CHARTER TOWNSHIP OF SUPERIOR

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

CHARTER TOWNSHIP OF SUPERIOR

TOWNSHIP OFFICIALS

Supervisor - Kenneth Schwartz
Clerk - Lynette Findley
Treasurer - Brenda McKinney

BOARD OF TRUSTEES

Kenneth Schwartz
Lynette Findley
Brenda McKinney
Nancy Caviston
Lisa A. Lewis
Bernice Lindke
Rhonda McGill

LEGAL COUNSEL

Lucas Law, PC

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

June 21, 2022

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, 2021, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 - 13 and 51 - 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Within this section of 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, 2021. 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 detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and 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 increased by $916,221 and the net position included under business type activities increased by $584,365.

The Township's total net position at the end of the year was $33,059,242. This is a $1,500,586 increase over last year's net position of $31,558,656.

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, 2021 AND 2020

	Governmental Activities			Business Type Activities			Totals		
	12/31/2021	12/31/2020	Increase (Decrease)	12/31/2021	12/31/2020	Increase (Decrease)	12/31/2021	12/31/2020	Increase (Decrease)
ASSETS									
Current and other assets	$ 15,636,999	$ 13,363,729	$ 2,273,270	$ 5,117,952	$ 4,780,619	$ 337,333	$ 20,754,951	$ 18,144,348	$ 2,610,603
Capital assets	6,692,011	6,447,286	244,725	17,895,448	16,720,646	1,174,802	24,587,459	23,167,932	1,419,527
Total assets	22,329,010	19,811,015	2,517,995	23,013,400	21,501,265	1,512,135	45,342,410	41,312,280	4,030,130
DEFERRED OUTFLOWS OF RESOURCES									
Pension investment activities	505,566	379,903	125,663				505,566	379,903	125,663
LIABILITIES									
Other liabilities	4,420,882	3,906,126	514,756	444,146	436,328	7,818	4,865,028	4,342,454	522,574
Unearned revenues	843,357	119,045	724,312				843,357	119,045	724,312
Long-term liabilities	102,864	203,585	(100,721)	1,222,367	302,415	919,952	1,325,231	506,000	819,231
Total liabilities	5,367,103	4,228,756	1,138,347	1,666,513	738,743	927,770	7,033,616	4,967,499	2,066,117
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	5,755,118	5,166,028	589,090				5,755,118	5,166,028	589,090
NET POSITION									
Net investment in capital assets	6,488,426	6,145,123	343,303	16,538,802	16,286,809	251,993	23,027,228	22,431,932	595,296
Restricted	4,651,885	4,081,230	570,655				4,651,885	4,081,230	570,655
Unrestricted	572,044	569,781	2,263	4,808,085	4,475,713	332,372	5,380,129	5,045,494	334,635
Total net position	$ 11,712,355	$ 10,796,134	$ 916,221	$ 21,346,887	$ 20,762,522	$ 584,365	$ 33,059,242	$ 31,558,656	$ 1,500,586

CHARTER TOWNSHIP OF SUPERIOR

SUMMARY OF CHANGES IN NET POSITION
FOR THE YEARS ENDING DECEMBER 31, 2021 AND 2020

	Governmental Activities			Business Type Activities			Totals		
	12/31/2021	12/31/2020	Increase (Decrease)	12/31/2021	12/31/2020	Increase (Decrease)	12/31/2021	12/31/2020	Increase (Decrease)
REVENUES									
Program revenues									
Charges for services	$ 919,199	$ 724,259	$ 194,940	$ 4,383,680	$ 4,940,459	$ (556,779)	$ 5,302,879	$ 5,664,718	$ (361,839)
Capital/operating grants and contributions	262,769	324,981	(62,212)	668,135	10,000	658,135	930,904	334,981	595,923
General revenues									
Taxes	4,981,604	4,751,730	229,874				4,981,604	4,751,730	229,874
Special assessments	104,009	104,073	(64)				104,009	104,073	(64)
Licenses and permits	204,625	205,794	(1,169)				204,625	205,794	(1,169)
State grants	1,406,037	1,209,023	197,014				1,406,037	1,209,023	197,014
Interest and rents	34,963	70,089	(35,126)	851	16,556	(15,705)	35,814	86,645	(50,831)
Other revenue	111,229	92,209	19,020	10,958	10,296	662	122,187	102,505	19,682
Gain (loss) on sale of assets	(42,077)		(42,077)		9,200	(9,200)	(42,077)	9,200	(51,277)
Total revenues	7,982,358	7,482,158	500,200	5,063,624	4,986,511	77,113	13,045,982	12,468,669	577,313
EXPENSES									
General government	1,312,922	1,432,828	(119,906)				1,312,922	1,432,828	(119,906)
Public safety	4,408,227	4,256,317	151,910				4,408,227	4,256,317	151,910
Public works	430,582	628,489	(197,907)				430,582	628,489	(197,907)
Community and economic development	605,682	463,160	142,522				605,682	463,160	142,522
Recreation and culture	303,667	285,133	18,534				303,667	285,133	18,534
Interest on long-term debt	5,057	7,008	(1,951)				5,057	7,008	(1,951)
Utility system				4,479,259	4,372,453	106,806	4,479,259	4,372,453	106,806
Total expenses	7,066,137	7,072,935	(6,798)	4,479,259	4,372,453	106,806	11,545,396	11,445,388	100,008
CHANGE IN NET POSITION	916,221	409,223	506,998	584,365	614,058	(29,693)	1,500,586	1,023,281	477,305
BEGINNING NET POSITION	10,796,134	10,386,911	409,223	20,762,522	20,148,464	614,058	31,558,656	30,535,375	1,023,281
ENDING NET POSITION	$ 11,712,355	$ 10,796,134	$ 916,221	$ 21,346,887	$ 20,762,522	$ 584,365	$ 33,059,242	$ 31,558,656	$ 1,500,586

Financial Analysis of the Township's Major Funds

For the year ended December 31, 2021, 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. Overall, the General Fund continues to be strong financially. Its fund balance decreased by $138,588. This was primarily due to high road maintenance costs and capital outlay expenditures during the year.

2. **Fire Operating Fund** - The operations of the Fire Fund resulted in an increase in its fund balance of $95,204. This was primarily due to good cost management and increasing tax revenues. The Township continues to place emphasis on building up the Fire Department's reserves for future obligations as noted further in the footnotes.

3. **Law Enforcement Fund** - The Law Fund increased its fund balance by $511,296. This was primarily due to the recent tax millage increase.

4. **American Rescue Plan Act Fund (ARPA Fund)** - The ARPA Fund increased its fund balance by $11. In the near future, the Township expects large amounts of federal grant revenue to be recognized in this fund, as well as large spending 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. General government and public works expenditures exceeded appropriations. This was due to larger-than-expected infrastructure expenditures.

Capital Asset and Debt Administration

There were $658,625 in capital asset additions under governmental activities this year. These purchases included replacing the townhall parking lot, the Prospect Road pathway project, the Plymouth Pathway project, land, a replacement engine for Fire Engine 11-2, jaws of life, schoolhouse additions, and community park renovations.

Land on Harris Road was disposed of, signing it over to the Library.

There were two projects in process at the beginning of the fiscal year (the Prospect Road pathway project and the Dixboro Schoolhouse project). The Prospect Road pathway project began with $28,983 of costs. $354,217 of costs were added, bringing the project to $383,200. The project was placed in service before the fiscal year end. The Dixboro Schoolhouse began with $22,000 of costs. $23,931 of costs were added, bringing the project to $45,931. The project is expected to be completed in November of 2022. A third project was started during the year: the Plymouth Pathway project. $39,518 of costs were incurred on this project. It is expected to be completed in the calendar year 2022.

The business-type activities saw additions of $2,867,323 for the fiscal year ended December 31, 2021. These purchases included water and sanitary pipes and mains, a GIS system, additions to the Clark Road lift station, and other infrastructure.

There was one disposal during the year. This was a pipe rebuild project that was cancelled.

The business-type activities began the year with $2,855,972 of construction in progress, incurred another $1,867,323 in costs, put several of the projects in service, and ended with a balance of $1,900,921. Construction in progress activity (by project) is described in Note 4 of the Notes to Financial Statements.

The 2013 Refunding Capital Improvement Bonds used for the Fire Department and Utility operations made payments of $98,578 for Fire activities and $131,422 for Utility operations. The ending balance amounted to $203,585 for Fire Activities and $271,415 for Utility activities.

A new bond was issued in the prior fiscal year; $31,000 of the expected proceeds had been received as of December 31, 2020. These proceeds were to cover legal costs related to the acquisition of the bond. The remainder of the proceeds were expected in 2021 and 2022. The total bond will amount to $3,230,000. Principal payments will begin in 2023. During the year, an additional $1,054,231 of bond proceeds was received.

Economic Conditions and Future Activities

There was a moderate increase in tax revenues for the Township's general and public safety operations, due to increasing taxable values. No taxes were levied for legal defense during the December 31, 2021 fiscal year.

State shared revenues increased in the wake of the COVID-19 pandemic. The Township again fulfilled the requirement of CVTRS (City, Village and Township Revenue Sharing) with the State of Michigan Department of Treasury to receive additional state shared revenues. Management has and will keep reviewing costs in all areas of the Township to maintain services at minimal costs.

State and federal grants were received during the year, adding relief to the Township and its various activities.

Overall, the Township's financial position remains strong and healthy.

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 11,499,408	$ 4,175,111	$ 15,674,519
Receivables:			
Taxes	3,262,600		3,262,600
Special assessments	104,880		104,880
State shared revenues	563,919		563,919
Accounts	114,745	862,930	977,675
Inventory		29,170	29,170
Prepaid expenditures	91,202	50,741	141,943
Capital assets			
Assets not being depreciated	1,788,605	2,111,384	3,899,989
Assets, net of depreciation	4,903,406	15,784,064	20,687,470
Total assets	22,328,765	23,013,400	45,342,165
DEFERRED OUTFLOWS OF RESOURCES			
Pension investment activities	505,566		505,566
LIABILITIES			
Accounts payable	1,334,311	268,015	1,602,326
Accrued compensated absences	581,629	41,852	623,481
Unearned revenues	843,357		843,357
Net pension liability	2,403,976		2,403,976
Long-term obligations			
Other due within one year	100,721	134,279	235,000
Other due in more than one year	102,864	1,222,367	1,325,231
Total liabilities	5,366,858	1,666,513	7,033,371
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	5,238,864		5,238,864
Pension investment activities	516,254		516,254
Total deferred inflows of resources	5,755,118		5,755,118
Total liabilities and deferred inflows of resources	11,121,976	1,666,513	12,788,489
NET POSITION			
Invested in capital assets, net of related debt	6,488,426	16,538,802	23,027,228
Restricted for:			
Fire protection	2,864,194		2,864,194
Police protection	1,410,161		1,410,161
Public works	127,668		127,668
Legal defense	249,862		249,862
Unrestricted	572,044	4,808,085	5,380,129
Total net position	$ 11,712,355	$ 21,346,887	$ 33,059,242

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

CHARTER TOWNSHIP OF SUPERIOR

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

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	$ (1,312,922)	$ 205,148	$ 6,402	$ (1,101,372)	$	$ (1,101,372)
Public safety - fire	(2,649,873)		221,767	(2,428,106)		(2,428,106)
Public safety - police	(1,758,354)	307,673		(1,450,681)		(1,450,681)
Public works	(430,582)			(430,582)		(430,582)
Community and economic development	(605,682)	406,378		(199,304)		(199,304)
Recreation and culture	(303,667)		34,600	(269,067)		(269,067)
Interest on long-term debt	(5,057)			(5,057)		(5,057)
Total governmental activities	(7,066,137)	919,199	262,769	(5,884,169)		(5,884,169)
Business-type activities						
Utility fund	(4,479,259)	4,383,680	668,135		572,556	572,556
Total	$ (11,545,396)	$ 5,302,879	$ 930,904	(5,884,169)	572,556	(5,311,613)
	General revenues					
	Taxes			4,981,604		4,981,604
	Special assessments			104,009		104,009
	Licenses and permits			204,625		204,625
	State grants			1,406,037		1,406,037
	Fines and forfeits			15,470		15,470
	Interest and rents			34,963	851	35,814
	Other revenue			30,466	10,958	41,424
	Donations			65,293		65,293
	Gain/(loss) on disposal of assets			(42,077)		(42,077)
	Total general revenues			6,800,390	11,809	6,812,199
	Changes in net position			916,221	584,365	1,500,586
	Net position, January 1, 2021			10,796,134	20,762,522	31,558,656
	Net position, December 31, 2021			$ 11,712,355	$ 21,346,887	$ 33,059,242

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

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Fire Fund	Law Fund	ARPA Fund	Nonmajor Funds	Totals
ASSETS						
Cash and cash equivalents	$ 3,542,083	$ 3,829,846	$ 2,144,479	$ 747,711	$ 1,235,289	$ 11,499,408
Receivables:						
Taxes	374,116	1,617,541	1,270,943			3,262,600
Special assessments					104,880	104,880
State grants	563,919					563,919
Due from other funds	44,230	335				44,565
Other	64,349	8,274	28,449			101,072
Other current assets:						
Prepaid expenditures	30,596	57,187	1,200		2,219	91,202
Total assets	$ 4,619,293	$ 5,513,183	$ 3,445,071	$ 747,711	$ 1,342,388	$ 15,667,646
LIABILITIES						
Accounts payable	$ 1,250,039	$ 16,683	$ 23,323	$	$ 14,306	$ 1,304,351
Unearned revenue	72,140			747,700	23,517	843,357
Due to other funds	10,676	19,567	2,425		28,184	60,852
Total liabilities	1,332,855	36,250	25,748	747,700	66,007	2,208,560
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	675,350	2,555,552	2,007,962			5,238,864
FUND BALANCE						
Nonspendable for prepaids	30,596	57,187	1,200		2,219	91,202
Restricted for:						
Fire Protection		2,864,194				2,864,194
Police Protection			1,410,161			1,410,161
Public works					127,668	127,668
Legal defense					249,862	249,862
Committed for:						
Building reserve	401,731					401,731
Capital improvement	2,550			11		2,561
Compensated absences	55,563				28,923	84,486
Non-motorized trails	30,659					30,659
Ordinance enforcement					860,709	860,709
Right of Way	16,336					16,336
Assigned for future budget deficits	225,478				7,000	232,478
Unassigned	1,848,175					1,848,175
Total fund equity	2,611,088	2,921,381	1,411,361	11	1,276,381	8,220,222
Total liabilities, deferred inflows of resources and fund balance	$ 4,619,293	$ 5,513,183	$ 3,445,071	$ 747,711	$ 1,342,388	$ 15,667,646

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, 2021

Total governmental fund balance per balance sheet		$ 8,220,222
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	$ 11,334,923	
Depreciation	(4,642,912)	
Capital assets net of depreciation		6,692,011
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:		
Differences in actuarial assumptions	331,221	
Differences in experience	174,345	
Differences in investment expectations versus actual	(516,254)	
Net pension-related activities		(10,688)
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		(2,403,976)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. This includes:		
Bonds payable	(203,585)	
Compensated absences	(581,629)	
Total		(785,214)
Net position of governmental activities		$ 11,712,355

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, 2021

	General Fund	Fire Fund	Law Fund	ARPA Fund	Nonmajor Funds	Totals
REVENUES						
Taxes	$ 604,538	$ 2,451,172	$ 1,925,894	$	$	$ 4,981,604
Licenses and permits	204,625					204,625
Special assessments					104,009	104,009
Federal grants	34,600	221,767				256,367
State grants	1,400,794	2,936	2,307			1,406,037
Contributions from local units	6,402					6,402
Charges for services	205,148		307,673		406,378	919,199
Fines and forfeits			15,470			15,470
Interest and rents	34,496	302	79	14	72	34,963
Other revenue	13,603	15,863			1,000	30,466
Total revenues	2,504,206	2,692,040	2,251,423	14	511,459	7,959,142
EXPENDITURES						
General government	1,262,960			3	29,793	1,292,756
Public safety	39,190	2,449,630	1,717,294			4,206,114
Public works	353,687				76,895	430,582
Community and economic development	221,801				366,024	587,825
Recreation and culture	269,659					269,659
Capital outlay						
General government	460,897					460,897
Fire protection		51,071				51,071
Law enforcement			22,833			22,833
Housing and development					23,931	23,931
Parks and recreation	34,600					34,600
Debt Service						
Debt - principal		98,578				98,578
Debt - interest		5,057				5,057
Total expenditures	2,642,794	2,604,336	1,740,127	3	496,643	7,483,903
Excess (deficiency) revenue over expenditures	(138,588)	87,704	511,296	11	14,816	475,239
OTHER FINANCING SOURCES/(USES)						
Proceeds from the sale of assets		7,500				7,500
Net changes in fund balances	(138,588)	95,204	511,296	11	14,816	482,739
FUND BALANCE, JANUARY 1, 2021	2,749,676	2,826,177	900,065		1,261,565	7,737,483
FUND BALANCE, DECEMBER 31, 2021	$ 2,611,088	$ 2,921,381	$ 1,411,361	$ 11	$ 1,276,381	$ 8,220,222

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, 2021

Net change in fund balances - governmental funds			$ 482,739
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	$ 593,332		
Depreciation expense	(364,323)		
Gain/(loss) on sale of assets	(49,577)		
Donations of assets	65,293		
Net change			244,725
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			98,578
Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Position:			
Accrued absences at December 31, 2020	556,068		
Accrued absences at December 31, 2021	(581,629)		
Net change			(25,561)
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 asset/(liability)	289,490		
Differences in projected investments to actual	(299,413)		
Change in assumptions and experience	125,663		
Net change			115,740
Change in net position			$ 916,221

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, 2021

CURRENT ASSETS		
Cash and investments	$ 4,175,111	
Receivables:		
Due from other funds	70	
Usage charges	743,845	
Other	119,015	
Inventory	29,170	
Prepaid expenses	50,741	
Total current assets		$ 5,117,952
PROPERTY, PLANT AND EQUIPMENT		
Capital assets not depreciated	2,111,384	
Capital assets depreciated, net	15,784,064	
Property, plant and equipment		17,895,448
Total assets		$ 23,013,400
CURRENT LIABILITIES		
Accounts payable	$ 251,718	
Accrued sick and vacation	41,852	
Due to other funds	16,297	
Bonds payable (from restricted assets)	134,279	
Total current liabilities		$ 444,146
LONG-TERM OBLIGATIONS		
Bonds payable		1,222,367
Total liabilities		1,666,513
NET POSITION		
Invested in capital assets, net of related debt	16,538,802	
Unrestricted	4,808,085	
Total net position		$ 21,346,887

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, 2021

OPERATING REVENUES	
Charges for services	$ 4,361,690
Meter sales	21,990
Total operating revenues	4,383,680
OPERATING EXPENSES	
Water and sewer purchases	2,516,235
Salaries	520,704
Taxable benefits	51,838
Payroll taxes	43,132
Insurance benefits	108,712
Pension expense	80,019
Repairs and maintenance - administration building	4,844
Computer services and supplies	26,685
Supplies	5,060
Utilities	5,950
Telecommunications	12,449
Leased equipment	9,846
Cleaning services	4,490
Lift and booster station expense	28,952
Maintenance facility expense	80,110
System repairs and maintenance	52,656
Professional fees	11,276
Employee expense	3,647
Meters and supplies	120,164
Fuel	6,502
Insurance and bonds	37,479
Depreciation	679,571
Postage	14,392
Bank fees	8,230
Bad debt expense	3,528
Printing and publishing	20,224
Membership and dues	10,847
Miscellaneous	629
Total operating expenses	4,468,171
OPERATING (LOSS)	(84,491)
NON-OPERATING REVENUES AND (EXPENSES)	
Interest income - operations	851
Interest expense - debt	(10,974)
Agency fees - debt	(114)
Tap-in fees	635,250
New customer installation fees	32,885
Other income	10,958
Total non-operating revenues and (expenses)	668,856
Change in net position	584,365
NET POSITION, JANUARY 1, 2021	20,762,522
NET POSITION, DECEMBER 31, 2021	$ 21,346,887

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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	$ 4,311,283	
Cash payments to employees for services	(617,650)	
Cash payments to suppliers of goods and services	(3,166,164)	
Net cash from operating activities		$ 527,469
CASH FLOWS (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on contract payable	922,809	
Interest payments on debt	(10,974)	
Debt fees	(114)	
Acquisition of fixed assets	(1,867,323)	
Tap-in fees	635,250	
New customer installation fees	32,885	
Other income	10,958	
(Gain)/loss on disposal of capital assets	12,950	
Net cash (used in) capital and related financing activities		(263,559)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and cash equivalents		851
Net increase in cash and cash equivalents		264,761
CASH AND CASH EQUIVALENTS, JANUARY 1, 2021		3,910,350
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2021		$ 4,175,111
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM (USED IN) OPERATING ACTIVITIES:		
Operating income		$ (84,491)
Adjustments to reconcile operating income to net cash from (used in) operating activities:		
Depreciation		679,571
Changes in assets and liabilities		
(Increase) decrease in accounts receivable		(72,397)
(Increase) decrease in prepaid expenses		(4,360)
(Increase) decrease in inventory		(1,600)
Increase (decrease) in due to other funds		14,935
Increase (decrease) in accounts payable		(2,213)
Increase (decrease) in accrued compensated absences		(1,976)
Net cash from operating activities		$ 527,469

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

CHARTER TOWNSHIP OF SUPERIOR

FIDUCIARY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2021

ASSETS		
Cash and investments	$	1,584,152
Due from other funds		37,853
Total assets	$	1,622,005
LIABILITIES		
Due to others	$	1,616,666
Due to other funds		5,339
Total liabilities	$	1,622,005

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.

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.

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 2020 levy (which reflects tax revenues for the December 31, 2021 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 2021 levy (which reflects tax revenues for the December 31, 2022 fiscal year) is also shown for comparative purposes below.

Taxable Value	**2020**	**2021**
General Township	$ 686,893,837	$ 691,891,859

Millage Rates	**2020**	**2021**
General township operations	0.8073	0.8003
Police	2.7423	2.7187
Fire	3.4902	3.4601
Total millage	7.0398	6.9791

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

F. 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.

G. 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.

H. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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.

J. 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, 2021, the Township records deferred outflows of resources on the Statement of Net Position relating to differences in experience and differences in actuarial assumptions:

Deferred Outflows of Resources

Differences in investment expectations versus actual	$
Differences in experience	174,345
Differences in actuarial assumptions	331,221
Totals	$ 505,566

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. DEFERRED OUTFLOWS AND DEFERRED INFLOWS (continued)

For the year ended December 31, 2021, 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 2021 will not be recognized as revenue until the year 2022. 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	$ 5,238,864
Differences in investment expectations versus actual	516,254
Differences in actuarial assumptions	
Differences in experience	
Totals	$ 5,755,118

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 transfers 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	$ 25,413	Legal Defense Fund	$ 25,413	Reimbursement between funds
General Fund	1,726	Fire Fund	1,726	Reimbursement between funds
General Fund	346	Streetlight fund	346	Reimbursement between funds
General Fund	647	Building Fund	647	Reimbursement between funds
General Fund	2,425	Law Fund	2,425	Reimbursement between funds
General Fund	8,334	Utility Fund	8,334	Reimbursement between funds
General Fund	401	Current Tax Fund	401	Reimbursement between funds
General Fund	4,938	Payroll Fund	4,938	Reimbursement between funds
Fire Fund	335	General Fund	335	Reimbursement between funds
Utility Fund	50	Parks Fund	50	Reimbursement between funds
Utility Fund	20	General Fund	20	Reimbursement between funds
Payroll Fund	9,386	General Fund	9,386	Reimbursement between funds
Payroll Fund	17,841	Fire Fund	17,841	Reimbursement between funds
Payroll Fund	1,778	Building Fund	1,778	Reimbursement between funds
Payroll Fund	885	Parks Fund	885	Reimbursement between funds
Payroll Fund	7,963	Utility Fund	7,963	Reimbursement between funds
Total	$ 82,488	**Total**	$ 82,488	

The General Fund transferred $290,750 to the Parks & Recreation Fund during the year. This transfer was eliminated in the GASB 54 consolidation of the General Fund and the Parks & Recreation Fund.

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS

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

	Balance 1/1/2021	Additions	Deletions	Reclassifications	Balance 12/31/2021
Capital Assets Not Being Depreciated					
Land	$ 1,614,918	$ 21,495	$ (49,577)	$	$ 1,586,836
Conservation easement	116,320				116,320
Construction in progress	50,983	417,666		(383,200)	85,449
Total non-depreciable	1,782,221	439,161	(49,577)	(383,200)	1,788,605
Capital Assets Being Depreciated					
Non-motorized Trails					
Harris road trail	238,169				238,169
Geddes #1 trail	581,411				581,411
Prospect pathway				383,200	383,200
Structures					
Parks	89,755				89,755
Buildings					
General	1,952,497	45,667			1,998,164
Fire	2,492,877				2,492,877
Law	47,362	22,833			70,195
Building Department	128,111				128,111
Parks	27,250	34,600			61,850
Vehicles					
General	24,163				24,163
Fire	2,544,263	44,542			2,588,805
Building Department	34,806				34,806
Parks	114,849				114,849
Equipment					
General	141,675				141,675
Fire	203,068	71,822			274,890
Law	5,945				5,945
Building Department	31,634				31,634
Parks	285,819				285,819
Total depreciable	8,943,654	219,464		383,200	9,546,318
Total capital assets	10,725,875	658,625	(49,577)		11,334,923
Accumulated depreciation	(4,278,589)	(364,323)			(4,642,912)
Governmental Funds Capital Assets, Net	$ 6,447,286	$ 294,302	$ (49,577)	$	6,692,011
Related long term debt outstanding at December 31, 2021					(203,585)
Capital assets, net related long term debt					$ 6,488,426

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	$ 64,034
Fire	250,482
Law	1,870
Building department	14,384
Parks	33,553
Total	$ 364,323

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS (continued)

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

	Balance 1/1/2021	Additions	Deletions	Reclassifications	Balance 12/31/2021
Non-depreciable assets					
Land	$ 210,463	$	$	$	$ 210,463
Construction in progress	2,855,972	1,867,323	(12,950)	(2,809,424)	1,900,921
Total non-depreciable assets	3,066,435	1,867,323	(12,950)	(2,809,424)	2,111,384
Depreciable assets					
Building	3,385,724				3,385,724
Utility system	20,335,933			2,809,424	23,145,357
Equipment and improvements	948,332				948,332
Office improvements	122,945				122,945
Office equipment	162,668				162,668
Vehicles	675,089				675,089
Metering program	169,482				169,482
Total depreciable	25,800,173			2,809,424	28,609,597
Total capital assets	28,866,608	1,867,323	(12,950)		30,720,981
Less accumulated depreciation	(12,145,962)	(679,571)			(12,825,533)
Business type activities Capital assets, net	$ 16,720,646	$ 1,187,752	$ (12,950)	$	$ 17,895,448

Investment in capital assets, net of related debt for the Utility activity was calculated as follows:

Cost	$ 30,720,981
Accumulated depreciation	(12,825,533)
Related debt	(1,356,646)
Investment in capital assets, net of related debt	$ 16,538,802

Construction in progress activity is described below:

Project	Project costs as of 1/1/2021	Costs incurred during 12/31/2021 fiscal year	Project completed and expensed	Project completed and placed in service	Construction in progress remaining as of 12/31/2021	% Complete
2019 MacArthur water main	$ 868,251	$ 336,334	$	$ (1,204,585)	$	100.00%
2021 Sewer - Stamford and Dawn	1,558,292	16,957		(1,575,249)		100.00%
Clark Road lift station	386,889	1,485,610			1,872,499	49.28%
Security system	29,590			(29,590)		100.00%
Prospect Pump #1 rebuild	12,950		(12,950)			100.00%
GIS upgrade		28,422			28,422	94.74%
Totals	$ 2,855,972	$ 1,867,323	$ (12,950)	$ (2,809,424)	$ 1,900,921	

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS (continued)

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 Assets. 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 - 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 2003, the Township sold bonds totaling $3.5M (2003 General Obligation Capital Improvement Bonds), of which $1.5M was used to help finance the construction of a new fire hall and $2.0M was used for various water and sewer projects. The $1.5M was recorded as part of long-term debt under governmental activities. The $2M was recorded as a liability under business-type activities. In 2013, the Township issued refunding bonds to defease the 2003 General Obligation Capital Improvement Bonds. The payoff amount of the original 2003 bonds at time of defeasance was $1,002,857. The refunding bond issued amounted to $936,491 for the fire department. Interest is charged at 1% for years through 2017 and at 2% for years 2018 through 2023.

The following summarizes changes in the Township's governmental activity's long-term debt for 2021:

Description	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Due Within One Year
Accrued Compensated Absences	$ 556,068	$ 25,561	$	$ 581,629	$ 581,629
2013 Refunding Bonds Fire	302,163		(98,578)	203,585	100,721
Totals	$ 858,231	$ 25,561	$ (98,578)	$ 785,214	$ 682,350

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

B. BUSINESS-TYPE LONG-TERM OBLIGATIONS

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

1. The 2013 Refunding Bonds were issued to pay off 2003 Capital Improvement Bonds used to finance Utility and Fire Department projects. The total cost of $2,185,000 is broken out by department as follows:

Fire Department	$ 936,491	42.86%
Sewer Department	1,248,509	57.14%
Total	$ 2,185,000	100.0%

The bonds were issued under the provisions of (a) Act 34, Public Acts of Michigan 2001, as amended, (b) Act 233 Public Acts of Michigan, 1955, as amended (collectively, the "Acts"). The bonds were issued for the purpose of refunding the Township's 2003 General Obligation Capital Improvement Bonds and paying the costs associated with issuing the bonds. Interest is charged at a rate of 1% in 2017 and 2% for years 2018 through 2023.

2. 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 $1,085,231 of the future $3,230,000 has been received. Interest will be charged at 2% per annum.

Description	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Due Within One Year
2013 Refunding Bonds Utility Payable	$ 402,837	$	$ (131,422)	$ 271,415	$ 134,279
2020 Capital Improvement Bonds	31,000	1,054,231		1,085,231	
Totals	$ 433,837	$ 1,054,231	$ (131,422)	$ 1,356,646	$ 134,279

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

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

	2013 Refund Bonds Fire Hall		
Year	Total	Principal	Interest
2022	$ 103,785	$ 100,721	$ 3,064
2023	103,892	102,864	1,028
	$ 207,677	$ 203,585	$ 4,092

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

	2013 Refunding Bonds		
Year	Total	Principal	Interest
2022	$ 138,365	$ 134,279	$ 4,086
2023	138,507	137,136	1,371
	$ 276,872	$ 271,415	$ 5,457

	2020 Capital Improvement Bonds		
Year	Total	Principal	Interest
2022	$ 198,250	$ 135,000	$ 63,250
2023	195,550	135,000	60,550
2024	197,800	140,000	57,800
2025	195,000	140,000	55,000
2026	197,150	145,000	52,150
2027 - 2031	980,950	765,000	215,950
2032 - 2036	975,700	840,000	135,700
2037 - 2041	977,300	930,000	47,300
	$ 3,917,700	$ 3,230,000	$ 687,700

As of December 31, 2021, only $1,085,231 in principal has been used for the 2020 improvement project. However, the Utilities department will more than likely use the full available amount of $3,230,000.

	Total Proprietary Long-Term Debt		
Year	Total	Principal	Interest
2022	$ 336,615	$ 269,279	$ 67,336
2023	334,057	272,136	61,921
2024	197,800	140,000	57,800
2025	195,000	140,000	55,000
2026	197,150	145,000	52,150
2027 - 2031	980,950	765,000	215,950
2032 - 2036	975,700	840,000	135,700
2037 - 2041	977,300	930,000	47,300
	$ 4,194,572	$ 3,501,415	$ 693,157

NOTE 6 - 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:

	1/1/2021	12/31/2021
Unrestricted - operations		
Cash and investments	$ 2,865,589	$ 4,175,111
Restricted		
Cash and investments	1,044,761	
Total	$ 3,910,350	$ 4,175,111

There is no remaining restricted cash as of December 31, 2021.

NOTE 7 - 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 year 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.

NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN (continued)

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 2021:

Total value January 1, 2021		$ 897,150
Additions		
Employee contributions	$ 19,342	
Employer contributions	39,761	
Net gain/(loss) for 2021	84,350	
Total additions		143,453
Withdrawals		(9,491)
Total value December 31, 2021		$ 1,031,112

NOTE 8 - 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.

NOTE 8 - DEFINED BENEFIT PLAN (continued)

Employees Covered by Benefit Terms

At the December 31, 2020 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	9	6
Inactive employees entitled to but not yet receiving benefits	0	1
Active employees	17	12
	26	19

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, 2021 was 15.96% of eligible wages, with total contributions of $190,646 for Division 01 and 18.23%, with total contributions of $237,937 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.

Net Pension Liability

The employer's Net Pension Liability was rolled forward to December 31, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2020.

Actuarial assumptions

The total pension liability in the December 31, 2020 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: 7.35%, 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 2009-2013.

NOTE 8 - DEFINED BENEFIT PLAN (continued)

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	7.75%	=	4.65%
Global Fixed Income	20.00%	x	3.75%	=	0.75%
Private Investments	20.00%	x	9.75%	=	1.95%
					7.35%

Discount Rate

The discount rate used to measure the total pension liability is 7.60% for the 2020 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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2020	$ 9,196,596	$ 6,503,130	$ 2,693,466
Changes for the year			
Service Cost	264,925		264,925
Interest on Total Pension Liability	690,029		690,029
Changes in Benefits			
Difference between expected and actual experience	41,228		41,228
Changes in assumptions	234,441		234,441
Employer Contributions		428,583	(428,583)
Employee Contributions		131,740	(131,740)
Net Investment Income		924,013	(924,013)
Benefit payments, including employee refunds	(499,436)	(499,436)	
Administrative expense		(10,599)	10,599
Other Changes	(46,376)		(46,376)
Net Changes	684,811	974,301	(289,490)
Balances as of 12/31/2021	$ 9,881,407	$ 7,477,431	$ 2,403,976

NOTE 8 - DEFINED BENEFIT PLAN (continued)

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 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.60%) or 1% higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net Pension Liability at 12/31/2021	$ 2,403,976	$ 2,403,976	$ 2,403,976
Change in Net Pension Liability (NPL) from change in discount rate	1,158,619		(967,414)
Calculated NPL	$ 3,562,595	$ 2,403,976	$ 1,436,562

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

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

For the year ended December 31, 2021, the Township recognized pension expense of $312,843. 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	$	$ 516,254
Differences in experience	174,345	
Differences in actuarial assumptions	331,221	
Totals	$ 505,566	$ 516,254

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

Year Ended	Expense
2022	$ 73,082
2023	(46,011)
2024	(7,319)
2025	(30,440)
Total	$ (10,688)

NOTE 9 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Township maintains a proprietary fund which is financed by user charges. Segment information as of December 31, 2021, follows:

	Utility System
Operating revenues	$ 4,383,680
Depreciation	679,571
Operating (loss)	(84,491)
Non-operating revenues and (expenses) net	668,856
Changes in net position	584,365
Current assets	5,117,952
Current liabilities	444,146
Net working capital	4,673,806
Total assets	23,013,400
Total liabilities	1,666,513
Net position	21,346,887

NOTE 10 - POST EMPLOYMENT BENEFITS

In addition to the MERS Health Care Savings Plan described in Note 13, 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 2021, the Township paid for the cost of covering these retirees. During the fiscal year 2021, the net cost of health care benefits for the retirees was $9,491, which was paid directly to the healthcare provider.

NOTE 11 - 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, 2021 are $1,350 for individuals or $2,700 for families for non-union employees and $2,350 for individuals or $4,700 for families for union employees.

NOTE 12 - 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, 2021.

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	$ 30,596	$ 57,187	$ 1,200	$	$	$	$	$ 2,219	$ 91,202
Restricted for:									
Fire protection									
General		1,721,620							1,721,620
Compensated absences		495,230							495,230
Truck replacement		52,308							52,308
Debt reserve		123,160							123,160
Building construction		471,876							471,876
Police protection			1,410,161						1,410,161
Public works						112,564	15,104		127,668
Legal defense					249,862				249,862
Committed for:									
Building reserve	401,731								401,731
Capital improvement	2,550			11					2,561
Compensated absences	55,563							28,923	84,486
Non-motorized trails	30,659								30,659
Ordinance enforcement								860,709	860,709
Right of Way	16,336								16,336
Assigned for future budget deficits	225,478				7,000				232,478
Unassigned	1,848,175								1,848,175
Total designated	$ 2,611,088	$ 2,921,381	$ 1,411,361	$ 11	$ 256,862	$ 112,564	$ 15,104	$ 891,851	$ 8,220,222

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 WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

The 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, 2021, cash and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	$ 13,212,836	$ 13,212,836	$
Money market accounts	1,219,243		1,219,243
US Treasury Securities	3,830,701		3,830,701
Total	$ 18,262,780	$ 13,212,836	$ 5,049,944

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

Statement of Net Position:	
Cash and investments	$ 15,674,519
Fiduciary Funds:	
Cash and investments	1,584,152
Total cash and investments	$ 17,258,671

The carrying amount of cash and investments is stated at $17,258,671 as of December 31, 2021. The difference between the carrying amounts and amounts mentioned above stem from cash on hand, outstanding checks, and outstanding deposits.

NOTE 14 - DEPOSITS WITH FINANCIAL INSTITUTIONS 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, 2021, deposits totaled $18,262,780, which was exposed to custodial credit risk as follows:

	Amount	%
Insured by FDIC	$ 775,599	4%
Uninsured and uncollateralized in banks	13,656,480	75%
Uninsured and uncollateralized - U.S. Treasury Securities	3,830,701	21%
	$ 18,262,780	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 - 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 2021, the Township contributed $265 per non-union employee and $350 per union employee per month to individual accounts, a total of $92,230 for all employees. The Township utilized accumulated forfeitures of $23,851 to offset required contributions, with the remaining contributions of $68,379 paid in cash.

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 6% 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, 2021.

NOTE 15 - MERS POST EMPLOYMENT HEALTH CARE SAVINGS PROGRAM (continued)

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 16 - COVID-19

The COVID-19 pandemic continues to impact the economy. The Township has taken steps to reduce the negative effect on its financial position by taking cost reduction measures and applying for various grants. The Township continues to carefully monitor the situation.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 21, 2022, the date the financial statements were available to be issued.

Management has determined the ongoing COVID-19 events mentioned in Note 16 are non-adjusting subsequent events. Accordingly, the financial position and statement of activities as of and for the year ended December 31, 2021 have not been adjusted for their impact. The duration and impact of COVID-19 remains unclear at this time. While the Township is optimistic about continuing operations going forward, it is not possible to reliably estimate the duration and severity of these consequences, nor their impact on the financial position and statement of activities of the Township for future periods.

Management has determined that the Township does not have any other material recognizable or non-recognizable events.

NOTE 18 - UPCOMING GASB PRONOUNCEMENTS

In recent years, the Governmental Accounting Standards Board (GASB) issued the following pronouncements:

GASB 87 - LEASES

The Governmental Accounting Standards Board (GASB) issued GASB Standard No. 87, "Leases" to improve the accounting and financial reporting of leases by governments. This standard requires the recognition of lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows and outflows of resources based on the payment provisions of the contract. This standard will require a lessee to recognize a lease liability and right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources.

The Township is currently assessing the impact that this Standard will have on the Township's financial statements. The standard was originally required to be implemented for the statements for the year ended December 31, 2020. However, the Governmental Accounting Standards Board released GASB Standard No. 95, extending the implementation date of this standard by 18 months, requiring the standard to be implemented for the Township's statements for the year ended December 31, 2022.

GASB 96 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In May 2020, GASB issued 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 is currently evaluating the impact this standard will have on the financial statements when adopted during the year ended December 31, 2023.

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, 2021

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 605,738	$ 605,738	$ 604,538	$ (1,200)
Licenses and permits	195,000	195,000	204,625	9,625
Federal grants		34,600	34,600	
State grants	1,188,437	1,188,437	1,400,794	212,357
Contributions from local units		6,400	6,402	2
Charges for services	26,600	27,350	27,672	322
Interest and rents	56,000	55,100	34,496	(20,604)
Other revenue	115,947	208,956	13,603	(195,353)
Total revenues	2,187,722	2,321,581	2,326,730	5,149
EXPENDITURES				
General government	1,262,883	1,294,516	1,308,627	(14,111)
Public safety	41,258	39,258	39,190	68
Public works	530,600	588,856	768,917	(180,061)
Community and economic development	47,501	52,401	44,325	8,076
Recreation and culture	320,479	340,576	304,259	36,317
Total expenditures	2,202,721	2,315,607	2,465,318	(149,711)
Excess (deficiency) revenue over expenditures	(14,999)	5,974	(138,588)	(144,562)
OTHER FINANCING SOURCES/(USES)				
Transfers (out)		(5,974)		5,974
Net change in fund balance	(14,999)		(138,588)	(138,588)
FUND BALANCE, JANUARY 1, 2021	2,749,676	2,749,676	2,749,676	
FUND BALANCE, DECEMBER 31, 2021	$ 2,734,677	$ 2,749,676	$ 2,611,088	$ (138,588)

CHARTER TOWNSHIP OF SUPERIOR

FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 2,458,971	$ 2,458,971	$ 2,451,172	$ (7,799)
Federal grants	50,000	220,000	221,767	1,767
State grants	2,500	2,500	2,936	436
Charges for services	500	500		(500)
Interest and rents	28,000	250	302	52
Other revenue	6,850	15,750	15,863	113
Total revenues	2,546,821	2,697,971	2,692,040	(5,931)
EXPENDITURES				
Public safety	2,154,699	2,593,729	2,500,701	93,028
Debt service	103,636	103,636	103,635	1
Total expenditues	2,258,335	2,697,365	2,604,336	93,029
Net change in fund balance	288,486	606	87,704	87,098
FUND BALANCE, JANUARY 1, 2021	2,826,177	2,826,177	2,826,177	
FUND BALANCE, DECEMBER 31, 2021	$ 3,114,663	$ 2,826,783	$ 2,913,881	$ 87,098

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, 2021

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 1,931,762	$ 1,932,627	$ 1,925,894	$ (6,733)
State grants	3,000	3,000	2,307	(693)
Charges for services	326,555	326,555	307,673	(18,882)
Fines and forfeits	25,000	18,000	15,470	(2,530)
Interest and rents	3,500	100	79	(21)
Other revenue	500	500		(500)
Total revenues	2,290,317	2,280,782	2,251,423	(29,359)
EXPENDITURES				
Public safety	1,895,259	1,812,059	1,740,127	71,932
Net change in fund balance	395,058	468,723	511,296	42,573
FUND BALANCE, JANUARY 1, 2021	900,065	900,065	900,065	
FUND BALANCE, DECEMBER 31, 2021	$ 1,295,123	$ 1,368,788	$ 1,411,361	$ 42,573

CHARTER TOWNSHIP OF SUPERIOR

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Employer Contributions

	For the Plan Year Ended 12/31/2021	For the Plan Year Ended 12/31/2020	For the Plan Year Ended 12/31/2019	For the Plan Year Ended 12/31/2018	For the Plan Year Ended 12/31/2017	For the Plan Year Ended 12/31/2016	For the Plan Year Ended 12/31/2015
Actuarial determined contributions	$ 428,583	$ 343,704	$ 323,064	$ 257,074	$ 243,677	$ 208,778	$ 187,940
Contributions in relation to the actuarial determined contribution	428,583	343,704	323,064	257,074	243,677	208,778	187,940
Contribution (deficiency) excess	$	$	$	$	$	$	$
Covered employee payroll	$ 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	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. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

Notes to the Schedule of Employer Contributions

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	22 years
Asset valuation method	5 years smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
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 RP-2014 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, 2021

	For the Plan Year Ended 12/31/2021	For the Plan Year Ended 12/31/2020	For the Plan Year Ended 12/31/2019	For the Plan Year Ended 12/31/2018	For the Plan Year Ended 12/31/2017	For the Plan Year Ended 12/31/2016	For the Plan Year Ended 12/31/2015
TOTAL PENSION LIABILITY							
Service Cost	$ 264,925	$ 248,262	$ 220,760	$ 204,939	$ 187,817	$ 185,852	$ 171,059
Interest	690,029	629,872	634,256	597,127	574,515	531,168	505,344
Changes in benefit terms							
Differences between expected and actual experience	41,228	186,896	(12,135)	132,291	(60,111)	138,559	
Changes of assumptions	234,441	239,448				285,083	
Benefit payments, including refunds of employee contributions	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)	(349,525)
Other changes	(46,376)	(19,181)	(9,078)	(30,745)	(13,371)	(14,343)	(14,745)
Net change in total pension liability	684,811	780,588	362,568	480,040	282,889	763,764	312,133
TOTAL PENSION LIABILITY - BEGINNING	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	$ 9,881,407	$ 9,196,596	$ 8,416,008	$ 8,053,440	$ 7,573,400	$ 7,290,511	$ 6,526,747
PLAN FIDUCIARY NET POSITION							
Contributions - employer	428,583	343,703	323,064	257,074	243,677	208,778	187,940
Contributions - employee	131,740	117,461	117,023	99,482	97,044	89,336	86,207
Net investment income	924,013	750,073	701,819	(213,390)	644,352	505,591	(68,734)
Benefit payments, including refunds of employee contributions	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)	(349,525)
Administrative Expenses	(10,599)	(11,724)	(12,098)	(10,555)	(10,196)	(9,975)	(10,063)
Net change in plan fiduciary net position	974,301	694,804	658,573	(290,961)	568,916	431,175	(154,175)
PLAN FIDUCIARY NET POSITION, BEGINNING	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	$ 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)	$ 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	75.67%	70.71%	69.02%	63.94%	71.84%	66.82%	68.04%
Covered employee payroll	$ 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	108.60%	129.46%	141.37%	168.73%	134.71%	149.13%	132.69%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available will be presented.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE - BUDGETARY INFORMATION

Budget Overruns

The following expenditures exceeded appropriations:

	Final Budget	Actual Expenditures	Variance (Unfavorable)
General Fund			
General government	$ 1,294,516	$ 1,308,627	$ (14,111)
Public works	588,856	768,917	(180,061)
Total	$ 1,883,372	$ 2,077,544	$ (194,172)

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR

ALL FUNDS INCLUDED IN GASB 54 GENERAL FUND CONSOLIDATION
COMBINING BALANCE SHEET
DECEMBER 31, 2021

	General Fund Pre GASB 54 Consolidation	Parks and Recreation Fund	Trust and Agency Fund	Eliminations	Totals Restated General Fund
ASSETS					
Cash and investments	$ 2,028,879	$ 592,764	$ 920,440	$	$ 3,542,083
Receivables:					
Taxes	374,116				374,116
State shared revenue	563,919				563,919
Due from other funds	44,475			(245)	44,230
Other	64,267	82			64,349
Prepaid expenditures	22,919	7,677			30,596
Total assets	3,098,575	600,523	920,440	(245)	4,619,293
LIABILITIES					
Accounts payable	397,446	4,293	848,300		1,250,039
Unearned revenues			72,140		72,140
Due to other funds	9,741	1,180		(245)	10,676
Total liabilities	407,187	5,473	920,440	(245)	1,332,855
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	675,350				675,350
FUND BALANCES					
Nonspendable for prepaids	22,919	7,677			30,596
Committed:					
Building reserve		401,731			401,731
Capital improvement		2,550			2,550
Compensated absences	43,928	11,635			55,563
Non-motorized trails	30,659				30,659
Right of Way	16,336				16,336
Assigned for future budget deficits	225,478				225,478
Unassigned	1,676,718	171,457			1,848,175
Total fund balances	2,016,038	595,050			2,611,088
Total liabilities, deferred inflows of resources and fund balances	$ 3,098,575	$ 600,523	$ 920,440	$ (245)	$ 4,619,293

CHARTER TOWNSHIP OF SUPERIOR

ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021

	Legal Defense Fund	Streetlight Fund	Side Street Maintenance Fund	Building Fund	Totals
ASSETS					
Cash and investments	$ 286,613	$ 38,583	$ 15,104	$ 894,989	$ 1,235,289
Special assessments receivable		81,363	23,517		104,880
Prepaid expenditures				2,219	2,219
Total assets	$ 286,613	$ 119,946	$ 38,621	$ 897,208	$ 1,342,388
LIABILITIES					
Accounts payable	$ 4,338	$ 7,036	$	$ 2,932	$ 14,306
Unearned revenue			23,517		23,517
Due to other funds	25,413	346		2,425	28,184
Total liabilities	29,751	7,382	23,517	5,357	66,007
FUND BALANCE					
Nonspendable for:					
Prepaids				2,219	2,219
Restricted for:					
Public works		112,564	15,104		127,668
Legal defense	249,862				249,862
Committed for:					
Compensated absences				28,923	28,923
Ordinance enforcement				860,709	860,709
Assigned for future budget deficit	7,000				7,000
Total fund equity	256,862	112,564	15,104	891,851	1,276,381
Total liabilities and fund equity	$ 286,613	$ 119,946	$ 38,621	$ 897,208	$ 1,342,388

CHARTER TOWNSHIP OF SUPERIOR

ALL AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021

	Current Tax Fund	Payroll Fund	Totals
ASSETS			
Cash and investments	$ 1,561,071	$ 23,081	$ 1,584,152
Due from other funds		37,853	37,853
Total assets	$ 1,561,071	$ 60,934	$ 1,622,005
LIABILITIES			
Due to others	$ 1,560,670	$ 55,996	$ 1,616,666
Due to other funds	401	4,938	5,339
Total liabilities	$ 1,561,071	$ 60,934	$ 1,622,005

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, 2021

	General Fund Pre GASB 54 Consolidation	Parks and Recreation Fund	Trust and Agency Fund	Eliminations	Total Restated General Fund
REVENUES					
Taxes	$ 604,538	$	$	$	$ 604,538
Licenses and permits	204,625				204,625
Federal grants		34,600			34,600
State grants	1,400,794				1,400,794
Contributions from local units	6,402				6,402
Charges for services	27,672		177,476		205,148
Interest and rents	34,451	45			34,496
Other revenue	10,696	2,907			13,603
Total revenues	2,289,178	37,552	177,476		2,504,206
EXPENDITURES					
General government	1,262,960				1,262,960
Public safety	39,190				39,190
Public works	353,687				353,687
Community and economic development	44,325		177,476		221,801
Recreation and culture		269,659			269,659
Capital outlay					
General government	460,897				460,897
Parks and recreation		34,600			34,600
Total expenditures	2,161,059	304,259	177,476		2,642,794
Excess of revenues over (under) expenditures	128,119	(266,707)			(138,588)
OTHER FINANCING SOURCES (USES)					
Transfers in		309,380		(309,380)	
Transfers (out)	(309,380)			309,380	
Total other financing sources (uses)	(309,380)	309,380			
Net change in fund balance	(181,261)	42,673			(138,588)
FUND BALANCE, JANUARY 1, 2021	2,197,299	552,377			2,749,676
FUND BALANCE, DECEMBER 31, 2021	$ 2,016,038	$ 595,050	$	$	$ 2,611,088

CHARTER TOWNSHIP OF SUPERIOR

ALL NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Legal Defense Fund	Streetlight Fund	Side Street Maintenance Fund	Building Fund	Totals
REVENUES					
Special assessments	$	$ 81,363	$ 22,646	$	$ 104,009
Charges for services				406,378	406,378
Interest and rents	22			50	72
Miscellaneous				1,000	1,000
Total revenues	22	81,363	22,646	407,428	511,459
EXPENDITURES					
General government	29,793				29,793
Public works		76,895			76,895
Community and economic development			22,667	343,357	366,024
Capital outlay:					
Housing and development				23,931	23,931
Total expenditures	29,793	76,895	22,667	367,288	496,643
Net change in fund balance	(29,771)	4,468	(21)	40,140	14,816
FUND BALANCE, JANUARY 1, 2021	286,633	108,096	15,125	851,711	1,261,565
FUND BALANCE, DECEMBER 31, 2021	$ 256,862	$ 112,564	$ 15,104	$ 891,851	$ 1,276,381

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Payment in lieu of taxes	$ 644	$ 644	$
Trailer home fees	4,500	4,448	(52)
Property taxes	600,594	599,446	(1,148)
Licenses and permits			
Cable franchise fees	195,000	204,625	9,625
State grants			
State shared revenue	1,176,337	1,389,490	213,153
Other state aid grants	12,100	11,304	(796)
Contributions from local units			
CTAP grant	6,400	6,402	2
Charges for services			
General charges for services	27,350	27,672	322
Interest and rents			
Interest income	20,000	492	(19,508)
Cell tower	35,000	33,959	(1,041)
Other revenue			
Reimbursements and refunds	8,900	8,206	(694)
Public and private contributions	500		(500)
Other income	197,086	2,490	(194,596)
Total revenues	2,284,411	2,289,178	4,767

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, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
General government			
Township board	15,350	13,403	1,947
Supervisor	94,777	94,193	584
Treasurer	194,610	196,653	(2,043)
Clerk	156,340	153,890	2,450
Assessing equalization	224,209	213,182	11,027
Elections	21,528	20,389	1,139
Building and grounds	63,000	91,254	(28,254)
Attorney	2,500	3,136	(636)
All other general government	522,202	522,527	(325)
Public safety			
Ordinance enforcement	39,258	39,190	68
Public works			
Infrastructure	472,356	657,054	(184,698)
Sanitation	10,000	12,086	(2,086)
Public transportation	106,500	99,777	6,723
Community and economic development			
Planning and zoning	52,401	44,325	8,076
Total expenditures	1,975,031	2,161,059	(186,028)
Excess of revenues over (under) expenditures	309,380	128,119	(181,261)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(309,380)	(309,380)	
Net change in fund balance		(181,261)	(181,261)
FUND BALANCE, JANUARY 1, 2021	2,197,299	2,197,299	
FUND BALANCE, DECEMBER 31, 2021	$ 2,197,299	$ 2,016,038	$ (181,261)

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Township board			
Salaries	$ 15,350	$ 13,403	$ 1,947
Supervisor			
Salaries	90,091	90,091	
Assistant salary	1,000	417	583
Taxable benefits	3,686	3,685	1
Total supervisor	94,777	94,193	584
Treasurer			
Salaries	81,397	81,397	
Other salaries	81,668	83,430	(1,762)
Training	500	1,000	(500)
Taxable benefits	24,295	24,267	28
Supplies	3,600	3,488	112
Printing and publishing	3,000	2,996	4
Memberships and dues	150	75	75
Total treasurer	194,610	196,653	(2,043)
Clerk			
Salary	81,397	81,397	
Other salaries	63,234	63,399	(165)
Training	1,500	925	575
Taxable benefits	9,209	7,323	1,886
Supplies	1,000	846	154
Total clerk	156,340	153,890	2,450

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Assessing equalization			
Salaries	190,644	180,714	9,930
Contract services	2,500	1,511	989
Training	1,625	1,677	(52)
Taxable benefits	26,740	27,096	(356)
Supplies	1,000	619	381
Telephone	650	607	43
Transportation	250		250
Meals and lodging	300	344	(44)
Memberships and dues	500	614	(114)
Total assessing equalization	224,209	213,182	11,027
Elections			
Supplies and postage	20,478	20,389	89
Rent	1,050		1,050
Total elections	21,528	20,389	1,139
Buildings and grounds			
Contract services	18,000	23,618	(5,618)
Operating supplies	19,000	2,203	16,797
Utilities	10,000	9,526	474
Repairs and maintenance	19,000	21,941	(2,941)
Expense allocation	(9,000)	(12,825)	3,825
Building improvements	6,000	46,791	(40,791)
Total buildings and grounds	63,000	91,254	(28,254)
Attorney			
Professional services	2,500	3,136	(636)

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
All other general government			
Training	1,900	1,900	
Administration postage	8,600	9,272	(672)
Administration operating supplies	8,500	6,542	1,958
Cemetery upkeep	1,500	1,500	
Professional services	61,006	60,859	147
Telephone	10,000	10,074	(74)
Insurance and bonds	14,500	14,448	52
Transportation	5,000	2,780	2,220
Meals and lodging	500	987	(487)
Printing and publishing	13,000	11,896	1,104
Repairs and maintenance	500		500
Expense allocation	(5,000)	(3,847)	(1,153)
Meals on Wheels	2,150	2,150	
Equipment rental	7,000	7,318	(318)
Memberships and dues	18,000	17,563	437
Bank charges	7,100	5,341	1,759
Equipment	5,000	6,054	(1,054)
Miscellaneous	3,500	3,238	262
Accounting Salaries	90,207	90,083	124
Accounting taxable benefits	6,633	6,633	
Accounting supplies	1,000	974	26
Accounting expense allocation	(26,000)	(23,792)	(2,208)
Unallocated FICA	60,541	62,315	(1,774)
Unallocated medical insurance	84,472	84,462	10
Unallocated dental insurance	7,294	7,293	1
Unallocated vision insurance	1,100	1,845	(745)
Unallocated life insurance	794	1,661	(867)
Unallocated HSA administration fees	250	213	37
Unallocated HCSP	16,690	15,915	775
Unallocated pension expense	116,465	116,850	(385)
Total all other general government	522,202	522,527	(325)
TOTAL GENERAL GOVERNMENT	1,294,516	1,308,627	(14,111)

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY			
Ordinance enforcement			
Salaries	35,055	35,055	
Contract services	500	650	(150)
Taxable benefits	3,003	3,303	(300)
Miscellaneous	700	182	518
Total ordinance enforcement	39,258	39,190	68
TOTAL PUBLIC SAFETY	39,258	39,190	68
PUBLIC WORKS			
Infrastructure			
Master plan revisions	8,100	9,645	(1,545)
Geddes Ridge drain maintenance	32,000	31,269	731
Special projects	17,240	15,691	1,549
Ypsilanti district library	30,000	33,865	(3,865)
Pathway	191,795	415,230	(223,435)
Salaries	3,900	3,791	109
Contract services	3,500	3,500	
Supplies	2,000		2,000
Road maintenance	150,000	112,811	37,189
Non-motorized trails maintenance	5,000	700	4,300
Other maintenance	11,000	12,739	(1,739)
Streetlights	4,071	4,071	
Drains	13,750	13,742	8
Total infrastructure	472,356	657,054	(184,698)
Sanitation			
Recycling	5,000	6,863	(1,863)
Garbage and yard waste tags	3,000	2,850	150
Dump usage collection	2,000	2,373	(373)
Total sanitation	10,000	12,086	(2,086)

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, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Public transportation			
A.A.T.A. contract	73,000	64,326	8,674
Demand response	21,000	21,671	(671)
New buses	12,500	13,780	(1,280)
Total public transportation	106,500	99,777	6,723
TOTAL PUBLIC WORKS	588,856	768,917	(180,061)
COMMUNITY AND ECONOMIC DEVELOPMENT			
Planning and zoning			
Salaries	42,333	36,322	6,011
Taxable benefits	1,468	1,418	50
Supplies	600	168	432
Professional services	7,000	5,143	1,857
Printing and publishing	1,000	1,274	(274)
Total planning and zoning	52,401	44,325	8,076
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	52,401	44,325	8,076
Total expenditures	$ 1,975,031	$ 2,161,059	$ (186,028)

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 EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION			
Salaries	$ 53,583	$ 52,711	$ 872
Training	100	65	35
Taxable benefits	1,161	1,161	
Supplies	700	526	174
Professional services	3,100	2,936	164
Telephone	700	600	100
Insurance and bonds	10,000	8,662	1,338
Transportation	1,200	628	572
Office rent	6,000	6,000	
Printing and publishing	500		500
Repairs and maintenance	500		500
Membership and dues	650	460	190
Miscellaneous	1,210	526	684
Total administration	79,404	74,275	5,129
RECREATION			
Salaries	7,500	7,647	(147)
Taxable benefits	200		200
Supplies	6,000	3,999	2,001
Professional services	7,000	5,414	1,586
Telephone	600	600	
Miscellaneous	1,600	1,271	329
Total recreation	22,900	18,931	3,969
MAINTENANCE AND IMPROVEMENTS			
Salaries	125,834	104,709	21,125
Training	700		700
Taxable benefits	11,199	11,208	(9)
Supplies	4,800	2,765	2,035
Uniforms	800	469	331
Fuel and lubricants	5,000	5,041	(41)
Telephone	2,600	2,750	(150)
Utilities	950	595	355
Repair and Maintenance	18,300	20,919	(2,619)
Equipment	1,000		1,000
Total maintenance and improvements	171,183	148,456	22,727
GRANT PARK DEVELOPMENT	35,042	34,600	442
UNALLOCATED EXPENSES	32,047	27,997	4,050
Total expenditures	$ 340,576	$ 304,259	$ 36,317

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
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 4,362,732	$ 4,361,690	$ (1,042)
Interest income	125	851	726
Meter sales	20,000	21,990	1,990
Tap-in fees		635,250	635,250
New customer installation fees	25,000	32,885	7,885
Other	30,250	10,958	(19,292)
Total revenues	4,438,107	5,063,624	625,517
EXPENSES			
Water and sewer purchases	2,473,088	2,516,235	(43,147)
Salaries	521,559	520,704	855
Taxable benefits	51,382	51,838	(456)
Payroll taxes	43,600	43,132	468
Insurance benefits	113,018	108,712	4,306
Pension expense	82,604	80,019	2,585
Repairs and maintenance - administration building	8,500	4,844	3,656
Computer services and supplies	27,000	26,685	315
Supplies	6,000	5,060	940
Utilities	6,000	5,950	50
Telecommunications	13,000	12,449	551
Leased equipment	10,000	9,846	154
Cleaning services	4,000	4,490	(490)
Lift and booster station expense	23,500	28,952	(5,452)
Maintenance facility expense	91,550	80,110	11,440
System repairs and maintenance	36,705	52,656	(15,951)
Professional fees	10,750	11,276	(526)
Employee expense	6,500	3,647	2,853
Meters and supplies	120,000	120,164	(164)
Fuel	6,200	6,502	(302)
Insurance and bonds	40,000	37,479	2,521
Postage	15,000	14,392	608
Bank fees	5,050	8,230	(3,180)
Bad debt expense	3,530	3,528	2
Printing and publishing	3,000	20,224	(17,224)
Membership and dues	15,000	10,847	4,153
Miscellaneous	250	629	(379)
Bond interest expense		10,974	(10,974)
Agency fee		114	(114)
Total expenses	3,736,786	3,799,688	(62,902)
Operating income	701,321	1,263,936	562,615
TRANSFERS			
Transfers in		601,097	601,097
Transfers (out)	(701,321)	(601,097)	100,224
Total transfers	(701,321)		701,321
Change in net assets	$	$ 1,263,936	$ 1,263,936

This schedule is prepared on a budgetary basis for the operating accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

CHARTER TOWNSHIP OF SUPERIOR

UTILITY FUND - COMPARATIVE STATEMENT OF REVENUES AND EXPENSES - OPERATING ACCOUNTS ONLY
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

	2021	2020	2019	2018	2017	2016	2015
REVENUES							
Charges for services	$ 4,361,690	$ 4,918,819	$ 4,921,683	$ 4,747,460	$ 4,095,235	$ 4,208,728	$ 3,508,267
Meter sales	21,990	21,640	34,570	12,377	17,868	24,716	28,618
Total revenues	4,383,680	4,940,459	4,956,253	4,759,837	4,113,103	4,233,444	3,536,885
EXPENSES							
Water and sewer purchases	2,516,235	2,396,138	2,334,583	2,857,115	2,292,120	2,262,792	2,047,088
Salaries and wages	520,704	514,362	548,268	488,461	373,647	377,151	376,305
Taxable benefits	51,838	52,196	45,150	32,093	48,304	36,855	26,534
Payroll taxes	43,132	41,925	44,221	38,761	33,195	31,760	29,537
Insurance benefits	108,712	82,250	83,784	84,048	68,843	62,095	59,324
Pension	80,019	64,665	67,110	51,942	46,477	43,973	39,017
Repairs and maintenance	87,324	112,385	139,760	206,184	179,585	142,777	149,361
Computer expenses	47,546	17,393	10,870	13,277	5,000	9,414	10,941
Operating supplies and meters	132,471	90,435	217,895	89,886	138,778	69,731	48,577
Utilities	35,267	42,418	52,249	5,204	35,914	33,024	35,770
Telecommunications	25,972	19,387	8,745	9,327	7,457	13,385	11,952
Lease equipment	13,646	9,204	8,891	8,211	6,470	8,640	4,441
Office expenses	38,733	4,595	22,369	11,997	13,943	37,429	32,248
Professional services	11,276	49,909	29,160	22,025	19,570	12,852	46,515
Health savings expense				7,706	11,935	11,093	10,871
Insurance and bonds	37,479	34,374	35,469	32,796	30,440	30,391	28,223
Bad debt expense	3,528	3,934	3,421		3,272	3,224	5,541
Printing and publishing	20,224	21,235	3,604	4,165	4,801	2,312	3,430
Memberships and dues	10,847	15,446	21,133	8,984	8,061	7,638	6,765
Training and other employee expenses	3,647	18,264	8,695	917	5,779	3,717	3,980
Total expenses	3,788,600	3,590,515	3,685,377	3,973,099	3,333,591	3,200,253	2,976,420
Net revenues over expenses	$ 595,080	$ 1,349,944	$ 1,270,876	$ 786,738	$ 779,512	$ 1,033,191	$ 560,465

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.