CHARTER TOWNSHIP OF SUPERIOR

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

CHARTER TOWNSHIP OF SUPERIOR

TOWNSHIP OFFICIALS

Supervisor – Emily Dabish Yahkind
Clerk – Angela Robinson
Treasurer – Lisa Lewis

BOARD OF TRUSTEES

Emily Dabish Yahkind
Angela Robinson
Lisa Lewis
Kenneth Schwartz
Sarah Devereaux
Dana Greene
Brenda McKinney

LEGAL COUNSEL

Castlebury & Lucas Law

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

May 31, 2025

To the Board of Trustees
Charter Township of Superior
3040 North Prospect
Ypsilanti, MI 48198

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior, Michigan, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior, Michigan, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

Supplementary Information

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Within this section of the Charter Township of Superior's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended December 31, 2024. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units). The Township had no component units.

Fund Financial Statements

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

The Township has three kinds of funds:

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

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

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

Notes to the financial statements

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

Other information

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

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

Financial analysis of the Township as a whole

The Township's net position included under governmental activities (full accrual – GASB 34) increased by $2,068,175 including prior period adjustments of $620,776. The net position included under business type activities increased by $354,136 after prior period adjustments that reduced net position by $570,776.

The Township's total net position at the end of the year was $38,548,040. This is a $2,422,311 increase over last year's net position of $36,175,729 after the $50,000 net prior period adjustment. The prior period adjustment was necessary to record a parcel of land previously acquired by the Township that had not been recorded and re-allocation of net position between the Governmental Activities and business type activities relating to re-allocation of the net pension liability and related activities.

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

CHARTER TOWNSHIP OF SUPERIOR

SUMMARY OF NET POSITION
DECEMBER 31, 2024 AND 2023

	Governmental Activities			Business Type Activities			Totals		
	12/31/2024	12/31/	Increase (Decrease)	12/31/2024	12/31/	Increase (Decrease)	12/31/2024	12/31/	Increase (Decrease)
ASSETS									
Current and other assets	$ 17,809,610	$ 17,248,694	$ 560,916	$ 6,096,901	$ 5,928,593	$ 168,308	$ 23,906,511	$ 23,177,287	$ 729,224
Capital assets	11,510,345	9,159,421	2,350,924	21,521,928	21,254,157	267,771	33,032,273	30,413,578	2,618,695
Total assets	29,319,955	26,408,115	2,911,840	27,618,829	27,182,750	436,079	56,938,784	53,590,865	3,347,919
DEFERRED OUTFLOWS OF RESOURCES									
Pension investment activities	572,046	1,121,134	(549,088)	$ 135,807		135,807	707,853	1,121,134	(413,281)
LIABILITIES									
Other liabilities	5,591,374	5,407,052	184,322	1,319,347	1,084,631	234,716	6,910,721	6,491,683	419,038
Unearned revenues	915,181	1,520,667	(605,486)				915,181	1,520,667	(605,486)
Long-term liabilities	1,890,256	2,010,703	(120,447)	2,632,353	2,649,319	(16,966)	4,522,609	4,660,022	(137,413)
Total liabilities	8,396,811	8,938,422	(541,611)	3,951,700	3,733,950	217,750	12,348,511	12,672,372	(323,861)
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	6,750,086	5,913,898	836,188				6,750,086	5,913,898	836,188
NET POSITION									
Net investment in capital assets	9,685,345	7,038,718	2,646,627	18,749,575	18,464,838	284,737	28,434,920	25,503,556	2,931,364
Restricted	6,207,131	5,676,838	530,293				6,207,131	5,676,838	530,293
Unrestricted	(1,147,372)	(38,627)	(1,108,745)	5,053,361	4,983,962	69,399	3,905,989	4,945,335	(1,039,346)
Total net position	$ 14,745,104	$ 12,676,929	$ 2,068,175	$ 23,802,936	$ 23,448,800	$ 354,136	$ 38,548,040	$ 36,125,729	$ 2,422,311

CHARTER TOWNSHIP OF SUPERIOR

SUMMARY OF CHANGES IN NET POSITION
FOR THE YEARS ENDING DECEMBER 31, 2024 AND 2023

	Governmental Activities			Business Type Activities			Totals		
	12/31/2024	12/31/	Increase (Decrease)	12/31/2024	12/31/	Increase (Decrease)	12/31/2024	12/31/	Increase (Decrease)
REVENUES									
Program revenues									
Charges for services	$ 1,058,700	$ 956,341	$ 102,359	$ 4,981,278	$ 4,784,626	$ 196,652	$ 6,039,978	$ 5,740,967	$ 299,011
Capital/operating grants and contributions	1,266,019	336,676	929,343	1,220,432	1,495,128	(274,696)	2,486,451	1,831,804	654,647
General revenues									
Taxes	5,986,585	5,598,094	388,491				5,986,585	5,598,094	388,491
Special assessments	117,668	110,929	6,739				117,668	110,929	6,739
Licenses and permits	165,666	186,715	(21,049)				165,666	186,715	(21,049)
State grants	1,672,941	1,741,998	(69,057)				1,672,941	1,741,998	(69,057)
Interest and rents	520,650	408,771	111,879	153,398	110,078	43,320	674,048	518,849	155,199
Other revenue	159,101	320,098	(160,997)	23,790	11,716	12,074	182,891	331,814	(148,923)
Gain (loss) on sale of assets	82,569		82,569	(105,022)	(167,625)	62,603	(22,453)	(167,625)	145,172
Total revenues	11,029,899	9,659,622	1,370,277	6,273,876	6,233,923	39,953	17,303,775	15,893,545	1,410,230
EXPENSES									
General government	2,185,615	1,755,535	430,080				2,185,615	1,755,535	430,080
Public safety	5,252,297	5,121,841	130,456				5,252,297	5,121,841	130,456
Public works	795,252	681,959	113,293				795,252	681,959	113,293
Community and economic development	759,840	831,312	(71,472)				759,840	831,312	(71,472)
Recreation and culture	515,893	567,921	(52,028)				515,893	567,921	(52,028)
Interest on long-term debt	73,603	78,583	(4,980)				73,603	78,583	(4,980)
Utility system				5,348,964	5,079,573	269,391	5,348,964	5,079,573	269,391
Total expenses	9,582,500	9,037,151	545,349	5,348,964	5,079,573	269,391	14,931,464	14,116,724	814,740
CHANGE IN NET POSITION	1,447,399	622,471	824,928	924,912	1,154,350	(229,438)	2,372,311	1,776,821	595,490
BEGINNING NET POSITION	12,676,929	12,054,458	622,471	23,448,800	22,294,450	1,154,350	36,125,729	34,348,908	1,776,821
PRIOR PERIOD ADJUSTMENT	620,776		620,776	(570,776)		(570,776)	50,000		50,000
ENDING NET POSITION	$ 14,745,104	$ 12,676,929	$ 2,068,175	$ 23,802,936	$ 23,448,800	$ 354,136	$ 38,548,040	$ 36,125,729	$ 2,422,311

Financial Analysis of the Township's Major Funds

For the year ended December 31, 2024, there were four major funds:

1. **General Fund** - In compliance with GASB Standards, the Parks and Recreation Fund and the Trust and Agency Fund have been consolidated with the General Fund. The General fund balance decreased by $1,329,426. This was primarily due to substantial pathway construction projects invested into the community.

2. **Fire Operating Fund** - The operations of the Fire Fund resulted in a decrease in its fund balance of $428,987. Increases in all revenue sources were offset by increases in expenditures, primarily capital outlay.

3. **Law Enforcement Fund** - The Law Fund increased its fund balance by $875,590. Income from taxes increased significantly and expenditures fell.

4. **American Rescue Plan Act Fund (ARPA Fund)** - The ARPA Fund increased its fund balance by $54,920 directly related to interest income. In the near future, the Township expects large amounts of federal grant revenue to be recognized in this fund, as well as large expenditures relating to approved projects.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Expenditures are budgeted by activity.

Capital Asset and Debt Administration

There were $2,709,242 in depreciable capital asset additions under governmental activities this year. The majority of the additions were related to ongoing construction in progress projects ($2,560,519). The remaining purchases included a septic field for Dixboro Schoolhouse, renovations at fire station #2, a trailer for parks and recreation's use as well as a 2024 Ford 350 pick-up.

There were eight projects in process at the beginning of the fiscal year of which four of the projects were completed, leaving four unfinished projects as of December 31, 2024. The Township incurred $2,560,519 in additional costs for these in fiscal 2024. For a detailed listing of these projects see Note 4.

The Township general fund received net proceeds of $182,569 for a vacant parcel of land with a cost of $100,000 netting a gain of $82,569.

The business-type activities added $1,259,727 of depreciable assets for the fiscal year ended December 31, 2024, of which $743,000 was added in utility infrastructure by developers throughout the Township.

Disposals for inactive assets were recorded after management's review of the asset listing.

The business-type activities began the year with $39,055 of construction in progress and incurred an additional $41,479 in costs. Construction in progress activity is described in Note 4 of the Notes to Financial Statements. There is only one project in progress under the business type activities as of December 31, 2024.

New bonds were issued in 2020 from the Michigan Finance Authority's State Revolving Fund. Total bond proceeds available are $3,230,000. The outstanding balance as of December 31, 2023, was $2,789,319. The Township utilized an additional $123,034, and made a principal payment of $140,000, leaving a balance of $2,772,353 at December 31, 2024. Draws are requested to reimburse the Utility Fund for approved upgrades to the current water and sewer systems as incurred.

In 2022, the Township purchased land in the amount of $2,408,280 through a land contract payable. Subsequently, the Township issued refunding bonds in the amount of $2,160,000, with a bond premium of $83,415 to pay off the land contract. See Note 6 for additional details related to the transaction.

Economic Conditions and Future Activities

The Township's overall net equity under the modified accrual method for governmental activities decreased by (687,521). The biggest decrease was in the General Fund with a decrease of ($1,329,426). Management realizes the significance of the decrease and understands the reasons for the decrease. Management also believes if economic factors remain positive, with a reduction in spending on large capital outlay projects, its overall equity for governmental activities will rebound with steady increases over the next several years.

Under the Township's water and sewer activities, its overall net position increased by $354,136. There was $743,000 of new infrastructure added to the system by developers which was a big reason for the increase. However, due to ongoing repairs and improvements to an aging system, cash outflows exceeded inflows under operating activities as can be seen on Page 25. Management is reviewing rates charged to customers and operating expenses in an attempt to increase its cash flows.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information, please contact the Charter Township of Superior at 3040 North Prospect, Ypsilanti, Michigan, 48198.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 10,332,220	$ 4,669,276	$ 15,001,496
Receivables:			
Taxes	5,664,622		5,664,622
Special assessments	119,587		119,587
State shared revenues	300,453		300,453
Accounts	470,399	1,140,873	1,611,272
Leases	380,561		380,561
Intergovernmental balances	(61,737)	61,737	
Inventory		53,649	53,649
Prepaid expenditures	477,536	158,233	635,769
Capital assets			
Assets not being depreciated	4,999,350	290,997	5,290,347
Assets, net of depreciation	6,510,995	21,230,931	27,741,926
Total assets	29,193,986	27,605,696	56,799,682
DEFERRED OUTFLOWS OF RESOURCES			
Pension related activities	572,046	135,807	707,853
LIABILITIES			
Accounts payable	1,374,689	216,579	1,591,268
Accrued wages	133,040	32,246	165,286
Accrued compensated absences	644,885	147,332	792,217
Accrued interest	12,550	13,862	26,412
Unearned revenues	915,181		915,181
Net pension liability	3,185,241	756,195	3,941,436
Long-term obligations			
Other due within one year	115,000	140,000	255,000
Other due in more than one year	1,890,256	2,632,353	4,522,609
Total liabilities	8,270,842	3,938,567	12,209,409
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	6,750,086		6,750,086
NET POSITION			
Invested in capital assets, net of related debt	9,685,345	18,749,575	28,434,920
Restricted for:			
Fire protection	1,988,422		1,988,422
Police protection	3,666,109		3,666,109
Public works	375,061		375,061
Legal defense	177,539		177,539
Unrestricted	(1,147,372)	5,053,361	3,905,989
Total net position	$ 14,745,104	$ 23,802,936	$ 38,548,040

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

CHARTER TOWNSHIP OF SUPERIOR

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Business-type Activities	Net (Expenses) Revenue and Changes in Net Position: Total
Governmental activities						
General government	$ (2,185,615)	$ 239,525	$ 1,224,019	$ (722,071)	$	$ (722,071)
Public safety - fire	(3,301,050)		42,000	(3,259,050)		(3,259,050)
Public safety - police	(1,951,247)	319,096		(1,632,151)		(1,632,151)
Public works	(795,252)			(795,252)		(795,252)
Community and economic development	(759,840)	500,079		(259,761)		(259,761)
Recreation and culture	(515,893)			(515,893)		(515,893)
Interest on long-term debt	(73,603)			(73,603)		(73,603)
Total governmental activities	(9,582,500)	1,058,700	1,266,019	(7,257,781)		(7,257,781)
Business-type activities						
Utility fund	(5,348,964)	4,981,278	1,220,432		852,746	852,746
Total	$ (14,931,464)	$ 6,039,978	$ 2,486,451	(7,257,781)	852,746	(6,405,035)
	General revenues					
	Taxes			5,986,585		5,986,585
	Special assessments			117,668		117,668
	Licenses and permits			165,666		165,666
	State grants			1,672,941		1,672,941
	Fines and forfeits			10,770		10,770
	Interest and rents			520,650	153,398	674,048
	Other revenue			148,331	23,790	172,121
	Gain/(loss) on disposal of assets			82,569	(105,022)	(22,453)
	Total general revenues			8,705,180	72,166	8,777,346
	Changes in net position			1,447,399	924,912	2,372,311
	Net position, January 1, 2024			12,676,929	23,448,800	36,125,729
	Prior period adjustment			620,776	(570,776)	50,000
	Net position, December 31, 2024			$ 14,745,104	$ 23,802,936	$ 38,548,040

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

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Fire Fund	Law Enforcement Fund	ARPA Fund	Nonmajor Funds	Totals
ASSETS						
Cash and cash equivalents	$ 2,185,933	$ 2,187,259	$ 3,927,613	$ 884,794	$ 1,146,621	$ 10,332,220
Receivables:						
Taxes	642,018	2,812,677	2,209,927			5,664,622
Special assessments					119,587	119,587
State grants	300,453					300,453
Due from other funds	20,488	2,048			80	22,616
Leases	380,561					380,561
Other	312,749	8,998	140,738			462,485
Other current assets:						
Prepaid expenditures	162,524	293,914	3,600		17,498	477,536
Total assets	$ 4,004,726	$ 5,304,896	$ 6,281,878	$ 884,794	$ 1,283,786	$ 17,760,080
LIABILITIES						
Accounts payable	$ 1,139,427	$ 16,023	$ 124,112	$ 40,000	$ 11,825	$ 1,331,387
Accrued wages	50,065	74,747			8,228	133,040
Accrued interest	12,550					12,550
Accrued compensated absences	5,687	28,503			301	34,491
Unearned revenue	108,295			781,450	25,436	915,181
Due to other funds	91,210	25,953			2,578	119,741
Total liabilities	1,407,234	145,226	124,112	821,450	48,368	2,546,390
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - leases	363,316					363,316
Unavailable revenue - taxes	723,865	3,171,248	2,491,657			6,386,770
Total deferred inflows of resources	1,087,181	3,171,248	2,491,657			6,750,086
FUND BALANCE						
Nonspendable for prepaids	162,524	293,914	3,600		17,498	477,536
Restricted for:						
Fire Protection		1,694,508				1,694,508
Police Protection			3,662,509			3,662,509
Tree preservaton fund	241,425				133,636	375,061
Legal defense					157,539	157,539
Committed for:						
Building reserve	355,731					355,731
Capital improvement	60,050			63,344		123,394
Compensated absences	94,994				8,716	103,710
Non-motorized trails	30,194					30,194
Parks and recreation	85,222					85,222
Right of Way	26,916					26,916
Ordinance enforcement					898,029	898,029
Assigned for future budget deficits	146,819				20,000	166,819
Unassigned	306,436					306,436
Total fund equity	1,510,311	1,988,422	3,666,109	63,344	1,235,418	8,463,604
Total liabilities, deferred inflows of resources and fund balance	$ 4,004,726	$ 5,304,896	$ 6,281,878	$ 884,794	$ 1,283,786	$ 17,760,080

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

CHARTER TOWNSHIP OF SUPERIOR

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2024

Total governmental fund balance per balance sheet		$ 8,463,604
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Historical cost	$ 17,006,021	
Depreciation	(5,495,676)	
Capital assets net of depreciation		11,510,345
Pension related activities are not a consumption of current resources and therefore are reported as deferred outflows of resources in the Statement of Net Position:		572,046
Pension liabilities, net of pension plan fiduciary net position, are not due and payable in the current period and are not reported in the fund financial statements:		
Net pension liability		(3,185,241)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. This includes:		
Bonds payable	(1,940,000)	
Bond premium	(65,256)	
Compensated absences	(610,394)	
Total		(2,615,650)
Net position of governmental activities		$ 14,745,104

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

CHARTER TOWNSHIP OF SUPERIOR

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Fire Fund	Law Enforcement Fund	ARPA Fund	Nonmajor Funds	Totals
REVENUES						
Taxes	$ 745,906	$ 2,934,785	$ 2,305,894	$	$	$ 5,986,585
Licenses and permits	165,666					165,666
Special assessments					117,668	117,668
Federal grants		42,000		540,253		582,253
State grants	1,668,625	2,138	2,178			1,672,941
Contributions from local units	683,766					683,766
Charges for services	239,525		319,096		500,079	1,058,700
Fines and forfeits			10,770			10,770
Interest and rents	124,529	112,115	186,517	55,487	42,002	520,650
Other revenue	106,548	41,783				148,331
Total revenues	3,734,565	3,132,821	2,824,455	595,740	659,749	10,947,330
EXPENDITURES						
General government	1,820,385			166,066	26,854	2,013,305
Public safety		2,915,519	1,948,865			4,864,384
Public works	704,686				90,566	795,252
Community and economic development	357,893				401,947	759,840
Recreation and culture	429,113			57,234		486,347
Capital outlay						
General government	1,745,433					1,745,433
Fire protection		646,289		317,520		963,809
Debt Service						
Debt - principal	110,000					110,000
Debt - interest	79,050					79,050
Total expenditures	5,246,560	3,561,808	1,948,865	540,820	519,367	11,817,420
Net revenues over (under) expenditures	(1,511,995)	(428,987)	875,590	54,920	140,382	(870,090)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	182,569					182,569
Net changes in fund balances	(1,329,426)	(428,987)	875,590	54,920	140,382	(687,521)
FUND BALANCE, JANUARY 1, 2024	2,839,737	2,417,409	2,790,519	8,424	1,095,036	9,151,125
FUND BALANCE, DECEMBER 31, 2024	$ 1,510,311	$ 1,988,422	$ 3,666,109	$ 63,344	$ 1,235,418	$ 8,463,604

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

CHARTER TOWNSHIP OF SUPERIOR

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - governmental funds		$ (687,521)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlay exceeded depreciation is as follows:		
Capital outlay	$ 2,709,242	
Depreciation expense	(308,318)	
(Gain) on disposal of asset	(100,000)	
Net change		2,300,924
Repayment of bond and contract payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Repayment of bonds payable	110,000	
Bond premium amortization	5,447	
Net change		115,447
Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Position:		(72,474)
Some pension contributions in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Fund:		
Change in net pension activity		(208,977)
Change in net position		$ 1,447,399

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

CHARTER TOWNSHIP OF SUPERIOR

PROPRIETARY FUND - UTILITY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2024

CURRENT ASSETS		
Cash and investments	$ 4,669,276	
Receivables:		
Due from other funds	74,870	
Accounts	983,051	
Other	157,822	
Inventory	53,649	
Prepaid expenses	158,233	
Total current assets		$ 6,096,901
PROPERTY, PLANT AND EQUIPMENT		
Capital assets, not depreciated	290,997	
Capital assets, depreciated, net	21,230,931	
Property, plant and equipment		21,521,928
Total assets		$ 27,618,829
DEFERRED OUTFLOWS OF RESOURCES		
Pension related activities		135,807
CURRENT LIABILITIES		
Accounts payable	$ 216,579	
Accrued interest	13,862	
Accrued wages	32,246	
Accrued sick and vacation	147,332	
Due to other funds	13,133	
Net pension liability	756,195	
Bonds payable	140,000	
Total current liabilities		$ 1,319,347
LONG-TERM OBLIGATIONS		
Bonds payable		2,632,353
Total liabilities		3,951,700
NET POSITION		
Invested in capital assets, net of related debt	18,749,575	
Unrestricted	5,053,361	
Total net position		$ 23,802,936

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

CHARTER TOWNSHIP OF SUPERIOR

PROPRIETARY FUND - UTILITY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES	
Charges for services	$ 4,961,917
Meter sales	19,361
Total operating revenues	4,981,278
OPERATING EXPENSES	
Water and sewer purchases	2,473,822
Salaries	785,862
Taxable benefits	80,131
Payroll taxes	66,390
Insurance benefits	192,772
Pension expense	160,146
Repairs and maintenance - administration building	28,599
Computer services and supplies	27,693
Supplies	6,768
Utilities	8,801
Telecommunications	13,723
Leased equipment	15,794
Cleaning services	4,168
Lift and booster station expense	57,645
Maintenance facility expense	119,312
System repairs and maintenance	108,459
Professional fees	46,625
Employee expense	25,818
Meters and supplies	62,838
Fuel	9,245
Insurance and bonds	56,205
Bad debt expense	3,427
Depreciation	899,611
Postage	21,770
Printing and publishing	4,856
Membership and dues	15,552
Miscellaneous	35
Total operating expenses	5,296,067
OPERATING (LOSS)	(314,789)
NON-OPERATING REVENUES AND (EXPENSES)	
Gain on disposal of assets	(105,022)
Interest income - operations	153,398
Interest expense - debt	(52,897)
Tap-in fees	456,500
New customer installation fees	20,932
Contributed capital - developers	743,000
Other income	23,790
Total non-operating revenues and (expenses)	1,239,701
Change in net position	924,912
NET POSITION, JANUARY 1, 2024	23,448,800
PRIOR PERIOD ADJUSTMENT	(570,776)
NET POSITION, DECEMBER 31, 2024	$ 23,802,936

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

CHARTER TOWNSHIP OF SUPERIOR

PROPRIETARY FUND - UTILITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Cash receipts from customers	$ 4,864,155	
Cash payments to employees for services	(901,435)	
Cash payments to suppliers of goods and services	(4,150,028)	
Net cash (used in) operating activities		$ (187,308)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from bonds	123,034	
Principal payments on bonds payable	(140,000)	
Interest payments on debt	(50,347)	
Acquisition of fixed assets	(529,404)	
Tap-in fees	456,500	
New customer installation fees	20,932	
Other income	23,790	
Net cash (used in) capital and related financing activities		(95,495)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and cash equivalents		153,398
Net (decrease) in cash and cash equivalents		(129,405)
CASH AND CASH EQUIVALENTS, JANUARY 1, 2024		4,798,681
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2024		$ 4,669,276
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM (USED IN) OPERATING ACTIVITIES:		
Operating loss		$ (314,789)
Adjustments to reconcile operating income to net cash from (used in) operating activities:		
Depreciation		899,611
Changes in assets and liabilities		
Decrease in accounts receivable		(117,123)
Increase in other receivables		(5,093)
(Increase) in prepaid expenses		(85,653)
(Increase) in inventory		(15,047)
(Decrease) in due to other funds		(61,770)
Increase in accounts payable		(568,004)
Increase in accrued wages		624
Increase in accrued compensated absences		30,324
Increase in accrued compensated absences		49,612
Net cash from operating activities		$ (187,308)

NONCASH ACTIVITY

The proprietary fund received noncash developer contributions in the amount of $743,000 which had no impact on this Statement of Cash Flows.

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

CHARTER TOWNSHIP OF SUPERIOR

FIDUCIARY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2024

ASSETS		
Cash and investments	$	1,602,395
Prepaid expenditures		327,581
Due from others		9,698
Due from other funds		43,302
Total assets	$	1,982,976
LIABILITIES		
Due to others	$	1,975,062
Due to other funds		7,914
Total liabilities	$	1,982,976

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter Township of Superior was incorporated February 26, 1979, under the provision of Public Act 90 of 1976, as amended. The policies of the Charter Township of Superior conform to generally accepted accounting principles as applicable to governmental units.

The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

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

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are the fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Standards. Although GASB Standards sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

- The **General Fund** is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Fire Fund** accounts for the activities related to operating fire protection services. This fund is primarily supported through the collection of property taxes.
- The **Law Enforcement Fund** accounts for the 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 Act Fund (ARPA Fund)** accounts for receiving and spending the federal grants applicable to the American Rescue Plan Act.

The Township reports the following major proprietary fund:

- The **Utility Fund** accounts for all the activity associated with the operations and maintenance of operating the sewer and water systems of the Township.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

- Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond/debt proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges. Under standards set by GASB, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

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

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and enterprise funds reported on the proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989, for its business-type activities.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The Township approves budgets for the general, special revenue and debt service funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the Township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2023 levy (which reflects tax revenues for the December 31, 2024 fiscal year) was assessed at the adjusted taxable value shown below. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection. The 2024 levy (which reflects tax revenues for the December 31, 2025 fiscal year) is also shown for comparative purposes below.

Taxable Value	2023	2024
General Township	$ 838,384,598	$ 896,486,631

Millage Rates	2023	2024
General township operations	0.7990	0.7990
Police	2.7146	2.7500
Fire	3.4549	3.5000
Total millage	6.9685	7.0490

E. CAPITAL ASSETS

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

Capital assets are defined 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 cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. LEASE RECEIVABLE

The Township is the lessor of a noncancellable lease of cell tower space located on Township land. The Township has lease agreements with four cell phone providers and the Township recognizes a lease receivable and deferred inflow of resources in the General Fund portion of the financial statements.

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

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of lease receivable are composed of fixed payments and purchase option price that the Township is reasonably certain to exercise. Key estimates and judgments included in the calculation include 1) the discount rate used to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

The Township will monitor changes in circumstances that would require a re-measurement of the leases and will re-measure the lease receivable and deferred inflow of resources if certain changes occur that would significantly impact the amount of the lease receivable or deferred inflow of resources.

G. FUND EQUITY

Under Governmental Accounting Standards Board (GASB) standards in the fund financial statements, governmental funds report the following components of fund balance:

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

H. MANAGEMENT ESTIMATES

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

J. DEFINED PENSION BENEFIT PLAN

For purposes of measuring the Net Pension Liability, deferred outflows of resources related to pensions, 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/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. DEFERRED OUTFLOWS AND DEFERRED INFLOWS

Under GASB standards, the Township is reporting two sections in the Statement of Net Position (Government Wide Statement) and in the Balance Sheet (Fund Statement), which are called *deferred outflows* (previously called *assets*) and *deferred inflows* (previously called *liabilities*).

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

Deferred outflows of resources represent a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met.

For the year ended December 31, 2024, the Township records deferred outflows of resources on the Statement of Net Position relating to the Defined Benefit Pension plan net pension liability. Total deferred outflows of resources are shown below, with detailed activity available in Footnote # 9.

Deferred Outflows of Resources	
Pension related activities	707,853

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

For the year ended December 31, 2024, the Township records deferred inflows of resources on the Statement of Net Position relating to property taxes received or reported as receivables before the period in which the levy was to apply and differences in investment expectations versus actual. Property taxes levied in December 2024 will not be recognized as revenue until the year 2025. This type of transaction is listed on both the Statement of Net Position as well as the Balance Sheets under Fund Accounting:

Deferred Inflows of Resources	
Unavailable revenues - leases	$ 363,316
Unavailable revenues - taxes	6,386,770
Total deferred inflows of resources	$ 6,750,086

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) standards, all funds, agencies, and activities of the Charter Township of Superior as the primary government have been included in the financial statements.

NOTE 3 - INTERFUND BALANCES AND TRANSFERS

All interfund balances are short-term in character. Interfund balances will be disbursed and collected during the next reporting period. These amounts are reported as current assets and current liabilities in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

Fund	Interfund Receivables	Fund	Interfund Payables	Purpose
General Fund	$ 588	Fire Fund	$ 588	Reimbursement between funds
General Fund	72	Building Fund	72	Reimbursement between funds
General Fund	11,779	Utility Fund	11,779	Reimbursement between funds
General Fund	7,914	Payroll Fund	7,914	Reimbursement between funds
Fire Fund	182	General Fund	182	Reimbursement between funds
Fire Fund	512	Parks Fund	512	Reimbursement between funds
Building Fund	80	Trust and Agency Fund	80	Reimbursement between funds
Payroll Fund	13,057	General Fund	13,057	Reimbursement between funds
Payroll Fund	25,365	Fire Fund	25,365	Reimbursement between funds
Payroll Fund	2,506	Building Fund	2,506	Reimbursement between funds
Payroll Fund	2,374	Parks Fund	2,374	Reimbursement between funds
Payroll Fund	9,698	Utility Fund	9,698	Reimbursement between funds
Utility Fund	74,820	General Fund	74,820	Reimbursement between funds
Utility Fund	50	Parks Fund	50	Reimbursement between funds
Total	$ 148,997	**Total**	$ 148,997	

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS

A summary of changes in governmental activity capital assets is as follows:

	Balance 1/1/2024	Additions	Deletions	Reclassifications	Balance 12/31/2024
Capital Assets Not Being Depreciated					
Land	$ 4,045,116	$	$ (100,000)	$	$ 3,945,116
Conservation easement	134,196				134,196
Construction in progress	468,189	2,560,519		(2,108,670)	920,038
Total non-depreciable	4,647,501	2,560,519	(100,000)	(2,108,670)	4,999,350
Capital Assets Being Depreciated					
Non-motorized Trails					
Harris road trail	238,169				238,169
Geddes #1 trail	581,411				581,411
Prospect pathway	432,384				432,384
Plymouth pathway				1,106,504	1,106,504
Macarthur pathway				301,648	301,648
Structures					
Parks	89,755				89,755
Buildings					
General	2,047,984	46,448			2,094,432
Fire	2,536,577	48,096		685,088	3,269,761
Law	70,195				70,195
Building Department	128,111				128,111
Parks	88,050				88,050
Vehicles					
General	24,163			12,470	36,633
Fire	2,601,893				2,601,893
Building Department	34,806				34,806
Parks	114,849	48,482		(19,420)	143,911
Equipment					
General	126,216			2,960	129,176
Fire	321,744				321,744
Law	5,945				5,945
Building Department	31,634				31,634
Parks	275,392	5,697		19,420	300,509
Total depreciable	9,749,278	148,723		2,108,670	12,006,671
Total capital assets	14,396,779	2,709,242	(100,000)		17,006,021
Accumulated depreciation	(5,187,358)	(308,318)			(5,495,676)
Governmental Funds Capital Assets, Net	$ 9,209,421	$ 2,400,924	$ (100,000)	$	11,510,345
Related long term debt outstanding at December 31, 2024					(1,825,000)
Capital assets, net related long term debt					$ 9,685,345

Depreciation expense is being recorded in the government-wide statement of activities based upon the activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was distributed to the various activities as follows:

General	$ 79,453
Fire	192,689
Law	2,382
Building department	6,207
Parks	27,587
Total	$ 308,318

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS (continued)

Construction in progress for governmental activity is described below:

Project	Project costs as of 1/1/2024	Costs incurred during 12/31/2024 fiscal year	Project completed and placed in service	Construction in progress remaining as of 12/31/2024	% Complete
Plymouth Road Pathway	$ 116,941	$ 989,563	$ (1,106,504)	$	100.00%
Dixboro Schoolhouse Improvements	74,745	52,110		126,855	87.20%
Residential ADA Sidewalk Ramp Improvements	29,842	3,532		33,374	4.14%
Geddes Road Pathway	91,460	129,732		221,192	20.12%
Fire Station No. 1 Concrete Replacement	86,895	598,193	(685,088)		100.00%
MacArthur Pathway	8,267	293,381	(301,648)		100.00%
Fireman's Park Improvements	52,324	486,293		538,617	91.15%
Disconnect for Generator	7,715	7,715	(15,430)		
Totals	$ 468,189	$ 2,560,519	$ (2,108,670)	$ 920,038	

A summary of changes in proprietary activity capital assets and depreciation for the Utility activity is as follows:

	Balance 1/1/2024	Additions	Deletions	Reclassifications	Balance 12/31/2024
Non-depreciable assets					
Land	$ 210,463	$	$	$	$ 210,463
Construction in progress	39,055	41,479			80,534
Total non-depreciable assets	249,518	41,479			290,997
Depreciable assets					
Building	3,434,387		(102,182)		3,332,205
Utility system	29,645,878	899,654	(538,195)		30,007,337
Equipment and improvements	294,592	36,447	(256,955)		74,084
Office improvements	125,975	10,385			136,360
Office equipment	73,300				73,300
Vehicles	647,674	313,241	(59,490)		901,425
Metering program	45,920		(45,920)		-
Total depreciable	34,267,726	1,259,727	(1,002,742)		34,524,711
Total capital assets	34,517,244	1,301,206	(1,002,742)		34,815,708
Less accumulated depreciation	(13,263,087)	(899,613)	868,920		(13,293,780)
Business type activities					
Capital assets, net	$ 21,254,157	$ 401,593	$ (133,822)	$	$ 21,521,928
Related long term debt outstanding at December 31, 2024					(2,772,353)
Capital assets, net related long term debt					$ 18,749,575

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS (continued)

Construction in progress for proprietary activity for the Utility activity is described below:

Project	Project costs as of 1/1/2024	Costs incurred during 12/31/2024 fiscal year	Project completed and placed in service	Construction in progress remaining as of 12/31/2024	% Complete
Stamford Water Main Project	39,055	41,479		80,534	13.42%
Totals	$ 39,055	$ 41,479	$	$ 80,534	

There was $743,000 of infrastructure added to the utility systems by developers throughout the Township. The Township also added over $156,000 to the systems as well as $360,000 to equipment and vehicles.

Depreciation for the systems, equipment, improvements, and software is charged as an expense against operations.

Accumulated depreciation is reported on the Proprietary Fund Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Utility Systems	40 years
System Improvements	30 years
Building	30 years
Office Improvements	15 years
Equipment, Furniture, and Software	7 years

NOTE 5 - LEASES

The Township previously implemented the Governmental Accounting Standards Board (GASB) Standard No. 87, *Leases*, which is intended to improve the accounting and financial reporting of leases by governments.

The Township has determined that it has one lease receivable agreement to lease space on a cell phone tower located on Township-owned land. The lease carries an original 5-year term, with five (5) automatically renewing 5-year terms for a total 30-year term. Upon implementation of GASB 87 in the fiscal year ending December 31, 2024, the lease had 13 remaining years.

The lease agreement allows for sublease contracts made by the lessee and other cell service providers and the lessee has established two such sublease agreements. The Township has measured a lease receivable balance based on one total lease agreement, calculated as the original lease agreement plus the two sublease agreements in total.

A summary of the lease receivable and deferred inflow of resources is presented below:

	Balance @ 1/1/2024	Additions	Reductions	Balance @ 12/31/2024	Current Portion	Long Term Portion	Interest Earned
Lease Receivable	$	$ 392,381	$ (11,820)	$ 380,561	$ 13,837	$ 366,724	$ 25,530
Deferred Inflow	$	$ 392,381	$ (29,065)	$ 363,316	$ 29,065	$ 334,251	

A summary of future expected lease payments, allocated between principal and interest is presented below:

Fiscal year ending	Principal	Interest	Total
12/31/2025	$ 13,837	$ 24,713	$ 38,550
12/31/2026	15,972	23,736	39,708
12/31/2027	18,283	22,613	40,896
12/31/2028	20,788	21,332	42,120
12/31/2029	23,507	19,879	43,386
12/31/2030-2034	166,708	70,532	237,240
12/31/2035-2037	121,466	10,756	132,222
Total	$ 380,561	$ 193,561	$ 574,122

A summary of future amortization of deferred inflow of resources is presented below:

Fiscal year ending	Amortization
12/31/2025	$ 29,065
12/31/2026	29,065
12/31/2027	29,065
12/31/2028	29,065
12/31/2029	29,065
12/31/2030-2034	145,325
12/31/2035-2037	72,666
Total	$ 363,316

NOTE 6 - LONG-TERM OBLIGATIONS

A. GOVERNMENTAL LONG-TERM OBLIGATIONS

- Accrued Compensated Absences – The Township has recorded a liability in the Statement of Net Position for compensated absences of the general, building, and fire funds. The policies regarding compensated absences are outlined in the Township's "Rules of Employment" and the "Township Fire Department Agreement".

- During 2022, the Township sold refunding bonds to refund the land contract payable for a land conservation easement known as Rock Properties. The Bond has an initial principal amount of $2,160,000, bearing interest of 4.00% annually. The bond will be repaid in annual installments ranging from $110,000 to $190,000 over 15 years, maturing in the year ending December 31, 2037.

- During 2022, the Township sold refunding bonds with a bond premium of $81,695. The premium will be amortized using a straight-line method of the 15-year term of the related bond at a rate of $5,546 per year.

The following summarizes changes in the Township's governmental activity's long-term debt for 2024:

Description	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Bonds Payable					
2022 Refunding Bonds					
Rock Property	$ 2,050,000	$	$ (110,000)	$ 1,940,000	$ 115,000
Total bonds payable	2,050,000		(110,000)	1,940,000	115,000
Bond Premium	70,703		(5,446)	65,256	5,446
Accrued Compensated Absences	587,107	57,778		644,885	
Accrued Interest	13,300	12,550	(13,300)	12,550	
Totals	$ 2,721,110	$ 70,328	$ (128,746)	$ 2,662,691	$ 120,446

The following is a schedule of future required principal and interest due from the Township's governmental activities:

	2022 Refunding Bonds Rock Property		
Year	Total	Principal	Interest
2025	$ 190,300	$ 115,000	$ 75,300
2026	190,600	120,000	70,600
2027	190,700	125,000	65,700
2028	190,600	130,000	60,600
2029	190,300	135,000	55,300
2030-2034	958,400	770,000	188,400
2035-2037	578,300	545,000	33,300
	$ 2,489,200	$ 1,940,000	$ 549,200

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

B. BUSINESS-TYPE LONG-TERM OBLIGATIONS

The Township's business-type activities have long-term debt obligations, which are as follows:

1. The 2020 Capital Improvement Bonds were issued during the December 31, 2020, fiscal year to assist in the funding of Township capital improvement projects. Only $3,182,353 of the future $3,230,000 has been received. Interest will be charged at 2% per annum.

Description	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Due Within One Year
2013 Refunding Bonds Utility Payable	$ 2,789,319	$ 123,034	$ (140,000)	$ 2,772,353	$ 140,000

The following is a schedule of future required principal and interest due from the Township's business-type activities if the full amount is utilized. The Township has available bond funds of $47,647 remaining.

	2020 Capital Improvement Bonds		
Year	Total	Principal	Interest
2025	$ 194,047	$ 140,000	$ 54,047
2026	196,197	145,000	51,197
2027	193,297	145,000	48,297
2028	195,347	150,000	45,347
2029	197,297	155,000	42,297
2030-3034	973,935	810,000	163,935
2035-2039	968,935	890,000	78,935
2040-2041	391,321	385,000	6,321
Totals	$ 3,310,376	$ 2,820,000	$ 490,376

As of December 31, 2024, only $3,182,353 of the available bonds have been used for the 2020 improvement project. However, the Utilities department expects to utilize the full available amount of $3,230,00 and has elected to report the full projected future debt schedule.

NOTE 7 - STATEMENT OF CASH FLOWS - ENTERPRISE FUND

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. For purposes of the statement of cash flows, the enterprise fund considers all investments to be cash equivalents due to the highly liquid nature of the investments.

The direct method was utilized to present cash flows from operations. The following is the beginning and ending balances for cash and cash equivalents:

	1/1/2024	12/31/2024
Unrestricted - operations Cash and investments	$ 4,798,681	$ 4,669,276

There is no restricted cash as of December 31, 2024.

NOTE 8 - DEFINED CONTRIBUTION PENSION PLAN

History

The Township originally adopted a Defined Contribution Plan with Manulife in October 1967 which has since become John Hancock. The plan was set up as voluntary; however, to join the plan the employee had to contribute 5% of gross pay, the Township would then match with 10%. Eligible employees were all Union Firefighters, full-time employees, the Fire Chief, Ordinance Officer, Supervisor, Clerk, Treasurer, Deputy Treasurer, and Trustees (employees also had to be at least 18 years of age). In October 1990, the Union Firefighters were moved into a MERS Defined Benefit pension plan. They were allowed to keep all their years of service and allowed to keep all their accumulated pension monies in the Manulife Plan. Their accounts with Manulife were switched to inactive status, and they can access this money upon separation from service from the Township.

In January 2004, the Township further amended the Defined Contribution Plan with John Hancock, when it approved a second MERS defined benefit plan for the non-union employees. This new MERS defined benefit plan became mandatory for all new hires that work full-time. Existing employees as of January 1, 2004, were given the choice to either transfer to the new MERS Plan or remain in the John Hancock Plan (about 50% of the eligible employees moved to the new MERS Plan). The John Hancock employee accounts of the employees who switched to the new MERS Plan were withdrawn from John Hancock and deposited in the MERS Pension Plan. As of January 2004, the Township had three pension plans: the MERS Defined Benefit Plan for the Union firefighters referred to as MERS #1, the MERS Defined Benefit Plan for non-union employees referred to as MERS #2, and the John Hancock Defined Contribution Plan for all part time employees averaging at least 20 hours/week, trustees, and the full-time employees who decided to stay with John Hancock Plan at the January 2004 switchover.

John Hancock - (Adopted October 1967) a defined contribution plan for full-time employees only as defined above, regular part-time employees averaging 20 hours/week (including Fire Chief and Fire Marshall), and Trustees. Participation is voluntary with 5% contribution required to participate, and a 10% matching contribution from the Township. Plan vests after 20 months of plan participation, normal retirement age 55. New employees that opt out of the John Hancock plan, cannot join at a later date. The Fire Chief has a contract for part-time services which excludes him from eligibility for any Township benefits.

The following summarizes that activity in the John Hancock defined contribution plan for 2024:

Total value January 1, 2024		$ 810,968
Contributions/Investment returns		
Employee contributions	17,046	
Employer contributions	33,651	
Net gain/(loss) for 2024	115,237	
Total contributions/investment returns		165,934
Withdrawals		(9,381)
Total value December 31, 2024		$ 967,521

NOTE 9 - DEFINED BENEFIT 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 financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com and is available to the public.

Description of Benefits

Benefits Provided

The defined benefit plan is comprised of two divisions, with Division 01 open to all full-time, non-union employees and Division 05 open to all union firefighters. The plan calls for benefits to be paid as 2.25% of the final average compensation with a maximum of 80% for both divisions. Final average compensation is calculated based on the employee's final 3 years wages for Division 01 and the employee's final 5 years wages for Division 05.

For Division 01, the plan has a vesting period of 6 years, with normal retirement at age 60, and early retirement eligible at age 55 with 15 years of service or age 50 with 25 years of service and reduced benefits.

For Division 05, the plan has a vesting period of 10 years, with normal retirement at age 60 and early retirement eligible age 50 with 25 years of service or age 55 with 15 years of service and reduced benefits.

Employees Covered by Benefit Terms

At the December 31, 2023, valuation date, the following employees were covered by the benefit terms:

	Division 01 Non-Union	Division 05 Union Fire
Inactive employees or beneficiaries currently receiving benefits	10	6
Inactive employees entitled to but not yet receiving benefits	8	4
Active employees	20	11
	38	21

Contributions

The Township 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 actuarially determined rate for the year ended December 31, 2024, was 16.11% of eligible wages, with total contributions of $278,276 for Division 01 and 22.3%, with total contributions of $313,212 for Division 05. The Township also requires employees to contribute 5.0% of eligible wages for Division 01 and 6.0% for Division 05 to fund the plan.

NOTE 9 - DEFINED BENEFIT PLAN (continued)

Net Pension Liability

The employer's Net Pension Liability was calculated using the annual actuarial valuation dated December 31, 2023, using rollforward calculations to December 31, 2024, to determine the total pension liability and calculate the Net Pension Liability.

Actuarial assumptions

The total pension liability in the December 31, 2023, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%.
Salary Increases: 3.00% in the long term.
Investment rate of return: 7.00%, 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 price inflation of 2.5%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study in 2014-2018.

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 weighing 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 Real Rate of Return
Global Equity	60.00%	x	7.00%	=	4.20%
Global Fixed Income	20.00%	x	4.50%	=	0.83%
Private Investments	20.00%	x	9.50%	=	1.90%
					6.93%

Discount Rate

The discount rate used to measure the total pension liability is 7.18% for the 2023 valuation. 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 these 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.

NOTE 9 - DEFINED BENEFIT PLAN (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/	$ 11,788,731	$ 7,692,603	$ 4,096,128
Changes for the year			
Service Cost	389,881		389,881
Interest on Total Pension Liability	841,313		841,313
Changes in Benefits			
Difference between expected and actual experience	(112,594)		(112,594)
Changes in assumptions	98,091		98,091
Employer Contributions		590,488	(590,488)
Employee Contributions		170,510	(170,510)
Net Investment Income		580,011	(580,011)
Benefit payments, including employee refunds	(532,459)	(532,459)	
Administrative expense		(17,432)	17,432
Other Changes	(47,806)		(47,806)
Net Changes	636,426	791,118	(154,692)
Balances as of 12/31/2024	$ 12,425,157	$ 8,483,721	$ 3,941,436

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1% higher (8.18%) than the current rate.

	1% Decrease 6.18%	Current Discount Rate 7.18%	1% Increase 8.18%
Net Pension Liability at 12/31/2024	$ 3,941,436	$ 3,941,436	$ 3,941,436
Change in Net Pension Liability (NPL) from change in discount rate	1,547,762		(1,276,897)
Calculated NPL	$ 5,489,198	$ 3,941,436	$ 2,664,539

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.

NOTE 9 - DEFINED BENEFIT PLAN (continued)

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

For the year ended December 31, 2024, the Township recognized pension expense of $849,077. The Township reported deferred outflows and deferred inflows related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in investment expectations versus actual	$ 276,659	$
Differences in experience	133,689	
Differences in actuarial assumptions	297,505	
Totals	$ 707,853	$

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

Year Ended	Expense
0	$ 355,554
1	385,998
2	(26,781)
3	(6,919)
Total	$ 707,853

NOTE 10 - HSA PLAN

Beginning April 21, 2016, the Charter Township of Superior approved to purchase the Blue Cross Blue Shield Simply Blue HSA plan and the Township will pay a wellness incentive to employees to help offset the plan deductible. Wellness incentives for the year ended December 31, 2024, are $3,000 for individuals or $6,000 for families for non-union employees and $3,000 for individuals or $6,000 for families for union employees.

NOTE 11 - POST EMPLOYMENT BENEFITS

In addition to the MERS Health Care Savings Plan described in Note 12, the Township also provides post-employment health care benefits to two (2) firefighters who retired prior to June 30, 2005. These two (2) firefighters are governed under the old retirement health care system as described in the union contracts for the fiscal years in which they retired (Firefighter Winters 2001 and Firefighter Dickinson January 2005). The benefit to these two (2) firefighters are: The Township pays 100% of the premium of whatever health insurance is in effect for the active firefighters and 50% of whatever Vision and Dental benefits are in effect for active firefighters (currently Vision Service Plan and Delta Dental). This is a lifelong benefit for these retired firefighters, and their spouses, if they were married to the spouse at the time of retirement. Firefighters who have retired from the Township after June 30, 2005, are not entitled to this benefit and were offered a legal buy-out for the loss of this benefit, indemnifying the Township of any claims to this benefit.

During 2024, the Township paid for the cost of covering these retirees. During the fiscal year 2024, the net cost of health care benefits for the retirees was $7,201, which was paid directly to the healthcare provider.

NOTE 12 - MERS POST EMPLOYMENT HEALTH CARE SAVINGS PROGRAM

The Township adopted the MERS post-employment 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 (or) health insurance premiums after termination of service.

All full-time employees (those 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 the eligible employees and requires the employees to contribute a percentage of pay, as described below. To make up for previous years of service, the Township created a compensation schedule with years of service for 15 - 25 years being weighted heavier than years 1 - 14. Based on this schedule, a lump sum was deposited in each employee's account by the Township. For each employee to receive the lump sum start-up money a signed release and settlement agreement releasing the Township from a previously adopted retirement health care program was completed by each employee.

For 2024, the Township contributed $300 per non-union employee and $425 per union employee per month to individual accounts, a total of $116,625 for all employees. The Township received forfeitures of $97,352 in the year ended December 31, 2024, of which $48,587 were used to reduce current year contributions and $48,765 remain available to use against future contributions due.

The Township requires employees to contribute a percentage of wages toward their account based on the employee's employment class. All employees hired prior to November 1, 2011, are in their own individual class. The required contributions range from a minimum of 2% of compensation to a maximum 15% of compensation within the various classes. Employees may choose between three options for wages used to calculate the contribution due; regular pay only, regular and overtime pay, or regular, overtime and longevity pay. Each employee may change the contribution percentage and covered wages once per year.

As of November 1, 2011, all newly hired employees are classified as one uniform employee class for all union new hires and one class for all non-union new hires. These two new classes of employees' contribution percentage will be reviewed annually in November and amended as necessary. Union employees elected to have 3% of all regular, overtime and longevity pay and non-union employees elected to have 3% of regular pay contributed for the year ended December 31, 2024.

The Township contribution is subject to a vesting schedule as follows:

Employees service	Vested Percentage
Prior to six (6) years full-time employment	0%
Six (6) years but less than nine (9) years full-time employment	25%
Nine (9) years but less than twelve (12) years full-time employment	50%
Twelve (12) years but less than fifteen (15) years full-time employment	75%
Fifteen (15) or more years full-time employment	100%

The mandated employee contributions are vested immediately and are withheld as pretax contributions.

All contributions are invested in the MERS portfolio and grow tax free. When an employee retires the savings account is available for tax free reimbursement of medical expenses and (or) health insurance premiums for employees, and spouses and dependents of employees.

NOTE 13 - FUND BALANCE DESIGNATIONS

The following is a summary of all restricted and further broken down to designations of fund balances for all governmental fund types.

	Major Funds				Nonmajor Funds				
	General and Parks Fund	Fire Fund	Law Fund	ARPA Fund	Legal Defense Fund	Streetlight Fund	Side Street Maintenance Fund	Building Fund	Total
Nonspendable for:									
Prepaids	$ 162,524	$ 293,914	$ 3,600	$	$	$	$	$ 17,498	$ 477,536
Restricted for:									
Fire protection									
General		545,923							545,923
Compensated absences		541,465							541,465
Truck replacement		12,084							12,084
Debt reserve		123,160							123,160
Building construction		471,876							471,876
Police protection			3,662,509						3,662,509
Public works						120,813	12,823		133,636
Legal defense					157,539				157,539
Tree preservation	241,425								241,425
Committed for:									
Building reserve	355,731								355,731
Capital improvement	60,050			63,344					123,394
Compensated absences	94,994							8,716	103,710
Non-motorized trails	30,194								30,194
Ordinance enforcement								898,029	898,029
Right of Way	26,916								26,916
Parks and recreation	85,222								85,222
Assigned for future budget deficits	146,819				20,000				166,819
Unassigned	306,436								306,436
Total designated	$ 1,510,311	$ 1,988,422	$ 3,666,109	$ 63,344	$ 177,539	$ 120,813	$ 12,823	$ 924,243	$ 8,463,604

The Fire, Law, SAD, Legal Defense and Side Street Maintenance Funds are all restricted by tax millages, assessments and grants (outside of the Township Board) for the respective fund activity. As shown above various amounts which are restricted to the respective fund activity are further segregated for specific purposes within the fund activity by the Township Board.

NOTE 14 - DEPOSITS AND INVESTMENTS

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

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

As of December 31, 2024, cash and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	$ 8,207,723	$ 8,207,723	$
Certificates of deposit	1,626,302	1,626,302	
Short term investments	6,413,727	6,413,727	
Total	$ 16,247,752	$ 16,247,752	$

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

Statement of Net Position:	
Cash and investments	15,001,496
Fiduciary Funds:	
Cash and investments	1,602,395
Total cash and investments	$ 16,603,891

The carrying amount of cash and investments is stated at $16,603,891 as of December 31, 2024. The difference between the carrying amounts and amounts mentioned above stem from cash on hand, outstanding checks, and outstanding deposits.

NOTE 14 - DEPOSITS AND INVESTMENTS (continued)

Deposits - Custodial Credit Risk

This is the risk that in the event of a bank failure, the Township will be able to recover its deposits. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

As of December 31, 2024, deposits totaled $16,247,752, which were exposed to custodial credit risk as follows:

	Amount	%
Insured by FDIC	$ 1,024,739	6.3%
Uninsured and uncollateralized in banks	9,980,625	61.4%
Uninsured and uncollateralized - U.S. Treasury Securities	5,242,388	32.3%
	$ 16,247,752	100%

The Township's investment policy does not address this risk.

FDIC insurance is limited to the legal maximum of $250,000 per public unit for all time and savings deposits and $250,000 per public unit for all demand deposits.

NOTE 15 – FAIR VALUE MEASUREMENTS

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

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

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

The Township's deposits of $16,247,752, less short term investments of $6,413,727, measured at fair value are Level 1.

The Township's deposits comprised of short term investments in the amount of $6,413,727 measured at net asset value per share are Level 2. See table below for the fair value of these funds at December 31, 2024.

The Township's accounts receivable and accounts payable are financial instruments which have fair values at December 31, 2024, that approximate their stated carrying amounts at those dates.

NOTE 15 – FAIR VALUE MEASUREMENTS (continued)

Investments in Entities that Calculate Net Asset Value per Share

The Authority holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investments Held at December 31, 2024

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
US Treasury Securities - JP Morgan Chase	$ 3,643,566	$	None	None
US Treasury Securities - Huntington	715,988		None	None
US Treasury Securities - Comerica	882,834		None	None
Government Investment J Funds - Comerica	1,171,339		None	None
Total	$ 6,413,727	$		

The Township holds various investments in US Treasury securities and US Government investment J Funds. The investments purchase securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies and are typically short term in nature.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Township maintains a proprietary fund which is financed by user charges. Segment information as of December 31, 2024, follows:

	Utility System
Operating revenues	$ 4,981,278
Depreciation	899,611
Operating (loss)	(314,789)
Non-operating revenues and (expenses) net	1,239,701
Change in net position	924,912
Current assets	6,096,901
Current liabilities	1,319,347
Net working capital	4,777,554
Total assets	27,618,829
Total deferred outflows of resources	135,807
Total liabilities	3,951,700
Net position	23,802,936

NOTE 17 - TAX ABATEMENTS

The Governmental Accounting Standards Board (GASB) approved GASB No. 77 "Tax Abatement Disclosures" relating to the required disclosure for tax abatement agreements. This standard requires the disclosure of a description of tax abatement agreements and the gross dollar amount of abated taxes relating to these agreements. The Township has no tax abatement agreements as of December 31, 2024.

NOTE 18 - AMERICAN RESCUE PLAN ACT (ARPA) GRANT ACTIVITY

Under the American Rescue Plan Act (ARPA), the Township has received a total of $1,501,403. These monies are from a pass-through grant from the federal government to the Michigan Department of Treasury. The Michigan Department of Treasury calculated the amounts to be allocated to the various local governments in Michigan. Each local government was required to elect to receive the monies in order to participate. Monies that would have gone to local governments who elected not to receive funds were reallocated to the local governments that chose to participate. The portion reallocated to the Charter Township of Superior was $3,010.

The following is a summary of ARPA activity for the 2021 through 2024 fiscal years:

Federal funds received in 2021	$	747,700
Net interest income and bank fees for 2021		10
Federal funds received in 2022		753,703
Net interest income and bank fees for 2022		1,442
Disbursements for 2022 (Firemen's Park engineering)		(9,765)
Net interest income and bank fees for 2023		7,272
Disbursements for 2023 (Firemen's Park engineering)		(30,466)
Disbursements for 2023 (Youth Arts Alliance)		(79,700)
Disbursements for 2023 (Mightly Oaks CLR Academy)		(59,500)
Disbursements for 2023 (Willow Run Acres)		(568)
Net interest income and bank fees for 2024		54,920
Disbursements for 2024 (Firemen's Park)		(317,520)
Disbursements for 2024 (Washtenaw Intermediate Schools)		(50,000)
Disbursements for 2024 (Mighty Oaks CLR Academy)		(27,000)
Disbursements for 2024 (Willow Run Acres farm)		(30,234)
Disbursements for 2024 (Skilled trades program partial)		(40,000)
Disbursements for 2024 (Survivor's Speak)		(10,500)
Disbursements for 2024 (F-350 pick up)		(25,000)
Cash balance of ARPA funds as of 12/31/2024	**$**	**884,794**

Under Generally Accepted Accounting Principles, the amount of ARPA revenue recognized will be the same as the amount expended in each fiscal year. The remaining monies are considered unearned revenues and recorded as a liability on the balance sheet.

The Township Board has designated the remaining ARPA monies to various projects over the next year. A list of those projects can be obtained from the Township offices.

NOTE 19 -SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Township previously implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Township has determined that this standard has no material impact on the Township's financial statement.

NOTE 20 – PRIOR PERIOD ADJUSTMENT

The Township recorded two prior period adjustments. The government wide financial statements recognized a prior period adjustment relating to land that was previously acquired and not recorded. The government wide and proprietary fund financial statements recognized a prior period adjustment transferring net position between the two relating to the re-allocation of net pension liability and related deferred inflow and outflow of resources between the entities. As such the prior period net position was adjusted to recognize the effect of recording the parcel:

	Government Wide Financial Statements	Proprietary Fund Financial Statements
Beginning Net Position, as previously stated	$ 12,676,929	$ 23,448,800
Prior period adjustments		
Land previously acquired	50,000	
Net pension liability allocation	570,776	(570,776)
Beginning Net Position, as restated	$ 13,297,705	$ 22,878,024

NOTE 21 -NEWLY ADOPTED ACCOUNTING STANDARDS

GASB 100 – ACCOUNTING CHANGES AND ERROR CORRECTIONS

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

GASB 101 – COMPENSATED ABSENCES

In June 2022, the GASB Issued Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Township adopted these standards on January 1, 2024.

NOTE 22 – CONTINGENCIES

The Township has acknowledged the existence of a loss contingency relating to a pending lawsuit brought by Lasalle Construction over the Township's termination of its contract with Lasalle Construction.

Lasalle Construction was contracted to complete construction of the Clark Road Pump Station. The contract was later terminated for convenience by the Township due to disputed cost overruns and Lasalle's failure to complete the project timely.

The Township has accepted that a loss contingency exists for balances due to Lasalle Construction for work completed through the date of termination for convenience. However, the Township has determined that a reasonable estimate of the possible loss cannot be made due to significant discrepancies between the Township's estimate of unpaid fees and the Contractor's demands. The Township has estimated unpaid costs for completed services of $980,015, while Lasalle has filed claim to $4,336,930 in damages. The case is currently awaiting mediation with a potential pending lawsuit in the Washtenaw County Court should mediation prove unsuccessful. The Township has retained legal counsel to vigorously defend the claim.

Due to the lack of reasonable estimate of loss, the Township has not recognized an accrued loss contingency within the financial statements.

The legal case relating to this loss contingency is expected to continue through at least December, 2025, and as such, the Township does not reasonably expect a resolution to this matter within the subsequent fiscal year. Once settled through the legal process, the final loss contingency will be recognized as an expenditure within the Township's Proprietary Fund, the Utility Fund.

NOTE 23 - UPCOMING GASB PRONOUNCEMENTS

GASB 102 – CERTAIN RISK DISCLOSURES

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

The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025 fiscal year.

NOTE 23 - UPCOMING GASB PRONOUNCEMENTS (continued)

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

In April 2024, the GASB issued Statement No. 103*, Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following:

a. Management's discussion and analysis (MD&A);
   I. Requires that the information presented in the MD&A be limited to the related topics discussed in five specific sections:
      1) Overview of the Financial Statements,
      2) Financial Summary,
      3) Detailed Analyses,
      4) Significant Capital Asset and Long-Term Financing Activity,
      5) Currently Known Facts, Decisions, or Conditions;

   II. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;

   III. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

b. Unusual or infrequent items;
   I. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies.

c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
   I. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;

e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to Required Supplementary Information.

The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025 fiscal year.

NOTE 23 - UPCOMING GASB PRONOUNCEMENTS (continued)

GASB 104 – DISCLOSURE OF CERTAIN CAPITAL ASSETS

In September 2024, the GASB issued Statement No 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Leased assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment* Arrangements, should be disclosed separately by major class of the underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, the Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025 fiscal year.

OTHER GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued other Standards with implementation dates upcoming in subsequent fiscal years. The Township has assessed the impact of these standards and does not believe they will have any material impact on the Township's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 706,836	$ 709,276	$ 745,906	$ 36,630
Licenses and permits	195,000	195,000	165,666	(29,334)
State grants	1,689,978	1,715,972	1,668,625	(47,347)
Contributions from local units	300,000	683,776	683,766	(10)
Charges for services	26,000	243,561	239,525	(4,036)
Interest and rents	99,000	139,258	124,529	(14,729)
Other revenue	554,323	39,874	106,548	66,674
Total revenues	3,571,137	3,726,717	3,734,565	7,848
EXPENDITURES				
General government				
Township board	28,950	43,815	42,805	1,010
Supervisor	146,667	147,928	148,383	(455)
Treasurer	220,528	223,886	220,341	3,545
Clerk	234,177	252,164	262,149	(9,985)
Assessing equalization	249,896	261,691	261,346	345
Elections	349,000	190,600	183,209	7,391
Building and Grounds	97,000	61,000	60,365	635
Attorney	20,000	55,000	52,715	2,285
Other	607,941	635,840	600,318	35,522
Total general government	1,954,159	1,871,924	1,831,631	40,293
Public works	1,041,468	2,287,851	2,338,694	(50,843)
Community and economic development	92,907	358,368	357,893	475
Recreation and culture				
Administration	207,700	213,039	207,140	5,899
Recreation	36,377	21,177	19,885	1,292
Capital outlay	6,000	5,300	56,542	(51,242)
Park maintenance	192,126	248,523	245,725	2,798
Unallocated	2,200	5,300		5,300
Total recreation and culture	444,403	493,339	529,292	(35,953)
Debt service	43,200	176,500	189,050	(12,550)
Total expenditures	3,576,137	5,187,982	5,246,560	(58,578)
Net revenues over (under) expenditures	(5,000)	(1,461,265)	(1,511,995)	(50,730)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets		182,569	182,569	
Net change in fund balance	(5,000)	(1,278,696)	(1,329,426)	(50,730)
FUND BALANCE, JANUARY 1, 2024	2,839,737	2,839,737	2,839,737	
FUND BALANCE, DECEMBER 31, 2024	$ 2,834,737	$ 1,561,041	$ 1,510,311	$ (50,730)

CHARTER TOWNSHIP OF SUPERIOR

FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 2,943,447	$ 2,935,032	$ 2,934,785	$ (247)
Federal grants		42,000	42,000	
State grants	3,000	2,200	2,138	(62)
Charges for services	500	500		(500)
Interest and rents	69,000	97,000	112,115	15,115
Other revenue	1,000	469,920	41,783	(428,137)
Total revenues	3,016,947	3,546,652	3,132,821	(413,831)
EXPENDITURES				
Public safety	2,707,608	3,546,652	3,561,808	(15,156)
Net change in fund balance	309,339		(428,987)	(428,987)
FUND BALANCE, JANUARY 1, 2024	2,417,409	2,417,409	2,417,409	
FUND BALANCE, DECEMBER 31, 2024	$ 2,726,748	$ 2,417,409	$ 1,988,422	$ (428,987)

CHARTER TOWNSHIP OF SUPERIOR

LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 2,316,199	$ 2,306,117	$ 2,305,894	$ (223)
State grants	2,000	2,000	2,178	178
Charges for services	322,000	325,700	319,096	(6,604)
Fines and forfeits	12,000	12,000	10,770	(1,230)
Interest and rents	62,000	147,500	186,517	39,017
Total revenues	2,714,199	2,793,317	2,824,455	31,138
EXPENDITURES				
Public safety	1,905,140	1,862,140	1,948,865	(86,725)
Net change in fund balance	809,059	931,177	875,590	(55,587)
FUND BALANCE, JANUARY 1, 2024	2,790,519	2,790,519	2,790,519	
FUND BALANCE, DECEMBER 31, 2024	$ 3,599,578	$ 3,721,696	$ 3,666,109	$ (55,587)

CHARTER TOWNSHIP OF SUPERIOR

ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Federal grants	$ 522,050	$ 522,050	$ 540,253	$ 18,203
Interest and rents	4,000	43,800	55,487	11,687
Total revenues	526,050	565,850	595,740	29,890
EXPENDITURES				
General government	50,050	113,700	166,066	(52,366)
Parks and recreation	476,000	452,150	374,754	77,396
Total expenditures	526,050	565,850	540,820	25,030
Net change in fund balance			54,920	54,920
FUND BALANCE, JANUARY 1, 2024	8,424	8,424	8,424	
FUND BALANCE, DECEMBER 31, 2024	$ 8,424	$ 8,424	$ 63,344	$ 54,920

CHARTER TOWNSHIP OF SUPERIOR

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule of Employer Contributions

	For the Plan Year Ended									
	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actuarial determined contributions	$ 590,488	$ 562,430	$ 513,605	$ 428,583	$ 343,704	$ 323,064	$ 257,074	$ 243,677	$ 208,778	$ 187,940
Contributions in relation to the actuarial determined contribution	590,488	562,430	513,605	428,583	343,704	323,064	257,074	243,677	208,778	187,940
Contribution (deficiency) excess	$	$	$	$	$	$	$	$	$	$
Covered employee payroll	$ 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	$ 1,572,197
Contributions as a percentage of covered payroll	18.87 %	20.85 %	21.87 %	19.36 %	16.52 %	17.51 %	14.94 %	15.39 %	12.87 %	11.95 %

This schedule is presented to illustrate the requirement to show information for 10 years.

Notes to the Schedule of Employer Contributions

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	16 years
Asset valuation method	5 years smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00%
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	50% Female/50% Male MP-2019 group Annuity Mortality Table

Previous Actuarial Methods and Assumptions

A ten-year smoothed asset valuation method was used for the time period of 2005 through 2015.

CHARTER TOWNSHIP OF SUPERIOR

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2024

	For the Plan Year Ended									
	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
TOTAL PENSION LIABILITY										
Service Cost	$ 389,881	$ 368,696	$ 295,839	$ 264,925	$ 248,262	$ 220,760	$ 204,939	$ 187,817	$ 185,852	$ 171,059
Interest	841,313	795,461	739,844	690,029	629,872	634,256	597,127	574,515	531,168	505,344
Changes in benefit terms										
Differences between expected and actual experience	(112,594)	169,475	284,586	41,228	186,896	(12,135)	132,291	(60,111)	138,559	
Changes of assumptions	98,091		430,356	234,441	239,448				285,083	
Benefit payments, including refunds of employee contributions	(532,459)	(539,742)	(589,080)	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)	(349,525)
Other changes	(47,806)	(62,570)	14,459	(46,376)	(19,181)	(9,078)	(30,745)	(13,371)	(14,343)	(14,745)
Net change in total pension liability	636,426	731,320	1,176,004	684,811	780,588	362,568	480,040	282,889	763,764	312,133
TOTAL PENSION LIABILITY - BEGINNING	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	6,214,614
TOTAL PENSION LIABILITY - ENDING	$ 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

CHARTER TOWNSHIP OF SUPERIOR

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

	For the Plan Year Ended									
	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 590,488	$ 562,430	$ 513,605	$ 428,583	$ 343,703	$ 323,064	$ 257,074	$ 243,677	$ 208,778	$ 187,940
Contributions - employee	170,510	162,043	149,519	131,740	117,461	117,023	99,482	97,044	89,336	86,207
Net investment income	580,011	764,924	(778,379)	924,013	750,073	701,819	(213,390)	644,352	505,591	(68,734)
Benefit payments, including refunds of employee contributions	(532,459)	(539,742)	(589,080)	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)	(349,525)
Administrative Expenses	(17,432)	(16,181)	(13,967)	(10,599)	(11,724)	(12,098)	(10,555)	(10,196)	(9,975)	(10,063)
Net change in plan fiduciary net position	791,118	933,474	(718,302)	974,301	694,804	658,573	(290,961)	568,916	431,175	(154,175)
PLAN FIDUCIARY NET POSITION, BEGINNING	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	4,594,798
PLAN FIDUCIARY NET POSITION, ENDING	$ 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
NET PENSION LIABILITY (TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)	$ 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	$ 2,086,124
Plan fiduciary net position as a percentage of the total pension liability	68.28%	65.25%	61.13%	75.67%	70.71%	69.02%	63.94%	71.84%	66.82%	68.04%
Covered employee payroll	$ 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	$ 1,572,197
Net pension liability as a percentage of covered employee payroll	125.96%	151.87%	183.00%	108.60%	129.46%	141.37%	168.73%	134.71%	149.13%	132.69%

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR

ALL FUNDS INCLUDED IN GASB 54 GENERAL FUND CONSOLIDATION
COMBINING BALANCE SHEET
DECEMBER 31, 2024

	General Fund Pre GASB 54 Consolidation	Parks and Recreation Fund	Trust and Agency Fund	Eliminations	Totals Restated General Fund
ASSETS					
Cash and investments	$ 757,003	$ 612,531	$ 816,399	$	$ 2,185,933
Receivables:					
Taxes	642,018				642,018
State shared revenue	300,453				300,453
Due from other funds	69,883		135	(49,530)	20,488
Leases	380,561				380,561
Other	312,749				312,749
Prepaid expenditures	135,924	26,600			162,524
Total assets	2,598,591	639,131	816,534	(49,530)	4,004,726
LIABILITIES					
Accounts payable	433,770	1,012	704,645		1,139,427
Accrued wages	40,157	9,908			50,065
Accrued interest payable	12,550	2,354			14,904
Accrued compensated absences	3,333				3,333
Unearned revenues			108,295		108,295
Due to other funds	88,194	48,952	3,594	(49,530)	91,210
Total liabilities	578,004	62,226	816,534	(49,530)	1,407,234
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - leases	363,316				363,316
Unavailable revenue - taxes	723,865				723,865
Total deferred inflow of resources	1,087,181				1,087,181
FUND BALANCES					
Nonspendable for prepaids	135,924	26,600			162,524
Restricted	241,425				241,425
Committed:					
Compensated absences	71,733				71,733
Non-motorized trails	30,194				30,194
Parks and recration		465,305			465,305
Right of Way	26,916				26,916
Assigned for future budget deficits	61,819	85,000			146,819
Unassigned	365,395				365,395
Total fund balances	933,406	576,905			1,510,311
Total liabilities, deferred inflows of resources and fund balances	$ 2,598,591	$ 639,131	$ 816,534	$ (49,530)	$ 4,004,726

CHARTER TOWNSHIP OF SUPERIOR

ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2024

	Legal Defense Fund	Streetlight Fund	Side Street Maintenance Fund	Building Fund	Totals
ASSETS					
Cash and investments	$ 179,359	$ 35,120	$ 12,823	$ 919,319	$ 1,146,621
Special assessments receivable		94,151	25,436		119,587
Due from other funds				80	80
Prepaid expenditures				17,498	17,498
Total assets	$ 179,359	$ 129,271	$ 38,259	$ 936,897	$ 1,283,786
LIABILITIES					
Accounts payable	$ 1,820	$ 8,458	$	$ 1,547	$ 11,825
Accrued wages				8,228	8,228
Accrued compensated absences				301	301
Unearned revenue			25,436		25,436
Due to other funds				2,578	2,578
Total liabilities	1,820	8,458	25,436	12,654	48,368
FUND BALANCE					
Nonspendable for:					
Prepaids				17,498	17,498
Restricted for:					
Public works		120,813	12,823		133,636
Legal defense	157,539				157,539
Committed for:					
Compensated absences				8,716	8,716
Ordinance enforcement				898,029	898,029
Assigned for future budget deficits	20,000				20,000
Total fund equity	177,539	120,813	12,823	924,243	1,235,418
Total liabilities and fund equity	$ 179,359	$ 129,271	$ 38,259	$ 936,897	$ 1,283,786

CHARTER TOWNSHIP OF SUPERIOR

ALL AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2024

	Current Tax Fund	Payroll Fund	Totals
ASSETS			
Cash and investments	$ 1,536,288	$ 66,107	$ 1,602,395
Other current assets		327,581	327,581
Due from others		9,698	9,698
Due from other funds		43,302	43,302
Total assets	$ 1,536,288	$ 446,688	$ 1,982,976
LIABILITIES			
Due to others	$ 1,536,288	$ 438,774	$ 1,975,062
Due to other funds		7,914	7,914
Total liabilities	$ 1,536,288	$ 446,688	$ 1,982,976

CHARTER TOWNSHIP OF SUPERIOR

ALL FUNDS INCLUDED IN GASB 54 GENERAL FUND CONSOLIDATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund Pre GASB 54 Consolidation	Parks and Recreation Fund	Trust and Agency Fund	Eliminations	Total Restated General Fund
REVENUES					
Taxes	$ 745,906	$	$	$	$ 745,906
Licenses and permits	165,666				165,666
State grants	1,668,625				1,668,625
Contributions from local units	683,766				683,766
Charges for services	12,264		227,261		239,525
Interest and rents	104,584	19,945			124,529
Other revenue	75,363	31,185			106,548
Total revenues	3,456,174	51,130	227,261		3,734,565
EXPENDITURES					
General government	1,820,385				1,820,385
Public works	704,686				704,686
Community and economic development	130,632		227,261		357,893
Recreation and culture		429,113			429,113
Capital outlay					
General government	1,645,254				1,645,254
Recreation and culture		100,179			100,179
Debt service					
Debt - principal	110,000				110,000
Debt - interest	79,050				79,050
Total expenses	4,490,007	529,292	227,261		5,246,560
Excess of revenues over (under) expenditures	(1,033,833)	(478,162)			(1,511,995)
OTHER FINANCING SOURCES (USES)					
Procees from sale of assets	182,569				182,569
Transfers in		419,203		(419,203)	
Transfers (out)	(419,203)			419,203	
Total other financing sources (uses)	(236,634)	419,203			182,569
Net change in fund balance	(1,270,467)	(58,959)			(1,329,426)
FUND BALANCE, JANUARY 1, 2024	2,203,873	635,864			2,839,737
FUND BALANCE, DECEMBER 31, 2024	$ 933,406	$ 576,905	$	$	$ 1,510,311

CHARTER TOWNSHIP OF SUPERIOR

ALL NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Legal Defense Fund	Streetlight Fund	Side Street Maintenance Fund	Building Fund	Totals
REVENUES					
Special assessments	$	$ 94,151	$ 23,517	$	$ 117,668
Charges for services				500,079	500,079
Interest and rents	11,141	1,543	425	28,893	42,002
Total revenues	11,141	95,694	23,942	528,972	659,749
EXPENDITURES					
General government	26,854				26,854
Public works		90,566			90,566
Community and economic development			25,436	376,511	401,947
Total expenditures	26,854	90,566	25,436	376,511	519,367
Net change in fund balance	(15,713)	5,128	(1,494)	152,461	140,382
FUND BALANCE, JANUARY 1, 2024	193,252	115,685	14,317	771,782	1,095,036
FUND BALANCE, DECEMBER 31, 2024	$ 177,539	$ 120,813	$ 12,823	$ 924,243	$ 1,235,418

INDIVIDUAL FUNDS

GENERAL FUND

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	$ 709,276	$ 745,906	$ 36,630
Licenses and permits	195,000	165,666	(29,334)
State grants	1,715,972	1,668,625	(47,347)
Contributions from local units	683,776	683,766	(10)
Charges for services	16,300	12,264	(4,036)
Interest and rents	119,358	104,584	(14,774)
Other revenue	9,474	75,363	65,889
Total revenues	3,449,156	3,456,174	7,018
EXPENDITURES			
General government	1,871,924	1,831,631	40,293
Public works	2,287,851	2,338,694	(50,843)
Community and economic development	131,107	130,632	475
Debt service - Principal	110,000	110,000	
Debt service - Interest	66,500	79,050	(12,550)
Total expenditures	4,467,382	4,490,007	(22,625)
Excess of revenues over (under) expenditures	(1,018,226)	(1,033,833)	(15,607)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	182,569	182,569	
Transfers (out)	(419,203)	(419,203)	
Total other financing sources (uses)	(236,634)	(236,634)	
Net change in fund balance	(1,254,860)	(1,270,467)	(15,607)
FUND BALANCE, JANUARY 1, 2024	2,203,873	2,203,873	
FUND BALANCE, DECEMBER 31, 2024	$ 949,013	$ 933,406	$ (15,607)

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

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Payment in lieu of taxes	$ 875	$ 891	$ 16
Trailer home fees	4,500	4,733	233
Property taxes	703,901	740,282	36,381
Total taxes	709,276	745,906	36,630
Licenses and permits			
Cable franchise fees	195,000	165,666	(29,334)
State grants			
State shared revenue	1,679,472	1,631,780	(47,692)
Other state aid grants	36,500	36,845	345
Total state grants	1,715,972	1,668,625	(47,347)
Contributions from local units			
CTAP grant	683,776	683,766	(10)
Charges for services			
General charges for services	16,300	12,264	(4,036)
Interest and rents			
Interest income	52,000	18,007	(33,993)
Interest - leases		25,530	25,530
Amortization - leases		29,065	29,065
Rent	43,858	8,858	(35,000)
Investment earnings	23,500	23,124	(376)
Total interest and rents	119,358	104,584	(14,774)
Other revenue			
Reimbursements and refunds	4,324	71,017	66,693
Public contributions	1,150	1,150	
Other income	4,000	3,196	(804)
Total other revenue	9,474	75,363	65,889
Total revenues	$ 3,449,156	$ 3,456,174	$ 7,018

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

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
General government			
Township board	$ 43,815	$ 42,805	$ 1,010
Supervisor	147,928	148,383	(455)
Treasurer	223,886	220,341	3,545
Clerk	252,164	262,149	(9,985)
Assessing equalization	261,691	261,346	345
Elections	190,600	183,209	7,391
Building and grounds	61,000	60,365	635
Attorney	55,000	52,715	2,285
All other general government	635,840	600,318	35,522
Total general government	1,871,924	1,831,631	40,293
Public works			
Infrastructure	2,156,281	2,211,656	(55,375)
Sanitation	21,800	17,275	4,525
Public transportation	109,770	109,763	7
Total public works	2,287,851	2,338,694	(50,843)
Community and economic development			
Planning and zoning	131,107	130,632	475
Debt service			
Debt - principal	110,000	110,000	
Debt - interest	66,500	79,050	(12,550)
Total debt service	176,500	189,050	(12,550)
Total expenditures	$ 4,467,382	$ 4,490,007	$ (22,625)

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

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Township board			
Salaries	$ 43,250	$ 42,340	$ 910
Training	465	465	
Professional services	100		100
Total township board	43,815	42,805	1,010
Supervisor			
Salaries	100,366	100,366	
Assistant salary	29,074	29,550	(476)
Taxable benefits	16,867	16,870	(3)
Miscellaneous	1,521	1,521	
Supplies	100	76	24
Total supervisor	147,928	148,383	(455)
Treasurer			
Salaries	99,403	99,403	
Other salaries	105,943	102,219	3,724
Training	500	749	(249)
Taxable benefits	11,930	11,927	3
Supplies	3,250	3,220	30
Printing and publishing	2,500	2,459	41
Memberships and dues	360	364	(4)
Total treasurer	223,886	220,341	3,545
Clerk			
Salary	99,403	99,403	
Other salaries	134,302	144,281	(9,979)
Training	806	781	25
Taxable benefits	16,153	16,598	(445)
Supplies	1,500	1,086	414
Total clerk	252,164	262,149	(9,985)

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

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Assessing equalization			
Salaries	208,212	208,723	(511)
Contract services	2,000	1,881	119
Training	1,000	906	94
Taxable benefits	43,229	43,235	(6)
Supplies	1,500	1,342	158
Telephone	1,100	961	139
Transportation	700	522	178
Meals and lodging	2,450	2,409	41
Memberships and dues	1,500	1,367	133
Total assessing equalization	261,691	261,346	345
Elections			
Salaries	144,700	144,010	690
Professional services	5,400	7,423	(2,023)
Printing and publishing	3,000	2,148	852
Rent	12,000	6,000	6,000
Equipment	2,000	1,143	857
Supplies and postage	23,500	22,485	1,015
Total elections	190,600	183,209	7,391
Buildings and grounds			
Contract services	25,000	21,507	3,493
Operating supplies	8,000	5,927	2,073
Utilities	14,000	14,654	(654)
Repairs and maintenance	21,000	25,562	(4,562)
Expense allocation	(15,000)	(15,000)	
Building improvements	8,000	7,715	285
Total buildings and grounds	61,000	60,365	635
Attorney			
Professional services	55,000	52,715	2,285

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

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
All other general government			
Training	1,925	1,900	25
Administration postage	15,000	13,378	1,622
Administration operating supplies	5,000	3,847	1,153
Cemetery upkeep	1,500	1,500	
Professional services	120,500	93,473	27,027
Telephone	12,000	12,786	(786)
Insurance and bonds	20,100	20,283	(183)
Transportation	12,000	11,333	667
Meals and lodging	2,000	1,347	653
Printing and publishing	12,500	10,719	1,781
Expense allocation	(15,000)	(15,000)	
Meals on Wheels	10,000	10,000	
Equipment rental	6,300	7,202	(902)
Memberships and dues	20,000	15,683	4,317
Bank charges	500	164	336
Equipment	5,000	3,747	1,253
Miscellaneous	1,000	710	290
Tax Chargebacks	500	479	21
Accounting Salaries	104,637	100,621	4,016
Accounting taxable benefits	10,205	10,209	(4)
Accounting supplies	1,000	1,260	(260)
Accounting expense allocation	(46,000)	(46,000)	
Unallocated FICA	87,471	86,833	638
Unallocated medical insurance	71,428	69,664	1,764
Unallocated dental insurance	7,862	7,903	(41)
Unallocated vision insurance	1,988	1,993	(5)
Unallocated life insurance	1,373	1,617	(244)
Unallocated HSA administration fees	250	238	12
Unallocated HCSP	17,762	35,442	(17,680)
Unallocated pension expense	147,039	136,987	10,052
Total all other general government	635,840	600,318	35,522
TOTAL GENERAL GOVERNMENT	1,871,924	1,831,631	40,293

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

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC WORKS			
Infrastructure			
Master plan revisions	15,000	1,755	13,245
Geddes Ridge drain maintenance	30,000	28,822	1,178
Special projects	8,000	6,472	1,528
Ypsilanti district library	110,700	110,652	48
Plymouth pathway	873,075	948,153	(75,078)
Dixboro Green schoolhouse	75,000	24,736	50,264
Geddes pathway		129,732	(129,732)
Macarther pathway	270,000	281,045	(11,045)
Firemans park	169,000	168,777	223
Hyundai park	184,312	184,312	
Clayhill community farms	36,700	36,700	
Other projects	66,775	68,338	(1,563)
Salaries	11,683	8,891	2,792
Contract services	20,000	17,060	2,940
Supplies	250		250
Road maintenance	250,000	160,153	89,847
Other maintenance	8,600	8,905	(305)
Streetlights	9,086	9,086	
Drains	18,100	18,067	33
Total infrastructure	2,156,281	2,211,656	(55,375)
Sanitation			
Recycling	10,800	7,910	2,890
Garbage and yard waste tags	9,000	7,185	1,815
Dump usage collection	2,000	2,180	(180)
Total sanitation	21,800	17,275	4,525
Public transportation			
A.A.T.A. contract	70,342	70,343	(1)
Demand response	24,202	24,199	3
New buses	15,226	15,221	5
Total public transportation	109,770	109,763	7
TOTAL PUBLIC WORKS	2,287,851	2,338,694	(50,843)

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

CHARTER TOWNSHIP OF SUPERIOR

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
COMMUNITY AND ECONOMIC DEVELOPMENT			
Planning and zoning			
Salaries	24,055	18,136	5,919
Taxable benefits	8,702	8,607	95
Supplies	1,350	1,676	(326)
Professional services	97,000	102,213	(5,213)
Total planning and zoning	131,107	130,632	475
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	131,107	130,632	475
DEBT SERVICE			
Debt - principal	110,000	110,000	
Debt - interest	66,500	79,050	(12,550)
TOTAL DEBT SERVICE	176,500	189,050	(12,550)
Total expenditures	$ 4,467,382	$ 4,490,007	$ (22,625)

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

PARKS AND RECREATION FUND

CHARTER TOWNSHIP OF SUPERIOR

PARKS AND RECREATION FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest and rents	$ 19,900	$ 19,945	$ 45
Other revenue	30,400	31,185	785
Total revenues	50,300	51,130	830
EXPENDITURES			
Administration	213,039	207,140	5,899
Maintenance and improvement	259,123	256,267	2,856
Recreation	21,177	65,885	(44,708)
Total expenditures	493,339	529,292	(35,953)
Excess of revenues over (under) expenditures	(443,039)	(478,162)	(35,123)
OTHER FINANCING SOURCES (USES)			
Transfers in	419,203	419,203	
Net change in fund balance	(23,836)	(58,959)	(35,123)
FUND BALANCE, JANUARY 1, 2024	635,864	635,864	
FUND BALANCE, DECEMBER 31, 2024	$ 612,028	$ 576,905	$ (35,123)

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

CHARTER TOWNSHIP OF SUPERIOR

PARKS AND RECREATION FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
ADMINISTRATION			
Salaries	$ 161,751	$ 162,505	$ (754)
Training	1,400	215	1,185
Taxable benefits	18,303	18,703	(400)
Supplies	1,000	725	275
Professional services	4,700	1,767	2,933
Telephone	700	599	101
Insurance and bonds	14,135	14,132	3
Transportation	1,800	812	988
Office rent	7,000	7,000	
Printing and publishing	500		500
Membership and dues	650	655	(5)
Miscellaneous	1,100	27	1,073
Total administration	213,039	207,140	5,899
RECREATION			
Salaries	9,177	8,494	683
Taxable benefits	200		200
Supplies	2,200	3,172	(972)
Professional services	7,000	6,990	10
Capital outlay		46,000	(46,000)
Miscellaneous	2,600	1,229	1,371
Total recreation	21,177	65,885	(44,708)
MAINTENANCE AND IMPROVEMENTS			
Salaries	141,711	141,217	494
Training	700	645	55
Taxable benefits	2,803	2,782	21
Supplies	11,175	11,820	(645)
Uniforms	800	855	(55)
Fuel and lubricants	6,825	5,932	893
Miscellaneous	5,800	5,260	540
Professional services	7,500	7,126	374
Telephone	600	586	14
Utilities	500	557	(57)
Repair and Maintenance	23,912	22,712	1,200
Equipment	56,797	56,775	22
Total maintenance and improvements	259,123	256,267	2,856
Total expenditures	$ 493,339	$ 529,292	$ (35,953)

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

UTILITY FUND

CHARTER TOWNSHIP OF SUPERIOR

UTILITY FUND - COMPARATIVE STATEMENT OF REVENUES AND EXPENSES - OPERATING ACCOUNTS ONLY
FOR THE YEARS ENDED DECEMBER 31, 2018 THROUGH DECEMBER 31, 2024

	2024	2023	2022	2021	2020	2019	2018
REVENUES							
Charges for services	$ 4,946,571	$ 4,764,419	$ 4,514,821	$ 4,361,690	$ 4,918,819	$ 4,921,683	$ 4,747,460
Meter sales	19,361	20,207	9,615	21,990	21,640	34,570	12,377
Total revenues	4,965,932	4,784,626	4,524,436	4,383,680	4,940,459	4,956,253	4,759,837
EXPENSES							
Water and sewer purchases	2,473,822	2,660,474	2,791,450	2,516,235	2,396,138	2,334,583	2,857,115
Salaries and wages	785,862	699,597	557,312	520,704	514,362	548,268	488,461
Taxable benefits	80,131	72,483	58,107	51,838	52,196	45,150	32,093
Payroll taxes	66,390	50,159	45,924	43,132	41,925	44,221	38,761
Insurance benefits	192,772	160,658	143,668	108,712	82,250	83,784	84,048
Pension	160,146	91,428	88,027	80,019	64,665	67,110	51,942
Repairs and maintenance	208,520	136,952	410,591	87,324	112,385	139,760	206,184
Computer expenses	42,966	36,340	43,744	47,546	17,393	10,870	13,277
Operating supplies and meters	86,970	136,169	88,666	132,471	90,435	217,895	89,886
Utilities	53,449	42,057	41,809	35,267	42,418	52,249	5,204
Telecommunications	35,733	28,401	27,043	25,972	19,387	8,745	9,327
Lease equipment	15,794	11,283	15,357	13,646	9,204	8,891	8,211
Office expenses	41,418	43,767	39,858	38,733	4,595	22,369	11,997
Professional services	46,625	23,898	34,611	11,276	49,909	29,160	22,025
Health savings expense							7,706
Insurance and bonds	56,205	43,458	34,661	37,479	34,374	35,469	32,796
Bad debt expense	3,427	12,877		3,528	3,934	3,421	
Printing and publishing	4,856	11,041	8,785	20,224	21,235	3,604	4,165
Memberships and dues	15,552	7,797	10,475	10,847	15,446	21,133	8,984
Training and other employee expenses	25,818	11,185	7,839	3,647	18,264	8,695	917
Total expenses	4,396,456	4,280,024	4,447,927	3,788,600	3,590,515	3,685,377	3,973,099
Net revenues over expenses	$ 569,476	$ 504,602	$ 76,509	$ 595,080	$ 1,349,944	$ 1,270,876	$ 786,738

This schedule only includes operating revenues and expenses (excludes connection fees revenue, interest income, depreciation expense, and interest expense) and as such does not present results of operations on the basis of generally accepted accounting principles but is presented for supplementary information.

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May 31, 2025

Charter Township of Superior
Honorable Board of Trustees
3040 North Prospect
Ypsilanti, MI 48198

Dear Honorable Board of Trustees:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Charter Township of Superior's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township of Superior's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Township of Superior's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified deficiencies in internal control that we consider to be material weaknesses.

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

Establish Control Over the Financial Reporting Process - Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to financial statements, in conformity with U.S. generally accepted accounting principles.

At times, management may choose to outsource certain accounting functions due to cost or training considerations. Such accounting functions and service providers must be governed by the control policies and procedures of the Company. Management is as responsible for outsourced functions performed by a service provider as it would be if your personnel performed such functions. Specifically, management is responsible for management decisions and functions for designating an individual with suitable skill knowledge, or experience to oversee any outsourced services; and for evaluating the adequacy and results of those services and accepting responsibility for them.

As part of the audit, management requested us to prepare a draft of your financial statements, including the related notes to financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management did not have the accounting expertise to perform a detailed review of the financial statements. The absence of this control procedure is considered a material weakness because the potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the Township's internal control.

The existence of significant deficiencies or material weaknesses may already be known to management and may represent a conscious decision by management or those charged with governance to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs and the related benefits. We are responsible for communicating significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions.

Response by Management - Management believes the benefit of hiring additional personnel with the qualified experience to draft the financial statements does not outweigh the costs. Management has decided to maintain the current practice of requesting the auditing firm to draft the financial statements. Management has read, reviewed, understands and takes responsibility for the Financial Statements.

OTHER MATTERS

We came across or were informed by Management, Township Board Members, and (or)staff of other matters which we feel should be reported and (or)discussed with you:

1. Adherence to Personnel Policies

We noted when auditing compensated absence accruals at December 31, 2024, that calculations did not strictly adhere to service requirements as outlined in the current Personnel Manual last updated June 28, 2023 (Section 2.17). During our audit procedures we identified several employees for which compensatory and vacation time was accrued at 100% for employees who had not met the six-year full-time service requirements.

Township personnel indicated that 100% accrual for all employees for these types of paid time off is the approved practice.

Recommendation

We recommend that the Personnel Manual be updated to clarify this practice or that the practice be changed to match the current written policy.

CONCLUSION

Thank you for your assistance and hospitality toward our firm while conducting the audit of the Charter Township of Superior.

If you should have any questions, comments or concerns please do not hesitate to call us.

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

Pfeffer, Hanniford & Palka, P.C.

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May 31, 2025

Charter Township of Superior
Board of Trustees
3040 North Prospect
Ypsilanti MI 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 for the year ended December 31, 2024. 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 January 9, 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 Charter Township of Superior 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 2024, except as discussed in Notes. We noted no transactions entered by the Charter Township of Superior 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.

> Management has recorded an estimate for the total pension liability for future defined benefit retirement contributions. The liability is based on an estimate of wage increases, mortality tables to estimate the number of members who will reach retirement age and receive benefits during retirement, assumed retirement rates of employees, assumed rate of return on investments, and future changes in benefit.
>
> Management's estimate of the depreciation expense is based on the estimated useful lives and salvage value of capital assets. We evaluated the methods, assumptions, and data used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

> The disclosure of the Net Pension Liability is based on a large number of estimates to determine an actuarial accrued liability for defined benefit pension obligations. The disclosure is presented based on GASB Standard 68 requirements, disclosing the elements that comprise the Net Pension Liability, effect on the Net Pension Liability due to changes in the assumed rate of return and related deferred outflows or inflows of resources.

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

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 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 31, 2025.

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 Charter Township of Superior'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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We applied certain limited procedures to the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Major Funds, which is 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 statements and individual fund 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 use of the Township and management of the Charter Township of Superior and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants