



### **Board of Trustees**

William J. Fountain, Supervisor  
Larry N. Ciofu, Clerk  
Kathleen A. Horning, Treasurer

Brett Lubeski, Trustee  
Summer L. McMullen, Trustee  
Denise M. O'Connell, Trustee  
Joseph M. Petrucci, Trustee

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**Board of Trustees Special Meeting Agenda  
Hartland Township Hall  
Tuesday, September 02, 2025  
6:30 PM**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of the Agenda
5. Call to the Public
6. Approval of the Consent Agenda
7. Pending and New Business
  - a. [Fiscal Year 2024-2025 Audit Review](#)
8. Adjournment

## **Hartland Township Board of Trustees Meeting Agenda Memorandum**

**Submitted By:** Susan Dryden-Hogan, Finance Director

**Subject:** Fiscal Year 2024-2025 Audit Review

**Date:** August 27, 2025

### **Recommended Action**

Auditor review of financial statements with board. No action needed.

### **Discussion**

Attached is the fiscal year 2024-2025 audit report and management letter, prepared by Pfeffer, Hanniford & Palka, CPAs. John Pfeffer will be reviewing the audit and financial position of the Township during this special meeting.

### **Financial Impact**

Is a Budget Amendment Required? ☐ Yes ☒ No

### **Attachments**

Audit Presentation

Fiscal Year 2024-2025 Audited Financial Statements

Hartland Comment Letter

Communication with Governance Letter

# Hartland Township

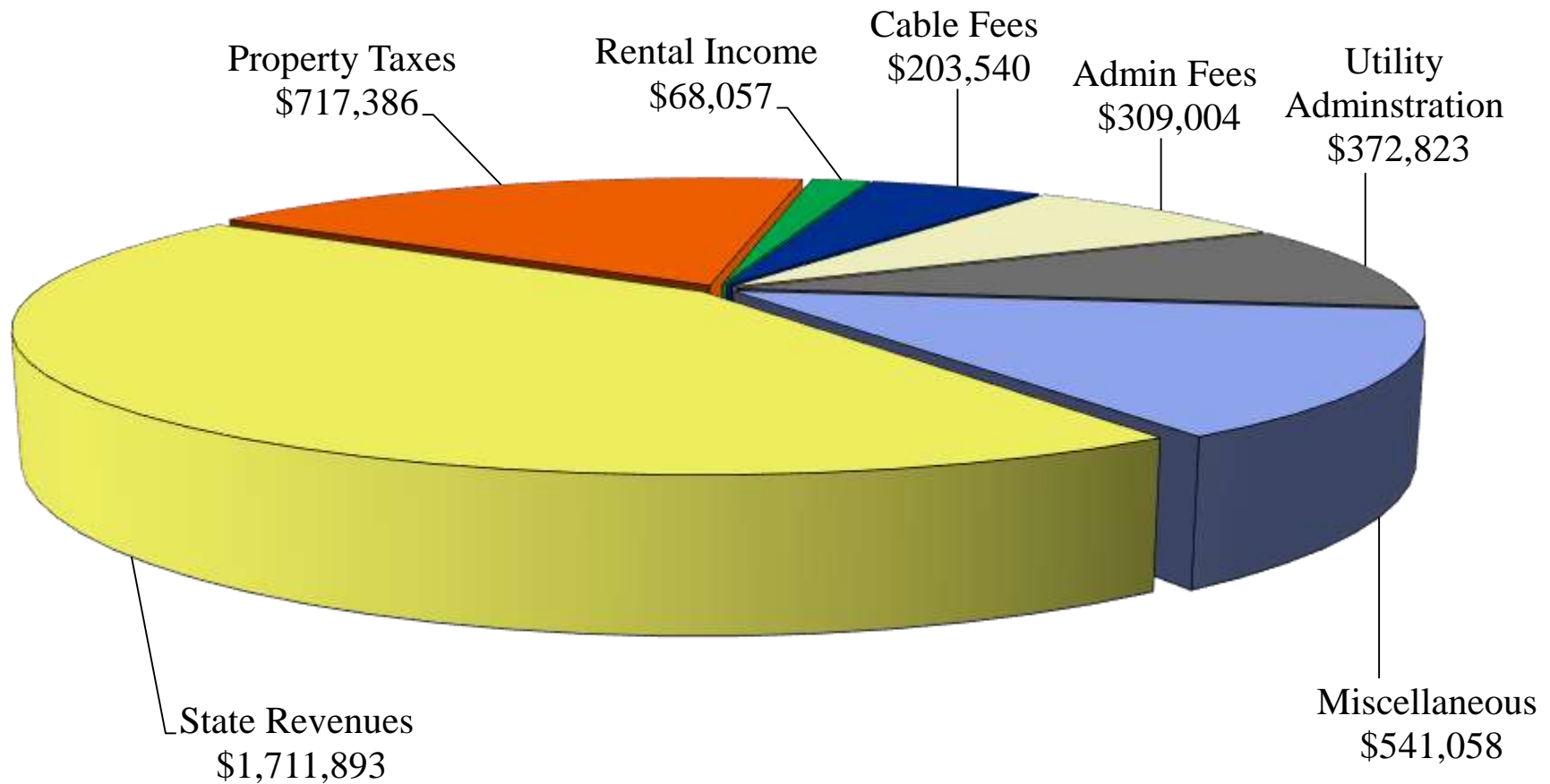
Audit Presentation  
March 31, 2025



PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

BRIGHTON, MICHIGAN

**Hartland Township**  
**General Fund Revenues – Pre GASB 54**  
**For The Year Ended March 31, 2025**

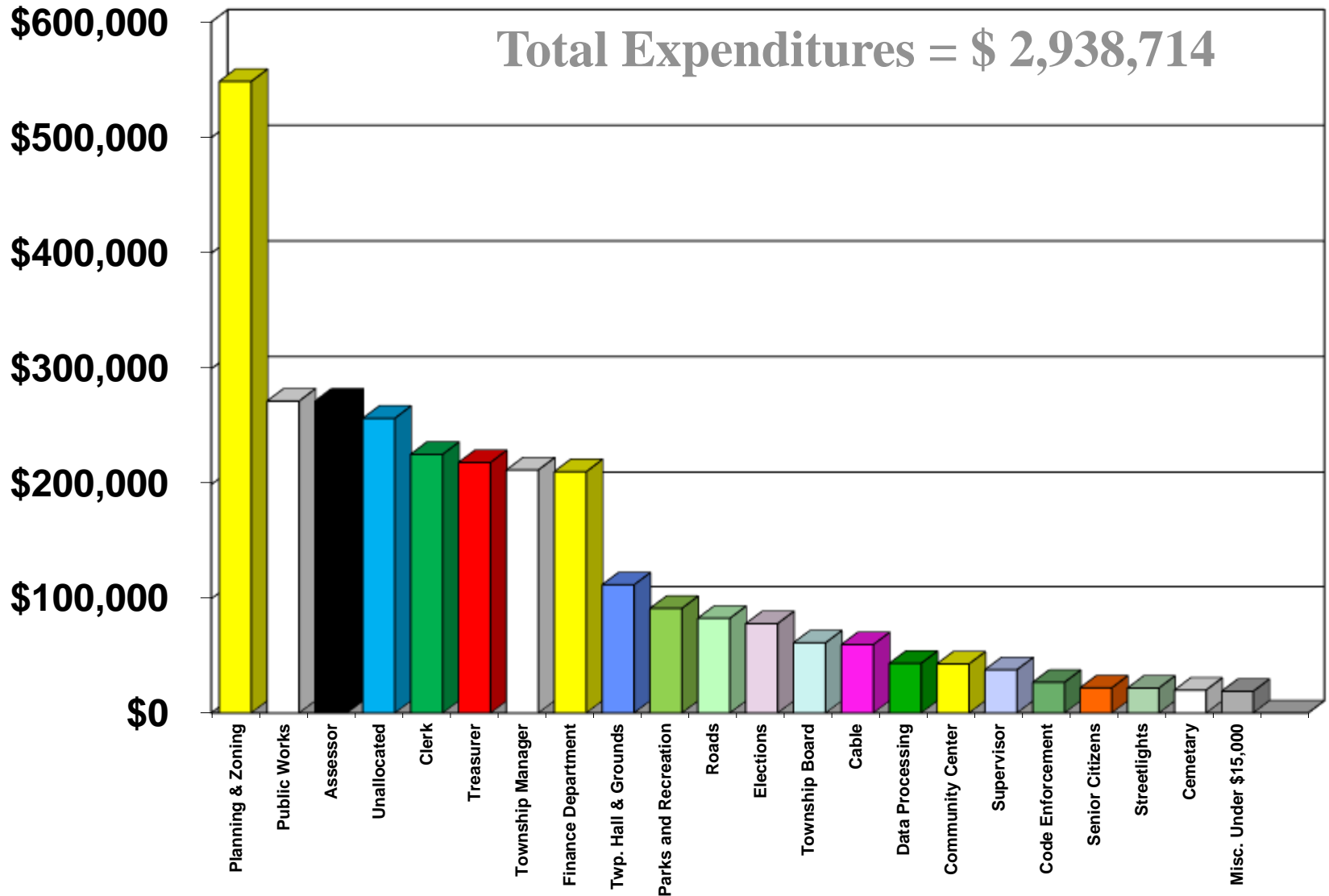


**Total Revenues \$ 3,923,761**

# Hartland Township

## General Fund Expenditures – Pre GASB 54

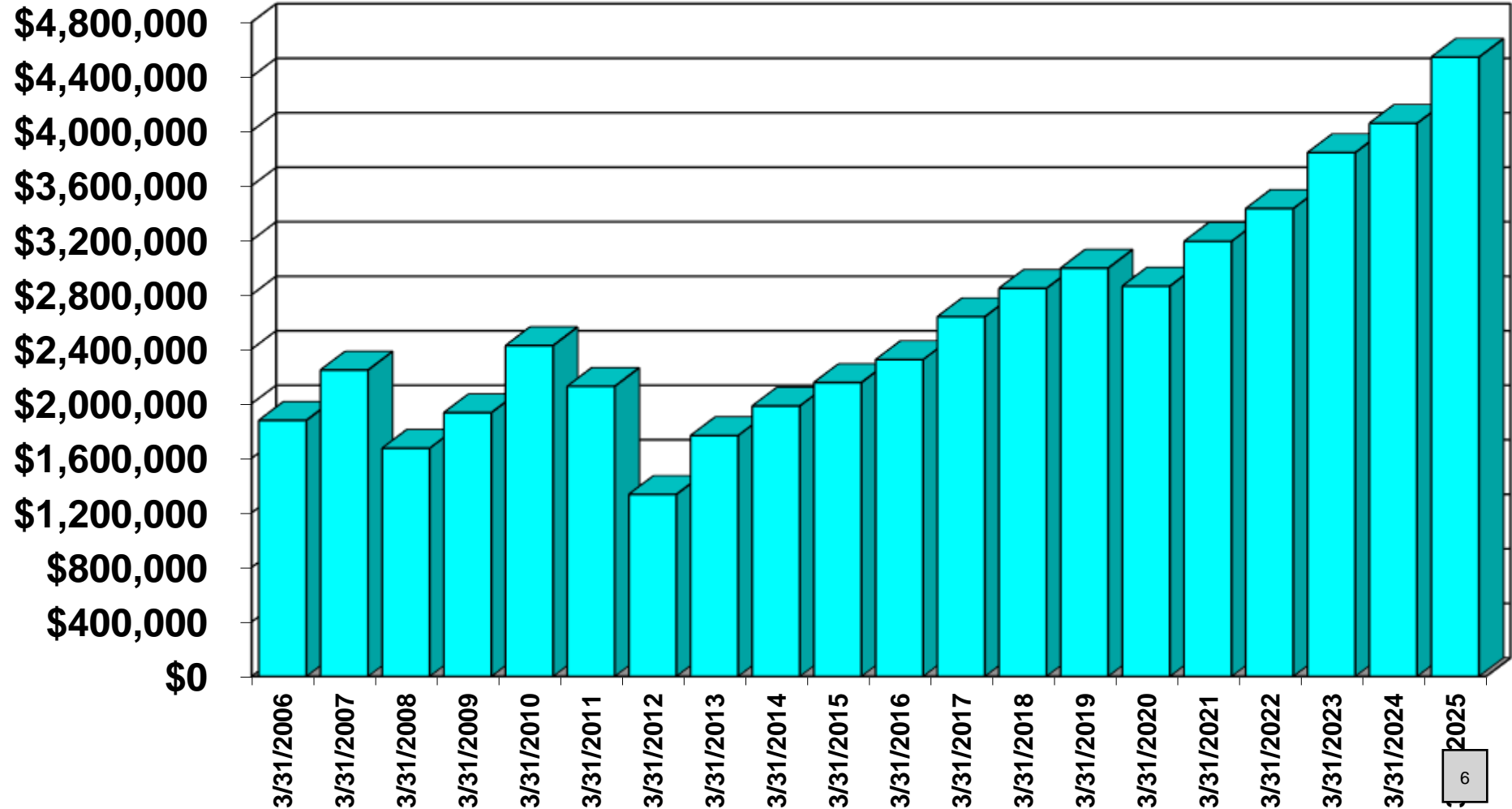
### For The Year Ended March 31, 2025



# Hartland Township

## General Fund - Fund Balance – Pre GASB 54

### March 31, 2006-2025



# HARTLAND TOWNSHIP

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**Report on Audit of Financial Statements**

**For the Year Ended March 31, 2025**

**HARTLAND TOWNSHIP**

**TOWNSHIP OFFICIALS**

Supervisor - William Fountain  
Clerk - Larry Ciofu  
Treasurer - Kathleen Horning

**TOWNSHIP BOARD**

Larry Ciofu  
William Fountain  
Kathleen Horning  
Brett Lubeski  
Summer McMullen  
Denise O'Connell  
Joseph Petrucci

**TOWNSHIP ATTORNEY**

Foster, Swift, Collins & Smith, P.C.

**TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants



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## **INDEPENDENT AUDITOR'S REPORT**

September 2, 2025

To the Board of Trustees  
Hartland Township  
2655 Clark Road  
Hartland, Michigan 48353

### **Report on the Audit of the Financial Statements**

#### **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 Hartland Township, Michigan, as of and for the year ended March 31, 2025, 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, 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 Hartland Township, Michigan, as of March 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **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 twelve 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:

- 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 budgetary comparison information on pages 8-13 and 51-53 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 who 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 accompanying supplementary information such as the combining and individual fund financial statements are presented for purposes of additional analysis and are 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 combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Within this section of Hartland Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2025. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

### **Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net position changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing, and from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water and sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

## ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

***Governmental funds*** are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of available resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net position.

***Proprietary funds*** are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

***Fiduciary funds*** are reported in the fiduciary fund financial statements but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

## ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

## ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and statements for individual fund activity are presented in a subsequent section of this report.



### The Township as a Whole - Government-Wide Financial Analysis

The Township's net position at the end of the fiscal year was \$52,261,236. This is a \$4,121,680 increase over last year's net position of \$48,139,556.

The following tables provide a summary of the Township's financial activities and changes in net position:

#### Summary of Net Position

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>3/31/2025</b>	<b>3/31/2024</b>	<b>3/31/2025</b>	<b>3/31/2024</b>	<b>3/31/2025</b>	<b>3/31/2024</b>
<b>ASSETS</b>						
Current and other assets	\$ 15,548,749	\$ 15,916,559	\$ 18,145,218	\$ 15,444,283	\$ 33,693,967	\$ 31,360,842
Capital assets	8,797,112	8,631,589	22,481,457	22,496,846	31,278,569	31,128,435
<b>Total assets</b>	<b>24,345,861</b>	<b>24,548,148</b>	<b>40,626,675</b>	<b>37,941,129</b>	<b>64,972,536</b>	<b>62,489,277</b>
<b>LIABILITIES</b>						
Other liabilities	560,182	694,730	456,746	335,021	1,016,928	1,029,751
Long-term liabilities	1,980,400	2,305,450	9,434,150	10,691,089	11,414,550	12,996,539
<b>Total liabilities</b>	<b>2,540,582</b>	<b>3,000,180</b>	<b>9,890,896</b>	<b>11,026,110</b>	<b>12,431,478</b>	<b>14,026,290</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows from leases	279,822	323,431			279,822	323,431
<b>NET POSITION</b>						
Net investment in capital assets	8,797,112	8,631,589	12,671,514	11,967,043	21,468,626	20,598,632
Restricted	3,619,653	3,776,344			3,619,653	3,776,344
Unrestricted	9,108,692	8,816,604	18,064,265	14,947,976	27,172,957	23,764,580
<b>Total net position</b>	<b>\$ 21,525,457</b>	<b>\$ 21,224,537</b>	<b>\$ 30,735,779</b>	<b>\$ 26,915,019</b>	<b>\$ 52,261,236</b>	<b>\$ 48,139,556</b>

### Summary of Changes in Activities

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>3/31/2025</b>	<b>3/31/2024</b>	<b>3/31/2025</b>	<b>3/31/2024</b>	<b>3/31/2025</b>	<b>3/31/2024</b>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 756,168	\$ 674,023	\$ 3,782,014	\$ 3,765,888	\$ 4,538,182	\$ 4,439,911
Capital contributions			3,738,621	273,334	3,738,621	273,334
General revenues and transfers						
State revenues	1,719,784	1,729,125			1,719,784	1,729,125
Property taxes	3,991,651	3,719,757			3,991,651	3,719,757
Interest and rent	261,795	264,701	495,848	273,920	757,643	538,621
Grant income		233,878				233,878
Transfers in (out)		1,750		(1,750)		
Other	714,193	793,791	132,491	80,161	846,684	873,952
<b>Total revenues</b>	<b>7,443,591</b>	<b>7,417,025</b>	<b>8,148,974</b>	<b>4,391,553</b>	<b>15,592,565</b>	<b>11,808,578</b>
<b>EXPENSES</b>						
General government	2,625,536	2,411,001			2,625,536	2,411,001
Public safety	2,012,047	1,730,729			2,012,047	1,730,729
Parks and recreation	434,771	405,753			434,771	405,753
Public works	1,941,751	1,016,490			1,941,751	1,016,490
Community development	64,978	70,282			64,978	70,282
Interest on governmental long-term debt	63,588	89,657			63,588	89,657
Water system			1,214,812	1,012,067	1,214,812	1,012,067
Sewer system			3,113,402	3,115,207	3,113,402	3,115,207
<b>Total expenses</b>	<b>7,142,671</b>	<b>5,723,912</b>	<b>4,328,214</b>	<b>4,127,274</b>	<b>11,470,885</b>	<b>9,851,186</b>
<b>Change in net position</b>	<b>300,920</b>	<b>1,693,113</b>	<b>3,820,760</b>	<b>264,279</b>	<b>4,121,680</b>	<b>1,957,392</b>
<b>Beginning net position</b>	<b>21,224,537</b>	<b>19,531,424</b>	<b>26,915,019</b>	<b>26,650,740</b>	<b>48,139,556</b>	<b>46,182,164</b>
<b>Ending net position</b>	<b>\$ 21,525,457</b>	<b>\$ 21,224,537</b>	<b>\$ 30,735,779</b>	<b>\$ 26,915,019</b>	<b>\$ 52,261,236</b>	<b>\$ 48,139,556</b>

## **Financial Analysis of the Township's Funds**

The Township has four major governmental funds for the year ended March 31, 2025. These funds are the General Fund, Municipal Street Fund, Fire Operating Fund, and M-59/Hartland Road Debt Service Fund.

- The General Fund increased by \$347,009. Property tax revenues and State Shared Revenue remained strong, community investments were increased, and additional funds set aside for future capital projects.
- The Municipal Street Fund decreased by \$97,145. This fund is supported by a 10-year millage, which was renewed in 2024 November election. Current year expenses of \$1,464,061 focused on paving and repairs to several roads in partnership with the Livingston County Road Commission. Most notably, the board authorized the widening of Old US23 from M-59 to the Brighton border, as well as major improvements to the Old US23 and M-59 intersection.
- The Fire Operating Fund decreased by \$49,135. A 5-year millage of 2.06, expiring in 2025, was approved by the voters in November 2020. The board intends to request a millage renewal on the November 2026 election ballot. The board approved an additional contribution of \$325,000 to the Hartland Deerfield Fire Authority for the forgiveness of the 2022 loan for the purchase of a new fire truck.
- The M-59/Hartland Road Debt Service Fund increased by \$31,420, as expected. A 2019 bond refunding resulted in interest savings on the assessed parcels and is accounted for in the budget.

The Township has two major business-type funds for the year ended March 31, 2025. These funds are the Water System Fund and the Sewage Disposal System Fund.

- The Water System Fund's net position decreased by \$77,104. Water operations continue to perform well due to better-than-expected cost savings.
- The Sewage Disposal System Fund increased its net position by \$3,897,864, mainly due to connection fees purchased by Livingston County.

## **General Fund Budgetary Highlights**

The General Fund's budget was adopted prior to the start of the fiscal year ended March 31, 2025. The overall funds were in compliance with the Board approved budget resolution. The budget was amended during the year to account for various projected changes due to Board decisions and economic reality.

## **Capital Asset and Debt Administration**

### *Governmental Funds*

The Township acquired \$707,624 of capital assets during the year. The Township completed the Station 52 bathroom for \$6,000 and Station 62 concrete improvement of \$60,527. The Township completed the paving of the Township parking lot for \$263,259, purchased new carpet for the Township Hall for \$11,054, as well as completed Settler's Park for \$203,409 and Heritage Park for \$124,900. Additionally, the Township made payment for new software for the cemetery for \$4,475, and \$34,000 for a veteran's monument down payment both of which are included in construction in progress at March 31, 2025.

The Township did not dispose of any assets during the year.

The Township made bond principal payments of \$320,000 during the fiscal year, bringing the total governmental debt balance to \$1,940,000 for the year end March 31, 2025. The Township did not issue any new debt during the fiscal year.

### *Business-Type Funds*

The Township has two business-type funds – Water System Fund and Sewage Disposal System Fund. The Water System Fund purchased a lawnmower for \$13,906, a 2024 GMC Sierra for \$57,098 and a salt spreader for \$6,404. Additionally, the Water System Fund spent \$244,098 on water system improvements. Well #1 replacement of \$37,115 was put into service in fiscal year 2025 with no additional costs, and was transferred out of construction in process in the current fiscal year. Construction in progress of \$534,262 at March 31, 2025 relates to the purchase and installation of a new pressure reducing valve (PRV), which is expected to be completed mid-year 2025, and upgrades to the plant media filter.

On September 1, 2021, the Township issued the Sanitary Sewer Series 2021 Refunding bonds in the amount of \$4,775,000. The bond matures on March 31, 2034. Series principal paid on the remaining outstanding bonds totaled \$1,156,530 in the current fiscal year. Principal outstanding for the year ended March 31, 2025 is \$8,653,413. Current cash reserves in the Sewer Fund are greater than the outstanding debt related to the connection to Genesee County's sewer treatment system, due to the purchase of 433 additional REUs by Livingston County in the amount of \$3,616,006.

### **Economic Conditions and Future Activities**

New construction on commercial and residential homes continues at a moderate pace, helping to stabilize the Township's property tax revenues. Sewer and water rate studies are underway for the next five years to ensure that both systems' requirements, including necessary improvements, will be met.

### **Contacting the Township's Financial Management**

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or to request additional information, please contact Hartland Township at 2655 Clark Road, Hartland, Michigan 48353. Find us on the web at [www.hartlandtwp.com](http://www.hartlandtwp.com).

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**HARTLAND TOWNSHIP**

**STATEMENT OF NET POSITION  
MARCH 31, 2025**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 12,272,262	\$ 15,017,023	\$ 27,289,285
Cash and investments - restricted		761,494	761,494
Receivables			
Taxes	110,165		110,165
State shared revenues	280,914		280,914
Special assessments	2,427,444	1,256,487	3,683,931
Accounts	97,319	1,082,917	1,180,236
Lease receivable	308,175		308,175
Interest	3,221	19,288	22,509
Prepaid items	14,787	7,533	22,320
Intergovernmental	(476)	476	
Bond discount - net of amortization	34,938		34,938
Non-current assets			
Capital assets			
Non-depreciable	2,525,357	834,263	3,359,620
Depreciable - net of accumulated depreciation	6,271,755	21,647,194	27,918,949
<b>Total assets</b>	<b>24,345,861</b>	<b>40,626,675</b>	<b>64,972,536</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	173,104	381,913	555,017
Accrued wages/taxes	40,299		40,299
Accrued interest payable		74,833	74,833
Unearned revenue	296,272		296,272
Compliance reserve	50,507		50,507
Long-term liabilities			
Bond premium - net of amortization	40,400	780,737	821,137
Other due within one year	310,000	1,065,000	1,375,000
Other due in more than one year	1,630,000	7,588,413	9,218,413
<b>Total liabilities</b>	<b>2,540,582</b>	<b>9,890,896</b>	<b>12,431,478</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from leases	279,822		279,822
<b>NET POSITION</b>			
Net investment in capital assets	8,797,112	12,671,514	21,468,626
Restricted	3,619,653		3,619,653
Unrestricted	9,108,692	18,064,265	27,172,957
<b>Total net position</b>	<b>\$ 21,525,457</b>	<b>\$ 30,735,779</b>	<b>\$ 52,261,236</b>

The accompanying notes are an integral part of these financial statements.

# HARTLAND TOWNSHIP

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Capital Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
General government	\$ (2,625,536)	\$ 756,168	\$	\$ (1,869,368)	\$	\$ (1,869,368)
Parks and recreation	(434,771)			(434,771)		(434,771)
Police protection	(32,338)			(32,338)		(32,338)
Fire protection	(1,979,709)			(1,979,709)		(1,979,709)
Public works	(1,941,751)			(1,941,751)		(1,941,751)
Community development	(64,978)			(64,978)		(64,978)
Interest on long-term debt	(63,588)			(63,588)		(63,588)
<b>Total governmental activities</b>	<b>(7,142,671)</b>	<b>756,168</b>		<b>(6,386,503)</b>		<b>(6,386,503)</b>
<b>Business-type activities:</b>						
Water system	(1,214,812)	937,518			(277,294)	(277,294)
Sewer system	(3,113,402)	2,844,496	3,738,621		3,469,715	3,469,715
<b>Total business-type activities</b>	<b>(4,328,214)</b>	<b>3,782,014</b>	<b>3,738,621</b>		<b>3,192,421</b>	<b>3,192,421</b>
<b>Total</b>	<b>\$ (11,470,885)</b>	<b>\$ 4,538,182</b>	<b>\$ 3,738,621</b>	<b>(6,386,503)</b>	<b>3,192,421</b>	<b>(3,194,082)</b>
<b>General revenues and transfers</b>						
				3,991,651		3,991,651
Property taxes				1,719,784		1,719,784
State shared revenues				318,692		318,692
Licenses and permits				261,795	495,848	757,643
Interest and rents						
Grant income						
Transfers in (out)						
Other income				395,501	132,491	527,992
<b>Total general revenues</b>				<b>6,687,423</b>	<b>628,339</b>	<b>7,315,762</b>
<b>Changes in net position</b>				<b>300,920</b>	<b>3,820,760</b>	<b>4,121,680</b>
<b>Net position, April 1, 2024</b>				<b>21,224,537</b>	<b>26,915,019</b>	<b>48,139,556</b>
<b>Net position, March 31, 2025</b>				<b>\$ 21,525,457</b>	<b>\$ 30,735,779</b>	<b>\$ 52,261,236</b>

The accompanying notes are an integral part of these financial statements.



## **FUND FINANCIAL STATEMENTS**

**HARTLAND TOWNSHIP**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>General</u>	<u>Municipal Street</u>	<u>Fire Operating</u>	<u>M-59/Hartland Road Debt Service</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and investments	\$ 6,535,472	\$ 2,319,009	\$ 2,121,721	\$ 546,238	\$ 749,822	\$ 12,272,262
Receivables						
Taxes	25,339	35,067	49,759			110,165
State shared revenues	280,914					280,914
Special assessments				1,846,864	580,580	2,427,444
Accounts	50,507				20,014	70,521
Loan - Hartland Deerfield Fire Authority						
Lease receivable	308,175					308,175
Interest	3,221					3,221
Due from other funds	26,798					26,798
Prepaid expenditures	10,213				4,574	14,787
<b>Total assets</b>	<u>\$ 7,240,639</u>	<u>\$ 2,354,076</u>	<u>\$ 2,171,480</u>	<u>\$ 2,393,102</u>	<u>\$ 1,354,990</u>	<u>\$ 15,514,287</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 96,362	\$	\$	\$	\$ 4,748	\$ 101,110
Accrued wages and absences	40,299					40,299
Compliance reserves	50,507					50,507
Unearned revenue	296,272					296,272
Due to others	71,994					71,994
Due to other funds	476					476
<b>Total liabilities</b>	<u>555,910</u>				<u>4,748</u>	<u>560,658</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable revenue				1,846,864	576,282	2,423,146
Deferred inflows from leases	279,822					279,822
<b>Total deferred inflows or resources</b>	<u>279,822</u>			<u>1,846,864</u>	<u>576,282</u>	<u>2,702,968</u>
<b>FUND BALANCES</b>						
Nonspendable - prepaid items	10,213				4,574	14,787
Restricted						
Roads		360,076				360,076
Public safety			2,171,480		113,518	2,284,998
Debt service				546,238	428,341	974,579
ARPA						
Committed						
Capital improvement	1,058,936					1,058,936
Cable					190,054	190,054
Cemetery						
Assigned for future deficit	802,508	1,994,000			37,473	2,833,981
Unassigned	4,533,250					4,533,250
<b>Total fund balances</b>	<u>6,404,907</u>	<u>2,354,076</u>	<u>2,171,480</u>	<u>546,238</u>	<u>773,960</u>	<u>12,250,661</u>
<b>Total liabilities and deferred     inflow of resources and fund balances</b>	<u>\$ 7,240,639</u>	<u>\$ 2,354,076</u>	<u>\$ 2,171,480</u>	<u>\$ 2,393,102</u>	<u>\$ 1,354,990</u>	<u>\$ 15,514,287</u>

The accompanying notes are an integral part of these financial statements.

**HARTLAND TOWNSHIP**

**RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
MARCH 31, 2025**

<b>Total fund balance per balance sheet</b>		<b>\$ 12,250,661</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 therefore, are not reported in the funds.		
Historical cost	\$ 15,112,463	
Depreciation	<u>(6,315,351)</u>	
<b>Capital assets net of depreciation</b>		<b>8,797,112</b>
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable		(1,940,000)
Assessments not collected are reported as unavailable revenue in the fund statements, and are reported as income as levied in the Statement of Activities.		
		2,423,146
Unamortized bond discount and premiums are not recognized in the fund statements.		
		<u>(5,462)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 21,525,457</u></b>

The accompanying notes are an integral part of these financial statements.

# HARTLAND TOWNSHIP

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED MARCH 31, 2025

	General	Municipal Street	Fire Operating	M-59/Hartland Road Debt Service	Other Nonmajor Funds	Total
<b>REVENUES</b>						
Taxes	\$ 717,386	\$ 1,354,423	\$ 1,919,842	\$	\$	\$ 3,991,651
Special assessments - principal				230,858	146,338	377,196
Special assessments - interest				72,309	20,108	92,417
State revenues	1,711,893	4,790	3,101			1,719,784
Licenses and permits	225,250				93,442	318,692
Interest and rents	161,607	6,912	418	253	188	169,378
Charges for services	756,168					756,168
Miscellaneous	392,991	791	1,719			395,501
<b>Total revenues</b>	<b>3,965,295</b>	<b>1,366,916</b>	<b>1,925,080</b>	<b>303,420</b>	<b>260,076</b>	<b>7,820,787</b>

The accompanying notes are an integral part of these financial statements.

# HARTLAND TOWNSHIP

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS (continued) FOR THE YEAR ENDED MARCH 31, 2025

	General	Municipal Street	Fire Operating	M-59/Hartland Road Debt Service	Other Nonmajor Funds	Total
<b>EXPENDITURES</b>						
Current:						
General government	2,354,168					2,354,168
Parks and recreation	91,562					91,562
Capital improvement	145,666					145,666
Police protection/public safety	26,838				5,500	32,338
Fire protection			1,907,688			1,907,688
Public works	396,693	1,464,061			80,997	1,941,751
Community development	64,978					64,978
Capital outlay:						
General government	278,788					278,788
Cable						
Fire protection			66,527			66,527
Parks and recreation	362,309					362,309
Debt service:						
Principal				220,000	100,000	320,000
Interest and fees				52,000	11,588	63,588
<b>Total expenditures</b>	<b>3,721,002</b>	<b>1,464,061</b>	<b>1,974,215</b>	<b>272,000</b>	<b>198,085</b>	<b>7,629,363</b>
<b>Excess of revenues over (under) expenditures</b>	<b>244,293</b>	<b>(97,145)</b>	<b>(49,135)</b>	<b>31,420</b>	<b>61,991</b>	<b>191,424</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	102,716					102,716
Transfers (out)					(102,716)	(102,716)
<b>Net changes in fund balances</b>	<b>347,009</b>	<b>(97,145)</b>	<b>(49,135)</b>	<b>31,420</b>	<b>(40,725)</b>	<b>191,424</b>
<b>FUND BALANCE, APRIL 1, 2024</b>	<b>6,057,898</b>	<b>2,451,221</b>	<b>2,220,615</b>	<b>514,818</b>	<b>814,685</b>	<b>12,059,237</b>
<b>FUND BALANCE, MARCH 31, 2025</b>	<b>\$ 6,404,907</b>	<b>\$ 2,354,076</b>	<b>\$ 2,171,480</b>	<b>\$ 546,238</b>	<b>\$ 773,960</b>	<b>\$ 12,250,661</b>

The accompanying notes are an integral part of these financial statements.

**HARTLAND TOWNSHIP**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2025**

<b>Net change in fund balance - governmental funds</b>	\$ 191,424
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures.

However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which depreciation exceeded capital outlay is as follows:

Capital outlay	\$ 707,624	
Depreciation expense	<u>(542,101)</u>	
<b>Total</b>		165,523

Issuance of new debt and the repayment of long-term debt are recorded as revenues and expenditures in the governmental funds, but change the outstanding long-term liabilities in the Statement of Net Position.

Contracts/bonds payable	320,000
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Bond discounts and bond premiums are amortized over the life of the bonds on the Statement of Activities.

Current year amortization	1,168
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Assessment not collected are reported as deferred revenue in the fund statements, and are reported as income levied in the Statement of Activities.

Principal collected during the year	<u>(377,195)</u>
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<b>Change in net position of governmental activities</b>	<u><u>\$ 300,920</u></u>
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The accompanying notes are an integral part of these financial statements.

**HARTLAND TOWNSHIP**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
MARCH 31, 2025**

	<b>ENTERPRISE FUNDS</b>		
	<b>Water System</b>	<b>Sewage Disposal System</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,046,696	\$ 2,271,232	\$ 4,317,928
Investments	1,046,428	9,652,667	10,699,095
Special assessment receivable		52,052	52,052
Accounts receivable - billing	277,163	805,754	1,082,917
Prepaid		7,533	7,533
Interest receivable	19,288		19,288
Due from other funds	31,961		31,961
<b>Total current assets</b>	<b>3,421,536</b>	<b>12,789,238</b>	<b>16,210,774</b>
<b>RESTRICTED ASSETS</b>			
Cash and cash equivalents		761,494	761,494
Special assessments receivable		1,204,435	1,204,435
<b>Total restricted assets</b>		<b>1,965,929</b>	<b>1,965,929</b>
<b>CAPITAL ASSETS</b>			
Land	300,000		300,000
Construction in progress	534,263		534,263
Utility systems, net	7,641,296	14,005,898	21,647,194
<b>Net capital assets</b>	<b>8,475,559</b>	<b>14,005,898</b>	<b>22,481,457</b>
<b>Total assets</b>	<b>11,897,095</b>	<b>28,761,065</b>	<b>40,658,160</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	154,597	193,984	348,581
Accrued expenditures	19,332		19,332
Accrued interest payable		74,833	74,833
Due to others	14,000		14,000
Chargeback payable			
Bonds and contracts - current portion		1,065,000	1,065,000
Due to other funds		31,485	31,485
<b>Total current liabilities</b>	<b>187,929</b>	<b>1,365,302</b>	<b>1,553,231</b>
<b>LONG-TERM LIABILITIES</b>			
Bonds and contracts payable long term portion		7,588,413	7,588,413
Bond premiums, net of amortization		780,737	780,737
<b>Total long-term liabilities</b>		<b>8,369,150</b>	<b>8,369,150</b>
<b>Total liabilities</b>	<b>187,929</b>	<b>9,734,452</b>	<b>9,922,381</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	8,475,559	4,195,955	12,671,514
Unrestricted	3,233,607	14,830,658	18,064,265
<b>Total net position</b>	<b>\$ 11,709,166</b>	<b>\$ 19,026,613</b>	<b>\$ 30,735,779</b>

The accompanying notes are an integral part of these financial statements.

**HARTLAND TOWNSHIP**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS**

**FOR THE YEAR ENDED MARCH 31, 2025**

	<b>ENTERPRISE FUNDS</b>		
	<b>Sewage Disposal</b>		
	<b>Water System</b>	<b>System</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
User charges	\$ 937,518	\$ 2,844,496	\$ 3,782,014
<b>OPERATING EXPENSES</b>	<u>1,214,812</u>	<u>2,911,036</u>	<u>4,125,848</u>
<b>Operating gain (loss)</b>	<u>(277,294)</u>	<u>(66,540)</u>	<u>(343,834)</u>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>			
Interest income - cash and cash equivalents	67,699	380,862	448,561
Interest income - special assessments		47,287	47,287
Other income (expense)	132,491		132,491
Interest expense and bond fees		<u>(202,366)</u>	<u>(202,366)</u>
<b>Total non-operating revenues and (expenses)</b>	<u>200,190</u>	<u>225,783</u>	<u>425,973</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Connection fees, net of refund		3,666,223	3,666,223
Surcharge fees		<u>72,398</u>	<u>72,398</u>
<b>Total capital contributions</b>		<u>3,738,621</u>	<u>3,738,621</u>
<b>Changes in net position</b>	<u>(77,104)</u>	<u>3,897,864</u>	<u>3,820,760</u>
<b>NET POSITION AT APRIL 1, 2024</b>	<u>11,786,270</u>	<u>15,128,749</u>	<u>26,915,019</u>
<b>NET POSITION AT MARCH 31, 2025</b>	<u><u>\$ 11,709,166</u></u>	<u><u>\$ 19,026,613</u></u>	<u><u>\$ 30,735,779</u></u>

The accompanying notes are an integral part of these financial statements.



HARTLAND TOWNSHIP

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED MARCH 31, 2025

	ENTERPRISE FUNDS		
	Water System	Sewage Disposal System	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 911,804	\$ 2,860,253	\$ 3,772,057
Payments to other suppliers for goods or services	(566,378)	(2,429,068)	(2,995,446)
Payments made to employees	(212,820)		(212,820)
<b>Net cash (used) provided by operating activities</b>	<b>132,606</b>	<b>431,185</b>	<b>563,791</b>
<b>CASH FLOW FROM (USED IN) CAPITAL AND FINANCING ACTIVITIES</b>			
Principal and interest paid on capital debt		(1,459,305)	(1,459,305)
Collections of special assessment (principal and interest)		291,525	291,525
Connection fees		3,814,029	3,814,029
Acquisition of fixed assets	(778,643)		(778,643)
Other revenue	132,491		132,491
<b>Net cash from capital and related financing activities</b>	<b>(646,152)</b>	<b>2,646,249</b>	<b>2,000,097</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net proceeds from sale/purchase of investments	534,822	(3,379,006)	(2,844,184)
Interest received on cash and cash equivalents	4,556	1,836	6,392
<b>Net cash (used) provided by investing activities</b>	<b>539,378</b>	<b>(3,377,170)</b>	<b>(2,837,792)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25,832</b>	<b>(299,736)</b>	<b>(273,904)</b>
<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2024</b>	<b>2,020,864</b>	<b>3,332,462</b>	<b>5,353,326</b>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2025</b>	<b>\$ 2,046,696</b>	<b>\$ 3,032,726</b>	<b>\$ 5,079,422</b>
<b>ADJUSTMENTS TO OPERATING GAIN (LOSS) TO NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES</b>			
Operating gain (loss)	\$ (277,294)	\$ (66,540)	\$ (343,834)
Adjustments to reconcile operating income to net cash provided (used by) operating activities:			
Depreciation	357,362	436,670	794,032
Change in assets and liabilities			
(Increase) decrease in accounts receivable	(25,714)	15,757	(9,957)
(Increase) decrease in due from others	5,000		5,000
(Increase) decrease in prepaid expense		1,825	1,825
(Increase) decrease due from other funds	(31,485)	31,485	
Increase (decrease) accounts payable	100,760	11,988	112,748
Increase (decrease) in accrued expenditures	3,977		3,977
<b>Total adjustments</b>	<b>409,900</b>	<b>497,725</b>	<b>907,625</b>
<b>Net cash provided by operating activities</b>	<b>\$ 132,606</b>	<b>\$ 431,185</b>	<b>\$ 563,791</b>

The accompanying notes are an integral part of these financial statements.

HARTLAND TOWNSHIP

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
MARCH 31, 2025

	<u>Current Tax Collection</u>	<u>General Custodial Fund</u>	<u>Totals</u>
<b>ASSET</b>			
Cash	<u>\$ 26,798</u>	<u>\$ 17,558</u>	<u>\$ 44,356</u>
<b>LIABILITIES</b>			
Due to other funds	\$ 26,798	\$	\$ 26,798
Due to others	<u></u>	<u>17,558</u>	<u>17,558</u>
<b>Total liabilities</b>	<u>\$ 26,798</u>	<u>\$ 17,558</u>	<u>\$ 44,356</u>

The accompanying notes are an integral part of these financial statements.

**HARTLAND TOWNSHIP**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>Current Tax Collection</u>
<b>ADDITIONS</b>	
Tax collections for others	\$ 32,307,327
<b>DEDUCTIONS</b>	
Payments of tax to others	<u>32,307,327</u>
<b>Net increase (decrease) in fiduciary net position</b>	
<b>NET POSITION, APRIL 1, 2024</b>	<u>                    </u>
<b>NET POSITION, MARCH 31, 2025</b>	<u><u>\$</u></u>

Note that the Trust & Agency Fund had no additions or deductions during the year.

The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

#### **A. BASIC FINANCIAL STATEMENTS**

In accordance with GASB standards, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal net position, with the assets and liabilities shown in order of their relative liquidity. Net positions are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net positions are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net positions not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Operating Fund accounts for property taxes collected for and the related costs to provide fire protection to the Township residents.

The Municipal Street Fund accounts for property taxes collected for and related costs to improve Township roads.

The M-59/Hartland Road Debt Service Fund accounts for the activity related to the debt and assessments to finance a road project.

The Township reports the following major proprietary funds:

The Sewage Disposal System Fund accounts for all the activity associated with the operations and maintenance of operating a sewage treatment system.

The Water System Fund accounts for all the activity associated with the operations and maintenance of operating a water distribution system.

#### **B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources. This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities' column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Under GASB standards, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

When both restricted and unrestricted revenues are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

#### **C. CAPITAL ASSETS**

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund's financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real properties are considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 75 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

#### **D. BUDGETARY DATA**

The Board of Trustees follows the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The budget process is detailed in the approval of the General Appropriations Act adopted by the Board. The proposed budget is then submitted for discussion and approved by the entire Township Board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township Board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended March 31, 2025, expenditures did exceed appropriations immaterially in the General Fund.



## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **E. PROPERTY TAXES**

The Township's property taxes are levied and become a lien on each December 1st based on the taxable value of property located in the Township as of the preceding December 31st. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls. The Township recognized the amount levied December 1, 2024 as revenue for the year ended March 31, 2025.

The 2024 taxable valuation of the Township totaled \$952,364,360. The delinquent real property taxes of the Township are purchased by Livingston County. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes. The county disbursed the delinquent taxes to the Township in June 2025.

The Township levies the following millage:

General Township	.7533
Fire and fire capital improvements	2.0159
Road improvement	<u>1.422</u>
Total millage	<u><u>4.1912</u></u>

##### **F. MANAGEMENT'S ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **G. CASH EQUIVALENTS**

For purposes of the statement of cash flow, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

##### **H. RISK MANAGEMENT**

The Township is exposed to various risks of loss pertaining to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for these claims. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

##### **I. INVENTORIES AND PREPAID ITEMS**

Inventories are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

**HARTLAND TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. CAPITALIZATION OF INTEREST**

A portion of the interest cost incurred on capital projects is capitalized on assets that require a period of time for construction or to otherwise prepare them for their intended use. Such amounts are amortized over the useful lives of the assets. No such interest has been incurred during the year ended March 31, 2025.

**K. INCOME TAXES**

As a governmental agency, the Township is exempt from income taxes.

**L. RECEIVABLES**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. See Note 9 for further discussion on special assessment receivables and related allowance for uncollectable receivables.

**M. INVESTMENTS**

Investments are stated at market value; except investments in high quality commercial paper or negotiable certificates of deposit with maturities of 270 days or less at date of acquisition are stated at cost as such does not differ significantly from fair value.

**N. FUND EQUITY**

According to GASB standards, the Township wishes to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This standard establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned, and unassigned.

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **N. FUND EQUITY (continued)**

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed - Amounts that have been formally set aside by the Township Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- Assigned - Intent to spend resources on specific purposes expressed by the Township Board; or Supervisor, Clerk, and Treasurer; who are authorized by policy approved by the Township Board to make assignments. All current year assignments have been made by the Supervisor, Clerk, and Treasurer.
- Unassigned - Amounts that do not fall into any other category above. This is the residual classification of amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

##### **O. DEFERRED INFLOW AND OUTFLOW OF RESOURCES**

The Township has previously adopted GASB No. 65 "Items Previously Reported as Assets and Liabilities". Under this standard the Township will report two new sections in the Statement of Net Position (Government Wide Statements) and in the Balance Sheet (Fund Statements) which are called Deferred Outflow of resources (previously called assets) and Deferred Inflow of resources (previously called liabilities).

These separate financial statement elements which meet the definition of deferred outflow and inflow of resources, are no longer considered assets or liabilities.

Deferred outflow of resources represents a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met. The Township did not have any deferred outflows as of March 31, 2025.

Deferred inflow of resources represents an acquisition of net position that applies to a future period. The element will not be recognized as revenue until the time restriction is met.

For the year ended March 31, 2025, the Township records deferred inflows of resources on the Statement of Net Position related to leases.

## **HARTLAND TOWNSHIP**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **P. BOND ISSUANCE COSTS AND BOND DISCOUNTS**

On government-wide financial statements, bond discounts and premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. The unamortized portion is recorded as unamortized bond discounts or premiums on the statement of net positions.

On the governmental fund financial statements, issuance costs and bond discounts or premiums are recognized in the current period. Bond issuance costs are classified as expenditures.

##### **Q. LEASES**

The Township is a lessor for noncancelable leases of land upon which the lessee has constructed a cell tower. The Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of the lease, the Township initially measures the lease receivable at present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Township determines the discount rate it used to discount the expected lease receipts to present value, lease term and lease receipts.

The Township uses an imputed interest rate, which approximates its incremental borrowing cost as the discount rate for leases.

The lease term includes the noncancelable period of the lease as well as the option period to the extent it is reasonable that the option to extend the lease will be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Township monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

In accordance with Governmental Accounting Standards Board (GASB) standards, all funds, agencies, and activities of Hartland Township have been included in the basic financial statements.

The following potential component unit has been evaluated under the criteria established by GASB statement number 39 and determined not to be a component unit based upon financial independence and accountability:

##### **HARTLAND DEERFIELD FIRE AUTHORITY**

Hartland Township appoints two members of the Authority's four-member Board. The Authority is fiscally independent from the Township. The Authority is audited as an independent entity in compliance with Public Act. 2.

**HARTLAND TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 3 - CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2025, was as follows:

	<u>Balance 4/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassification</u>	<u>Balance 3/31/2025</u>
<b>Governmental activities:</b>					
Capital assets not being depreciated					
Construction in progress	\$ 4,475	\$ 38,475	\$	\$	\$ 42,950
Land	<u>2,482,407</u>				<u>2,482,407</u>
Total assets not being depreciated	<u>2,486,882</u>	<u>38,475</u>			<u>2,525,357</u>
Other capital assets:					
Buildings and improvements	5,900,937	340,840			6,241,777
Parks	5,261,933	328,309			5,590,242
Vehicles and equipment	<u>755,087</u>				<u>755,087</u>
Total other capital assets	<u>11,917,957</u>	<u>669,149</u>			<u>12,587,106</u>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(3,186,446)	(170,444)			(3,356,890)
Parks	(1,940,755)	(343,209)			(2,283,964)
Vehicles and equipment	<u>(646,049)</u>	<u>(28,448)</u>			<u>(674,497)</u>
Total accumulated depreciation	<u>(5,773,250)</u>	<u>(542,101)</u>			<u>(6,315,351)</u>
Other capital assets, net	<u>6,144,707</u>	<u>127,048</u>			<u>6,271,755</u>
<b>Governmental capital assets, net</b>	<u><u>\$ 8,631,589</u></u>	<u><u>\$ 165,523</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 8,797,112</u></u>

There is no related long-term debt outstanding.

Depreciation was charged to functions as follows:

<b>Governmental activities:</b>	
General government	\$ 126,871
Public safety	72,021
Parks and recreation	<u>343,209</u>
Total	<u><u>\$ 542,101</u></u>

**HARTLAND TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 3 - CAPITAL ASSETS (continued)**

	<u>Balance 4/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassification</u>	<u>Balance 3/31/2025</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated					
Land - water	\$ 300,000	\$	\$	\$	\$ 300,000
Construction in progress	114,242	457,136		(37,115)	534,263
<b>Total other capital assets not being depreciated</b>	<u>414,242</u>	<u>457,136</u>		<u>(37,115)</u>	<u>834,263</u>
Other capital assets:					
Intangible-sewer system and related equipment	21,839,792				21,839,792
Water plant and distribution system	12,715,183	321,507		37,115	13,073,805
<b>Total other capital assets at historical cost</b>	<u>34,554,975</u>	<u>321,507</u>		<u>37,115</u>	<u>34,913,597</u>
<b>Less accumulated depreciation for:</b>					
Sewer system	(7,397,224)	(436,670)			(7,833,894)
Water system	(5,075,147)	(357,362)			(5,432,509)
<b>Total accumulated depreciation</b>	<u>(12,472,371)</u>	<u>(794,032)</u>			<u>(13,266,403)</u>
<b>Other capital assets, net</b>	<u>22,082,604</u>	<u>(472,525)</u>		<u>37,115</u>	<u>21,647,194</u>
<b>Business-type capital assets, net</b>	<u>\$ 22,496,846</u>	<u>\$ (15,389)</u>	<u>\$</u>	<u>\$</u>	<u>22,481,457</u>
Related long-term debt outstanding at March 31, 2025					<u>(9,809,943)</u>
<b>Business-type capital assets, net related long-term debt</b>					<u><u>\$ 12,671,514</u></u>

Depreciation was charged to functions as follows:

<b>Business-type activities:</b>	
Sewer	\$ 436,670
Water service	357,362
<b>Total</b>	<u><u>\$ 794,032</u></u>

**HARTLAND TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 4 - INTERFUND ACTIVITIES AND BALANCES**

Interfund receivables and payables exist at March 31, 2025. These represent short-term borrowings and amounts owed for reimbursements between other funds.

<b>INTERFUND RECEIVABLE</b>		<b>INTERFUND PAYABLE</b>	
General Fund	\$ 26,798	Current Tax Collection Fund	\$ 26,798
Water System Fund	476	General Fund	476
Water System Fund	31,485	Sewage Disposal System Fund	31,485
General Fund	<u>566,293</u>	Capital Improvement Fund	<u>566,293</u>
	<u><u>\$ 625,052</u></u>		<u><u>\$ 625,052</u></u>

Interfund transfers for the year ended March 31, 2025 were as follows:

<b>Transfer In</b>	<b>Transfer Out</b>	<b>Amount</b>
Capital Improvements Fund	General Fund	\$ 500,000
General Fund	ARPA Fund	257
Capital Improvements Fund	Bullard Lake Road SAD Fund	<u>102,459</u>
<b>Totals</b>		<u><u>\$ 602,716</u></u>

**NOTE 5 - LONG TERM LIABILITIES**

**General Obligation Bonds**

The Township has issued general obligation special assessment bonds to provide funds used for road construction projects, and water and sewer system expansion projects. General obligation bonds are outstanding as of March 31, 2025 for governmental and business-type activities as follows:

<b>Purpose</b>	<b>Issuance Amount</b>	<b>Annual Principal Installments</b>	<b>Final Maturity</b>	<b>Interest Rate(s)</b>	<b>Debt Outstanding</b>
<b>Governmental activities:</b>					
Refunding Bonds, Series 2019	\$ 2,790,000	\$150,000 - \$250,000	5/1/33	.05 - 3.00%	\$ 1,625,000
Capital Improvement, Series 2015	1,650,000	170,000 - 205,000	4/1/24	3.00%	
Capital Improvement, Series 2016	2,750,000	325,000 - 375,000	4/1/24	3.00%	
Road Special Assessment, Series 2018	860,000	85,000 - 110,000	6/1/27	3.00 - 3.125%	<u>315,000</u>
<b>Total for governmental activities</b>					<u><u>1,940,000</u></u>
<b>Business-type activities:</b>					
Sewer System - Refunding Series 2016	11,430,000	400,000 - 1,175,000	11/1/30	1.50 - 3.00%	3,160,000
Sewer System Series 2021 Refunding	4,775,000	560,000- 620,000	3/31/34	3.75% avg	4,775,000
Sewer System - Lake Tyrone 2016	1,312,640	52,740 - 79,673	4/1/35	2.50%	<u>718,413</u>
<b>Total for business-type activities</b>					<u><u>8,653,413</u></u>
<b>Total general obligation bonds payable</b>					<u><u>\$ 10,593,413</u></u>

**HARTLAND TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 5 - LONG TERM LIABILITIES (continued)**

**Changes in Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended March 31, 2025:

	<u>Balance 4/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 3/31/2025</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
<b><u>General obligation bonds payable</u></b>					
Refunding Bonds, Series 2019	\$ 1,845,000	\$	\$ (220,000)	\$ 1,625,000	\$ 210,000
Road Special Assessment, Series 2018	415,000		(100,000)	315,000	100,000
<b>Governmental activities long-term liabilities</b>	<u>2,260,000</u>		<u>(320,000)</u>	<u>1,940,000</u>	<u>310,000</u>
<b>Business-type activities:</b>					
<b><u>General obligation bonds payable</u></b>					
Sewer System - Refunding Series 2016	4,255,000		(1,095,000)	3,160,000	1,065,000
Sewer System Series 2021 Refunding	4,775,000			4,775,000	
Sewer System - Lake Tyrone 2016	779,943		(61,530)	718,413	64,460
<b>Business-type activities long-term liabilities</b>	<u>9,809,943</u>		<u>(1,156,530)</u>	<u>8,653,413</u>	<u>1,129,460</u>
<b>Total long-term liabilities</b>	<u><u>\$ 12,069,943</u></u>	<u><u>\$</u></u>	<u><u>\$(1,476,530)</u></u>	<u><u>\$ 10,593,413</u></u>	<u><u>\$ 1,439,460</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending March 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
3/31/2026	310,000	53,688	1,129,460	287,960
3/31/2027	310,000	44,388	1,124,460	254,399
3/31/2028	305,000	35,094	1,107,390	219,187
3/31/2029	190,000	27,600	1,100,320	180,152
3/31/2030	180,000	22,050	1,085,320	141,395
4/1/2030 - 3/31/2035	645,000	37,425	3,106,463	231,478
	<u><u>\$ 1,940,000</u></u>	<u><u>\$ 220,245</u></u>	<u><u>\$ 8,653,413</u></u>	<u><u>\$ 1,314,571</u></u>



## **HARTLAND TOWNSHIP**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025**

#### **NOTE 6 - EMPLOYEE RETIREMENT PLAN**

The Township participated in three 401(a) defined contribution plans with International City/County Management Association Retirement Corporation (ICMA-RA).

ICMA- RA 401(a) plan #109341 covers all full-time employees hired prior to July 1, 2017, the Clerk, Treasurer, Supervisor and four Trustees. Full-time employees, the Clerk and the Treasurer are required to contribute 2.5% of his/her compensation and the Township contributes 10%. The Supervisor and four Trustees are required to contribute \$25 monthly and the Township contributes \$75 monthly. The plan vests 100% immediately. The plan members and Township contributed \$15,170 and \$59,857, respectively during the fiscal year ended March 31, 2025.

IRMA-RA 401(a) plan #109348 covers all full-time employee hired after July 1, 2017. Employees are required to contribute 2.5% and the Township contributes 10%. The plan vests 100% at year 5. The plan members and Township contributed \$16,712 and \$66,849, respectively during the fiscal year ended March 31, 2025.

IMCA-RA 401(a) plan #109350 covers all officials elected after July 1, 2017. The Clerk and Treasurer are required to contribute 2.5% and the Township contributes 10%. The Supervisor and Trustee are required to contribute \$25 monthly and the Township contributes \$75 monthly. The plan vests 100% at year 4. The plan members and Township contributed \$675 and \$2,025, respectively during the fiscal year ended March 31, 2025.

The Township also participates in the IMCA-RA 457 Deferred Compensation Plan (a defined contribution plan). Substantially all full-time employees, elected official and trustees are included in the Plan. Plan eligibility is a minimum age of 18 (and not more than a maximum age of 75). Employee contributions to the Plan are voluntary and the Township does not contribute to the Plan. For the year ended March 31, 2025, employees contributed \$32,045 to the Plan.

Amounts in the defined contribution plans are available to participants in accordance with Internal Revenue Service guidelines for such plans.

#### **NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The deposits are in accordance with statutory authority.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investments in all the investments mentioned in the preceding paragraph.

**HARTLAND TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

As of March 31, 2025, cash, cash equivalents, and investments consist of the following:

	<u>Total</u>	<u>Cash</u>	<u>Investments</u>
<b>Deposits</b>			
Checking accounts	\$ 4,206,561	\$ 4,206,561	\$
Money market and savings accounts	12,991,683	12,991,683	
Non-negotiable CDs	2,396,793		2,396,793
<b>Total deposits</b>	<u>\$ 19,595,037</u>	<u>\$ 17,198,244</u>	<u>\$ 2,396,793</u>
<b>Investments</b>			
Cash awaiting investment at brokerage	\$ 76,542	\$ 76,542	\$
Money market fund at brokerage	169,412	169,412	
US Treasury securities	9,406,713		9,406,713
<b>Total investments</b>	<u>9,652,667</u>	<u>245,954</u>	<u>9,406,713</u>
<b>Total deposits and investments</b>	<u>\$ 29,247,704</u>	<u>\$ 17,444,198</u>	<u>\$ 11,803,506</u>

Cash and investments are presented in the financial statements in the following areas:

**Statement of Net Position**

Cash and investments \$ 28,050,779

**Fiduciary Funds**

Cash 44,356

**Total cash and investments** \$ 28,095,135

The carrying amount of cash is stated at \$28,095,135 as of March 31, 2025. The difference between the carrying amounts and amounts mentioned above stem from outstanding checks and outstanding deposits and accrued interest.

**Custodial Credit Risk**

**Deposits** - This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Insured by FDIC	\$ 3,936,995
Uninsured and uncollateralized	<u>15,658,042</u>
	<u>\$ 19,595,037</u>

# HARTLAND TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### **NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

**Investment** - This is the risk that in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of its investments. The Township does not have a policy to cover custodial credit risk of investments. As of March 31, 2025, investments totaled \$9,652,667, which was not exposed to custodial credit risk as follows:

<b>Investments</b>	<b>Amount</b>
Insured by FDIC	\$ 76,542
Insured by SPIC	500,000
Uninsured	8,906,713
<b>Total</b>	<b>\$ 9,483,255</b>

The Township's monies held in money market funds (\$169,412) are not subject to custodial credit risk and are the therefore not included in the chart above.

The Township evaluates each financial institution with which it invests and assesses the level of risk of each institution. Investments are made only with those institutions with an acceptable risk.

The Township's \$9,406,713 investments in U.S. treasuries are backed by the full faith and credit of the U.S. government.

### **Concentration of Credit Risk**

Concentration of credit risk is the risk attributable to the magnitude of a Township's investment in a single issuer. The Township's investment policy requires diversification with a primary focus on safety. However the policy does not place a fixed percentage limit on any one issuer.

Investments issued or explicitly guaranteed by the U.S. government are excluded from this requirement. As of March 31, 2025, the Township does not have any investments that exceed 5% of total assets available for investment.

### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair values of investments and cash deposits. The Township does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. As of March 31, 2025, the Township had the following investments:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>6 - 10 years</b>
Non-negotiable certificate of deposit	\$ 2,396,793	\$ 2,125,242	\$ 271,551	\$
US Treasury securities	9,406,713	3,966,244	3,698,950	1,741,519
<b>Total</b>	<b>\$ 11,803,506</b>	<b>\$ 6,091,486</b>	<b>\$ 3,970,501</b>	<b>\$ 1,741,519</b>

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)**

##### **Credit Risk**

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investment to those authorized by Public Act 20 of 1943. Commercial paper must be rated with in the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for U.S. Government obligations and money market accounts. As of March 31, 2025, the Township's investment were exposed to credit risk as follows:

<u>Investment Type</u>	<u>Ratings by Standard &amp; Poor</u>	<u>Amount</u>
Non-negotiable certificate of deposit	Unrated	\$ 2,396,793
Money Market Fund	Unrated	169,412
		<u>\$ 2,566,205</u>

#### **NOTE 8 - FAIR VALUE MEASUREMENTS**

Accounting standards require certain assets and liabilities to be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritized the inputs and valuation techniques used to measure fair value.

The standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the standards require the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 - Unobservable inputs for which there is little or no market data, which requires the use of the reporting entity's own assumptions.

##### **Level 1 - Fair Value Measurements**

The fair value of cash awaiting investment, money market funds, U.S. treasuries and non-negotiable certificates of deposits is based on readily available quoted prices for identical assets.

The Township investments are reported at fair value in the accompanying balance sheets. The following table presents fair value measurement information for certain financial instruments. The carrying value of receivables, cash and cash equivalents, and the current liabilities included in the accompanying balance sheets approximated fair value at March 31, 2025 and are thus not included in the following table.

# HARTLAND TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### NOTE 8 - FAIR VALUE MEASUREMENTS (continued)

The table below shows the fair values of the Township's investments as of March 31, 2025.

	Fair Value Measurements			
	Level 1	Level 2	Level 3	3/31/2025
<b>Investments by fair value level</b>				
Cash awaiting investment	\$ 76,542	\$	\$	\$ 76,542
Money market fund	169,412			169,412
Non-negotiable certificates of deposit	2,396,793			2,396,793
US Treasury securities	9,406,713			9,406,713
Total	<u>\$ 12,049,460</u>	<u>\$</u>	<u>\$</u>	<u>\$ 12,049,460</u>

### NOTE 9 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Township maintains two enterprise funds, which provide water and sewer services. Segment information for the year ended March 31, 2025, was as follows:

	Water System Fund	Sewer Disposal System Fund	Total Enterprise Funds
Operating revenues	\$ 937,518	\$ 2,844,496	\$ 3,782,014
Depreciation	357,362	436,670	794,032
Operating income (loss)	(277,294)	(66,540)	(343,834)
Non-operating revenues (expenses)	200,190	225,783	425,973
Net income (loss)	(77,104)	3,897,864	3,820,760
Total assets	11,897,095	28,761,065	40,658,160
Accounts payable	154,597	193,984	348,581
Net working capital	3,233,607	11,423,936	14,657,543
Total equity	11,709,166	19,026,613	30,735,779

### NOTE 10 - SPECIAL ASSESSMENTS RECEIVABLE

Special assessments are levied on various properties within the Township that benefit from certain capital improvements. Generally, such assessments are established in accordance with Public Act 188 of 1954 and collected from property owners in annual installments over a period of five (5) to twenty (20) years. The annual receipts of such assessments are typically used to service debt which financed capital improvements in the assessment district.

The current economic environment has caused a number of property owners in various special assessment districts to become delinquent on their obligation to pay the annual installments in a timely manner. In normal times these delinquent assessments would be satisfied through a lien and foreclosure process. However, due to the decline in the value of the property collateralizing such assessments it has become apparent a portion, if not all, of certain assessments will ultimately be uncollectable.

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 10 - SPECIAL ASSESSMENTS RECEIVABLE (continued)**

Management has estimated that the following long-term special assessments receivable will be uncollectable:

	<b>Water System</b>	<b>Sewage Disposal System</b>	<b>Total</b>
Gross special assessments receivable	\$	\$ 1,256,487	\$ 1,256,487
Less: allowance for uncollectable assessments			
Net special assessments receivable	<u>\$</u>	<u>\$ 1,256,487</u>	<u>\$ 1,256,487</u>
Total debt	<u>\$</u>	<u>\$ 8,653,413</u>	<u>\$ 8,653,413</u>

#### **NOTE 11- HEALTH SAVINGS ACCOUNT**

The Township adopted a Health Savings Account (HSA) effective July 1, 2009. A Health Savings Account was created for the purpose of saving and paying for qualified medical expenses in connection with a high deductible health plan (HDHP). The Township's HDHP is a health plan that: (1) has an annual deductible of \$2,000 for single coverage or (2) has an annual deductible of \$4,000 for family (coverage of more than one individual). In addition, the annual out-of-pocket expenses required to be paid under the plan cannot exceed \$4,000 for individual coverage and \$8,000 for family coverage.

Only employees that are eligible for the HDHP are eligible to participate in the HSA. The Township contributes \$1,600 annually for individual coverage, and \$3,200 for couple/family coverage. Deposits are made directly into the participating individual's personal account in four equal installments at the beginning of each quarter. Employees can elect to contribute to their personal accounts, but are not required to do so. There is no third party involved with the HSA, the personal accounts are held at a national bank. Payments of qualified medical expenses are withdrawn directly from the individual's personal bank account.

#### **NOTE 12 - LOAN RECEIVABLE - HARTLAND DEERFIELD FIRE AUTHORITY**

On October 5, 2021, the Township entered into a loan agreement and promissory note with Hartland Deerfield Fire Authority (the "Authority"), whereby the Township loaned \$650,000 to the Authority in order to finance the purchase of a new fire engine needed to protect the health, safety and welfare of the firefighters and general public. The loan bears an interest rate of 1% per annum and it requires principal payments of \$130,000, plus interest starting May 1, 2022 and annually thereafter until May 1, 2026, at which time the remaining principal and interest shall be paid in full. In fiscal year 2025 the Authority paid \$65,000. In November 2024, the Township Board forgave the outstanding balance. The Fire Fund paid the General Fund to settle the note and recorded a contribution to the Authority.

#### **NOTE 13 - LEASES**

The Township leases land upon which the lessees have constructed a cell tower. Payments are generally fixed monthly.

The Township implemented GASB Standard No 87, *Leases*, for the year ended March 31, 2023 and determined that the cell tower lease is a long-term lease receivable agreement. The lease was valued at implementation based on the present value of future lease payments, using a discount rate of 3.5% based on the Township's calculated incremental borrowing rate.

**HARTLAND TOWNSHIP**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 13 - LEASES (continued)**

The net present value at implementation, lease term, rent earned, interest earned and remaining balance as of March 31, 2025 are presented below:

<u>Lease</u>	<u>Term</u>	<u>Balance at March 31, 2024</u>	<u>Rent Earned</u>	<u>Balance at March 31, 2025</u>	<u>Interest Earned</u>	<u>Total Received</u>
Cingular Wireless	9 Years	<u>\$ 344,943</u>	<u>\$ 36,768</u>	<u>\$ 308,175</u>	<u>\$11,492</u>	<u>\$ 48,260</u>

Future expected lease receipts, including principal and interest, are expected to be received as noted below:

<u>Year Ended March 31,</u>	<u>Rent Revenue</u>	<u>Interest Revenue</u>	<u>Total Receipts</u>
2026	39,422	10,164	49,586
2027	42,461	8,735	51,196
2028	45,528	7,200	52,728
2029	48,752	5,556	54,308
Thereafter	132,012	5,923	137,935
<b>Total</b>	<u>\$ 308,175</u>	<u>\$ 37,578</u>	<u>\$ 345,753</u>

As the leases represent long term expected inflow of resources, the Township has recognized a deferred inflow of resources, which will be amortized on a straight-line basis for the term of each respective lease.

<u>Year Ended March 31,</u>	<u>Annual Amortization Amount</u>	<u>Accumulated Amortization</u>	<u>Unamortized Deferred Inflows</u>
2025	43,609	130,827	279,822
2026	43,609	174,436	236,213
2027	43,609	218,044	192,604
2028	43,609	261,652	148,995
2029	43,609	305,261	105,386
Thereafter	105,386	410,647	

**NOTE 14 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 2, 2025, which is the date the financial statements were available to be issued. Management has determined that the Township does not have any material recognizable or nonrecognizable events.

## HARTLAND TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### **NOTE 15 - RECENTLY ADOPTED GASB PRONOUNCEMENTS**

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

In June 2022, the Governmental Accounting Standards Board issued 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 Township implemented these Standards for the year ended March 31, 2025. The adoption did not have a significant impact on the Township's financial statements for the year ended March 31, 2025.

#### **NOTE 16 - UPCOMING GASB PRONOUNCEMENTS**

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Township is currently evaluating the impact this Statement will have on the financial statements when it is adopted during the year ending March 31, 2026.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This Statement established new accounting and financial reporting requirements – or modified existing requirements – related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses and changes in fund position, information about major components and budgetary comparison information. The Township is currently evaluating the impact this standard will have on the financial statements when it is adopted during the year ending March 31, 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Leased assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of the underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, the Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosure for capital assets held for sale. The Township is currently evaluating the impact this Statement will have on the financial statements when it is adopted during the year ending March 31, 2027.



## REQUIRED SUPPLEMENTARY INFORMATION

**HARTLAND TOWNSHIP**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2025**

	Budgets			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$	\$	\$ 717,386	\$
State revenue			1,711,893	
Licenses and permits			225,250	
Interest and rents			161,607	
Charges for services			756,168	
Miscellaneous			392,991	
<b>Total revenues</b>	3,899,766	3,981,766	3,965,295	(16,471)
<b>EXPENDITURES</b>				
Township board	73,390	76,176	61,415	14,761
Supervisor	37,719	37,896	37,795	
Township manager	398,044	358,670	212,567	146,103
Elections	101,534	101,534	78,230	23,304
Finance Department	208,714	214,597	211,069	3,528
Assessor	330,836	334,086	272,073	62,013
Clerk	229,501	240,693	226,121	14,572
Vehicle use	3,770	3,770	2,569	1,201
Board of review	4,027	4,027	2,693	1,334
Treasurer	216,164	228,076	219,026	9,050
Data processing	37,060	51,075	43,453	7,622
Township hall and grounds	137,553	137,553	112,188	25,365
Unallocated	260,149	260,149	257,245	2,904
Planning and zoning	549,788	631,788	548,535	83,253
Public works	276,334	281,334	272,115	9,219
Zoning board of appeals	2,022	2,022		2,022
Sidewalks	109,000	109,000	18,773	90,227
Streetlights	19,900	20,125	21,743	(1,618)
Roads	247,947	247,947	98,431	149,516
Cable	65,086	65,086	59,858	5,228
Code enforcement	21,583	26,106	26,838	(732)
Drains	10,100	10,100	9,331	769
Senior citizens	22,000	22,000	22,000	
Community center	51,850	51,850	42,978	8,872
Cemetery	35,569	35,569	20,015	15,554
Contingencies	20,000			
Capital outlay	519,717	1,423,269	741,284	681,985
Parks and Recreation	436,999	333,716	102,657	231,059
<b>Total expenditures</b>	4,426,356	5,308,214	3,721,002	1,587,111
<b>Excess of revenues over (under) expenditures</b>	(526,590)	(1,326,448)	244,293	(16,471)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	602,456	602,456	602,716	260
Transfers (out)	(500,000)	(500,000)	(500,000)	
<b>Total other financing sources (uses)</b>	102,456	102,456	102,716	260
<b>Net change in fund balance</b>	(424,134)	(1,223,992)	347,009	(16,211)
<b>FUND BALANCE, APRIL 1, 2024</b>	6,057,898	6,057,898	6,057,898	
<b>FUND BALANCE, MARCH 31, 2025</b>	\$ 5,633,764	\$ 4,833,906	\$ 6,404,907	\$ 1,571,001

HARTLAND TOWNSHIP

MUNICIPAL STREET FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2025

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$	\$	\$ 1,354,423	\$
State - personal property tax reimbursement			4,790	
Interest and rent			6,912	
Other revenue			791	
<b>Total revenues</b>	<u>4,000</u>	<u>4,000</u>	<u>1,366,916</u>	<u>1,362,916</u>
<b>EXPENDITURES</b>				
Project costs			1,464,061	
<b>Total expenditures</b>	<u>2,035,500</u>	<u>2,035,500</u>	<u>1,464,061</u>	<u>571,439</u>
<b>Net change in fund balance</b>	(2,031,500)	(2,031,500)	(97,145)	1,934,355
<b>FUND BALANCE, APRIL 1, 2024</b>	<u>2,451,221</u>	<u>2,451,221</u>	<u>2,451,221</u>	
<b>FUND BALANCE, MARCH 31, 2025</b>	<u>\$ 419,721</u>	<u>\$ 419,721</u>	<u>\$ 2,354,076</u>	<u>\$ 1,934,355</u>

HARTLAND TOWNSHIP

FIRE OPERATING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2025

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$	\$	\$ 1,919,842	\$
State - personal property tax reimbursement			3,101	
Interest			418	
Miscellaneous			1,719	
<b>Total revenues</b>	<u>1,929,204</u>	<u>1,929,204</u>	<u>1,925,080</u>	<u>(4,124)</u>
<b>EXPENDITURES</b>				
Authority contributions			1,869,233	
Repairs and maintenance			19,494	
Tax chargebacks			18	
Professional fees			4,254	
Capital outlay			80,319	
Utility/assessments			897	
<b>Total expenditures</b>	<u>2,063,475</u>	<u>2,063,475</u>	<u>1,974,215</u>	<u>89,260</u>
<b>Net change in fund balance</b>	<u>(134,271)</u>	<u>(134,271)</u>	<u>(49,135)</u>	<u>85,136</u>
<b>FUND BALANCE, APRIL 1, 2024</b>	<u>2,220,615</u>	<u>2,220,615</u>	<u>2,220,615</u>	
<b>FUND BALANCE, MARCH 31, 2025</b>	<u>\$ 2,086,344</u>	<u>\$ 2,086,344</u>	<u>\$ 2,171,480</u>	<u>\$ 85,136</u>

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

HARTLAND TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED MARCH 31, 2025

**NOTE - BUDGETARY INFORMATION**

**Budget Overruns**

The following expenditures exceeded appropriations in one fund:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
General fund			
Streetlights	\$ 20,125	\$ 21,743	\$ (1,618)
Code Enforcement	<u>26,106</u>	<u>26,838</u>	<u>(732)</u>
Total	<u>\$ 46,231</u>	<u>\$ 48,581</u>	<u>\$ (2,350)</u>

## **SUPPLEMENTARY INFORMATION**

## COMBINING FINANCIAL STATEMENTS



HARTLAND TOWNSHIP

COMBINING BALANCE SHEETS  
FUNDS INCLUDED IN GASB 54 CONSOLIDATION  
MARCH 31, 2025

	General Fund Pre GASB 54 - Consolidation	Capital Improvement Fund	Eliminations	Totals Restated General Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,094,622	\$ 2,440,850	\$	\$ 6,535,472
Taxes receivable	25,339			25,339
State shared revenue receivable	280,914			280,914
Accounts receivable - other	50,507			50,507
Lease receivable	308,175			308,175
Interest	3,221			3,221
Prepaid expense	10,213			10,213
Due from other funds	593,091		(566,293)	26,798
<b>Total assets</b>	<u>\$ 5,366,082</u>	<u>\$ 2,440,850</u>	<u>\$ (566,293)</u>	<u>\$ 7,240,639</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 83,249	\$ 13,113	\$	\$ 96,362
Accrued expenditures	40,299			40,299
Compliance reserves	50,507			50,507
Unearned revenue	296,272			296,272
Due to others	71,994			71,994
Due to other funds	476	566,293	(566,293)	476
<b>Total liabilities</b>	<u>542,797</u>	<u>579,406</u>	<u>(566,293)</u>	<u>555,910</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from leases	<u>279,822</u>			<u>279,822</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>822,619</u>	<u>579,406</u>	<u>(566,293)</u>	<u>\$ 835,732</u>
<b>FUND BALANCES</b>				
Nonspendable	10,213			10,213
Committed - capital improvement		1,058,936		1,058,936
Assigned for future deficit		802,508		802,508
Unassigned	4,533,250			4,533,250
<b>Total fund balances</b>	<u>4,543,463</u>	<u>1,861,444</u>		<u>6,404,907</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 5,366,082</u>	<u>\$ 2,440,850</u>	<u>\$ (566,293)</u>	<u>\$ 7,240,639</u>

HARTLAND TOWNSHIP

COMBINING BALANCE SHEETS  
ALL NONMAJOR FUNDS  
MARCH 31, 2025

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			Totals
	Liquor Law Enforcement	Cable Television	Hartland Woods SAD	Millpointe Road SAD	Bullard Lake Road SAD	
<b>ASSETS</b>						
Cash and investments	\$113,518	\$ 183,483	\$ 212,155	\$ 213,488	\$ 27,178	\$ 749,822
Special assessment receivable			375,672	145,942	58,966	580,580
Due from other funds						
Prepays		4,574				4,574
Fees receivable		20,014				20,014
<b>Total assets</b>	<u>\$113,518</u>	<u>\$ 208,071</u>	<u>\$ 587,827</u>	<u>\$ 359,430</u>	<u>\$ 86,144</u>	<u>\$ 1,354,990</u>
<b>LIABILITIES</b>						
Accounts payable	\$	\$ 4,748	\$	\$	\$	\$ 4,748
<b>Total liabilities</b>		<u>4,748</u>				<u>4,748</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable revenue			372,739	144,577	58,966	576,282
<b>FUND BALANCE</b>						
Restricted						
Public safety	113,518					113,518
Debt service			215,088	186,075	27,178	428,341
ARPA						
Committed						
Cable		194,628				194,628
Assigned for future budget deficit		8,695		28,778		37,473
<b>Total fund balance</b>	<u>113,518</u>	<u>203,323</u>	<u>215,088</u>	<u>214,853</u>	<u>27,178</u>	<u>773,960</u>
<b>Total liabilities, deferred inflow of resources and fund balance</b>	<u>\$113,518</u>	<u>\$ 208,071</u>	<u>\$ 587,827</u>	<u>\$ 359,430</u>	<u>\$ 86,144</u>	<u>\$ 1,354,990</u>

**HARTLAND TOWNSHIP**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FUNDS INCLUDED IN GASB 54 CONSOLIDATION  
FOR THE YEAR ENDED MARCH 31, 2025**

	<b>General Fund - Pre GASB 54 Consolidation</b>	<b>Capital Improvement Fund</b>	<b>Eliminations</b>	<b>Totals Restated General Fund</b>
<b>REVENUES</b>				
Taxes	\$ 717,386	\$	\$	\$ 717,386
State revenues	1,711,893			1,711,893
Licenses and permits	206,986	18,264		225,250
Interest and rents	138,337	23,270		161,607
Charges for services	756,168			756,168
Miscellaneous	392,991			392,991
<b>Total revenues</b>	<b>3,923,761</b>	<b>41,534</b>		<b>3,965,295</b>
<b>EXPENDITURES</b>	<b>2,938,714</b>	<b>782,288</b>		<b>3,721,002</b>
<b>Excess of revenues over (under) expenditures</b>	<b>985,047</b>	<b>(740,754)</b>		<b>244,293</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets				
Transfers in	257	602,459	(500,000)	102,716
Transfers (out)	(500,000)		500,000	
<b>Total other financing sources (uses)</b>	<b>(499,743)</b>	<b>602,459</b>		<b>102,716</b>
<b>Net changes in fund balances</b>	<b>485,304</b>	<b>(138,295)</b>		<b>347,009</b>
<b>FUND BALANCE, APRIL 1, 2024</b>	<b>4,058,159</b>	<b>1,999,739</b>		<b>6,057,898</b>
<b>FUND BALANCE, MARCH 31, 2025</b>	<b>\$4,543,463</b>	<b>\$ 1,861,444</b>	<b>\$</b>	<b>\$ 6,404,907</b>

**HARTLAND TOWNSHIP**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL NONMAJOR FUNDS  
FOR THE YEAR ENDED MARCH 31, 2025**

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS			Totals
	ARPA	Liquor Law Enforcement	Cable Television	Hartland Woods SAD	Millpointe Road SAD	Bullard Lake Road SAD	
<b>REVENUES</b>							
Special assessments							
Principal	\$	\$	\$	\$ 53,249	\$ 78,347	\$ 14,742	\$ 146,338
Interest				8,307	9,369	2,432	20,108
Licenses and permits		12,134	81,308				93,442
Interest		30	49	44	45	20	188
<b>Total revenues</b>		12,164	81,357	61,600	87,761	17,194	260,076
<b>EXPENDITURES</b>							
Public safety		5,500					5,500
Public works			80,997				80,997
Debt service							
Principal					100,000		100,000
Interest					11,588		11,588
<b>Total expenditures</b>		5,500	80,997		111,588		198,085
<b>Excess of revenues over (under) expenditures</b>		6,664	360	61,600	(23,827)	17,194	61,991
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers (out)	(257)					(102,459)	(102,716)
<b>Net change in fund balances</b>	(257)	6,664	360	61,600	(23,827)	(85,265)	(40,725)
<b>FUND BALANCE, APRIL 1, 2024</b>	257	106,854	202,963	153,488	238,680	112,443	814,685
<b>FUND BALANCE, MARCH 31, 2025</b>	\$	\$ 113,518	\$ 203,323	\$ 215,088	\$ 214,853	\$ 27,178	\$ 773,960

## INDIVIDUAL FUNDS

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)**

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**HARTLAND TOWNSHIP**

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)  
BALANCE SHEET  
MARCH 31, 2025**

**ASSETS**

Cash and investments	\$ 4,094,622
Accounts receivable	
Taxes	25,339
State revenues	280,914
Other	50,507
Interest	3,221
Leases receivable	308,175
Due from other funds	593,091
Prepaid expenditures	10,213
<b>Total assets</b>	<b>\$ 5,366,082</b>

**LIABILITIES**

Accounts payable	\$ 83,249
Accrued expenditures	40,299
Compliance reserves	50,507
Unearned revenue	296,272
Due to others	71,994
Due to other funds	476
<b>Total liabilities</b>	<b>\$ 542,797</b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows from leases	279,822
------------------------------	---------

**Total liabilities and deferred inflows of resources**

822,619

**FUND BALANCE**

4,543,463

**Total liabilities, deferred inflows of resources  
and fund balance**

**\$ 5,366,082**

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

HARTLAND TOWNSHIP

GENERAL FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$	\$ 717,386	\$
Licenses and permits		206,986	
State revenues		1,711,893	
Interest and rent		138,337	
Charges for services		756,168	
Other revenues		392,991	
<b>Total revenues</b>	3,947,945	3,923,761	(24,184)
<b>EXPENDITURES</b>	3,448,445	2,938,714	509,731
<b>Excess of revenues over (under) expenditures</b>	499,500	985,047	485,547
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		257	257
Transfers (out)	(500,000)	(500,000)	
<b>Total other financing sources (uses)</b>	(500,000)	(499,743)	257
<b>Net change in fund balance</b>	(500)	485,304	485,804
<b>FUND BALANCE, APRIL 1, 2024</b>	4,058,159	4,058,159	
<b>FUND BALANCE, MARCH 31, 2025</b>	\$ 4,057,659	\$ 4,543,463	\$ 485,804

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.



**HARTLAND TOWNSHIP**  
**GENERAL FUND (PRE GASB 54 - RESTATEMENT)**  
**STATEMENT OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TAXES</b>			
Current property taxes	\$ 719,238	\$ 717,386	\$ (1,852)
<b>LICENSES AND PERMITS</b>			
Mobile home		3,180	
Dog licenses		266	
Cable fees		203,540	
<b>Total licenses and permits</b>	<u>229,875</u>	<u>206,986</u>	<u>(22,889)</u>
<b>STATE REVENUE</b>			
State shared revenue		1,709,853	
Personal property tax reimbursement		2,040	
<b>Total state revenue</b>	<u>1,753,558</u>	<u>1,711,893</u>	<u>(41,665)</u>
<b>CHARGES FOR SERVICES</b>			
Utility administration		372,823	
Tax administration fee		309,004	
Zoning fees		31,250	
Tax collections fees		17,781	
Other		25,310	
<b>Total charges for services</b>	<u>750,221</u>	<u>756,168</u>	<u>5,947</u>
<b>INTEREST AND RENT</b>			
Lease revenue		68,057	
Interest income		70,280	
<b>Total interest and rent</b>	<u>83,716</u>	<u>138,337</u>	<u>54,621</u>
<b>MISCELLANEOUS REVENUES</b>			
Donations		23,650	
Reimbursements		107,736	
Miscellaneous		258,660	
Farmers market		2,945	
<b>Total miscellaneous revenues</b>	<u>411,337</u>	<u>392,991</u>	<u>(18,346)</u>
<b>Total revenues</b>	<u>\$ 3,947,945</u>	<u>\$ 3,923,761</u>	<u>\$ (24,184)</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**HARTLAND TOWNSHIP**

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP BOARD</b>			
Trustee fees	\$	\$ 27,308	\$
Retirement		3,600	
Taxes - payroll		2,089	
Supplies and postage		424	
Audit		9,160	
Legal		2,335	
Membership and dues		16,408	
Printing and publication		91	
<b>Total township board</b>	<u>76,176</u>	<u>61,415</u>	<u>14,761</u>
<b>SUPERVISOR</b>			
Supervisor salary		34,273	
Taxes - payroll		2,622	
Retirement		900	
<b>Total supervisor</b>	<u>37,896</u>	<u>37,795</u>	<u>101</u>
<b>TOWNSHIP MANAGER</b>			
Wages		128,830	
Taxes - payroll		9,704	
Insurance - health		29,610	
Retirement		12,883	
Supplies and postage		6,136	
Contracted services		554	
Membership and dues		316	
Education and training		3,000	
Miscellaneous		21,534	
<b>Total township manager</b>	<u>358,670</u>	<u>212,567</u>	<u>146,103</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

HARTLAND TOWNSHIP

GENERAL FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
<b>ELECTIONS</b>			
Wages and fees		45,710	
Taxes - payroll		786	
Supplies and postage		13,860	
Repairs and Maintenance		4,152	
Contracted services		7,760	
Printing and publications		120	
Miscellaneous		5,842	
<b>Total elections</b>	101,534	78,230	23,304
<b>FINANCE DEPARTMENT</b>			
Salaries		156,145	
Taxes - payroll		11,392	
Insurance - benefits		22,498	
Retirement		15,541	
Supplies and postage		828	
Membership and dues		325	
Repairs and maintenance		3,274	
Education and training		1,066	
<b>Total finance department</b>	214,597	211,069	3,528
<b>ASSESSOR</b>			
Salaries and wages		205,663	
Taxes - payroll		15,694	
Insurance - benefits		5,127	
Retirement		19,440	
Supplies and postage		1,216	
Membership and dues		847	
Tax preparation		4,643	
Legal fees		6,909	
Repairs and maintenance		10,428	
Tax chargebacks		552	
Education and training		1,554	
<b>Total assessor</b>	334,086	272,073	62,013

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

HARTLAND TOWNSHIP

GENERAL FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
<b>CLERK</b>			
Clerk salary		72,296	
Other - clerical salary		88,505	
Taxes - payroll		11,842	
Insurance - benefits		30,444	
Retirement		12,251	
Supplies and postage		3,662	
Membership and dues		555	
Printing and publishing		2,645	
Education and training		3,921	
<b>Total clerk</b>	240,693	226,121	14,572
<b>VEHICLE USE</b>	3,770	2,569	1,201
<b>BOARD OF REVIEW</b>			
Fees		1,680	
Taxes - payroll		129	
Supplies and postage		289	
Printing and publishing		595	
<b>Total board of review</b>	4,027	2,693	1,334
<b>TREASURER</b>			
Treasurer salary		72,296	
Assistant wages		78,560	
Taxes - payroll		11,593	
Insurance - benefits		12,942	
Retirement		12,130	
Supplies and postage		818	
Membership and dues		985	
Tax preparation and collection		19,593	
Repairs and maintenance		6,519	
Education and training		3,172	
Mileage		10	
Legal fees		408	
<b>Total treasurer</b>	228,076	219,026	9,050
<b>DATA PROCESSING</b>	51,075	43,453	7,622

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**HARTLAND TOWNSHIP**

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP HALL AND GROUNDS</b>			
Supplies		4,457	
Contract services		55,140	
Telephone		10,364	
Utilities		30,362	
Repairs and maintenance		11,865	
<b>Total township hall and grounds</b>	<u>137,553</u>	<u>112,188</u>	<u>25,365</u>
<b>UNALLOCATED</b>			
Contracted services		257,149	
Legal		96	
<b>Total unallocated</b>	<u>260,149</u>	<u>257,245</u>	<u>2,904</u>
<b>PLANNING AND ZONING</b>			
Wages		234,647	
Taxes - payroll		18,929	
Insurance - benefits		13,013	
Retirement		22,678	
Planning commission		14,409	
Professional review costs		229,437	
Supplies and postage		417	
Contract services		4,982	
Membership and dues		2,218	
Legal fees		5,823	
Printing and publications		1,402	
Repairs and maintenance		316	
Education and training		264	
<b>Total planning and zoning</b>	<u>631,788</u>	<u>548,535</u>	<u>83,253</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

**HARTLAND TOWNSHIP**  
**GENERAL FUND (PRE GASB 54 - RESTATEMENT)**  
**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>PUBLIC WORKS</b>			
Salaries		136,459	
Taxes - payroll		9,308	
Insurance - benefits		56,996	
Retirement		13,597	
Supplies and postage		944	
Contracted services		25,095	
Sampling		27,870	
Membership and dues		552	
Miscellaneous		614	
Education and training		680	
<b>Total public works</b>	<u>281,334</u>	<u>272,115</u>	<u>9,219</u>
<b>ZONING BOARD OF APPEALS</b>	<u>2,022</u>		<u>2,022</u>
<b>SIDEWALKS</b>	<u>9,000</u>	<u>4,407</u>	<u>4,593</u>
<b>STREETLIGHTS</b>	<u>20,125</u>	<u>21,743</u>	<u>(1,618)</u>
<b>ROADS</b>	<u>126,447</u>	<u>82,888</u>	<u>43,559</u>
<b>CABLE</b>			
Salaries		47,921	
Taxes - payroll		3,666	
Contacted services		132	
Printing and publishing		5,792	
Postage and supplies		1,292	
Education and training		60	
Membership and dues		995	
<b>Total cable</b>	<u>65,086</u>	<u>59,858</u>	<u>5,228</u>
<b>CODE ENFORCEMENT</b>	<u>26,106</u>	<u>26,838</u>	<u>(732)</u>
<b>DRAINS</b>	<u>10,100</u>	<u>9,331</u>	<u>769</u>
<b>SENIOR CITIZENS</b>	<u>22,000</u>	<u>22,000</u>	
<b>COMMUNITY CENTER</b>	<u>51,850</u>	<u>42,978</u>	<u>8,872</u>
<b>CEMETARY</b>	<u>35,569</u>	<u>20,015</u>	<u>15,554</u>
<b>PARKS AND RECREATION</b>	<u>118,716</u>	<u>91,562</u>	<u>27,154</u>
<b>Total expenditures</b>	<u>\$ 3,448,445</u>	<u>\$ 2,938,714</u>	<u>\$ 509,731</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

## **MUNICIPAL STREET FUND**

**HARTLAND TOWNSHIP**

**MUNICIPAL STREET FUND  
BALANCE SHEET  
MARCH 31, 2025**

**ASSET**

Cash	\$ 2,319,009
Taxes receivable	<u>35,067</u>
<b>Total assets</b>	<u><u>\$ 2,354,076</u></u>

**FUND BALANCE**

\$ 2,354,076



HARTLAND TOWNSHIP

MUNICIPAL STREET FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$	\$ 1,354,423	\$
Personal property tax reimbursement		4,790	
Interest		6,912	
Other revenue		791	
<b>Total revenues</b>	<u>4,000</u>	<u>1,366,916</u>	<u>1,362,916</u>
<b>EXPENDITURES</b>			
Public works		<u>1,464,061</u>	
<b>Total expenditures</b>	<u>2,035,500</u>	<u>1,464,061</u>	<u>571,439</u>
<b>Net change in fund balance</b>	<u>(2,031,500)</u>	<u>(97,145)</u>	<u>1,934,355</u>
<b>FUND BALANCE, APRIL 1, 2024</b>	<u>2,451,221</u>	<u>2,451,221</u>	
<b>FUND BALANCE, MARCH 31, 2025</b>	<u>\$ 419,721</u>	<u>\$ 2,354,076</u>	<u>\$ 1,934,355</u>

## **FIRE OPERATING FUND**

**HARTLAND TOWNSHIP**

**FIRE OPERATING FUND  
BALANCE SHEET  
MARCH 31, 2025**

**ASSETS**

Cash	\$ 2,121,721
Taxes receivable	<u>49,759</u>

**Total assets**

\$ 2,171,480

**FUND BALANCE**

\$ 2,171,480

HARTLAND TOWNSHIP

FIRE OPERATING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$	\$ 1,919,842	\$
Personal property tax reimbursement		3,101	
Interest		418	
Miscellaneous		1,719	
<b>Total revenues</b>	<u>1,929,204</u>	<u>1,925,080</u>	<u>(4,124)</u>
<b>EXPENDITURES</b>			
Authority contributions		1,869,233	
Repairs and maintenance		19,494	
Tax chargebacks		18	
Professional fees		4,254	
Capital outlay		80,319	
Utility/assessments		897	
<b>Total expenditures</b>	<u>2,063,475</u>	<u>1,974,215</u>	<u>89,260</u>
<b>Net change in fund balance</b>	<u>(134,271)</u>	<u>(49,135)</u>	<u>85,136</u>
<b>FUND BALANCE, APRIL 1, 2024</b>	<u>2,220,615</u>	<u>2,220,615</u>	
<b>FUND BALANCE, MARCH 31, 2025</b>	<u>\$ 2,086,344</u>	<u>\$ 2,171,480</u>	<u>\$ 85,136</u>

**M-59/HARTLAND ROAD DEBT SERVICE FUND**

**HARTLAND TOWNSHIP**

**M-59/HARTLAND ROAD DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2025**

**ASSETS**

Cash	\$ 546,238
Special assessments receivable	<u>1,846,864</u>
<b>Total assets</b>	<u><u>\$ 2,393,102</u></u>

**DEFERRED INFLOW OF RESOURCES**

Unavailable revenues	\$ 1,846,864
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**FUND BALANCE**

	<u>546,238</u>
<b>Total deferred inflow of resources and fund balance</b>	<u><u>\$ 2,393,102</u></u>

**HARTLAND TOWNSHIP**

**M-59/HARTLAND ROAD DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2025**

**REVENUES**

Special assessments	
Principal	\$ 230,858
Interest	72,309
Interest income	<u>253</u>
<b>Total revenues</b>	<b>\$ 303,420</b>

**EXPENDITURES**

Debt	
Principal	220,000
Interest	51,500
Miscellaneous fee	<u>500</u>
<b>Total expenditures</b>	<b><u>272,000</u></b>

<b>Net change in fund balance</b>	<b>31,420</b>
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<b>FUND BALANCE, APRIL 1, 2024</b>	<b><u>514,818</u></b>
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<b>FUND BALANCE, MARCH 31, 2025</b>	<b><u><u>\$ 546,238</u></u></b>
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## **WATER SYSTEM FUND**



**HARTLAND TOWNSHIP****WATER SYSTEM FUND  
BALANCE SHEET  
MARCH 31, 2025****CURRENT ASSETS**

Cash and investments - operating	\$ 656,258	
Cash and investments - capital replacement	1,390,438	
Investments	1,046,428	
Accounts receivable - customers	277,163	
Interest receivable	19,288	
Due from other funds	31,961	
	<hr/>	
<b>Total current assets</b>		\$ 3,421,536

**PROPERTY, PLANT AND EQUIPMENT**

Capital assets		
Land	300,000	
Construction in progress	534,263	
Water plant and equipment	13,073,805	
	<hr/>	
	13,908,068	
Less: accumulated depreciation	(5,432,509)	
	<hr/>	
<b>Total property, plant and equipment</b>		8,475,559
		<hr/>
<b>Total assets</b>		\$ 11,897,095

**CURRENT LIABILITIES**

Accounts payable	\$ 154,597	
Accrued expenditures	19,332	
Due to others	14,000	
	<hr/>	
<b>Total current liabilities</b>		\$ 187,929

**NET POSITION**

Invested in capital assets, net of related debt	8,475,559	
Restricted	3,233,607	
	<hr/>	
<b>Total net position</b>		11,709,166
		<hr/>
<b>Total liabilities and net position</b>		\$ 11,897,095

**HARTLAND TOWNSHIP**

**WATER SYSTEM FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2025**

**OPERATING REVENUES**

User charges		\$ 937,518
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**OPERATING EXPENSES**

Wages	\$ 212,820	
Taxes - payroll	15,751	
Insurance - benefits	35,843	
Retirement	19,158	
Administration fees	186,349	
Depreciation	357,362	
Contracted services	65,264	
Professional fees	33,263	
Repair and maintenance	125,367	
Insurance	14,134	
Supplies and postage	38,998	
Miscellaneous	12,488	
Meters	24,937	
Utilities and telephone	73,078	

<b>Total operating expenses</b>		<u>1,214,812</u>
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<b>Operating (loss)</b>		(277,294)
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**NON-OPERATING REVENUES (EXPENSES)**

Other income	132,491	
Interest income - cash	67,699	

<b>Total non-operating revenues (expenses)</b>		200,190
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<b>Net (loss)</b>		(77,104)
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<b>NET POSITION APRIL 1, 2024</b>		<u>11,786,270</u>
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<b>NET POSITION, MARCH 31, 2025</b>		<u><u>\$ 11,709,166</u></u>
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**HARTLAND TOWNSHIP**  
**WATER SYSTEM FUND**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 911,804	
Payments to other suppliers for goods or services	(566,378)	
Payments to employees	<u>(212,820)</u>	
<b>Net cash from operating activities</b>		<b>\$ 132,606</b>

**CASH FLOWS FROM (USED IN) CAPITAL AND FINANCING ACTIVITIES**

Principal and interest paid on bonds		
Collections of special assessment (principal and interest)		
Acquisition of fixed assets	(778,643)	
Other revenue	<u>132,491</u>	
<b>Net cash from capital and related financing activities</b>		<b>(646,152)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net proceeds from sales/purchase of investments	534,822	
Interest received on cash and cash equivalents	<u>4,556</u>	
<b>Net cash from investing activities</b>		<b>539,378</b>
<b>Net increase in cash and cash equivalents</b>		<b>25,832</b>

<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2024</b>	<u>2,020,864</u>
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<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2025</b>	<u><u>\$ 2,046,696</u></u>
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**RECONCILIATION OF OPERATING INCOME TO NET**

**CASH PROVIDED BY OPERATING ACTIVITIES**

Operating (loss)		\$ (277,294)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 357,362	
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(25,714)	
(Increase) decrease in due from others	5,000	
(Increase) decrease in due from other funds	(31,485)	
Increase - (Decrease) in accounts payable	100,760	
Increase (decrease) in accrued wages	<u>3,977</u>	
<b>Total adjustments</b>		<u>409,900</u>
<b>Net cash provided by operating activities</b>		<u><u>\$ 132,606</u></u>

**SEWAGE DISPOSAL SYSTEM FUND**

**HARTLAND TOWNSHIP**

**SEWAGE DISPOSAL SYSTEM FUND  
BALANCE SHEET  
MARCH 31, 2025**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 2,271,232	
Investments	9,652,667	
Accounts receivable - billings	805,754	
Special assessments receivable	52,052	
Prepaid	<u>7,533</u>	
<b>Total current assets</b>		\$ 12,789,238

**RESTRICTED ASSETS**

Cash and cash equivalents	761,494	
Special assessment receivable	<u>1,204,435</u>	
<b>Total restricted assets</b>		1,965,929

**PROPERTY, PLANT AND EQUIPMENT**

Sewer system and office equipment	21,839,792	
Less: accumulated depreciation	<u>(7,833,894)</u>	
<b>Total property, plant and equipment</b>		<u>14,005,898</u>
<b>Total assets</b>		<u><u>\$ 28,761,065</u></u>

**CURRENT LIABILITIES**

Accounts payable	\$ 193,984	
Accrued interest payable	74,833	
Due to other funds	31,485	
Bonds payable	<u>1,065,000</u>	
<b>Total current liabilities</b>		\$ 1,365,302

**LONG-TERM LIABILITIES (from restricted assets)**

Bond premium - net of amortization	780,737	
Bonds payable after one year	<u>7,588,413</u>	
<b>Total long term liabilities</b>		<u>8,369,150</u>
<b>Total liabilities</b>		9,734,452

**NET POSITION**

Invested in capital assets, net of related debt	4,195,955	
Unrestricted	<u>14,830,658</u>	
<b>Total net position</b>		<u>19,026,613</u>
<b>Total liabilities and net position</b>		<u><u>\$ 28,761,065</u></u>

**HARTLAND TOWNSHIP**

**SEWAGE DISPOSAL SYSTEM FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2025**

**OPERATING REVENUES**

User charges	\$ 2,607,060	
Septage station fees	237,436	
<b>Total revenue</b>		\$ 2,844,496

**OPERATING EXPENSES**

Administration	186,473	
Depreciation	436,670	
Sewer usage fees	2,248,643	
Professional fees	12,864	
Repair and maintenance	1,254	
Insurance	13,303	
Miscellaneous	9,054	
Supplies and postage	2,775	
<b>Total operating expenses</b>		<u>2,911,036</u>
<b>Operating income</b>		(66,540)

**NON-OPERATING REVENUES (EXPENSES)**

Interest income	380,862	
Interest income - special assessments	47,287	
Interest expense and bond fees	(202,366)	
<b>Total non-operating revenues (expenses)</b>		225,783

**CAPITAL CONTRIBUTIONS**

Connection fees	3,666,223	
Surcharge fees	72,398	
<b>Total capital contributions</b>		<u>3,738,621</u>
<b>Net income</b>		3,897,864

<b>NET POSITION, APRIL 1, 2024</b>	<u>15,128,749</u>
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<b>NET POSITION, MARCH 31, 2025</b>	<u><u>\$ 19,026,613</u></u>
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**HARTLAND TOWNSHIP**  
**SEWAGE DISPOSAL SYSTEM FUND**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 2,860,253	
Payments to other suppliers for goods or services	<u>(2,429,068)</u>	
<b>Net cash from operating activities</b>		<b>\$ 431,185</b>

**CASH FLOWS FROM (USED IN) CAPITAL AND FINANCING ACTIVITIES**

Principal and interest paid on capital debt	(1,459,305)	
Collections of special assessment (principal and interest)	291,525	
Connection fees	3,814,029	
Other revenue	<u>0</u>	
<b>Net cash from capital and related financing activities</b>		<b>2,646,249</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net proceeds from sales/purchase of investments	(3,379,006)	
Interest received on cash and cash equivalents	<u>1,836</u>	
<b>Net cash from (used in) investing activities</b>		<b><u>(3,377,170)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>(299,736)</b>

<b>CASH AND CASH EQUIVALENTS AT APRIL 1, 2024</b>	<u><b>3,332,462</b></u>
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<b>CASH AND CASH EQUIVALENTS AT MARCH 31, 2025</b>	<u><u><b>\$ 3,032,726</b></u></u>
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**RECONCILIATION OF OPERATING INCOME TO NET**

**CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income		\$ (66,540)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 436,670	
Special assessment write off		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	15,757	
(Increase) decrease in prepaid expenditures	1,825	
(Increase) decrease in due from others	31,485	
Increase (decrease) in accounts payable	<u>11,988</u>	
<b>Total adjustments</b>		<u><b>497,725</b></u>
<b>Net cash provided by operating activities</b>		<u><u><b>\$ 431,185</b></u></u>



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**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
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**(810) 229-5550**  
**FAX (810) 229-5578**

September 2, 2025

To the Board of Trustees  
Hartland Township  
2655 Clark Road  
Hartland, MI 48353

Dear Honorable Board of Trustees:

In planning and performing our audit of the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Hartland Township as of and for the year ended March 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Hartland Township's internal control over financial reporting (internal control) as a basis for designing and auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the Board of Trustees and management of Hartland Township and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants



September 2, 2025

To the Board of Trustees  
Hartland Township  
2655 Clark Road  
Hartland, MI 48353

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hartland Township, Michigan (the Township) as of and for the year ended March 31, 2025, and have issued our report thereon dated September 2, 2025. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated March 31, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Township solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated September 2, 2025.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated April 1, 2025.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Township's Significant Accounting Practices Significant Accounting Policies**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Township is included in Note 1 to the financial statements.

There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2025, except as described in Note 15 to the financial statements.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

#### Depreciation

Management's estimate of the depreciation expense is based on the estimated useful lives and salvage value of capital assets. We have evaluated the key factors and assumptions used to develop the estimate for depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

#### Lease Receivable

Management's estimate of the net present value of leases is based on the incremental borrowing rate and remaining lease term. We have evaluated the key factors and assumptions used to develop the estimate for net present value of leases in determining that it is reasonable in relation to the financial statements taken as a whole.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosure, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Township's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated September 2, 2025.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Township, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Township's auditors.

## **Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the Township Council and management of Hartland Township, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants