

BARTON HILLS VILLAGE
Washtenaw County, Michigan

AUDITED FINANCIAL REPORT

For the Fiscal Year Ended
March 31, 2022

BARTON HILLS VILLAGE
For the Year Ended March 31, 2022

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FINANCIAL SECTION

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Independent Auditor's Report

September 2, 2022

To the Board of Trustees
Barton Hills Village, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barton Hills Village, Michigan, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Village'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, each major fund, and the aggregate remaining fund information of Barton Hills Village, Michigan, as of March 31, 2022, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Supplemental Information

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

Respectfully,



PSLZ PLLC
Certified Public Accountants

September 2, 2022

Management's Discussion and Analysis

As management of Barton Hills Village, we offer readers of Barton Hills Village's financial statements this narrative overview and analysis of the financial activities of Barton Hills Village for the fiscal year ended March 31, 2022.

Financial Highlights

- The assets of Barton Hills Village exceeded its liabilities at the close of the most recent fiscal year by \$2,784,692 (*Net Position*).
- As of the close of the current fiscal year, Barton Hills Village's governmental funds reported combined ending fund balances of \$1,154,700, an increase of \$185,110 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$535,425, or 59 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Barton Hills Village's basic financial statements. Barton Hills Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Barton Hills Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Barton Hills Village's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Barton Hills Village is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Barton Hills Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of Barton Hills Village include general government, public safety, public works and other activities. The Village has no business-type activities.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Barton Hills Village, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Barton Hills Village are governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Barton Hills Village maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Improvement Reserve Fund, and Major Street Fund and Local Street Fund.

Barton Hills Village adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 -30 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Barton Hills Village, assets exceeded liabilities by \$2,784,692 at the close of the most recent fiscal year.

A significant portion of Barton Hills Village's net position (58 percent) reflects its investment in capital assets, net of debt (e.g., land, buildings, infrastructure, and equipment). Barton Hills Village used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Barton Hills Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 1,164,941	\$ 1,002,667
Capital Assets	<u>1,604,717</u>	<u>1,583,680</u>
Total Assets	<u>2,769,658</u>	<u>2,586,347</u>
Deferred Outflows	<u>69,204</u>	<u>28,823</u>
Long-term Liabilities	43,929	87,906
Other Liabilities	<u>10,241</u>	<u>33,077</u>
Total Liabilities	<u>54,170</u>	<u>120,983</u>
Net Position:		
Net Investment		
in Capital Assets	1,604,717	1,583,680
Restricted	603,572	518,572
Unrestricted	<u>576,403</u>	<u>391,935</u>
Total Net Position	<u>\$ 2,784,692</u>	<u>\$ 2,494,187</u>

The government's net position increased by \$290,505 during the current fiscal year as shown in the table below:

	<u>2022</u>	<u>2021</u>
Program Revenues:		
Charges for Services	\$ 206,565	\$ 176,407
Operating Grants & Contributions	90,000	-
General Revenues:		
Property Taxes	683,245	766,161
State Shared Revenues	25,810	30,448
Unrestricted Investment Earnings	1,763	3,666
Franchise Fees	7,399	12,394
Total Revenues	<u>1,014,782</u>	<u>989,076</u>
Program Expenses:		
General Government	176,413	149,209
Public Safety	8,864	1,694
Public Works	497,269	344,665
Recreation & Cultural	41,731	29,299
Total Expenses	<u>724,277</u>	<u>524,867</u>
Change in Net Position	<u>\$ 290,505</u>	<u>\$ 464,209</u>

Governmental activities. In fiscal year 2022, governmental activities increased Barton Hills Village's net position by \$290,505 as compared to a \$464,209 increase in the prior year. The current year reflects a decrease in the net pension liability of \$40,956 from changes in assumptions used and experience rates.

Financial Analysis of the Government's Funds

As noted earlier, Barton Hills Village used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Barton Hills Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Barton Hills Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Barton Hills Village's governmental funds reported combined ending fund balances of \$1,154,700, an increase of \$185,110 in comparison with the prior year.

The general fund is the chief operating fund of Barton Hills Village. At the end of the current fiscal year, unassigned fund balance of the general fund was \$535,128, and the total fund balance was \$551,128. Unassigned fund balance represents 59 percent of total general fund expenditures.

General Fund Budgetary Highlights

The General Fund Budget amendments were minor departmental adjustments.

Capital Asset and Debt Administration

Capital assets. Barton Hills Village's investment in capital assets for its governmental activities as of March 31, 2022, amounts to \$1,604,717 (net of accumulated depreciation). This investment in capital assets includes land, buildings, water improvements, and equipment. Additions to capital assets in fiscal year 2022 include the conversion of a new vehicle for rubbish services and road resurfacing. Details to the Village's capital assets are continued in the notes to the financial statements on page 21.

Long-term debt. At the end of the current fiscal year, Barton Hills Village had total long term debt outstanding of \$13,710, which consisted of accumulated unpaid sick and vacation pay.

Economic Factors and Next Year's Budgets and Rates

Although the Village has experienced a gradual increase in taxable values over the past few years, the Village has budgeted for property tax revenues and also state shared revenues to remain flat for the upcoming fiscal year. These factors were considered in preparing Barton Hills Village's budget for the 2022/2023 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Barton Hills Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Barton Hills Village Board.

BASIC FINANCIAL STATEMENTS

BARTON HILLS VILLAGE
Statement of Net Position
March 31, 2022

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 1,114,126
Receivables (Net of Allowance for Uncollectibles):	
Accounts	35,112
Prepaid Expenditures	15,703
Capital Assets (Net of Accumulated Depreciation)	1,604,717
Total Assets	<u>2,769,658</u>
 <u>DEFERRED OUTFLOWS</u>	
Deferred Outflows Related to Pensions	<u>69,204</u>
 <u>LIABILITIES</u>	
Accounts Payable	4,226
Accrued Liabilities	6,015
Noncurrent Liabilities:	
Compensated Absences	13,710
Net Pension Liability	30,219
Total Liabilities	<u>54,170</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	1,604,717
Restricted-Major and Local Streets	296,941
Restricted-Capital Projects	306,631
Unrestricted	576,403
Total Net Position	<u>\$ 2,784,692</u>

BARTON HILLS VILLAGE
Statement of Activities
For the Year Ended March 31, 2022

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Primary Government:	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 176,413	\$ 123,890	\$ -	\$ (52,523)
Public Safety	8,864	-	-	(8,864)
Public Works	497,269	82,675	90,000	(324,594)
Recreation and Cultural	41,731	-	-	(41,731)
Total Governmental Activities	\$ 724,277	\$ 206,565	\$ 90,000	(427,712)

General Revenues:	
Property Taxes	683,245
State Shared Revenue	25,810
Franchise Fees	7,399
Unrestricted Investment Earnings	1,763
Total General Revenues	718,217
Change in Net Position	290,505
Net Position – Beginning	2,494,187
Net Position – Ending	\$ 2,784,692

BARTON HILLS VILLAGE
Balance Sheet
Governmental Funds
March 31, 2022

	<u>General</u>	<u>Public Improvement Reserve Fund</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 510,554	\$ 306,631	\$ 214,303	\$ 82,638	\$ 1,114,126
Receivables (Net of Allowance for Uncollectibles):					
Accounts	35,112	-	-	-	35,112
Prepaid Expenditures	15,703	-	-	-	15,703
Total Assets	<u>\$ 561,369</u>	<u>\$ 306,631</u>	<u>\$ 214,303</u>	<u>\$ 82,638</u>	<u>\$ 1,164,941</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 4,226	\$ -	\$ -	\$ -	\$ 4,226
Accrued Liabilities	6,015	-	-	-	6,015
Total Liabilities	<u>10,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,241</u>
Fund Balances:					
Non Spendable-Prepaid Insurance	15,703	-	-	-	15,703
Restricted-Capital Projects Fund	-	306,631	-	-	306,631
Restricted-Special Revenue Funds	-	-	214,303	82,638	296,941
Unrestricted:					
Unassigned	535,425	-	-	-	535,425
Total Fund Balance	<u>551,128</u>	<u>306,631</u>	<u>214,303</u>	<u>82,638</u>	<u>1,154,700</u>
Total Liabilities and Fund Balances	<u>\$ 561,369</u>	<u>\$ 306,631</u>	<u>\$ 214,303</u>	<u>\$ 82,638</u>	

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. 1,604,717

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Net Pension Liability	\$ (30,219)	
Net Deferred Outflows (Inflows) Related to Pensions	69,204	
Compensated Absences payable	<u>(13,710)</u>	
		25,275
Net Position of Governmental Activities		<u>\$ 2,784,692</u>

BARTON HILLS VILLAGE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2022

	<u>General</u>	<u>Public Improvement Reserve Fund</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Property Taxes	\$ 683,245	\$ -	\$ -	\$ -	\$ 683,245
State Shared Revenues	25,810	-	-	-	25,810
Charges for Services-Zoning	1,120	-	-	-	1,120
Water Services	82,675	-	-	-	82,675
Road Contribution	90,000	-	-	-	90,000
Lease Revenue	97,224	-	-	-	97,224
Franchise Fee	7,399	-	-	-	7,399
Interest Income	1,763	-	-	-	1,763
Miscellaneous Revenues	25,546	-	-	-	25,546
Total Revenues	<u>1,014,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,014,782</u>
<u>Expenditures</u>					
Current:					
General Government	129,468	-	-	-	129,468
Public Safety	8,864	-	-	-	8,864
Highways and Streets	102,142	-	-	-	102,142
Sanitation	75,394	-	-	-	75,394
Water Department	85,953	-	-	-	85,953
Public Service	239,000	-	-	-	239,000
Planning	52	-	-	-	52
Parks	41,731	-	-	-	41,731
Other	147,068	-	-	-	147,068
Total Expenditures	<u>829,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>829,672</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>185,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,110</u>
Other Financing Sources (Uses):					
Transfers In	-	85,000	-	-	85,000
Transfers Out	(85,000)	-	-	-	(85,000)
Total Other Financing Sources (Uses)	<u>(85,000)</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	100,110	85,000	-	-	185,110
Fund Balances – Beginning	<u>451,018</u>	<u>221,631</u>	<u>214,303</u>	<u>82,638</u>	<u>969,590</u>
Fund Balances – Ending	<u>\$ 551,128</u>	<u>\$ 306,631</u>	<u>\$ 214,303</u>	<u>\$ 82,638</u>	<u>\$ 1,154,700</u>

BARTON HILLS VILLAGE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	185,110
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenses exceeded depreciation expense in the current period.

Capital Outlay	138,701	
Depreciation	<u>(117,664)</u>	21,037

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Decrease in Compensated Absences	3,021	
Decrease in Net Pension Liability (net of deferred outflow)	<u>81,337</u>	<u>84,358</u>

Change in Net Position in governmental activities	\$	<u><u>290,505</u></u>
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BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Barton Hills Village, Michigan, was incorporated in December 14, 1973. The Village operates under an elected Village Board with Village Superintendent, Deputy Clerk and Assistant Treasurer appointed by the Board to carry out the policies that it establishes. Services are provided to approximately 316 residents in the areas of refuse removal, parks and recreation, road maintenance, and water.

The accounting methods and procedures adopted by the Barton Hills Village conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

Governmental Funds

The Village reports the following major governmental funds:

The General Fund is the government'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 Public Improvement Reserve Fund is a capital projects fund used to account for the activity of major public improvements. The Major and Local Street Funds are special revenue funds used to account for gas and weight tax revenues returned by the State of Michigan restricted to streets designated by Michigan Department of Transportation.

In addition, the Village reports on the following fund types:

The Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

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.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks. Investments for the Village, as well as for its component units, are recorded at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by restricted fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All trade and property tax receivables are shown net of allowance for uncollectible accounts, which are recorded at \$-0- at March 31, 2022.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed. Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	20-40
Buildings	30
Equipment & Vehicles	5-20

4. Compensated Absences

Under agreements with employee groups, individual employees have a vested right to receive payments for unused vacation, sick leaves and other benefits under formulas and conditions specified in the agreements. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the statement of net assets. This liability is composed of employees who retire and any unused vacation paid upon termination of employment.

5. Fund Equity

The Village has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

5. Fund Equity – Continued

that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement 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.

Nonspendable – Amounts that are not 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 Board for use for a specific purpose. Commitments are made and can be rescinded only via resolution for the Village Board of Trustees.

Assigned – Intent to spend resources on specific purposes expressed by the governing body.

Unassigned – This is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

6. Cell Tower Lease Revenue

The Village leases its facilities to two cellular telephone companies, which generated \$97,224 in the current fiscal year. Expected lease revenues in the next two budget years are expected to exceed \$80,000, in each year. The leases are generally, self renewing leases with all executory costs paid by the lessee. The leases can be cancelled with certain notification occurring prior to the expiration of the lease.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Village is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:

- a. Budgets must be adopted for the General and Special Revenue Funds.
- b. Budgets must be balanced.
- c. Budgets must be amended as necessary.
- d. Public hearings must be held prior to adoption.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget appropriation prior to being incurred.

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Village Charter requires one regular council meeting per month. By the March meeting, a proposed operating budget must be submitted to the Village Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year.
2. A public hearing and adoption of the budget is required prior to March 31.
3. On or before March 31, the tax rate must be set and the budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund budget is adopted at the activity level and the budgets for the Special Revenue Funds are adopted at the activity level.
5. Budget appropriations lapse at year end.
6. The Village Board of Trustees may authorize supplemental appropriations (budget amendments) during the year.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of March 31, 2022.

2. Excess of Expenditures over Appropriations in Budgetary Funds

There were no over expenditures of budgetary accounts.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the Village is permitted to invest in deposits with Michigan commercial banks, savings and loans, credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades.

The following information as required by the Governmental Accounting Standards Board Statement Number 40, is presented regarding the Village's deposits and investments:

Custodial Credit Risk. As of March 31, 2022, the Village's book balance of its deposits was \$1,114,126. The bank balance was \$1,105,381, of which \$1,089,730 was FDIC insured.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

Custodial Credit Risk – Continued

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investment choices.

Interest Rate Risk. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investment choices. As of year end, all deposits and investments consist of demand accounts and certificates of deposit, all of which are not rated.

Concentration of Credit Risk. The Village's investment policy places no limit on the amount the Village may invest in any one issuer.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended March 31, 2022 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 92,856	\$ -	\$ -	\$ 92,856
Capital Assets, being depreciated:				
Building and Improvements	913,558	-	-	913,558
Machinery and Equipment	187,922	-	-	187,922
Vehicles	277,886	68,861	(50,185)	296,562
Office Equipment	1,823	-	-	1,823
Infrastructure	1,513,841	69,840	-	1,583,681
	<u>2,895,030</u>	<u>138,701</u>	<u>(50,185)</u>	<u>2,983,546</u>
Less: Accumulated Depreciation:				
Building and Improvements	(519,287)	(25,062)	-	(544,349)
Machinery and Equipment	(113,026)	(12,327)	-	(125,353)
Vehicles	(239,761)	(12,216)	50,185	(201,792)
Office Equipment	(1,823)	-	-	(1,823)
Infrastructure	(530,309)	(68,059)	-	(598,368)
	<u>(1,404,206)</u>	<u>(117,664)</u>	<u>50,185</u>	<u>(1,471,685)</u>
Governmental Activities Capital Assets, net	<u>\$ 1,583,680</u>	<u>\$ 21,037</u>	<u>\$ -</u>	<u>\$ 1,604,717</u>

Depreciated expense was charged to functions of the Village as follows:

General Government	\$ 25,062
Public Works	<u>92,602</u>
	<u>\$ 117,664</u>

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Interfund Receivables, Payables and Transfers

There are no interfund receivables, payables, or interfund transfers at March 31, 2022.

D. Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2022:

	<u>Balance</u> <u>April 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>March 31, 2022</u>
Compensated Absences	\$ <u>16,731</u>	\$ <u>-</u>	\$ <u>3,021</u>	\$ <u>13,710</u>

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

E. Property Taxes

Property tax assessments are determined (Tax Day) as of each December 31. Taxes are levied on July 1 of the following year. The Village bills and collects its own property taxes which are accounted for in the General Fund. Village property tax revenues are recognized in the current year as revenue in accordance with the guidelines of the State of Michigan.

The Village is permitted by State law to levy taxes up to \$20 per \$1,000 of equalized valuation for general governmental services. It would also appear to have unlimited taxing power to levy for certain contractual debt subject to constitutional limitations.

	<u>Per \$1,000 of State Equalized Value</u>
Authorized Rate (Pre-Rollback)	20.0000
Authorized Rate (Post-Rollback)	10.3478
Taxes Levied 2021 Roll	10.3478

F. Employee Retirement Systems and Plans

1. Defined Benefit Plan

a. Plan Description

The Village contributes to the Michigan Municipal Employees' Retirement System (MMERS), which is an agent multiple employer retirement system that covers employees of the Village hired prior to October 1, 2011. The plan is closed to new hires. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member Retirement Board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, nonduty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Employee Retirement Systems and Plans – Continued

1. Defined Benefit Plan – Continued

a. Plan Description – Continued

date of termination of membership times the final average compensation (FAC). The most recent period for which actuarial data was available was for the actuarial valuation as of December 31, 2021.

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries, as established by Public Act 427 of 1984, as amended. The Plan covers all full-time employees at the Village including union and non-union employees. Benefits are calculated as 1.7 percent of the employee's five-year final average compensation. Normal retirement age is 60. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred if the member had remained an employee.

Benefit terms, within the guidelines established by MERS, are generally established and amended by authority of the Village Council.

b. Employees Covered by Benefit Terms

At the December 31, 2021 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	0
Active Plan Members	<u>1</u>
Total Employees covered by MERS	<u>3</u>

c. Contributions

The State of Michigan Constitution, Article 9, Section 24, requires that financial benefits arising on account of employee services rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution.

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Employee Retirement Systems and Plans – Continued

1. Defined Benefit Plan – Continued

c. Contributions – Continued

The Village is required to contribute at an actuarially determined rate; the current rate was a flat rate since the plan is closed to members. During the fiscal year ended March 31, 2022, the Village's contributions totaling \$30,192 made in accordance with contribution requirements determined by an actuarial valuation of the plan.

d. Net Pension Liability

The net pension liability reported at March 31, 2022 was determined using a measure of the total pension liability and the plan net position as of December 31, 2021. The December 31, 2021 total pension liability was determined by an actuarial valuation performed as of that date.

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

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at January 1, 2021	\$ 885,534	\$ 814,359	\$ 71,175
Service Cost	2,640	-	2,640
Interest	65,438	-	65,438
Contributions-Employer	-	29,272	(29,272)
Contributions-Employee	-	-	-
Net Investment Income	-	113,860	(113,860)
Differences between expected and actual experience	7,843	-	7,843
Changes in assumptions	24,950	-	24,950
Benefit Payments, including refunds	(51,644)	(51,644)	-
Administrative Expenses	-	(1,305)	1,305
Net Changes	<u>49,227</u>	<u>90,183</u>	<u>(40,956)</u>
Balance at December 31, 2021	<u>\$ 934,761</u>	<u>\$ 904,542</u>	<u>\$ 30,219</u>

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Employee Retirement Systems and Plans – Continued

1. Defined Benefit Plan – Continued

e. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2022, the Village reported deferred outflows of resources related to pensions from the following sources:

Source	Deferred Outflows of of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 61,656
Employer contributions to the plan subsequent to the measurement date	7,548
Total	\$ <u><u>69,204</u></u>

Amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Years Ending March 31	Amount
2023	\$ 8,364
2024	25,142
2025	17,577
2026	10,573

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Employee Retirement Systems and Plans – Continued

1. Defined Benefit Plan – Continued

f. Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	3.00%
Investment rate of return	7.00%

The mortality table used to project the mortality experience of non-disabled plan members is 50 percent male and 50 percent female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables. For disabled retirees, the mortality table used is a 50 percent male and 50 percent female blend of the RP-2014 Healthy Annuitant Mortality Tables.

g. Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Employee Retirement Systems and Plans – Continued

1. Defined Benefit Plan – Continued

h. Projected Cash Flows

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

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2021, the measurement date, for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	60%	4.20%
Global Fixed Income	20%	0.90%
Private Investments	20%	1.90%

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Employee Retirement Systems and Plans – Continued

1. Defined Benefit Plan – Continued

i. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Village, calculated using the discount rate of 7.25 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u> <u>(6.25%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.25%)</u>	<u>1% Increase</u> <u>(8.25%)</u>
Net Pension Liability	\$ <u>108,583</u>	\$ <u>30,219</u>	\$ <u>(38,059)</u>

j. Pension Plan Fiduciary Net Position

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

BARTON HILLS VILLAGE
Notes to Financial Statements
March 31, 2022

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Employee Retirement Systems and Plans – Continued

2. Defined Contribution Plan

The Village provides pension benefits to employees not covered by the defined benefit plan through a defined contribution plan, effective January 1, 2012. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Village is required to contribute a minimum of 1% of pay and will match up to 5% of pay. The plan expense in 2022 was \$9,070. The Village's contributions for each employee are fully vested after 20 months of continuous service. Employees may contribute to the plan on a voluntary basis.

IV. OTHER INFORMATION

A. Insurance

The Village of Barton Hills is a member of the Michigan Municipal Liability and Property Pool for its general liability insurance coverage and a member of the Michigan Municipal Workers Compensation Fund for its workers compensation coverage. The Village pays annual premiums to the pools. The pools are self-sustaining through member premiums, and each carries reinsurance through commercial companies for claims in excess of the pool loss reserve fund.

In the event that a single loss should exceed the amount of protection afforded by the pool loss reserve fund, reinsurance, or other insurance carried by the pools, or in the event that a series of losses should deplete or exhaust the loss reserve fund and reinsurance, the payment of valid losses shall be the obligation of the individual member or members of the respective pool against whom the claim was made. No such event has occurred with the Village of Barton Hills and the pools to which it belongs in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

BARTON HILLS VILLAGE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 684,770	\$ 684,770	\$ 683,245	\$ (1,525)
State Shared Revenues	24,000	24,000	25,810	1,810
Charges for Services-Zoning	1,600	1,600	1,120	(480)
Water Services	91,260	91,260	82,675	(8,585)
Road Contribution	90,000	90,000	90,000	-
Lease Revenue	85,000	85,000	97,224	12,224
Franchise Fee	10,300	10,300	7,399	(2,901)
Interest Earned	5,900	5,900	1,763	(4,137)
Miscellaneous Revenues	2,500	2,500	25,546	23,046
Total Revenues	<u>995,330</u>	<u>995,330</u>	<u>1,014,782</u>	<u>19,452</u>
Expenditures:				
General Government:				
Attorney	5,000	494	-	494
Clerk	46,000	46,000	44,774	1,226
Treasurer	51,110	39,747	38,904	843
Village Hall and Garage	55,900	55,900	45,790	10,110
Total General Government	<u>158,010</u>	<u>142,141</u>	<u>129,468</u>	<u>12,673</u>
Security	10,000	10,000	8,864	1,136
Highways and Streets	115,500	115,500	102,142	13,358
Sanitation	78,000	78,000	75,394	2,606
Parks	27,000	41,788	41,731	57
Water Department	87,500	87,500	85,953	1,547
Public Service – Wages	240,000	240,000	221,994	18,006
Public Service – Vehicle Costs	15,000	17,006	17,006	-
Planning	1,000	996	52	944
Other Functions:				
Fringe Benefits:				
Employee Housing Costs	45,350	45,350	33,373	11,977
Retirement	35,140	35,140	35,028	112
Health Insurance	38,400	37,200	31,816	5,384
Social Security	27,600	27,600	21,999	5,601
Total Fringe Benefits	<u>146,490</u>	<u>145,290</u>	<u>122,216</u>	<u>23,074</u>
Insurance and Bonds	31,830	32,109	24,852	7,257
Total Other Functions	<u>178,320</u>	<u>177,399</u>	<u>147,068</u>	<u>30,331</u>
Total Expenditures	<u>910,330</u>	<u>910,330</u>	<u>829,672</u>	<u>80,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>85,000</u>	<u>85,000</u>	<u>185,110</u>	<u>100,110</u>
Other Financing Sources (Uses):				
Transfer Out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	100,110	<u>\$ 100,110</u>
Fund Balance – April 1			<u>451,018</u>	
Fund Balance – March 31			<u>\$ 551,128</u>	

BARTON HILLS VILLAGE
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
MERS Defined Benefit Plan
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:							
Service Cost	\$ 2,640	\$ 3,697	\$ 3,861	\$ 7,137	\$ 7,268	\$ 6,728	\$ 5,987
Interest	65,438	73,091	68,963	71,583	71,665	67,500	66,893
Other Changes	32,793	(126,227)	66,543	(77,648)	(39,120)	26,178	10,078
Benefit payments, including refunds	(51,644)	(49,792)	(29,421)	(34,955)	(46,580)	(50,634)	(50,173)
Net Change in Total Pension Liability	49,227	(99,231)	109,946	(33,883)	(6,767)	49,772	32,785
Total Pension Liability, Beginning of year	885,534	984,765	874,819	908,702	915,469	865,697	832,912
Total Pension Liability, End of year	<u>\$ 934,761</u>	<u>\$ 885,534</u>	<u>\$ 984,765</u>	<u>\$ 874,819</u>	<u>\$ 908,702</u>	<u>\$ 915,469</u>	<u>\$ 865,697</u>
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 29,272	\$ 20,871	\$ 23,664	\$ 21,393	\$ 15,966	\$ 14,766	\$ 11,718
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	113,860	93,876	90,911	(27,691)	85,382	69,532	(9,731)
Administrative Expenses	(1,305)	(1,499)	(1,567)	(1,371)	(1,353)	(1,374)	(1,446)
Benefit payments, including refunds	(51,644)	(49,792)	(29,421)	(34,955)	(46,580)	(50,634)	(50,173)
Net Change in Plan Fiduciary Net Position	90,183	63,456	83,587	(42,624)	53,415	32,290	(49,632)
Plan Fiduciary Net Position, Beg. of year	814,359	750,903	667,316	709,940	656,525	624,235	673,867
Plan Fiduciary Net Position, End of year	<u>\$ 904,542</u>	<u>\$ 814,359</u>	<u>\$ 750,903</u>	<u>\$ 667,316</u>	<u>\$ 709,940</u>	<u>\$ 656,525</u>	<u>\$ 624,235</u>
Village's Net Pension Liability - Ending	<u>\$ 30,219</u>	<u>\$ 71,175</u>	<u>\$ 233,862</u>	<u>\$ 207,503</u>	<u>\$ 198,762</u>	<u>\$ 258,944</u>	<u>\$ 241,462</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	96.8%	92.0%	76.3%	76.3%	78.1%	71.7%	72.1%
Covered Employee Payroll	\$ 51,876	\$ 66,726	\$ 69,447	\$ 128,602	\$ 130,711	\$ 121,228	\$ 107,288
Village's Net Pension Liability as a Percent of Covered Employee Payroll	58.3%	106.7%	336.7%	161.4%	152.1%	213.6%	225.1%

BARTON HILLS VILLAGE
Required Supplemental Information
Schedule of Village Pension Contributions-MERS
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 30,192	\$ 19,884	\$ 23,832	\$ 23,160	\$ 16,092	\$ 15,588	\$ 12,300	\$ 9,972	\$ 11,280	\$ 12,372
Contributions in relation to the actuarially determined contribution	<u>30,192</u>	<u>19,884</u>	<u>23,832</u>	<u>23,160</u>	<u>16,092</u>	<u>15,588</u>	<u>12,300</u>	<u>9,972</u>	<u>11,280</u>	<u>12,372</u>
Contribution Deficiency	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered Employee Payroll	\$ 51,876	\$ 66,726	\$ 69,447	\$ 128,602	\$ 130,711	\$ 121,228	\$ 107,288	\$ 115,816	\$ 109,818	\$ 105,149
Contributions as a Percentage of Covered Employee Payroll	58.2%	29.8%	34.3%	18.0%	12.3%	12.9%	11.5%	8.6%	10.3%	11.8%

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 15 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal cost
Amortization Method	M.E.R.S. Option A (Closed Plans)
Remaining Amortization Period	M.E.R.S Option A (Closed Plans)
Asset Valuation Method	5-year smoothed market
Salary Increases	3.00%
Investment Rate of Return	7.00%