CHARTER TOWNSHIP OF SUPERIOR, MICHIGAN

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

AUDITED FINANCIAL STATEMENTS

GABRIDGE & CO

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GABRIDGE & CO

Gabridge & Company, PLC
3940 Peninsular Dr SE, Suite 200
Grand Rapids, MI 49546
Tel: 616-538-7100
Fax: 616-538-2441
gabridgeco.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Charter Township of Superior
Ypsilanti, Michigan 48198

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior, Michigan (the "Township") as of and for the year ended December 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township, as of December 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. 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the Township restated beginning fund balance of the law enforcement fund and total governmental funds to correct an error related to revenue recognition, and restated beginning net position of governmental activities to correct an error related to compensated absences. Our opinions are not modified with respect to this matter.

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 generally accepted auditing standards 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 auditing 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 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, budgetary comparison information, and pension schedules 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 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.

Gabridge & Company

Gabridge & Company, PLC
Grand Rapids, Michigan
May 27, 2026

Management's Discussion and Analysis

Charter Township of Superior
Management's Discussion and Analysis
December 31, 2025

As management of the Charter Township of Superior, Michigan (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $38,772,149, which is reported as total net position. Of this amount, $1,887,828 represents unrestricted net position, which may be used to meet the Township's ongoing obligations to citizens and creditors.

- The Township's total net position increased by $345,871 during the current fiscal year, from restated net position of $38,426,278 at December 31, 2024 to $38,772,149 at December 31, 2025.

- At the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of $9,696,179, an increase of $1,326,708 from the restated beginning fund balance. Approximately 2.6% of this amount, or $253,118, is available for spending at the Township's discretion as unassigned fund balance.

- At the end of the current fiscal year, the general fund reported total fund balance of $1,919,587, an increase of $409,276 from the prior year ending fund balance of $1,510,311.

- At the end of the current fiscal year, unassigned fund balance of the general fund was $253,118, or approximately 7.6% of total general fund expenditures and transfers out.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to provide additional detail and support for the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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 is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods or that do not result in current-period cash flows, such as depreciation of capital assets and earned but unused vacation leave.

Both government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues, which are reported as governmental activities, from functions that are intended to recover all or a significant portion of their costs through user fees and charges, which are reported as business-type activities. The governmental activities of the Township include general government, public safety, public works, community and economic development, and recreation and culture. The business-type activities of the Township include water and sewer services.

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. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Township's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary 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 the balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the Township'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 Township'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 reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Township maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, fire operating fund, law enforcement fund, and American Rescue Plan fund. The general fund, fire operating fund, and law enforcement fund meet the major fund criteria. The American Rescue Plan fund is presented as a

major fund because management believes separate presentation remains useful to financial statement users due to the nature of the remaining grant activity and closeout matters. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the combining and individual fund statements and schedules section of this report.

The Township adopts an annual budget for its general fund and special revenue funds. Budgetary comparison schedules have been provided for the general fund and major special revenue funds to demonstrate compliance with the adopted budgets.

Proprietary Funds. The Township maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses an enterprise fund to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund, which is considered a major enterprise fund of the Township.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The Township maintains a custodial fund to report resources held by the Township in a custodial capacity for individuals, organizations, and other governments. The custodial fund accounts for current tax collections and related amounts held by the Township for other taxing jurisdictions.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information concerning the Township's progress in funding its pension obligations and budgetary comparison schedules for the general fund and major special revenue funds.

Combining and individual fund statements and schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $38,772,149 at the close of the most recent fiscal year. The following comparative schedule shows the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Township for the past two years:

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current Assets						
Cash and Investments	$ 11,107,653	$ 10,332,220	$ 3,209,664	$ 4,669,276	$ 14,317,317	$ 15,001,496
Taxes Receivable	6,777,821	5,784,209	-	-	6,777,821	5,784,209
Receivables, net	288,710	850,960	1,397,725	1,140,873	1,686,435	1,991,833
Intergovernmental Receivables	513,565	300,453	-	-	513,565	300,453
Prepaids and Inventory	196,453	477,536	153,305	211,882	349,758	689,418
Total Current Assets	18,884,202	17,745,378	4,760,694	6,022,031	23,644,896	23,767,409
Noncurrent Assets						
Capital Assets, net	11,794,732	11,510,345	21,360,131	21,521,928	33,154,863	33,032,273
Total Assets	30,678,934	29,255,723	26,120,825	27,543,959	56,799,759	56,799,682
DEFERRED OUTFLOWS OF RESOURCES						
Pension Related	442,236	572,046	74,999	135,807	517,235	707,853
Total Deferred Outflows of Resources	442,236	572,046	74,999	135,807	517,235	707,853
LIABILITIES						
Current Liabilities						
Accounts Payable	527,870	1,374,689	271,551	216,579	799,421	1,591,268
Accrued Payroll	168,135	133,040	11,389	32,246	179,524	165,286
Unearned Revenue	-	915,181	-	-	-	915,181
Current Portion of Long-term Debt	120,000	115,000	145,000	140,000	265,000	255,000
Accrued Interest	12,167	12,550	13,162	13,862	25,329	26,412
Current Portion of Compensated Absences	263,907	766,647	54,726	147,332	318,633	913,979
Refundable Deposits	839,133	-	-	-	839,133	-
Internal Balances	(43,241)	61,737	43,241	(61,737)	-	-
Total Current Liabilities	1,887,971	3,378,844	539,069	488,282	2,427,040	3,867,126
Noncurrent Liabilities						
Compensated Absences	490,113	-	101,633	-	591,746	-
Long-term Debt	1,764,810	1,890,256	2,487,353	2,632,353	4,252,163	4,522,609
Net Pension Liability	2,863,368	3,185,241	485,600	756,195	3,348,968	3,941,436
Total Liabilities	7,006,262	8,454,341	3,613,655	3,876,830	10,619,917	12,331,171
DEFERRED INFLOWS OF RESOURCES						
Pension Related	420,464	-	71,307	-	491,771	-
Taxes Levied for Subsequent Period	6,758,604	6,750,086	-	-	6,758,604	6,750,086
Deferred Lease Revenues	674,553	-	-	-	674,553	-
Total Deferred Inflows of Resources	7,853,621	6,750,086	71,307	-	7,924,928	6,750,086
NET POSITION						
Investment in Capital Assets	9,909,922	9,685,345	18,727,778	18,749,575	28,637,700	28,434,920
Restricted	8,246,621	6,207,131	-	-	8,246,621	6,207,131
Unrestricted	(1,895,256)	(1,269,134)	3,783,084	5,053,361	1,887,828	3,784,227
Total Net Position	$ 16,261,287	$ 14,623,342	$ 22,510,862	$ 23,802,936	$ 38,772,149	$ 38,426,278

The largest portion of the Township's net position, $28,637,700, or 73.9%, reflects its net investment in capital assets, such as land, buildings, machinery, equipment, and infrastructure. The Township uses these capital assets to provide services to its citizens; accordingly, these assets are not available for future spending. Although the Township's investment in capital assets is reported net of related debt, the resources needed to repay that debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net position, $8,246,621, or 21.3%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $1,887,828, or 4.8%, is unrestricted and may be used to meet the Township's ongoing obligations to its citizens and creditors.

The Township's overall net position increased by $345,871 from restated beginning net position. The reasons for this overall increase are discussed in the following sections:

	Governmental Activities		Business-type Activities		Total Government	
Revenues	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Program Revenues						
Charges for Services	$ 1,400,388	$ 1,501,135	$ 5,773,559	$ 5,005,068	$ 7,173,947	$ 6,506,203
Operating Grants and Contributions	945,093	1,266,019	-	1,220,432	945,093	2,486,451
Capital Grants and Contributions	-	-	91,000	-	91,000	-
Total Program Revenues	2,345,481	2,767,154	5,864,559	6,225,500	8,210,040	8,992,654
General Revenues						
Taxes and Penalties	6,412,316	5,986,585	-	-	6,412,316	5,986,585
Unrestricted State Revenue Sharing	1,706,650	1,672,941	-	-	1,706,650	1,672,941
Interest Income	394,805	520,650	125,499	153,398	520,304	674,048
Other Revenues	-	82,569	-	-	-	82,569
Total General Revenues	8,513,771	8,262,745	125,499	153,398	8,639,270	8,416,143
Total Revenues	10,859,252	11,029,899	5,990,058	6,378,898	16,849,310	17,408,797
Expenses						
General Government	2,392,522	2,185,615	-	-	2,392,522	2,185,615
Public Safety	6,042,318	5,252,297	-	-	6,042,318	5,252,297
Public Works	417,280	795,252	-	-	417,280	795,252
Recreation and Culture	177,131	515,893	-	-	177,131	515,893
Community and Economic Development	122,585	759,840	-	-	122,585	759,840
Interest on Long-term Debt	69,471	73,603	-	-	69,471	73,603
Water and Sewer	-	-	7,282,132	5,453,986	7,282,132	5,453,986
Total Expenses	9,221,307	9,582,500	7,282,132	5,453,986	16,503,439	15,036,486
Change in Net Position	1,637,945	1,447,399	(1,292,074)	924,912	345,871	2,372,311
Net Position at the Beginning of Period (Restated)	14,623,342	13,175,943	23,802,936	22,878,024	38,426,278	36,053,967
Net Position at the End of Period	$ 16,261,287	$ 14,623,342	$ 22,510,862	$ 23,802,936	$ 38,772,149	$ 38,426,278

Governmental activities. During the current fiscal year, net position of governmental activities increased by $1,637,945, resulting in an ending net position of $16,261,287. This compares with an increase in net position of $1,447,399 in the prior fiscal year.

Business-type activities. During the current fiscal year, net position of business-type activities decreased by $1,292,074, resulting in an ending net position of $22,510,862. This compares with an increase in net position of $924,912 in the prior fiscal year.

Total government. Total revenues were $16,849,310 for the year, a decrease of $559,487 from the prior year. Charges for services increased by $667,744, primarily due to increased utility rates and usage in the utility billing system. Taxes and penalties increased by $425,731 due to increased taxable values. These increases were offset by a $1,541,358 decrease in operating grants and contributions, primarily because prior-year operating grant revenue in the utility fund did not recur at the same level in the current year.

Total expenses were $16,503,439, an increase of $1,466,953 from the prior year. Governmental activity expenses decreased by $361,193 overall; however, individual functions changed due to activity levels and classification changes. Public safety expenses increased by $790,021, primarily due to reclassifying the building department from community and economic development to public

safety for reporting purposes. Community and economic development expenses decreased by $637,255 as a result of that classification change. Public works expenses decreased by $377,972, and recreation and culture expenses decreased by $338,762, primarily due to lower noncapital expenditure activity. The increase in business-type activity expenses was primarily due to the $1,800,000 booster station settlement, as well as changes in water and sewer operating costs..

Financial Analysis of Governmental Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Township's net resources available for discretionary use, as it represents the portion of fund balance that has not yet been limited to use for a particular purpose by an external party, the Township itself, or a group or individual delegated authority to assign resources for particular purposes by the Township Board.

At December 31, 2025, the Township's governmental funds reported total fund balance of $9,696,179. Of this amount, $7,892,087, or 81.4%, was restricted; $1,354,521, or 14.0%, was committed; $196,453, or 2.0%, was nonspendable; and $253,118, or 2.6%, was unassigned. Because most of the Township's fund balance is restricted or committed, those resources are not available for general discretionary spending.

The general fund reported unassigned fund balance of $253,118, which represented 7.6% of general fund expenditures and transfers out. Total general fund fund balance was $1,919,587, which represented 57.7% of general fund expenditures and transfers out.

The fire operating fund, a major fund, had a $164,302 decrease in fund balance during the current fiscal year, resulting in an ending fund balance of $1,824,120. The decrease was primarily due to operating expenditures exceeding revenues, partially offset by increases in the tax base and grant revenues compared with the prior year.

The law enforcement fund, a major fund, had a $1,302,097 increase in fund balance during the current fiscal year, resulting in an ending fund balance of $4,604,073. The increase was primarily due to growth in the tax base and lower operating costs in the current year.

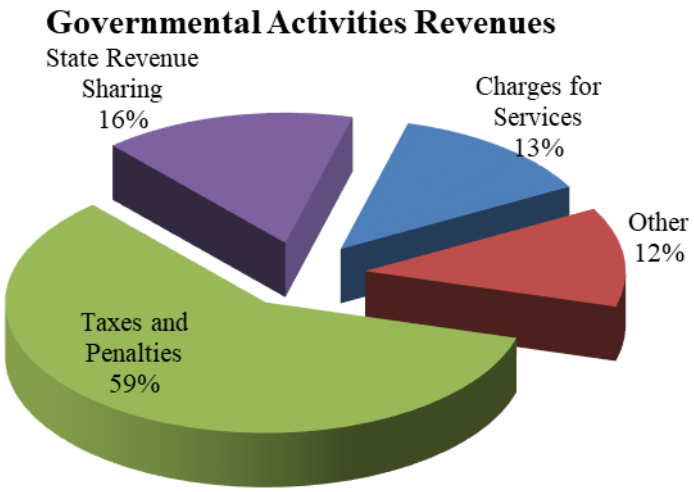
The American Rescue Plan fund, which is presented as a major fund, decreased its fund balance by $63,344, resulting in an ending fund balance of $0. The decrease was due to the spending down of the remaining American Rescue Plan funds.

Proprietary Funds. The Township uses an enterprise fund to account for its water and sewer operations, which are reported as business-type activities in the government-wide financial statements. At the end of the current fiscal year, unrestricted net position of the utility fund was $3,783,084. Total net position of the utility fund decreased by $1,292,074 during the current fiscal

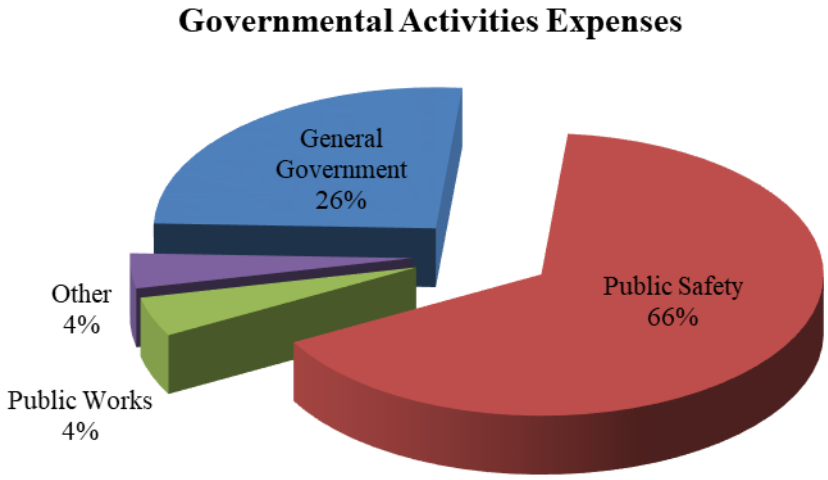
year. The decrease was primarily due to increased water and sewer operating costs, including higher system repair and maintenance costs and related operating expenses.

Governmental Activities

The following chart summarizes the revenue sources for the governmental activities of the Township for the most recent fiscal year-end.



The following chart summarizes the expenses for the governmental activities of the Township for the most recent fiscal year-end.



General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there were no significant amendments to the originally estimated revenues. However, budgeted appropriations were amended to better allocate costs across functions and to account for increased non-capitalized project costs related to culture and recreation, as well as higher transfers out to other funds.

The Township's general fund incurred the following expenditure in excess of the amount appropriated during the year ended December 31, 2025:

	Final Budget	Actual	Variance
General Fund			
Administration	$ 981,112	$ 1,096,911	$ (115,799)
Transportation Syste	121,547	124,204	(2,657)

Capital Assets and Debt Administration

Capital Assets

The Township's investment in capital assets for its governmental and business-type activities at December 31, 2025 amounted to $33,154,863, net of accumulated depreciation. This investment in capital assets includes land, non-motorized trails, structures and land improvements, buildings and improvements, vehicles, equipment, and water and sewer infrastructure. The Township's total investment in capital assets increased by $122,590, or approximately 0.4%, during the current fiscal year.

Additional information on the Township's capital assets can be found in the notes to the financial statements.

Long-term Debt

As described in the notes to the financial statements, the Township's long-term debt decreased by $260,446 to $4,517,163 at December 31, 2025. The Township remains well under its legal debt limit.

Additional information on the Township's long-term debt can be found in the notes to the financial statements.

Economic Condition and Outlook

Similar revenues are expected to be available for appropriation in the general fund in 2026. The Township plans to use current revenues to provide essential services and maintain its financial reserves at similar levels. The ongoing costs of providing essential services to the citizens of the Township will need to be monitored to maintain the Township's financial condition. In addition, the Township anticipates increased capital project expenditures related to the Township Hall renovation.

Contacting the Township

This financial report is designed to provide a general overview of the Township's finances to its citizens, customers, investors, and creditors and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Charter Township of Superior
3040 North Prospect
Ypsilanti, Michigan, 48198

Basic Financial Statements

Charter Township of Superior
Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	$ 11,107,653	$ 3,209,664	$ 14,317,317
Taxes Receivable	6,777,821	--	6,777,821
Receivables, net	288,710	1,397,725	1,686,435
Intergovernmental Receivables	513,565	--	513,565
Prepaids	196,453	112,822	309,275
Inventory	--	40,483	40,483
Total Current Assets	18,884,202	4,760,694	23,644,896
Noncurrent Assets			
Capital Assets not Being Depreciated	4,239,541	224,257	4,463,798
Capital Assets Being Depreciated, net	7,555,191	21,135,874	28,691,065
Total Assets	30,678,934	26,120,825	56,799,759
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	442,236	74,999	517,235
Total Deferred Outflows of Resources	442,236	74,999	517,235
LIABILITIES			
Current Liabilities			
Accounts Payable	527,870	271,551	799,421
Payroll Related Liabilities	168,135	11,389	179,524
Accrued Interest	12,167	13,162	25,329
Current Portion of Long-term Debt	120,000	145,000	265,000
Current Portion of Compensated Absences	263,907	54,726	318,633
Refundable Deposits	839,133	--	839,133
Internal Balances	(43,241)	43,241	--
Total Current Liabilities	1,887,971	539,069	2,427,040
Noncurrent Liabilities			
Long-term Debt	1,764,810	2,487,353	4,252,163
Compensated Absences	490,113	101,633	591,746
Net Pension Liability	2,863,368	485,600	3,348,968
Total Liabilities	7,006,262	3,613,655	10,619,917
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied in Advance of Period Intended to Finance	6,758,604	--	6,758,604
Pension Related	420,464	71,307	491,771
Deferred Lease Revenues	674,553	--	674,553
Total Deferred Inflows of Resources	7,853,621	71,307	7,924,928
NET POSITION			
Net Investment in Capital Assets	9,909,922	18,727,778	28,637,700
Restricted for:			
Tree Preservation	241,425	--	241,425
Public Safety	6,656,797	--	6,656,797
Public Works	134,617	--	134,617
Legal Defense	179,112	--	179,112
Building Code	1,034,670	--	1,034,670
Unrestricted	(1,895,256)	3,783,084	1,887,828
Total Net Position	$ **16,261,287**	$ **22,510,862**	$ **38,772,149**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue: Governmental Activities	Net (Expense) Revenue: Business-type Activities	Net (Expense) Revenue: Total
Governmental Activities:							
General Government	$ 2,392,522	$ 283,811	$ 714,771	$ --	$ (1,393,940)	$ --	$ (1,393,940)
Public Works	417,280	115,178	--	--	(302,102)	--	(302,102)
Community and Economic Development	122,585	33,763	--	--	(88,822)	--	(88,822)
Public Safety	6,042,318	961,536	133,277	--	(4,947,505)	--	(4,947,505)
Recreation and Culture	177,131	6,100	97,045	--	(73,986)	--	(73,986)
Interest on Long-term Debt	69,471	--	--	--	(69,471)	--	(69,471)
Total Governmental Activities	9,221,307	1,400,388	945,093	--	(6,875,826)	--	(6,875,826)
Business-type Activities:							
Water and Sewer	7,282,132	5,773,559	--	91,000	--	(1,417,573)	(1,417,573)
Total Business-type Activities	7,282,132	5,773,559	--	91,000	--	(1,417,573)	(1,417,573)
Totals	$ 16,503,439	$ 7,173,947	$ 945,093	$ 91,000	(6,875,826)	(1,417,573)	(8,293,399)
		General Purpose Revenues:					
		Taxes and Penalties			6,412,316	--	6,412,316
		Interest Income			394,805	125,499	520,304
		Unrestricted State Revenue Sharing			1,706,650	--	1,706,650
		Total General Revenues			8,513,771	125,499	8,639,270
		Change in Net Position			**1,637,945**	**(1,292,074)**	**345,871**
		Net Position at Beginning of Period, as Previously Reported			14,745,104	23,802,936	38,548,040
		Correction of Error			(121,762)	--	(121,762)
		Net Position at Beginning of Period, as Restated			14,623,342	23,802,936	38,426,278
		Net Position at End of Period			$ **16,261,287**	$ **22,510,862**	$ **38,772,149**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Balance Sheet
Governmental Funds
December 31, 2025

	General	Special Revenue: Fire Operating	Special Revenue: Law Enforcement Fund	Special Revenue: American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	$ 3,046,668	$ 1,943,467	$ 4,848,352	$ --	$ 1,269,166	$ 11,107,653
Taxes Receivable	752,130	3,295,075	2,588,935	--	141,681	6,777,821
Receivables, net	212,667	3,656	72,387	--	--	288,710
Intergovernmental Receivables	284,961	--	228,604	--	--	513,565
Prepaids	70,523	121,473	3,600	--	857	196,453
Due from Other Funds	198,105	--	--	--	--	198,105
Total Assets	**$ 4,565,054**	**$ 5,363,671**	**$ 7,741,878**	**$ --**	**$ 1,411,704**	**$ 19,082,307**
LIABILITIES						
Accounts Payable	$ 197,188	$ 40,218	$ 281,556	$ --	$ 8,908	$ 527,870
Payroll Related Liabilities	137,222	28,334	--	--	2,579	168,135
Refundable Deposits	839,133	--	--	--	--	839,133
Due to Other Funds	--	128,276	1,272	--	25,316	154,864
Total Liabilities	1,173,543	196,828	282,828	--	36,803	1,690,002
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied in Advance of Period Intended to Finance	763,006	3,342,723	2,626,373	--	26,502	6,758,604
Deferred Lease Revenues	674,553	--	--	--	--	674,553
Unavailable Revenues	34,365	--	228,604	--	--	262,969
Total Liabilities and Deferred Inflows of Resources	2,645,467	3,539,551	3,137,805	--	63,305	9,386,128
FUND BALANCE						
Nonspendable - Prepaids	70,523	121,473	3,600	--	857	196,453
Restricted for:						
Tree Preservation	241,425	--	--	--	--	241,425
Public Safety	--	1,702,647	4,600,473	--	--	6,303,120
Public Works	--	--	--	--	134,617	134,617
Legal Defense	--	--	--	--	179,112	179,112
Building Code	--	--	--	--	1,033,813	1,033,813
Committed for:						
ARPA Projects	683,836	--	--	--	--	683,836
Schoolhouse	40,220	--	--	--	--	40,220
Compensated Absences	71,733	--	--	--	--	71,733
Trails Maintenance	9,892	--	--	--	--	9,892
Right of Way	38,572	--	--	--	--	38,572
Parks	510,268	--	--	--	--	510,268
Unassigned	253,118	--	--	--	--	253,118
Total Fund Balance	1,919,587	1,824,120	4,604,073	--	1,348,399	9,696,179
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	**$ 4,565,054**	**$ 5,363,671**	**$ 7,741,878**	**$ --**	**$ 1,411,704**	**$ 19,082,307**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2025

Total Fund Balance - Governmental Funds	$	9,696,179
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		262,969
Net pension liability, and the pension related deferrals, are not due and payable in the current period and, accordingly, are not reported in the funds.		(2,841,596)
Governmental activities capital assets of $17,650,569, net of accumulated depreciation of $5,855,837, are not financial resources and, accordingly, are not reported in the funds.		11,794,732
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(754,020)
Certain liabilities, including bonds and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(1,896,977)
Total Net Position - Governmental Activities	$	**16,261,287**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General	Special Revenue			Nonmajor Governmental Funds	Total Governmental Funds
		Fire Operating	Law Enforcement Fund	American Rescue Plan		
Revenues						
Taxes and Penalties	$ 759,807	$ 3,169,175	$ 2,483,334	$ --	$ --	$ 6,412,316
Special Assessments	--	--	--	--	115,178	115,178
Licenses and Permits	147,694	--	--	--	--	147,694
Federal Sources	--	130,397	--	781,449	--	911,846
State Sources	1,738,397	--	--	--	--	1,738,397
Charges for Services	45,960	--	74,425	--	503,040	623,425
Fines and Forfeitures	--	--	7,261	--	--	7,261
Interest and Rentals	95,081	104,675	186,663	26,088	35,543	448,050
Other Revenue	175,409	56,613	180,226	--	7,000	419,248
Total Revenues	2,962,348	3,460,860	2,931,909	807,537	660,761	10,823,415
Expenditures						
General Government	2,224,094	--	--	--	2,000	2,226,094
Public Safety	--	3,625,162	1,899,812	--	430,293	5,955,267
Public Works	314,231	--	--	--	115,487	429,718
Community and Economic Development	122,585	--	--	--	--	122,585
Recreation and Culture	487,680	--	--	97,613	--	585,293
Debt Service - Principal	115,000	--	--	--	--	115,000
Debt Service - Interest	62,750	--	--	--	--	62,750
Total Expenditures	3,326,340	3,625,162	1,899,812	97,613	547,780	9,496,707
Excess of Revenues Over (Under) Expenditures	(363,992)	(164,302)	1,032,097	709,924	112,981	1,326,708
Other Financing Sources (Uses)						
Transfers In	773,268	--	--	--	--	773,268
Transfers Out	--	--	--	(773,268)	--	(773,268)
Net Other Financing Sources (Uses)	773,268	--	--	(773,268)	--	--
Net Change in Fund Balance	**409,276**	**(164,302)**	**1,032,097**	**(63,344)**	**112,981**	**1,326,708**
Fund Balance at 12/31/2024, as Previously Reported	1,510,311	1,988,422	3,666,109	63,344	1,235,418	8,463,604
Error Correction - Note 12	--	--	(94,133)	--	--	(94,133)
Fund Balance at Beginning of Period, as Restated	1,510,311	1,988,422	3,571,976	63,344	1,235,418	8,369,471
Fund Balance at End of Period	$ **1,919,587**	$ **1,824,120**	$ **4,604,073**	$ **--**	$ **1,348,399**	$ **9,696,179**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2025

Total Net Change in Fund Balances - Governmental Funds	$	1,326,708
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of $682,605 is in excess of depreciation expense of $394,619 and loss on disposal of assets of $3,599.		284,387
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources.		168,836
Changes to the net pension liability, and the pension related deferrals, do not impact current financial resources and, accordingly, are not shown in the fund financial statements.		(228,401)
The repayment of principal of long-term debt consumes the current financial resources of governmental funds and is recorded as an expenditure; however, the repayment of long-term debt, and the amortization of premiums and discounts, reduces long-term liabilities on the statement of net position.		98,582
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.		(12,167)
Changes in Net Position - Governmental Activities	$	**1,637,945**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Statement of Net Position
Proprietary Fund
December 31, 2025

	Business-type Activities - Enterprise Fund
	Water and Sewer
ASSETS	
Current Assets	
Cash and Investments	$ 3,209,664
Receivables, net	1,397,725
Prepaids	112,822
Inventory	40,483
Due from Other Funds	483
Total Current Assets	4,761,177
Noncurrent Assets	
Capital Assets not Being Depreciated	241,863
Capital Assets Being Depreciated, net	21,118,268
Total Assets	26,121,308
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	74,999
Total Deferred Outflows of Resources	74,999
LIABILITIES	
Current Liabilities	
Accounts Payable	271,551
Payroll Related Liabilities	11,389
Accrued Interest	13,162
Current Portion of Long-term Debt	145,000
Current Portion of Compensated Absences	54,726
Due to Other Funds	43,724
Total Current Liabilities	539,552
Noncurrent Liabilities	
Long-term Debt	2,487,353
Compensated Absences	101,633
Net Pension Liability	485,600
Total Liabilities	3,614,138
DEFERRED INFLOWS OF RESOURCES	
Pension Related	71,307
Total Deferred Inflows of Resources	71,307
NET POSITION	
Net Investment in Capital Assets	18,727,778
Unrestricted	3,783,084
Total Net Position	$ **22,510,862**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Fund
	Water and Sewer
Operating Revenues	
Charges for Services	$ 5,280,828
Other Revenue	48,921
Total Operating Revenues	5,329,749
Operating Expenses	
Personnel	1,009,651
Materials and Supplies	110,521
Contractual	698,947
Purchased Services	2,621,495
Depreciation Expense	922,800
Total Operating Expenses	5,363,414
Operating Income (Loss)	(33,665)
Non-Operating Revenues (Expenses)	
Interest Income	125,499
Capital Contributions	91,000
Tap-in Fees	420,000
New Customer Installation Fees	23,810
Interest Expense	(53,347)
Loss on Disposal	(65,371)
Booster Station Settlement Expense	(1,800,000)
Net Non-Operating Revenues (Expenses)	(1,258,409)
Change In Net Position	**(1,292,074)**
Net Position at Beginning of Period	23,802,936
Net Position at End of Period	$ **22,510,862**

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Fund
	Water and Sewer
Cash Flows from Operating Activities	
Cash Received from Charges for Services	$ 5,072,897
Cash Payments to Employees for Services and Fringe Benefits	(1,159,961)
Cash Payments to Suppliers for Goods and Services	(3,317,414)
Net Cash Provided by Operating Activities	595,522
Cash Flows from Noncapital Related Financing Activities	
Decrease in Due from Other Funds	74,387
Increase in Due to Other Funds	30,591
Net Cash Provided by Noncapital Related Financing Activities	104,978
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(831,843)
Sale of Capital Assets	96,469
Principal Payment on Long-term Debt	(140,000)
Interest Payment on Long-term Debt	(54,047)
Payment for Booster Station Settlement	(1,800,000)
Tap-in Fees	420,000
New Customer Installation Fees	23,810
Net Cash Used by Capital and Related Financing Activities	(2,285,611)
Cash Flows from Investing Activities	
Interest Income	125,499
Net Cash Provided by Investing Activities	125,499
Net Decrease in Cash and Investments	(1,459,612)
Cash and Investments - Beginning of Year	4,669,276
Cash and Investments - End of Year	$ 3,209,664
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	$ (33,665)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities	
Depreciation Expense	922,800
Changes in Assets and Liabilities	
Receivables, net	(256,852)
Prepaids	45,411
Inventory	13,166
Accounts Payable	54,972
Accrued Payroll	(20,857)
Compensated Absences	9,027
Net Pension Liability and Pension-related Deferrals	(138,480)
Net Cash Provided by Operating Activities	$ 595,522
Noncash Capital Activity - Developer Contributions	$ 91,000

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2025

	Custodial
	Current Tax Collection
ASSETS	
Cash and Investments	$ --
Total Assets	--
LIABILITIES	
Due to Others	--
Total Liabilities	--
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	$ --

The Notes to the Financial Statements are an integral part of these Financial Statements

Charter Township of Superior
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2025

	Custodial
	Current Tax Collection
Additions	
Taxes Collected for Other Governments	$ 33,729,459
Total Additions	33,729,459
Deductions	
Payments of Property Taxes to Other Governments	33,729,459
Total Deductions	33,729,459
Change in Net Position	--
Net Position at Beginning of Period	--
Net Position at End of Period	$ --

The Notes to the Financial Statements are an integral part of these Financial Statements

Notes to the Financial Statements

Note 1 – Summary of Significant Accounting Policies

The financial statements of the ***Charter Township of Superior*** (the "Township" or "government") have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial-reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

The Charter Township of Superior was incorporated February 26, 1979 under the provisions of Public Act 90 of 1976, as amended. The Township is governed by an elected Township Board. The Township provides the following services as authorized by statute: general government, public safety, public works, community and economic development, recreation and culture, and water and sewer utility services.

In accordance with generally accepted accounting principles and GASB standards, these financial statements present the Township's financial reporting entity. The criteria for determining the financial reporting entity include financial accountability, fiscal dependency, and whether the financial statements would be misleading if component unit data were not included. Management has evaluated potential component units and other related organizations and determined that there are no component units required to be included in the financial statements of the Township.

Government-wide and Fund Financial Statements

The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all nonfiduciary activities of the primary government. Governmental activities, which are normally 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. The effect of interfund activity has been removed from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.

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

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, as are the proprietary fund and fiduciary fund financial statements. 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 fiscal year for which they are levied and available to finance current-period expenditures. 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days after year-end, except for expenditure-driven grants, which are considered available when collected within one year after year-end.

Expenditures generally are recorded when the related fund liability is incurred. However, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due. Disbursements for the acquisition of capital assets are recorded as expenditures in the governmental funds. Proceeds of long-term debt are reported as other financing sources.

Property taxes, state shared revenues, licenses and permits, charges for services, intergovernmental revenues, and interest associated with the current fiscal year are considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the Township.

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***, a special revenue fund, accounts for activities related to operating fire protection services. This fund is primarily supported through the collection of property taxes.

The ***law enforcement fund***, a special revenue fund, accounts for activities related to operating police protection services. This fund is primarily supported through the collection of property taxes and charges for services.

The ***American Rescue Plan fund***, a special revenue fund, accounts for receiving and spending federal grant funds applicable to the American Rescue Plan Act. The fund is presented as a major fund because management believes separate presentation remains useful to financial statement users due to the nature of the remaining grant activity and closeout matters.

The Township reports the following major proprietary fund:

The ***water and sewer fund*** accounts for the operations and maintenance of the Township's water and sewer systems.

Additionally, the Township reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Custodial funds account for fiduciary activities in which the Township holds resources on behalf of individuals, private organizations, or other governments. Custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting and are excluded from the government-wide financial statements because the resources are not available to support Township programs.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges for water and sewer services. Operating expenses include the cost of water and sewer services, labor, supplies, contracted services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgetary Basis of Accounting

Budgets presented in the financial statements were prepared on the same basis of accounting used to report actual results. The general fund and special revenue funds are subject to legal budgetary accounting controls and are budgeted annually. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.

4. The Township Supervisor is authorized to make budget transfers to or from any one appropriation category during the fiscal year within dollar limits established by the Township Board. The legal level of budgetary control is at the activity level.

5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Budget appropriations lapse at year-end.

6. Adoption and amendment of budgets used by the Township are governed by Public Act 2 of 1968, as amended, which was followed for the year ended December 31, 2025. Expenditures may not exceed appropriations. The appropriation resolutions are based on the projected expenditures budgeted by the Township's department heads. Any amendment to the original budget must meet the requirements of Public Act 2. Any revisions that alter the total expenditures of any fund must be approved by the Township Board.

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity

Cash and Cash Equivalents

The Township'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 and Township policy authorize the Township to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

- Bankers' acceptances of United States banks.

- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

- External investment pools as authorized by Public Act 20, as amended.

Investments

Investments are reported at fair value in accordance with generally accepted accounting principles. The Township categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, as applicable. Investments are exposed to various risks, including interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and market risk. Because of these risks, it is reasonably possible that changes in fair value could occur in the near term and affect the amounts reported in the financial statements.

Receivables and Payables

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, as applicable. Amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. No amounts were considered uncollectible at year-end.

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

Inventories and Prepaid Items

Inventories are valued at cost and are recorded as expenses when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles, machinery and equipment, infrastructure, utility systems, construction in progress, and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than $5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's useful life are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

	Years
Buildings, Structures, and Improvements	10 to 50
Infrastructure and Utility Systems	30 to 40
Machinery, Equipment, and Vehicles	5 to 40

Lease Receivables

The Township accounts for leases in accordance with GASB Statement No. 87, *Leases*. The Township is a lessor for certain noncancellable agreements involving the use of Township-owned land and related property. At the commencement of a lease, the Township recognizes a lease receivable and a deferred inflow of resources, except when fixed lease payments are received at or before commencement and no future fixed lease payments remain due.

Lease receivables, when applicable, are initially measured at the present value of lease payments expected to be received during the lease term. Deferred inflows of resources are initially measured based on the lease receivable, adjusted for lease payments received at or before commencement. Deferred inflows are recognized as lease revenue over the lease term in a systematic and rational manner.

Lease terms include the noncancellable period of the lease and renewal periods that are reasonably certain to be exercised, as applicable. Variable or contingent payments that depend on future events or usage are not included in the initial measurement of the lease receivable or deferred inflow and are recognized as revenue in the period to which the payments relate.

Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences*, the Township recognizes a liability for compensated absences when leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using pay rates in effect at year-end and includes applicable salary-related payments.

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental

activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the governmental fund financial statements, the face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures in the period incurred.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System ("MERS") of Michigan and additions to and deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets and liabilities, the statement of net position and governmental funds balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period and therefore will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future period and therefore will not be recognized as an inflow of resources until that time.

The Township reports deferred outflows of resources and deferred inflows of resources related to pensions, as applicable. The Township also reports deferred inflows of resources related to leases and property taxes levied for a subsequent fiscal period. Governmental funds report unavailable revenues for amounts that are measurable but not available under the modified accrual basis of accounting.

Net Position Flow Assumption

Net position is reported in three components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of debt and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position represents amounts that are subject to restrictions beyond the Township's control. Restrictions may be externally imposed by creditors, grantors, contributors, or laws or regulations of other

governments, or imposed by law through constitutional provisions or enabling legislation. Amounts not reported as net investment in capital assets or restricted net position are reported as unrestricted net position.

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in classifications based on the nature of constraints on the use of resources.

Nonspendable fund balance is reported for amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, creditors, or laws or regulations of other governments, or when constraints are imposed by law through constitutional provisions or enabling legislation. The Township Board can establish limitations on the use of resources through commitments or assignments.

Committed fund balance includes amounts that can be used only for specific purposes determined by formal action of the Township Board, the Township’s highest level of decision-making authority. Commitments are made and may be rescinded only by Township Board resolution.

Assigned fund balance includes amounts intended to be used by the Township for specific purposes that do not meet the criteria to be classified as committed. The Township Board, or officials authorized by the Township Board, may assign fund balance. The Township Board may also assign fund balance when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s budget.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficits, if any.

Property Tax Revenue Recognition

Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and accordingly, the total levy is recognized as revenue in the subsequent year.

For the year ending December 31, 2025, the taxable value of property within the Township was $958,307,219. The Township levied millage rates of .7911 mills for operating, 2.723 mills for police, and 3.4657 mills for fire operating.

Interfund Transactions

During the course of normal operations, the Township has transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Use of 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. Significant estimates include, but are not limited to, capital asset useful lives, pension liabilities, compensated absences, lease receivables, and contingencies. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

P.A. 2 of 1968, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

The Township incurred the following expenditures in excess of the amounts appropriated during the year ended December 31, 2025:

	Final Budget	Actual	Variance
General Fund			
Administration	$ 981,112	$ 1,096,911	$ (115,799)
Transportation System	121,547	124,204	(2,657)
Fire Fund			
Fire Department	3,569,040	3,625,162	(56,122)

The Township reported a deficit unrestricted net position in governmental activities of $1,895,256 at December 31, 2025. This deficit does not represent a deficit fund balance or a violation of budgetary requirements. Rather, it results from the government-wide reporting of long-term obligations and related deferred outflows and inflows of resources, including pension-related amounts, compensated absences, and long-term debt, which are not reported in the governmental fund financial statements.

Note 3 - Cash and Investments

The Township maintains pooled and individual fund demand deposits, pooled investment accounts, and money market accounts.

Following is a reconciliation of deposit and investment balances as of December 31, 2025:

Statement of Net Position	
Cash and Investments	$ 14,317,317
Deposits and Investments	
Checking and Savings Accounts	$ 1,701,285
Pooled Investments (MI Class)	10,885,884
Money Market Funds	1,729,348
Cash on Hand	800
Total Deposits and Investments	$ 14,317,317

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. State law does not require, and the Township does not have a policy requiring, collateralization of deposits. At year-end, $2,362,666 of the Township's bank balance of $3,136,062 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amount of cash deposits and the limits of FDIC insurance, the Township believes it is impractical to insure all bank deposits. The Township evaluates each financial institution with which it deposits funds and uses only institutions with an acceptable estimated risk level.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to minimize this risk, Township policy limits the types of investments and pre-qualifies financial institutions. As of December 31, 2025, none of the Township's investments were exposed to risk since the securities are held in the Township's name by the counterparty.

Following is a summary of the Township's investments as of December 31, 2025:

Money Market Funds	$ 1,729,348
MI CLASS Pooled Investment Account	10,885,884
Total	$ 12,615,232

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment credit risk.

Credit risk ratings, where applicable, are summarized as follows:

	Ratings
S&P AAAm	$ 11,399,637
N/A	1,215,595
Total	$ 12,615,232

Interest Rate Risk. Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of the investments were as follows:

	Investments
No Maturity	$ 12,615,232

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The Township's investment policy does not limit investments in a single financial institution or a single security type (with the exception of U.S. treasuries and agencies and authorized pools) to a percentage of the total investment portfolio. All investments held at year end are reported above.

Fair Value Measurement. The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The Township had no funds subject to fair value hierarchy as of year-end.

Investments in Entities that Calculate Net Asset Value per Share

Michigan CLASS

The Township holds shares in the Michigan CLASS government investment pool. The fair value of the Township's investment in the pool is measured on a recurring basis using net asset value per share, or its equivalent, as a practical expedient. At year-end, the net asset value of the Township's investment in Michigan CLASS was $10,885,884. The investment pool had no unfunded commitments, specific redemption frequency, or redemption notice period required.

Michigan CLASS invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper rated "A-1" or better, collateralized bank deposits, repurchase agreements collateralized by treasuries and agencies, and approved money market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return and is designed to meet the needs of Michigan public sector investors.

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund receivables and payables at December 31, 2025 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Fire Fund	$ 127,843
General Fund	Law Enforcement Fund	1,272
General Fund	Nonmajor governmental funds	25,266
General Fund	Water and Sewer Fund	43,724
Water and Sewer Fund	Nonmajor governmental funds	50
Water and Sewer Fund	Fire Fund	433

Interfund balances primarily represent short-term reimbursements and pooled cash clearing between funds. All balances are expected to be repaid within one year.

The composition of interfund transfers for the year ended December 31, 2025 consisted of the following:

Transfer In	Transfer Out	Amount
General Fund	American Rescue Plan Fund	$ 773,268

Transfers are used to move resources from the fund that statute, grant agreement, or budget requires to collect them to the fund that is required or authorized to expend them. The transfer from the American Rescue Plan fund to the general fund was made to reimburse or support eligible

expenditures accounted for in the general fund in accordance with budgetary authorizations and applicable grant requirements.

Note 5 - Capital Assets

Capital asset activity of the governmental activities for the year ended December 31, 2025 was as follows:

Governmental Activities	December 31, 2024	Additions	Reductions	Reclassifications	December 31, 2025
Capital Assets not Being Depreciated					
Land	$ 3,945,116	$ -	$ -	$ -	$ 3,945,116
Conservation Easement	134,196	-	-	-	134,196
Construction in Progress	920,038	-	-	(759,809)	160,229
Total Capital Assets not Being Depreciated	4,999,350	-	-	(759,809)	4,239,541
Capital Assets Being Depreciated					
Non-motorized Trails	2,660,116	380,385	-	221,192	3,261,693
Structures and Land Improvements	89,755	53,630	-	538,617	682,002
Buildings and Improvements	5,650,549	109,477	-	-	5,760,026
Vehicles	2,817,243	45,856	-	-	2,863,099
Equipment	789,008	93,257	(38,057)	-	844,208
Total Capital Assets Being Depreciated	12,006,671	682,605	(38,057)	759,809	13,411,028
Less Accumulated Depreciation					
Non-motorized Trails	248,615	53,050	-	-	301,665
Structures and Land Improvements	48,657	15,711	-	-	64,368
Buildings and Improvements	2,436,181	145,975	-	-	2,582,156
Vehicles	2,225,024	123,599	-	-	2,348,623
Equipment	537,199	56,284	(34,458)	-	559,025
Total Accumulated Depreciation	5,495,676	394,619	(34,458)	-	5,855,837
Total Capital Assets Being Depreciated, Net	6,510,995	287,986	(3,599)	759,809	7,555,191
Total Capital Assets, Governmental Activities	$ 11,510,345	$ 287,986	$ (3,599)	$ -	$ 11,794,732

Capital asset activity of the business-type activities for the year ended December 31, 2025 was as follows:

Business-type Activities	December 31, 2024	Additions	Reductions	Reclassifications	December 31, 2025
Capital Assets not Being Depreciated					
Land	$ 210,463	$ -	$ -	$ -	$ 210,463
Construction in Progress	80,534	13,794	-	(80,534)	13,794
Total Capital Assets not Being Depreciated	290,997	13,794	-	(80,534)	224,257
Capital Assets Being Depreciated					
Building	3,332,205	-	-	-	3,332,205
Utility System	30,007,337	877,649	(194,112)	80,534	30,771,408
Equipment and Improvements	74,084	-	-	-	74,084
Office Improvements	136,360	-	-	-	136,360
Office Equipment	73,300	-	-	-	73,300
Vehicles	901,425	-	-	-	901,425
Land Improvements	-	31,400	-	-	31,400
Total Capital Assets Being Depreciated	34,524,711	909,049	(194,112)	80,534	35,320,182
Less Accumulated Depreciation					
Building	1,874,888	108,065	-	-	1,982,953
Utility System	10,760,287	741,734	(32,272)	-	11,469,749
Equipment and Improvements	9,560	4,675	-	-	14,235
Office Improvements	60,039	6,629	-	-	66,668
Office Equipment	73,300	-	-	-	73,300
Vehicles	515,706	61,697	-	-	577,403
Land Improvements	-	-	-	-	-
Total Accumulated Depreciation	13,293,780	922,800	(32,272)	-	14,184,308
Total Capital Assets Being Depreciated, Net	21,230,931	(13,751)	(161,840)	80,534	21,135,874
Total Capital Assets, Business-type Activities	$ 21,521,928	$ 43	$ (161,840)	$ -	$ 21,360,131

Depreciation expense was charged to programs of the Township as follows:

Governmental Activities	
General Government	$ 115,063
Public Safety	232,598
Public Works	2,562
Recreation and Culture	44,396
Total Governmental Activities	$ 394,619
Business-type Activities	
Water and Sewer Fund	$ 922,800

Note 6 - Long-term Obligations

As of December 31, 2025, the following is a summary of the Township's long-term obligations:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2022 Refunding Bonds					
Rock Property	$ 1,940,000	$ -	$ (115,000)	$ 1,825,000	$ 120,000
Bond Premium	65,256	-	(5,446)	59,810	-
Compensated Absences	766,647	-	(12,627)	754,020	263,907
Totals	$ 2,771,903	$ -	$ (133,073)	$ 2,638,830	$ 383,907

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2020 Refunding Bonds					
Utility Payable	$ 2,772,353	$ -	$ (140,000)	$ 2,632,353	$ 145,000
Compensated Absences	147,332	9,027	-	156,359	54,726
Totals	$ 2,919,685	$ 9,027	$ (140,000)	$ 2,788,712	$ 199,726

Governmental Activities

During 2022, the Township issued refunding bonds to refund the land contract payable for a land conservation easement known as Rock Properties. The bonds had an initial principal amount of $2,160,000 and bear interest at 4.00% annually. Principal installments are payable annually through the year ending December 31, 2037. The bond was issued at a premium and that premium is being amortized on a straight-line basis for the life of the bond.

Governmental activities principal and interest payments are payable as follows:

	Governmental Activities		
December 31	**Principal**	**Interest**	**Total**
2026	$ 120,000	$ 70,600	$ 190,600
2027	125,000	65,700	190,700
2028	130,000	60,600	190,600
2029	135,000	55,300	190,300
2030	140,000	49,800	189,800
2031-2035	805,000	156,900	961,900
2036-2037	370,000	15,000	385,000
Totals	$ 1,825,000	$ 473,900	$ 2,298,900

Business-type Activities

The Township's business-type activities include long-term obligations related to utility system capital improvements.

The 2020 capital improvement refunding bonds were issued during the December 31, 2020 fiscal year to assist in the funding of Township capital improvements for utilities services. Interest is charged at 2.00% annually. Only $3,182,353 of $3,230,000 has been drawn upon. No additional funds were drawn during fiscal year ended December 31, 2025.

Business-type activities future principal and interest obligations related to the above long-term debt is as follows:

	Business-type Activities		
December 31	**Principal**	**Interest**	**Total**
2026	$ 145,000	$ 51,197	$ 196,197
2027	145,000	48,297	193,297
2028	150,000	45,347	195,347
2029	155,000	42,297	197,297
2030	155,000	39,197	194,197
2031-2035	825,000	147,585	972,585
2036-2040	910,000	60,935	970,935
2041	147,353	1,474	148,827
Totals	$ 2,632,353	$ 436,329	$ 3,068,682

Note 7 - Retirement Plans – Defined Contribution Pension

The Township provides pension benefits to certain employees through a defined contribution plan administered by John Hancock. Participation is voluntary for eligible employees, and eligible employees who participate contribute 5 percent of gross pay. The Township contributes 10 percent of eligible compensation for participating employees. The plan vests after 20 months of plan participation and has a normal retirement age of 55.

For the year ended December 31, 2025, employee contributions to the plan were $16,783 and employer contributions were $39,458. Plan assets are held for the exclusive benefit of participants and beneficiaries and are not reported in the Township's financial statements.

Note 8 - Retirement Plans - Defined Benefit Pension Plan

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits Provided

The Township's defined benefit pension plan is comprised of two divisions: division 01, which covers full-time non-union employees, and division 05, which covers union firefighters. Benefit provisions are summarized as follows:

Division	Benefit Multiplier	Benefit Maximum	Final Average Compensation (Years)	Normal Retirement Age	Unreduced Benefit (Age/Years of Service)	Reduced Benefit (Age/Years of Service)	Vesting (Years)
1 - Non Union	2.25%	80%	3	60	55/15 or 30 and out	50/25	6
5 - Fire	2.25%	80%	5	60	50/25	55/15	10

Employees Covered by Benefit Terms

At the December 31, 2024 valuation date, the following participants were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to but not yet Receiving Benefits	14
Active Plan Members	34
Total Employees Covered by MERS	66

Contributions

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 cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2025, the employer and employee rates were as follows:

Division	Employer Contributions	Employee Contributions
1 - Non Union	15.92%	5.00%
5 - Fire	23.25%	6.00%

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024 and rolled forward to the measurement date.

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	6.93%, net of investment and administrative expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3.00-4.00%.

The mortality tables used were the Pub-2010 Male and Female tables with mortality improvements projected using scale MP-2021.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2019-2023, first used in the December 31, 2024 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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 for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-term Expected Gross Rate of Return
Global equity	60.00%	7.00%	4.20%
Global fixed income	20.00%	4.66%	0.93%
Private investments	20.00%	9.00%	1.80%
Totals	100.00%		6.93%

Discount Rate

The discount rate used to measure the total pension liability for GASB 68 purposes was 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to pay 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.

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

	Increase (Decrease)		
	Total Pension Liability	**Plan Net Position**	**Net Pension Liability**
Balance at December 31, 2024	$ 12,425,157	$ 8,483,721	$ 3,941,436
Changes for the Year:			
Service Cost	435,048	-	435,048
Interest on Total Pension Liability	887,477	-	887,477
Differences Between Expected and Actual Experience	276,854	-	276,854
Changes of Assumptions	53,282	-	53,282
Contributions - Employer	-	662,648	(662,648)
Contributions - Employee	-	188,742	(188,742)
Net Investment Income	-	1,336,840	(1,336,840)
Benefit Payments, Including Employee Refunds	(564,517)	(564,517)	-
Administrative Expenses		(17,511)	17,511
Other Charges	(74,410)	-	(74,410)
Net Changes	1,013,734	1,606,202	(592,468)
Balance at December 31, 2025	$ 13,438,891	$ 10,089,923	$ 3,348,968

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

The following presents the net pension liability of the Township, calculated using the discount rate of 7.18%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.18%) or one percentage point higher (8.18%) than the current rate.

	1% Decrease (6.18%)	**Current Discount Rate (7.18%)**	**1% Increase (8.18%)**
Net Pension Liability of the Township	$ 4,989,060	$ 3,348,968	$ 1,994,272

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

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

For the year ended December 31, 2025 the Township recognized pension expense of $752,567. The Township reported deferred outflows/inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 332,348	$ (67,556)
Changes in assumptions	184,887	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(424,215)
Total	$ 517,235	$ (491,771)

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

Year Ending December 31	Amount
2026	$ 324,922
2027	(87,856)
2028	(67,995)
2029	(143,607)
Total	$ 25,464

Note 9 - MERS Postemployment Health Care Savings Program

The Township adopted the MERS postemployment health care savings plan (HCSP) during 2005. The program is an employer-sponsored program that allows employees to save money in an account that can be used for medical expenses and health insurance premiums after termination of service.

All full-time employees, defined as employees with an average of 37.5 hours per week, are eligible to participate in the HCSP. The Township contributes to the plan on behalf of eligible employees and requires employees to contribute a percentage of pay. Employee contributions are vested immediately. Township contributions are subject to the vesting schedule described in the plan document.

For 2025, the Township contributed $300 per non-union employee and $425 per union employee per month to individual accounts, for total employer contributions of $66,630.

Employees' Years of Service	Vested Percentage
Prior to six years full-time employment	0%
Six years but less than nine years full-time employment	25%
Nine years but less than twelve years full-time employment	50%
Twelve years but less than fifteen years full-time employment	75%
Fifteen or more years full-time employment	100%

Note 10 - Lessor Lease Arrangements

During the year ended December 31, 2025, the Township entered into a finite 55-year communications easement with SBA Monarch Towers III, LLC for the use of a specified portion of Township-owned land at the Superior Township Maintenance Facility. The arrangement is accounted for as a lessor lease under GASB Statement No. 87, *Leases*.

The Township received fixed consideration of $676,000 at commencement of the easement. Because all fixed consideration was received at or before commencement and no future fixed lease payments are due, no lease receivable was recorded. The fixed consideration received was reported as a deferred inflow of resources and is recognized as lease revenue over the 55-year term of the easement in a systematic and rational manner.

For the year ended December 31, 2025, the Township recognized lease revenue of $1,447 from the amortization of the deferred inflow of resources. At December 31, 2025, deferred inflows of resources related to the easement totaled $674,553.

The future recognition of deferred inflows of resources as lease revenue is as follows:

Year(s)	Revenue to be Recognized
2026	$ 12,282
2027	12,282
2028	12,282
2029	12,282
2030	12,282
2031 - 2035	61,410
2036 - 2040	61,410
2041 - 2045	61,410
2046 - 2050	61,410
2051 - 2055	61,410
2056 - 2060	61,410
2061 - 2065	61,410
2066 - 2070	61,410
2071 - 2075	61,410
2076 - 2080	60,453
Total	$ 674,553

Note 11 - Risk Management

The Township maintains commercial insurance coverage for substantially all significant risks of loss. Management believes the Township's insurance coverage is sufficient to preclude significant uninsured losses to the Township. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12 - Restatement

During the year ended December 31, 2025, the Township identified errors in previously issued financial statements that required correction under GASB Statement No. 100, *Accounting Changes and Error Corrections*. As a result, beginning balances as of January 1, 2025 were restated as described below.

At the government-wide level, the Township corrected an error related to compensated absences in governmental activities. GASB Statement No. 101, *Compensated Absences*, was effective for the Township's year ended December 31, 2024; however, the Township did not implement the standard in the prior year. The correction decreased beginning net position of governmental activities by $121,762.

At the governmental fund level, the Township corrected an error in the law enforcement fund related to amounts previously recognized for billings to other communities under law enforcement service contracts. The related amounts had not been collected and did not meet the criteria for revenue recognition in the governmental fund financial statements. The correction decreased beginning fund balance of the law enforcement fund and total governmental funds by $94,133.

The effect of the corrections on beginning balances as of January 1, 2025 was as follows:

	Governmental Funds Statements		Government-wide Statements
	Law Enforcement Fund	Total Governmental Funds	Governmental Activities
Beginning Balance, as Previously Reported	$ 3,666,109	$ 8,463,604	$ 14,745,104
Correction of error, law enforcement revenue recognition	(94,133)	(94,133)	--
Correction of error, compensated absence liability	--	--	(121,762)
Beginning Balance, as Restated	$ 3,571,976	$ 8,369,471	$ 14,623,342

Note 13 - Subsequent Events

The Township has evaluated subsequent events through May 27, 2026, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would have an impact on the Township's financial position.

Note 14 - Booster Station Settlement

During the year ended December 31, 2025, the Township entered into a settlement agreement and mutual release related to disputed claims involving the Clark Road Pump Station Improvements project. The agreement resolved claims and counterclaims related to the project, including matters associated with the construction contract, changes, termination, materials, and related construction services. Under the agreement, the Township paid total settlement amounts of $1,800,000.

The settlement is reported as a nonoperating expense in the water and sewer fund statement of revenues, expenses, and changes in net position. The related cash payment is reported as a capital and related financing activity in the proprietary fund statement of cash flows. The agreement includes mutual releases among the parties and provides for dismissal of the related lawsuit and counterclaims.

Note 15 - Upcoming GASB Pronouncements

GASB Statement No. 103 - Financial Reporting Model Improvements

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes or modifies accounting and financial reporting requirements related to management's discussion and analysis, unusual or infrequent items, the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. The requirements are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. For the Township, this standard will be effective for the year ending December 31, 2026. The Township is currently evaluating the impact this standard will have on the financial statements.

GASB Statement No. 104 - Disclosure of Certain Capital Assets

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires separate disclosure of certain types of capital assets, including lease assets, intangible right-to-use assets recognized under public-private and public-public partnership arrangements, subscription assets, other intangible assets by major class, and capital assets held for sale. The requirements are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. For the Township, this standard will be effective for the year ending December 31, 2026. The Township is currently evaluating the impact this standard will have on the financial statements.

GASB Statement No. 105 - Subsequent Events

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement defines subsequent events, including the subsequent events time frame, and establishes accounting and financial reporting requirements related to subsequent events. The requirements are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. For the Township, this standard will be effective for the year ending December 31, 2027. The Township is currently evaluating the impact this standard will have on the financial statements.

Required Supplementary Information

Charter Township of Superior
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Taxes and Penalties	$ 768,187	$ 768,187	$ 759,807	$ (8,380)
Licenses and Permits	180,000	210,000	147,694	(62,306)
State Sources	1,670,317	1,752,744	1,738,397	(14,347)
Charges for Services	15,500	46,400	45,960	(440)
Interest and Rentals	160,000	120,000	95,081	(24,919)
Other Revenue	153,200	185,150	175,409	(9,741)
Total Revenues	2,947,204	3,082,481	2,962,348	(120,133)
Other Financing Sources				
Transfers In	--	800,000	773,268	(26,732)
Total Revenues and Other Financing Sources	2,947,204	3,882,481	3,735,616	(146,865)
Expenditures				
General Government				
Township Board	41,850	46,850	43,697	3,153
Township Supervisor	179,249	96,489	88,945	7,544
Accounting	103,877	123,877	103,215	20,662
Clerk	235,998	276,498	263,184	13,314
Township Treasurer	209,225	236,225	218,137	18,088
Assessor	271,216	296,716	281,417	15,299
Administration	769,873	981,112	1,096,911	(115,799)
Elections	1,000	47,800	41,603	6,197
Buildings and Grounds	45,000	100,000	86,985	13,015
Total General Government	1,857,288	2,205,567	2,224,094	(18,527)
Public Works				
Infrastructure	313,900	262,400	181,315	81,085
Solid Waste Management	10,500	10,500	8,712	1,788
Transportation System	121,547	121,547	124,204	(2,657)
Total Public Works	445,947	394,447	314,231	80,216
Recreation and Culture - Parks	522,538	522,538	487,680	34,858
Community and Economic Development - Planning Department	78,750	133,750	122,585	11,165
Debt Service - Principal	115,000	115,000	115,000	--
Debt Service - Interest	74,500	74,500	62,750	11,750
Total Expenditures	3,094,023	3,445,802	3,326,340	119,462
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(146,819)	436,679	409,276	(27,403)
Net Change in Fund Balance	**(146,819)**	**436,679**	**409,276**	**(27,403)**
Fund Balance at Beginning of Period	1,510,311	1,510,311	1,510,311	--
Fund Balance at End of Period	$ **1,363,492**	$ **1,946,990**	$ **1,919,587**	$ **(27,403)**

Charter Township of Superior
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Fire Operating
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Taxes and Penalties	$ 3,187,986	$ 3,187,986	$ 3,169,175	$ (18,811)
Licenses and Permits	149,000	149,000	130,397	(18,603)
Interest and Rentals	120,000	99,800	104,675	4,875
Other Revenue	5,500	50,100	56,613	6,513
Total Revenues	3,462,486	3,486,886	3,460,860	(26,026)
Expenditures				
Fire Department	2,879,003	3,569,040	3,625,162	(56,122)
Total Expenditures	2,879,003	3,569,040	3,625,162	(56,122)
Other Financing Uses				
Transfers Out	583,483	--	--	--
Total Expenditures and Other Financing Uses	3,462,486	3,569,040	3,625,162	(56,122)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	--	(82,154)	(164,302)	(82,148)
Net Change in Fund Balance	**--**	**(82,154)**	**(164,302)**	**(82,148)**
Fund Balance at Beginning of Period	1,988,422	1,988,422	1,988,422	--
Fund Balance at End of Period	$ **1,988,422**	$ **1,906,268**	$ **1,824,120**	$ **(82,148)**

Charter Township of Superior
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Law Enforcement Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Taxes and Penalties	$ 2,504,485	$ 2,504,485	$ 2,483,334	$ (21,151)
Charges for Services	331,284	198,324	74,425	(123,899)
Fines and Forfeitures	10,000	10,000	7,261	(2,739)
Interest and Rentals	135,000	137,000	186,663	49,663
Other Revenue	--	107,839	180,226	72,387
Total Revenues	2,980,769	2,957,648	2,931,909	(25,739)
Expenditures				
Police Protection	2,124,033	2,164,578	1,899,812	264,766
Total Expenditures	2,124,033	2,164,578	1,899,812	264,766
Excess of Revenues				
Over Expenditures	856,736	793,070	1,032,097	239,027
Net Change in Fund Balance	**856,736**	**793,070**	**1,032,097**	**239,027**
Fund Balance at Beginning of Period	3,571,976	3,571,976	3,571,976	--
Fund Balance at End of Period	$ **4,428,712**	$ **4,365,046**	$ **4,604,073**	$ **239,027**

Charter Township of Superior
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
American Rescue Plan
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Federal Sources	$ 693,413	$ 693,413	$ 781,449	$ 88,036
Interest and Rentals	10,000	35,000	26,088	(8,912)
Total Revenues	703,413	728,413	807,537	79,124
Expenditures				
Recreation and Culture	703,413	703,413	97,613	605,800
Total Expenditures	703,413	703,413	97,613	605,800
Other Financing Uses				
Transfers Out	--	800,000	773,268	26,732
Total Expenditures and Other Financing Uses	703,413	1,503,413	870,881	632,532
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	--	(775,000)	(63,344)	711,656
Net Change in Fund Balance	**--**	**(775,000)**	**(63,344)**	**711,656**
Fund Balance at Beginning of Period	63,344	63,344	63,344	--
Fund Balance at End of Period	$ **63,344**	$ **(711,656)**	$ **--**	$ **711,656**

Charter Township of Superior
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Plan Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 435,048	$ 389,881	$ 368,696	$ 295,839	$ 264,925	$ 248,262	$ 220,760	$ 204,939	$ 187,817	$ 185,852
Interest on Total Pension Liability	887,477	841,313	795,461	739,844	690,029	629,872	634,256	597,127	574,515	531,168
Differences Between Expected and Actual Experience	276,854	(112,594)	169,475	284,586	41,228	186,896	(12,135)	132,291	(60,111)	138,559
Changes of Assumptions*	53,282	98,091	-	430,356	234,441	239,448	-	-	-	285,083
Benefit Payments, Including Refunds	(564,517)	(532,459)	(539,742)	(589,080)	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)
Other Changes	(74,410)	(47,806)	(62,570)	14,459	(46,376)	(19,181)	(9,078)	(30,745)	(13,371)	(14,343)
Net Change in Pension Liability	1,013,734	636,426	731,320	1,176,004	684,811	780,588	362,568	480,040	282,889	763,764
Total Pension Liability - Beginning	12,425,157	11,788,731	11,057,411	9,881,407	9,196,596	8,416,008	8,053,440	7,573,400	7,290,511	6,526,747
Total Pension Liability - Ending (a)	$ 13,438,891	$ 12,425,157	$ 11,788,731	$ 11,057,411	$ 9,881,407	$ 9,196,596	$ 8,416,008	$ 8,053,440	$ 7,573,400	$ 7,290,511
Plan Fiduciary Net Position										
Contributions - Employer	$ 662,648	$ 590,488	$ 562,430	$ 513,605	$ 428,583	$ 343,703	$ 323,064	$ 257,074	$ 243,677	$ 208,778
Contributions - Employee	188,742	170,510	162,043	149,519	131,740	117,461	117,023	99,482	97,044	89,336
Net Investment Income (Loss)	1,336,840	580,011	764,924	(778,379)	924,013	750,073	701,819	(213,390)	644,352	505,591
Benefit Payments, Including Refunds	(564,517)	(532,459)	(539,742)	(589,080)	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)
Administrative Expenses	(17,511)	(17,432)	(16,181)	(13,967)	(10,599)	(11,724)	(12,098)	(10,555)	(10,196)	(9,975)
Net Change in Plan Fiduciary Net Position	1,606,202	791,118	933,474	(718,302)	974,301	694,804	658,573	(290,961)	568,916	431,175
Plan Fiduciary Net Position - Beginning	8,483,721	7,692,603	6,759,129	7,477,431	6,503,130	5,808,326	5,149,753	5,440,714	4,871,798	4,440,623
Plan Fiduciary Net Position - Ending (b)	$ 10,089,923	$ 8,483,721	$ 7,692,603	$ 6,759,129	$ 7,477,431	$ 6,503,130	$ 5,808,326	$ 5,149,753	$ 5,440,714	$ 4,871,798
Net Pension Liability - Ending (a) - (b)	$ 3,348,968	$ 3,941,436	$ 4,096,128	$ 4,298,282	$ 2,403,976	$ 2,693,466	$ 2,607,682	$ 2,903,687	$ 2,132,686	$ 2,418,713
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.08%	68.28%	65.25%	61.13%	75.67%	70.71%	69.02%	63.94%	71.84%	66.82%
Covered Payroll	$ 3,082,708	$ 3,129,163	$ 2,697,179	$ 2,348,774	$ 2,213,530	$ 2,080,582	$ 1,844,614	$ 1,720,936	$ 1,583,227	$ 1,621,846
Net Pension Liability as a Percentage of Covered Payroll	108.64%	125.96%	151.87%	183.00%	108.60%	129.46%	141.37%	168.73%	134.71%	149.13%

Notes to the Schedule:

*The following were significant changes to economic and demographic assumptions:

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 valuation - The investment rate of return assumption was reduced from 7.60% to 7.25%.

2023 valuation - The investment rate of return assumption was reduced from 7.25% to 7.18%.

Charter Township of Superior
Required Supplementary Information
Schedule of Contributions
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 662,648	$ 590,488	$ 562,430	$ 513,605	$ 428,583	$ 343,704	$ 323,064	$ 257,074	$ 243,677	$ 208,778
Contributions in Relation to the Actuarially Determined Contribution	662,648	590,488	562,430	513,605	428,583	343,704	323,064	257,074	243,677	208,778
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,082,708	$ 3,129,163	$ 2,697,179	$ 2,348,774	$ 2,213,530	$ 2,080,582	$ 1,844,614	$ 1,720,936	$ 1,583,227	$ 1,621,846
Contributions as a Percentage of Covered Payroll	21.50%	18.87%	20.85%	21.87%	19.36%	16.52%	17.51%	14.94%	15.39%	12.87%

Notes to the Schedule:
Actuarially determined contribution rates are calculated as of December 31 each year, which is the year 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
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	15 Years
Asset Valuation Method	5 Years; Smoothed
Inflation	2.50%
Salary Increases	3.00% Wage Inflation with 0.00%-11.00% Merit and Longevity Increases
Investment Rate of Return	6.93%, Net of Investment Expense, including Inflation
Retirement Age	Division 01: Age 60, early retirement at age 55 with 15 years of service or age 50 with 25 years of service with reduced benefits.
	Division 05: Age 60, early retirement at age 50 with 25 years of service or age 55 with 15 years of service with reduced benefits.
Mortality	Pub-2010 male and female tables with MP-2021 mortality improvements

Combining and Individual Fund Statements and Schedules

Charter Township of Superior
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue				
	Building Department	**Street Lights**	**Side Street Maintenence**	**Legal Defense Fund**	**Total Nonmajor Governmental Funds**
ASSETS					
Cash and Investments	$ 1,048,117	$ 41,579	$ 358	$ 179,112	$ 1,269,166
Taxes Receivable	--	89,743	51,938	--	141,681
Prepaids	857	--	--	--	857
Total Assets	$ **1,048,974**	$ **131,322**	$ **52,296**	$ **179,112**	$ **1,411,704**
LIABILITIES					
Accounts Payable	$ 409	$ 8,499	$ --	$ --	$ 8,908
Payroll Related Liabilities	2,579	--	--	--	2,579
Due to Other Funds	11,316	--	14,000	--	25,316
Total Liabilities	14,304	8,499	14,000	--	36,803
DEFERRED INFLOWS OF RESOURCES					
Taxes Levied in Advance of Period Intended to Finance	--	--	26,502	--	26,502
Total Liabilities and Deferred Inflows of Resources	14,304	8,499	40,502	--	63,305
FUND BALANCE					
Nonspendable	857	--	--	--	857
Restricted	1,033,813	122,823	11,794	179,112	1,347,542
Unassigned	--	--	--	--	--
Total Fund Balance	1,034,670	122,823	11,794	179,112	1,348,399
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ **1,048,974**	$ **131,322**	$ **52,296**	$ **179,112**	$ **1,411,704**

Charter Township of Superior
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue				
	Building Department	Street Lights	Side Street Maintenence	Legal Defense Fund	Total Nonmajor Governmental Funds
Revenues					
Special Assessments	$ --	$ 89,742	$ 25,436	$ --	$ 115,178
Charges for Services	503,040	--	--	--	503,040
Interest and Rentals	30,680	1,254	36	3,573	35,543
Other Revenue	7,000	--	--	--	7,000
Total Revenues	540,720	90,996	25,472	3,573	660,761
Expenditures					
General Government	--	--	--	2,000	2,000
Public Safety	430,293	--	--	--	430,293
Public Works	--	88,986	26,501	--	115,487
Total Expenditures	430,293	88,986	26,501	2,000	547,780
Excess of Revenues Over (Under) Expenditures	110,427	2,010	(1,029)	1,573	112,981
Net Change in Fund Balance	**110,427**	**2,010**	**(1,029)**	**1,573**	**112,981**
Fund Balance at Beginning of Period	924,243	120,813	12,823	177,539	1,235,418
Fund Balance at End of Period	$ **1,034,670**	$ **122,823**	$ **11,794**	$ **179,112**	$ **1,348,399**

Charter Township of Superior
General Fund Combining Balance Sheet
All Funds Treated as General
December 31, 2025

	General	Escrow	Imprest Payroll	Parks and Recreation	Elimination Entries *	Total General Funds
ASSETS						
Cash and Investments	$ 1,602,070	$ 839,133	$ 72,904	$ 532,561	$ --	$ 3,046,668
Taxes Receivable	752,130	--	--	--	--	752,130
Receivables, net	212,667	--	--	--	--	212,667
Intergovernmental Receivables	284,961	--	--	--	--	284,961
Prepaids	56,564	--	--	13,959	--	70,523
Due from Other Funds	164,949	--	196,101	136	(163,081)	198,105
Total Assets	**$ 3,073,341**	**$ 839,133**	**$ 269,005**	**$ 546,656**	**$ (163,081)**	**$ 4,565,054**
LIABILITIES						
Accounts Payable	$ 190,277	$ --	$ --	$ 6,911	$ --	$ 197,188
Payroll Related Liabilities	15,780	--	118,656	2,786	--	137,222
Refundable Deposits	--	839,133	--	--	--	839,133
Due to Other Funds	--	--	150,349	12,732	(163,081)	--
Total Liabilities	206,057	839,133	269,005	22,429	(163,081)	1,173,543
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied in Advance of Period Intended to Finance	763,006	--	--	--	--	763,006
Deferred Lease Revenues	674,553	--	--	--	--	674,553
Unavailable Revenues	34,365	--	--	--	--	34,365
Total Liabilities and Deferred Inflows of Resources	1,677,981	839,133	269,005	22,429	(163,081)	2,645,467
FUND BALANCE						
Nonspendable	56,564	--	--	13,959	--	70,523
Restricted - Tree Preservation	241,425	--	--	--	--	241,425
Committed for:						
ARPA Projects	683,836	--	--	--	--	683,836
Schoolhouse	40,220	--	--	--	--	40,220
Compensated Absences	71,733	--	--	--	--	71,733
Trails Maintenance	9,892	--	--	--	--	9,892
Right of Way	38,572	--	--	--	--	38,572
Parks	--	--	--	510,268	--	510,268
Unassigned	253,118	--	--	--	--	253,118
Total Fund Balance	1,395,360	--	--	524,227	--	1,919,587
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	**$ 3,073,341**	**$ 839,133**	**$ 269,005**	**$ 546,656**	**$ (163,081)**	**$ 4,565,054**

* The escrow, imprest payroll, and parks and recreation activities are reported as part of the general fund for financial reporting purposes. Amounts due to and due from between these activities and the general fund are eliminated in this combining schedule and are not reported as interfund balances in the basic financial statements.

Charter Township of Superior
General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds Treated as General
For the Year Ended December 31, 2025

	General	Escrow	Imprest Payroll	Parks and Recreation	Elimination Entries *	Total General Funds
Revenues						
Taxes and Penalties	$ 759,807	$ --	$ --	$ --	$ --	$ 759,807
Licenses and Permits	147,694	--	--	--	--	147,694
State Sources	1,738,397	--	--	--	--	1,738,397
Charges for Services	45,960	--	--	--	--	45,960
Interest and Rentals	76,317	--	--	18,764	--	95,081
Other Revenue	171,509	--	--	3,900	--	175,409
Total Revenues	2,939,684	--	--	22,664	--	2,962,348
Expenditures						
General Government	2,224,094	--	--	--	--	2,224,094
Public Works	314,231	--	--	--	--	314,231
Community and Economic Development	122,585	--	--	--	--	122,585
Recreation and Culture	--	--	--	487,680	--	487,680
Debt Service - Principal	115,000	--	--	--	--	115,000
Debt Service - Interest	62,750	--	--	--	--	62,750
Total Expenditures	2,838,660	--	--	487,680	--	3,326,340
Excess of Revenues Over (Under) Expenditures	101,024	--	--	(465,016)	--	(363,992)
Other Financing Sources (Uses)						
Transfers In	773,268	--	--	412,338	(412,338)	773,268
Transfers Out	(412,338)	--	--	--	412,338	--
Net Other Financing Sources (Uses)	360,930	--	--	412,338	--	773,268
Net Change in Fund Balance	**461,954**	**--**	**--**	**(52,678)**	**--**	**409,276**
Fund Balance at Beginning of Period	933,406	--	--	576,905	--	1,510,311
Fund Balance at End of Period	$ **1,395,360**	$ **--**	$ **--**	$ **524,227**	$ **--**	$ **1,919,587**

* The parks and recreation activity is reported as part of the general fund for financial reporting purposes. Transfers between the general fund and parks and recreation activity are eliminated in this combining schedule and are not reported as interfund transfers in the basic financial statements.

GABRIDGE & CO.

Gabridge & Company, PLC
3940 Peninsular Dr SE, Suite 200
Grand Rapids, MI 49546
Tel: 616-538-7100
Fax: 616-538-2441
gabridgeco.com

May 27, 2026

To the Board of Trustees
Charter Township of Superior
Ypsilanti, Michigan 48198

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 Charter Township of Superior, Michigan (the "Township") for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 12, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the Township's financial statements were:

- Management's estimate of the useful lives of depreciable capital assets in based on the length of time it is believed that those assets will provide some economic benefit in the future.

- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation accruals.

- Management's assumptions used to calculate the actuarial report and the net present value of pension benefits.

We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Restatement of Beginning Balances and Emphasis-of-matter Paragraph

During the audit, management identified matters that required restatement of beginning balances as of January 1, 2025. The Township corrected an error in the law enforcement fund related to revenue recognition for amounts previously reported for billings to other communities under law enforcement service contracts. The correction decreased beginning fund balance of the law enforcement fund and total governmental funds by $94,133.

The Township also corrected an error related to compensated absences in governmental activities. GASB Statement No. 101, *Compensated Absences*, was effective for the Township's year ended December 31, 2024; however, the standard was not implemented in the prior year. The correction decreased beginning net position of governmental activities by $121,762.

These corrections are disclosed in Note 12 to the financial statements. Our independent auditor's report includes an emphasis-of-matter paragraph drawing attention to the restatement. Our opinions are not modified with respect to this matter.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. 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 each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 27, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of

auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, and the schedules for the pension plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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 audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

Gabridge & Company

Gabridge & Company, PLC
Grand Rapids, Michigan