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Washington and Bruce Townships Senior  
Transportation Thru Advanced Reservation

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**Financial Report**  
**with Supplemental Information**  
**March 31, 2022**

# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

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## Independent Auditor's Report

To the Commissioners  
Washington and Bruce Townships Senior  
Transportation Thru Advanced Reservation

### **Opinions**

We have audited the financial statements of the governmental activities and the General Fund of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation (the "System") as of and for the year ended March 31, 2022 and the related notes to the financial statements, which collectively comprise the System'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 and the General Fund of the System as of March 31, 2022 and the respective changes in its financial position 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 System 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 System's ability to continue as a going concern for 12 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.

To the Commissioners  
Washington and Bruce Townships Senior  
Transportation Thru Advanced Reservation

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 System'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 System'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 Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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.

***Other Supplemental Information***

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



September 6, 2022

# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

## Management's Discussion and Analysis

Our discussion and analysis of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation's (STAR or the "System") financial performance provides an overview of its financial activities for the fiscal year ended March 31, 2022. Please read it in conjunction with STAR's financial statements.

STAR's financial statements are presented on both the modified accrual basis and the government-wide basis in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34. The modified accrual basis presents a short-term view; it tells us how the taxpayers' resources were spent during the year and how much is available for future spending. The government-wide statements present a longer-term view of the System's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing STAR's services.

To remain consistent with GASB Statement No. 34, the management's discussion and analysis includes comparative data from the prior year within the financial sections below.

### ***Washington and Bruce Townships Senior Transportation Thru Advanced Reservation as a Whole***

The following tables show, in a condensed format, the net position as of March 31, 2022 and 2021 and the changes in net position for the years then ended:

	2022	2021
<b>Assets</b>		
Current and other assets	\$ 1,651,952	\$ 1,421,394
Capital assets	179,977	256,844
Total assets	1,831,929	1,678,238
<b>Liabilities</b>	26,937	8,351
<b>Net Position</b>		
Net investment in capital assets	179,977	256,844
Unrestricted	1,625,015	1,413,043
Total net position	<b>\$ 1,804,992</b>	<b>\$ 1,669,887</b>
	2022	2021
<b>Revenue</b>		
Taxes	\$ 534,590	\$ 562,718
Intergovernmental	191,553	121,669
Investment earnings	806	1,192
Other revenue	1,104	863
Total revenue	728,053	686,442
<b>Expenditures</b>	592,948	472,560
<b>Change in Net Position</b>	<b>\$ 135,105</b>	<b>\$ 213,882</b>

The System's increase in net position during the year was \$135,105. STAR's revenue consists of millages from Washington and Bruce townships, municipal and community credits, a specialized service grant from SMART, a regional transportation system, interest revenue, donations, and additional services. Total revenue increased by \$41,611 primarily due to a increase in funds from shared revenue and donations. Net capital assets decreased by approximately \$76,000 due to an adjustment in vehicles.

# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

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## Management's Discussion and Analysis (Continued)

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### ***General Fund Budgetary Highlights***

Revenue appeared favorable this fiscal year. Total revenue came in approximately \$92,000 more than anticipated due to conservative budgeting and state-shared revenue. Expenditures were less than budgeted amounts by approximately \$145,000 mainly due to expenses decreasing as a result of a decrease in services that has continued from COVID-19 fears.

### ***Economic Factors and Next Year's Budgets and Rates***

Tax revenue is projected to increase. Expenses will be managed to provide effective and efficient service. No funds were needed to balance the budget.

The board has agreed for STAR to assign a total of \$800,000: \$650,000 for capital development and \$150,000 toward future use and development.

The economic factors of the COVID-19 pandemic may have an impact on the 2023 General Fund budget. The System is diligently working to ensure budgetary impacts will be proactively addressed.

### ***Requests for Further Information***

This financial report is intended to provide our citizens, customers, and investors with a general overview of STAR's finances and show STAR's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the STAR transportation office.

# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

## Governmental Fund Balance Sheet - Statement of Net Position

March 31, 2022

	Balance Sheet - Modified Accrual Basis	Adjustments (Note 2)	Statement of Net Position - Full Accrual Basis
<b>Assets</b>			
Cash and investments (Note 3)	\$ 1,535,218	\$ -	\$ 1,535,218
Receivables - Due from other governmental units	116,734	-	116,734
Capital assets - Subject to depreciation (Note 4)	-	179,977	179,977
<b>Total assets</b>	<b>\$ 1,651,952</b>	179,977	1,831,929
<b>Liabilities</b>			
Accounts payable	\$ 5,898	-	5,898
Due to other governmental units	20,813	-	20,813
Employee compensated absences - Due in more than one year	-	226	226
<b>Total liabilities</b>	26,711	226	26,937
<b>Deferred Inflows of Resources - Unavailable revenue</b>	103,749	(103,749)	-
<b>Equity</b>			
Fund balance:			
Assigned:			
Future use and development	150,000	(150,000)	-
Capital projects	650,000	(650,000)	-
Unassigned	721,492	(721,492)	-
<b>Total fund balance</b>	1,521,492	(1,521,492)	-
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 1,651,952</b>		
<b>Net position:</b>			
Net investment in capital assets		179,977	179,977
Unrestricted		1,625,015	1,625,015
<b>Total net position</b>		<b>\$ 1,804,992</b>	<b>\$ 1,804,992</b>

## Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

### Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities

Year Ended March 31, 2022

	Revenue and Expenditures - Modified Accrual Basis	Adjustments (Note 2)	Statement of Activities - Full Accrual Basis
<b>Revenue</b>			
Taxes	\$ 534,590	\$ -	\$ 534,590
Intergovernmental:			
Federal grants	13,639	-	13,639
State revenue	20,364	21,448	41,812
Shared revenue	183,673	(47,571)	136,102
Investment earnings	806	-	806
Other revenue	1,104	-	1,104
Total revenue	754,176	(26,123)	728,053
<b>Expenditures</b>			
Salaries	314,245	82	314,327
Vehicles	60,820	75,714	136,534
Administrative	70,738	1,153	71,891
Benefits	70,196	-	70,196
Total expenditures	515,999	76,949	592,948
<b>Net Change in Fund Balance/Net Position</b>	238,177	(103,072)	135,105
<b>Fund Balance/Net Position - Beginning of year</b>	1,283,315	386,572	1,669,887
<b>Fund Balance/Net Position - End of year</b>	<b>\$ 1,521,492</b>	<b>\$ 283,500</b>	<b>\$ 1,804,992</b>



# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

## Notes to Financial Statements

March 31, 2022

### Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by Washington and Bruce Townships Senior Transportation Thru Advanced Reservation:

#### ***Reporting Entity***

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation (the "System") was organized on December 29, 1981 by a joint resolution between Washington and Bruce townships. The System was organized to provide transportation services to residents of the two townships who are 60 years of age or older. The System is governed by a two-member board with one representative each from Bruce and Washington townships and one alternative member from each township. The System is not considered to be a component unit of the townships of Bruce or Washington.

#### ***Accounting and Reporting Principles***

The System follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

#### ***Report Presentation***

Governmental accounting principles require that financial reports include two different perspectives: the government-wide perspective and the fund-based perspective. The General Fund column reports activities on the modified accrual basis of accounting, as discussed below, which demonstrates accountability for how the current resources have been spent. The government-wide column is presented on the economic resources measurement focus and the full accrual basis of accounting in order to measure the cost of providing government services and the extent to which constituents have paid the full cost of government services.

On the full accrual basis of accounting, revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### ***Fund Accounting***

The System accounts for its activities in one governmental fund. The General Fund is the primary operating fund and accounts for all financial resources used to provide services.

#### ***Basis of Accounting***

The General Fund uses the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the System has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as sick and vacation pay) are not counted until they come due for payment.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the System considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: intergovernmental revenue and most property taxes. Conversely, some property tax revenue, intergovernmental state revenue, and shared revenue will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow of resources.

# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

## Notes to Financial Statements

March 31, 2022

### Note 1 - Summary of Significant Accounting Policies (Continued)

#### *Specific Balances and Transactions*

##### **Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

##### **Capital Assets**

Capital assets, which include equipment and vehicles, are reported in the statement of net position. Capital assets are defined by the System as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

<u>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Equipment	5
Vehicles	5
Land improvements	15

##### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The System has no deferred outflows of resources.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting. Unavailable revenue is reported only in the General Fund balance sheet. The General Fund reports unavailable revenue from property taxes, intergovernmental state revenue, and shared revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

##### **Net Position Flow Assumption**

The System will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the System's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

March 31, 2022

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Fund Balance Flow Assumptions**

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

**Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The System itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the System's highest level of decision-making authority. The System's commissioners are the highest level of decision-making authority for the System that can, prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the System for specific purposes but do not meet the criteria to be classified as committed. The commissioners may also assign fund balance as they do when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Property Tax Revenue**

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The System's 2021 property tax revenue was levied and collectible on December 1, 2021 and is recognized as revenue in the year ended March 31, 2022 when the proceeds of the levy are budgeted and available for the financing of operations.

The System receives property taxes levied by the member townships of Washington and Bruce. The 2021 taxable valuation of all the property subject to the System's millage is \$1.597 billion and \$540 million for Washington Township and Bruce Township, respectively, on which taxes levied consisted of total mills of 0.2470 and 0.2481, respectively. This resulted in approximately \$530,000 for operations. This amount is recognized as tax revenue.

**Compensated Absences (Vacation and Sick Leave)**

It is the System's policy to permit employees to accumulate earned but unused sick, vacation, and personal day benefits. All compensated absence pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the General Fund only for employee terminations as of year end.

**Washington and Bruce Townships Senior  
Transportation Thru Advanced Reservation**

Notes to Financial Statements

March 31, 2022

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Upcoming Accounting Pronouncement**

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The System is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the System's financial statements for the year ended March 31, 2022.

**Note 2 - Reconciliation of Government-wide and Fund Financial Statements**

Total fund balance and the net change in fund balance of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation's modified accrual reporting differs from net position and change in net position of the full accrual reporting in the statement of net position and the statement of activities. This difference results primarily from the long-term economic focus of the full accrual reporting versus the current economic focus of modified accrual reporting. The following are reconciliations of fund balance (modified accrual basis) to net position (full accrual basis) and the net change in fund balance to the net change in net position:

<b>Fund Balance Reported in Governmental Funds</b>	\$ 1,521,492
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 are not reported in the fund	179,977
Property tax, intergovernmental state, and shared receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the fund	103,749
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(226)
<b>Net Position of Governmental Activities</b>	<u>\$ 1,804,992</u>

# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

## Notes to Financial Statements

March 31, 2022

### Note 2 - Reconciliation of Government-wide and Fund Financial Statements (Continued)

<b>Net Change in Fund Balance - Total Governmental Funds</b>	\$ 238,177
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation - Depreciation expense	(76,867)
Property tax and intergovernmental revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until collected or collectible within 60 days of year end	(26,123)
The change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(82)
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 135,105</u>

### Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The System has designated banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit but not the remainder of state statutory authority, as listed above. The System's deposits and investments are in accordance with statutory authority.

The System's cash and investments are subject to custodial credit risk, which is examined in more detail below:

#### ***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned to it. The System does not have a deposit policy for custodial credit risk. At year end, the System had bank deposits of \$876,879 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The System believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the System 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.

# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

## Notes to Financial Statements

March 31, 2022

### Note 4 - Capital Assets

Capital asset activity of the System's governmental activities was as follows:

	Balance April 1, 2021	Additions	Disposals	Balance March 31, 2022
Capital assets being depreciated:				
Equipment	\$ 25,719	\$ -	\$ -	\$ 25,719
Land improvements	42,732	-	-	42,732
Vehicles	714,857	-	-	714,857
Subtotal	783,308	-	-	783,308
Accumulated depreciation:				
Equipment	25,657	-	-	25,657
Land improvements	41,582	1,153	-	42,735
Vehicles	459,225	75,714	-	534,939
Subtotal	526,464	76,867	-	603,331
Net capital assets	\$ 256,844	\$ (76,867)	\$ -	\$ 179,977

### Note 5 - Defined Contribution Pension Plan

The System provides pension benefits to all of its full-time employees through a defined contribution plan. The Romeo-Washington-Bruce Parks and Recreation Employees Defined Contribution Plan is administered by Massachusetts Mutual Life Insurance Company (MassMutual). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by board resolution, the System contributes 12 percent of employees' base salaries. In accordance with these requirements, the System contributed \$5,640 during the current year. The System does not require employee contributions.

### Note 6 - Risk Management

The System is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The System has purchased commercial insurance for medical claims and workers' compensation. The System participates in the Michigan Municipal League Plan risk pool for claims relating to property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

### Note 7 - Related Party Transactions

The System conducts its operations in facilities owned by a local unit of government. The cost of the building space is donated to the System. The monetary value of this in-kind service has not been determined.

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## Required Supplemental Information

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**Washington and Bruce Townships Senior  
Transportation Thru Advanced Reservation**

Required Supplemental Information  
Budgetary Comparison Schedule - General Fund

**Year Ended March 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b>Revenue</b>				
Taxes	\$ 527,786	\$ 527,786	\$ 534,590	\$ 6,804
Intergovernmental:				
Federal grants	-	-	13,639	13,639
State revenue	-	-	20,364	20,364
Shared revenue	132,000	132,000	183,673	51,673
Investment earnings	2,000	2,000	806	(1,194)
Other revenue	-	-	1,104	1,104
Total revenue	<u>661,786</u>	<u>661,786</u>	<u>754,176</u>	<u>92,390</u>
<b>Expenditures</b>				
Salaries	359,448	359,448	314,245	45,203
Vehicles	70,400	70,400	60,820	9,580
Administrative	84,200	84,200	70,738	13,462
Benefits	79,800	79,800	70,196	9,604
Capital outlay	67,938	67,938	-	67,938
Total expenditures	<u>661,786</u>	<u>661,786</u>	<u>515,999</u>	<u>145,787</u>
<b>Net Change in Fund Balance</b>	-	-	238,177	238,177
<b>Fund Balance - Beginning of year</b>	<u>1,062,926</u>	<u>1,062,926</u>	<u>1,283,315</u>	<u>220,389</u>
<b>Fund Balance - End of year</b>	<u><u>\$ 1,062,926</u></u>	<u><u>\$ 1,062,926</u></u>	<u><u>\$ 1,521,492</u></u>	<u><u>\$ 458,566</u></u>



## Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

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### Note to Required Supplemental Information

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**March 31, 2022**

#### ***Budgetary Information***

The annual budget is prepared by the System and adopted by Washington and Bruce townships; subsequent amendments are approved by the boards of the above entities. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2022 has not been determined. The budget is prepared in accordance with accounting principles generally accepted in the United States of America.

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## Other Supplemental Information

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# Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

## Other Supplemental Information Schedule of Detailed Expenditures

Year Ended March 31, 2022

Expenditures	Expenditures -		Statement of
	Modified Accrual	Adjustments	Activities - Full Accrual
<b>Expenditures</b>			
Salary:			
Drivers	\$ 171,857	\$ 82	\$ 171,939
Coordinator	48,969	-	48,969
Director	12,462	-	12,462
Accounting service	4,706	-	4,706
Administrative support	76,251	-	76,251
Total salary	314,245	82	314,327
Benefits:			
FICA	23,683	-	23,683
Health insurance	29,707	-	29,707
Long-term disability insurance	856	-	856
Life insurance	210	-	210
Unemployment insurance	2,472	-	2,472
Retirement	7,592	-	7,592
Workers' compensation	5,676	-	5,676
Total benefits	70,196	-	70,196
Vehicles:			
Cleaning	516	-	516
Gasoline	49,598	-	49,598
Maintenance and repairs	9,914	-	9,914
Depreciation	-	75,714	75,714
Miscellaneous	792	-	792
Total vehicles	60,820	75,714	136,534
Administrative:			
Audit	11,620	-	11,620
Insurance	15,445	-	15,445
Service contracts	697	-	697
Training	5,034	-	5,034
Weekend and charter service	-	-	-
Uniforms	459	-	459
Miscellaneous	102	-	102
Office supplies	1,974	-	1,974
Telephone	10,589	-	10,589
Utilities	20,000	-	20,000
Mediroutes	4,818	-	4,818
Depreciation	-	1,153	1,153
Total administrative	70,738	1,153	71,891
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>\$ 515,999</b>	<b>\$ 76,949</b>	<b>\$ 592,948</b>