$4,590,000							
3.60%-		\$210,000-					
4.20%		\$300,000	875,000	-	(280,000)	595,000	-
Maturing through 2028							
2010 Limited Tax G.O. bonds:							
Amount of issue - \$3,265,000							
		\$125,000-					
2.50%		\$205,000	1,500,000	-	(170,000)	1,330,000	175,000
Maturing through 2030							
2020 Special assessment:							
Amount of issue - \$3,315,000							
Portion related to business-							
type activities - \$34,178							
1.00%-		\$2,830-					
1.30%		\$3,550	24,744	-	(3,505)	21,239	3,505
Maturing through 2030							
Total other debt			2,404,239	-	(454,280)	1,949,959	179,125
Direct placement debt:							
State Revolving Fund Bonds -							
2009 Limited Tax G.O. bonds:							
Amount of issue - \$1,235,202							
2.50%		\$49,202-					
		\$80,000	489,202	-	(70,000)	419,202	70,000
Maturing through 2030							
Subtotal			2,893,441	-	(524,280)	2,369,161	249,125
Accumulated compensated							
absences			32,808	29,019	(16,404)	45,423	16,404
Total business-type							
activities long-term							
debt			\$ 2,926,249	\$ 29,019	\$ (540,684)	\$ 2,414,584	\$ 265,529

**Note 5 - Long-term Debt (Continued)**

**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Other Debt				
	Principal	Interest	Total		
2025	\$ 555,875	\$ 53,139	\$ 609,014		
2026	550,875	44,197	595,072		
2027	555,823	35,232	591,055		
2028	575,823	26,343	602,166		
2029	475,823	15,616	491,439		
2030-2034	682,661	18,002	700,663		
Total	\$ 3,396,880	\$ 192,529	\$ 3,589,409		

  

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		
	Principal	Interest	Principal	Interest	Total
2025	\$ 70,000	\$ 9,605	\$ 179,125	\$ 62,658	\$ 321,388
2026	70,000	7,855	484,125	45,973	607,953
2027	75,000	6,043	484,177	28,774	593,994
2028	75,000	4,168	194,177	17,749	291,094
2029	80,000	2,230	199,177	12,794	294,201
2030-2034	49,202	615	409,178	10,223	469,218
Total	\$ 419,202	\$ 30,516	\$ 1,949,959	\$ 178,171	\$ 2,577,848

**Revenue Bond**

The Township has pledged substantially all revenue of the Sewer Fund, net of operating expenses, to repay the above sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the wastewater treatment plant. The bonds are payable solely from the net revenue of the sewer system. The remaining principal and interest to be paid on the bonds total \$650,685. During the current year, net revenue of the sewer system was \$291,988, compared to the annual debt requirements on the revenue bond of \$327,524. These debt requirements do not include amounts obligated for other business-type debt.

**Defeased Debt**

In prior years, the Township defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2024, outstanding bonds totaling \$650,000 are considered defeased.

**Note 6 - Defined Contribution Pension Plan**

The Township provides pension benefits to all of its full-time employees, except police officers, through a defined contribution plan administered through the Michigan Municipal Employees' Retirement System. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the Township's board, the Township contributes 10 percent of employees' gross earnings. Employees fully vest after one year of service. In accordance with these requirements, the Township contributed approximately \$356,000 during the year.

**Note 7 - Investment in Joint Ventures**

The Township is a member of the Portage - Base Lakes Area Water and Sewer Authority (the "Authority"), which provides sewer services to the residents of Hamburg, Dexter, Putnam, and Webster townships. The residents of the participating communities provide annual funding for its operations via sewer billings. The Township is unaware of any circumstance that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Authority can be obtained from the administrative offices at 10405 Merrill Road, Hamburg, MI 48139.

The Township is a member of the Livingston Community Water Authority (the "Water Authority"), which provides water services to the residents of Hamburg, Brighton, and Green Oak townships. As services are provided, the residents of participating communities provide annual funding for its operations via water billings. The Water Authority began providing service to township residents during the year ended June 30, 2010. The Township is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future.

**Note 8 - Pension Plan**

***Plan Description***

The Township of Hamburg participates in the Michigan Municipal Employees' Retirement System (MERS or MERS of Michigan), an agent multiple-employer defined benefit pension plan that covers employees of the Township hired prior to 1997. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

***Funding Policy***

The obligation to contribute to and maintain MERS for these employees was established by negotiation with the Township's competitive bargaining units and requires a contribution from the employees of 8 percent of wages. The Township is responsible for the remainder of the cost of the plan.

***Benefits Provided***

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

Retirement benefits for police employees are calculated as 2.50 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date limited to increases in the Consumer Price Index.

**Note 8 - Pension Plan (Continued)**

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the board of trustees, generally after negotiations of these terms with the affected unions. Police employees' benefit terms may be subject to binding arbitration in certain circumstances.

**Employees Covered by Benefit Terms**

The following members were covered by the benefit terms:

	<u>MERS of Michigan</u>
Date of member count	December 31, 2023
Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	15
Pending refunds	<u>3</u>
Total employees covered by the plan	<u><u>33</u></u>

**Contributions**

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2023, the Township's employer and employee contributions totaled \$355,571 and \$140,232, respectively.

**Net Pension Liability**

The June 30, 2024 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2023 measurement date. The December 31, 2023 measurement date total pension liability was determined by an actuarial valuation performed as of that date.



**Note 8 - Pension Plan (Continued)**

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2022</b>	\$ 8,901,868	\$ 6,325,545	\$ 2,576,323
Changes for the year:			
Service cost	228,050	-	228,050
Interest	643,500	-	643,500
Differences between expected and actual experience	239,869	-	239,869
Changes in assumptions	93,273	-	93,273
Contributions - Employer	-	355,571	(355,571)
Contributions - Employee	-	140,232	(140,232)
Net investment income	-	737,609	(737,609)
Benefit payments, including refunds	(280,057)	(280,057)	-
Administrative expenses	-	(15,262)	15,262
Net changes	924,635	938,093	(13,458)
<b>Balance at December 31, 2023</b>	<u>\$ 9,826,503</u>	<u>\$ 7,263,638</u>	<u>\$ 2,562,865</u>

The plan's fiduciary net position represents 74 percent of the total pension liability.

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2024, the Township recognized pension expense of \$558,215.

At June 30, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 341,984	\$ (36,220)
Changes in assumptions	390,297	-
Net difference between projected and actual earnings on pension plan investments	325,633	-
Employer contributions to the plan subsequent to the measurement date	184,656	-
Total	<u>\$ 1,242,570</u>	<u>\$ (36,220)</u>

**Note 8 - Pension Plan (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2025	\$ 292,580
2026	327,346
2027	369,339
2028	41,815
Total	<u>\$ 1,031,080</u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2023 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases of 3.00 percent (with merit increase totaling up to 6.7 percent), an investment rate of return (net of investment expenses and including inflation) of 7.18 percent, and the Pub-10 Mortality Tables with MP-2019 fully generational improvements. These assumptions were applied to all periods included in the measurement and are based on an experience study conducted for the period from January 1, 2014 through December 31, 2018.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.18 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Investment Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of the December 31, 2023 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

**Note 8 - Pension Plan (Continued)**

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the Township, calculated using the discount rate of 7.18 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.18%)	Current Discount Rate (7.18%)	1 Percentage Point Increase (8.18%)
Net pension liability of the Township	\$ 4,053,660	\$ 2,562,865	\$ 1,349,944

***Pension Plan Fiduciary Net Position***

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**Note 9 - Assets Restricted for Capital and Debt**

Restricted assets in the Sewer Fund as of June 30, 2024 consist of the following:

Bank deposits and investments - Special assessment collections	\$ 4,517,478
Bank deposits and investments - Bond reserves	496,587
Special assessment receivables	<u>36,739</u>
Total	<u>\$ 5,050,804</u>

These assets are restricted specifically for various capital improvements, as well as the payment of the related debt.

In addition to the assets that are restricted, the board has further earmarked unrestricted net position in the amount \$350,000 for grinder pumps.

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## Required Supplementary Information

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Draft

**Township of Hamburg**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

**Year Ended June 30, 2024**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,049,408	\$ 1,051,388	\$ 1,051,479	\$ 91
State-shared revenue and grants	2,433,991	3,772,591	3,770,335	(2,256)
Charges for services	612,950	646,330	649,295	2,965
Licenses and permits	350,000	307,000	303,945	(3,055)
Investment income	185,000	185,000	352,126	167,126
Other revenue	8,600	98,600	96,541	(2,059)
Total revenue	4,639,949	6,060,909	6,223,721	162,812
<b>Expenditures</b>				
Current services:				
General government:				
Legislative - Township board	160,839	146,339	132,901	13,438
Township supervisor	137,775	138,075	132,067	6,008
Accounting	337,400	337,400	288,358	49,042
Treasurer	245,860	250,410	247,170	3,240
Assessing	337,000	345,000	345,213	(213)
Board of review	3,564	3,814	1,793	2,021
Clerk	275,745	274,245	266,445	7,800
Buildings and grounds	569,870	655,870	676,243	(20,373)
Elections	413,225	354,825	328,924	25,901
Cemetery	63,029	84,829	81,723	3,106
Unallocated	418,035	430,435	428,980	1,455
Mapping	151,195	151,195	151,243	(48)
Public safety:				
Planning commission	9,190	1,319,490	1,314,310	5,180
Zoning administrator	276,090	276,090	256,472	19,618
Public works - Street lighting	17,500	17,500	24,688	(7,188)
Total expenditures	3,416,317	4,785,517	4,676,530	108,987
<b>Excess of Revenue Over Expenditures</b>	1,223,632	1,275,392	1,547,191	271,799
<b>Other Financing Uses- Transfers out</b>	(749,831)	(749,831)	(916,992)	(167,161)
<b>Net Change in Fund Balance</b>	473,801	525,561	630,199	104,638
<b>Fund Balance - Beginning of year</b>	6,857,754	6,857,754	6,857,754	-
<b>Fund Balance - End of year</b>	<u>\$ 7,331,555</u>	<u>\$ 7,383,315</u>	<u>\$ 7,487,953</u>	<u>\$ 104,638</u>

**Township of Hamburg**

Required Supplementary Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds  
 Police Special Revenue Fund

**Year Ended June 30, 2024**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 3,168,249	\$ 3,174,249	\$ 3,174,270	\$ 21
State-shared revenue and grants	11,500	10,900	19,268	8,368
Charges for services	18,000	26,810	27,408	598
Fines and forfeitures	10,000	10,000	12,304	2,304
Investment income	3,000	-	4,722	4,722
Other revenue	5,850	9,750	4,020	(5,730)
Total revenue	3,216,599	3,231,709	3,241,992	10,283
<b>Expenditures</b> - Current services - Public safety	3,433,250	3,599,050	3,763,632	(164,582)
<b>Excess of Expenditures Over Revenue</b>	(216,651)	(367,341)	(521,640)	(154,299)
<b>Other Financing Sources</b>				
Transfers in	-	-	167,161	167,161
Proceeds from sale of capital assets	14,200	36,100	36,189	89
Total other financing sources	14,200	36,100	203,350	167,250
<b>Net Change in Fund Balance</b>	(202,451)	(331,241)	(318,290)	12,951
<b>Fund Balance</b> - Beginning of year	387,391	387,391	387,391	-
<b>Fund Balance</b> - End of year	<u>\$ 184,940</u>	<u>\$ 56,150</u>	<u>\$ 69,101</u>	<u>\$ 12,951</u>

**Township of Hamburg**

Required Supplementary Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)  
 Fire Special Revenue Fund

**Year Ended June 30, 2024**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 2,194,446	\$ 2,198,646	\$ 2,198,724	\$ 78
State-shared revenue and grants	7,500	19,500	50,831	31,331
Investment income	11,000	11,000	20,694	9,694
Other revenue	1,700	2,700	7,320	4,620
Total revenue	2,214,646	2,231,846	2,277,569	45,723
<b>Expenditures</b> - Current services - Public safety	2,651,500	3,155,300	3,132,300	23,000
<b>Other Financing Sources</b> - Proceeds from sale of capital assets	-	-	1,064	1,064
<b>Net Change in Fund Balance</b>	(436,854)	(923,454)	(853,667)	69,787
<b>Fund Balance</b> - Beginning of year	1,201,587	1,201,587	1,201,587	-
<b>Fund Balance</b> - End of year	<u>\$ 764,733</u>	<u>\$ 278,133</u>	<u>\$ 347,920</u>	<u>\$ 69,787</u>

## Township of Hamburg

### Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Library

**Year Ended June 30, 2024**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,180,557	\$ 1,180,557	\$ 1,187,735	\$ 7,178
State-shared revenue and grants	-	-	3,300	3,300
Charges for services	2,500	2,500	7,530	5,030
Fines and forfeitures	31,700	31,700	42,857	11,157
Investment income	14,100	14,100	109,407	95,307
Other revenue	22,150	22,150	60,020	37,870
Total revenue	1,251,007	1,251,007	1,410,849	159,842
<b>Expenditures</b>				
Current services - Recreation and culture				
Recreation and culture	1,136,018	1,136,018	1,091,966	44,052
Capital outlay	181,450	181,450	214,673	(33,223)
Total expenditures	1,317,468	1,317,468	1,306,639	10,829
<b>Net Change in Fund Balance</b>	(66,461)	(66,461)	104,210	170,671
<b>Fund Balance - Beginning of year</b>	2,670,666	2,670,666	2,670,666	-
<b>Fund Balance - End of year</b>	<u>\$ 2,604,205</u>	<u>\$ 2,604,205</u>	<u>\$ 2,774,876</u>	<u>\$ 170,671</u>



Required Supplementary Information  
Schedule of Changes in the Net Pension Liability and Related Ratios

Last Ten Fiscal Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 228,050	\$ 243,506	\$ 212,933	\$ 186,860	\$ 179,586	\$ 163,286	\$ 144,978	\$ 144,998	\$ 136,560	\$ 140,114
Interest	643,500	589,662	543,795	495,968	469,873	428,782	377,453	355,282	341,639	321,016
Changes in benefit terms	-	-	-	-	-	(16,614)	-	-	-	-
Differences between expected and actual experience	239,869	177,213	53,011	(80,502)	32,648	170,095	374,735	31,024	(118,137)	-
Changes in assumptions	93,273	-	393,101	253,987	206,796	-	-	-	154,994	-
Benefit payments, including refunds	(280,057)	(240,054)	(240,054)	(240,054)	(240,055)	(240,054)	(289,381)	(218,914)	(219,763)	(198,979)
<b>Net Change in Total Pension Liability</b>	924,635	770,327	962,786	616,259	648,848	505,495	607,785	312,390	295,293	262,151
<b>Total Pension Liability - Beginning of year</b>	8,901,868	8,131,541	7,168,755	6,552,496	5,903,648	5,398,153	4,790,368	4,477,978	4,182,685	3,920,534
<b>Total Pension Liability - End of year</b>	<b>\$ 9,826,503</b>	<b>\$ 8,901,868</b>	<b>\$ 8,131,541</b>	<b>\$ 7,168,755</b>	<b>\$ 6,552,496</b>	<b>\$ 5,903,648</b>	<b>\$ 5,398,153</b>	<b>\$ 4,790,368</b>	<b>\$ 4,477,978</b>	<b>\$ 4,182,685</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 355,571	\$ 329,504	\$ 531,989	\$ 501,992	\$ 466,754	\$ 429,314	\$ 160,286	\$ 152,997	\$ 122,766	\$ 97,254
Contributions - Employee	140,232	128,925	122,199	116,787	110,780	101,815	114,745	80,300	74,762	78,405
Net investment (loss) income	737,609	(759,627)	801,126	734,718	527,409	(155,149)	422,715	326,985	(43,814)	177,156
Administrative expenses	(15,262)	(12,889)	(9,440)	(9,712)	(9,148)	(7,273)	(6,692)	(6,448)	(6,398)	(8,025)
Benefit payments, including refunds	(280,057)	(240,054)	(240,054)	(240,054)	(240,055)	(240,054)	(289,381)	(218,914)	(219,763)	(198,979)
<b>Net Change in Plan Fiduciary Net Position</b>	938,093	(554,141)	1,205,820	1,103,731	855,740	128,653	401,673	334,920	(72,447)	145,811
<b>Plan Fiduciary Net Position - Beginning of year</b>	6,325,545	6,879,686	5,673,866	4,570,135	3,714,395	3,585,742	3,184,069	2,849,149	2,921,596	2,775,785
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 7,263,638</b>	<b>\$ 6,325,545</b>	<b>\$ 6,879,686</b>	<b>\$ 5,673,866</b>	<b>\$ 4,570,135</b>	<b>\$ 3,714,395</b>	<b>\$ 3,585,742</b>	<b>\$ 3,184,069</b>	<b>\$ 2,849,149</b>	<b>\$ 2,921,596</b>
<b>Township's Net Pension Liability - Ending</b>	<b>\$ 2,562,865</b>	<b>\$ 2,576,323</b>	<b>\$ 1,251,855</b>	<b>\$ 1,494,889</b>	<b>\$ 1,982,361</b>	<b>\$ 2,189,253</b>	<b>\$ 1,812,411</b>	<b>\$ 1,606,299</b>	<b>\$ 1,628,829</b>	<b>\$ 1,261,089</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	73.92 %	71.06 %	84.60 %	79.15 %	69.75 %	62.92 %	66.43 %	66.47 %	63.63 %	69.85 %
<b>Covered Payroll</b>	\$ 1,570,859	\$ 1,611,558	\$ 1,527,493	\$ 1,459,843	\$ 1,405,208	\$ 1,296,950	\$ 1,146,980	\$ 1,147,139	\$ 1,071,897	\$ 1,099,797
<b>Township's Net Pension Liability as a Percentage of Covered Payroll</b>	163.15 %	159.87 %	81.95 %	102.40 %	141.07 %	168.80 %	158.02 %	140.03 %	151.96 %	114.67 %



**Budgetary Information**

The annual budget is prepared by the township supervisor and adopted by the township board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2024 has not been calculated. During the year, the budget was amended in a legally permissible manner.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers, debt proceeds, and sale of assets have been included in the revenue and expenditures categories, rather than as other financing sources (uses). All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the fund level. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law. Comparison of actual results of operations to the budgets of the General Fund, Police Special Revenue Fund, and Fire Special Revenue Fund, as adopted by the township board, is included in the required supplementary information of the basic financial statements. The additional detail in this statement is shown in greater detail than the budget that was adopted and is used to provide additional analysis for management use only. A comparison of actual results of operations to the budget for nonmajor special revenue funds, as adopted by the board, is available at the township hall for inspection.

A reconciliation of the budgetary comparison schedule to the fund-based statement of revenue, expenses, and changes in fund balance is as follows:

	Total Revenue	Total Expenditures	Other Financing Uses	Fund Balance
General Fund - Amounts per operating statement	\$ 6,243,283	\$ 4,694,052	\$ 916,992	\$ 7,473,171
General Fund - Amounts related to the Hillside Lakes SAD, which is consolidated in the General Fund	(19,562)	(17,522)	-	14,782
Amounts per budget statement	<u>\$ 6,223,721</u>	<u>\$ 4,676,530</u>	<u>\$ 916,992</u>	<u>\$ 7,487,953</u>

The Township had the following expenditures over budgeted amounts due to timing of payments and expenses incurred near June 30, 2024:

	Budget	Actual	Variance
General Fund - Assessing	\$ 345,000	\$ 345,213	\$ (213)
General Fund - Buildings and grounds	655,870	676,301	(20,431)
General Fund - Mapping	151,195	151,918	(723)
General Fund - Street lighting	17,500	24,688	(7,188)
General Fund - Transfers out	749,831	916,992	(167,161)
Police Special Revenue Fund - Public safety	3,599,050	3,764,233	(165,183)
Library - Capital outlay	181,450	214,673	(33,223)

***Pension Information***

**Changes in Assumptions**

Assumption changes in 2024 (December 31, 2023 measurement date) are the result of a reduction in the investment rate of return assumption from 7.25 percent to 7.18 percent.

Assumption changes in 2022 (December 31, 2021 measurement date) are the result of a reduction in the investment rate of return assumption from 7.60 to 7.25 percent.

Assumption changes in 2021 (December 31, 2020 measurement date) are the result of changes to the demographic assumptions resulting from the experience study from 2013 to 2018. The most significant changes made were to the mortality rates and assumed rate of mortality improvement to a version of the Pub-10 Mortality Tables and fully generational mortality improvement projections with Scale MP-2019.

Assumption changes in 2020 (December 31, 2019 measurement date) are the result of a reduction in the investment rate of return assumption from 7.75 to 7.35 percent and a change in the assumed rate of wage inflation from 3.75 to 3.00 percent.

Assumption changes in 2016 (December 31, 2015 measurement date) are the result of the investment rate of return assumption reduced from 8.25 to 8.00 percent.

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## Supplementary Information

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Draft

**June 30, 2024**

	Special Revenue Funds					
	Parks and Recreation	Drug Law Enforcement	Road	Cemetery Perpetual Care	PA1 Training	Mumford Park Debt Service
<b>Assets</b>						
Cash and cash equivalents	\$ 683,046	\$ 3,950	\$ 1,317,233	\$ 8,168	\$ 9,034	\$ 3,662
Receivables:						
Special assessments receivable	-	-	-	-	-	-
Other receivables	1,090	-	-	-	-	-
Accrued interest receivable	-	-	9,418	-	-	-
Due from other funds	-	-	-	-	-	16,563
Prepaid expenses and other assets	5,897	-	-	-	-	-
<b>Total assets</b>	<b>\$ 690,033</b>	<b>\$ 3,950</b>	<b>\$ 1,326,651</b>	<b>\$ 8,168</b>	<b>\$ 9,034</b>	<b>\$ 20,225</b>
<b>Liabilities</b>						
Accounts payable	\$ 65,005	\$ -	\$ 12,032	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	14,649
Accrued liabilities and other	16,182	-	-	-	-	-
<b>Total liabilities</b>	<b>81,187</b>	<b>-</b>	<b>12,032</b>	<b>-</b>	<b>-</b>	<b>14,649</b>
<b>Deferred Inflows of Resources</b> - Unavailable revenue	1,090	-	-	-	-	-
<b>Fund Balances</b>						
Nonspendable - Prepays	5,897	-	-	-	-	-
Restricted:						
Roads	-	-	1,314,619	-	-	-
Police	-	3,950	-	-	9,034	-
Debt service	-	-	-	-	-	5,576
Capital projects	-	-	-	-	-	-
Parks and recreation	601,859	-	-	-	-	-
Future cemetery expenditures	-	-	-	8,168	-	-
<b>Total fund balances</b>	<b>607,756</b>	<b>3,950</b>	<b>1,314,619</b>	<b>8,168</b>	<b>9,034</b>	<b>5,576</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 690,033</b>	<b>\$ 3,950</b>	<b>\$ 1,326,651</b>	<b>\$ 8,168</b>	<b>\$ 9,034</b>	<b>\$ 20,225</b>

**Township of Hamburg**

**Supplementary Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds**

**June 30, 2024**

Fire Station Debt Service	Bob White Beach North RD IM SAD	Forest Creek Court RD IM SAD	Shan-gri-La Subdivision RD IM SAD	Orchard Village Subdivision RD IM SAD	Margaret Drive RD IM SAD	River Run Subdivision RD IM SAD	Crystal DR & Beach Subdivision RD IM SAD	Zukey & Redding Drive RD IM SAD
\$ 95,573	\$ 89,238	\$ 40,745	\$ 168,583	\$ 41,763	\$ 50,846	\$ 42,019	\$ 154,352	\$ 83,568
-	-	-	-	-	-	-	-	-
683	638	291	1,205	299	364	300	1,104	598
-	-	-	-	-	-	-	-	-
<b>\$ 96,256</b>	<b>\$ 89,876</b>	<b>\$ 41,036</b>	<b>\$ 169,788</b>	<b>\$ 42,062</b>	<b>\$ 51,210</b>	<b>\$ 42,319</b>	<b>\$ 155,456</b>	<b>\$ 84,166</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
96,256	89,876	41,036	169,788	42,062	51,210	42,319	155,456	84,166
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
96,256	89,876	41,036	169,788	42,062	51,210	42,319	155,456	84,166
<b>\$ 96,256</b>	<b>\$ 89,876</b>	<b>\$ 41,036</b>	<b>\$ 169,788</b>	<b>\$ 42,062</b>	<b>\$ 51,210</b>	<b>\$ 42,319</b>	<b>\$ 155,456</b>	<b>\$ 84,166</b>

Supplementary Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds

**June 30, 2024**

	Capital Project Fund		Maragaret DR Area Canal Dredging SAD	Fox Pointe Beach Subdivision RD IM SAD	Maintenance SADs	Total
	Teahen Meadows Subdivision RD IM SAD					
<b>Assets</b>						
Cash and cash equivalents	\$ 11,389	\$ 34,738	\$ 51,501	\$ 385,200	\$ 3,274,608	
Receivables:						
Special assessments receivable	-	-	-	85,523	85,523	
Other receivables	-	-	-	-	1,090	
Accrued interest receivable	81	248	368	2,273	17,870	
Due from other funds	-	-	-	-	16,563	
Prepaid expenses and other assets	-	-	-	-	5,897	
<b>Total assets</b>	<b>\$ 11,470</b>	<b>\$ 34,986</b>	<b>\$ 51,869</b>	<b>\$ 472,996</b>	<b>\$ 3,401,551</b>	
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 19,236	\$ 96,273	
Due to other funds	-	-	-	-	14,649	
Accrued liabilities and other	-	-	-	-	16,182	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,236</b>	<b>127,104</b>	
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,523</b>	<b>86,613</b>	
<b>Fund Balances</b>						
Nonspendable - Prepays	-	-	-	-	5,897	
Restricted:						
Roads	-	-	-	-	1,314,619	
Police	-	-	-	-	12,984	
Debt service	11,470	34,986	51,869	-	876,070	
Capital projects	-	-	-	368,237	368,237	
Parks and recreation	-	-	-	-	601,859	
Future cemetery expenditures	-	-	-	-	8,168	
<b>Total fund balances</b>	<b>11,470</b>	<b>34,986</b>	<b>51,869</b>	<b>368,237</b>	<b>3,187,834</b>	
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,470</b>	<b>\$ 34,986</b>	<b>\$ 51,869</b>	<b>\$ 472,996</b>	<b>\$ 3,401,551</b>	



Supplementary Information  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds

**Year Ended June 30, 2024**

	Special Revenue Funds					
	Parks and Recreation	Drug Law Enforcement	Road Fund	Cemetery Perpetual Care	PA1 Training	Mumford Park Debt Service
<b>Revenue</b>						
Property taxes	\$ -	\$ -	\$ 663,488	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
State-shared revenue and grants	-	-	3,696	-	-	-
Charges for services	32,959	-	-	-	-	-
Investment income	35,901	160	50,807	341	34	113
Other revenue	69,000	-	-	-	9,000	-
Total revenue	137,860	160	717,991	341	9,034	113
<b>Expenditures</b>						
Current services:						
Public works	-	-	-	-	-	-
Recreation and culture	570,227	-	-	-	-	-
Capital outlay	-	-	623,720	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	570,227	-	623,720	-	-	-
<b>Excess of Revenue (Under) Over Expenditures</b>	(432,367)	160	94,271	341	9,034	113
<b>Other Financing Sources</b> - Transfers in	595,831	-	-	-	-	-
<b>Net Change in Fund Balances</b>	163,464	160	94,271	341	9,034	113
<b>Fund Balances</b> - Beginning of year, as previously reported	444,292	3,790	-	7,827	-	5,463
<b>Change within financial reporting entity</b>	-	-	1,220,348	-	-	-
<b>Fund Balances</b> - Beginning of year, as adjusted or restated	444,292	3,790	1,220,348	7,827	-	5,463
<b>Fund Balances</b> - End of year	<u>\$ 607,756</u>	<u>\$ 3,950</u>	<u>\$ 1,314,619</u>	<u>\$ 8,168</u>	<u>\$ 9,034</u>	<u>\$ 5,576</u>

**Township of Hamburg**

Supplementary Information  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds

**Year Ended June 30, 2024**

Fire Station Debt Service	Bob White Beach North RD IM SAD	Forest Creek Court RD IM SAD	Shan-gri-La Subdivision RD IM SAD	Orchard Village Subdivision RD IM SAD	Margaret Drive RD IM SAD	River Run Subdivision RD IM SAD	Crystal DR & Beach Subdivision RD IM SAD	Zukey & Redding Drive RD IM SAD	Teahen Meadows Subdivision RD IM SAD	Maragaret DR Area Canal Dredging SAD
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	90,986	42,482	170,000	43,741	52,941	43,703	156,051	85,040	13,146	35,566
-	-	-	-	-	-	-	-	-	-	-
4,749	1,050	534	2,078	491	669	537	1,969	1,046	124	380
-	-	-	-	-	-	-	-	-	-	-
4,749	92,036	43,016	172,078	44,232	53,610	44,240	158,020	86,086	13,270	35,946
-	2,160	1,980	2,290	2,170	2,400	1,921	2,564	1,920	1,800	960
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	2,160	1,980	2,290	2,170	2,400	1,921	2,564	1,920	1,800	960
4,749	89,876	41,036	169,788	42,062	51,210	42,319	155,456	84,166	11,470	34,986
-	-	-	-	-	-	-	-	-	-	-
4,749	89,876	41,036	169,788	42,062	51,210	42,319	155,456	84,166	11,470	34,986
91,507	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
91,507	-	-	-	-	-	-	-	-	-	-
<b>\$ 96,256</b>	<b>\$ 89,876</b>	<b>\$ 41,036</b>	<b>\$ 169,788</b>	<b>\$ 42,062</b>	<b>\$ 51,210</b>	<b>\$ 42,319</b>	<b>\$ 155,456</b>	<b>\$ 84,166</b>	<b>\$ 11,470</b>	<b>\$ 34,986</b>

Supplementary Information  
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)  
Nonmajor Governmental Funds

**Year Ended June 30, 2024**

	Capital Project Fund		
	Fox Pointe Beach Subdivision RD IM SAD	Maintenance SADs	Total
<b>Revenue</b>			
Property taxes	\$ -	\$ -	\$ 663,488
Special assessments	54,847	251,656	1,040,159
State-shared revenue and grants	-	-	3,696
Charges for services	-	-	32,959
Investment income	721	15,313	117,017
Other revenue	-	-	78,000
Total revenue	55,568	266,969	1,935,319
<b>Expenditures</b>			
Current services:			
Public works	3,699	190,324	214,188
Recreation and culture	-	-	570,227
Capital outlay	-	-	623,720
Debt service	-	32,086	32,086
Total expenditures	3,699	222,410	1,440,221
<b>Excess of Revenue (Under) Over Expenditures</b>	51,869	44,559	495,098
<b>Other Financing Sources</b> - Transfers in	-	-	595,831
<b>Net Change in Fund Balances</b>	51,869	44,559	1,090,929
<b>Fund Balances</b> - Beginning of year, as previously reported	-	323,678	876,557
<b>Change within financial reporting entity</b>	-	-	1,220,348
<b>Fund Balances</b> - Beginning of year, as adjusted or restated	-	323,678	2,096,905
<b>Fund Balances</b> - End of year	\$ 51,869	\$ 368,237	\$ 3,187,834