CHARTER TOWNSHIP OF SUPERIOR

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

CHARTER TOWNSHIP OF SUPERIOR

TOWNSHIP OFFICIALS

Supervisor - Kenneth Schwartz
Clerk - Lynette Findley
Treasurer – Lisa Lewis

BOARD OF TRUSTEES

Kenneth Schwartz
Lynette Findley
Bill Secrest
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 16, 2023

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, 2022, 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, 2022, 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, 2022. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

The Township has three kinds of funds:

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

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

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

Notes to the financial statements

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

Other information

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

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

Financial analysis of the Township as a whole

The Township's net position included under governmental activities increased by $342,103 and the net position included under business type activities increased by $947,563.

The Township's total net position at the end of the year was $34,348,908. This is a $1,289,666 increase over last year's net position of $33,059,242.

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, 2022 AND 2021

	Governmental Activities			Business Type Activities			Totals		
	12/31/2022	12/31/2021	Increase (Decrease)	12/31/2022	12/31/2021	Increase (Decrease)	12/31/2022	12/31/2021	Increase (Decrease)
ASSETS									
Current and other assets	$ 17,296,746	$ 15,636,999	$ 1,659,747	$ 5,609,144	$ 5,117,952	$ 491,192	$ 22,905,890	$ 20,754,951	$ 2,150,939
Capital assets	9,040,135	6,692,011	2,348,124	18,662,206	17,895,448	766,758	27,702,341	24,587,459	3,114,882
Total assets	26,336,881	22,329,010	4,007,871	24,271,350	23,013,400	1,257,950	50,608,231	45,342,410	5,265,821
DEFERRED OUTFLOWS OF RESOURCES									
Pension investment activities	1,567,342	505,566	1,061,776				1,567,342	505,566	1,061,776
LIABILITIES									
Other liabilities	6,434,224	4,420,882	2,013,342	621,776	444,146	177,630	7,056,000	4,865,028	2,190,972
Unearned revenues	1,781,247	843,357	937,890				1,781,247	843,357	937,890
Long-term liabilities	2,126,249	102,864	2,023,385	1,355,124	1,222,367	132,757	3,481,373	1,325,231	2,156,142
Total liabilities	10,341,720	5,367,103	4,974,617	1,976,900	1,666,513	310,387	12,318,620	7,033,616	5,285,004
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	5,508,045	5,755,118	(247,073)				5,508,045	5,755,118	(247,073)
NET POSITION									
Net investment in capital assets	6,777,271	6,488,426	288,845	17,034,946	16,538,802	496,144	23,812,217	23,027,228	784,989
Restricted	5,003,589	4,651,885	351,704				5,003,589	4,651,885	351,704
Unrestricted	273,598	572,044	(298,446)	5,259,504	4,808,085	451,419	5,533,102	5,380,129	152,973
Total net position	$ 12,054,458	$ 11,712,355	$ 342,103	$ 22,294,450	$ 21,346,887	$ 947,563	$ 34,348,908	$ 33,059,242	$ 1,289,666

CHARTER TOWNSHIP OF SUPERIOR

SUMMARY OF CHANGES IN NET POSITION
FOR THE YEARS ENDING DECEMBER 31, 2022 AND 2021

	Governmental Activities			Business Type Activities			Totals		
	12/31/2022	12/31/2021	Increase (Decrease)	12/31/2022	12/31/2021	Increase (Decrease)	12/31/2022	12/31/2021	Increase (Decrease)
REVENUES									
Program revenues									
Charges for services	$ 970,224	$ 919,199	$ 51,025	$ 4,524,436	$ 4,383,680	$ 140,756	$ 5,494,660	$ 5,302,879	$ 191,781
Capital/operating grants and contributions	359,017	262,769	96,248	1,633,187	668,135	965,052	1,992,204	930,904	1,061,300
General revenues									
Taxes	5,180,888	4,981,604	199,284				5,180,888	4,981,604	199,284
Special assessments	105,229	104,009	1,220				105,229	104,009	1,220
Licenses and permits	198,063	204,625	(6,562)				198,063	204,625	(6,562)
State grants	1,927,788	1,406,037	521,751				1,927,788	1,406,037	521,751
Interest and rents	109,159	34,963	74,196	32,699	851	31,848	141,858	35,814	106,044
Other revenue	52,054	111,229	(59,175)	6,096	10,958	(4,862)	58,150	122,187	(64,037)
Gain (loss) on sale of assets		(42,077)	42,077	(18,665)		(18,665)	(18,665)	(42,077)	23,412
Total revenues	8,902,422	7,982,358	920,064	6,177,753	5,063,624	1,114,129	15,080,175	13,045,982	2,034,193
EXPENSES									
General government	1,724,255	1,312,922	411,333				1,724,255	1,312,922	411,333
Public safety	4,891,883	4,408,227	483,656				4,891,883	4,408,227	483,656
Public works	741,681	430,582	311,099				741,681	430,582	311,099
Community and economic development	816,102	605,682	210,420				816,102	605,682	210,420
Recreation and culture	339,820	303,667	36,153				339,820	303,667	36,153
Interest on long-term debt	46,578	5,057	41,521				46,578	5,057	41,521
Utility system				5,230,190	4,479,259	750,931	5,230,190	4,479,259	750,931
Total expenses	8,560,319	7,066,137	1,494,182	5,230,190	4,479,259	750,931	13,790,509	11,545,396	2,245,113
CHANGE IN NET POSITION	342,103	916,221	(574,118)	947,563	584,365	363,198	1,289,666	1,500,586	(210,920)
BEGINNING 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
ENDING NET POSITION	$ 12,054,458	$ 11,712,355	$ 342,103	$ 22,294,450	$ 21,346,887	$ 947,563	$ 34,348,908	$ 33,059,242	$ 1,289,666

Financial Analysis of the Township's Major Funds

For the year ended December 31, 2022, 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 increased by $129,552. This was primarily due to increase in grant revenue and contributions from other governments.

2. **Fire Operating Fund** - The operations of the Fire Fund resulted in a decrease in its fund balance of $180,621. This was primarily due to a decrease in tax revenues partially offset by increase in interest revenue. 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 $587,213. This was primarily due to the recent tax millage increase and increase in interest revenue.

4. **American Rescue Plan Act Fund (ARPA Fund)** - The ARPA Fund increased its fund balance by $1,441. In the near future, the Township expects large amounts of federal grant revenue to be recognized in this fund, as well as large expenditures relating to approved projects.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Expenditures are budgeted by activity. Public works expenditures exceeded appropriations. This was due to larger-than-expected infrastructure expenditures.

Capital Asset and Debt Administration

There were $2,711,609 in capital asset additions under governmental activities this year. These purchases included the acquisition of a major conservation easement, an electronic township sign, updated audio/video equipment, a roof replacement for fire station #2, a new mower, and an updated sidewalk at the community park.

There were two projects in process at the beginning of the fiscal year (the Plymouth Road pathway project and the Dixboro Schoolhouse project). The Plymouth Road pathway project began with $39,518 of cost;. $13,811 of costs were added, bringing the project to $53,329. The Dixboro Schoolhouse began with $45,931 of costs; $14,256 of costs were added, bringing the project to $60,187. Other projects started in 2022 and in progress include: 2022 Sidewalk Repair Program ($14,500); Residential ADA Sidewalk Ramp Improvement ($18,235); Geddes Road Pathway ($31,993); and Concrete Replacement for Fire Station No. 1 ($12,699). Finally, the Prospect Road Pathway project incurred $49,184. This project was completed and capitalized.

The business-type activities saw additions of $1,530,762 for the fiscal year ended December 31, 2022. These purchases included additions to the water/sewer system, administrative building carpet replacement, new roof for the maintenance facility building, water system master plan, and additions to the Clark Road lift station, and other infrastructure.

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

The business-type activities began the year with $1,900,921 of construction in progress, incurred another $614,154 in costs, placed one of the projects in service, and ended with a balance of $2,484,668. 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 $102,721 for Fire activities and $134,279 for Utility operations. The ending balance amounted to $102,864 for Fire Activities and $137,136 for Utility activities.

New bonds were issued in 2020 from the Michigan Finance Authority's State Revolving Fund. Total bond proceeds available are $3,230,000. The outstanding balance as of December 31, 2021, was $1,085,231. The Township utilized an additional $539,893, and made a principal payment of $135,000, leaving a balance of $1,490,214 at December 31, 2022. Draws are requested to reimburse the Utility Fund for approved upgrades to the current water and sewer systems as incurred.

In 2022, the Township purchased a significant conservation easement in the amount of $2,408,280 through a land contract payable. Subsequently, the Township issued refunding bonds in the amount of $2,160,000, with a bond premium of $83,415 to pay off the land contract. See Note 5 for additional details related to the transaction.

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, 2022 fiscal year.

State shared revenues increased by $520,000. 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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 11,083,438	$ 4,463,867	$ 15,547,305
Receivables:			
Taxes	5,148,353		5,148,353
Special assessments	105,229		105,229
State shared revenues	280,304		280,304
Accounts	511,456	1,058,531	1,569,987
Intergovernmental balances	3,353	(3,353)	
Inventory		31,400	31,400
Prepaid expenditures	97,761	55,276	153,037
Capital assets			
Assets not being depreciated	4,320,254	2,695,132	7,015,386
Assets, net of depreciation	4,719,881	15,967,074	20,686,955
Total assets	26,270,029	24,267,927	50,537,956
DEFERRED OUTFLOWS OF RESOURCES			
Pension related activities	1,567,342		1,567,342
LIABILITIES			
Accounts payable	1,263,337	293,925	1,557,262
Accrued compensated absences	578,489	44,825	623,314
Accrued interest	14,400	7,467	21,867
Unearned revenues	1,781,247		1,781,247
Net pension liability	4,298,282		4,298,282
Long-term obligations			
Other due within one year	212,864	272,136	485,000
Other due in more than one year	2,126,249	1,355,124	3,481,373
Total liabilities	10,274,868	1,973,477	12,248,345
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	5,508,045		5,508,045
NET POSITION			
Invested in capital assets, net of related debt	6,777,271	17,034,946	23,812,217
Restricted for:			
Fire protection	2,679,133		2,679,133
Police protection	1,981,704		1,981,704
Public works	131,122		131,122
Legal defense	211,630		211,630
Unrestricted	273,598	5,259,504	5,533,102
Total net position	$ 12,054,458	$ 22,294,450	$ 34,348,908

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

CHARTER TOWNSHIP OF SUPERIOR

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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	$ (1,803,801)	$ 216,107	$ 273,412	$ (1,314,282)	$	$ (1,314,282)
Public safety - fire	(3,116,335)		68,779	(3,047,556)		(3,047,556)
Public safety - police	(1,775,548)	309,933		(1,465,615)		(1,465,615)
Public works	(685,900)			(685,900)		(685,900)
Community and economic development	(816,102)	444,184		(371,918)		(371,918)
Recreation and culture	(316,043)		16,826	(299,217)		(299,217)
Interest on long-term debt	(46,578)			(46,578)		(46,578)
Total governmental activities	(8,560,307)	970,224	359,017	(7,231,066)		(7,231,066)
Business-type activities						
Utility fund	(5,230,190)	4,524,436	1,633,187		927,433	927,433
Total	$ (13,790,497)	$ 5,494,660	$ 1,992,204	(7,231,066)	927,433	(6,303,633)
	General revenues					
	Taxes			5,180,888		5,180,888
	Special assessments			105,229		105,229
	Licenses and permits			198,063		198,063
	State grants			1,927,788		1,927,788
	Fines and forfeits			17,315		17,315
	Interest and rents			109,147	32,699	141,846
	Other revenue			34,739	6,096	40,835
	Gain/(loss) on disposal of assets				(18,665)	(18,665)
	Total general revenues			7,573,169	20,130	7,593,299
	Changes in net position			342,103	947,563	1,289,666
	Net position, January 1, 2022			11,712,355	21,346,887	33,059,242
	Net position, December 31, 2022			$ 12,054,458	$ 22,294,450	$ 34,348,908

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

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Fire Fund	Law Enforcement Fund	ARPA Fund	Nonmajor Funds	Totals
ASSETS						
Cash and cash equivalents	$ 3,447,095	$ 2,906,609	$ 2,030,099	$ 1,493,142	$ 1,175,352	$ 11,052,297
Receivables:						
Taxes	590,285	2,552,506	2,005,562			5,148,353
Special assessments					105,229	105,229
State grants	280,304					280,304
Due from other funds	58,316	1,109		18,235		77,660
Other	409,468		94,518			503,986
Other current assets:						
Prepaid expenditures	40,759	61,627	16,870		9,646	128,902
Total assets	$ 4,826,227	$ 5,521,851	$ 4,147,049	$ 1,511,377	$ 1,290,227	$ 17,296,731
LIABILITIES						
Accounts payable	$ 1,157,512	$ 24,839	$ 2,794	$ 17,987	$ 21,909	$ 1,225,041
Unearned revenue	266,092			1,491,638	23,517	1,781,247
Due to other funds	30,457	25,414		300	48,962	105,133
Total liabilities	1,454,061	50,253	2,794	1,509,925	94,388	3,111,421
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	631,526	2,730,838	2,145,681			5,508,045
FUND BALANCE						
Nonspendable for prepaids	40,759	61,627	16,870		9,646	128,902
Restricted for:						
Fire Protection		2,679,133				2,679,133
Police Protection			1,981,704			1,981,704
Public works					131,122	131,122
Legal defense					211,630	211,630
Committed for:						
Building reserve	401,731					401,731
Capital improvement	2,550			1,452		4,002
Compensated absences	41,877				2,406	44,283
Non-motorized trails	30,659					30,659
Ordinance enforcement					812,311	812,311
Right of Way	25,666					25,666
Assigned for future budget deficits	917				28,724	29,641
Unassigned	2,196,481					2,196,481
Total fund equity	2,740,640	2,740,760	1,998,574	1,452	1,195,839	8,677,265
Total liabilities, deferred inflows of resources and fund balance	$ 4,826,227	$ 5,521,851	$ 4,147,049	$ 1,511,377	$ 1,290,227	$ 17,296,731

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, 2022

Total governmental fund balance per balance sheet		$ 8,677,265
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	$ 13,972,491	
Depreciation	(4,932,356)	
Capital assets net of depreciation		9,040,135
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	580,728	
Differences in experience	639,831	
Differences in investment expectations versus actual	346,783	
Net pension-related activities		1,567,342
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		(4,298,282)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. This includes:		
Bonds payable	(2,262,864)	
Bond premium	(76,249)	
Accrued Interest	(14,400)	
Compensated absences	(578,489)	
Total		(2,932,002)
Net position of governmental activities		$ 12,054,458

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, 2022

	General Fund	Fire Fund	Law Enforcement Fund	ARPA Fund	Nonmajor Funds	Totals
REVENUES						
Taxes	$ 623,370	$ 2,552,182	$ 2,005,336	$	$	$ 5,180,888
Licenses and permits	198,063					198,063
Special assessments					105,229	105,229
Federal grants	16,826	68,779		9,765		95,370
State grants	1,922,875	2,751	2,162			1,927,788
Contributions from local units	263,647					263,647
Charges for services	216,107		309,933		444,184	970,224
Fines and forfeits			17,315			17,315
Interest and rents	47,927	36,159	16,391	1,474	7,208	109,159
Other revenue	23,863	10,324	108		444	34,739
Total revenues	3,312,678	2,670,195	2,351,245	11,239	557,065	8,902,422
EXPENDITURES						
General government	1,415,206			33	16,748	1,431,987
Public safety	17,014	2,695,946	1,755,396			4,468,356
Public works	663,422				78,259	741,681
Community and economic development	276,993				524,725	801,718
Recreation and culture	300,198			9,765		309,963
Capital outlay						
General government	432,601				17,875	450,476
Fire protection		51,085				51,085
Law enforcement			8,636			8,636
Parks and recreation	43,132					43,132
Debt Service						
Debt - principal		100,721				100,721
Debt - interest	34,560	3,064				37,624
Total expenditures	3,183,126	2,850,816	1,764,032	9,798	637,607	8,445,379
Net changes in fund balances	129,552	(180,621)	587,213	1,441	(80,542)	457,043
FUND BALANCE, JANUARY 1, 2022	2,611,088	2,921,381	1,411,361	11	1,276,381	8,220,222
FUND BALANCE, DECEMBER 31, 2022	$ 2,740,640	$ 2,740,760	$ 1,998,574	$ 1,452	$ 1,195,839	$ 8,677,265

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, 2022

Net change in fund balances - governmental funds		$ 457,043
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	$ 553,329	
Depreciation expense	(363,485)	
Net change		189,844
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	100,721	
Bond issuance costs	(83,415)	
Bond premium amortization	5,446	
Accrued interest	(14,400)	
Net change		8,352
Accrued absences for vacation and sick time for the employees is recorded on the Statement of Net Position:		3,140
Some pension contributions in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the Governmental Fund:		
Change in net pension activity		(316,276)
Change in net position		$ 342,103

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, 2022

CURRENT ASSETS		
Cash and investments	$ 4,463,867	
Receivables:		
Due from other funds	70	
Accounts	898,999	
Other	159,532	
Inventory	31,400	
Prepaid expenses	55,276	
Total current assets		$ 5,609,144
PROPERTY, PLANT AND EQUIPMENT		
Capital assets, not depreciated	2,695,132	
Capital assets, depreciated, net	15,967,074	
Property, plant and equipment		18,662,206
Total assets		$ 24,271,350
CURRENT LIABILITIES		
Accounts payable	$ 294,523	
Accrued sick and vacation	44,825	
Due to other funds	10,292	
Bonds payable	272,136	
Total current liabilities		$ 621,776
LONG-TERM OBLIGATIONS		
Bonds payable		1,355,124
Total liabilities		1,976,900
NET POSITION		
Invested in capital assets, net of related debt	17,034,946	
Unrestricted	5,259,504	
Total net position		$ 22,294,450

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, 2022

OPERATING REVENUES	
Charges for services	$ 4,514,821
Meter sales	9,615
Total operating revenues	4,524,436
OPERATING EXPENSES	
Water and sewer purchases	2,791,450
Salaries	557,312
Taxable benefits	58,107
Payroll taxes	45,924
Insurance benefits	143,668
Pension expense	88,027
Repairs and maintenance - administration building	9,519
Computer services and supplies	23,088
Supplies	3,571
Utilities	6,756
Telecommunications	12,808
Leased equipment	12,157
Cleaning services	5,005
Lift and booster station expense	36,850
Maintenance facility expense	108,097
System repairs and maintenance	356,682
Professional fees	34,611
Employee expense	7,839
Meters and supplies	55,184
Fuel	9,347
Insurance and bonds	34,661
Depreciation	745,339
Postage	18,531
Bank fees	208
Printing and publishing	8,785
Membership and dues	10,475
Miscellaneous	9,265
Total operating expenses	5,193,266
OPERATING (LOSS)	(668,830)
NON-OPERATING REVENUES AND (EXPENSES)	
(Loss) on disposal of assets	(18,665)
Interest income - operations	32,699
Interest expense - debt	(36,810)
Agency fees - debt	(114)
Tap-in fees	754,233
New customer installation fees	23,954
Contributed capital - developers	855,000
Other income	6,096
Total non-operating revenues and (expenses)	1,616,393
Change in net position	947,563
NET POSITION, JANUARY 1, 2022	21,346,887
NET POSITION, DECEMBER 31, 2022	$ 22,294,450

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, 2022

CASH FLOWS (USED IN) OPERATING ACTIVITIES:		
Cash receipts from customers	$ 4,328,765	
Cash payments to employees for services	(658,370)	
Cash payments to suppliers of goods and services	(3,756,549)	
Net cash (used in) operating activities		$ (86,154)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on contract payable	270,614	
Interest payments on debt	(36,810)	
Debt fees	(114)	
Acquisition of fixed assets	(675,762)	
Tap-in fees	754,233	
New customer installation fees	23,954	
Other income	6,096	
Net cash from capital and related financing activities		342,211
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and cash equivalents		32,699
Net increase in cash and cash equivalents		288,756
CASH AND CASH EQUIVALENTS, JANUARY 1, 2022		4,175,111
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2022		$ 4,463,867
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FROM (USED IN) OPERATING ACTIVITIES:		
Operating income		$ (668,830)
Adjustments to reconcile operating income to net cash from (used in) operating activities:		
Depreciation		745,339
Changes in assets and liabilities		
(Increase) decrease in accounts receivable		(195,671)
(Increase) decrease in prepaid expenses		(4,535)
(Increase) decrease in inventory		(2,230)
Increase (decrease) in due to other funds		(6,005)
Increase (decrease) in accounts payable		42,805
Increase (decrease) in accrued compensated absences		2,973
Net cash (used in) operating activities		$ (86,154)

NONCASH ACTIVITY

The proprietary fund received noncash developer contributions in the amount of $855,000 which had no impact on this Statement of Cash Flows.

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

CHARTER TOWNSHIP OF SUPERIOR

FIDUCIARY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2022

ASSETS		
Cash and investments	$	6,310,761
Due from other funds		45,165
Total assets	$	6,355,926
LIABILITIES		
Due to others	$	6,348,456
Due to other funds		7,470
Total liabilities	$	6,355,926

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

Taxable Value	**2021**	**2022**
General Township	$ 728,538,131	$ 788,436,142

Millage Rates	**2021**	**2022**
General township operations	0.8003	0.7990
Police	2.7187	2.7146
Fire	3.4601	3.4549
Total millage	6.9791	6.9685

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, 2022, 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	$	639,831
Differences in experience		346,783
Differences in actuarial assumptions		580,728
Totals	$	1,567,342

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, 2022, 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 2022 will not be recognized as revenue until the year 2023. 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	$ 5,508,045
Differences in investment expectations versus actual	
Differences in actuarial assumptions	
Differences in experience	
Totals	$ 5,508,045

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	$ 475	Building Fund	$ 475	Reimbursement between funds
General Fund	46,648	Legal Defense Fund	46,648	Reimbursement between funds
General Fund	300	ARPA Fund	300	Reimbursement between funds
General Fund	3,423	Utility Fund	3,423	Reimbursement between funds
General Fund	14	Current Tax Fund	14	Reimbursement between funds
General Fund	15	Parks Fund	15	Reimbursement between funds
General Fund	7,449	Payroll Fund	7,449	Reimbursement between funds
Fire Fund	1,109	General Fund	1,109	Reimbursement between funds
ARPA Fund	18,235	General Fund	18,235	Reimbursement between funds
Trust and Agency Fund	7	Current Tax Fund	7	Reimbursement between funds
Payroll Fund	1,839	Building Fund	1,839	Reimbursement between funds
Payroll Fund	6,869	Utility Fund	6,869	Reimbursement between funds
Payroll Fund	25,414	Fire Fund	25,414	Reimbursement between funds
Payroll Fund	1,476	Parks Fund	1,476	Reimbursement between funds
Payroll Fund	9,567	General Fund	9,567	Reimbursement between funds
Utility Fund	20	General Fund	20	Reimbursement between funds
Utility Fund	50	Parks Fund	50	Reimbursement between funds
Total	$ 122,910	**Total**	$ 122,910	

The General Fund transferred $325,451 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 1/1/2022	Additions	Deletions	Reclassifications	Balance 12/31/2022
Capital Assets Not Being Depreciated					
Land	$ 1,586,836	$ 2,408,280	$	$	$ 3,995,116
Conservation easement	116,320	17,876			134,196
Construction in progress	85,449	154,677		(49,184)	190,942
Total non-depreciable	1,788,605	2,580,833		(49,184)	4,320,254
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			49,184	432,384
Structures					
Parks	89,755				89,755
Buildings					
General	1,998,164				1,998,164
Fire	2,492,877	29,750			2,522,627
Law	70,195				70,195
Building Department	128,111				128,111
Parks	61,850	16,000		10,200	88,050
Vehicles					
General	24,163				24,163
Fire	2,588,805				2,588,805
Building Department	34,806				34,806
Parks	114,849				114,849
Equipment					
General	141,675	57,894	(73,353)		126,216
Fire	274,890				274,890
Law	5,945				5,945
Building Department	31,634				31,634
Parks	285,819	27,132	(688)	(10,200)	302,063
Total depreciable	9,546,318	130,776	(74,041)	49,184	9,652,237
Total capital assets	11,334,923	2,711,609	(74,041)		13,972,491
Accumulated depreciation	(4,642,912)	(363,485)	74,041		(4,932,356)
Governmental Funds Capital Assets, Net	$ 6,692,011	$ 2,348,124	$	$	9,040,135
Related long term debt outstanding at December 31, 2022					(2,262,864)
Capital assets, net related long term debt					$ 6,777,271

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	$ 70,237
Fire	245,869
Law	3,138
Building department	14,384
Parks	29,857
Total	$ 363,485

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS (continued)

Construction in progress for governmental activity is described below:

Project	Project costs as of 1/1/2022	Costs incurred during 12/31/2022 fiscal year	Project completed and placed in service	Construction in progress remaining as of 12/31/2022	% Complete
Prospect Road Pathway	$	$ 49,184	$ (49,184)	$	100.00%
Plymouth Road Pathway	39,518	13,811		53,329	8.00%
Dixboro Schoolhouse Improvements	45,931	14,256		60,187	86.00%
2022 Sidewalk Repair Program		14,500		14,500	*
Residential ADA Sidewalk Ramp Improvements		18,234		18,234	*
Geddes Road Pathway		31,993		31,993	4.00%
Fire Station No. 1 Concrete Replacement		12,699		12,699	*
Totals	$ 85,449	$ 154,677	$ (49,184)	$ 190,942	

* These projects are in the design phase and as such, total project costs and estimated percent of completion figures are not available

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

	Balance 1/1/2022	Additions	Deletions	Reclassifications	Balance 12/31/2022
Non-depreciable assets					
Land	$ 210,463	$	$	$	$ 210,463
Construction in progress	1,900,921	614,155		(30,407)	2,484,669
Total non-depreciable assets	2,111,384	614,155		(30,407)	2,695,132
Depreciable assets					
Building	3,385,724	48,662			3,434,386
Utility system	23,145,357	855,000	(98,269)		23,902,088
Equipment and improvements	948,332		(684,147)	30,407	294,592
Office improvements	122,945	12,945	(9,915)		125,975
Office equipment	162,668		(89,368)		73,300
Vehicles	675,089		(9,545)		665,544
Metering program	169,482		(114,554)		54,928
Total depreciable	28,609,597	916,607	(1,005,798)	30,407	28,550,813
Total capital assets	30,720,981	1,530,762	(1,005,798)		31,245,945
Less accumulated depreciation	(12,825,533)	(745,339)	987,133		(12,583,739)
Business type activities Capital assets, net	$ 17,895,448	$ 785,423	$ (18,665)	$	$ 18,662,206

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

Cost	$ 31,245,945
Accumulated depreciation	(12,583,739)
Related debt	(1,627,260)
Investment in capital assets, net of related debt	$ 17,034,946

NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS (continued)

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

Project	Project costs as of 1/1/2022	Costs incurred during 12/31/2022 fiscal year	Project completed and placed in service	Construction in progress remaining as of 12/31/2022	% Complete
Clark Road Lift Station	1,872,499	555,026		2,427,525	69.36%
GIS Upgrade	28,422	1,985	(30,407)		100.00%
Water System Master Plan		57,144		57,144	95.00%
Totals	$1,900,921	$ 614,155	$ (30,407)	$ 2,484,669	

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

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

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

NOTE 5 - LEASES

Under Governmental Accounting Standards Board (GASB) Standard No 87, *Leases,* The Township must recognize lease liabilities and a right-to-use asset for lease agreements in which the Township is a lessee to the agreement as well as a lease receivable and deferred inflow of resources for lease agreements in which the Townships is a lessor to the agreement.

The Township has determined that it has no materially recognizable lease agreements as either the lessee or lessor.

NOTE 6 - LONG-TERM OBLIGATIONS

A. GOVERNMENTAL LONG-TERM OBLIGATIONS

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

- During 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.

- During 2022, the Township purchased a conservation easement through land contract with a private seller. The purchase included a $250,000 down payment and land contract of $2,163,280. The Township subsequently issued refunding bonds in the same year to pay off the land contract in full.

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

- During 2022, the Township sold refunding bonds with a bond premium of $81,695. The premium will be amortized using a straight line method of the 15 year term of the related bond at a rate of $5,446 per year.

The following summarizes changes in the Township's governmental activity's long-term debt for 2022:

Description	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Due Within One Year
Bonds Payable					
2013 Refunding Bonds					
Fire	$ 203,585	$	$ (100,721)	$ 102,864	$ 102,864
2022 Refunding Bonds					
Rock Property		2,160,000		2,160,000	110,000
Total bonds payable	203,585	2,160,000	(100,721)	2,262,864	212,864
Land Contract Payable					
Rock Property		2,163,280	(2,163,280)		
Bond Premium		81,695	(5,446)	76,249	5,446
Accrued Compensated Absences	581,629	578,489	(581,629)	578,489	
Accrued Interest		14,400		14,400	
Totals	$ 785,214	$ 4,997,864	$ (2,851,076)	$ 2,932,002	$ 218,310

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

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

	2013 Refunding Bonds Fire Hall		
Year	Total	Principal	Interest
2023	$ 103,893	$ 102,864	$ 1,029

	2022 Refunding Bonds Rock Property		
Year	Total	Principal	Interest
2023	$ 194,200	$ 110,000	$ 84,200
2024	189,800	110,000	79,800
2025	190,300	115,000	75,300
2026	190,600	120,000	70,600
2027	190,700	125,000	65,700
2028	190,600	130,000	60,600
2029	190,300	135,000	55,300
2030	189,800	140,000	49,800
2031	194,000	150,000	44,000
2032	192,900	155,000	37,900
2033	191,600	160,000	31,600
2034	190,100	165,000	25,100
2035	193,300	175,000	18,300
2036	191,200	180,000	11,200
2037	193,800	190,000	3,800
	$ 2,873,200	$ 2,160,000	$ 713,200

	Total		
Year	Total	Principal	Interest
2023	$ 298,093	$ 212,864	$ 85,229
2024	189,800	110,000	79,800
2025	190,300	115,000	75,300
2026	190,600	120,000	70,600
2027	190,700	125,000	65,700
2028	190,600	130,000	60,600
2029	190,300	135,000	55,300
2030	189,800	140,000	49,800
2031	194,000	150,000	44,000
2032	192,900	155,000	37,900
2033	191,600	160,000	31,600
2034	190,100	165,000	25,100
2035	193,300	175,000	18,300
2036	191,200	180,000	11,200
2037	193,800	190,000	3,800
	$ 2,977,093	$ 2,262,864	$ 714,229

NOTE 6 - 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 $1,490,124 of the future $3,230,000 has been received. Interest will be charged at 2% per annum.

Description	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Due Within One Year
2013 Refunding Bonds Utility Payable	$ 271,415	$	$ (134,279)	$ 137,136	$ 137,136
2020 Capital Improvement Bonds	1,085,231	539,893	(135,000)	1,490,124	135,000
Totals	$ 1,356,646	$ 539,893	$ (269,279)	$ 1,627,260	$ 272,136

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

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
2023	$ 138,507	$ 137,136	$ 1,371

	2020 Capital Improvement Bonds		
Year	Total	Principal	Interest
2023	$ 163,486	$ 135,000	$ 28,486
2024	197,800	140,000	57,800
2025	195,000	140,000	55,000
2026	197,150	145,000	52,150
2027	194,250	145,000	49,250
2028-3032	980,500	780,000	200,500
2033-2037	978,700	860,000	118,700
2038-2041	780,500	750,000	30,500
Totals	$ 3,687,386	$ 3,095,000	$ 592,386

	Total Proprietary Long-Term Debt		
Year	Total	Principal	Interest
2023	$ 301,993	$ 272,136	$ 29,857
2024	197,800	140,000	57,800
2025	195,000	140,000	55,000
2026	197,150	145,000	52,150
2026	194,250	145,000	49,250
2028-3032	980,500	780,000	200,500
2033-2037	978,700	860,000	118,700
2038-2041	780,500	750,000	30,500
Totals	$ 3,825,893	$ 3,232,136	$ 593,757

As of December 31, 2021, only $1,490,124 of available bonds have been used for the 2020 improvement project. However, the Utilities department expects to utilize the full available amount of $3,230,00 and has elected to report the full projected future debt schedule.

NOTE 7 - STATEMENT OF CASH FLOWS - ENTERPRISE FUND

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

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

	1/1/2022	12/31/2022
Unrestricted - operations		
Cash and investments	$ 4,175,111	$ 4,463,867

There is no restricted cash as of December 31, 2022.

NOTE 8 - DEFINED CONTRIBUTION PENSION PLAN

History

The Township originally adopted a Defined Contribution Plan with Manulife in October 1967 which has since become John Hancock. The plan was set up as voluntary; however, to join the plan the employee had to contribute 5% of gross pay, the Township would then match with 10%. Eligible employees were all Union Firefighters, full time employees, the Fire Chief, Ordinance Officer, Supervisor, Clerk, Treasurer, Deputy Treasurer, and Trustees (employees also had to be at least 18 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 8 - 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 2022:

Total value January 1, 2022		$ 1,031,112
Contributions/Investment returns		
Employee contributions	$ 17,790	
Employer contributions	36,167	
Net gain/(loss) for 2022	(187,333)	
Total contributions/investment returns		(133,376)
Withdrawals		(111,750)
Total value December 31, 2022		$ 785,986

NOTE 9 - DEFINED BENEFIT PLAN

Plan Description

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

Description of Benefits

Benefits Provided

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

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

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

NOTE 9 - DEFINED BENEFIT PLAN (continued)

Employees Covered by Benefit Terms

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

	Division 01 Non-Union	Division 05 Union Fire
Inactive employees or beneficiaries currently receiving benefits	10	6
Inactive employees entitled to but not yet receiving benefits	1	1
Active employees	19	11
	30	18

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, 2022, was 15.96% of eligible wages, with total contributions of $230,200 for Division 01 and 18.23%, with total contributions of $283,405 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, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2021.

Actuarial assumptions

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

Inflation: 2.5%.
Salary Increases: 3.00% in the long term.
Investment rate of return: 7.00%, net of investment and administrative expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with price inflation of 2.5%.

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

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

NOTE 9 - 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	7.00%	=	4.20%
Global Fixed Income	20.00%	x	4.50%	=	0.90%
Private Investments	20.00%	x	9.50%	=	1.90%
					7.00%

Discount Rate

The discount rate used to measure the total pension liability is 7.25% for the 2021 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 12/31/2021	$ 9,881,407	$ 7,477,431	$ 2,403,976
Changes for the year			
Service Cost	295,839		295,839
Interest on Total Pension Liability	739,844		739,844
Changes in Benefits			
Difference between expected and actual experience	284,586		284,586
Changes in assumptions	430,356		430,356
Employer Contributions		513,605	(513,605)
Employee Contributions		149,519	(149,519)
Net Investment Income		(778,379)	778,379
Benefit payments, including employee refunds	(589,080)	(589,080)	
Administrative expense		(13,967)	13,967
Other Changes	14,459		14,459
Net Changes	1,176,004	(718,302)	1,894,306
Balances as of 12/31/2022	$ 11,057,411	$ 6,759,129	$ 4,298,282

NOTE 9 - 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 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability at 12/31/2022	$ 4,298,282	$ 4,298,282	$ 4,298,282
Change in Net Pension Liability (NPL) from change in discount rate	1,400,008		(1,162,232)
Calculated NPL	$ 5,698,290	$ 4,298,282	$ 3,136,050

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, 2022, the Township recognized pension expense of $829,881. 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	$ 639,831	
Differences in experience	346,783	
Differences in actuarial assumptions	580,728	
Totals	$ 1,567,342	$

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

Year Ended	Expense
2023	$ 366,766
2023	405,458
2024	382,337
2025	412,781
Total	$ 1,567,342

NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Township maintains a proprietary fund which is financed by user charges. Segment information as of December 31, 2022, follows:

	Utility System
Operating revenues	$ 4,524,436
Depreciation	745,339
Operating (loss)	(668,830)
Non-operating revenues and (expenses) net	1,616,393
Changes in net position	947,563
Current assets	5,609,144
Current liabilities	621,776
Net working capital	4,987,368
Total assets	24,271,350
Total liabilities	1,976,900
Net position	22,294,450

NOTE 11 - 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 2022, the Township paid for the cost of covering these retirees. During the fiscal year 2022, the net cost of health care benefits for the retirees was $9,491, which was paid directly to the healthcare provider.

NOTE 12 - 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, 2022, 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 13 - 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, 2022.

NOTE 14 - 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	$ 40,759	$ 61,627	$ 16,870	$	$ 3,423	$	$	$ 6,223	$ 128,902
Restricted for:									
Fire protection									
General		1,497,582							1,497,582
Compensated absences		534,207							534,207
Truck replacement		52,308							52,308
Debt reserve		123,160							123,160
Building construction		471,876							471,876
Police protection			1,981,704						1,981,704
Public works						116,018	15,104		131,122
Legal defense					211,630				211,630
Committed for:									
Building reserve	401,731								401,731
Capital improvement	2,550			1,452					4,002
Compensated absences	41,877							2,406	44,283
Non-motorized trails	30,659								30,659
Ordinance enforcement								812,311	812,311
Right of Way	25,666								25,666
Assigned for future budget deficits	917				10,700			18,024	29,641
Unassigned	2,196,481								2,196,481
Total designated	$ 2,740,640	$ 2,740,760	$ 1,998,574	$ 1,452	$ 225,753	$ 116,018	$ 15,104	$ 838,964	$ 8,677,265

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 15 - 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, 2022, cash and investments consist of the following:

	Total	Cash	Investments
Deposits			
Checking accounts	$ 13,297,193	$ 13,297,193	$
Money market accounts	1,237,464		1,237,464
US Treasury Securities	7,211,451		7,211,451
Total	$ 21,746,108	$ 13,297,193	$ 8,448,915

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

Statement of Net Position:	
Cash and investments	$ 15,547,305
Fiduciary Funds:	
Cash and investments	6,310,761
Total cash and investments	$ 21,858,066

The carrying amount of cash and investments is stated at $21,858,066 as of December 31, 2022. The difference between the carrying amounts and amounts mentioned above stem from cash on hand, outstanding checks, and outstanding deposits.

NOTE 15 - 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, 2022, deposits totaled $21,746,108, which was exposed to custodial credit risk as follows:

	Amount	%
Insured by FDIC	$ 750,000	3%
Uninsured and uncollateralized in banks	13,784,657	63%
Uninsured and uncollateralized - U.S. Treasury Securities	7,211,451	33%
	$ 21,746,108	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 16 - 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 2022, the Township contributed $275 per non-union employee and $375 per union employee per month to individual accounts, a total of $103,700 for all employees. The Township utilized accumulated forfeitures of $56,455 to offset required contributions, with the remaining contributions of $47,245 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, 2022.

NOTE 16 - 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 17 - AMERICAN RESCUE PLAN ACT (ARPA) GRANT ACTIVITY

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

The following is a summary of ARPA activity for the 2021 and 2022 fiscal years:

Federal funds received in 2021	$	747,700
Net interest income and bank fees for 2021		30
Federal funds received in 2022		753,703
Net interest income and bank fees for 2022		1,474
Disbuursements for 2022 (Firemen's Park engineering)		(9,765)
Cash balance of ARPA funds as of 12/31/2022	**$**	**1,493,142**

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

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

NOTE 18 – NEWLY ADOPTED ACCOUNTING STANDARDS – GASB 87

Effective January 1, 2022, the Township implemented the Governmental Accounting Standards Board (GASB) Standard No. 87, *Leases,* which is intended to improve the accounting and financial reporting of leases by governments.

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 resource based on the payment provisions of the contract. This standard requires a lessee to recognize a lease liability and right-to-use lease asset and requires a lessor to recognize a lease receivable and deferred inflow of resources. The Township does not recognize leases with a term of 12 months or less ("short term leases") on the financial statements.

The Township implemented this standard for the year ended December 31, 2022 and has determined that it has no materially recognizable leases that would impact the Township's financial statements.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 16, 2023, the date the financial statements were available to be issued. Management has determined that the Township does not have any other material recognizable or non-recognizable events.

NOTE 20 - UPCOMING GASB PRONOUNCEMENTS

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, 2022

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 628,992	$ 627,069	$ 623,370	$ (3,699)
Licenses and permits	195,000	195,000	198,063	3,063
Federal grants		17,000	16,826	(174)
State grants	1,221,374	1,776,290	1,922,875	146,585
Contributions from local units		243,000	263,647	20,647
Charges for services	29,750	27,750	20,736	(7,014)
Interest and rents	36,500	36,150	47,927	11,777
Other revenue	21,000	24,600	23,863	(737)
Total revenues	2,132,616	2,946,859	3,117,307	170,448
EXPENDITURES				
General government				
Township board	9,950	27,850	25,603	2,247
Supervisor	101,094	104,794	104,578	216
Treasurer	185,354	199,654	200,376	(722)
Clerk	182,273	182,273	178,047	4,226
Assessing equalization	223,973	229,992	212,628	17,364
Elections	84,200	108,050	95,838	12,212
Building and Grounds	61,750	64,850	67,574	(2,724)
Attorney	5,000	13,000	14,680	(1,680)
Other	568,800	578,100	580,602	(2,502)
Total general government	1,422,394	1,508,563	1,479,926	28,637
Public safety	42,372	17,153	17,014	139
Public works	513,232	850,129	1,031,303	(181,174)
Community and economic development	49,545	100,295	81,622	18,673
Recreation and culture				
Administration	98,940	107,640	101,575	6,065
Recreation	25,250	19,550	17,253	2,297
Park maintenance	181,461	208,587	193,357	15,230
Unallocated	24,900	31,878	31,145	733
Total recreation and cultuer	330,551	367,655	343,330	24,325
Debt service - interest		34,560	34,560	
Total expenditures	2,358,094	2,878,355	2,987,755	(109,400)
Excess (deficiency) revenue over expenditures	(225,478)	68,504	129,552	61,048
OTHER FINANCING SOURCES/(USES)				
Transfers (out)		(91,858)		91,858
Net change in fund balance	(225,478)	(23,354)	129,552	152,906
FUND BALANCE, JANUARY 1, 2022	2,611,088	2,611,088	2,611,088	
FUND BALANCE, DECEMBER 31, 2022	$ 2,385,610	$ 2,587,734	$ 2,740,640	$ 152,906

CHARTER TOWNSHIP OF SUPERIOR

FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 2,561,383	$ 2,553,148	$ 2,552,182	$ (966)
Federal grants	51,500	68,500	68,779	279
State grants	2,575	2,575	2,751	176
Charges for services	515	515		(515)
Interest and rents	28,840	21,290	36,159	14,869
Other revenue	7,056	9,176	10,324	1,148
Total revenues	2,651,869	2,655,204	2,670,195	14,991
EXPENDITURES				
Public safety	2,286,899	2,815,399	2,747,031	68,368
Debt service				
Principal	101,535	101,535	100,721	814
Interest	5,210	5,210	3,064	2,146
Total expenditues	2,393,644	2,922,144	2,850,816	71,328
Net change in fund balance	258,225	(266,940)	(180,621)	86,319
FUND BALANCE, JANUARY 1, 2022	2,921,381	2,921,381	2,921,381	
FUND BALANCE, DECEMBER 31, 2022	$ 3,179,606	$ 2,654,441	$ 2,740,760	$ 86,319

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, 2022

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 2,012,243	$ 2,005,765	$ 2,005,336	$ (429)
State grants	2,500	2,500	2,162	(338)
Charges for services	319,161	319,161	309,933	(9,228)
Fines and forfeits	5,000	16,000	17,315	1,315
Interest and rents	25	5,525	16,391	10,866
Other revenue	100	100	108	8
Total revenues	2,339,029	2,349,051	2,351,245	2,194
EXPENDITURES				
Public safety	1,980,793	1,890,793	1,764,032	126,761
Net change in fund balance	358,236	458,258	587,213	128,955
FUND BALANCE, JANUARY 1, 2022	1,411,361	1,411,361	1,411,361	
FUND BALANCE, DECEMBER 31, 2022	$ 1,769,597	$ 1,869,619	$ 1,998,574	$ 128,955

CHARTER TOWNSHIP OF SUPERIOR

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule of Employer Contributions

	For the Plan Year Ended						
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Actuarial determined contributions	$ 513,605	$ 428,583	$ 343,704	$ 323,064	$ 257,074	$ 243,677	$ 208,778
Contributions in relation to the actuarial determined contribution	513,605	428,583	343,704	323,064	257,074	243,677	208,778
Contribution (deficiency) excess	$	$	$	$	$	$	$
Covered employee payroll	$ 2,348,774	$ 2,213,530	$ 2,080,582	$ 1,844,614	$ 1,720,936	$ 1,583,227	$ 1,621,846
Contributions as a percentage of covered payroll	21.87 %	19.36 %	16.52 %	17.51 %	14.94 %	15.39 %	12.87 %

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	7.00%
Retirement age	Division 01: Age 60, early retirement at age 55 with 15 years of service or age 50 with 25 years of service with reduced benefits. Division 05: Age 60, early retirement at age 50 with 25 years of service or age 55 with 15 years of service with reduced benefits.
Mortality	50% Female/50% Male 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, 2022

	For the Plan Year Ended						
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
TOTAL PENSION LIABILITY							
Service Cost	$ 295,839	$ 264,925	$ 248,262	$ 220,760	$ 204,939	$ 187,817	$ 185,852
Interest	739,844	690,029	629,872	634,256	597,127	574,515	531,168
Changes in benefit terms							
Differences between expected and actual experience	284,586	41,228	186,896	(12,135)	132,291	(60,111)	138,559
Changes of assumptions	430,356	234,441	239,448				285,083
Benefit payments, including refunds of employee contributions	(589,080)	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)
Other changes	14,459	(46,376)	(19,181)	(9,078)	(30,745)	(13,371)	(14,343)
Net change in total pension liability	1,176,004	684,811	780,588	362,568	480,040	282,889	763,764
TOTAL PENSION LIABILITY - BEGINNING	9,881,407	9,196,596	8,416,008	8,053,440	7,573,400	7,290,511	6,526,747
TOTAL PENSION LIABILITY - ENDING	$ 11,057,411	$ 9,881,407	$ 9,196,596	$ 8,416,008	$ 8,053,440	$ 7,573,400	$ 7,290,511
PLAN FIDUCIARY NET POSITION							
Contributions - employer	513,605	428,583	343,703	323,064	257,074	243,677	208,778
Contributions - employee	149,519	131,740	117,461	117,023	99,482	97,044	89,336
Net investment income	(778,379)	924,013	750,073	701,819	(213,390)	644,352	505,591
Benefit payments, including refunds of employee contributions	(589,080)	(499,436)	(504,709)	(471,235)	(423,572)	(405,961)	(362,555)
Administrative Expenses	(13,967)	(10,599)	(11,724)	(12,098)	(10,555)	(10,196)	(9,975)
Net change in plan fiduciary net position	(718,302)	974,301	694,804	658,573	(290,961)	568,916	431,175
PLAN FIDUCIARY NET POSITION, BEGINNING	7,477,431	6,503,130	5,808,326	5,149,753	5,440,714	4,871,798	4,440,623
PLAN FIDUCIARY NET POSITION, ENDING	$ 6,759,129	$ 7,477,431	$ 6,503,130	$ 5,808,326	$ 5,149,753	$ 5,440,714	$ 4,871,798
NET PENSION LIABILITY (TOTAL PENSION LIABILITY - PLAN FIDUCIARY NET POSITION)	$ 4,298,282	$ 2,403,976	$ 2,693,466	$ 2,607,682	$ 2,903,687	$ 2,132,686	$ 2,418,713
Plan fiduciary net position as a percentage of the total pension liability	61.13%	75.67%	70.71%	69.02%	63.94%	71.84%	66.82%
Covered employee payroll	$ 2,348,774	$ 2,213,530	$ 2,080,582	$ 1,844,614	$ 1,720,936	$ 1,583,227	$ 1,621,846
Net pension liability as a percentage of covered employee payroll	183.00%	108.60%	129.46%	141.37%	168.73%	134.71%	149.13%

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, 2022

NOTE - BUDGETARY INFORMATION

Budget Overruns

The following expenditures exceeded appropriations:

	Final Budget	Actual Expenditures	Variance (Unfavorable)
General Fund			
General Government			
Treasurer	$ 199,654	$ 200,376	$ (722)
Building and grounds	64,850	67,574	(2,724)
Attorney	13,000	14,680	(1,680)
Other	578,100	580,602	(2,502)
Public works	850,129	1,031,303	(181,174)
Total	$ 1,705,733	$ 1,894,535	$ (188,802)

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR

ALL FUNDS INCLUDED IN GASB 54 GENERAL FUND CONSOLIDATION
COMBINING BALANCE SHEET
DECEMBER 31, 2022

	General Fund Pre GASB 54 Consolidation	Parks and Recreation Fund	Trust and Agency Fund	Eliminations	Totals Restated General Fund
ASSETS					
Cash and investments	$ 1,981,288	$ 593,458	$ 872,349	$	$ 3,447,095
Receivables:					
Taxes	590,285				590,285
State shared revenue	280,304				280,304
Due from other funds	58,324		7	(15)	58,316
Other	409,468				409,468
Prepaid expenditures	31,212	9,547			40,759
Total assets	3,350,881	603,005	872,356	(15)	4,826,227
LIABILITIES					
Accounts payable	549,817	1,431	606,264		1,157,512
Unearned revenues			266,092		266,092
Due to other funds	28,931	1,541		(15)	30,457
Total liabilities	578,748	2,972	872,356	(15)	1,454,061
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	631,526				631,526
FUND BALANCES					
Nonspendable for prepaids	31,212	9,547			40,759
Committed:					
Building reserve		401,731			401,731
Capital improvement		2,550			2,550
Compensated absences	30,965	10,912			41,877
Non-motorized trails	30,659				30,659
Right of Way	25,666				25,666
Assigned for future budget deficits		917			917
Unassigned	2,022,105	174,376			2,196,481
Total fund balances	2,140,607	600,033			2,740,640
Total liabilities, deferred inflows of resources and fund balances	$ 3,350,881	$ 603,005	$ 872,356	$ (15)	$ 4,826,227

CHARTER TOWNSHIP OF SUPERIOR

ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2022

	Legal Defense Fund	Streetlight Fund	Side Street Maintenance Fund	Building Fund	Totals
ASSETS					
Cash and investments	$ 268,978	$ 42,233	$ 15,104	$ 849,037	$ 1,175,352
Special assessments receivable		81,712	23,517		105,229
Prepaid expenditures	3,423			6,223	9,646
Total assets	$ 272,401	$ 123,945	$ 38,621	$ 855,260	$ 1,290,227
LIABILITIES					
Accounts payable	$	$ 7,927	$	$ 13,982	$ 21,909
Unearned revenue			23,517		23,517
Due to other funds	46,648			2,314	48,962
Total liabilities	46,648	7,927	23,517	16,296	94,388
FUND BALANCE					
Nonspendable for:					
Prepaids	3,423			6,223	9,646
Restricted for:					
Public works		116,018	15,104		131,122
Legal defense	211,630				211,630
Committed for:					
Compensated absences				2,406	2,406
Ordinance enforcement				812,311	812,311
Assigned for future budget deficit	10,700			18,024	28,724
Total fund equity	225,753	116,018	15,104	838,964	1,195,839
Total liabilities and fund equity	$ 272,401	$ 123,945	$ 38,621	$ 855,260	$ 1,290,227

CHARTER TOWNSHIP OF SUPERIOR

ALL AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2022

	Current Tax Fund	Payroll Fund	Totals
ASSETS			
Cash and investments	$ 6,283,958	$ 26,803	$ 6,310,761
Due from other funds		45,165	45,165
Total assets	$ 6,283,958	$ 71,968	$ 6,355,926
LIABILITIES			
Due to others	$ 6,283,937	$ 64,519	$ 6,348,456
Due to other funds	21	7,449	7,470
Total liabilities	$ 6,283,958	$ 71,968	$ 6,355,926

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, 2022

	General Fund Pre GASB 54 Consolidation	Parks and Recreation Fund	Trust and Agency Fund	Eliminations	Total Restated General Fund
REVENUES					
Taxes	$ 623,370	$	$	$	$ 623,370
Licenses and permits	198,063				198,063
Federal grants		16,826			16,826
State grants	1,922,875				1,922,875
Contributions from local units	263,647				263,647
Charges for services	20,736		195,371		216,107
Interest and rents	46,442	1,485			47,927
Other revenue	19,312	4,551			23,863
Total revenues	3,094,445	22,862	195,371		3,312,678
EXPENDITURES					
General government	1,415,206				1,415,206
Public safety	17,014				17,014
Public works	663,422				663,422
Community and economic development	81,622		195,371		276,993
Recreation and culture		300,198			300,198
Capital outlay					
General government	432,601				432,601
Parks and recreation		43,132			43,132
Debt service					
Debt - interest	34,560				34,560
Total expenditures	2,644,425	343,330	195,371		3,183,126
Excess of revenues over (under) expenditures	450,020	(320,468)			129,552
OTHER FINANCING SOURCES (USES)					
Transfers in		325,451		(325,451)	
Transfers (out)	(325,451)			325,451	
Total other financing sources (uses)	(325,451)	325,451			
Net change in fund balance	124,569	4,983			129,552
FUND BALANCE, JANUARY 1, 2022	2,016,038	595,050			2,611,088
FUND BALANCE, DECEMBER 31, 2022	$ 2,140,607	$ 600,033	$	$	$ 2,740,640

CHARTER TOWNSHIP OF SUPERIOR

ALL NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Legal Defense Fund	Streetlight Fund	Side Street Maintenance Fund	Building Fund	Totals
REVENUES					
Special assessments	$	$ 81,712	$ 23,517	$	$ 105,229
Charges for services				444,184	444,184
Interest and rents	3,515			3,693	7,208
Miscellaneous				444	444
Total revenues	3,515	81,712	23,517	448,321	557,065
EXPENDITURES					
General government	16,748				16,748
Public works		78,259			78,259
Community and economic development			23,517	501,208	524,725
Capital outlay:					
General government	17,875				17,875
Total expenditures	34,623	78,259	23,517	501,208	637,607
Net change in fund balance	(31,108)	3,453		(52,887)	(80,542)
FUND BALANCE, JANUARY 1, 2022	256,861	112,565	15,104	891,851	1,276,381
FUND BALANCE, DECEMBER 31, 2022	$ 225,753	$ 116,018	$ 15,104	$ 838,964	$ 1,195,839

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Payment in lieu of taxes	$ 651	$ 652	$ 1
Trailer home fees	4,500	3,664	(836)
Property taxes	621,918	619,054	(2,864)
Total taxes	627,069	623,370	(3,699)
Licenses and permits			
Cable franchise fees	195,000	198,063	3,063
State grants			
State shared revenue	1,764,190	1,911,512	147,322
Other state aid grants	12,100	11,363	(737)
Total state grants	1,776,290	1,922,875	146,585
Contributions from local units			
CTAP grant	243,000	263,647	20,647
Charges for services			
General charges for services	27,750	20,736	(7,014)
Interest and rents			
Interest income	4,000	11,076	7,076
Cell tower	35,000	34,978	(22)
Investment earnings		388	388
Total interest and rents	39,000	46,442	7,442
Other revenue			
Reimbursements and refunds	13,800	13,571	(229)
Other income	6,100	5,741	(359)
Total other revenue	19,900	19,312	(588)
Total revenues	2,928,009	3,094,445	166,436

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
General government			
Township board	27,850	25,603	2,247
Supervisor	104,794	104,578	216
Treasurer	199,654	200,376	(722)
Clerk	182,273	178,047	4,226
Assessing equalization	229,992	212,628	17,364
Elections	108,050	95,838	12,212
Building and grounds	64,850	67,574	(2,724)
Attorney	13,000	14,680	(1,680)
All other general government	578,100	580,602	(2,502)
Total general government	1,508,563	1,479,926	28,637
Public safety			
Ordinance enforcement	17,153	17,014	139
Public works			
Infrastructure	744,497	925,133	(180,636)
Sanitation	10,000	9,436	564
Public transportation	95,632	96,734	(1,102)
Total public works	850,129	1,031,303	(181,174)
Community and economic development			
Planning and zoning	100,295	81,622	18,673
Debt service			
Debt - interest	34,560	34,560	
Total expenditures	2,510,700	2,644,425	(133,725)
Excess of revenues over (under) expenditures	417,309	450,020	32,711
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(417,309)	(325,451)	91,858
Net change in fund balance		124,569	124,569
FUND BALANCE, JANUARY 1, 2022	2,016,038	2,016,038	
FUND BALANCE, DECEMBER 31, 2022	$ 2,016,038	$ 2,140,607	$ 124,569

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Township board			
Salaries	$ 27,150	$ 25,220	$ 1,930
Contract services	100		100
Training	250	150	100
Professional services	100	233	(133)
Printing and publishing	250		250
Total township board	27,850	25,603	2,247
Supervisor			
Salaries	92,794	92,794	
Assistant salary	9,000	8,761	239
Taxable benefits	3,000	3,000	
Supplies		23	(23)
Total supervisor	104,794	104,578	216
Treasurer			
Salaries	83,839	83,839	
Other salaries	83,367	82,088	1,279
Training	2,000	1,760	240
Taxable benefits	25,498	25,039	459
Supplies	3,800	6,469	(2,669)
Printing and publishing	1,000	986	14
Memberships and dues	150	195	(45)
Total treasurer	199,654	200,376	(722)
Clerk			
Salary	83,839	83,839	
Other salaries	86,099	84,234	1,865
Training	1,500	0	1,500
Taxable benefits	9,835	9,405	430
Supplies	1,000	569	431
Total clerk	182,273	178,047	4,226

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
Assessing equalization			
Salaries	194,242	179,850	14,392
Contract services	2,500	1,538	962
Training	2,000	1,510	490
Taxable benefits	27,500	27,279	221
Supplies	1,500	407	1,093
Telephone	650	607	43
Transportation	100	166	(66)
Meals and lodging	500	243	257
Memberships and dues	1,000	1,028	(28)
Total assessing equalization	229,992	212,628	17,364
Elections			
Salaries	66,000	61,459	4,541
Supplies and postage	18,850	19,201	(351)
Repairs and maintenance	11,200	11,191	9
Rent	12,000	3,987	8,013
Total elections	108,050	95,838	12,212
Buildings and grounds			
Contract services	24,000	24,086	(86)
Operating supplies	5,000	5,472	(472)
Utilities	12,000	13,780	(1,780)
Repairs and maintenance	15,450	15,887	(437)
Expense allocation	(15,000)	(15,000)	
Building improvements	23,400	23,349	51
Total buildings and grounds	64,850	67,574	(2,724)
Attorney			
Professional services	13,000	14,680	(1,680)

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
All other general government			
Training	1,500	98	1,402
Administration postage	15,000	14,360	640
Administration operating supplies	4,500	4,494	6
Cemetery upkeep	1,500	1,500	
Professional services	90,300	106,471	(16,171)
Telephone	10,000	11,270	(1,270)
Insurance and bonds	15,000	14,567	433
Transportation	9,000	6,234	2,766
Meals and lodging	500	547	(47)
Printing and publishing	13,000	13,927	(927)
Repairs and maintenance	500		500
Expense allocation	(15,000)	(15,000)	
Meals on Wheels	10,000	10,000	
Equipment rental	9,500	7,318	2,182
Memberships and dues	18,500	18,314	186
Bank charges	7,000	1,342	5,658
Equipment	14,500	14,612	(112)
Miscellaneous	2,500	2,096	404
Accounting Salaries	101,425	100,316	1,109
Accounting taxable benefits	6,633	6,113	520
Accounting supplies	1,500	1,382	118
Accounting expense allocation	(46,000)	(46,000)	
Unallocated FICA	71,339	71,299	40
Unallocated medical insurance	79,990	77,076	2,914
Unallocated dental insurance	8,489	9,848	(1,359)
Unallocated vision insurance	2,091	2,574	(483)
Unallocated life insurance	1,393	1,811	(418)
Unallocated HSA administration fees	258	115	143
Unallocated HCSP	12,934	12,473	461
Unallocated pension expense	130,248	131,445	(1,197)
Total all other general government	578,100	580,602	(2,502)
TOTAL GENERAL GOVERNMENT	1,508,563	1,479,926	28,637

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY			
Ordinance enforcement			
Salaries	13,887	13,887	
Taxable benefits	3,066	3,066	
Miscellaneous	200	61	139
Total ordinance enforcement	17,153	17,014	139
TOTAL PUBLIC SAFETY	17,153	17,014	139
PUBLIC WORKS			
Infrastructure			
Master plan revisions	20,100	17,915	2,185
Geddes Ridge drain maintenance	32,000	30,453	1,547
Special projects	11,100	20,990	(9,890)
Ypsilanti district library	50,000	154,251	(104,251)
Pathway	459,492	512,925	(53,433)
Salaries	7,000	6,705	295
Contract services	1,000	200	800
Supplies	1,000	114	886
Road maintenance	117,000	136,866	(19,866)
Other maintenance	2,000	1,171	829
Streetlights	5,305	5,305	
Drains	38,500	38,238	262
Total infrastructure	744,497	925,133	(180,636)
Sanitation			
Recycling	5,000	7,140	(2,140)
Garbage and yard waste tags	3,000		3,000
Dump usage collection	2,000	2,296	(296)
Total sanitation	10,000	9,436	564

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
Public transportation			
A.A.T.A. contract	60,216	60,999	(783)
Demand response	22,155	22,321	(166)
New buses	13,261	13,414	(153)
Total public transportation	95,632	96,734	(1,102)
TOTAL PUBLIC WORKS	850,129	1,031,303	(181,174)
COMMUNITY AND ECONOMIC DEVELOPMENT			
Planning and zoning			
Salaries	85,801	67,417	18,384
Taxable benefits	10,894	10,542	352
Supplies	100	373	(273)
Professional services	3,500	3,290	210
Total planning and zoning	100,295	81,622	18,673
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	100,295	81,622	18,673
DEBT SERVICE			
Debt - interest	34,560	34,560	
Total expenditures	$ 2,510,700	$ 2,644,425	$ (133,725)

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION			
Salaries	$ 64,940	$ 65,280	$ (340)
Training	100	35	65
Taxable benefits	1,300	1,299	1
Supplies	400	308	92
Professional services	18,100	17,793	307
Telephone	750	598	152
Insurance and bonds	10,000	8,748	1,252
Transportation	1,200	784	416
Office rent	6,000	6,000	
Printing and publishing	3,000	93	2,907
Repairs and maintenance	500		500
Membership and dues	650	500	150
Miscellaneous	700	137	563
Total administration	107,640	101,575	6,065
RECREATION			
Salaries	7,277	6,271	1,006
Taxable benefits	200		200
Supplies	3,500	4,094	(594)
Professional services	6,300	5,617	683
Telephone	600	500	100
Miscellaneous	1,673	771	902
Total recreation	19,550	17,253	2,297
MAINTENANCE AND IMPROVEMENTS			
Salaries	113,264	111,514	1,750
Training	100	40	60
Taxable benefits	6,747	6,727	20
Supplies	16,300	10,230	6,070
Uniforms	900	537	363
Fuel and lubricants	4,500	6,484	(1,984)
Telephone	3,100	2,011	1,089
Utilities	950	490	460
Repair and Maintenance	18,000	10,742	7,258
Equipment	27,900	27,756	144
Total maintenance and improvements	191,761	176,531	15,230
GRANT PARK DEVELOPMENT	16,826	16,826	
UNALLOCATED EXPENSES	31,878	31,145	733
Total expenditures	$ 367,655	$ 343,330	$ 24,325

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, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 4,473,500	$ 4,514,821	$ 41,321
Interest income		32,699	32,699
Meter sales	10,000	9,615	(385)
Tap-in fees		754,233	754,233
New customer installation fees	15,000	23,954	8,954
Other	6,100	6,096	(4)
Total revenues	4,504,600	5,341,418	836,818
EXPENSES			
Water and sewer purchases	2,787,000	2,791,450	(4,450)
Salaries	555,521	557,312	(1,791)
Taxable benefits	54,976	58,107	(3,131)
Payroll taxes	46,321	45,924	397
Insurance benefits	148,716	143,668	5,048
Pension expense	95,822	88,027	7,795
Repairs and maintenance - administration building	9,828	9,519	309
Computer services and supplies	23,000	23,088	(88)
Supplies	6,000	3,571	2,429
Utilities	6,000	6,756	(756)
Telecommunications	11,000	12,808	(1,808)
Leased equipment	13,000	12,157	843
Cleaning services	5,000	5,005	(5)
Lift and booster station expense	38,000	36,850	1,150
Maintenance facility expense	99,218	108,097	(8,879)
System repairs and maintenance	38,250	356,682	(318,432)
Professional fees	37,700	34,611	3,089
Employee expense	7,500	7,839	(339)
Meters and supplies	100,000	55,184	44,816
Fuel	12,000	9,347	2,653
Insurance and bonds	38,000	34,661	3,339
Postage	20,000	18,531	1,469
Bank fees	500	208	292
Printing and publishing	11,000	8,785	2,215
Membership and dues	12,000	10,475	1,525
Miscellaneous	250	9,265	(9,015)
Bond interest expense		36,810	(36,810)
Agency fee		114	(114)
Total expenses	4,176,602	4,484,851	(308,249)
Operating income	327,998	856,567	528,569
OTHER INCOME (EXPENSES)			
(Loss) on disposal of assets		(18,665)	(18,665)
Contributed capital - developers		855,000	855,000
Transfers in		621,931	621,931
Transfers (out)	(327,998)	(621,931)	(293,933)
Total other income (expenses)	(327,998)	836,335	1,164,333
Change in net assets	$	$ 1,692,902	$ 1,692,902

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, 2022, 2021, 2020, 2019, 2018, 2017, and 2016

	2022	2021	2020	2019	2018	2017	2016
REVENUES							
Charges for services	$ 4,514,821	$ 4,361,690	$ 4,918,819	$ 4,921,683	$ 4,747,460	$ 4,095,235	$ 4,208,728
Meter sales	9,615	21,990	21,640	34,570	12,377	17,868	24,716
Total revenues	4,524,436	4,383,680	4,940,459	4,956,253	4,759,837	4,113,103	4,233,444
EXPENSES							
Water and sewer purchases	2,791,450	2,516,235	2,396,138	2,334,583	2,857,115	2,292,120	2,262,792
Salaries and wages	557,312	520,704	514,362	548,268	488,461	373,647	377,151
Taxable benefits	58,107	51,838	52,196	45,150	32,093	48,304	36,855
Payroll taxes	45,924	43,132	41,925	44,221	38,761	33,195	31,760
Insurance benefits	143,668	108,712	82,250	83,784	84,048	68,843	62,095
Pension	88,027	80,019	64,665	67,110	51,942	46,477	43,973
Repairs and maintenance	410,591	87,324	112,385	139,760	206,184	179,585	142,777
Computer expenses	43,744	47,546	17,393	10,870	13,277	5,000	9,414
Operating supplies and meters	88,666	132,471	90,435	217,895	89,886	138,778	69,731
Utilities	41,809	35,267	42,418	52,249	5,204	35,914	33,024
Telecommunications	27,043	25,972	19,387	8,745	9,327	7,457	13,385
Lease equipment	15,357	13,646	9,204	8,891	8,211	6,470	8,640
Office expenses	39,858	38,733	4,595	22,369	11,997	13,943	37,429
Professional services	34,611	11,276	49,909	29,160	22,025	19,570	12,852
Health savings expense					7,706	11,935	11,093
Insurance and bonds	34,661	37,479	34,374	35,469	32,796	30,440	30,391
Bad debt expense		3,528	3,934	3,421		3,272	3,224
Printing and publishing	8,785	20,224	21,235	3,604	4,165	4,801	2,312
Memberships and dues	10,475	10,847	15,446	21,133	8,984	8,061	7,638
Training and other employee expenses	7,839	3,647	18,264	8,695	917	5,779	3,717
Total expenses	4,447,927	3,788,600	3,590,515	3,685,377	3,973,099	3,333,591	3,200,253
Net revenues over expenses	$ 76,509	$ 595,080	$ 1,349,944	$ 1,270,876	$ 786,738	$ 779,512	$ 1,033,191

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.