

**Township of Hamburg  
Livingston County, Michigan**

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**Financial Report  
with Additional Information  
June 30, 2003**

# Township of Hamburg

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## Independent Auditor's Report

To the Members of the Township Board  
Township of Hamburg  
Livingston County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Hamburg as of June 30, 2003 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township of Hamburg's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Hamburg Township Library, which is the Township's only discretely presented component unit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Hamburg as of June 30, 2003 and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Plante & Moran, PLLC*

October 30, 2003

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# Township of Hamburg

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets</b>				
Cash and investments (Note 2)	\$ 2,672,519	\$ 1,562,749	\$ 727,431	\$ 226,007
Accounts receivable:				
Customers and other	17,303	7,402	-	3,612
Special assessments	-	-	559,204	95,729
Due from other governmental units	277,063	24,700	-	-
Due from other funds (Note 3)	125,448	143	-	1,443
Inventory	-	-	-	-
Restricted assets (Note 4)	-	-	-	-
Assets segregated for capital and debt (Note 14)	-	-	-	-
Capital assets (Note 5)	-	-	-	-
Other assets	6,591	-	-	-
Amount available for retirement of general long-term debt	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
<b>Total assets</b>	<b>\$ 3,098,924</b>	<b>\$ 1,594,994</b>	<b>\$ 1,286,635</b>	<b>\$ 326,791</b>
<b>Liabilities and Fund Equity</b>				
<b>Liabilities</b>				
Accounts payable	\$ 78,426	\$ 66,025	\$ -	\$ 53,052
Due to other governmental units	-	-	-	-
Due to other funds	1,410	1,685	-	47,234
Accrued and other liabilities	101,336	62,113	-	37,192
Deferred revenue	-	-	559,204	95,727
Long-term debt (Note 6)	-	-	-	-
<b>Total liabilities</b>	<b>181,172</b>	<b>129,823</b>	<b>559,204</b>	<b>233,205</b>
<b>Fund Equity</b>				
Investment in general fixed assets	-	-	-	-
Contributed capital (Note 7)	-	-	-	-
Retained earnings - Unreserved	-	-	-	-
Fund balances:				
Reserved (Note 12)	36,700	-	-	59,807
Designated for capital, program, and other expenditures	-	-	-	-
Unreserved and undesignated	2,881,052	1,465,171	727,431	33,779
<b>Total fund equity</b>	<b>2,917,752</b>	<b>1,465,171</b>	<b>727,431</b>	<b>93,586</b>
<b>Total liabilities and fund equity</b>	<b>\$ 3,098,924</b>	<b>\$ 1,594,994</b>	<b>\$ 1,286,635</b>	<b>\$ 326,791</b>

**Combined Balance Sheet**  
**All Fund Types, Account Groups, and Component Unit**  
**June 30, 2003**

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Primary Government Totals (Memorandum Only)		Component Unit
		General Fixed Assets	General Long-term Debt	June 30		Library
Enterprise	Trust and Agency			2003	2002	
\$ 230,787	\$ 153,782	\$ -	\$ -	\$ 5,573,275	\$ 6,040,067	\$ 1,468,510
310,709	-	-	-	339,026	481,319	4,197
-	-	-	-	654,933	748,277	-
-	-	-	-	301,763	240,927	2,684
-	-	-	-	127,034	227,597	-
51,087	-	-	-	51,087	22,722	-
1,838,895	-	-	-	1,838,895	470,434	-
14,910,285	-	-	-	14,910,285	15,735,177	-
25,043,428	-	16,058,150	-	41,101,578	39,348,699	312,165
-	-	-	-	6,591	-	1,310
-	-	-	6,441,437	6,441,437	726,901	-
-	-	-	727,431	727,431	7,301,333	11,941
<b>\$ 42,385,191</b>	<b>\$ 153,782</b>	<b>\$ 16,058,150</b>	<b>\$ 7,168,868</b>	<b>\$ 72,073,335</b>	<b>\$ 71,343,453</b>	<b>\$ 1,800,807</b>
\$ 351,609	\$ 3,285	\$ -	\$ -	\$ 552,397	\$ 585,608	\$ -
-	2,872	-	-	2,872	48,752	-
66,601	10,104	-	-	127,034	227,597	-
722,903	97,705	-	-	1,021,249	438,789	28,174
-	-	-	-	654,931	748,277	-
18,916,629	-	-	7,168,868	26,085,497	25,018,234	-
20,057,742	113,966	-	7,168,868	28,443,980	27,067,257	28,174
-	-	16,058,150	-	16,058,150	15,720,319	312,165
21,312,385	-	-	-	21,312,385	21,908,369	-
1,015,064	-	-	-	1,015,064	1,374,980	-
-	39,816	-	-	136,323	650,325	-
-	-	-	-	-	-	811,941
-	-	-	-	5,107,433	4,622,203	648,527
22,327,449	39,816	16,058,150	-	43,629,355	44,276,196	1,772,633
<b>\$ 42,385,191</b>	<b>\$ 153,782</b>	<b>\$ 16,058,150</b>	<b>\$ 7,168,868</b>	<b>\$ 72,073,335</b>	<b>\$ 71,343,453</b>	<b>\$ 1,800,807</b>

# Township of Hamburg

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenue</b>				
Property taxes	\$ 667,352	\$ 1,429,263	\$ -	\$ 435,310
Special assessments	-	-	229,774	34,952
Licenses and permits	211,322	-	-	-
State sources	1,603,977	85,144	-	-
Federal sources	-	-	-	-
Charges for services	677,226	11,880	-	-
Fines and forfeitures	-	93,432	-	-
Contribution from Hamburg Fire Department, Inc.	-	-	-	-
Interest and other	80,913	48,034	11,810	10,626
<b>Total revenue</b>	<b>3,240,790</b>	<b>1,667,753</b>	<b>241,584</b>	<b>480,888</b>
<b>Expenditures</b>				
Legislative	142,621	-	-	-
General government	1,166,015	-	-	-
Public safety	250,566	1,755,872	-	-
Public works	490,349	80,182	-	-
Health and welfare	47,037	-	-	-
Recreation and culture	24,642	70,578	-	-
Debt service	-	-	348,214	913,973
Capital outlay	-	-	-	513,293
<b>Total expenditures</b>	<b>2,121,230</b>	<b>1,906,632</b>	<b>348,214</b>	<b>1,427,266</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>1,119,560</b>	<b>(238,879)</b>	<b>(106,630)</b>	<b>(946,378)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from long-term debt issue	36,647	102,759	-	-
Operating transfers in	59,840	606,359	-	500,779
Operating transfers out	(752,344)	(406,161)	-	(8,473)
<b>Total other financing sources (uses)</b>	<b>(655,857)</b>	<b>302,957</b>	<b>-</b>	<b>492,306</b>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>463,703</b>	<b>64,078</b>	<b>(106,630)</b>	<b>(454,072)</b>
<b>Fund Balances - Beginning of year</b>	<b>2,454,049</b>	<b>1,401,093</b>	<b>726,901</b>	<b>654,818</b>
<b>Residual Equity Transfer</b>	<b>-</b>	<b>-</b>	<b>107,160</b>	<b>(107,160)</b>
<b>Fund Balances - End of year</b>	<b>\$ 2,917,752</b>	<b>\$ 1,465,171</b>	<b>\$ 727,431</b>	<b>\$ 93,586</b>

**Combined Statement of Revenue, Expenditures,  
and Changes in Fund Balances  
All Governmental Fund Types and Component Unit  
Year Ended June 30, 2003**

Total (Memorandum Only)		Component Unit
Year Ended June 30		
2003	2002	Library
\$ 2,531,925	\$ 2,265,414	\$ 348,064
264,726	284,186	-
211,322	187,718	-
1,689,121	2,081,200	17,123
-	21,721	-
689,106	592,486	2,812
93,432	20,426	107,289
-	648,630	-
151,383	225,608	37,565
5,631,015	6,327,389	512,853
142,621	166,117	-
1,166,015	1,072,694	-
2,006,438	2,412,285	-
570,531	663,223	-
47,037	41,051	-
95,220	367,480	373,725
1,262,187	1,193,448	-
513,293	824,190	-
5,803,342	6,740,488	373,725
(172,327)	(413,099)	139,128
139,406	200,588	-
1,166,978	1,373,059	-
(1,166,978)	(1,373,059)	-
139,406	200,588	-
(32,921)	(212,511)	139,128
5,236,861	5,449,372	1,321,340
-	-	-
<b>\$ 5,203,940</b>	<b>\$ 5,236,861</b>	<b>\$ 1,460,468</b>

# Township of Hamburg

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Property taxes	\$ 667,541	\$ 667,352	\$ (189)
Licenses and permits	167,200	211,322	44,122
State sources	1,605,575	1,603,977	(1,598)
Charges for services	699,512	677,226	(22,286)
Fines and forfeitures	-	-	-
Interest and other	52,000	80,913	28,913
Operating transfers in	-	59,840	59,840
Total revenue	3,191,828	3,300,630	108,802
<b>Expenditures</b>			
Legislative	128,239	142,621	(14,382)
General government	1,339,042	1,166,015	173,027
Public safety	274,724	250,566	24,158
Public works	517,240	453,702	63,538
Health and welfare	65,377	47,037	18,340
Recreation and cultural	25,859	24,642	1,217
Operating transfers out	822,779	752,344	70,435
Total expenditures	3,173,260	2,836,927	336,333
<b>Excess of Revenue Over (Under) Expenditures</b>	18,568	463,703	<b><u>\$ 445,135</u></b>
<b>Fund Balances - Beginning of year</b>	<u>2,454,049</u>	<u>2,454,049</u>	
<b>Fund Balances - End of year</b>	<b><u>\$ 2,472,617</u></b>	<b><u>\$ 2,917,752</u></b>	

**Combined Statement of Revenue, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
General and Special Revenue Fund Types  
Year Ended June 30, 2003**

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,442,293	\$ 1,429,263	\$ (13,030)
-	-	-
63,330	85,144	21,814
13,350	11,880	(1,470)
160,000	93,432	(66,568)
54,227	48,034	(6,193)
<u>683,199</u>	<u>606,359</u>	<u>(76,840)</u>
2,416,399	2,274,112	(142,287)
-	-	-
-	-	-
1,970,768	1,653,113	317,655
95,000	80,182	14,818
-	-	-
82,757	70,578	12,179
<u>327,073</u>	<u>406,161</u>	<u>(79,088)</u>
<u>2,475,598</u>	<u>2,210,034</u>	<u>265,564</u>
(59,199)	64,078	<u>\$ 123,277</u>
<u>1,401,093</u>	<u>1,401,093</u>	
<u>\$ 1,341,894</u>	<u>\$ 1,465,171</u>	

# Township of Hamburg

## Combined Statement of Revenue, Expenses, and Changes in Retained Earnings/Fund Balance Proprietary Fund Type and Nonexpendable Trust Fund Year Ended June 30, 2003

	Proprietary Fund Type - Sewer Enterprise	Fiduciary Fund Type - Nonexpendable Trust	Totals (Memorandum Only) Year Ended June 30	
			2003	2002
<b>Operating Revenue</b>				
Sewage charges	\$ 840,787	\$ -	\$ 840,787	\$ 771,326
Charges for services	39,716	1,591	41,307	50,517
Sale of lots	-	1,890	1,890	2,180
Total operating revenue	880,503	3,481	883,984	824,023
<b>Operating Expenses</b>				
Operations and maintenance	902,684	50	902,734	685,770
Depreciation	551,158	-	551,158	494,573
Total operating expenses	1,453,842	50	1,453,892	1,180,343
<b>Operating Income (Loss)</b>	(573,339)	3,431	(569,908)	(356,320)
<b>Nonoperating Revenue (Expense)</b>				
Interest income	778,063	718	778,781	864,888
Interest expense and fees	(1,038,293)	-	(1,038,293)	(856,583)
Total nonoperating revenue (expense)	(260,230)	718	(259,512)	8,305
<b>Income (Loss) - Before contributions</b>	(833,569)	4,149	(829,420)	(348,015)
<b>Capital Contributions</b>	221,117	-	221,117	208,234
<b>Net Income (Loss)</b>	(612,452)	4,149	(608,303)	(139,781)
<b>Add Depreciation on Contributed Assets</b>	252,536	-	252,536	252,735
<b>Increase (Decrease) in Retained Earnings/Fund Balance</b>	(359,916)	4,149	(355,767)	112,954
<b>Retained Earnings/Fund Balance - Beginning of year</b>	1,374,980	35,667	1,410,647	1,297,693
<b>Retained Earnings/Fund Balance - End of year</b>	<u>\$ 1,015,064</u>	<u>\$ 39,816</u>	<u>\$ 1,054,880</u>	<u>\$ 1,410,647</u>

# Township of Hamburg

## Combined Statement of Cash Flows Proprietary Fund Type and Nonexpendable Trust Fund Year Ended June 30, 2003

	Proprietary Fund Type - Sewer Enterprise	Fiduciary Fund Type - Nonexpendable Trust	Totals (Memorandum Only) Year Ended June 30	
			2003	2002
<b>Cash Flows from Operating Activities</b>				
Operating income (loss)	\$ (573,339)	\$ 3,431	\$ (569,908)	\$ (356,320)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	551,158	-	551,158	494,573
Changes in assets and liabilities:				
Receivables	(13,184)	-	(13,184)	(53,319)
Accounts payable and other accrued liabilities	56,649	-	56,649	(13,255)
	21,284	3,431	24,715	71,679
<b>Cash Flows from Capital and Related Financing Activities</b>				
Interfund activity related to capital items	110,032	-	110,032	111,393
Proceeds from issuance of new debt	2,736,629	-	2,736,629	-
Purchase of capital assets	(1,849,875)	-	(1,849,875)	(4,117,003)
Principal and interest paid on long-term debt	(1,684,584)	-	(1,684,584)	(1,611,583)
Collection from developers for the construction of new sewer lines	221,117	-	221,117	208,234
Collection of deposits for future capital expansion	290,446	-	290,446	-
Collection of principal and interest on customer assessments	1,825,900	-	1,825,900	2,002,313
Refund of privilege fees	-	-	-	(62,426)
Collection of additional privilege fees	83,073	-	83,073	139,851
	1,732,738	-	1,732,738	(3,329,221)
<b>Cash Flows from Investing Activities - Interest received on investments</b>				
	162,089	718	162,807	244,626
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,916,111	4,149	1,920,260	(3,012,916)
<b>Cash and Cash Equivalents - Beginning of year</b>	6,100,628	35,667	6,136,295	9,149,211
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 8,016,739</b>	<b>\$ 39,816</b>	<b>\$ 8,056,555</b>	<b>\$ 6,136,295</b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>				
Unrestricted cash and cash equivalents	\$ 230,787			
Restricted cash and cash equivalents resulting from bond sale	1,838,895			
Segregated bank deposits and investments for future capital investment	615,382			
Segregated bank deposits and investments resulting from special assessment	5,331,675			
Total	<b>\$ 8,016,739</b>			

## **Note I - Summary of Significant Accounting Policies**

The accounting policies of the Township of Hamburg (the "Township") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

### **Reporting Entity**

The Township is governed by an elected seven-member Board of Trustees. As required by accounting principles generally accepted in the United States of America, these financial statements present the Township of Hamburg and its component unit. The individual component unit discussed below is included in the Township's reporting entity because of the significance of its operational or financial relationships with the Township.

The Township Library (the "Library") is reported within the component unit column in the combined financial statements. It is reported in a separate column to emphasize that it is separate from the Township. The Library was created to provide library services, including book loans, to Township residents. The Library's governing body, which consists of six individuals, is elected by Township residents. The Library itself is not a separately incorporated fiscal entity.

### **Fund Accounting**

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The various funds are grouped, in the combined financial statements in this report, into generic fund types in three broad fund categories as follows:

#### **Governmental Funds**

**General Fund** - The General Fund contains the records of the ordinary activities of the Township that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, State-shared revenue, and other sources.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of earmarked revenue or financing activities requiring separate accounting because of legal or regulatory provisions.

**Debt Service Funds** - Debt Service Funds are used to account for the annual payment of principal, interest, and expenses in connection with certain long-term debt other than debt payable from the operations of an Enterprise Fund.

## **Note I - Summary of Significant Accounting Policies (Continued)**

**Capital Projects Funds** - Capital Projects Funds are used to account for the development of capital facilities other than those financed by the operations of an Enterprise Fund.

### **Proprietary Fund**

**Enterprise Fund** - The Enterprise Fund is used to account for the results of operations that provide a service to citizens that is financed primarily by a user charge for the provision of that service.

### **Fiduciary Funds**

**Trust and Agency Funds** - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds. These include the Cemetery Trust Fund and the Agency Funds. The Cemetery Trust Fund is accounted for in the same manner as proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

### **Basis of Accounting**

The accrual basis of accounting is used by the Enterprise Fund and the Nonexpendable Trust Fund. All governmental funds, Agency Funds, and the component unit utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received.

Properties are assessed as of December 31. The related property taxes become a lien on December 1 of the following year and are billed on the first business day in December. Those taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls.

- b. Noncurrent receivables, such as special assessments, are recorded at full value, and deferred revenue is recorded for the portion not available for use to finance operations as of year end.
- c. Interest income on special assessments receivable is not accrued until its due date.

## **Note I - Summary of Significant Accounting Policies (Continued)**

- d. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- e. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- f. Normally, expenditures are not divided between years by the recording of prepaid expenses.
- g. The noncurrent portion of accumulated sick and vacation pay liabilities is reflected in the General Long-term Debt Account Group.

**Fixed Assets and Long-term Liabilities** - Fixed assets used in governmental fund-type operations are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems. No depreciation has been provided on general fixed assets.

All fixed assets are recorded at cost or, if donated, at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The General Fixed Assets Account Group and the General Long-term Debt Account Group are not funds and do not involve the measurement of results of operations.

Fixed assets and long-term liabilities relating to the proprietary funds are accounted for in those funds. Depreciation on such fixed assets is charged as an expense against the operations of the proprietary funds on a straight-line basis.

**Cash Equivalents** - For purposes of the statement of cash flows, the proprietary fund and Nonexpendable Trust Fund consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. In addition, the statement of cash flows includes both restricted and unrestricted cash and cash equivalents.

**Investments** - Investments are recorded at fair value based on quoted market prices.

**Inventory** - Inventory in the Enterprise Fund is valued at cost, on a first-in, first-out basis, which approximates market value.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

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

**Memorandum-only Totals** - The total data presented is the aggregate of the fund types and account groups and is presented for analysis purposes only. No consolidating or other eliminations were made in arriving at the totals; therefore, they do not present consolidated information.

**Construction Code Activities** - The Township did not collect any fees and consequently did not incur any expenses relating to construction code activities during the year ended June 30, 2003.

**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.

Other accounting policies are disclosed in other notes to financial statements.

### Note 2 - Deposits and Investments

The Township's deposits and investments are included on the balance sheet under the following classifications:

Cash and investments	\$ 5,573,275
Restricted assets (Note 4)	1,838,895
Segregated assets (Note 14)	<u>5,947,057</u>
Total	<u>\$ 13,359,227</u>

The above amounts are classified by Governmental Accounting Standards Board Statement No. 3 in the following categories:

Bank deposits (checking accounts, savings accounts, and certificates of deposit)	\$ 7,632,653
Investments	5,725,324
Petty cash or cash on hand	<u>1,250</u>
Total	<u>\$ 13,359,227</u>

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

### **Deposits**

The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$7,786,902. Of that amount, approximately \$189,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

### **Investments**

The Township is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies (of nonpension funds) in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, bankers' acceptances and mutual funds, and investment pools that are composed of authorized investment vehicles. To the extent that cash from various funds has been pooled in an investment, related investment income is allocated to each fund based on relative participation in the pool, except that Agency Funds investment earnings are allocated to the General Fund.

The Township's investments are categorized below to give an indication of the level of risk assumed by the entity at June 30, 2003. Risk Category 1 includes those investments that meet any one of the following criteria:

- a. Insured
- b. Registered
- c. Held by the City or its agent

Risk Categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department (or agent) in the Township's name. Category 3 includes investments held by:

- a. The counterparty or
- b. The counterparty's trust department (or agent) but not in the Township's name

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

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

	Category			Reported Amount (Fair Value)
	1	2	3	
Primary government:				
Corporate bonds	\$ -	\$ 93,237	\$ -	\$ 93,237
U.S. government securities	-	1,480,095	-	1,480,095
Subtotal	<u>\$ -</u>	<u>\$ 1,573,332</u>	<u>\$ -</u>	1,573,332
Investments not subject to categorization - Mutual funds				<u>4,151,992</u>
Total primary government				<u>\$ 5,725,324</u>

The mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in the funds comply with the investment authority noted above. The mutual funds are registered with the SEC. Management believes that the investments in the funds comply with the investment authority noted above.

#### Component Unit

The cash and investments of the Township's component unit consist of bank deposits of \$876,245, investments in money market investment funds of \$591,940, and petty cash of \$325. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$889,188, all of which was not covered by federal depository insurance.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 3 - Interfund Receivables

The following are the interfund receivables at June 30, 2003:

Fund Due To	Fund Due From	Amount
General Fund	Special Revenue Fund - Park Land Purchase	\$ 1,685
	Capital Projects Funds:	
	Capital Projects Fund	45,640
	Maintenance SADs Fund	1,594
	Enterprise Fund	66,601
	Agency Funds:	
	Trust and Agency Fund	3,177
	Current Tax Collection Fund	<u>6,751</u>
	Total General Fund	125,448
Special Revenue Funds:		
Fire Fund	Trust and Agency Fund	70
Police Fund	Trust and Agency Fund	<u>73</u>
	Total Special Revenue Funds	143
Capital Projects Funds	Agency Funds - Trust and Agency Fund	33
	General Fund	<u>1,410</u>
	Total Capital Projects Funds	<u>1,443</u>
	Total interfund receivables	<u>\$ 127,034</u>

### Note 4 - Restricted Assets

Restricted assets in the Sewer Enterprise Fund at June 30, 2003 consist of cash and cash equivalents. These assets are restricted for debt payments.

The restricted assets result from the issuance of debt or the receipt of contributed capital. Therefore, retained earnings have not been reserved.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 5 - Capital Assets

A summary of changes in general fixed assets follows:

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Land	\$ 1,274,280	\$ 77,539	\$ -	\$ 1,351,819
Buildings	9,189,385	10,056	-	9,199,441
Equipment	1,624,886	245,442	-	1,870,328
Vehicles	797,987	86,507	9,951	874,543
Portage - Base Lakes Area (Note 11)	2,833,781	-	71,762	2,762,019
Total	<u>\$ 15,720,319</u>	<u>\$ 419,544</u>	<u>\$ 81,713</u>	<u>\$ 16,058,150</u>

A summary of proprietary fund fixed assets at June 30, 2003 is as follows:

Land	\$ 1,303,361
Utility system	24,208,673
Equipment	1,953,624
Construction in progress	<u>1,818,488</u>
Total	29,284,146
Less accumulated depreciation	<u>4,240,718</u>
Net	<u>\$ 25,043,428</u>

In addition, the component unit's fixed assets are composed of the following:

Land and building	\$ 272,575
Furniture and equipment	3,330
Books and recordings	<u>36,260</u>
Total	<u>\$ 312,165</u>

The books and recordings are recorded at \$1 per item. The replacement value, based on trade publications average costs adjusted for discounts and processing costs applicable to Library purchases, was approximately \$795,000 as of June 30, 2003.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 6 - Long-term Debt

#### Outstanding Debt

The following is a summary of the debt outstanding of the Township:

	Number of Issues	Interest Rate	Maturing Through	Principal Outstanding
Enterprise Fund:				
Special assessment bonds:				
1989 Series 1989A	1	5.00%	2004	\$ 80,000
1992 Limited Tax G.O.	1	2.00%	2012	775,000
1998 Series 1998	1	4.10%-5.00%	2018	340,000
1999 Series 1999	1	4.50%-5.25%	2014	3,290,000
2001 Series 2001	1	4.25%-6.50%	2021	<u>6,350,000</u>
Total Enterprise Fund special assessment bonds				10,835,000
Revenue bonds:				
1996 Sewage Disposal System	1	5.05%-5.95%	2016	370,000
1997 Wastewater Treatment Plant	1	5.50%-5.60%	2027	4,975,000
2002 Water System Project	1	4.50%-5.0%	2032	<u>2,000,000</u>
Total Enterprise Fund revenue bonds				7,345,000
Installment purchase agreements	1	3.25%	2013	<u>736,629</u>
Total Enterprise Fund debt				18,916,629
General Long-term Debt Account Group:				
Special assessment bonds - Construction contracts - Washtenaw County:				
1990 Series I	1	6.00%	2005	44,125
1990 Series 1990	1	2.00%	2005	434,190
1992 Series III	1	6.00%	2005	14,120
1997 Limited Tax G.O.	1	4.50%-5.50%	2017	<u>555,000</u>
Total special assessment bonds				1,047,435
General obligation bonds	1	4.625%-4.70%	2010	2,850,000
Installment purchase agreements	3	5.20%-10.28%	2004	126,077
Note payable - Construction installment note	1	5.25%	2010	2,814,213
Michigan Transportation Fund Note	1	4.10%-4.35%	2012	173,142
Accumulated employee benefits				<u>158,001</u>
Total General Long-term Debt Account Group				<u>7,168,868</u>
Total long-term debt				<u>\$ 26,085,497</u>

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 6 - Long-term Debt (Continued)

The special assessment bonds represent the financing of public improvements that benefit specific districts; these districts are specially assessed, at least in part, for the cost of the improvements. At June 30, 2003, the Township has approximately \$620,000 and \$7,315,000 set aside in Debt Service Funds and Enterprise Funds, respectively, for repayment of these bonds and completion of special assessment construction projects. In addition, there is approximately \$559,000 and \$8,963,000 of special assessments receivable in the future in the Debt Service Funds and Enterprise Funds, respectively. The amount of receivables delinquent at June 30, 2003 is not significant. Under Michigan law, the Township is secondarily liable for payment of these bonds.

The accumulated employee benefits represent the estimated liability to be paid to governmental fund-type employees under the Township's sick and vacation pay policy, net of the portion that is estimated will be paid currently (which has been recorded as a liability in the applicable governmental fund). Under the Township's policy, employees earn sick and vacation time based on time of service with the Township.

#### Changes in Long-term Debt

The following is a summary of long-term debt transactions of the Township for the year ended June 30, 2003:

	General Obligations	Revenue Bonds	Special Assessment Bonds	Total
<b>Balance - July 1, 2002</b>	\$ 6,681,049	\$ 5,440,000	\$ 12,897,185	\$ 25,018,234
Decrease in obligation for employee benefits	(1,905)	-	-	(1,905)
Debt issued	879,466	2,000,000	-	2,879,466
Debt retired	<u>(700,548)</u>	<u>(95,000)</u>	<u>(1,014,750)</u>	<u>(1,810,298)</u>
<b>Balance - June 30, 2003</b>	<u>\$ 6,858,062</u>	<u>\$ 7,345,000</u>	<u>\$ 11,882,435</u>	<u>\$ 26,085,497</u>

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 6 - Long-term Debt (Continued)

#### Debt Service Requirements

The annual requirements to service all debt outstanding as of June 30, 2003 (excluding employee benefits), including both principal and interest, are as follows:

Years Ending June 30	Special Assessments	Other Governmental Fund Resources	Water and Sewer Fees and Charges	Total
2004	\$ 1,542,478	\$ 1,033,820	\$ 487,910	\$ 3,064,208
2005	1,406,207	1,061,544	512,776	2,980,527
2006	1,197,894	1,069,663	530,426	2,797,983
2007	1,160,473	1,058,629	547,489	2,766,591
2008	1,181,856	1,061,256	563,163	2,806,275
Remaining years	9,851,174	2,439,394	10,644,031	22,934,599
Total	<u>\$ 16,340,082</u>	<u>\$ 7,724,306</u>	<u>\$ 13,285,795</u>	<u>\$ 37,350,183</u>

#### Interest

Total interest incurred for the Township for the year approximated \$1,411,000.

#### Defeased Debt

In the prior year, 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 account assets and the liability for the defeased bonds are not included in the general purpose financial statements. At June 30, 2003, \$4,200,000 of bonds outstanding are considered defeased.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 7 - Contributed Capital

The following is an analysis of contributed capital:

	Balance	Current Year	Balance
	July 1, 2002	Additions (Deletions)	June 30, 2003
Water and sewer assets contributed by special assessment districts	\$ 18,390,638	\$ (430,046)	\$ 17,960,592
Water and sewer assets contributed by others	1,573,820	-	1,573,820
Transfer from Debt Service Funds	972,553	-	972,553
Transfer from Capital Projects Funds	432,813	-	432,813
Privilege fees	3,222,236	86,598	3,308,834
Federal sources	342,500	-	342,500
Less depreciation on contributed assets	<u>(3,026,191)</u>	<u>(252,536)</u>	<u>(3,278,727)</u>
Total	<u>\$ 21,908,369</u>	<u>\$ (595,984)</u>	<u>\$ 21,312,385</u>

### Note 8 - Budget Information

The annual budget is prepared by the Township Supervisor and adopted by the Township Board; subsequent amendments are approved by the Township Board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2003 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with generally accepted accounting principles, with the exception of the following:

- Operating transfers have been included in the "revenue" and "expenditures" categories, rather than as "other financing sources (uses)."
- The Debt Service Funds have not been formally budgeted; therefore, their financial activity has been omitted from the budget statement.
- Expenditures financed by installment debt are reported net of the applicable debt proceeds.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 8 - Budget Information (Continued)

The budget statement (combined statement of revenue, expenditures, and changes in fund balances - budget and actual - General and Special Revenue Fund types) is presented on the same basis of accounting used in preparing the adopted budget. Following is a reconciliation of the budget statement to the operating statement (combined statement of revenue, expenditures, and changes in fund balances - all governmental fund types and component unit):

	General Fund		Special Revenue Funds	
	Total	Total	Total	Total
	Revenue	Expenditures	Revenue	Expenditures
Amounts per operating statement	\$3,240,790	\$ 2,121,230	\$ 1,667,753	\$ 1,906,632
Operating transfers budgeted as revenue and expenditures	59,840	752,344	606,359	406,161
Expenditures financed by installment debt reported net of the applicable debt proceeds	-	(36,647)	-	(102,759)
Amounts per budget statement	<u>\$3,300,630</u>	<u>\$ 2,836,927</u>	<u>\$2,274,112</u>	<u>\$ 2,210,034</u>

The budget has been adopted on a total fund basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.

### Note 9 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time employees, except police officers, through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the Township Board, the Township contributes 10 percent of the employees' gross earnings. In accordance with these requirements, the Township contributed \$114,093 during the year.

## **Note 10 - Defined Benefit Pension Plan**

### **Plan Description**

The Township participates in the Michigan Municipal Employees' System (MMERS), an agent multiple-employer system that is available to command officers and to all police patrol employees of the Township. The MMERS provides retirement benefits and disability and death benefits to plan members and their beneficiaries. The MMERS issues a publicly available financial report that includes financial statements and required supplementary information for the MMERS. That report may be obtained by writing to the MMERS at 447 N. Canal Road, Lansing, MI 48917.

### **Funding Policy**

The obligation to contribute to and maintain the MMERS for these employees was established by negotiations with the Township's competitive bargaining units. The Township is required to contribute up to a maximum of \$2,500 to the system on behalf of the command officers, with any costs over and above the amount being the responsibility of the employees. The police patrol employees' agreement requires a contribution of 3 percent of the first \$4,200 of annual compensation and 5 percent of portions over \$4,200.

### **Annual Pension Cost**

For the year ended June 30, 2003, the Township's annual pension cost of \$65,000 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2001, using the entry age cost method. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8.0 percent per year compounded annually, (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0 percent to 4.16 percent per year, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5 percent per year (annually) after retirement. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 33 years.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 10 - Defined Benefit Pension Plan (Continued)

Trend information is as follows:

	Fiscal Year Ended June 30		
	2003	2002	2001
Annual pension cost (APC)	\$ 65,000	\$ 44,900	\$ 41,400
Percentage of APC contributed	100%	100%	100%

  

	As of December 31		
	2002	2001	2000
Actuarial value of assets	\$ 354,394	\$ 296,623	\$ 242,308
Actuarial accrued liability (AAL) (entry age)	\$ 1,021,915	\$ 761,857	\$ 616,383
Unfunded AAL (UAAL)	\$ 667,521	\$ 465,234	\$ 374,075
Funded ratio	34.7%	38.9%	39.3%
Covered payroll	\$ 521,301	\$ 500,218	\$ 467,610
UAAL as a percentage of covered payroll	128%	93%	80%

### Note 11 - Joint Venture

The Township is a member of the Portage - Base Lakes Area Water and Sewer 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. During the current year, the Township paid approximately \$283,000 in debt service related to bonds issued to fund the sewer project. Complete financial statements for the Authority can be obtained from the administrative offices at 6880 Dexter Pinckney Road, Dexter, Michigan.

The Township is a member of the Livingston Community Water Authority, which will provide water services to the residents of Hamburg, Brighton, and Green Oak Townships. The participating communities will provide annual funding for its operations via water billings. The Township is unaware of any circumstance that would cause an additional financial benefit or burden to the participating governments in the near future.

# Township of Hamburg

## Notes to Financial Statements June 30, 2003

### Note 12 - Reserved Fund Balance

The fund balances of the following funds have been reserved as follows:

General Fund (future capital outlay)	\$ 36,700
Capital Projects Fund (future capital outlay)	59,807
Trust and Agency Funds - Nonexpendable Trust - Cemetery Trust (future cemetery expenditures)	<u>39,816</u>
Total	<u>\$ 136,323</u>

### Note 13 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical, dental, and optical benefits provided to employees. The Township has purchased commercial insurance for employee injuries, medical, dental, and optical claims, and participates in the Michigan Municipal Risk Management Authority for claims relating to property and general liability. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority's State Pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

### Note 14 - Assets Segregated for Capital and Debt

Segregated assets in the Sewer Enterprise Fund at June 30, 2003 consist of the following:

Bank deposits and investments	\$ 5,947,057
Special assessment receivables:	
Current	1,237,176
Long-term	<u>7,726,052</u>
Total	<u>\$ 14,910,285</u>

## **Note 15 - Upcoming Reporting Change**

For the year beginning July 1, 2003, the Township plans to adopt GASB Statement No. 34. This will dramatically revise the information being reported in these financial statements. Governmental activities will report information by individually significant fund, as well as in total on the full accrual basis of accounting. Enterprise Funds will no longer report capital contributions as a direct increase to equity. Information is not available to present pro forma data that would show the effect of this future change.

## **Note 16 - Hamburg Fire Department, Inc.**

The Township contracted with the Hamburg Fire Department, Inc. (the "Fire Department"), a separate legal entity providing fire protection and related services to the residents of Hamburg and surrounding areas, through June 30, 2001. As of July 1, 2001, the Fire Department became an activity of the Township and is reflected as a Special Revenue Fund. At July 1, 2001, an agreement was reached with the Fire Department to transfer various operating assets to the Township's Fire Special Revenue Fund. Additionally, an escrow account, which has a remaining balance of approximately \$117,000 at June 30, 2003, will be held by the Fire Department and used for future purchases of fire equipment that will be donated to the Township.

## **Additional Information**

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To the Members of the Township Board  
Township of Hamburg  
Livingston County, Michigan

We have audited the general purpose financial statements of the Township of Hamburg as of and for the year ended June 30, 2003. Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Township of Hamburg. This information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Plante & Moran, PLLC*

October 30, 2003



A worldwide association of Independent accounting firms

# Township of Hamburg

## General Fund Schedule of Expenditures and Other Uses Budget and Actual Year Ended June 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Legislative - Township Board</b>	\$ 128,239	\$ 142,621	\$ (14,382)
<b>General Government</b>			
Township Supervisor	130,876	122,926	7,950
Elections	23,105	25,664	(2,559)
Accounting	141,582	126,788	14,794
Assessor	242,731	216,939	25,792
Clerk	192,585	182,673	9,912
Board of Review	1,741	2,879	(1,138)
Treasurer	122,490	135,676	(13,186)
Township building and grounds	287,000	162,492	124,508
Cemetery	12,112	15,725	(3,613)
Unallocated	161,030	154,885	6,145
Environmental Review Board	23,790	19,368	4,422
Total general government	1,339,042	1,166,015	173,027
<b>Public Safety</b>			
Planning Commission	84,177	88,730	(4,553)
Zoning Administrator	184,003	156,342	27,661
Zoning Board of Appeals	6,544	5,494	1,050
Total public safety	274,724	250,566	24,158
<b>Public Works</b>			
Street lighting	10,000	10,935	(935)
Mapping	116,117	113,260	2,857
Utility/SAD Department	391,123	329,507	61,616
Total public works	517,240	453,702	63,538
<b>Health and Welfare</b>			
Senior citizens	65,377	46,086	19,291
Other	-	951	(951)
Total health and welfare	65,377	47,037	18,340
<b>Recreation and Culture - Recreation Board</b>	25,859	24,642	1,217
Total expenditures	2,350,481	2,084,583	265,898
<b>Other Uses - Operating transfers out</b>	822,779	752,344	70,435
Total expenditures and other uses	<u>\$ 3,173,260</u>	<u>\$ 2,836,927</u>	<u>\$ 336,333</u>

# Township of Hamburg

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	<u>Road</u>	<u>Police</u>	<u>Fire</u>	<u>Park Land Purchase</u>
<b>Assets</b>				
Cash and investments	\$ 383,018	\$ 67,276	\$ 989,266	\$ 53
Accounts receivable	-	3,695	3,707	-
Due from other funds	-	73	70	-
Due from other governmental units	-	-	-	24,700
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<b><u>\$ 383,018</u></b>	<b><u>\$ 71,044</u></b>	<b><u>\$ 993,043</u></b>	<b><u>\$ 24,753</u></b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 36,500	\$ 29,516	\$ -
Due to other funds	-	-	-	1,685
Accrued and other liabilities	-	33,359	28,754	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	-	69,859	58,270	1,685
<b>Fund Balances</b>	<u>383,018</u>	<u>1,185</u>	<u>934,773</u>	<u>23,068</u>
Total liabilities and fund balances	<b><u>\$ 383,018</u></b>	<b><u>\$ 71,044</u></b>	<b><u>\$ 993,043</u></b>	<b><u>\$ 24,753</u></b>

**Special Revenue Funds  
Combining Balance Sheet  
June 30, 2003**

Training	Drug Law Enforcement	Capital Improvements	Total
\$ 2,275	\$ 84,067	\$ 36,794	\$ 1,562,749
-	-	-	7,402
-	-	-	143
-	-	-	24,700
<b><u>\$ 2,275</u></b>	<b><u>\$ 84,067</u></b>	<b><u>\$ 36,794</u></b>	<b><u>\$ 1,594,994</u></b>
\$ 9	\$ -	\$ -	\$ 66,025
-	-	-	1,685
-	-	-	62,113
9	-	-	129,823
<u>2,266</u>	<u>84,067</u>	<u>36,794</u>	<u>1,465,171</u>
<b><u>\$ 2,275</u></b>	<b><u>\$ 84,067</u></b>	<b><u>\$ 36,794</u></b>	<b><u>\$ 1,594,994</u></b>

# Township of Hamburg

	Road	Police	Fire	Park Land Purchase
<b>Revenue</b>				
Property taxes	\$ -	\$ 730,498	\$ 698,765	\$ -
State sources	-	-	-	82,257
Charges for services	-	11,880	-	-
Fines and forfeitures	-	17,229	-	-
Interest and other	19,009	2,673	12,844	9,183
<b>Total revenue</b>	<b>19,009</b>	<b>762,280</b>	<b>711,609</b>	<b>91,440</b>
<b>Expenditures</b>				
Public safety	-	1,275,155	431,401	-
Public works	80,182	-	-	-
Recreation and cultural	-	-	-	70,578
<b>Total expenditures</b>	<b>80,182</b>	<b>1,275,155</b>	<b>431,401</b>	<b>70,578</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(61,173)</b>	<b>(512,875)</b>	<b>280,208</b>	<b>20,862</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from long-term debt issue	-	59,279	43,480	-
Operating transfers in	-	606,359	-	-
Operating transfers out	-	(157,969)	(182,652)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>507,669</b>	<b>(139,172)</b>	<b>-</b>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(61,173)</b>	<b>(5,206)</b>	<b>141,036</b>	<b>20,862</b>
<b>Fund Balances - Beginning of year</b>	<b>444,191</b>	<b>6,391</b>	<b>793,737</b>	<b>2,206</b>
<b>Fund Balances - End of year</b>	<b>\$ 383,018</b>	<b>\$ 1,185</b>	<b>\$ 934,773</b>	<b>\$ 23,068</b>

**Special Revenue Funds**  
**Combining Statement of Revenue, Expenditures,**  
**and Changes in Fund Balances**  
**Year Ended June 30, 2003**

Training	Drug Law Enforcement	Capital Improvements	Total
\$ -	\$ -	\$ -	\$ 1,429,263
2,887	-	-	85,144
-	-	-	11,880
-	76,203	-	93,432
<u>26</u>	<u>3,887</u>	<u>412</u>	<u>48,034</u>
2,913	80,090	412	1,667,753
3,220	46,096	-	1,755,872
-	-	-	80,182
<u>-</u>	<u>-</u>	<u>-</u>	<u>70,578</u>
<u>3,220</u>	<u>46,096</u>	<u>-</u>	<u>1,906,632</u>
(307)	33,994	412	(238,879)
-	-	-	102,759
-	-	-	606,359
<u>-</u>	<u>(59,840)</u>	<u>(5,700)</u>	<u>(406,161)</u>
<u>-</u>	<u>(59,840)</u>	<u>(5,700)</u>	<u>302,957</u>
(307)	(25,846)	(5,288)	64,078
<u>2,573</u>	<u>109,913</u>	<u>42,082</u>	<u>1,401,093</u>
<u><b>\$ 2,266</b></u>	<u><b>\$ 84,067</b></u>	<u><b>\$ 36,794</b></u>	<u><b>\$ 1,465,171</b></u>

# Township of Hamburg

## Debt Service Funds Combining Balance Sheet June 30, 2003

	Tamarina Paving	Portage Lake Sewer	Tamarack Lake Sewer	Library Building	Total
<b>Assets</b>					
Cash and investments	\$ 45,729	\$ 377,589	\$ 196,953	\$ 107,160	\$ 727,431
Special assessments receivable	-	140,741	418,463	-	559,204
<b>Total assets</b>	<b><u>\$ 45,729</u></b>	<b><u>\$ 518,330</u></b>	<b><u>\$ 615,416</u></b>	<b><u>\$ 107,160</u></b>	<b><u>\$ 1,286,635</u></b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b> - Deferred revenue	\$ -	\$ 140,741	\$ 418,463	\$ -	\$ 559,204
<b>Fund Balances</b>	<u>45,729</u>	<u>377,589</u>	<u>196,953</u>	<u>107,160</u>	<u>727,431</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 45,729</u></b>	<b><u>\$ 518,330</u></b>	<b><u>\$ 615,416</u></b>	<b><u>\$ 107,160</u></b>	<b><u>\$ 1,286,635</u></b>

# Township of Hamburg

## Debt Service Funds Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2003

	Tamarina Paving	Portage Lake Sewer	Tamarack Lake Sewer	Library Building	Total
<b>Revenue</b>					
Special assessments	\$ -	\$ 160,885	\$ 68,889	\$ -	\$ 229,774
Interest income	699	3,662	7,449	-	11,810
Total revenue	699	164,547	76,338	-	241,584
<b>Expenditures - Debt service</b>	-	282,859	65,355	-	348,214
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	699	(118,312)	10,983	-	(106,630)
<b>Fund Balances - Beginning of year</b>	45,030	495,901	185,970	-	726,901
<b>Residual Equity Transfer</b>	-	-	-	107,160	107,160
<b>Fund Balances - End of year</b>	<u>\$ 45,729</u>	<u>\$ 377,589</u>	<u>\$ 196,953</u>	<u>\$ 107,160</u>	<u>\$ 727,431</u>

# Township of Hamburg

## Capital Projects Funds Combining Balance Sheet June 30, 2003

	Maintenance SADs	Capital Projects	Total
<b>Assets</b>			
Cash and investments	\$ 76,806	\$ 149,201	\$ 226,007
Customer receivables	97,139	2,202	99,341
Due from other funds	1,410	33	1,443
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u><b>\$ 175,355</b></u>	<u><b>\$ 151,436</b></u>	<u><b>\$ 326,791</b></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 7,063	\$ 45,989	\$ 53,052
Accrued liabilities	37,192	-	37,192
Due to other funds	1,594	45,640	47,234
Deferred revenue	95,727	-	95,727
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	141,576	91,629	233,205
<b>Fund Balances</b>			
Reserved for capital outlay	-	59,807	59,807
Undesignated	33,779	-	33,779
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>33,779</u>	<u>59,807</u>	<u>93,586</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u><b>\$ 175,355</b></u>	<u><b>\$ 151,436</b></u>	<u><b>\$ 326,791</b></u>

# Township of Hamburg

## Capital Projects Funds Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2003

	Maintenance SADs	Capital Projects	Total
<b>Revenue</b>			
Special assessments	\$ 34,952	\$ -	\$ 34,952
Property tax collections	-	435,310	435,310
Interest	876	9,750	10,626
Total revenue	35,828	445,060	480,888
<b>Expenditures</b>			
Debt service	-	913,973	913,973
Capital outlay	42,209	471,084	513,293
Total expenditures	42,209	1,385,057	1,427,266
<b>Excess of Expenditures Over Revenue</b>	(6,381)	(939,997)	(946,378)
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	-	500,779	500,779
Operating transfers out	-	(8,473)	(8,473)
Total other financing sources (uses)	-	492,306	492,306
<b>Excess of Expenditures and Other Uses Over Revenue and Other Financing Sources</b>	(6,381)	(447,691)	(454,072)
<b>Fund Balances - Beginning of year</b>	40,160	614,658	654,818
<b>Residual Equity Transfer</b>	-	(107,160)	(107,160)
<b>Fund Balances - End of year</b>	<b>\$ 33,779</b>	<b>\$ 59,807</b>	<b>\$ 93,586</b>

# Township of Hamburg

## Trust and Agency Funds Combining Balance Sheet June 30, 2003

	Agency		Nonexpendable	Total
	Trust and Agency	Current Tax Collection	Trust Cemetery Trust	
<b>Assets</b>				
Cash and investments	<u>\$ 107,215</u>	<u>\$ 6,751</u>	<u>\$ 39,816</u>	<u>\$ 153,782</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 3,285	\$ -	\$ -	\$ 3,285
Due to other governmental units	2,872	-	-	2,872
Due to other funds	3,353	6,751	-	10,104
Other accrued liabilities:				
Performance bonds	90,805	-	-	90,805
Other	<u>6,900</u>	<u>-</u>	<u>-</u>	<u>6,900</u>
Total liabilities	107,215	6,751	-	113,966
<b>Fund Balance</b> - Reserved for future cemetery expenditures	<u>-</u>	<u>-</u>	<u>39,816</u>	<u>39,816</u>
Total liabilities and fund balance	<u>\$ 107,215</u>	<u>\$ 6,751</u>	<u>\$ 39,816</u>	<u>\$ 153,782</u>