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# Township of Hamburg

Livingston County, Michigan

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**Financial Report**  
**with Supplementary Information**  
**June 30, 2023**

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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, 2023 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, 2023 and the respective changes in its financial position 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 13.2 percent, 17.9 percent, and 9.2 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.

### ***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:

To the Board of Trustees  
Township of Hamburg

- 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.

#### ***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 other 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 5, 2023

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, 2023. 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, 2023:

- Interest income on investments experienced an increase in fiscal year 2022-2023. The Township received over \$450,000 of additional interest revenue in 2023 compared to 2022. The Township remains proactive in monitoring spending to ensure that it adds to net position for funding during potential future declines in the economy.
- Since fiscal year 2009-2010, the Township has been able to earmark approximately \$700,000 for future maintenance, vehicle, equipment, and flood prevention 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 \$60,062,290 at the close of the most recent fiscal year.

**The Township's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 20,049,088	\$ 20,270,158	\$ 6,564,354	\$ 7,239,344	\$ 26,613,442	\$ 27,509,502
Capital assets	19,926,604	20,101,624	24,738,391	24,848,011	44,664,995	44,949,635
Total assets	39,975,692	40,371,782	31,302,745	32,087,355	71,278,437	72,459,137
<b>Deferred Outflows of Resources</b>	1,458,066	937,054	-	-	1,458,066	937,054
<b>Liabilities</b>						
Current liabilities	2,435,709	3,360,181	121,698	393,169	2,557,407	3,753,350
Noncurrent liabilities	7,150,306	6,496,664	2,926,249	3,918,518	10,076,555	10,415,182
Total liabilities	9,586,015	9,856,845	3,047,947	4,311,687	12,633,962	14,168,532
<b>Deferred Inflows of Resources</b>	40,251	557,493	-	-	40,251	557,493
<b>Net Position</b>						
Net investment in capital assets	15,964,031	15,574,662	21,844,950	20,954,407	37,808,981	36,529,069
Restricted	10,806,239	11,255,002	4,180,312	6,242,949	14,986,551	17,497,951
Unrestricted	5,037,222	4,064,834	2,229,536	578,312	7,266,758	4,643,146
Total net position	<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>

The Township's combined net position increased from a year ago to \$60.1 million. The governmental activities net position is approximately \$31.8 million, up from \$30.9 million at June 30, 2022. The net position of the business-type activities (i.e., the Sewer Fund) is approximately \$28.3 million, a slight increase from a year ago.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations, is approximately \$5.0 million for the governmental activities, which is an increase from June 30, 2022. Unrestricted net position for the business-type activities is approximately \$2.2 million, which is an increase from the June 30, 2022 amount.

## Township of Hamburg

### Management's Discussion and Analysis (Continued)

The following table shows the changes in net position during 2023 and 2022:

#### **The Township's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 1,377,008	\$ 806,128	\$ 2,479,073	\$ 2,438,208	\$ 3,856,081	\$ 3,244,336
Operating grants	478,643	149,167	-	-	478,643	149,167
Capital grants	323,384	278,901	1,164,356	474,570	1,487,740	753,471
General revenue:						
Property taxes	8,350,857	7,824,836	-	-	8,350,857	7,824,836
State-shared revenue and grants	2,370,008	2,346,498	-	-	2,370,008	2,346,498
Investment earnings	420,569	38,215	137,219	25,482	557,788	63,697
Other revenue:						
Cable franchise fees	332,972	341,152	-	-	332,972	341,152
Proceeds from sale of capital assets	14,726	44,770	-	-	14,726	44,770
Other miscellaneous income	65,329	36,024	-	-	65,329	36,024
<b>Total revenue</b>	<b>13,733,496</b>	<b>11,865,691</b>	<b>3,780,648</b>	<b>2,938,260</b>	<b>17,514,144</b>	<b>14,803,951</b>
<b>Expenses</b>						
General government	3,947,234	1,766,435	-	-	3,947,234	1,766,435
Public safety	6,551,235	5,849,609	-	-	6,551,235	5,849,609
Public works	1,484,434	2,024,664	-	-	1,484,434	2,024,664
Recreation and culture	740,264	415,719	-	-	740,264	415,719
Debt service	97,335	109,986	-	-	97,335	109,986
Sewer	-	-	3,301,518	3,064,895	3,301,518	3,064,895
<b>Total expenses</b>	<b>12,820,502</b>	<b>10,166,413</b>	<b>3,301,518</b>	<b>3,064,895</b>	<b>16,122,020</b>	<b>13,231,308</b>
<b>Change in Net Position</b>	<b>912,994</b>	<b>1,699,278</b>	<b>479,130</b>	<b>(126,635)</b>	<b>1,392,124</b>	<b>1,572,643</b>
<b>Net Position - Beginning of year</b>	<b>30,894,498</b>	<b>29,195,220</b>	<b>27,775,668</b>	<b>27,902,303</b>	<b>58,670,166</b>	<b>57,097,523</b>
<b>Net Position - End 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>

#### ***Governmental Activities***

The Township's total governmental activities revenue totaled approximately \$13.7 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 \$12.8 million. The Township has closely monitored its spending in all areas. As a result, there was an increase in net position of over \$900,000 from 2022 to 2023.

#### ***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 2022-2023 include the General Fund, the Police Special Revenue Fund, the Fire Special Revenue Fund, the 2020 Road Fund, the Water System Debt Service Fund, the Library Fund and the Road 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 a sewer loop extension, and to construct a Building & Grounds pole barn.

#### ***Capital Assets and Debt Administration***

At the end of fiscal year 2023, the Township had approximately \$44.7 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, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents (Note 2)	\$ 14,929,177	\$ 957,320	\$ 15,886,497
Receivables:			
Customers and other	134,964	645,767	780,731
Accrued interest receivable	78,380	40,013	118,393
Due from other governments	379,159	-	379,159
Special assessments receivable (Note 9)	2,639,624	43,554	2,683,178
Internal balances	(14,649)	14,649	-
Inventory	-	688,334	688,334
Prepaid expenses and other assets	239,167	-	239,167
Other current assets	-	37,959	37,959
Cash restricted for capital and debt (Note 9)	1,618,156	3,659,482	5,277,638
Land held for resale	45,110	-	45,110
Capital assets: (Note 4)			
Assets not subject to depreciation	1,470,108	1,735,606	3,205,714
Assets subject to depreciation	18,456,496	23,002,785	41,459,281
Restricted assets (Note 9)	-	477,276	477,276
<b>Total assets</b>	<b>39,975,692</b>	<b>31,302,745</b>	<b>71,278,437</b>
<b>Deferred Outflows of Resources</b> - Deferred outflows related to pensions (Note 8)	1,458,066	-	1,458,066
<b>Liabilities</b>			
Accounts payable	328,398	34,049	362,447
Due to other governmental units	22,804	-	22,804
Performance bonds payable	135,575	-	135,575
Accrued liabilities and other	548,036	87,649	635,685
Unearned revenue	1,400,896	-	1,400,896
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 5)	286,977	16,404	303,381
Current portion of long-term debt (Note 5)	560,720	244,280	805,000
Due in more than one year:			
Compensated absences (Note 5)	324,433	16,404	340,837
Net pension liability (Note 8)	2,576,323	-	2,576,323
Long-term debt (Note 5)	3,401,853	2,649,161	6,051,014
<b>Total liabilities</b>	<b>9,586,015</b>	<b>3,047,947</b>	<b>12,633,962</b>
<b>Deferred Inflows of Resources</b> - Deferred inflows related to pensions (Note 8)	40,251	-	40,251
<b>Net Position</b>			
Net investment in capital assets	15,964,031	21,844,950	37,808,981
Restricted:			
Roads	4,640,711	-	4,640,711
Debt service	978,850	-	978,850
Capital projects and debt service	426,935	4,180,312	4,607,247
Police and fire operations	1,636,078	-	1,636,078
Parks and recreation	445,172	-	445,172
Cemetery expenditures	7,827	-	7,827
Library	2,670,666	-	2,670,666
Unrestricted	5,037,222	2,229,536	7,266,758
<b>Total net position</b>	<b>\$ 31,807,492</b>	<b>\$ 28,254,798</b>	<b>\$ 60,062,290</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	\$ 3,947,234	\$ 669,689	\$ 466,830	\$ -
Public safety	6,551,235	28,613	11,813	-
Public works	1,484,434	653,252	-	323,384
Recreation and culture	740,264	25,454	-	-
Interest on long-term debt	97,335	-	-	-
Total governmental activities	12,820,502	1,377,008	478,643	323,384
Business-type activities - Sewage disposal	3,301,518	2,479,073	-	1,164,356
Total primary government	<b>\$ 16,122,020</b>	<b>\$ 3,856,081</b>	<b>\$ 478,643</b>	<b>\$ 1,487,740</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, 2023

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,810,715)	\$ -	\$ (2,810,715)
(6,510,809)	-	(6,510,809)
(507,798)	-	(507,798)
(714,810)	-	(714,810)
(97,335)	-	(97,335)
(10,641,467)	-	(10,641,467)
-	341,911	341,911
(10,641,467)	341,911	(10,299,556)
8,350,857	-	8,350,857
2,370,008	-	2,370,008
420,569	137,219	557,788
332,972	-	332,972
14,726	-	14,726
65,329	-	65,329
11,554,461	137,219	11,691,680
912,994	479,130	1,392,124
30,894,498	27,775,668	58,670,166
<b>\$ 31,807,492</b>	<b>\$ 28,254,798</b>	<b>\$ 60,062,290</b>

## Township of Hamburg

	General Fund	Police Special Revenue Fund	Fire Special Revenue Fund	Road Fund
<b>Assets</b>				
Cash and cash equivalents (Note 2)	\$ 7,598,423	\$ 450,318	\$ 1,350,706	\$ 1,213,930
Receivables:				
Special assessments receivable	125,650	-	-	-
Customers and other	90,137	30,970	12,977	-
Accrued interest receivable	41,360	2,525	7,140	6,418
Due from other governments	367,954	-	-	-
Due from other funds (Note 3)	-	-	-	-
Advances to other funds (Note 3)	459,648	-	-	-
Prepaid expenses and other assets	118,583	58,930	43,138	-
Cash restricted for capital and debt	-	-	-	-
Land held for resale	45,110	-	-	-
<b>Total assets</b>	<b>\$ 8,846,865</b>	<b>\$ 542,743</b>	<b>\$ 1,413,961</b>	<b>\$ 1,220,348</b>
<b>Liabilities</b>				
Accounts payable	\$ 34,869	\$ 60,104	\$ 140,279	\$ -
Due to other governmental units	327	692	-	-
Due to other funds (Note 3)	16,563	-	-	-
Advances from other funds	-	-	-	-
Performance bonds payable	135,575	-	-	-
Accrued liabilities and other	356,925	64,222	59,119	-
Unearned revenue	1,328,171	-	-	-
<b>Total liabilities</b>	<b>1,872,430</b>	<b>125,018</b>	<b>199,398</b>	<b>-</b>
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>133,503</b>	<b>30,334</b>	<b>12,976</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable:				
Assets held for resale	45,110	-	-	-
Prepays	118,583	58,930	43,138	-
Long-term receivable	459,648	-	-	-
Restricted:				
Roads	-	-	-	1,220,348
Police	-	328,461	-	-
Fire	-	-	1,158,449	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Parks and recreation	-	-	-	-
Future cemetery expenditures	-	-	-	-
Library	-	-	-	-
Committed:				
Township building maintenance	77,253	-	-	-
Equipment	263,216	-	-	-
Vehicles	68,759	-	-	-
Flood prevention	22,300	-	-	-
Unassigned	5,786,063	-	-	-
<b>Total fund balances</b>	<b>6,840,932</b>	<b>387,391</b>	<b>1,201,587</b>	<b>1,220,348</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,846,865</b>	<b>\$ 542,743</b>	<b>\$ 1,413,961</b>	<b>\$ 1,220,348</b>

# Governmental Funds Balance Sheet

June 30, 2023

Water System Debt Service Fund	2020 Road Fund	Library	Nonmajor Governmental Funds	Total
\$ 589,789	\$ -	\$ 2,687,638	\$ 1,038,373	\$ 14,929,177
291,153	2,119,564	-	103,257	2,639,624
-	-	-	880	134,964
5,524	6,150	8,532	731	78,380
-	-	11,205	-	379,159
-	-	-	16,563	16,563
-	-	-	-	459,648
-	-	13,623	4,893	239,167
455,062	1,163,094	-	-	1,618,156
-	-	-	-	45,110
<b>\$ 1,341,528</b>	<b>\$ 3,288,808</b>	<b>\$ 2,720,998</b>	<b>\$ 1,164,697</b>	<b>\$ 20,539,948</b>
\$ -	\$ -	\$ 24,822	\$ 68,324	\$ 328,398
-	-	21,785	-	22,804
-	-	-	14,649	31,212
459,648	-	-	-	459,648
-	-	-	-	135,575
-	1,948	-	32,030	514,244
-	-	3,725	69,000	1,400,896
459,648	1,948	50,332	184,003	2,892,777
295,690	2,117,617	-	104,137	2,694,257
-	-	-	-	45,110
-	-	13,623	4,893	239,167
-	-	-	-	459,648
-	-	-	-	1,220,348
-	-	-	3,790	332,251
-	-	-	-	1,158,449
586,190	-	-	96,970	683,160
-	1,169,243	-	323,678	1,492,921
-	-	-	439,399	439,399
-	-	-	7,827	7,827
-	-	2,657,043	-	2,657,043
-	-	-	-	77,253
-	-	-	-	263,216
-	-	-	-	68,759
-	-	-	-	22,300
-	-	-	-	5,786,063
586,190	1,169,243	2,670,666	876,557	14,952,914
<b>\$ 1,341,528</b>	<b>\$ 3,288,808</b>	<b>\$ 2,720,998</b>	<b>\$ 1,164,697</b>	<b>\$ 20,539,948</b>

**Governmental Funds**

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

**June 30, 2023**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 14,952,914</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	19,926,604
Special assessment and other receivables are expected to be collected over several years and are not available to pay for current year expenditures	2,694,257
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	1,417,815
Bonds payable are not due and payable in the current period and are not reported in the funds	(3,962,573)
Accrued interest is not due and payable in the current period and is not reported in the funds	(33,792)
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	(611,410)
Net pension liability in governmental activities is not reported in the funds	(2,576,323)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 31,807,492</u></b>

## Township of Hamburg

	General Fund	Police Special Revenue Fund	Fire Special Revenue Fund	Road Fund
<b>Revenue</b>				
Property taxes	\$ 990,389	\$ 2,975,899	\$ 2,061,318	\$ 1,209,476
Special assessments	20,390	-	-	-
State-shared revenue and grants	2,716,365	7,356	4,457	2,580
Charges for services	625,010	13,962	-	-
Fines and forfeitures	-	10,838	-	-
Licenses and permits	332,972	-	-	-
Investment income	231,077	13,009	35,725	25,517
Other revenue	65,209	6,136	1,636	-
<b>Total revenue</b>	<b>4,981,412</b>	<b>3,027,200</b>	<b>2,103,136</b>	<b>1,237,573</b>
<b>Expenditures</b>				
Current services:				
General government	3,140,883	-	-	-
Public safety	253,529	3,395,548	2,478,496	-
Public works	32,679	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	1,320,900
Debt service	-	-	-	-
<b>Total expenditures</b>	<b>3,427,091</b>	<b>3,395,548</b>	<b>2,478,496</b>	<b>1,320,900</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>1,554,321</b>	<b>(368,348)</b>	<b>(375,360)</b>	<b>(83,327)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (Note 3)	13,643	-	-	-
Transfers out (Note 3)	(420,667)	-	-	-
Proceeds from sale of capital assets	-	18,426	-	-
<b>Total other financing (uses) sources</b>	<b>(407,024)</b>	<b>18,426</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,147,297</b>	<b>(349,922)</b>	<b>(375,360)</b>	<b>(83,327)</b>
<b>Fund Balances - Beginning of year</b>	<b>5,693,635</b>	<b>737,313</b>	<b>1,576,947</b>	<b>1,303,675</b>
<b>Fund Balances - End of year</b>	<b>\$ 6,840,932</b>	<b>\$ 387,391</b>	<b>\$ 1,201,587</b>	<b>\$ 1,220,348</b>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

Water System Debt Service Fund	2020 Road Fund	Library	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 1,113,775	\$ -	\$ 8,350,857
83,497	414,530	-	276,722	795,139
-	-	2,571	125,524	2,858,853
-	-	7,971	25,454	672,397
-	-	46,419	-	57,257
-	-	-	-	332,972
25,388	31,030	37,176	21,647	420,569
520,000	-	102,871	-	695,852
628,885	445,560	1,310,783	449,347	14,183,896
-	-	-	-	3,140,883
-	-	-	-	6,127,573
-	220	-	95,111	128,010
-	-	891,447	773,829	1,665,276
-	-	15,785	25,973	1,362,658
263,502	366,163	-	36,928	666,593
263,502	366,383	907,232	931,841	13,090,993
365,383	79,177	403,551	(482,494)	1,092,903
154,000	-	-	266,667	434,310
-	-	-	(13,643)	(434,310)
-	-	-	-	18,426
154,000	-	-	253,024	18,426
519,383	79,177	403,551	(229,470)	1,111,329
66,807	1,090,066	2,267,115	1,106,027	13,841,585
<b>\$ 586,190</b>	<b>\$ 1,169,243</b>	<b>\$ 2,670,666</b>	<b>\$ 876,557</b>	<b>\$ 14,952,914</b>



**Governmental Funds**

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

**Year Ended June 30, 2023**

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ 1,111,329</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	1,106,023
Depreciation expense	(1,277,343)
Net book value of assets disposed of	(3,700)
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	(412,795)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	564,389
Change in accrued interest payable and other	4,868
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	106,437
Change in net pension liability and deferred inflows/outflows related to pension is recorded when incurred in the statement of activities	(286,214)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 912,994</u></b>

**Proprietary Fund  
Statement of Net Position**

**June 30, 2023**

Sewer Fund

**Assets**

Current assets:

Cash and cash equivalents (Note 2)	\$ 957,320
Receivables	685,780
Due from other funds (Note 3)	14,649
Inventory	688,334
Other current assets	<u>37,959</u>

Total current assets 2,384,042

Noncurrent assets:

Cash restricted for capital and debt (Note 9)	3,659,482
Assets restricted for capital and debt (Note 9)	43,554
Capital assets: (Note 4)	
Assets not subject to depreciation	1,735,606
Assets subject to depreciation	23,002,785
Restricted assets (Note 9)	<u>477,276</u>

Total noncurrent assets 28,918,703

Total assets 31,302,745

**Liabilities**

Current liabilities:

Accounts payable	34,049
Accrued liabilities and other	87,649
Compensated absences (Note 5)	16,404
Current portion of long-term debt (Note 5)	<u>244,280</u>

Total current liabilities 382,382

Noncurrent liabilities:

Compensated absences (Note 5)	16,404
Long-term debt (Note 5)	<u>2,649,161</u>

Total noncurrent liabilities 2,665,565

Total liabilities 3,047,947

**Net Position**

Net investment in capital assets	21,844,950
Restricted - Capital projects and debt service	4,180,312
Unrestricted	<u>2,229,536</u>

**\$ 28,254,798**

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

**Year Ended June 30, 2023**

	<u>Sewer Fund</u>
<b>Operating Revenue</b>	
Sewage disposal charges	\$ 1,655,190
Debt service charges and other	<u>814,536</u>
Total operating revenue	2,469,726
<b>Operating Expenses</b>	
Cost of sewage treatment	2,184,230
Depreciation	<u>1,006,343</u>
Total operating expenses	<u>3,190,573</u>
<b>Operating Loss</b>	(720,847)
<b>Nonoperating Revenue (Expense)</b>	
Investment income	137,219
Interest expense	(110,945)
Amortization of bond discount	<u>9,347</u>
Total nonoperating revenue	<u>35,621</u>
<b>Loss - Before capital contributions</b>	(685,226)
<b>Capital Contributions</b>	
Tap fees	528,927
Capital grants	<u>635,429</u>
Total capital contributions	<u>1,164,356</u>
<b>Change in Net Position</b>	479,130
<b>Net Position - Beginning of year</b>	<u>27,775,668</u>
<b>Net Position - End of year</b>	<b><u>\$ 28,254,798</u></b>

**Proprietary Fund  
Statement of Cash Flows**

**Year Ended June 30, 2023**

	<u>Sewer Fund</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 2,452,687
Payments to suppliers	(2,256,303)
Payments to employees	<u>(758,030)</u>
Net cash used in operating activities	(561,646)
<b>Cash Flows from Capital and Related Financing Activities</b>	
Collection of tap fees and capital charges	528,927
Collection of principal and interest on customer assessments	188,083
Proceeds from sale of capital assets	164
Purchase of capital assets	(896,887)
Principal and interest paid on capital debt	(1,114,125)
Amortization of bond discount	9,347
Receipt of capital grants	<u>635,429</u>
Net cash used in capital and related financing activities	(649,062)
<b>Cash Flows Provided by Investing Activities - Interest received on investments</b>	<u>110,772</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(1,099,936)
<b>Cash and Cash Equivalents - Beginning of year</b>	<u>6,194,014</u>
<b>Cash and Cash Equivalents - End of year</b>	<b><u>\$ 5,094,078</u></b>
<b>Statement of Net Position Classification of Cash and Cash Equivalents</b>	
Cash and investments	\$ 957,320
Segregated bank deposits resulting from special assessments	3,659,482
Segregated bank deposits for future capital investments	<u>477,276</u>
Total cash and cash equivalents	<b><u>\$ 5,094,078</u></b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>	
Operating loss	\$ (720,847)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	1,006,343
Changes in assets and liabilities:	
Receivables	(17,039)
Inventories	(543,160)
Prepaid and other assets	(26,383)
Accrued and other liabilities	10,504
Accounts payable	<u>(271,064)</u>
Net cash used in operating activities	<b><u>\$ (561,646)</u></b>

**Fiduciary Fund**  
**Statement of Fiduciary Net Position**

**June 30, 2023**

	Current Tax Collection
<b>Assets</b>	\$ 1,516
<b>Liabilities - Accounts payable</b>	1,516
<b>Net Position</b>	<u>\$ -</u>

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

**Year Ended June 30, 2023**

	<u>Current Tax Collection</u>
<b>Additions</b> - Property tax collections on behalf of others	\$ 28,019,402
<b>Deductions</b> - Property tax disbursement to others	<u>28,019,402</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>

**June 30, 2023****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.

***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.

**June 30, 2023****Note 1 - Summary of Significant Accounting Policies (Continued)**

- 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 Road Fund accounts for improvements to roads in the Township. Its main source of revenue comes from a voter-approved millage.
- 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.

**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.



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

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 unspent bond proceeds and 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.

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

**June 30, 2023****Note 1 - Summary of Significant Accounting Policies (Continued)****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, 2023, the General Fund balance of unearned revenue includes \$1,321,065 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.

**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.

**June 30, 2023****Note 1 - Summary of Significant Accounting Policies (Continued)****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.

**Property Tax Revenue**

The taxable valuation of the Township totaled \$1.235 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.

June 30, 2023

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

The Township's approximate property tax levy for the year ended June 30, 2023 was as follows:

Purpose	Millage Rate	Revenue
Operating	0.7948 \$	984,000
Police	2.4056	2,976,000
Fire	1.6663	2,061,000
Library	0.9000	1,114,000
Roads	0.9761	1,207,000
Total		\$ 8,342,000

## 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.

## 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.

June 30, 2023

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

### Earmarked Fund Balance

Fund balances in the Police Special Revenue and Parks and Recreation funds 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
Parks and Recreation	Lakeland Trail maintenance	260,047
Parks and Recreation	Parks and recreation equipment	55,878
Total		<u>\$ 361,667</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.

## 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 15 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 \$15,596,717 (certificates of deposit and checking and savings accounts) that were uninsured or uncollateralized.

June 30, 2023

## Note 2 - Deposits and Investments (Continued)

### 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	\$ 4,920,083	AAAm	S&P
U.S. government agency securities	750,018	AA+	S&P
U.S. government agency securities	500,000	AAa	Moody's
Total	<u>\$ 6,170,101</u>		

### 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, 2023:

Assets Measured at Fair Value on a Recurring Basis				
Balance at June 30, 2023	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	\$ 4,920,083	\$ -	\$ -	\$ -
U.S. government agency securities	-	1,250,018	-	-

### 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.



**June 30, 2023**

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

At June 30, 2023, 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
Total investments measured at NAV - Michigan CLASS investment pool	\$ 4,920,083	\$ -	\$ -	\$ -

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.

**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
	Nonmajor governmental funds	266,667
	Total General Fund	420,667
Other nonmajor governmental funds	General Fund	13,643
	Total	<u>\$ 434,310</u>

Transfers were for capital purchases and general operations.

June 30, 2023

#### Note 4 - Capital Assets

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

##### Governmental Activities

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets not being depreciated - Land	\$ 1,470,108	\$ -	\$ -	\$ 1,470,108
Capital assets being depreciated:				
Intangible rights	8,855,591	22,547	-	8,878,138
Buildings and improvements	14,728,206	535,737	-	15,263,943
Machinery and equipment	2,326,562	293,816	(62,371)	2,558,007
Vehicles	2,806,986	185,076	(50,529)	2,941,533
Office furnishings	1,653,525	42,327	-	1,695,852
Library collection material	964,057	26,520	(41,427)	949,150
Land improvements	1,067,950	-	-	1,067,950
Subtotal	32,402,877	1,106,023	(154,327)	33,354,573
Accumulated depreciation:				
Intangible rights	570,171	178,988	-	749,159
Buildings and improvements	7,021,253	360,872	-	7,382,125
Machinery and equipment	1,622,994	243,153	(58,671)	1,807,476
Vehicles	1,782,276	384,842	(50,529)	2,116,589
Office furnishings	1,568,792	54,985	-	1,623,777
Library collection materials	949,862	27,392	(41,427)	935,827
Land improvements	256,013	27,111	-	283,124
Subtotal	13,771,361	1,277,343	(150,627)	14,898,077
Net capital assets being depreciated	18,631,516	(171,320)	(3,700)	18,456,496
Net governmental activities capital assets	\$ 20,101,624	\$ (171,320)	\$ (3,700)	\$ 19,926,604



**June 30, 2023**

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

***Business-type Activities***

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 1,303,361	\$ -	\$ -	\$ 1,303,361
Construction in progress - Sewer hookups	308,569	73,553	(164)	381,958
Construction in progress - Other	50,287	-	-	50,287
Subtotal	1,662,217	73,553	(164)	1,735,606
Capital assets being depreciated:				
Utility system	27,699,467	734,729	-	28,434,196
Buildings and improvements	8,066,933	-	-	8,066,933
Machinery and equipment	566,884	6,365	-	573,249
GPS system	5,696,968	82,240	-	5,779,208
Subtotal	42,030,252	823,334	-	42,853,586
Accumulated depreciation:				
Utility system	11,467,038	585,711	-	12,052,749
Buildings and improvements	2,811,495	160,736	-	2,972,231
Machinery and equipment	379,704	44,039	-	423,743
GPS system	4,186,221	215,857	-	4,402,078
Subtotal	18,844,458	1,006,343	-	19,850,801
Net capital assets being depreciated	23,185,794	(183,009)	-	23,002,785
Net business-type activities capital assets	\$ 24,848,011	\$ (109,456)	\$ (164)	\$ 24,738,391

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

Governmental activities:	
General government	\$ 366,443
Public safety	695,784
Public works	35,524
Recreation and culture	115,511
Health and Welfare	64,081
Total governmental activities	\$ 1,277,343

June 30, 2023

## Note 5 - Long-term Debt

Long-term debt activity for the year ended June 30, 2023 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	\$ 1,020,000	\$ -	\$ (100,000)	\$ 920,000	\$ 100,000
2008 Special assessment:							
Amount of issue - \$1,435,000	3.00%-	\$50,000-					
Maturing through 2028	4.20%	125,000	625,000	-	(100,000)	525,000	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	164,730	-	(24,225)	140,505	24,225
2012 Special assessment:							
Amount of issue - \$2,595,000							
Portion related to governmental activities - \$43,855			3,549	-	(3,549)	-	-
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	2,708,590	-	(336,495)	2,372,095	336,495
Total other debt			4,521,869	-	(564,269)	3,957,600	560,720
Unamortized bond premiums			5,093	-	(120)	4,973	-
Subtotal			4,526,962	-	(564,389)	3,962,573	560,720
Accumulated compensated absences			717,847	232,634	(339,071)	611,410	286,977
Total governmental activities long-term debt			<u>\$ 5,244,809</u>	<u>\$ 232,634</u>	<u>\$ (903,460)</u>	<u>\$ 4,573,983</u>	<u>\$ 847,697</u>

**June 30, 2023**

**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%-						
Maturing through 2030	5.75%	\$618-\$775	\$ 5,270	\$ -	\$ (775)	\$ 4,495	\$ 775
2012 Sewer and Contract							
Refunding SAD bonds:							
Amount of issue -							
\$2,595,000							
Portion related to							
business-type activities -							
\$2,551,145			201,536	-	(201,536)	-	-
Revenue bonds -							
2007 Waste Water							
Treatment Plant:							
Amount of issue -							
\$4,590,000	3.60%-	\$210,000-					
Maturing through 2028	4.20%	\$300,000	1,425,000	-	(550,000)	875,000	-
2010 Limited Tax G.O.							
bonds:							
Amount of issue -							
\$3,265,000		\$125,000 -					
Maturing through 2030	2.50%	\$205,000	1,670,000	-	(170,000)	1,500,000	170,000
2020 Special assessment:							
Amount of issue -							
\$3,315,000							
Portion related to							
business-type activities -							
\$34,178	1.00%-	\$2,830-					
Maturing through 2030	1.30%	\$3,550	28,248	-	(3,504)	24,744	3,505
Unamortized bond premium			9,348	-	(9,348)	-	-
Total other debt			3,339,402	-	(935,163)	2,404,239	174,280
Direct placement debt:							
State Revolving Fund Bonds:							
2009 Limited Tax G.O. bonds:							
Amount of issue - \$1,235,202		\$49,202-					
Maturing through 2030	2.50%	\$80,000	554,202	-	(65,000)	489,202	70,000
Subtotal			3,893,604	-	(1,000,163)	2,893,441	244,280
Accumulated compensated							
absences			24,914	20,351	(12,457)	32,808	16,404
Total business-type							
activities long-term							
debt			\$ 3,918,518	\$ 20,351	\$(1,012,620)	\$ 2,926,249	\$ 260,684

June 30, 2023

**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		Total
	Principal	Interest	
2024	\$ 560,720	\$ 62,411	\$ 623,131
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
2029-2033	1,158,484	33,618	1,192,102
Total	\$ 3,957,600	\$ 254,940	\$ 4,212,540

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2024	\$ 70,000	\$ 11,355	\$ 174,280	\$ 78,840	\$ 334,475
2025	70,000	9,605	459,125	62,658	601,388
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
2029-2033	129,202	7,013	608,355	18,849	763,419
Total	\$ 489,202	\$ 46,039	\$ 2,404,239	\$ 252,843	\$ 3,192,323

***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 \$973,209. During the current year, net revenue of the sewer system was \$609,613, compared to the annual debt requirements on the revenue bond of \$318,903. 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, 2023, \$1,225,000 of bonds outstanding are considered defeased.

**June 30, 2023****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 \$336,000 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.

June 30, 2023

## Note 8 - Pension Plan (Continued)

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.

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, 2022
Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	16
Pending refunds	3
	<hr/>
Total employees covered by the plan	<u>32</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, 2022, the Township's employer and employee contributions totaled \$329,404 and \$128,925, respectively.

### ***Net Pension Liability***

The June 30, 2023 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, 2022 measurement date. The December 31, 2022 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, 2021</b>	\$ 8,131,541	\$ 6,879,686	\$ 1,251,855
Changes for the year:			
Service cost	243,506	-	243,506
Interest	589,662	-	589,662
Differences between expected and actual experience	177,213	-	177,213
Contributions - Employer	-	329,504	(329,504)
Contributions - Employee	-	128,925	(128,925)
Net investment loss	-	(759,627)	759,627
Benefit payments, including refunds	(240,054)	(240,054)	-
Administrative expenses	-	(12,889)	12,889
Net changes	770,327	(554,141)	1,324,468
<b>Balance at December 31, 2022</b>	<u>\$ 8,901,868</u>	<u>\$ 6,325,545</u>	<u>\$ 2,576,323</u>

The plan's fiduciary net position represents 71 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, 2023, the Township recognized pension expense of \$633,690.

At June 30, 2023, 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	\$ 222,250	\$ (40,251)
Changes in assumptions	457,993	-
Net difference between projected and actual earnings on pension plan investments	607,191	-
Employer contributions to the plan subsequent to the measurement date	170,632	-
Total	<u>\$ 1,458,066</u>	<u>\$ (40,251)</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
2024	\$ 265,224
2025	280,300
2026	315,066
2027	357,058
2028	29,535
Total	<u>\$ 1,247,183</u>

### Actuarial Assumptions

The total pension liability in the December 31, 2022 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 7.25 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 7.25 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, 2022 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



June 30, 2023

## 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 7.25 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 (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the Township	\$ 3,972,856	\$ 2,576,323	\$ 1,443,149

### *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, 2023 consist of the following:

Bank deposits and investments - Special assessment collections	\$ 3,659,482
Bank deposits and investments - Bond reserves	477,276
Special assessment receivables	43,554
Total	<u>\$ 4,180,312</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 of \$59,428 for future vehicles and \$400,000 for grinder pumps.

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## Required Supplementary Information

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## Township of Hamburg

### Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 984,200	\$ 984,200	\$ 990,389	\$ 6,189
State-shared revenue and grants	3,437,453	3,527,405	2,716,365	(811,040)
Charges for services	726,000	738,917	625,010	(113,907)
Licenses and permits	350,000	350,000	332,972	(17,028)
Investment income	5,000	193,000	230,766	37,766
Other revenue	3,000	10,400	65,209	54,809
<b>Total revenue</b>	<b>5,505,653</b>	<b>5,803,922</b>	<b>4,960,711</b>	<b>(843,211)</b>
<b>Expenditures</b>				
Current services:				
General government:				
Legislative - Township board	2,284,502	2,287,502	295,954	1,991,548
Township supervisor	129,034	134,034	133,825	209
Accounting	286,503	345,703	346,925	(1,222)
Treasurer	248,713	260,113	269,794	(9,681)
Assessing	337,500	337,500	329,661	7,839
Board of review	3,565	3,565	1,604	1,961
Clerk	294,334	295,834	259,395	36,439
Buildings and grounds	363,891	573,993	579,121	(5,128)
Elections	337,359	331,003	294,844	36,159
Cemetery	39,013	56,563	54,405	2,158
Unallocated	435,345	481,095	372,141	108,954
Mapping	207,659	209,399	203,214	6,185
Public safety:				
Planning commission	10,463	10,463	5,480	4,983
Zoning administrator	295,031	317,921	248,049	69,872
Public works - Street lighting	17,500	17,500	14,942	2,558
<b>Total expenditures</b>	<b>5,290,412</b>	<b>5,662,188</b>	<b>3,409,354</b>	<b>2,252,834</b>
<b>Excess of Revenue Over Expenditures</b>	<b>215,241</b>	<b>141,734</b>	<b>1,551,357</b>	<b>1,409,623</b>
<b>Other Financing Uses - Transfers out</b>				
Transfers in	-	-	25,269	25,269
Transfers out	(554,000)	(554,000)	(420,667)	133,333
<b>Total other financing uses</b>	<b>(554,000)</b>	<b>(554,000)</b>	<b>(395,398)</b>	<b>158,602</b>
<b>Net Change in Fund Balance</b>	<b>(338,759)</b>	<b>(412,266)</b>	<b>1,155,959</b>	<b>1,568,225</b>
<b>Fund Balance - Beginning of year</b>	<b>5,701,795</b>	<b>5,701,795</b>	<b>5,701,795</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 5,363,036</b>	<b>\$ 5,289,529</b>	<b>\$ 6,857,754</b>	<b>\$ 1,568,225</b>

## Township of Hamburg

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 2,971,300	\$ 2,978,950	\$ 2,975,899	\$ (3,051)
State-shared revenue and grants	9,000	11,500	7,356	(4,144)
Charges for services	17,900	17,900	13,962	(3,938)
Fines and forfeitures	10,000	10,000	10,838	838
Investment income	1,000	4,300	13,009	8,709
Other revenue	3,750	5,850	6,136	286
Total revenue	3,012,950	3,028,500	3,027,200	(1,300)
<b>Expenditures</b> - Current services - Public safety	3,215,982	3,367,532	3,395,548	(28,016)
<b>Excess of Expenditures Over Revenue</b>	(203,032)	(339,032)	(368,348)	(29,316)
<b>Other Financing Sources</b> - Proceeds from sale of capital assets	-	14,200	18,426	4,226
<b>Net Change in Fund Balance</b>	(203,032)	(324,832)	(349,922)	(25,090)
<b>Fund Balance</b> - Beginning of year	737,313	737,313	737,313	-
<b>Fund Balance</b> - End of year	<u>\$ 534,281</u>	<u>\$ 412,481</u>	<u>\$ 387,391</u>	<u>\$ (25,090)</u>

## Township of Hamburg

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 2,058,165	\$ 2,063,465	\$ 2,061,318	\$ (2,147)
State-shared revenue and grants	7,500	7,500	4,457	(3,043)
Investment income	1,000	16,000	35,725	19,725
Other revenue	550	1,550	1,636	86
Total revenue	2,067,215	2,088,515	2,103,136	14,621
<b>Expenditures</b> - Current services - Public safety	2,084,871	2,459,888	2,478,496	(18,608)
<b>Net Change in Fund Balance</b>	(17,656)	(371,373)	(375,360)	(3,987)
<b>Fund Balance</b> - Beginning of year	1,576,947	1,576,947	1,576,947	-
<b>Fund Balance</b> - End of year	<u>\$ 1,559,291</u>	<u>\$ 1,205,574</u>	<u>\$ 1,201,587</u>	<u>\$ (3,987)</u>

## Township of Hamburg

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,209,591	\$ 1,212,691	\$ 1,209,476	\$ (3,215)
State-shared revenue and grants	-	-	2,580	2,580
Investment income	1,000	6,300	25,517	19,217
Total revenue	1,210,591	1,218,991	1,237,573	18,582
<b>Expenditures - Capital outlay</b>	1,357,000	1,359,400	1,320,900	38,500
<b>Net Change in Fund Balance</b>	(146,409)	(140,409)	(83,327)	57,082
<b>Fund Balance - Beginning of year</b>	1,303,675	1,303,675	1,303,675	-
<b>Fund Balance - End of year</b>	<u>\$ 1,157,266</u>	<u>\$ 1,163,266</u>	<u>\$ 1,220,348</u>	<u>\$ 57,082</u>

**Township of Hamburg**

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,064,921	\$ 1,064,921	\$ 1,113,775	\$ 48,854
State-shared revenue and grants	1,571	2,571	2,571	-
Charges for services	1,475	1,475	7,971	6,496
Fines and forfeitures	31,600	31,600	46,419	14,819
Investment income	1,075	1,075	37,176	36,101
Other revenue	21,125	21,125	102,871	81,746
Total revenue	1,121,767	1,122,767	1,310,783	188,016
<b>Expenditures</b>				
Current services - Recreation and culture	918,692	920,156	891,447	28,709
Capital outlay	22,650	22,650	15,785	6,865
Total expenditures	941,342	942,806	907,232	35,574
<b>Excess of Revenue Over (Under) Expenditures</b>	180,425	179,961	403,551	223,590
<b>Net Change in Fund Balances</b>	180,425	179,961	403,551	223,590
<b>Fund Balances - Beginning of year</b>	2,267,115	2,267,115	2,267,115	-
<b>Fund Balances - End of year</b>	<u>\$ 2,447,540</u>	<u>\$ 2,447,076</u>	<u>\$ 2,670,666</u>	<u>\$ 223,590</u>

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

Last Nine Plan Fiscal Years Ended December 31  
(Built Prospectively from 2014)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 243,506	\$ 212,933	\$ 186,860	\$ 179,586	\$ 163,286	\$ 144,978	\$ 144,998	\$ 136,560	\$ 140,114
Interest	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	177,213	53,011	(80,502)	32,648	170,095	374,735	31,024	(118,137)	-
Changes in assumptions	-	393,101	253,987	206,796	-	-	-	154,994	-
Benefit payments, including refunds	(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>	<b>770,327</b>	<b>962,786</b>	<b>616,259</b>	<b>648,848</b>	<b>505,495</b>	<b>607,785</b>	<b>312,390</b>	<b>295,293</b>	<b>262,151</b>
<b>Total Pension Liability - Beginning of year</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>3,920,534</b>
<b>Total Pension Liability - End of year</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	\$ 329,504	\$ 531,989	\$ 501,992	\$ 466,754	\$ 429,314	\$ 160,286	\$ 152,997	\$ 122,766	\$ 97,254
Contributions - Employee	128,925	122,199	116,787	110,780	101,815	114,745	80,300	74,762	78,405
Net investment (loss) income	(759,627)	801,126	734,718	527,409	(155,149)	422,715	326,985	(43,814)	177,156
Administrative expenses	(12,889)	(9,440)	(9,712)	(9,148)	(7,273)	(6,692)	(6,448)	(6,398)	(8,025)
Benefit payments, including refunds	(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>	<b>(554,141)</b>	<b>1,205,820</b>	<b>1,103,731</b>	<b>855,740</b>	<b>128,653</b>	<b>401,673</b>	<b>334,920</b>	<b>(72,447)</b>	<b>145,811</b>
<b>Plan Fiduciary Net Position - Beginning of year</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>2,775,785</b>
<b>Plan Fiduciary Net Position - End of year</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>\$ 2,576,323</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>	<b>71.06 %</b>	<b>84.60 %</b>	<b>79.15 %</b>	<b>69.75 %</b>	<b>62.92 %</b>	<b>66.43 %</b>	<b>66.47 %</b>	<b>63.63 %</b>	<b>69.85 %</b>
<b>Covered Payroll</b>	<b>\$ 1,611,558</b>	<b>\$ 1,527,493</b>	<b>\$ 1,459,843</b>	<b>\$ 1,405,208</b>	<b>\$ 1,296,950</b>	<b>\$ 1,146,980</b>	<b>\$ 1,147,139</b>	<b>\$ 1,071,897</b>	<b>\$ 1,099,797</b>
<b>Township's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>159.87 %</b>	<b>81.95 %</b>	<b>102.40 %</b>	<b>141.07 %</b>	<b>168.80 %</b>	<b>158.02 %</b>	<b>140.03 %</b>	<b>151.96 %</b>	<b>114.67 %</b>



## Township of Hamburg

### Required Supplementary Information Schedule of Township Contributions

**Last Ten Fiscal Years  
Years Ended June 30**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 347,476	\$ 305,261	\$ 258,147	\$ 241,878	\$ 190,098	\$ 168,549	\$ 157,281	\$ 156,435	\$ 96,347	\$ 80,681
Contributions in relation to the actuarially determined contribution	347,476	305,261	258,147	241,878	190,098	168,549	157,281	156,435	96,347	80,681
<b>Contribution Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 1,650,052</b>	<b>\$ 1,564,640</b>	<b>\$ 1,487,023</b>	<b>\$ 1,409,548</b>	<b>\$ 1,343,446</b>	<b>\$ 1,248,511</b>	<b>\$ 1,196,565</b>	<b>\$ 1,154,503</b>	<b>\$ 1,086,455</b>	<b>\$ 1,099,797</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>21.06 %</b>	<b>19.51 %</b>	<b>17.36 %</b>	<b>17.16 %</b>	<b>14.15 %</b>	<b>13.50 %</b>	<b>13.14 %</b>	<b>13.55 %</b>	<b>8.87 %</b>	<b>7.34 %</b>

#### Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date                      Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed
Inflation	2.5 percent
Salary increase	3.00 percent - 9.70 percent
Investment rate of return	7.6 percent
Retirement age	60
Mortality	Pub-2010 Mortality Tables
Other information	None

**June 30, 2023**

**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, 2023 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	Fund Balance
General Fund - Amounts per operating statement	\$ 4,981,412	\$ 3,427,091	\$ 6,840,932
General Fund - Amounts related to the Capital Improvements Fund, which is consolidated in the General Fund	(29)	-	-
General Fund - Amounts related to the Hillside Lakes SAD, which is consolidated in the General Fund	(20,672)	(17,737)	16,822
Amounts per budget statement	<u>\$ 4,960,711</u>	<u>\$ 3,409,354</u>	<u>\$ 6,857,754</u>

The Township had the following expenditures over budgeted amounts due to timing of payments and expenses incurred near June 30, 2022:

	Budget	Actual	Variance
General Fund - Accounting	\$ 345,703	\$ 346,925	\$ (1,222)
General Fund - Treasurer	260,113	269,794	(9,681)
General Fund - Buildings and grounds	573,993	579,121	(5,128)
Police Special Revenue Fund - Public safety	3,367,532	3,395,548	(28,016)
Fire Special Revenue Fund - Public safety	2,459,888	2,478,496	(18,608)

***Pension Information***

**Changes in Assumptions**

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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## Other Supplementary Information

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## Township of Hamburg

	Special Revenue Funds		
	Parks and Recreation	Drug Law Enforcement	Cemetery Perpetual Care
<b>Assets</b>			
Cash and cash equivalents	\$ 608,542	\$ 3,790	\$ 7,827
Receivables:			
Special assessments receivable	-	-	-
Other receivables	880	-	-
Accrued interest receivable	-	-	-
Due from other funds	-	-	-
Prepaid expenses and other assets	4,893	-	-
Total assets	<u>\$ 614,315</u>	<u>\$ 3,790</u>	<u>\$ 7,827</u>
<b>Liabilities</b>			
Accounts payable	\$ 68,113	\$ -	\$ -
Due to other funds	-	-	-
Accrued liabilities and other	32,030	-	-
Unearned revenue	69,000	-	-
Total liabilities	169,143	-	-
<b>Deferred Inflows of Resources</b> - Unavailable revenue	880	-	-
<b>Fund Balances</b>			
Nonspendable - Prepaids	4,893	-	-
Restricted:			
Police	-	3,790	-
Debt service	-	-	-
Capital projects	-	-	-
Parks and recreation	439,399	-	-
Future cemetery expenditures	-	-	7,827
Total fund balances	<u>444,292</u>	<u>3,790</u>	<u>7,827</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 614,315</u>	<u>\$ 3,790</u>	<u>\$ 7,827</u>

Other Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2023

Debt Service Funds			Capital Project Fund	Total
Mumford Park Debt Service	Buhl Road Debt Service	Fire Station Debt Service	Maintenance SADs	
\$ 3,549	\$ -	\$ 91,507	\$ 323,158	\$ 1,038,373
-	-	-	103,257	103,257
-	-	-	-	880
-	-	-	731	731
16,563	-	-	-	16,563
-	-	-	-	4,893
<b>\$ 20,112</b>	<b>\$ -</b>	<b>\$ 91,507</b>	<b>\$ 427,146</b>	<b>\$ 1,164,697</b>
\$ -	\$ -	\$ -	\$ 211	\$ 68,324
14,649	-	-	-	14,649
-	-	-	-	32,030
-	-	-	-	69,000
14,649	-	-	211	184,003
-	-	-	103,257	104,137
-	-	-	-	4,893
-	-	-	-	3,790
5,463	-	91,507	-	96,970
-	-	-	323,678	323,678
-	-	-	-	439,399
-	-	-	-	7,827
5,463	-	91,507	323,678	876,557
<b>\$ 20,112</b>	<b>\$ -</b>	<b>\$ 91,507</b>	<b>\$ 427,146</b>	<b>\$ 1,164,697</b>

## Township of Hamburg

	Special Revenue Funds			De
	Parks and Recreation	Drug Law Enforcement	Cemetery Perpetual Care	Mumford Park Debt Service
<b>Revenue</b>				
Special assessments	\$ -	\$ -	\$ -	\$ 2,702
State-shared revenue and grants	125,524	-	-	-
Charges for services	25,454	-	-	-
Investment income	12,540	107	154	267
Total revenue	163,518	107	154	2,969
<b>Expenditures</b>				
Current services:				
Public works	-	-	-	-
Recreation and culture	773,829	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	3,569
Total expenditures	773,829	-	-	3,569
<b>Excess of Revenue (Under) Over Expenditures</b>	(610,311)	107	154	(600)
<b>Other Financing Sources</b> - Transfers in	266,667	-	-	-
<b>Net Change in Fund Balances</b>	(343,644)	107	154	(600)
<b>Fund Balances</b> - Beginning of year	787,936	3,683	7,673	6,063
<b>Fund Balances</b> - End of year	<u>\$ 444,292</u>	<u>\$ 3,790</u>	<u>\$ 7,827</u>	<u>\$ 5,463</u>

Other Supplementary Information

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2023

Capital Project Fund			
Buhl Road Debt Service	Fire Station Debt Service	Maintenance SADs	Total
\$ -	\$ -	\$ 274,020	\$ 276,722
-	-	-	125,524
-	-	-	25,454
34	2,098	6,447	21,647
34	2,098	280,467	449,347
-	-	95,111	95,111
-	-	-	773,829
-	25,973	-	25,973
-	-	33,359	36,928
-	25,973	128,470	931,841
34	(23,875)	151,997	(482,494)
(13,643)	-	-	253,024
(13,609)	(23,875)	151,997	(229,470)
13,609	115,382	171,681	1,106,027
<b>\$ -</b>	<b>\$ 91,507</b>	<b>\$ 323,678</b>	<b>\$ 876,557</b>