

Charter Township of Meridian, Michigan

**Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2025**

**Prepared by:
Department of Finance
Bernadette Blonde, Finance Director**



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May 29, 2026

Meridian Township
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Okemos, MI 48864

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Scott Hendrickson
Township Supervisor

Angela Demas
Township Clerk

Linda Burghardt
Township Treasurer

Kathy Ann Sundland
Township Trustee

Peter Trezise
Township Trustee

Marna Wilson
Township Trustee

Nickolas Lentz
Township Trustee

Timothy Dempsey
Township Manager

To the Township Board and the Citizens of the Charter Township of Meridian:

The annual comprehensive financial report of the Charter Township of Meridian (the “Township”) for the year ended December 31, 2025, is hereby submitted as mandated by The Charter Township Act, Act 359 of 1947, as amended. Act 359 requires that the Charter Township of Meridian issue annually a report on its financial position and activity, and that this report be audited by an independent certified public accounting firm. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the Charter Township of Meridian. All disclosures necessary to enable the reader to gain an understanding of the Charter Township of Meridian’s activities have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Charter Township of Meridian’s MD&A can be found immediately following the report of the independent auditors.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the Charter Township of Meridian) as legally defined, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a range of services, including police and fire protection, water and sanitary sewer services, zoning and land use regulation, recreational activities, cultural events, and elections.

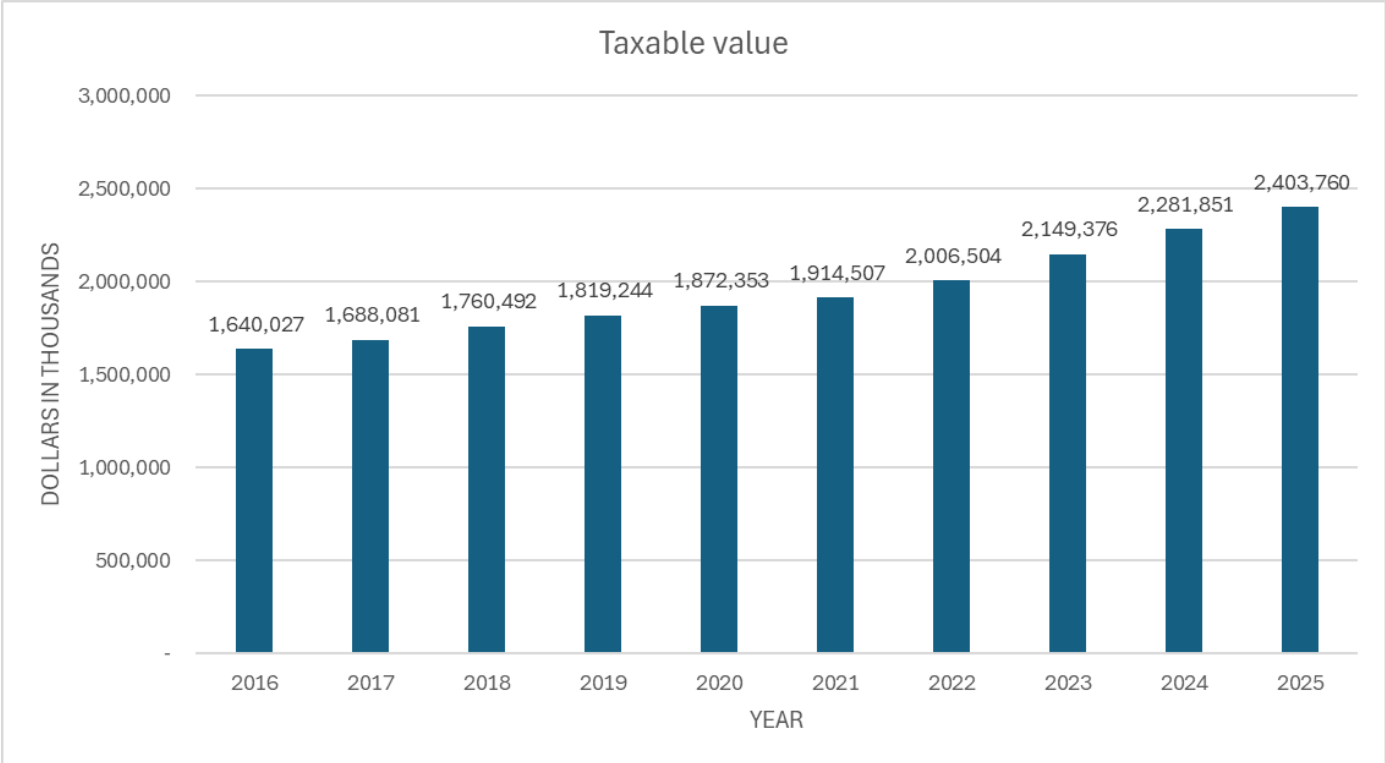
Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Brownfield Redevelopment Authority, Economic Development Corporation, Downtown Development Authority, and the Corridor Improvement Authority are reported as discretely presented component units.

Governmental Structure, Local Economic Condition, and Outlook

The governmental unit, organized in 1842 and chartered in 1959, is approximately 32 square miles in the south-central area of Lower Michigan with a population of approximately 45,000. The municipality is a largely residential area located east of Lansing, the State Capital, and immediately adjacent to East Lansing, home of Michigan State University, and is part of the Lansing-East Lansing Metropolitan Statistical Area.

The Charter Township of Meridian was established pursuant to Act 359, Public Act of Michigan, 1947, as amended. The Township is governed by a Township Board, which is composed of a part-time Supervisor, full-time Clerk and full-time Treasurer, and four Trustees serving four-year terms. The Board is vested with all legislative powers, except those otherwise provided by law. The chief administrative officer is the Township Manager who is appointed by the Township Board and serves at its pleasure. The Manager is responsible for carrying out the policies and ordinances of the Township Board, for overseeing the day-to-day operations of the government, and for appointing the heads of the Township’s departments, consistent with the duties of a Township superintendent.

The Charter Township of Meridian continues to be an attractive community for residential construction and commercial development. The following chart details the change in Taxable Value over the last ten years. The 2025 taxable value (2026 tax revenue) increased 5.07% percent over 2024 taxable value. This is the twelfth consecutive year of growth in taxable value since 2014; the 2025 taxable value is 33% percent higher than the 2015 taxable value. While the Township has experienced strong taxable value growth, inflationary pressures continued to mount in 2025. Costs for healthcare, contract services, and consumable supplies escalated. Despite the challenges, 2025 finished strong due to the diligent financial stewardship by Township staff.



Major Initiatives

The Township's staff, following specific directives from the Township Board and Manager, has been involved in a variety of projects throughout the year. These projects reflect the Township's commitment to promoting the safety and welfare of its residents, investing in critical public infrastructure, and sustaining quality service delivery.

The following accomplishments are indicative of our commitment to maintaining a quality community:

- The Local Roads Program continued with a sixth year of successful improvements. The average pavement rating of the 153-mile local road network has increased by 38% over that span. In 2025 the Township reconstructed 5.7 miles of roads including Lac Du Mont Drive, Tihart Road, Newman Road, and all remaining roads in poor condition in Everett Farms/Woods/Hills and Tacoma Hills neighborhoods. The gravel portion of Tihart Road from Twinging Drive to Cornell Road was improved with asphalt stabilization and double-chip seal treatment, 2.2 miles of overlay paving and a double-chip seal treatment on Cornell Road from Grand River Avenue to Haslett Road, and a chip seal treatment on the northern paved portion of Powell Road. Maintenance included 14.6 miles of asphalt rejuvenator treatments on recently resurfaced roads to extend pavement life and protect taxpayer investment.
- The Township successfully negotiated and approved a new 30-year franchise agreement with the Lansing Board of Water & Light (LBWL). This agreement provides annual revenue for the Township to address infrastructure needs in the LBWL territory.
- Just over 2.3 miles of new pathway were constructed in 2025. New pathway segments included Tihart Road from Powell Road to Twinging Drive, Bennett Road from Bennett Woods Elementary School to the western boundary of the Township, Newton Road and Lake Lansing Road along Newton Park, and a connection between the Sanctuary neighborhood and Okemos Preserve neighborhood.
- Several critical water and sewer projects were completed. New gate valves were installed at Grand River Avenue and Dobie Road which will reduce customer impacts during future water main breaks. The County North Lift Station was replaced at Lake Lansing. The Township operates and maintains 31 lift stations which are critical to sewer service.
- Information, referrals, or emergency assistance was provided to Township residents by Meridian Cares for various services on an as-needed basis. In 2025, Meridian Cares assisted 111 families with a total of \$47,255 in emergency financial assistance, averaging \$425 per family. Support helps residents facing utility shutoffs or at risk of losing their shelter. Meridian cares also fed 586 people for Thanksgiving and 593 around the December holidays. Direct assistance is provided through donated funds.
- The Meridian Township Deer Management Program was developed to address the overpopulation of deer in our community that continues to cause numerous car-deer collisions, as well as excessive environmental impacts in parks, preserves and neighborhoods. In total, 243 deer were culled by volunteer archery hunters and the Meridian Police Department staff which lead to over 1,200 lbs. of venison donated to local food banks. The program took place on 70 municipal and private properties. The

program is managed by the Meridian Township Parks and Recreation Department with support from the nonprofit Sportsman Against Hunger.

- The Community Planning and Development Department processed 27 development projects through site plan, special use permit, and/or rezoning approvals. On the Building side, 1,179 building permits were issued, which was another record year. A total of 1,391 trades permits (mechanical, electrical, and plumbing) were issued. A total of 899 code enforcements were logged throughout the year. The Department also worked closely with the owners of Playmakers to restore the iconic “Shopping Cart Lady” sign through the Zoning Board of Appeals.
- The Haslett Village Square project at the southwest corner of Haslett and Marsh Roads began construction. The project will include 199 new multifamily and owner-occupied townhome residential units. It will also include the rehabilitation of the existing commercial building and the construction of a new commercial building. The Township supported the project with a Housing TIF to provide 30 units of workforce housing for 26 years.
- The Township continues to fulfill the promise of enhanced pension payments to MERS by contributing \$5,482,602 to MERS for the fiscal year 2025. The Township contributed an extra \$1,500,000 to the plan. The funding ratio has reached 76%, up from just 58% in 2016.
- During the calendar year 2025, the Meridian Township Treasurer’s Office reported total property taxes collected and processed of \$144,258,546. These collections increased by \$20,408,304, or 16.5%, from the \$123,850,242 collected in 2024. Collections in 2023 were \$112,885,447; in 2022, \$110,997,504; and in 2021, \$109,131,271. These receipts were distributed to our four local school districts (Haslett, Okemos, East Lansing, and Williamston), the Ingham Intermediate School District, Ingham County Government, Lansing Community College (LCC), Capital Area Transit Authority (CATA), Capital Area District Library (CADL), and the Capital Region Airport Authority (CRAA). Meridian Township operations received approximately 19% of the tax collected in 2025.
- The Meridian Township Fire Department responded to 6,805 emergencies, 855 of which were EMS calls. Emergency response call volume was a 7% increase from the year prior. This department conducted 58 building inspections, 44 fire alarm inspections, and 38 fire suppression inspections. A new software tool, Inspection Reports Online, was deployed for electronic submission of third-party fire protection reports.
- The Fire Department continued its extensive training regimen with 3,900 training hours on numerous topics: Fire Officer (I, II, III), EMS, extrication, confined space, management and leadership, medical legal, forcible entry, and more. All Meridian Township firefighters are state-certified firefighters and state-licensed paramedics or attending paramedic school.
- The Meridian Township Police Department responded to 19,845 calls for service in 2025. The top calls for service include: traffic stops (5,708), medical assists (4,912), suspicious situations (1,479), welfare checks (1,136) and property damage car accidents (773). The Investigations Unit handles 310 cases, clearing 122 and recovering more than \$210,000

in stolen property. Community Policing continued in earnest with extensive National Night Out participation and School Resource Officers at Haslett and Okemos High Schools.

- Traffic safety continued to be a focus for the Police Department. The Department took enforcement action in areas designated as directed patrols based on review of traffic crash data, citizen complaints, and traffic problems due to road closures. Speed monitoring instruments, including a speed trailer and speed signs, were utilized to complete traffic and speed studies. The Department also created a full-time traffic enforcement position with a focus on school zones, high-risk intersections, and roadways with frequent speeding violations. In 2025, traffic enforcement increased 12%.
- The Farmers' Market has continued its growth since moving to Marketplace on the Green both in vendor participation and customer visits. The Market operated every Saturday from May until December, the third Saturdays from January to April, and every Wednesday from June through October. There were 204 unique vendors—an all-time record. Total sales were estimated at \$2.5 million. The Market continued to support a food gleaning program resulting in 10,608 pounds of fresh fruits and vegetables being donated. Over \$37,000 in food assistance was dispersed through the Market, a 13% increase from 2024.
- The Meridian Conservation Corps (MCC) had 415 community volunteers conduct 622 hours of natural environment stewardship in Township parks and preserves. Seventy-four stewardship and invasive species workdays were successfully completed. Workdays included invasive species removal, native planting and seed sowing, native seed collection, trash cleanup, and education on wetlands and local flora and fauna.
- The IT Department continued to ensure technology met user needs: replaced 35 end-user workstations, added a new presentation PC for the Public Safety Building training room, replaced one network database server, replaced the network GIS server, upgraded Mitel telephone servers and appliances, and filled a vacant Network Technician position. The department supported 210 end-users, managed digital storage for 3,000,000 files, processed 1.2 million email messages, and responded to over 600 helpdesk requests for service. It staff also responded to over 90 security events.
- The Clerk's Office managed one election in 2025. Turnout was 8,953 voters in the August 5, 2026 Special Election. The Township completed three total days of early voting for 2025. The Office registered 3,219 new voters, maintained 32,482 Master Cards and Voter Information Cards, and processed 11,788 voter status changes. There were also 1,332 total data updates for Individual Master Cards. Over 13,100 voters signed up for the Permanent Mail Ballot.
- The Communications Department designed and mailed to every household the 2025 Prime Meridian Magazine. This 24-page publication was made available at various Township buildings and a digital copy online. The Department continued to publish monthly digital newsletters, Meridian Happenings and The Playbook. There were 9,279 subscribers to those with an open rate of 58% (industry average ~43%). The Township's website had over 1 million views in 2025 with the top pages being the Farmers' Market, Bill Payments, Departments, Summer Concert Series, and Tax & Assessing.

- Assessing conducted its annual re-inspection program for 2025, with two summer interns supporting full-time staff. Staff reviewed and inspected 3,812 parcels. During this process, record cards were reviewed for accuracy and photos were updated. Eight tax appeals with the Michigan Tax Tribunal were resolved, decreasing the Township's taxable value by only 0.65 of a percent.
- Human Resources staff processed 53 hires in 2025, along with 11 promotions, and five retirements. Efforts continued with Gallagher Healthcare Benefits Consultants to closely monitor healthcare expenses. The self-insured Blue Care Network (BCN) product continued to provide savings to the Township relative to other options, despite skyrocketing healthcare costs. Negotiations were commended with the Supervisory Professionals Union whose contract expired December 31, 2025.

Financial Information

Internal Controls: Township Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls: The Township maintains extensive budgetary controls. Formal budgets are adopted for all funds on a functional level. However, budgetary controls are exercised at a line item level for internal control purposes. The government maintains an encumbrance accounting system. Encumbered amounts lapse at year end. However; outstanding encumbrances, depending on their nature, may be re-appropriated as part of the following year's budget.

Long-term Planning: The Township prepares a one-year budget; however, longer range planning is also utilized to ensure that future needs and opportunities are addressed. These planning tools include the following:

Capital Improvements Plan (CIP) – A review of planned public improvements for the next five years, which is updated annually.

Technology Upgrade/Replacement Plan – A 10-year plan which is updated annually as part of the budget process.

Vehicle Replacement Plan – A 10-year plan for replacing township vehicles and heavy equipment that is reviewed annually as part of the budget process.

Tax Revenue Projections – A five-year estimate of future tax revenues based on economic reports, expected change in tax base, and anticipated tax rates that is updated annually.

Policy Governance Manual – Policy statements and priorities set forth by the Township Board, which is updated annually.

Parks and Recreation Master Plan – A five-year plan for maintaining the Township parks facilities and programs, which is updated annually.

Water & Sewer Rate Model – A 10-year projection of commodity, capital, and maintenance costs, which is updated annually.

Pension and Retiree Health Benefits Funding – The Township continues to monitor funding of both pension plans and the retiree health insurance plan and is continuing to budget contributions to these plans.

2025 Financial Condition: The financial condition and results of operations for 2025 are discussed in the Management's Discussion & Analysis section of the ACFR. The Township continues to maintain a strong financial position and provides services from current revenues.

Relevant Financial Policies: There have been no situations that have affected the application of the Township's standard financial policies.

Tax abatements: Tax abatements, strategically implemented by the Township, serve as an important instrument to foster economic growth and community development. This initiative not only spurs job creation and increases local investment, but also broadens the tax base over time. The anticipated long-term benefits include enhanced property tax values, greater economic activity, and improved health for the Township's businesses. This forward-thinking approach ensures sustained economic vitality for all Township residents.

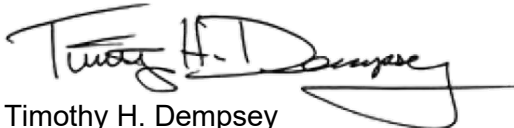
Other Information

Independent Audit. An annual audit, required by state statute, of accounts, financial records, and transactions has been completed by the independent certified public accounting firm of Yeo & Yeo. The firm was appointed by the Township through an open bid process in 2023. Bids are requested every three to five years.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Charter Township of Meridian for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024.

Acknowledgments. The preparation for this report could not have been accomplished without the efficient and dedicated support of all department staff.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy H. Dempsey", with a long horizontal flourish extending to the right.

Timothy H. Dempsey
Township Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

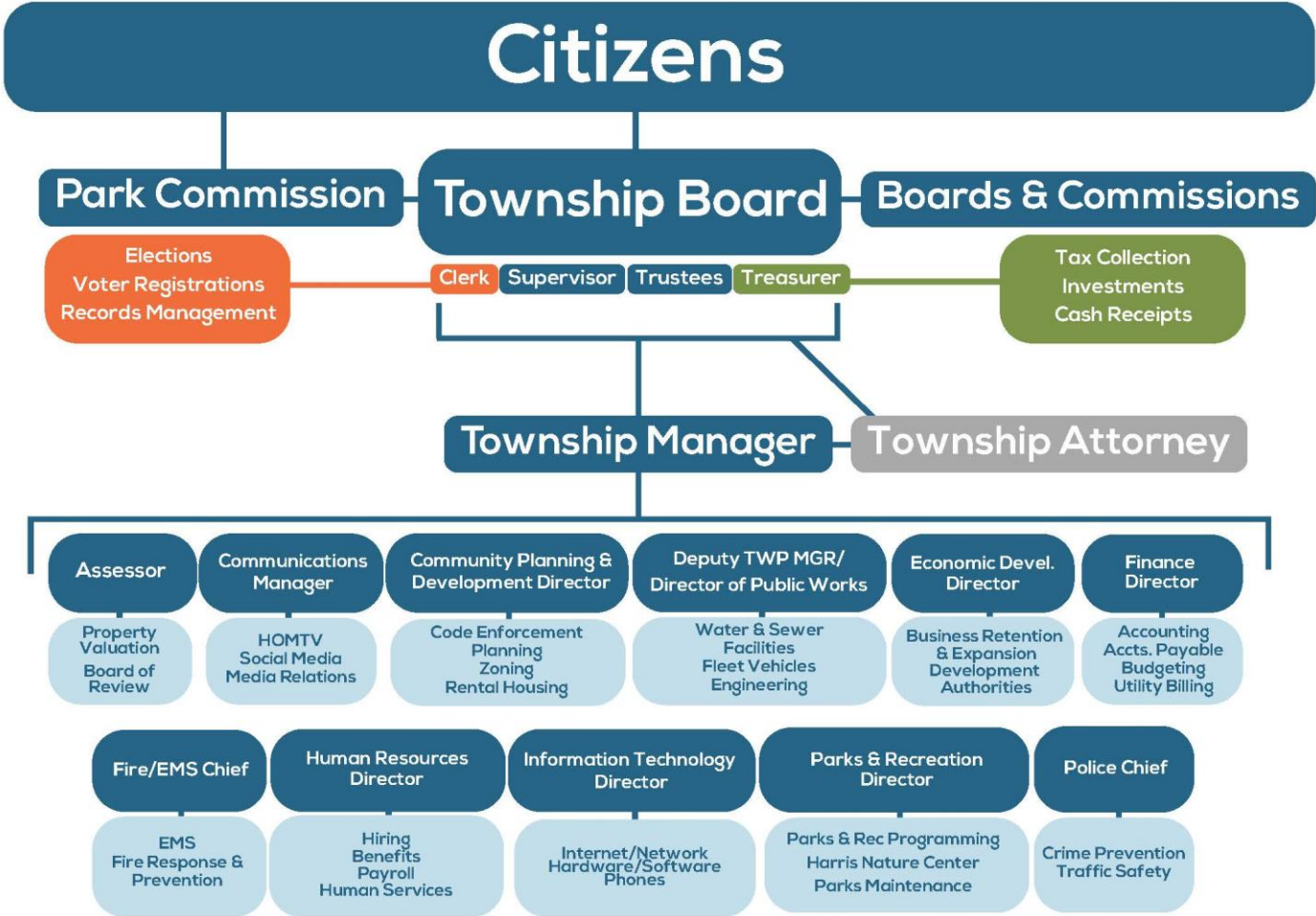
**Charter Township of Meridian
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO



Note: Director of Project Management & Operations eliminated 2025

Charter Township of Meridian
List of Elected and Appointed Officials
December 31, 2025

Elected Officials

Township Board

| | |
|------------|--------------------|
| Supervisor | Scott Hendrickson |
| Clerk | Angela Demas |
| Treasurer | Linda Burghardt |
| Trustee | Peter Trezise |
| Trustee | Kathy Ann Sundland |
| Trustee | Marna Wilson |
| Trustee | Nickolas Lentz |

Park Commission

| | |
|--------------|-------------------|
| Chair | Mary Nardo Farris |
| Commissioner | Emily Phelps |
| Commissioner | Amanda Lick |
| Commissioner | Mark Stephens |
| Commissioner | Michael McDonald |

Appointed Officials

| | |
|---|-------------------|
| Township Manager | Tim Dempsey |
| Human Resources Director | Abigail Tithof |
| Finance Director | Bernadette Blonde |
| Parks & Recreation Director | Courtney Wisinski |
| Assessor | Ashley Winstead |
| Community Planning and Development Director | Tim Schmitt |
| Deputy Township Manager and Director of Public Works | Dan Opsommer |
| Fire Chief | Mike Hamel |
| Police Chief | Rick Grillo |
| Communications Manager | Samantha Diehl |
| Information Technology Director | Stephen Gebes |
| Neighborhoods & Economic Development Director | Amber Clark |

Independent Auditors' Report

Township Board
Charter Township of Meridian
Ingham County, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Charter Township of Meridian (the Township), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the East Lansing – Meridian Water and Sewer Authority, a joint venture, which represents 9.36 percent of the assets of the business-type activities as of December 31, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for East Lansing – Meridian Water and Sewer Authority is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 other supplementary information, as identified in the table of contents, is presented for purposes 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2026, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Lansing, Michigan
May 29, 2026

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2025

The Township's Annual Comprehensive Financial Report is presented in the format required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The 2025 annual report consists of five parts: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplementary information, (4) other supplementary information that presents combining statements for nonmajor governmental funds, and (5) a statistical section. The basic financial statements include two kinds of statements that present different views of the Township. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

Government-wide Statements

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Township's net position and how it has changed. Net position, the difference between the Township's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the Township's financial health or position.

The government-wide financial statements of the Township are divided into three categories:

- **Governmental Activities** – Most of the Township's basic services are included here, such as police, fire, streets and highways, recreation, parks, and general administration. Property taxes, state-shared revenue, and charges for services provide most of the funding.
- **Business-type Activities** – The Township charges fees to customers to cover the costs of certain services it provides. The Township's water and sewer system is treated as a business-type activity.
- **Component Units** – The Township includes five other entities in its report: the Downtown Development Authority, the Local Brownfield Revolving Fund, the Brownfield Redevelopment Authority, the Economic Development Corporation and the Corridor Improvement Authority. Although legally separate, these "component units" are important because the Township is financially accountable for them.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant funds – not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of revenue and spending for particular purposes. Some funds are required by state law and bond covenants. The Township's Board establishes other funds to control and manage money for particular purposes.

The Township has three kinds of funds:

- **Governmental Funds** – Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.

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- **Proprietary Funds** – Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.
- **Fiduciary Funds** – The Township is responsible for ensuring that the assets reported in these funds are used for their intended purpose (taxes collected on behalf of other agencies and retirement payments). All of the Township's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

Financial Overview

In a condensed format, the table below shows a comparison of the net position as of the current date to the prior year:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Assets | | | | | | |
| Current assets | \$ 80,875,967 | \$ 83,310,221 | \$ 21,321,160 | \$ 16,950,216 | \$ 102,197,127 | \$ 100,260,437 |
| Capital assets | 81,081,897 | 82,339,373 | 81,282,369 | 78,271,041 | 162,364,266 | 160,610,414 |
| Investment in joint venture | - | - | 10,597,123 | 10,179,532 | 10,597,123 | 10,179,532 |
| Total assets | 161,957,864 | 165,649,594 | 113,200,652 | 105,400,789 | 275,158,516 | 271,050,383 |
| Deferred outflows of resources | | | | | | |
| Deferred OPEB | 654,897 | 325,640 | - | - | 654,897 | 325,640 |
| Deferred pension | 10,411,521 | 11,604,246 | 499,901 | 461,137 | 10,911,422 | 12,065,383 |
| Total deferred outflows of resources | 11,066,418 | 11,929,886 | 499,901 | 461,137 | 11,566,319 | 12,391,023 |
| Liabilities | | | | | | |
| Current liabilities | 3,357,333 | 3,596,025 | 993,458 | 856,429 | 4,350,791 | 4,452,454 |
| Long-term liabilities | 46,945,737 | 56,198,353 | 32,326,486 | 32,377,567 | 79,272,223 | 88,575,920 |
| Total liabilities | 50,303,070 | 59,794,378 | 33,319,944 | 33,233,996 | 83,623,014 | 93,028,374 |
| Deferred inflows of resources | | | | | | |
| Property taxes levied for a subsequent period | 24,180,531 | 23,287,044 | - | - | 24,180,531 | 23,287,044 |
| Deferred leases receivable | - | - | 1,475,051 | 1,490,343 | 1,475,051 | 1,490,343 |
| Deferred OPEB | 1,729,442 | 623,515 | - | - | 1,729,442 | 623,515 |
| Deferred pension | 318,476 | 240,701 | - | 7,810 | 318,476 | 248,511 |
| Special assessments levied for a subsequent period | 579,273 | 543,191 | - | - | 579,273 | 543,191 |
| Total deferred inflows of resources | 26,807,722 | 24,694,451 | 1,475,051 | 1,498,153 | 28,282,773 | 26,192,604 |
| Net Position | | | | | | |
| Net investment in capital assets | 65,950,338 | 64,110,266 | 50,346,902 | 47,050,516 | 116,297,240 | 111,160,782 |
| Restricted | 21,653,166 | 20,426,230 | - | - | 21,653,166 | 20,426,230 |
| Unrestricted | 8,309,986 | 8,554,155 | 28,558,656 | 24,079,261 | 36,868,642 | 32,633,416 |
| Total net position | \$ 95,913,490 | \$ 93,090,651 | \$ 78,905,558 | \$ 71,129,777 | \$ 174,819,048 | \$ 164,220,428 |

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The Charter Township of Meridian had combined net position of \$174.8 million, which is an increase from last year of by \$10.6 million, or 6.45%. Business-type activities comprise \$78.9 million, which is an increase of \$7.8 million compared to last year. The primary reason for the increase is due to increased charges for services, as the Township increased water billing rates 9.5% compared to 2024, along with improved interest rates. Governmental activities make up \$95.9 million of the total net position, which is a \$2.8 million increase compared to last year. The primary reason for this increase is improved interest rates as market conditions improved along with increased property tax revenues.

There was an increase in restricted net position of \$1.2 million primarily due to restricted funds being held for their intended purposes during the year. For example, restricted funds such as the Park Millage, Local Road Fund, and Land Preservation funds are being carried forward for future capital projects, reflecting the Township's continued investment in infrastructure improvements, environmental preservation, and community amenities.

The current ratio (current assets divided by current liabilities) is at 23.49, an increase from 22.52 in 2024. The increase in this ratio is related to growth in cash, cash equivalents, and investment earnings during the year, while current liabilities remained relatively stable. This ratio shows that the Township has adequate current assets to meet its current obligations.

Long-term liabilities totaled \$79.3 million as of year-end, representing 45.3 percent of the Township's net position. Of this amount, \$26.0 million is attributable to net pension obligations. Total long-term liabilities decreased by \$9.3 million compared to the prior year, consisting of a \$9.25 million decrease within governmental activities and a \$.05 million increase within business-type activities. The decrease is primarily the result of a decrease in special assessment debt and other long-term obligations as existing debt continues to mature, along with a reduction in net pension obligations resulting from a favorable investment performance.

Governmental Activities

Revenues for governmental activities totaled approximately \$40.6 million in 2025. A total of \$23.7 million was in the form of property tax collections, an increase of \$0.93 million from 2024, primarily due to growth in taxable values resulting from inflationary adjustments, new construction, and the uncapping of property values following transfer of ownership. Millage rates remained consistent, with no significant changes affecting the levy. \$7.0 million was charges for services, \$1.1 million was operating grants and contributions, and \$.64 million was capital grants and contributions. Revenue from state sources was \$5.2 million and we recorded investment income of \$2.7 million. Other miscellaneous income totaled \$0.05 million.

Expenses for governmental activities totaled \$37.7 million. That is an increase of \$2.86 million compared to 2024. The increase was primarily driven by higher public safety costs, including personnel expenses as we become fully staffed, including wages increasing 6%, benefits increased 2.8% along with increased pension and OPEB costs. Additional increases occurred within public works and recreation and culture functions due to ongoing infrastructure maintenance, capital-related activities, and rising operating costs associated with providing Township services. Public safety remained the Township's largest function, accounting for 45.82% of governmental activity expenses in 2025, public works accounting for 18.44% of governmental expense activity.

Business-type Activities

Business-type activities in the Township include water and sewer services. Revenue for business-type activities totaled \$22.5 million; \$20.19 million was collected from customers and \$1.8 million is the value of assets contributed by developers. The Township purchases water from the East Lansing-Meridian Water Sewer Authority and the Board of Water and Light, and water is distributed by the Township through mains to customers. The Township contracts for sewage treatment from the City of East Lansing Wastewater Treatment Plant. Township residential customers are billed quarterly for water and sewer service based on water consumption. Commercial customers are billed monthly.

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The following table shows the changes in net position:

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Revenue | | | | | | |
| Program revenue: | | | | | | |
| Charges for services | \$7,054,060 | \$6,683,804 | \$20,190,038 | \$17,242,777 | \$27,244,098 | \$23,926,581 |
| Operating grants and contributions | 1,121,379 | 3,033,042 | - | - | 1,121,379 | 3,033,042 |
| Capital grants and contributions | 645,585 | 1,013,928 | 1,882,163 | 1,103,795 | 2,527,748 | 2,117,723 |
| General Revenue: | | | | | | |
| Property taxes | 23,717,287 | 22,781,217 | - | - | 23,717,287 | 22,781,217 |
| State sources | 5,238,138 | 5,067,649 | - | - | 5,238,138 | 5,067,649 |
| Unrestricted investment income (loss) | 2,738,569 | 2,271,819 | 445,603 | 480,653 | 3,184,172 | 2,752,472 |
| Gain on Sale of capital assets | 22,374 | 55,000 | 80 | - | 22,454 | 55,000 |
| Other miscellaneous income | 31,388 | 239,181 | - | - | 31,388 | 239,181 |
| Total revenue | 40,568,780 | 41,145,640 | 22,517,884 | 18,827,225 | 63,086,664 | 59,972,865 |
| Program Expenses | | | | | | |
| General government | 7,949,005 | 8,181,142 | - | - | 7,949,005 | 8,181,142 |
| Public safety | 17,296,920 | 16,292,505 | - | - | 17,296,920 | 16,292,505 |
| Public works | 6,961,748 | 5,664,245 | - | - | 6,961,748 | 5,664,245 |
| Health and welfare | 284,130 | 271,261 | - | - | 284,130 | 271,261 |
| Community and economic development | 1,144,273 | 1,407,444 | - | - | 1,144,273 | 1,407,444 |
| Recreation and culture | 3,269,295 | 2,551,459 | - | - | 3,269,295 | 2,551,459 |
| Interest on long-term debt | 840,572 | 516,882 | - | - | 840,572 | 516,882 |
| Water and sewer | - | - | 14,742,103 | 11,182,448 | 14,742,103 | 11,182,448 |
| Total program expenses | 37,745,943 | 34,884,938 | 14,742,103 | 11,182,448 | 52,488,046 | 46,067,386 |
| Change in Net Position | 2,822,837 | 6,260,702 | 7,775,781 | 7,644,777 | 10,598,618 | 13,905,479 |
| Net Position – beginning of year | 93,090,653 | 86,829,949 | 71,129,777 | 63,485,000 | 164,220,430 | 150,314,949 |
| Net Position – end of year | \$95,913,490 | \$93,090,651 | \$78,905,558 | \$71,129,777 | \$174,819,048 | \$164,220,428 |

Financial Analysis of Township Funds and Budgets

The General Fund ended 2025 with a fund balance of \$18.68 million (compared with \$15.02 million in 2024). This represents approximately 8.05 months of annual expenditure, which is within the requirements of policy governance established by the Township's board. The total increase in fund balance is approximately \$3.6 million. The overall increase resulted primarily from an increase of \$0.9 million of property tax revenue, and a reduction of expenses of \$1.6 million. The Township has continued to operate with a balanced budget. This has been accomplished with the dedicated efforts of all employees to work more efficiently, manage expenditures, and enhance revenue whenever possible.

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Budget Variances

All funds of the Township operate with a board-approved budget. These budgets are monitored and amended as needed throughout the year. Such amendments are primarily related to projects carried over from the prior year and unanticipated projects or revenue and changes in economic conditions affecting township operations. In addition, unexpected changes in projected revenues may result in changes to the expenditure budgets (e.g., reduction in state-shared revenue).

The actual vs. budget variances in the General Fund were primarily the result of efforts to maintain expenditures below budget while revenues exceeded expectations in several categories. On the revenue side, the largest favorable variances occurred in state shared revenue, investment income, charges for services and licenses and permits due to continued development activity, higher interest earning. On the expenditure side, variances were attributable to timing differences in capital projects, personnel vacancies, a conservative spending throughout the year.

The General Fund had significant budget amendments during the year, including increases of approximately \$1.3 million in revenues and \$1.0 million in expenditures and transfers out. As the year progressed, the Township experienced higher-than-anticipated revenues from licenses and permits, federal and state grants, charges for services, and investment income. Expenditure increases were primarily driven by after-hours stipends, higher-than-expected election costs, overtime expenditures, and salary adjustments throughout the year.

Capital Assets Activity

There were several projects in 2025, the completion of renovations to the public safety building, new equipment for the police and fire department along with road improvements totaling \$5.0 million.

Additional information about capital assets is presented in Note 5 to the financial statements.

Long-term Debt Activity

The Township continued to pay off its debt and made principal payments on the outstanding governmental activities debt of approximately \$7,033,772 during 2025. Outstanding governmental activities debt at December 31, 2025 including compensated absences and outstanding lease liability was approximately \$22.16 million.

For business-type activities, the Township recorded \$1.8 million of new debt for wastewater system improvements and paid down approximately \$2.01 million of existing debt. Ending business-type debt including compensated absences was approximately \$31.13 million.

More detailed information about long-term liabilities is presented in Note 8 to the financial statements.

Current Economic Events

The Township continues to experience a fairly healthy economy in the community. This is seen in an appreciating housing market, as well as some new construction growth. In 2025, taxable value growth continued to increase for the twelfth year in a row, bringing us 33% higher than 2015 values. The resulting property tax growth has been helpful in offsetting ongoing cost increases, but challenges remain in addressing higher inflation rates for all goods and services along with increasing healthcare costs.

Personnel costs represent approximately 71.4% of the operating expenses of the Township. The increasing cost of healthcare and legacy costs continue to be a concern. Changes in programs and employee cost-sharing agreements in the past couple of years have helped to contain healthcare costs; however, they continue to rise

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along with payroll taxes, pension, and other personnel costs. Operating efficiencies, organizational restructuring, and improved technology have helped to contain expenditures to available revenue.

Contact Us

This report is intended to aid our residents and other interested parties in understanding the Township's financial condition. Should you have further questions, please contact the Finance Department at the Township's Municipal Building.

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

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|--------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Cash and cash equivalents | \$ 17,011,368 | \$ 10,895,780 | \$ 27,907,148 | \$ 936,331 |
| Investments | 42,318,991 | 3,831,127 | 46,150,118 | - |
| Receivables | | | | |
| Accounts | 1,053,971 | 76,057 | 1,130,028 | 12,000 |
| Taxes | 15,630,806 | - | 15,630,806 | 933,978 |
| Utility bills | - | 3,875,371 | 3,875,371 | - |
| Special assessments | 2,229,226 | - | 2,229,226 | - |
| Leases receivable | - | 1,475,051 | 1,475,051 | - |
| Due from other units of government | 859,565 | - | 859,565 | - |
| Inventories | - | 1,014,181 | 1,014,181 | - |
| Prepaid items | 706,353 | 153,593 | 859,946 | - |
| Investment in joint venture | - | 10,597,123 | 10,597,123 | - |
| Capital assets not being depreciated | 23,004,135 | 572,580 | 23,576,715 | - |
| Capital assets, net of accumulated depreciation | 58,077,762 | 80,709,789 | 138,787,551 | - |
| Net pension asset | 164,975 | - | 164,975 | - |
| Net OPEB asset | 900,712 | - | 900,712 | - |
| | <u>161,957,864</u> | <u>113,200,652</u> | <u>275,158,516</u> | <u>1,882,309</u> |
| Deferred outflows of resources | | | | |
| Pension related | 10,411,521 | 499,901 | 10,911,422 | - |
| OPEB related | 654,897 | - | 654,897 | - |
| | <u>11,066,418</u> | <u>499,901</u> | <u>11,566,319</u> | <u>-</u> |

See Accompanying Notes to the Financial Statements

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

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|-----------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Liabilities | | | | |
| Accounts payable | \$ 1,437,761 | \$ 667,553 | \$ 2,105,314 | \$ 128 |
| Due to other units of government | 17 | - | 17 | 56,116 |
| Payroll and other liabilities | 813,303 | 318,685 | 1,131,988 | - |
| Interest payable | 254,890 | 7,220 | 262,110 | - |
| Customer deposits | 37,793 | - | 37,793 | - |
| Unearned revenue | 813,569 | - | 813,569 | - |
| Noncurrent liabilities | | | | |
| Debt due within one year | 5,629,798 | 1,859,643 | 7,489,441 | - |
| Debt due in more than one year | 16,530,922 | 29,276,820 | 45,807,742 | - |
| Net pension liability | 24,785,017 | 1,190,023 | 25,975,040 | - |
| Total liabilities | <u>50,303,070</u> | <u>33,319,944</u> | <u>83,623,014</u> | <u>56,244</u> |
| Deferred inflows of resources | | | | |
| Property taxes levied for a subsequent period | 24,180,531 | - | 24,180,531 | 926,777 |
| Special assessments levied for a subsequent period | 579,273 | - | 579,273 | - |
| Lease related | - | 1,475,051 | 1,475,051 | - |
| Pension related | 318,476 | - | 318,476 | - |
| OPEB related | 1,729,442 | - | 1,729,442 | - |
| Total deferred inflows of resources | <u>26,807,722</u> | <u>1,475,051</u> | <u>28,282,773</u> | <u>926,777</u> |
| Net position | | | | |
| Net investment in capital assets | 65,950,338 | 50,346,902 | 116,297,240 | - |
| Restricted for | | | | |
| Park millage | 2,537,460 | - | 2,537,460 | - |
| Pedestrian/bike path millage | 2,696,929 | - | 2,696,929 | - |
| Fire | 3,719 | - | 3,719 | - |
| Police | 67,375 | - | 67,375 | - |
| Senior center millage | 640,160 | - | 640,160 | - |
| Cable TV | 234,896 | - | 234,896 | - |
| Community needs | 99,087 | - | 99,087 | - |
| Library | 15,702 | - | 15,702 | - |
| Grants | 148,794 | - | 148,794 | - |
| CATA millage | 41,881 | - | 41,881 | - |
| Opioid remediation | 219,562 | - | 219,562 | - |
| Local roads | 5,202,257 | - | 5,202,257 | - |
| Land preservation | 8,281,984 | - | 8,281,984 | - |
| Fire station debt service | 13,465 | - | 13,465 | - |
| Road debt service | 384,208 | - | 384,208 | - |
| Pension | 164,975 | - | 164,975 | - |
| Postemployment benefits other than pension | 900,712 | - | 900,712 | - |
| Unrestricted | <u>8,309,986</u> | <u>28,558,656</u> | <u>36,868,642</u> | <u>899,288</u> |
| Total net position | <u>\$ 95,913,490</u> | <u>\$ 78,905,558</u> | <u>\$ 174,819,048</u> | <u>\$ 899,288</u> |

See Accompanying Notes to the Financial Statements

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

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|-------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | Governmental Activities | Business-type Activities | | |
| Functions/programs | | | | | | | | |
| Primary government | | | | | | | | |
| Governmental activities | | | | | | | | |
| General government | \$ 7,949,005 | \$ 1,481,326 | \$ 930,321 | \$ - | \$ (5,537,358) | \$ - | \$ (5,537,358) | \$ - |
| Public safety | 17,296,920 | 3,976,076 | 71,022 | - | (13,249,822) | - | (13,249,822) | - |
| Public works | 6,961,748 | 1,050,000 | - | 283,419 | (5,628,329) | - | (5,628,329) | - |
| Health and welfare | 284,130 | - | 96,161 | - | (187,969) | - | (187,969) | - |
| Community and economic development | 1,144,273 | 23,838 | - | - | (1,120,435) | - | (1,120,435) | - |
| Recreation and culture | 3,269,295 | 522,820 | 23,875 | 362,166 | (2,360,434) | - | (2,360,434) | - |
| Interest | 840,572 | - | - | - | (840,572) | - | (840,572) | - |
| Total governmental activities | 37,745,943 | 7,054,060 | 1,121,379 | 645,585 | (28,924,919) | - | (28,924,919) | - |
| Business-type activities | | | | | | | | |
| Sewer | 6,533,414 | 10,255,368 | - | 792,119 | - | 4,514,073 | 4,514,073 | - |
| Water | 8,208,689 | 9,934,670 | - | 1,090,044 | - | 2,816,025 | 2,816,025 | - |
| Total business-type activities | 14,742,103 | 20,190,038 | - | 1,882,163 | - | 7,330,098 | 7,330,098 | - |
| Total primary government | \$ 52,488,046 | \$ 27,244,098 | \$ 1,121,379 | \$ 2,527,748 | (28,924,919) | 7,330,098 | (21,594,821) | - |
| Component units | | | | | | | | |
| Brownfield Redevelopment Authority | \$ 691,660 | \$ 12,000 | \$ - | \$ - | | | | \$ (679,660) |
| Economic Development Corporation | 4,499 | 10,000 | 500 | - | | | | 6,001 |
| Downtown Development Authority | 1,957 | - | - | - | | | | (1,957) |
| Corridor Improvement Authority | - | - | - | - | | | | - |
| Total component units | \$ 698,116 | \$ 22,000 | \$ 500 | \$ - | | | | (675,616) |
| General revenues | | | | | | | | |
| Property taxes | | | | | 23,717,287 | - | 23,717,287 | 1,141,543 |
| Unrestricted state-shared revenue | | | | | 5,238,138 | - | 5,238,138 | - |
| Unrestricted investment earnings | | | | | 2,738,569 | 445,603 | 3,184,172 | 8,507 |
| Gain on sale of capital assets | | | | | 22,374 | 80 | 22,454 | - |
| Miscellaneous | | | | | 31,390 | - | 31,390 | - |
| Total general revenues | | | | | 31,747,758 | 445,683 | 32,193,441 | 1,150,050 |
| Change in net position | | | | | 2,822,839 | 7,775,781 | 10,598,620 | 474,434 |
| Net position - beginning of year | | | | | 93,090,651 | 71,129,777 | 164,220,428 | 424,854 |
| Net position - end of year | | | | | \$ 95,913,490 | \$ 78,905,558 | \$ 174,819,048 | \$ 899,288 |

See Accompanying Notes to the Financial Statements

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

| | General | Special Revenue | Debt | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|------------------------|---------------------------|-----------------------------------|--------------------------------|
| | | Fund Local Roads | Service Fund Road Debt | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 5,674,605 | \$ 3,600,468 | \$ 2,097,092 | \$ 4,645,053 | \$ 16,017,218 |
| Investments | 18,952,826 | 6,867,278 | - | 16,494,840 | 42,314,944 |
| Receivables | | | | | |
| Accounts | 595,381 | 248,394 | - | 210,196 | 1,053,971 |
| Taxes | 10,811,006 | - | 3,018,084 | 1,801,716 | 15,630,806 |
| Special assessments | 294,876 | - | - | 1,934,350 | 2,229,226 |
| Due from other units of government | 857,481 | - | - | 2,084 | 859,565 |
| Due from other funds | 550,702 | - | - | 788 | 551,490 |
| Prepaid items | 621,310 | 750 | - | 24,726 | 646,786 |
| Total assets | \$ 38,358,187 | \$ 10,716,890 | \$ 5,115,176 | \$ 25,113,753 | \$ 79,304,006 |
| Liabilities | | | | | |
| Accounts payable | \$ 1,009,408 | \$ 84,999 | \$ - | \$ 241,161 | \$ 1,335,568 |
| Due to other funds | - | 788 | - | 550,702 | 551,490 |
| Due to other units of government | 10 | - | - | 7 | 17 |
| Payroll and other liabilities | 536,370 | - | 1,145 | 22,844 | 560,359 |
| Customer deposits | 37,693 | - | - | 100 | 37,793 |
| Unearned revenue | 777,569 | - | - | 36,000 | 813,569 |
| Total liabilities | 2,361,050 | 85,787 | 1,145 | 850,814 | 3,298,796 |
| Deferred inflows of resources | | | | | |
| Unavailable revenue - special assessments | - | - | - | 1,854,755 | 1,854,755 |
| Unavailable revenue - ambulance charges | 30,958 | - | - | - | 30,958 |
| Unavailable revenue - state grant revenue | - | - | - | 10,324 | 10,324 |
| Unavailable revenue - other revenue | - | - | - | 171,765 | 171,765 |
| Unavailable revenue - charges for services | 11,532 | 248,394 | - | - | 259,926 |
| Property taxes levied for a subsequent period | 16,778,394 | 1,010 | 4,630,499 | 2,770,628 | 24,180,531 |
| Special assessments levied for a subsequent period | 499,273 | - | - | 80,000 | 579,273 |
| Total deferred inflows of resources | 17,320,157 | 249,404 | 4,630,499 | 4,887,472 | 27,087,532 |
| Fund balances | | | | | |
| Non-spendable | | | | | |
| Prepaid items | 621,310 | 750 | - | 24,726 | 646,786 |
| Restricted for | | | | | |
| Park millage | - | - | - | 2,532,865 | 2,532,865 |
| Pedestrian/bike path millage | - | - | - | 2,688,912 | 2,688,912 |
| Fire | - | - | - | 3,412 | 3,412 |
| Police | - | - | - | 67,375 | 67,375 |
| Senior center millage | - | - | - | 640,160 | 640,160 |
| Cable TV | - | - | - | 234,896 | 234,896 |
| Community needs | - | - | - | 99,087 | 99,087 |
| Library | - | - | - | 15,702 | 15,702 |
| Grants | - | - | - | 148,794 | 148,794 |
| Capital area transportation authority millage | - | - | - | 41,881 | 41,881 |
| Opioid remediation | - | - | - | 47,797 | 47,797 |
| Local roads | - | 4,953,113 | - | - | 4,953,113 |
| Local roads - capital projects | - | 5,427,836 | - | - | 5,427,836 |
| Land preservation | - | - | - | 8,281,411 | 8,281,411 |
| Fire station debt service | - | - | - | 13,465 | 13,465 |
| Road debt service | - | - | 483,532 | - | 483,532 |
| Committed - pension stabilization | 2,308,904 | - | - | - | 2,308,904 |
| Assigned | | | | | |
| American Rescue Plan Act | - | - | - | 147,756 | 147,756 |
| Township improvement | - | - | - | 4,387,228 | 4,387,228 |
| Subsequent fiscal year budget | 331,772 | - | - | - | 331,772 |
| Unassigned | 15,414,994 | - | - | - | 15,414,994 |
| Total fund balances | 18,676,980 | 10,381,699 | 483,532 | 19,375,467 | 48,917,678 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 38,358,187 | \$ 10,716,890 | \$ 5,115,176 | \$ 25,113,753 | \$ 79,304,006 |

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
December 31, 2025

| | |
|---|----------------------|
| Total fund balances for governmental funds | \$ 48,917,678 |
| Total net position for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | |
| Capital assets not being depreciated | 23,004,135 |
| Capital assets, net of accumulated depreciation | 53,998,072 |
| Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds. | |
| | 2,327,728 |
| Deferred outflows (inflows) of resources. | |
| Deferred outflows of resources resulting from net pension liability | 10,362,995 |
| Deferred outflows of resources resulting from net OPEB asset | 654,897 |
| Deferred inflows of resources resulting from net pension liability | (318,476) |
| Deferred inflows of resources resulting from net OPEB asset | (1,729,442) |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds. | |
| Accrued interest | (254,890) |
| Compensated absences | (1,856,939) |
| Bonds, notes, premiums and discounts | (18,749,040) |
| Lease liabilities | (1,534,680) |
| Net pension asset | 164,975 |
| Net pension liability | (24,669,503) |
| Net OPEB asset | 900,712 |
| Arbitrage liability | (249,194) |
| Internal service funds are included as part of governmental activities. | 4,944,462 |
| Net position of governmental activities | \$ 95,913,490 |

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

| | Special Revenue Fund | | Debt Service Fund | | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|------------------|-------------------|------------------|-----------------------------|--------------------------|
| | General | Local Roads | Road Debt | | | |
| Revenues | | | | | | |
| Taxes | \$ 16,836,167 | \$ 1,353 | \$ 4,401,072 | \$ 2,758,012 | \$ 23,996,604 | |
| Licenses and permits | 2,154,698 | - | - | 114,105 | 2,268,803 | |
| Federal grants | - | - | - | 112,957 | 112,957 | |
| State grants | 6,100,339 | - | 29,952 | 37,058 | 6,167,349 | |
| Local contributions | 675,561 | - | - | 402,166 | 1,077,727 | |
| Charges for services | 4,253,733 | - | - | 284,140 | 4,537,873 | |
| Fines and forfeitures | 329,446 | - | - | - | 329,446 | |
| Investment income (loss) | 1,200,616 | 457,788 | 117,749 | 936,813 | 2,712,966 | |
| Other revenue | 87,486 | 4,727 | - | 433,428 | 525,641 | |
| Total revenues | 31,638,046 | 463,868 | 4,548,773 | 5,078,679 | 41,729,366 | |
| Expenditures | | | | | | |
| Current | | | | | | |
| General government | 7,345,565 | - | - | - | 7,345,565 | |
| Public safety | 16,882,918 | - | - | 97,819 | 16,980,737 | |
| Public works | - | 5,085,571 | - | 1,239,924 | 6,325,495 | |
| Health and welfare | 75,465 | - | - | 193,345 | 268,810 | |
| Community and economic development | 1,136,483 | - | - | - | 1,136,483 | |
| Recreation and culture | 1,317,282 | - | - | 1,317,720 | 2,635,002 | |
| Capital outlay | 1,159 | - | - | 549,881 | 551,040 | |
| Debt service | | | | | | |
| Principal retirement | 866,015 | - | 5,885,000 | 450,000 | 7,201,015 | |
| Interest and fiscal charges | 231,600 | - | 725,326 | 9,336 | 966,262 | |
| Total expenditures | 27,856,487 | 5,085,571 | 6,610,326 | 3,858,025 | 43,410,409 | |
| Excess (deficiency) of revenues over expenditures | 3,781,559 | (4,621,703) | (2,061,553) | 1,220,654 | (1,681,043) | |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | 280,000 | - | - | 280,000 | |
| Transfers out | (127,000) | - | - | (280,000) | (407,000) | |
| Total other financing sources (uses) | (127,000) | 280,000 | - | (280,000) | (127,000) | |
| Net change in fund balances | 3,654,559 | (4,341,703) | (2,061,553) | 940,654 | (1,808,043) | |
| Fund balances - beginning of year | 15,022,421 | 14,723,402 | 2,545,085 | 18,434,813 | 50,725,721 | |
| Fund balances - end of year | \$ 18,676,980 | \$ 10,381,699 | \$ 483,532 | \$ 19,375,467 | \$ 48,917,678 | |

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

| | |
|---|-----------------------|
| Net change in fund balances - total governmental funds | \$ (1,808,043) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. | |
| Depreciation and amortization expense | (8,753,828) |
| Capital outlay | 6,706,774 |
| Sale of capital assets (net book value) | (35,021) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. | |
| | (1,208,561) |
| Expenses are recorded when incurred in the statement of activities. | |
| Accrued interest | (2,501) |
| Compensated absences | (168,340) |
| Arbitrage | (249,194) |
| The statement of net position reports the net pension liability (asset) and deferred outflows of resources and deferred inflows related to the net pension liability (asset) and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions. | |
| Net change in the net pension liability (asset) | 1,882,815 |
| Net change in the deferred outflow of resources related to the net pension liability (asset) | (1,202,537) |
| Net change in the deferred inflow of resources related to the net pension liability (asset) | (78,430) |
| The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions. | |
| Net change in the net OPEB asset | 1,052,545 |
| Net change in the deferred outflow of resources related to the net OPEB asset | 329,257 |
| Net change in the deferred inflow of resources related to the net OPEB asset | (1,105,927) |
| Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. | |
| Repayments of long-term debt | 7,201,015 |
| Amortization of premiums, discounts and similar items | 377,385 |
| Internal service funds are also included as governmental activities | (114,570) |
| Change in net position of governmental activities | \$ 2,822,839 |

Charter Township of Meridian
Proprietary Funds
Statement of Net Position
December 31, 2025

| | Enterprise Funds | | | Internal Service |
|---|----------------------|----------------------|----------------------|---------------------|
| | Sewer | Water | Total | Fund Motor Pool |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 6,811,009 | \$ 4,084,771 | \$ 10,895,780 | \$ 994,150 |
| Investments | 1,604,758 | 2,226,369 | 3,831,127 | 4,047 |
| Receivables | | | | |
| Accounts | 44,145 | 31,912 | 76,057 | - |
| Utility bills | 1,916,323 | 1,959,048 | 3,875,371 | - |
| Leases receivable, current | - | 16,536 | 16,536 | - |
| Inventories | - | 1,014,181 | 1,014,181 | - |
| Prepaid items | 152,308 | 1,285 | 153,593 | 59,567 |
| Total current assets | 10,528,543 | 9,334,102 | 19,862,645 | 1,057,764 |
| Noncurrent assets | | | | |
| Investment in joint venture | - | 10,597,123 | 10,597,123 | - |
| Leases receivable, long-term | - | 1,458,515 | 1,458,515 | - |
| Capital assets not being depreciated | 293,752 | 278,828 | 572,580 | - |
| Capital assets, net of accumulated depreciation | 59,639,854 | 21,069,935 | 80,709,789 | 4,079,690 |
| Total noncurrent assets | 59,933,606 | 33,404,401 | 93,338,007 | 4,079,690 |
| Total assets | 70,462,149 | 42,738,503 | 113,200,652 | 5,137,454 |
| Deferred outflows of resources | | | | |
| Pension related | 185,126 | 314,775 | 499,901 | 48,526 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable | 119,562 | 547,991 | 667,553 | 102,193 |
| Payroll and other liabilities | 207,602 | 111,083 | 318,685 | 3,750 |
| Interest payable | 7,220 | - | 7,220 | - |
| Compensated absences | 17,537 | 18,642 | 36,179 | 3,611 |
| Current portion of long-term liabilities | 1,823,464 | - | 1,823,464 | - |
| Total current liabilities | 2,175,385 | 677,716 | 2,853,101 | 109,554 |
| Noncurrent liabilities | | | | |
| Compensated absences | 79,892 | 84,925 | 164,817 | 16,450 |
| Long-term liabilities | 29,112,003 | - | 29,112,003 | - |
| Net pension liability | 440,685 | 749,338 | 1,190,023 | 115,514 |
| Total noncurrent liabilities | 29,632,580 | 834,263 | 30,466,843 | 131,964 |
| Total liabilities | 31,807,965 | 1,511,979 | 33,319,944 | 241,518 |
| Deferred inflows of resources | | | | |
| Lease related | - | 1,475,051 | 1,475,051 | - |
| Net position | | | | |
| Net investment in capital assets | 28,998,139 | 21,348,763 | 50,346,902 | 4,079,690 |
| Unrestricted | 9,841,171 | 18,717,485 | 28,558,656 | 864,772 |
| Total net position | \$ 38,839,310 | \$ 40,066,248 | \$ 78,905,558 | \$ 4,944,462 |

See Accompanying Notes to the Financial Statements

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

| | Enterprise Funds | | | Internal Service |
|--|----------------------|----------------------|----------------------|---------------------|
| | Sewer | Water | Total | Fund Motor Pool |
| Operating revenue | | | | |
| Customer fees | \$ 9,032,340 | \$ 9,582,708 | \$ 18,615,048 | \$ - |
| Billings to other funds | - | - | - | 1,393,114 |
| Rental income | - | 40,032 | 40,032 | - |
| Other revenue | <u>1,223,028</u> | <u>311,930</u> | <u>1,534,958</u> | <u>17,919</u> |
| Total operating revenue | <u>10,255,368</u> | <u>9,934,670</u> | <u>20,190,038</u> | <u>1,411,033</u> |
| Operating expenses | | | | |
| Personnel services | 1,152,528 | 1,520,168 | 2,672,696 | 284,502 |
| Supplies | 30,824 | 106,434 | 137,258 | - |
| Contractual services | 2,144,059 | 5,078,348 | 7,222,407 | 64,358 |
| Utilities | 99,192 | 5,389 | 104,581 | - |
| Repairs and maintenance | 210,740 | 467,471 | 678,211 | 510,580 |
| Other expenses | 600,932 | 527,868 | 1,128,800 | - |
| Depreciation | <u>1,682,349</u> | <u>920,601</u> | <u>2,602,950</u> | <u>876,161</u> |
| Total operating expenses | <u>5,920,624</u> | <u>8,626,279</u> | <u>14,546,903</u> | <u>1,735,601</u> |
| Operating income (loss) | <u>4,334,744</u> | <u>1,308,391</u> | <u>5,643,135</u> | <u>(324,568)</u> |
| Nonoperating revenue (expenses) | | | | |
| Investment income | 241,013 | 204,590 | 445,603 | 25,603 |
| Change in value of joint venture | - | 417,590 | 417,590 | - |
| Gain on sale of capital assets | - | 80 | 80 | 57,395 |
| Loss on disposal of capital assets | (25,504) | - | (25,504) | - |
| Interest expense | <u>(587,286)</u> | <u>-</u> | <u>(587,286)</u> | <u>-</u> |
| Total nonoperating revenues (expenses) | <u>(371,777)</u> | <u>622,260</u> | <u>250,483</u> | <u>82,998</u> |
| Income (loss) before contributions and transfers | 3,962,967 | 1,930,651 | 5,893,618 | (241,570) |
| Capital contributions | 792,119 | 1,090,044 | 1,882,163 | - |
| Transfers in | <u>-</u> | <u>-</u> | <u>-</u> | <u>127,000</u> |
| Change in net position | 4,755,086 | 3,020,695 | 7,775,781 | (114,570) |
| Net position - beginning of year | <u>34,084,224</u> | <u>37,045,553</u> | <u>71,129,777</u> | <u>5,059,032</u> |
| Net position - end of year | <u>\$ 38,839,310</u> | <u>\$ 40,066,248</u> | <u>\$ 78,905,558</u> | <u>\$ 4,944,462</u> |

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2025

| | Enterprise Funds | | | Internal Service Funds |
|--|---------------------|---------------------|----------------------|---------------------------|
| | Sewer | Water | Total | Motor Pool |
| Cash flows from operating activities | | | | |
| Receipts from customers | \$ 10,241,208 | \$ 10,027,720 | \$ 20,268,928 | \$ 2,359,687 |
| Receipts from other funds | 5,000 | 5,000 | 10,000 | - |
| Payments to other funds | (143,203) | (149,406) | (292,609) | (478,199) |
| Payments to suppliers | (2,828,545) | (5,954,799) | (8,783,344) | (349,122) |
| Payments to employees | (1,138,619) | (1,512,541) | (2,651,160) | - |
| Net cash provided by operating activities | <u>6,135,841</u> | <u>2,415,974</u> | <u>8,551,815</u> | <u>1,532,366</u> |
| Cash flows from noncapital financing activities | | | | |
| Transfer from other funds | - | - | - | 127,000 |
| Cash flows from capital and related financing activities | | | | |
| Proceeds from capital debt | 1,804,142 | - | 1,804,142 | - |
| Purchases/construction of capital assets | (3,036,849) | (793,025) | (3,829,874) | (1,700,760) |
| Principal and interest paid on long-term debt | (2,597,011) | - | (2,597,011) | - |
| Proceeds from sale of capital assets | - | 80 | 80 | 57,395 |
| Net cash used by capital and related financing activities | <u>(3,829,718)</u> | <u>(792,945)</u> | <u>(4,622,663)</u> | <u>(1,643,365)</u> |
| Cash flows from investing activities | | | | |
| Proceeds from sales and maturities of investments | - | 10,579,222 | 10,579,222 | 551,994 |
| Purchases of investments | (5,476,225) | (12,823,492) | (18,299,717) | (4,047) |
| Interest received | 241,013 | 204,590 | 445,603 | 25,603 |
| Net cash provided (used) by investing activities | <u>(5,235,212)</u> | <u>(2,039,680)</u> | <u>(7,274,892)</u> | <u>573,550</u> |
| Net change in cash and cash equivalents | (2,929,089) | (416,651) | (3,345,740) | 589,551 |
| Cash and cash equivalents - beginning of year | 9,740,098 | 4,501,422 | 14,241,520 | 404,599 |
| Cash and cash equivalents - end of year | <u>\$ 6,811,009</u> | <u>\$ 4,084,771</u> | <u>\$ 10,895,780</u> | <u>\$ 994,150</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$ 4,334,744 | \$ 1,308,391 | \$ 5,643,135 | \$ (324,568) |
| Adjustments to reconcile operating income to net cash from operating activities | | | | |
| Depreciation and amortization expense | 1,682,349 | 920,601 | 2,602,950 | 876,161 |
| Changes in assets and liabilities | | | | |
| Receivables (net) | (14,160) | 108,342 | 94,182 | - |
| Due from other funds | 5,000 | 5,000 | 10,000 | 948,654 |
| Inventories | - | 45,200 | 45,200 | - |
| Prepaid items | 133,630 | 13,407 | 147,037 | (59,567) |
| Pension related deferred outflows of resources | (42,432) | 3,668 | (38,764) | (9,812) |
| Accounts payable | (10,117) | 151,615 | 141,498 | 75,115 |
| Accrued and other liabilities | 62,708 | (1,113) | 61,595 | (79) |
| Due to other funds | (143,203) | (149,406) | (292,609) | - |
| Due to other units of government | - | (1,029) | (1,029) | - |
| Compensated absences | 13,909 | 7,627 | 21,536 | (262) |
| Net pension liability | 115,834 | 24,352 | 140,186 | 27,379 |
| Lease related deferred inflows of resources | - | (15,292) | (15,292) | - |
| Pension related deferred inflows of resources | (2,421) | (5,389) | (7,810) | (655) |
| Net cash provided (used) by operating activities | <u>\$ 6,135,841</u> | <u>\$ 2,415,974</u> | <u>\$ 8,551,815</u> | <u>\$ 1,532,366</u> |
| Supplementary Information | | | | |
| Contributed capital | <u>\$ 792,119</u> | <u>\$ 1,090,044</u> | <u>\$ 1,882,163</u> | <u>\$ -</u> |

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2025

| | <u>Pension and Other Employee Benefit Trust Funds</u> | <u>Custodial Fund Tax Collection Fund</u> |
|--|---|---|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ 13,845,063 |
| Investments | | |
| Money market mutual fund | 87,421 | - |
| Exchange traded funds | 1,013,547 | - |
| Mutual funds | 12,510,177 | - |
| Receivables | | |
| Accrued interest and other | <u>392</u> | <u>-</u> |
| Total assets | <u>13,611,537</u> | <u>13,845,063</u> |
| Liabilities | | |
| Accounts payable | - | 21,687 |
| Due to other units of government | <u>-</u> | <u>13,823,376</u> |
| Total liabilities | <u>-</u> | <u>13,845,063</u> |
| Net position | | |
| Restricted for: | | |
| Pensions | 4,376,999 | - |
| Postemployment benefits other than pension | <u>9,234,538</u> | <u>-</u> |
| Total net position | <u>\$ 13,611,537</u> | <u>\$ -</u> |

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

| | Pension and Other Employee Benefit Trust Funds | Custodial Fund Tax Collection Fund |
|--|---|---|
| Additions | | |
| Contributions | | |
| Employer | \$ 192,739 | \$ - |
| Investment earnings | | |
| Interest, dividends and other | 111,480 | - |
| Net increase in fair value of investments | 1,616,346 | - |
| Investment expenses | (38,159) | - |
| Net investment gain | 1,689,667 | - |
| Property tax collections for other governments | - | 116,989,899 |
| Total additions | 1,882,406 | 116,989,899 |
| Deductions | | |
| Benefits paid to participants or beneficiaries | 592,801 | - |
| Other deductions | 58,962 | - |
| Payments of property tax to other governments | - | 116,989,899 |
| Total deductions | 651,763 | 116,989,899 |
| Change in net position | 1,230,643 | - |
| Net position - beginning of year | 12,380,894 | - |
| Net position - end of year | \$ 13,611,537 | \$ - |

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Component Units
Combining Statement of Net Position
December 31, 2025

| | Brownfield Redevelopment Authority | Economic Development Corporation | Downtown Development Authority | Corridor Improvement Authority | Total |
|--------------------------------------|--|--|--------------------------------------|--------------------------------------|-------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 456,968 | \$ 70,960 | \$ 304,872 | \$ 103,531 | \$ 936,331 |
| Receivables | | | | | |
| Accounts | 12,000 | - | - | - | 12,000 |
| Taxes | 717,513 | - | 115,727 | 100,738 | 933,978 |
| | <u>1,186,481</u> | <u>70,960</u> | <u>420,599</u> | <u>204,269</u> | <u>1,882,309</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts payable | - | - | 128 | - | 128 |
| Due to other units of government | 55,797 | - | - | 319 | 56,116 |
| | <u>55,797</u> | <u>-</u> | <u>128</u> | <u>319</u> | <u>56,244</u> |
| Deferred inflows of resources | | | | | |
| Unavailable revenue - taxes | 717,513 | - | 108,526 | 100,738 | 926,777 |
| | <u>717,513</u> | <u>-</u> | <u>108,526</u> | <u>100,738</u> | <u>926,777</u> |
| Net position | | | | | |
| Unrestricted | \$ 413,171 | \$ 70,960 | \$ 311,945 | \$ 103,212 | \$ 899,288 |
| | <u>\$ 413,171</u> | <u>\$ 70,960</u> | <u>\$ 311,945</u> | <u>\$ 103,212</u> | <u>\$ 899,288</u> |

Charter Township of Meridian
Component Units
Combining Statement of Activities
For the Year Ended December 31, 2025

| | Brownfield Redevelopment Authority | Economic Development Corporation | Downtown Development Authority | Corridor Improvement Authority | Total |
|------------------------------------|--|--|--------------------------------------|--------------------------------------|-------------------|
| Expenses | | | | | |
| Community and economic development | \$ 691,660 | \$ 4,499 | \$ 1,957 | \$ - | \$ 698,116 |
| Program revenues | | | | | |
| Charges for services | - | 10,000 | - | - | 10,000 |
| Operating grants and contributions | - | 500 | - | - | 500 |
| Total program revenues | - | 10,500 | - | - | 10,500 |
| Net program expense (revenue) | 691,660 | (6,001) | 1,957 | - | 687,616 |
| General revenues | | | | | |
| Property taxes | 953,488 | - | 101,035 | 87,020 | 1,141,543 |
| Unrestricted investment earnings | - | 906 | 7,601 | - | 8,507 |
| Miscellaneous | 12,000 | - | - | - | 12,000 |
| Total general revenues | 965,488 | 906 | 108,636 | 87,020 | 1,162,050 |
| Change in net position | 273,828 | 6,907 | 106,679 | 87,020 | 474,434 |
| Net position - beginning of year | 139,343 | 64,053 | 205,266 | 16,192 | 424,854 |
| Net position - end of year | <u>\$ 413,171</u> | <u>\$ 70,960</u> | <u>\$ 311,945</u> | <u>\$ 103,212</u> | <u>\$ 899,288</u> |

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The accounting policies of the Charter Township of Meridian, Ingham County, Michigan (Township) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Meridian, Ingham County, Michigan.

The Charter Township of Meridian, Ingham County, Michigan is governed by an elected seven-member board. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township (see discussion below for description).

Discretely Presented Component Units – The following component units are reported within the component unit column in the combined financial statements. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township.

Brownfield Redevelopment Authority – The Brownfield Redevelopment Authority (BRA) was created to finance environmental cleanup within the boundaries of the Township. The BRA's governing body includes the Township Manager, a member of each of the Planning Commission, Economic Development Corporation, and Environmental Commission, and 3 other members approved by the Township board, who has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The BRA does not issue separate financial statements.

Local Brownfield Revolving Fund – The Local Brownfield Revolving Fund (LBRF) was established pursuant to Public Act 381 of 1996, as amended. The primary purpose of the LBRF is to assist in financing environmental assessment, remediation, and other eligible activities as authorized by PA 381, as amended. The LBRF is managed by the BRA's governing body and activity is included in the BRA.

Economic Development Corporation – The Economic Development Corporation (EDC) was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Township, so as to provide needed services and facilities of such enterprises to the residents of the Township. The Township board approves the individuals appointed to the EDC's governing body by the Township supervisor and can impose its will. The EDC does not issue separate financial statements.

Downtown Development Authority – The Downtown Development Authority (DDA) of Okemos was created to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of such deterioration, and to promote economic growth in and surrounding the DDA. The DDA's governing body includes the Township supervisor and members who are appointed by the Township supervisor and approved by the Township board. The DDA does not issue separate financial statements.

Corridor Improvement Authority – The Corridor Improvement Authority (CIA) is authorized under the Corridor Improvement Authority Act (PA 280 of 2005). The primary purpose of the CIA is to correct and prevent deterioration within business corridors, encourage historic preservation, and promote economic growth within its designated development area. The CIA's governing body includes the Township supervisor and members appointed by the supervisor, subject to approval by the Township board. The CIA does not issue separate financial statements.

Charter Township of Meridian

Notes to the Financial Statements

December 31, 2025

Fiduciary Component Units – The Pension and Other Postemployment Benefits Trust Funds were established to account for the assets set aside to fund the Township’s pension and OPEB plans. The primary purpose of the Trusts are to provide the necessary funding for pension payments and retiree healthcare coverage provided to eligible Township employees during retirement. The Pension Trust is overseen by a five-member board consisting of the Township Treasurer, an employee representative and three residents appointed by the Township Supervisor. The OPEB Trust is overseen by a committee consisting of the Township Manager, Finance Director and Township Treasurer. The assets of the Trusts are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other activity prior to the satisfaction of all liabilities. The assets are protected from any of the Township’s creditors. The respective oversight groups have the ability to exercise responsibility, specifically in the area of designation of management.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Charter Township of Meridian
Notes to the Financial Statements
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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 Local Roads Fund is used to account for tax revenue that supports local road maintenance.

The Road Debt Service Fund is used to account for tax revenue and debt service related to the 2022 and 2024 bond issuances for road improvements.

The Township reports the following major proprietary funds:

The Water Fund is used to account for the provision of water services to the residents of the Township. Activities of the fund include administration, operating, maintenance, and billing and collection activities.

The Sewer Fund is used to account for the provision of sewer services to the residents of the Township. Activities of the fund include administration, operating, maintenance, and billing and collection activities.

Additionally, the Township reports the following:

The Nonmajor Special Revenue Funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Nonmajor Debt Service Fund accounts for the proceeds of specific revenue sources related to the fire station debt service.

The Nonmajor Capital Project Funds account for proceeds and transfers to be used for capital improvements.

The Motor Pool Fund accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the Township, or to other governments, primarily on a cost-reimbursement basis.

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our Township's programs. Activities that are reported as fiduciary include:

The Pension Trust Fund accounts for the assets of the Township employees' pension plan. The Employer Funded Retiree Health Insurance Fund accounts for the assets and expenses of the Township retirees' other postemployment benefits (OPEB).

The Custodial Fund includes the Tax Collection Fund which accounts for property tax and other deposits collected on behalf of other units and individuals.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water funds and the internal service fund are charges to customers for sales and services. The Township also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the sewer and water funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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Notes to the Financial Statements
December 31, 2025

Assets, Liabilities, and Net Position or Fund Balance

Deposits and investments – Cash and cash equivalents are considered to be 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 based on quoted market price. Certificate of deposits are stated at cost which approximates fair value. Pooled investment income is generally allocated to each fund using a weighted average balance for the principal. Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of a lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectible amounts of \$20,639.

Property tax revenue – Property taxes are assessed as of December 31. The related property taxes are billed and become a lien on December 1 of the following year and are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls.

Property taxes billed during the month of December will be used to finance the following year’s operations. As such, these taxes are recorded as deferred inflows in each respective fund as of December 31. The 2024 taxable valuation of the Township totaled approximately \$2.28 billion, on which ad valorem taxes consisted of the following mills, and resulted in the following revenue, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

| Purpose | Mills Levied | Ad Valorem Taxes Levied Raised (in millions) |
|----------------------------|--------------|---|
| Township operating | 4.1344 | \$ 9.43 |
| Streets debt | 1.9429 | 4.43 |
| Police protection | 0.5981 | 1.36 |
| Fire protection | 0.6302 | 1.44 |
| Police and fire protection | 1.4687 | 3.35 |
| Community services | 0.1474 | 0.34 |
| Bike path | 0.3289 | 0.75 |
| Park & recreation | 0.6559 | 1.50 |
| Land preservation | 0.0993 | 0.23 |
| Fire station debt | 0.0624 | 0.14 |

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Township follows the consumption method, and they therefore are capitalized as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g. bike paths and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are

Charter Township of Meridian
Notes to the Financial Statements
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recorded at acquisition value at the date of donation, unless received in a service concession arrangement which would require acquisition value to be used rather than fair value.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

| | |
|---------------------------------------|----------------|
| Infrastructure | 5 to 20 years |
| Buildings, additions and improvements | 10 to 40 years |
| Furniture and equipment | 5 to 10 years |
| Machinery and equipment | 5 to 10 years |
| Vehicles | 5 to 10 years |
| Drainage flow rights | 50 years |
| Water and sewer infrastructure | 15 to 50 years |
| Other tools and equipment | 5 to 20 years |

Deferred outflows of resources – A deferred outflow of resources represents a consumption of net assets by the Township that applies to future periods. The Township may report deferred outflows of resources as a result of the following:

- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB asset are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Pension and OPEB contributions made after the measurement date. This amount will reduce the net pension liability and net OPEB liability in the following year.

Compensated absences – It is the Township’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – The Township offers a defined benefit pension plan to its employees. The Township receives an actuarial valuation to compute the actuarially determined contribution (ADC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan’s fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources,

Charter Township of Meridian
Notes to the Financial Statements
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deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Township's pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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. The General Fund, Sewer Fund, Water Fund and Motor Pool Fund are primarily responsible for liquidating the pension liability.

Other Postemployment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred inflows of resources – A deferred inflow of resources represents an acquisition of net assets by the Township that applies to future periods. The Township may report deferred inflows of resources as a result of the following:

- Unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.
- Lease revenue related to leases receivable which is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease.
- Property taxes and special assessments levied during the year that were intended to finance future periods.
- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net OPEB liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.

Fund Balances – In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the government's highest level of decision-making, its Township Board. A fund balance commitment may be established, modified, or rescinded by a resolution of the Township Board.

Assigned – amounts intended to spend resources on specific purposes expressed by the governing body or the Township Manager, who is authorized by resolution approved by the governing body to make assignments. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; 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

Charter Township of Meridian
Notes to the Financial Statements
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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.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Township's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The Township has adopted a minimum fund balance policy, to maintain a minimum end-of-year unassigned fund balance reserve of 25% of budgeted general fund expenditures.

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, deferred outflows, liabilities, deferred inflows 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.

Adoption of New Accounting Standards

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending December 31, 2026.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending December 31, 2026.

Statement No. 105, *Subsequent Events*, establishes accounting and financial reporting standards for events or transactions that occur after the measurement date of the financial statements but before the date the financial statements are available to be issued. This Statement distinguishes between events that provide additional evidence about conditions that existed at the date of the financial statements and events that provide evidence about conditions that did not exist at that date. Events that provide additional evidence about conditions existing at the financial statement date are recognized in the financial statements, whereas events that provide evidence about conditions arising after the financial statement date are not recognized but should be disclosed if they are

**Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025**

essential for users' understanding of the financial statements. This Statement also clarifies the definition of the date the financial statements are available to be issued for disclosure purposes. This Statement is effective for the year ending December 31, 2027.

The Township is evaluating the impact that the above GASB statements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

State Code Construction Act

The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

| | | |
|--|----------------|------------------------------|
| Current year permit revenue | | \$ 1,323,082 |
| Related expenses: | | |
| Direct costs | \$ 610,132 | |
| Estimated indirect costs | <u>121,749</u> | <u>731,881</u> |
| | | |
| Current year surplus | | 591,201 |
| Cumulative shortfall - beginning of year | | <u>(5,534,594)</u> |
| Cumulative shortfall - end of year | | <u><u>\$ (4,943,393)</u></u> |

Note 3 - Deposits and Investments

At year end the Township's deposits and investments were reported in the financial statements in the following categories:

| | Cash and Cash Equivalents | Investments | Total |
|--------------------------|---------------------------------|-----------------------------|------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Governmental activities | \$ 17,011,368 | \$ 42,318,991 | \$ 59,330,359 |
| Business-type activities | <u>10,895,780</u> | <u>3,831,127</u> | <u>14,726,907</u> |
| Total | 27,907,148 | 46,150,118 | 74,057,266 |
| | | | |
| Fiduciary funds | 13,845,063 | 13,611,145 | 27,456,208 |
| Component units | <u>936,331</u> | <u>-</u> | <u>936,331</u> |
| Total | <u><u>\$ 42,688,542</u></u> | <u><u>\$ 59,761,263</u></u> | <u><u>\$ 102,449,805</u></u> |

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

The breakdown between deposits and investments is as follows:

| | Primary Government | Fiduciary Funds | Component Units | Total |
|--|-----------------------|--------------------|--------------------|----------------|
| Bank deposits (checking and savings accounts, money markets and certificates of deposit) | \$ 27,906,748 | \$ 13,845,063 | \$ 936,331 | \$ 42,688,142 |
| Investments in securities, mutual funds and similar vehicles | 46,150,118 | 13,611,145 | - | 59,761,263 |
| Petty cash and cash on hand | 400 | - | - | 400 |
| | \$ 74,057,266 | \$ 27,456,208 | \$ 936,331 | \$ 102,449,805 |

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. A 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; banker's acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which 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. To the extent that cash from various funds has been pooled in an investment, related investment income is allocated to each fund based on relative participation in the pool, except that the custodial fund's investment earnings are allocated to the General Fund.

The Township has designated several banks for the deposit of its funds. The investment policy adopted by the Township board in accordance with Public Act 196 of 1997 has authorized investments as allowed under state statutory authority as listed above.

The Township's investments include the Cooperative Liquid Assets Securities System – Michigan (CLASS), which is a Michigan public sector joint investment program that is subject to oversight by the program's board of trustees. The Township's investment in this pool is recorded at cost, which approximates fair value.

The Township's cash and investments are subject to several types of risk, which are examined in more detail as follows:

Interest rate risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does restrict certain investment maturities, other than commercial paper which can only be purchased with a maximum 270-day maturity.

At year end, the average maturities of investments are as follows:

| Investment Type | Fair Value | Less than One Year | 1 to 5 Years | 6 to 10 years | More than 10 years |
|----------------------------|---------------|-----------------------|---------------|---------------|-----------------------|
| U.S. agency securities | \$ 13,736,554 | \$ - | \$ 12,829,670 | \$ 906,884 | \$ - |
| Government investment pool | 17,828,094 | 17,828,094 | - | - | - |
| | \$ 31,564,648 | \$ 17,828,094 | \$ 12,829,670 | \$ 906,884 | \$ - |

Charter Township of Meridian
Notes to the Financial Statements
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Credit risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than U.S. government) are as follows:

| Investment | Carrying Value | Rating | Rating Organization |
|----------------------------|-------------------|--------|------------------------|
| U.S. agency securities | \$ 13,736,554 | Aaa | Moody's |
| Government investment pool | 17,828,094 | AAAm | S&P |
| | \$ 31,564,648 | | |

Concentration of credit risk –

Government-wide

It is the policy of the Township to invest its funds in a manner which will ensure the preservation of principal and provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Township and complying with all state statutes governing the investment of public funds.

More than 5% of the Township's government-wide investments are in:

| | |
|--|--------------|
| Federal National Mortgage Association (FNMA) | \$ 9,715,435 |
| Treasury Securities | 5,883,281 |

Pension and Similar Trust Funds

Pension and similar trust funds are authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

More than 5% of the Township's pension and similar trust funds' investments are in:

Pension Investments

| | |
|---|--------------|
| Fidelity 500 Index Fund | \$ 1,700,106 |
| iShares Core MSCI International Developed Mkt | 225,088 |

OPEB Investments

| | |
|--|-----------|
| Municipal Employees' Retirement System of Michigan | 9,234,538 |
|--|-----------|

Custodial credit risk - deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year-end, the Township's bank balance was \$71,000,699 and \$68,647,161 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. All bank deposits of the component units were insured and collateralized by federal depository insurance at year end. The Township 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 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.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Note 4 - Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Debt securities are valued by the Township's investment custodian using independent pricing services based on the type of asset. The pricing services may use valuation models or matrix pricing, which consider: (a) benchmark yields, (b) reported trades, (c) broker/dealer quotes, (d) benchmark securities, (e) bids or offers, and (f) reference data. The Township's level 2 investments as noted in the table below are valued using significant other observable inputs of the underlying securities.

The Township has the following recurring fair value measurements as of year end:

| Investment | Balance at December 31, 2025 | Fair Value Measurement Using | | |
|--|---------------------------------|--|--|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Primary Government | | | | |
| U.S. agency securities | | | | |
| Residential mortgage backed securities | \$ 7,853,273 | \$ - | \$ 7,853,273 | \$ - |
| Treasury securities | 5,883,281 | - | 5,883,281 | - |
| Certificates of deposit | <u>9,787,232</u> | <u>9,787,232</u> | <u>-</u> | <u>-</u> |
| | <u>23,523,786</u> | <u>9,787,232</u> | <u>13,736,554</u> | <u>-</u> |
| Fiduciary Funds | | | | |
| Exchange traded funds | 1,013,547 | 1,013,547 | - | - |
| Money market funds | 4,885,659 | 4,885,659 | - | - |
| Mutual funds | <u>3,275,639</u> | <u>3,275,639</u> | <u>-</u> | <u>-</u> |
| | <u>9,174,845</u> | <u>9,174,845</u> | <u>-</u> | <u>-</u> |
| | 32,698,631 | <u>\$ 18,962,077</u> | <u>\$ 13,736,554</u> | <u>\$ -</u> |
| Investments carried at net asset value | | | | |
| Michigan CLASS government investment pool | 17,828,094 | | | |
| MissionSquare II Model Portfolio Conservative Fund | <u>9,234,538</u> | | | |
| Total investments | <u>\$ 59,761,263</u> | | | |

Investments in Entities that Calculate Net Asset Value per Share

The Township holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

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The net asset value of the Township's investment in Michigan CLASS was \$17,828,094. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. It has a rating of AAA from Standard and Poor's with a weighted average maturity of 39 days.

At year end, the net asset value of the Township's investment in MERS Retiree Health Funding Vehicle Total Market Fund ("the Fund") was \$9,234,538. The Fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities and is carried at net asset value. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers. There is no redemption period and no unfunded commitments.

Note 5 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

| | Beginning Balance | Reclassification | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|---------------------|-------------------|----------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 37,169,262 | \$ (15,153,236) | \$ 219,900 | \$ 30,368 | \$ 22,205,558 |
| Construction-in-progress | 1,212,919 | - | 10,180 | 424,522 | 798,577 |
| Total capital assets not being depreciated | <u>38,382,181</u> | <u>(15,153,236)</u> | <u>230,080</u> | <u>454,890</u> | <u>23,004,135</u> |
| Capital assets being depreciated | | | | | |
| Land improvements | 1,622,877 | 15,153,236 | 1,117,819 | - | 17,893,932 |
| Infrastructure | 30,571,829 | - | 5,084,388 | 887,881 | 34,768,336 |
| Buildings, additions and improvements | 20,722,761 | - | 487,930 | 151,232 | 21,059,459 |
| Furniture and equipment | 2,750,350 | - | 211,079 | 121,270 | 2,840,159 |
| Machinery and equipment | 504,506 | - | 54,664 | 23,848 | 535,322 |
| Vehicles | 8,493,387 | - | 1,646,096 | 390,970 | 9,748,513 |
| Drainage flow rights | 13,717,923 | - | - | - | 13,717,923 |
| Right to use asset - machinery and equipment | 1,878,246 | - | - | - | 1,878,246 |
| Total capital assets being depreciated | <u>80,261,879</u> | <u>15,153,236</u> | <u>8,601,976</u> | <u>1,575,201</u> | <u>102,441,890</u> |
| Less accumulated depreciation for | | | | | |
| Land improvements | 153,550 | - | 3,367,514 | - | 3,521,064 |
| Infrastructure | 16,735,433 | - | 3,839,162 | 887,881 | 19,686,714 |
| Buildings, additions and improvements | 9,814,580 | - | 845,989 | 146,579 | 10,513,990 |
| Furniture and equipment | 1,496,727 | - | 219,412 | 121,270 | 1,594,869 |
| Machinery and equipment | 319,427 | - | 29,119 | 23,848 | 324,698 |
| Vehicles | 5,423,375 | - | 847,042 | 390,970 | 5,879,447 |
| Drainage flow rights | 2,206,510 | - | 274,967 | - | 2,481,477 |
| Right to use asset - machinery and equipment | 155,085 | - | 206,784 | - | 361,869 |
| Total accumulated depreciation | <u>36,304,687</u> | <u>-</u> | <u>9,629,989</u> | <u>1,570,548</u> | <u>44,364,128</u> |
| Net capital assets being depreciated | <u>43,957,192</u> | <u>15,153,236</u> | <u>(1,028,013)</u> | <u>4,653</u> | <u>58,077,762</u> |
| Governmental activities net capital assets | <u>\$ 82,339,373</u> | <u>\$ -</u> | <u>\$ (797,933)</u> | <u>\$ 459,543</u> | <u>\$ 81,081,897</u> |

Charter Township of Meridian
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| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|-------------------|----------------------|
| Business-type activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 363,060 | \$ - | \$ - | \$ 363,060 |
| Construction-in-progress | 620,649 | 209,520 | 620,649 | 209,520 |
| Total capital assets not being depreciated | <u>983,709</u> | <u>209,520</u> | <u>620,649</u> | <u>572,580</u> |
| Capital assets being depreciated | | | | |
| Buildings, additions and improvements | 3,356,737 | - | 18,801 | 3,337,936 |
| Other tools and equipment | 4,844,538 | 698,108 | 1,226,599 | 4,316,047 |
| Water and sewer infrastructure | <u>119,514,789</u> | <u>5,352,803</u> | <u>666,951</u> | <u>124,200,641</u> |
| Total capital assets being depreciated | <u>127,716,064</u> | <u>6,050,911</u> | <u>1,912,351</u> | <u>131,854,624</u> |
| Less accumulated depreciation for | | | | |
| Buildings, additions and improvements | 3,296,304 | 4,894 | 18,801 | 3,282,397 |
| Other tools and equipment | 3,202,928 | 192,086 | 1,226,599 | 2,168,415 |
| Water and sewer infrastructure | <u>43,929,500</u> | <u>2,405,970</u> | <u>641,447</u> | <u>45,694,023</u> |
| Total accumulated depreciation | <u>50,428,732</u> | <u>2,602,950</u> | <u>1,886,847</u> | <u>51,144,835</u> |
| Net capital assets being depreciated | <u>77,287,332</u> | <u>3,447,961</u> | <u>25,504</u> | <u>80,709,789</u> |
| Business-type capital assets, net | <u>\$ 78,271,041</u> | <u>\$ 3,657,481</u> | <u>\$ 646,153</u> | <u>\$ 81,282,369</u> |

Depreciation expense was charged to programs of the primary government as follows:

| | |
|--|----------------------|
| Governmental activities | |
| General government | \$ 728,845 |
| Public safety | 562,612 |
| Public works | 6,668,388 |
| Health and welfare | 15,852 |
| Recreation and culture | 778,131 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>876,161</u> |
| Total governmental activities | <u>9,629,989</u> |
| Business-type activities | |
| Sewer Fund | 1,682,349 |
| Water Fund | <u>920,601</u> |
| Total business-type activities | <u>2,602,950</u> |
| Total primary government | <u>\$ 12,232,939</u> |

Construction Commitments

The Township entered into contracts for construction totaling \$11,428,058. As of December 31, 2025, \$8,697,301 remained outstanding on the contracts.

Charter Township of Meridian
Notes to the Financial Statements
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Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

| Receivable Fund | Payable Fund | | Total |
|-----------------------------|---------------------|-----------------------------------|------------|
| | Local Roads Fund | Nonmajor Governmental Funds | |
| General Fund | \$ - | \$ 550,702 | \$ 550,702 |
| Nonmajor Governmental Funds | 788 | - | \$ 788 |
| | \$ 788 | \$ 550,702 | \$ 551,490 |

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The details for interfund transfers are as follows:

| Transfers In | Transfers Out | | Total |
|---------------------------|---------------|-----------------------------------|------------|
| | General Fund | Nonmajor Governmental Funds | |
| Local Roads Fund (1) | \$ - | \$ 280,000 | \$ 280,000 |
| Internal Service Fund (2) | 127,000 | - | 127,000 |
| | \$ 127,000 | \$ 280,000 | \$ 407,000 |

(1) To support local roads

(2) To support purchase of public safety vehicles

Charter Township of Meridian
Notes to the Financial Statements
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Note 7 - Leases

Lease Receivable

The Township has an agreement leasing water tower space. The lease commenced in December 2001 and will automatically renew in 5-year terms through December 2057, unless the lessee notifies the Township in writing of the lessee's intention not to extend the agreement prior to the commencement of any succeeding term. The Township intends to exercise all renewal periods available in the agreement. The Township recognized \$15,292 in lease revenue and \$19,284 in related interest income for the year ended December 31, 2025. Monthly payments increase 3% annually. Future minimum lease payments at an imputed interest rate of 1.3% are as follows:

| Year Ending December 31, | Principal | Interest |
|-----------------------------|--------------|------------|
| 2026 | \$ 16,536 | \$ 19,078 |
| 2027 | 17,826 | 18,855 |
| 2028 | 19,167 | 18,616 |
| 2029 | 20,558 | 18,358 |
| 2030 | 22,001 | 18,082 |
| 2031-2035 | 133,610 | 85,581 |
| 2036-2040 | 178,601 | 75,502 |
| 2041-2045 | 232,349 | 62,226 |
| 2046-2050 | 296,356 | 45,137 |
| 2051-2055 | 372,370 | 23,514 |
| 2056-2057 | 165,677 | 2,178 |
| Total | \$ 1,475,051 | \$ 387,127 |

Lease Liability

During the 2024 fiscal year, the Township entered into a 9-year lease agreement as lessee for the use of fire equipment from Stryker. An initial lease liability was recorded in the amount of \$1,878,246. As of December 31, 2025, the value of the lease liability was \$1,534,680. The Township is required to make annual principal and interest payments of \$214,677. The lease has an interest rate of 3%. The value of the right-to-use asset as of the end of the current fiscal year was \$1,878,246 and had accumulated amortization of \$361,869.

Annual requirements to amortize long-term obligations and related interest are as follows:

| Year Ending December 31, | Governmental Activities | |
|-----------------------------|-------------------------|------------|
| | Principal | Interest |
| 2026 | \$ 172,330 | \$ 42,347 |
| 2027 | 177,572 | 37,106 |
| 2028 | 182,973 | 31,705 |
| 2029 | 188,538 | 26,140 |
| 2030 | 194,272 | 20,405 |
| 2031-2034 | 618,995 | 25,036 |
| | \$ 1,534,680 | \$ 182,739 |

Charter Township of Meridian

Notes to the Financial Statements

December 31, 2025

Note 8 - Long-Term Obligations

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Compensated absences additions and deductions are reported net. Long-term obligation activity is summarized as follows:

| | Amount of Issue | Maturity Date | Interest Rate Ranges | Principal Maturity Ranges | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|--------------------|------------------|----------------------------|---------------------------------|----------------------|--------------|--------------|-------------------|------------------------|
| Governmental activities | | | | | | | | | |
| Bonds and notes payable | | | | | | | | | |
| General obligation bonds | | | | | | | | | |
| Fire Station Construction Bond | \$ 3,500,000 | 2028 | 2.60% | N/A | \$ 450,000 | \$ - | \$ 450,000 | \$ - | \$ - |
| Road Construction Bond | 12,000,000 | 2026 | 5.00% | \$3,320,000 | 6,945,000 | - | 3,625,000 | 3,320,000 | 3,320,000 |
| Road Construction Bond | 9,835,000 | 2028 | 5.00% | \$640,000 - \$4,245,000 | 9,835,000 | - | 2,260,000 | 7,575,000 | 640,000 |
| Special assessment obligations | | | | | | | | | |
| Towar Gardens | 1,873,200 | 2026 | 4.98% | \$187,320 | 374,640 | - | 187,320 | 187,320 | 187,320 |
| Towar Snell | 251,250 | 2026 | 5.40% | \$25,125 | 50,250 | - | 25,125 | 25,125 | 25,125 |
| Briarwood | 211,500 | 2026 | 5.33% | \$10,575 | 21,150 | - | 10,575 | 10,575 | 10,575 |
| Kinawa | 190,000 | 2032 | 4.19% | \$10,000 | 80,000 | - | 10,000 | 70,000 | 10,000 |
| Ember Oaks | 35,800 | 2033 | 5.25% | \$1,790 | 16,110 | - | 1,790 | 14,320 | 1,790 |
| Smith Consolidated | 111,953 | 2036 | 3.22% | \$5,592 - \$5,598 | 67,170 | - | 5,598 | 61,572 | 5,598 |
| Nemoka | 3,120,000 | 2040 | 2.49% | \$156,000 | 2,496,000 | - | 156,000 | 2,340,000 | 156,000 |
| Daniels | 5,238,614 | 2041 | 2.00% - 2.13% | \$260,000 - \$265,000 | 4,460,000 | - | 260,000 | 4,200,000 | 260,000 |
| Remy Chandler | 56,820 | 2026 | 1.68% | \$11,364 | 22,728 | - | 11,364 | 11,364 | 11,364 |
| Proctor Drain | 310,000 | 2033 | 4.67% | \$31,000 | 279,000 | - | 31,000 | 248,000 | 31,000 |
| Total bonds and notes payable | | | | | 25,097,048 | - | 7,033,772 | 18,063,276 | 4,658,772 |
| Less deferred amounts | | | | | | | | | |
| For issuance premiums | | | | | 1,063,149 | - | 377,385 | 685,764 | 460,836 |
| Leases | | | | | | | | | |
| Compensated absences | | | | | 1,701,923 | - | 167,243 | 1,534,680 | 172,330 |
| Internal service fund obligations | | | | | 1,688,599 | 168,340 | - | 1,856,939 | 334,249 |
| Compensated absences | | | | | 20,323 | - | 262 | 20,061 | 3,611 |
| Total governmental activities | | | | | \$ 29,571,042 | \$ 168,340 | \$ 7,578,662 | \$ 22,160,720 | \$ 5,629,798 |
| Business-type activities | | | | | | | | | |
| Bonds and notes payable | | | | | | | | | |
| General obligation bonds | | | | | | | | | |
| 2013 SRF Wastewater Optimization Bonds | \$ 681,738 | 2033 | 2.00% | \$35,438 - \$41,410 | \$ 340,800 | \$ - | \$ 35,438 | \$ 305,362 | \$ 35,438 |
| 2015 SRF Wastewater Optimization Bonds | 4,999,500 | 2036 | 2.50% | \$249,975 - \$313,301 | 3,289,671 | - | 483,285 | 2,806,386 | 249,975 |
| 2017 SRF Wastewater Optimization Bonds | 5,632,185 | 2038 | 2.50% | \$426,278 - \$584,416 | 6,938,373 | - | 416,471 | 6,521,902 | 426,278 |
| 2019 SRF Wastewater Optimization Bonds | 4,837,994 | 2040 | 2.00% | \$610,899 - \$811,219 | 11,197,337 | - | 598,466 | 10,598,871 | 610,899 |
| 2021 SRF Wastewater Optimization Bonds | 2,440,234 | 2042 | 1.87% | \$493,134 - \$641,761 | 9,382,089 | 872,652 | 483,285 | 9,771,456 | 493,134 |
| 2025 SRF Wastewater Optimization Bonds | 678,743 | 2047 | 2.50% | \$678,743 | - | 678,743 | - | 678,743 | - |
| 2025 General Obligation Limited Tax Bonds | 252,747 | 2045 | 4.375% - 5.00% | \$130,000 - \$320,000 | - | 252,747 | - | 252,747 | 7,740 |
| Total general obligation bonds | | | | | 31,148,270 | 1,804,142 | 2,016,945 | 30,935,467 | 1,823,464 |
| Compensated absences | | | | | | | | | |
| Water Fund | | | | | 95,940 | 7,627 | - | 103,567 | 18,642 |
| Sewer Fund | | | | | 83,520 | 13,909 | - | 97,429 | 17,537 |
| Total business-type activities | | | | | \$ 31,327,730 | \$ 1,825,678 | \$ 2,016,945 | \$ 31,136,463 | \$ 1,859,643 |

Charter Township of Meridian
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Annual debt service requirements to maturity for the above obligations are as follows:

| Year Ending December 31, | Governmental Activities | | Business-type Activities | |
|-----------------------------|-------------------------|---------------------|--------------------------|---------------------|
| | Bonds | | Bonds | |
| | Principal | Interest | Principal | Interest |
| 2026 | \$ 4,658,772 | \$ 699,422 | \$ 1,823,464 | \$ 658,161 |
| 2027 | 4,709,388 | 429,137 | 1,863,858 | 620,389 |
| 2028 | 3,154,388 | 233,136 | 1,904,696 | 580,109 |
| 2029 | 464,388 | 123,385 | 2,627,431 | 538,665 |
| 2030 | 464,388 | 112,134 | 1,990,907 | 495,620 |
| 2031-2035 | 2,236,360 | 395,981 | 10,560,050 | 1,767,809 |
| 2036-2040 | 2,110,592 | 154,546 | 8,759,659 | 656,772 |
| 2041 | 265,000 | 2,822 | 1,405,402 | 49,422 |
| | <u>\$ 18,063,276</u> | <u>\$ 2,150,563</u> | <u>\$ 30,935,467</u> | <u>\$ 5,366,947</u> |

Other Debt

From time to time, the Economic Development Corporation issues limited Obligation Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed. The resulting debt of the developers is serviced directly by the financial institution. Neither the Township nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2025, there were three series of Limited Obligation Revenue Bonds outstanding, with an aggregate principal amount payable of \$3,955,000.

Variable Debt

The Township's 2019 SRF Wastewater Optimization Bonds have variable-rate debt service requirements determined based on annual flow rates, which are updated each year. These flow rates reflect the most current usage and capacity metrics and are used to allocate repayment obligations among participants. While the principal of the outstanding debt is reduced in accordance with the original amortization schedule, differences resulting from annual flow rate adjustments are recognized in the current year as interest expense and other expenditures, totaling approximately \$68,000 for the year ended December 31, 2025. As such, total debt service payments may fluctuate from year to year depending on changes in system usage, demand, and related operational factors.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Note 9 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

| | Governmental Activities | Business-type Activities |
|---|----------------------------|-----------------------------|
| Capital assets | | |
| Capital assets not being depreciated | \$ 23,004,135 | \$ 572,580 |
| Capital assets, net of accumulated depreciation | 58,077,762 | 80,709,789 |
| Total capital assets | 81,081,897 | 81,282,369 |
| Unspent bond proceeds | 5,427,836 | - |
| Related debt | | |
| General obligation bonds | (10,895,000) | (30,935,467) |
| Special assessment obligations | (7,168,276) | - |
| Capital related accounts and retainage payable | (275,675) | - |
| Leases | (1,534,680) | - |
| Unamortized bond premiums | (685,764) | - |
| Total related debt | (20,559,395) | (30,935,467) |
| Net investment in capital assets | \$ 65,950,338 | \$ 50,346,902 |

Note 10 - Risk Management

The Township 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 Township has purchased commercial insurance for medical benefit claims and for claims relating to property loss, torts, and errors and omissions. The Township participates in the Michigan Municipal Workers' Compensation Fund (risk pool) for claims relating to employee injuries (workers' compensation). 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.

The Township participates in a self-insured health and vision care plan to provide benefits to eligible employees and retirees. Under this arrangement, the Township is responsible for the payment of claims up to certain limits, with excess coverage maintained through commercial stop-loss insurance as deemed necessary. Premium equivalents are established annually based on estimates of expected claims and administrative costs. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities may include an estimate for claims incurred but not reported, which is based on historical experience and other actuarial assumptions. Actual claims experience may differ from estimates, and such differences are recognized in the period incurred. A claims liability was not recorded for the current and prior fiscal years as the amount was not considered material to the financial statements. Total claims incurred in the current and prior fiscal years total approximately \$2.18 and \$2.09 million, respectively.

Charter Township of Meridian
Notes to the Financial Statements
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Note 11 - Employee Retirement and Benefit Systems

Defined Benefit - Charter Township of Meridian Employees' Retirement System

Plan Administration – The Charter Township of Meridian Pension Board is the administrator of the Meridian Township Employees' Pension Plan (Plan), a single-employer defined benefit pension plan that provides pensions to all full-time employees of the Township, excluding those included in the Municipal Employees' Retirement System of Michigan and defined contribution plan. This Plan is closed to new employees. Benefit terms have been established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process.

Management of the Plan is vested with the Pension Board, which consists of five members – the Township Treasurer, an employee representative, and three residents appointed by the Township Supervisor.

This is a single employer defined benefit plan administered by the Township. The plan does not issue a separate stand-alone financial statement.

Benefits Provided – The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Postretirement cost of living adjustments are not provided. Retirement benefits for general plan members are calculated as a percent of the member's final average compensation based on the highest five consecutive years out of the last ten years of service. The percentages used for the various groups are as follows:

- 1) Basic Benefit – A participant eligible for a normal retirement benefit shall be entitled to a monthly ten year certain and life pension equal to the greater of the amount listed below or his or her accrued benefit as of December 31, 1988:
 - a. Non-Represented Employees – 1.0% of final average compensation not in excess of \$1,725, plus 1.4% of final average compensation in excess of \$1,725, multiplied by years of benefit credited service.
 - b. Professional Supervisory and Non-Supervisory Union Employees – Effective January 1, 1988, 1.11% of final average compensation multiplied by years of benefit credited service.
 - c. Firefighters Union Employees – Effective January 1, 1988, 1.5% of final average compensation multiplied by years of benefit credited service. Effective October 14, 1991, 1.6% of final average compensation multiplied by years of benefit credited service. Effective April 30, 1996, 1.8% of final average compensation multiplied by years of benefit credited service.
 - d. Police Supervisory Union Employees – Effective January 1, 1988, 1.6% of final average compensation multiplied by years of benefit credited service. Effective July 1, 1994, 2.16% of final average compensation multiplied by years of benefit credited service. Effective December 31, 1996, 2.25% of final average compensation multiplied by years of benefit credited service.
 - e. Police Non-Supervisory Union Employees – Effective January 1, 1987, 1.48% of final average compensation multiplied by years of benefit credited service. Effective December 31, 1991, 1.6% of final average compensation multiplied by years of benefit credited service. Effective January 1, 1995, 1.8% of final average compensation multiplied by years of benefit credited service.
 - f. Public Works/Physical Plant Union Employees – 1.25% of final average compensation multiplied by years of benefit credited service.
 - g. Clerical and Secretarial Union Employees – 1.05% of final average compensation multiplied by years of benefit credited service.
 - h. For Any Active Participant Who is an Employee of the Township as of May 1, 2000 – 1.5% of final average compensation multiplied by years of benefit credited service. Effective January 1, 2009, the benefit multiplier of 1.5% shall be increased to 1.8% for a participant who is an active non-union employee hired prior to February 1, 1980.

Charter Township of Meridian
Notes to the Financial Statements
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- 2) Additional Normal Retirement Benefit – Any participant-fireman or participant-policeman who is entitled to a retirement benefit under the Plan shall receive an additional retirement benefit during each month for which retirement benefits are payable which is prior to the month in which such participant attains age 62. This benefit shall not apply to a police supervisory union employee who terminates service on or after July 1, 1994.

The additional normal retirement benefit shall equal the amount such participant would be entitled to commencing at age 62 under Title II of the Social Security Act then in effect, multiplied by a fraction (not greater than one), the numerator of which is equal to such participant's years of benefit credited service earned while a participant-fireman or participant-policeman as of the date of his or her retirement, and the denominator of which is 25. The additional normal retirement benefit shall be payable only during the life of the retired participant, with no continuing benefits payable to such participant's spouse, joint pensioner or other beneficiary following death. In addition, the additional normal retirement benefit shall not be considered in determining the amount of any pre-retirement death benefit payable. Further, the additional normal retirement benefit described herein shall not be subject to any actuarial adjustment.

Benefit Options – In lieu of the benefit forms provided for above, a participant may elect pursuant to a qualified election made during the election period, an actuarially equivalent optional form of benefit. Such actuarially equivalent optional form of benefit may be:

- 1) A monthly benefit payable for the life of the participant with or without a period certain (five years or ten years), as specified by the participant. If a five- or ten-year period certain is specified, the participant shall name one or more designated beneficiaries to receive payments after the participant's death. The participant shall specify shares or priority among designated beneficiaries.
- 2) A monthly benefit payable for life of the participant with a percentage (50, 66 2/3, 75, or 100%) of such monthly benefit, as specified by the participant, continued to the participant's eligible spouse until his or her death and continued to the participant's designated beneficiary after the eligible spouse's death.

Normal Retirement Date – The date on which the participant attains age 65, except that the normal retirement date for participant-firemen and participant-policemen shall be the earlier of (1) the date on which the participant attains age 65, or (2) the date on which the participant attains age 55 and completes 25 years of benefit credited service. Effective April 1, 1996, in the case of a participant fireman who terminates service between April 1, 1996 and April 15, 1996, the age requirement in clause (2) of the preceding sentence shall not apply. Effective April 30, 1996, the normal retirement date for participant-fireman shall be the earlier of (1) the date on which the participant attains age 65, or (2) the date on which the participant attains age 52 and completes 25 years of benefit credited service. Effective as of April 1, 1997, in the case of a participant-fireman who terminates service between April 1, 1997 and May 31, 1997, who, as of April 1, 1997, has attained age 50 and completed 20 or more years of benefit credited service, and the sum of whose age and years of benefit credited service was not less than 75 as of April 1, 1997, such participant's normal retirement date shall be the earlier of (1) the date determined under the preceding three sentences, or (2) the date on which the participant terminates service. Effective January 1, 1991, the normal retirement date for police supervisory union employees shall be the earlier of (1) the date on which the participant attains age 65, or (2) the date on which the participant attains age 52 and completes 25 years of benefit credited service. Effective December 31, 1991, the normal retirement date for police non-supervisory union employees shall be the earlier of (1) the date on which the participant attains age 65, or (2) the date on which the participant attains age 52 and completes 25 years of benefit credited service. Effective August 19, 1997, the normal retirement date for the participant holding the position of public safety director of the employer on July 1, 1997, shall be October 31, 1997. For any active participant employed by the Township on or after May 1, 2000, the normal retirement date shall be the earlier of (1) the date on which participant attains age 65, or (2) the date on which the participant attains age 55 and completes 20 years of benefit credited service.

Charter Township of Meridian
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Effective June 1, 2003, the normal retirement date for the participant-police officer labor council – terminated vested participants, police department non-supervisory – terminated vested participants and fire department – terminated vested participants shall be the earlier of (1) the date on which the terminated vested participant attains age 65, or (2) the date on which the terminated vested participant attains age 52 and completes 25 years of benefit credited service, or (3) the date on which the terminated vested participant attains age 55 and completes 15 years of benefit credited service.

Early Retirement Benefit – The “Early Retirement Date” means the first day of the month following the month in which the participant attains age 55 and completes 15 or more years of benefit credited service. A participant eligible for an early retirement benefit hereunder shall be entitled to a monthly ten year certain and life pension equal to his or her accrued benefit, reduced by 5/9ths of one % for each of the first 60 months and 5/18ths of one % for each additional month that the date on which the participant’s early retirement benefit commences precedes his or her normal retirement date.

Death Benefit – Effective January 1, 1985, upon the death of a participant before commencement of benefits under this plan, an early survivor’s pension shall be payable to his or her eligible spouse, if any. The amount of the early survivor’s pension and the time at which it will commence shall be determined as follows:

- 1) If the participant had met the requirements for immediate commencement of any benefit under the Plan on or prior to his or her date of death, the early survivor’s pension shall be the survivor’s pension that would have been payable if the participant had retired on the day before his or her death and not elected an optional form of retirement benefit.
- 2) If the participant had not met the requirements for immediate commencement of any benefit under the Plan on or prior to his or her date of death, the early survivor’s pension shall be the survivor’s pension that would have been payable if the participant had:
 - a. separated from service on the date of his or her death;
 - b. survived until the earliest date on which he or she could elect to receive retirement benefits under the Plan and retired on said date without electing an optional form of retirement benefit; and
 - c. died on the day after his or her deemed early retirement date.
- 3) The death benefit payable shall commence not earlier than the earliest date on which the participant could have elected to receive retirement benefits under the Plan.

Disability Benefits – A participant eligible for a disability retirement benefit under the plan document shall be entitled to a monthly pension commencing as of the first day of the month coincident with or next following the participant’s normal retirement date in an amount equal to what the participant’s normal retirement benefit would be if the participant had remained in service until his or her normal retirement date (accruing years of benefit credited service until such normal retirement date) and based on the participant’s final average compensation determined as of the date on which the disability is certified.

Plan Membership – As of December 31, 2025, pension plan membership consisted of the following:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 39 |
| Inactive employees entitled to, but not yet receiving benefits | 13 |
| Active employees* | - |
| | <u>52</u> |

*The plan is closed to new members.

Charter Township of Meridian
Notes to the Financial Statements
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Contributions – Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year are to be funded during that year. Accordingly, the Township retains an independent actuary to determine the annual contribution, and the Township considers this during the budget process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Plan does not call for any employee contributions to the Plan. The Township made no contributions for the year ended December 31, 2025.

Investment Policy – The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The Plan’s asset allocation policy is as follows:

| Asset Class | Target Allocation |
|------------------------------------|----------------------|
| Equity - US Equity | 48.00% |
| Equity - International Equity | 13.00% |
| Equity - REITS | 4.00% |
| Fixed Income - US Investment Grade | 32.00% |
| Cash | 3.00% |
| | 100.00% |

Rate of Return – For the year ended December 31, 2025, the annual money-weighted rate of return on Plan investments, net of investment expense, was 12.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Reserves – The Plan does not require reserves to be set aside.

Funding Policy – Historically, the Township has made periodic employer contributions at actuarially determined rates; however, this is a closed plan with no active employees that was over 100% funded in 2008. The Township suspended contributions, so as to not overfund the Plan. The subsequent economic downturn resulted in the Plan dropping to 76% funded at the time of the January 1, 2011 actuarial valuation. Township management made the decision to resume funding the Plan in 2012. The Township once again suspended contributions for 2013. The Plan was funded at 66.9% at the time of the January 1, 2014 actuarial valuation and 65.9% at the time of the January 1, 2013 actuarial valuation. The Township resumed contributions for the years ended December 31, 2014 through 2021. Administrative costs of the Plan are financed through investment earnings.

Charter Township of Meridian
Notes to the Financial Statements
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Net Pension Liability (Asset) – The components of the net pension liability (asset) as of December 31, 2025 were as follows:

| | Increase (Decrease) | | |
|-------------------------------------|---------------------|------------------|--------------------------------|
| | Total Pension | Plan Fiduciary | Net Pension |
| | Liability (a) | Net Position (b) | Liability (Asset) (a) - (b) |
| Balances as of December 31, 2024 | \$ 4,383,294 | \$ 4,326,609 | \$ 56,685 |
| Changes for the year | | | |
| Interest on total pension liability | 249,227 | - | 249,227 |
| Experience differences | 38,527 | - | 38,527 |
| Net investment income (loss) | - | 533,151 | (533,151) |
| Benefit payments and refunds | (459,024) | (459,024) | - |
| Administrative expense | - | (23,737) | 23,737 |
| Net changes | (171,270) | 50,390 | (221,660) |
| Balances as of December 31, 2025 | \$ 4,212,024 | \$ 4,376,999 | \$ (164,975) |

Actuarial Assumptions – The December 31, 2025 total pension liability was determined by an actuarial valuation as of December 31, 2025. The measurement date was December 31, 2025 and all census data provided to the actuary was as of December 31, 2025, therefore no update procedures to roll forward the estimated liability to December 31, 2025 were needed.

The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return 6.00%

Mortality rates were based on the fully generational Pub-2010 amount-weighted General Mortality Tables for males and females with MP-2019 mortality improvement scales. The actuarial assumptions are generally based on past experience, modified for projected changes in conditions.

The long-term expected rate of return on pension plan investments of 6.0% was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| | Long-term Expected Real Rate of Return |
|------------------------------------|--|
| Equity - US Equity | 8.25% |
| Equity - International Equity | 8.67% |
| Equity - REITS | 8.75% |
| Fixed Income - US Investment Grade | 4.27% |
| Cash | 0.00% |
| | 4.85% |

Charter Township of Meridian
Notes to the Financial Statements
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Discount Rate – The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make 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.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the Township, calculated using the discount rate of 6.0%, as well as what the Township’s net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.0%) or 1 percentage point higher (7.0%) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-----------------------|--------------------|----------------------------------|--------------------|
| Net pension liability | \$ 101,181 | \$ (164,975) | \$ (401,836) |

Pension Expense and Deferred Outflows of Resources Related to Pensions – For the year ended December 31, 2025, the Township recognized pension expense of \$52,569. As of December 31, 2025, the Township reported deferred outflows of resources related to pensions from the following sources:

| | <u>Deferred Inflows of Resources</u> | <u>Total to Amortize</u> |
|---|--|------------------------------|
| Net difference between projected and actual earning on plan investments | \$ (318,476) | \$ (318,476) |

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

| <u>Year ended December 31,</u> | |
|--------------------------------|---------------------|
| 2026 | \$ 41,474 |
| 2027 | (186,693) |
| 2028 | (115,648) |
| 2029 | (57,609) |
| | <u>\$ (318,476)</u> |

Defined Benefit – Municipal Employees’ Retirement System of Michigan

Plan description – The Township participates in the Michigan Municipal Employees’ Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the government. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all public works (American Federation of State, County, and Municipal Employees (AFSCME)), police nonsupervisory, clerical unit, police supervisory employees, firefighters, and Teamsters employees of the Township.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

| | |
|------------------------------|---|
| 01 - DPW | Closed to new hires |
| Benefit Multiplier | 2.25% Multiplier (80% max) |
| Normal Retirement Age | 60 |
| Vesting | 6 years |
| Early Retirement (Unreduced) | 55/20 |
| Early Retirement (Reduced) | 50/25 or 55/15 |
| Final Average Compensation | 5 years |
| Employee Contributions | 5.00% |
| Act 88 | Yes (Adopted 7/10/2001) |
| | |
| 02 - Police Patrol | Closed to new hires |
| Benefit Multiplier | 2.75% Multiplier (80% max) |
| Normal Retirement Age | 60 |
| Vesting | 10 years |
| Early Retirement (Unreduced) | 50/25 |
| Early Retirement (Reduced) | 55/15 |
| Final Average Compensation | 3 years |
| COLA for Future Retirees | 2.50% (Non-Compound) |
| Employee Contributions | 8.29% |
| D-2 | D-2 (25%) |
| Act 88 | Yes (Adopted 7/10/2001) |
| | |
| 05 - Firefighters | Closed to new hires |
| Benefit Multiplier | Bridged Benefit: 2.75% Multiplier (80% max) - Termination FAC; 2.50% Multiplier (80% max) |
| Bridged Benefit Date | 12/31/2016 |
| Normal Retirement Age | 60 |
| Vesting | 10 years |
| Early Retirement (Unreduced) | 50/25 |
| Early Retirement (Reduced) | 55/15 |
| Final Average Compensation | 3 years |
| COLA for Future Retirees | 2.50% (Non-Compound) |
| Employee Contributions | 7.76% |
| D-2 | D-2 (25%) |
| Act 88 | Yes (Adopted 7/10/2001) |
| | |
| 10 - Admin Professional | Closed to new hires |
| Benefit Multiplier | Bridged Benefit: 2.50% Multiplier (80% max) - Termination FAC; 2.25% Multiplier (80% max) |
| Bridged Benefit Date | 12/31/2016 |
| Normal Retirement Age | 60 |
| Vesting | 10 years |
| Early Retirement (Unreduced) | 55/25 |
| Early Retirement (Reduced) | 50/25 or 55/15 |
| Final Average Compensation | 5 years |
| Employee Contributions | 5.00% |
| Act 88 | Yes (Adopted 7/10/2001) |

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

| | |
|--|----------------------------|
| 11 - Teamsters | Open Division |
| Benefit Multiplier | 2.00% Multiplier (no max) |
| Normal Retirement Age | 60 |
| Vesting | 6 years |
| Early Retirement (Unreduced) | 55/20 |
| Early Retirement (Reduced) | 50/25 or 55/15 |
| Final Average Compensation | 5 years |
| Employee Contributions | 5.00% |
| Act 88 | Yes (Adopted 7/10/2001) |
| | |
| 12 - Admin Professional on/aft 1/1/17 | Open Division |
| Benefit Multiplier | 1.50% Multiplier (no max) |
| Normal Retirement Age | 60 |
| Vesting | 10 years |
| Early Retirement (Unreduced) | 55/25 |
| Early Retirement (Reduced) | 50/25 or 55/15 |
| Final Average Compensation | 5 years |
| Employee Contributions | 5.00% |
| Act 88 | Yes (Adopted 7/10/2001) |
| | |
| 13 - DPW on/aft 1/1/17 | Open Division |
| Benefit Multiplier | 1.50% Multiplier (80% max) |
| Normal Retirement Age | 60 |
| Vesting | 6 years |
| Early Retirement (Unreduced) | 55/20 |
| Early Retirement (Reduced) | 50/25 or 55/15 |
| Final Average Compensation | 5 years |
| Employee Contributions | 5.00% |
| Act 88 | Yes (Adopted 7/10/2001) |
| | |
| 20 - Police Command | Closed to new hires |
| Benefit Multiplier | 2.75% Multiplier (80% max) |
| Normal Retirement Age | 60 |
| Vesting | 10 years |
| Early Retirement (Unreduced) | 50/25 |
| Early Retirement (Reduced) | 55/15 |
| Final Average Compensation | 3 years |
| COLA for Future Retirees | 2.50% (Non-Compound) |
| Employee Contributions | 11.24% |
| D-2 | D-2 (25%) |
| Act 88 | Yes (Adopted 7/10/2001) |

**Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025**

| | |
|--------------------------------------|---------------------------|
| 21 - Command/Patrol on/aft 1/1/20 | Open Division |
| Benefit Multiplier | 1.75% Multiplier (no max) |
| Normal Retirement Age | 60 |
| Vesting | 10 years |
| Early Retirement (Unreduced) | 55/25 |
| Early Retirement (Reduced) | 50/25 or 55/15 |
| Final Average Compensation | 3 years |
| Employee Contributions | 8.29% |
| D-2 | D-2 (25%) |
| Act 88 | Yes (Adopted 7/10/2001) |
| | |
| 50 - Firefighters IAFF on/aft 1/1/17 | Open Division |
| Benefit Multiplier | 1.75% Multiplier (no max) |
| Normal Retirement Age | 60 |
| Vesting | 10 years |
| Early Retirement (Unreduced) | 55/25 |
| Early Retirement (Reduced) | 50/25 or 55/15 |
| Final Average Compensation | 3 years |
| Employee Contributions | 7.76% |
| D-2 | D-2 (25%) |
| Act 88 | Yes (Adopted 7/10/2001) |

Employees covered by benefit terms – At the December 31, 2024 valuation date, the following employees were covered by benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 128 |
| Inactive employees entitled to, but not yet receiving benefits | 92 |
| Active employees | 114 |
| | 334 |

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer and employee contribution rates were as follows:

| | Percentage of Payroll | |
|-----------------------------------|---------------------------|---------------------------|
| | Employer Contributions | Employee Contributions |
| 01 - DPW | - | 5.00% |
| 02 - Police Patrol | - | 8.29% |
| 05 - Firefighters | - | 7.76% |
| 10 - Admin Professional | - | 5.00% |
| 11 - Teamsters | - | 5.00% |
| 12 - Admin Prof on/aft 1/1/17 | 3.26% | 5.00% |
| 13 - DPW on/aft 1/1/17 | 4.49% | 5.00% |
| 20 - Police Command | - | 11.24% |
| 21 - Command/Patrol on/aft 1/1/20 | 2.32% | 8.29% |
| 50 - Fire IAFF on/aft 1/1/17 | 3.71% | 7.76% |

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Net pension liability – The employer’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2024 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 6.93%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

Mortality rates used were based on the Pub-2010 Mortality Tables. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

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

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Target Allocation Gross Rate Of Return | Long-Term Expected Gross Rate of Return | Inflation Assumption | Long-term Expected Real Rate of Return |
|---------------------|-------------------|--|---|-------------------------|--|
| Global equity | 60.00% | 7.00% | 4.20% | 2.50% | 2.70% |
| Global fixed income | 20.00% | 4.66% | 0.93% | 2.50% | 0.43% |
| Private investments | 20.00% | 9.00% | 1.80% | 2.50% | 1.30% |
| | <u>100.00%</u> | | <u>6.93%</u> | | <u>4.43%</u> |

Discount rate – The discount rate used to measure the total pension liability is 7.18%. 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 plans 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.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

| | Increase (Decrease) | | |
|-------------------------------------|--------------------------------|------------------------------------|------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances as of December 31, 2024 | \$ 90,794,269 | \$ 63,325,639 | \$ 27,468,630 |
| Changes for the year | | | |
| Service cost | 1,270,066 | - | 1,270,066 |
| Interest on total pension liability | 6,384,621 | - | 6,384,621 |
| Experience differences | 1,710,588 | - | 1,710,588 |
| Changes in assumptions | 11,124 | - | 11,124 |
| Employer contributions | - | 5,423,036 | (5,423,036) |
| Employee contributions | - | 809,941 | (809,941) |
| Net investment income (loss) | - | 4,779,467 | (4,779,467) |
| Benefit payments and refunds | (5,014,029) | (5,014,029) | - |
| Administrative expense | - | (142,455) | 142,455 |
| Net changes | 4,362,370 | 5,855,960 | (1,493,590) |
| Balances as of December 31, 2025 | \$ 95,156,639 | \$ 69,181,599 | \$ 25,975,040 |

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.18%) or 1% higher (8.18%) than the current rate.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------|---------------|--------------------------|---------------|
| Net pension liability | \$ 38,258,028 | \$ 25,975,040 | \$ 15,853,417 |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended December 31, 2025 the employer recognized pension expense of \$4,938,709. The employer reported deferred outflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Total to Amortize |
|---|--------------------------------------|----------------------|
| Differences in experience | \$ 2,823,058 | \$ 2,823,058 |
| Differences in assumptions | 379,487 | 379,487 |
| Net difference between projected and actual earning on plan investments | 2,226,275 | 2,226,275 |
| Contributions subsequent to the measurement date* | 5,482,602 | - |
| Total | \$ 10,911,422 | \$ 5,428,820 |

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in subsequent years.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

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

| <u>Year ended December 31,</u> | |
|--------------------------------|---------------------|
| 2026 | \$ 2,463,515 |
| 2027 | 3,067,402 |
| 2028 | (63,289) |
| 2029 | <u>(38,808)</u> |
| | <u>\$ 5,428,820</u> |

Financial Statement Reconciliation

| | <u>Net Pension Liability (Asset)</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Total Pension Expense</u> |
|--|--|---|--|--------------------------------------|
| Charter Township of Meridian Employees' Retirement System | \$ (164,975) | \$ - | \$ (318,476) | \$ 52,569 |
| Municipal Employee's Retirement System of Michigan | 25,975,040 | 10,911,422 | - | 4,938,709 |
| | <u>\$ 25,810,065</u> | <u>\$ 10,911,422</u> | <u>\$ (318,476)</u> | <u>\$ 4,991,278</u> |

Defined Contribution – Meridian Charter Township Money Purchase Plan

The Township provides retirement benefits to nonunion, professional supervisory, and professional nonsupervisory employees through a defined contribution plan which is administered by Municipal Employees' Retirement System (MERS). In addition, defined contribution (401a) plans are provided to fire employees hired after 1/1/2017 and police employees hired after 1/1/2020. The Township also provides contributions to a Health Care Savings Program (HCSP), administered by MERS, for all employees, except fire and police union personnel hired prior to 1/1/2017. In a defined contribution plan and health care savings program, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan provisions and contribution requirements were established through negotiation with the Township's collective bargaining units.

For the defined contribution plan, the Township contributes 10% of employees' base earnings, while employees contribute 3.5%. For Fire employees hired after 1/1/2017 and Police employees hired after 1/1/2020, the Township contributes 10% of employees' base wages with no employee contribution. Fire employees participate with Nationwide, and police employees participate with MERS. Non fire and police employees vest immediately while fire and police employees vest after five years.

For the Health Care Savings Program, the Township contributes 2% of non-fire/police employees' base earnings, while employees contribute 1%. Additionally, when an employee separates or retires from the Township, 25% (separation) or 50% (retirement) of their unused sick time is contributed to their Retirement Health Savings Program. For Fire employees hired after 1/1/2017, the Township contributes 7% of employees' base earnings with no employee contributions the MERS Health Care Savings Program. When an employee separates or retires, 25% of their unused sick time is paid out. Non fire and police employees vest immediately while fire and police employees vest after five years.

In accordance with these requirements, the Township contributed \$653,964 and \$326,440 during the current year and employees contributed \$128,066 and \$59,043 for the defined contribution plan and Health Care Savings Program, respectively. In addition, payouts for the Health Care Savings Program totaled \$13,064.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Note 12 - Other Postemployment Benefits

Plan description – The Township, in accordance with the labor contracts, administers the Charter Township of Meridian Other Postemployment Benefits Plan - a single employer defined benefits plan used to provide postemployment health care benefits. The committee designated with oversight within the Township consists of the Township Manager, Finance Director, and Township Treasurer. This is a single employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through the employer contributions.

Benefits provided – Benefits are provided through a self-insurance plan, and half of the cost of benefits is covered by the plan. The Township, in accordance with labor contracts, has the authority to establish and amend the benefit terms. Benefits are provided for as follows:

Retiree Coverage and Eligibility

All police and fire uniformed employees (MTFFA/POAM/CCLP) hired before 1/1/2017 receive up to two-person coverage after reaching age 50 with 25 years of service. The Township pays 50% of the monthly premium.

All AFSCME-DPW and Teamsters employees who are hired prior to 1981 and have at least twenty (20) years of service and are at least age 55. The Township will pay one-half (1/2) of the two (2) person rate (not to exceed \$4,000 annually) or one-half (1/2) the single subscriber rate (not to exceed \$2,000 annually).

AFSCME-Clerical, AFSCME-Non-Supervisory, Professional Supervisory and Non-Union employees do not receive retiree post-retirement health coverage.

Spouse Coverage

One-half of the cost of spouse coverage is included for retirees covered by the MTFFA, POAM and CCLP collective bargaining agreements. AFSCME-DPW and Teamsters employees' spouse are covered subject to the limits listed above. Spouse coverage includes the spouse at the time of retirement.

Coverage for Beneficiary of Deceased Active Employee

MTFFA only – Coverage will be maintained for the firefighter and their family after their death or disability. The coverage will be maintained for the spouse until remarriage and for the children until they reach age 21 or until they marry, if marrying before age 21.

Coverage for Beneficiary of Deceased Retired Employee

One-half of the cost of the surviving spouse coverage is included for retirees covered by the MTFFA, POAM and CCLP collective bargaining agreements. AFSCME-DPW and Teamsters employees' surviving spouse are covered subject to the limits listed above.

Employees covered by benefit terms – At December 31, 2025, the plan membership consisted of the following:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 35 |
| Inactive employees entitled to, but not yet receiving benefits | 41 |
| Active employees | <u>39</u> |
| | <u>115</u> |

Contributions – The Township, in accordance with labor contracts, has the authority to establish and amend the contribution requirements of the Township and plan members. The Township establishes rates based on an actuarially determined rate. For the year ended December 31, 2025, the Township contributed \$192,739. Plan members are not required to contribute to the plan.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Investment policy – The Plan does not have a formal policy in regards to the allocation of invested assets. Establishing such a policy, and any subsequent amendments to the policy, would require a majority vote of the Township Board's members. It is the intention of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across the broad selection of distinct asset classes. The Plan informally discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The Plan invests in accordance with the authorizations noted in Note 3 that are applicable to the Township.

The long-term expected rate of return on OPEB plan investments have not been formally determined by asset allocation class. The Plan as a whole expects the long-term expected rate to be 5%. The Plan currently has one investment which is considered a balanced fund that seeks to obtain exposure to approximately 62% fixed income/stable value investment and 34% equity investments and 4% multi-strategy investments.

Rate of return – For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 13.39%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net OPEB liability (asset) – The net OPEB liability (asset) was measured as of December 31, 2025 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2024. The components of the net OPEB liability (asset) as of December 31, 2025 were as follows:

| | |
|-----------------------------|---------------------|
| Total OPEB liability | \$ 8,333,826 |
| Plan fiduciary net position | <u>(9,234,538)</u> |
| Net OPEB asset | <u>\$ (900,712)</u> |

Plan fiduciary net position as a percentage of the total OPEB liability is 110.81%.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

| | |
|-----------------------------|--|
| Inflation | 2.50% |
| Salary increases | N/A |
| Investment rate of return | 5.00%, net of OPEB plan administrative and investment expense, including inflation |
| Healthcare cost trend rates | Non-medicare: 7.75% in 2025, grading to 3.50% in 2039. Medicare: 6.50% in 2025, grading to 3.50% in 2039. |

Mortality rates were based on the following:

Post Retirement: Sex distinct Pub-2010 General Healthy Retiree tables scaled by a factor of 106%. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2021, as published by the Society of Actuaries.

Disabled Retirement: Sex distinct PubNS-2010 Disabled tables without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2021, as published by the Society of Actuaries.

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Pre Retirement: Sex distinct Pub-2010 General Employees tables without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2021, as published by the Society of Actuaries.

Discount rate – The discount rate used to measure the total OPEB liability was 5.00%. This single discount rate was based on a combination of the expected rate of return on OPEB plan investments of 5.00% and the municipal bond rate of 4.08%. The projection of cash flows used to determine the discount rate assumed that Township contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

| | Increase (Decrease) | | |
|----------------------------------|---------------------|------------------|---------------------|
| | Total OPEB | Plan Fiduciary | Net OPEB |
| | Liability (a) | Net Position (b) | Liability (a) - (b) |
| Balances as of December 31, 2024 | \$ 8,206,118 | \$ 8,054,285 | \$ 151,833 |
| Changes for the year | | | |
| Service cost | 89,924 | - | 89,924 |
| Interest on total OPEB liability | 407,736 | - | 407,736 |
| Experience differences | (922,494) | - | (922,494) |
| Changes in actuarial assumptions | 745,281 | - | 745,281 |
| Employer contributions | - | 192,739 | (192,739) |
| Net investment income (loss) | - | 1,180,253 | (1,180,253) |
| Benefit payments and refunds | (192,739) | (192,739) | - |
| Net changes | 127,708 | 1,180,253 | (1,052,545) |
| Balances as of December 31, 2025 | \$ 8,333,826 | \$ 9,234,538 | \$ (900,712) |

Sensitivity of the net OPEB liability (asset) to changes in the discount rate – The following presents the net OPEB liability (asset) of the Township, as well as what the Township’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower (4.00%) or 1% higher (6.00%) than the current discount rate.

| | Current | | |
|----------------------------|-------------|---------------|----------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| Net OPEB liability (asset) | \$ 370,770 | \$ (900,712) | \$ (1,929,050) |

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates – The following presents the net OPEB liability (asset) of the Township, as well as what the Township’s net OPEB liability (asset) would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

| | Healthcare | | |
|----------------------------|----------------|------------------|-------------|
| | 1% Decrease | Cost Trend Rates | 1% Increase |
| Net OPEB liability (asset) | \$ (1,964,746) | \$ (900,712) | \$ 419,100 |

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended December 31, 2025 the employer recognized OPEB expense of \$(83,136). The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Total to Amortize |
|---|--------------------------------------|-------------------------------------|----------------------|
| Differences in experience | \$ 14,810 | \$ (1,027,772) | \$ (1,012,962) |
| Differences in assumptions | 640,087 | (2,664) | 637,423 |
| Net difference between projected and actual earning on plan investments | - | (699,006) | (699,006) |
| Total | \$ 654,897 | \$ (1,729,442) | \$ (1,074,545) |

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the OPEB liability in subsequent years.

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

| Year ended December 31, | |
|-------------------------|----------------|
| 2026 | \$ (221,228) |
| 2027 | (445,321) |
| 2028 | (252,489) |
| 2029 | (155,507) |
| | \$ (1,074,545) |

Note 13 - Pension and Other Employee Benefit Trust Funds Financial Statements

| | Pension Trust Fund | Employer Funded Retiree Health Insurance Trust Fund | Total |
|--|-----------------------|--|---------------|
| Assets | | | |
| Investments | | | |
| Money market mutual fund | \$ 87,421 | \$ - | \$ 87,421 |
| Exchange traded funds | 1,013,547 | - | 1,013,547 |
| Mutual funds | 3,275,639 | 9,234,538 | 12,510,177 |
| Receivables | | | |
| Accrued interest | 392 | - | 392 |
| Total assets | 4,376,999 | 9,234,538 | 13,611,537 |
| Net Position | | | |
| Restricted - held in trust for pension benefits and other employee benefits | \$ 4,376,999 | \$ 9,234,538 | \$ 13,611,537 |

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

| | Pension Trust Fund | Employer Funded Retiree Health Insurance Trust Fund | Total |
|----------------------------------|-----------------------|--|----------------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$ - | \$ 192,739 | \$ 192,739 |
| Investment earnings | | | |
| Interest and dividends | 111,480 | - | 111,480 |
| Change in fair value | 421,671 | 1,194,675 | 1,616,346 |
| Investment expenses | <u>(23,737)</u> | <u>(14,422)</u> | <u>(38,159)</u> |
| Net investment loss | <u>509,414</u> | <u>1,180,253</u> | <u>1,689,667</u> |
| Total additions | <u>509,414</u> | <u>1,372,992</u> | <u>1,882,406</u> |
| Deductions | | | |
| Benefits | 400,062 | 192,739 | 592,801 |
| Other deductions | <u>58,962</u> | <u>-</u> | <u>58,962</u> |
| Total deductions | <u>459,024</u> | <u>192,739</u> | <u>651,763</u> |
| Change in net position | 50,390 | 1,180,253 | 1,230,643 |
| Net position - beginning of year | <u>4,326,609</u> | <u>8,054,285</u> | <u>12,380,894</u> |
| Net position - end of year | <u>\$ 4,376,999</u> | <u>\$ 9,234,538</u> | <u>\$ 13,611,537</u> |

Charter Township of Meridian
Notes to the Financial Statements
December 31, 2025

Note 14 - Joint Venture

East Lansing – Meridian Water and Sewer Authority

The Township is a member of the East Lansing – Meridian Water and Sewer Authority, which provides water services to the residents of the City of East Lansing and the Charter Township of Meridian. The participating communities provide annual funding for its operations. During the current year, the Township contributed \$4,806,974 for its operations and debt. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. The Township appoints three members to the joint venture’s governing board, which then approves the annual budget.

The following financial information of the joint venture is obtained from audited financial statements as of June 30, 2025. Complete financial statements for the East Lansing – Meridian Water and Sewer Authority can be obtained from the administrative office at 410 Abbot Road, East Lansing, Michigan.

| | |
|--------------------------------------|---------------|
| Total assets | \$ 44,214,508 |
| Total deferred outflows of resources | 360,886 |
| Total liabilities | 26,872,264 |
| Total deferred inflows of resources | 239,890 |
| Total net position | 17,463,240 |
| Total operating revenue | 5,821,766 |
| Total operating expenses | 4,671,974 |
| Total nonoperating revenue (expense) | (382,324) |
| Capital contributions | 4,915 |
| Change in net position | 772,383 |

The Township’s equity in this joint venture as of December 31, 2025 is \$10,597,123, which is recorded in the Water Fund.

Note 15 - Tax Abatements

The Township receives reduced property tax revenue as a result of payment in lieu of taxes agreements (PILT) under Section 15A of the State Housing Development Authority Act of 1966 and also under MCL 211.7d Public Act 8 of 2010. The Township has Brownfield reductions under Michigan Public Act 381 of 1996.

For the fiscal year ended December 31, 2025, the Township’s property tax revenues were reduced by \$357,291 under these programs. These long-term agreements expire in varying years with one agreement expiring only when the property ceases to be used for the purpose specified in the abatement agreement.

There are no significant abatements made by Ingham County that affect the Township.

Note 16 - Property Tax Appeals

The Township is defending various property tax appeal cases in the Michigan Tax Tribunal. In each case, the Township assessor is required to determine whether to litigate or settle. The property tax values relate to multiple tax years, and the outcome of these cases may affect property tax revenue.

Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual Over (Under) |
|---|----------------------|----------------------|----------------------|------------------------|
| | Original | Final | | Final Budget |
| Revenues | | | | |
| Taxes | | | | |
| Property taxes | \$ 16,677,153 | \$ 16,840,897 | \$ 16,836,167 | \$ (4,730) |
| Licenses and permits | 1,453,250 | 2,016,385 | 2,154,698 | 138,313 |
| State-shared revenue | 4,864,367 | 4,864,367 | 5,897,070 | 1,032,703 |
| State grants | 145,000 | 203,576 | 203,269 | (307) |
| Local contributions | 615,000 | 675,562 | 675,561 | (1) |
| Charges for services | 3,836,575 | 4,053,321 | 4,253,733 | 200,412 |
| Fines and forfeitures | 240,000 | 293,291 | 329,446 | 36,155 |
| Investment income | 500,000 | 674,845 | 1,200,616 | 525,771 |
| Other revenue | 70,460 | 87,009 | 87,486 | 477 |
| | <u>28,401,805</u> | <u>29,709,253</u> | <u>31,638,046</u> | <u>1,928,793</u> |
| Total revenues | | | | |
| Expenditures | | | | |
| Current | | | | |
| General government | 7,845,646 | 8,399,713 | 7,345,565 | (1,054,148) |
| Public safety | 17,057,097 | 17,379,010 | 16,882,918 | (496,092) |
| Health and welfare | 77,094 | 78,754 | 75,465 | (3,289) |
| Community and economic development | 1,366,363 | 1,385,863 | 1,136,483 | (249,380) |
| Recreation and culture | 1,497,514 | 1,583,062 | 1,317,282 | (265,780) |
| Capital outlay | 19,500 | 19,500 | 1,159 | (18,341) |
| Debt service | | | | |
| Principal retirement | 698,772 | 698,772 | 866,015 | 167,243 |
| Interest and fiscal charges | 159,565 | 184,166 | 231,600 | 47,434 |
| | <u>28,721,551</u> | <u>29,728,840</u> | <u>27,856,487</u> | <u>(1,872,353)</u> |
| Total expenditures | | | | |
| Excess (deficiency) of revenues over expenditures | (319,746) | (19,587) | 3,781,559 | 3,801,146 |
| Other financing sources (uses) | | | | |
| Transfers out | (127,000) | (127,000) | (127,000) | - |
| Net change in fund balance | (446,746) | (146,587) | 3,654,559 | 3,801,146 |
| Fund balance - beginning of year | 15,022,421 | 15,022,421 | 15,022,421 | - |
| Fund balance - end of year | <u>\$ 14,575,675</u> | <u>\$ 14,875,834</u> | <u>\$ 18,676,980</u> | <u>\$ 3,801,146</u> |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Budgetary Comparison Schedule
Local Roads Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual Over (Under) |
|--|----------------------|----------------------|----------------------|------------------------|
| | Original | Final | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 1,010 | \$ 1,360 | \$ 1,353 | \$ (7) |
| Local contributions | 335,000 | 255,697 | - | (255,697) |
| Investment income | 200,000 | 357,900 | 457,788 | 99,888 |
| Other revenue | - | 20,100 | 4,727 | (15,373) |
| Total revenues | 536,010 | 635,057 | 463,868 | (171,189) |
| Expenditures | | | | |
| Current | | | | |
| Public works | 5,435,000 | 5,435,000 | 5,085,571 | (349,429) |
| Excess of revenues (deficiency) over expenditures | (4,898,990) | (4,799,943) | (4,621,703) | 178,240 |
| Other financing sources (uses) | | | | |
| Transfers in | 280,000 | 280,000 | 280,000 | - |
| Issuance of debt | 10,239,532 | - | - | - |
| Total other financing sources (uses) | 10,519,532 | 280,000 | 280,000 | - |
| Net change in fund balance | 5,620,542 | (4,519,943) | (4,341,703) | 178,240 |
| Fund balance - beginning of year | 14,723,402 | 14,723,402 | 14,723,402 | - |
| Fund balance - end of year | <u>\$ 20,343,944</u> | <u>\$ 10,203,459</u> | <u>\$ 10,381,699</u> | <u>\$ 178,240</u> |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Charter Township of Meridian Employee's Retirement Pension Plan
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

| Fiscal year ended December 31, | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | |
| Service cost | \$ - | \$ - | \$ - | \$ - | \$ 8,529 |
| Interest | 249,227 | 257,202 | 268,174 | 281,388 | 294,717 |
| Experience differences | 38,527 | 60,973 | (5,631) | (39,070) | - |
| Changes in assumptions | - | - | - | - | (51,802) |
| Benefit payments and refunds | <u>(459,024)</u> | <u>(443,157)</u> | <u>(447,665)</u> | <u>(477,437)</u> | <u>(461,241)</u> |
| Net change in total pension liability | (171,270) | (124,982) | (185,122) | (235,119) | (209,797) |
| Total pension liability - beginning | <u>4,383,294</u> | <u>4,508,276</u> | <u>4,693,398</u> | <u>4,928,517</u> | <u>5,138,314</u> |
| Total pension liability - ending (a) | <u>\$ 4,212,024</u> | <u>\$ 4,383,294</u> | <u>\$ 4,508,276</u> | <u>\$ 4,693,398</u> | <u>\$ 4,928,517</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ - | \$ - | \$ - | \$ - | \$ 128,800 |
| Net investment income (loss) | 533,151 | 531,907 | 589,010 | (829,509) | 577,376 |
| Benefit payments and refunds | (459,024) | (443,157) | (447,665) | (477,437) | (461,241) |
| Administrative expense | <u>(23,737)</u> | <u>(23,894)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in plan fiduciary net position | 50,390 | 64,856 | 141,345 | (1,306,946) | 244,935 |
| Plan fiduciary net position - beginning | <u>4,326,609</u> | <u>4,261,753</u> | <u>4,120,408</u> | <u>5,427,354</u> | <u>5,182,419</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 4,376,999</u> | <u>\$ 4,326,609</u> | <u>\$ 4,261,753</u> | <u>\$ 4,120,408</u> | <u>\$ 5,427,354</u> |
| Net pension liability (asset) (a-b) | <u>\$ (164,975)</u> | <u>\$ 56,685</u> | <u>\$ 246,523</u> | <u>\$ 572,990</u> | <u>\$ (498,837)</u> |
| Plan fiduciary net position as a percentage of total pension liability | 103.92% | 98.71% | 94.53% | 87.79% | 110.12% |
| Covered payroll | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net pension liability (asset) as a percentage of covered payroll | N/A | N/A | N/A | N/A | N/A |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Charter Township of Meridian Employee's Retirement Pension Plan
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

| Fiscal year ended December 31, | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | |
| Service cost | \$ 8,064 | \$ 7,933 | \$ 7,751 | \$ 14,978 | \$ 14,830 |
| Interest | 297,676 | 302,038 | 307,616 | 318,040 | 324,025 |
| Experience differences | 120,898 | 54,195 | 25,530 | (86,411) | (22,387) |
| Changes in assumptions | (33,084) | - | - | - | - |
| Benefit payments and refunds | (424,945) | (448,911) | (418,997) | (414,434) | (418,211) |
| Net change in total pension liability | (31,391) | (84,745) | (78,100) | (167,827) | (101,743) |
| Total pension liability - beginning | 5,169,705 | 5,254,450 | 5,332,550 | 5,500,377 | 5,602,120 |
| Total pension liability - ending (a) | <u>\$ 5,138,314</u> | <u>\$ 5,169,705</u> | <u>\$ 5,254,450</u> | <u>\$ 5,332,550</u> | <u>\$ 5,500,377</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 200,000 | \$ 200,000 | \$ 300,000 | \$ 400,000 | \$ 400,000 |
| Net investment income (loss) | 605,038 | 880,823 | (217,924) | 593,541 | 162,002 |
| Benefit payments and refunds | (424,945) | (448,911) | (418,997) | (414,434) | (418,211) |
| Administrative expense | (50) | (74) | (25) | (46) | (25) |
| Net change in plan fiduciary net position | 380,043 | 631,838 | (336,946) | 579,061 | 143,766 |
| Plan fiduciary net position - beginning | 4,802,376 | 4,170,538 | 4,507,484 | 3,928,423 | 3,784,657 |
| Plan fiduciary net position - ending (b) | <u>\$ 5,182,419</u> | <u>\$ 4,802,376</u> | <u>\$ 4,170,538</u> | <u>\$ 4,507,484</u> | <u>\$ 3,928,423</u> |
| Net pension liability (asset) (a-b) | <u>\$ (44,105)</u> | <u>\$ 367,329</u> | <u>\$ 1,083,912</u> | <u>\$ 825,066</u> | <u>\$ 1,571,954</u> |
| Plan fiduciary net position as a percentage of total pension liability | 100.86% | 92.89% | 79.37% | 84.53% | 71.42% |
| Covered payroll | \$ 112,521 | \$ 106,283 | \$ 104,560 | \$ 102,156 | \$ 100,153 |
| Net pension liability (asset) as a percentage of covered payroll | (39.20%) | 345.61% | 1,036.64% | 807.65% | 1,569.55% |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Charter Township of Meridian Employee's Retirement Pension Plan
Schedule of Employer Contributions

| Fiscal Year Ended | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|----------------------|---|------------------------|--|--------------------|--|
| 12/31/2016 | \$ 430,449 | \$ 400,000 | \$ 30,449 | \$ 100,153 | 399.39% |
| 12/31/2017 | 206,057 | 400,000 | (193,943) | 102,156 | 391.56% |
| 12/31/2018 | 151,469 | 300,000 | (148,531) | 104,560 | 286.92% |
| 12/31/2019 | 146,745 | 200,000 | (53,255) | 106,283 | 188.18% |
| 12/31/2020 | 127,718 | 200,000 | (72,282) | 112,521 | 177.74% |
| 12/31/2021 | 89,043 | 128,800 | (39,757) | - | N/A |
| 12/31/2022 | 13,085 | - | 13,085 | - | N/A |
| 12/31/2023 | - | - | - | - | N/A |
| 12/31/2024 | - | - | - | - | N/A |
| 12/31/2025 | - | - | - | - | N/A |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Charter Township of Meridian Employee's Retirement Pension Plan
Schedule of Investment Returns

| Fiscal Year Ended December 31, | Money-weighted Rate of Return |
|--------------------------------------|----------------------------------|
| 2016 | 4.35% |
| 2017 | 15.46% |
| 2018 | -5.34% |
| 2019 | 22.46% |
| 2020 | 13.04% |
| 2021 | 11.55% |
| 2022 | -16.28% |
| 2023 | 15.01% |
| 2024 | 12.62% |
| 2025 | 12.34% |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

| Fiscal year ended December 31, | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 1,270,066 | \$ 1,108,837 | \$ 1,073,413 | \$ 964,989 | \$ 983,064 |
| Interest | 6,384,621 | 6,027,738 | 5,802,953 | 5,709,764 | 5,347,638 |
| Changes of benefit terms | - | - | - | - | - |
| Experience differences | 1,710,588 | 2,697,136 | 766,196 | (817,059) | 83,960 |
| Changes in assumptions | 11,124 | 742,288 | - | 3,259,691 | 2,359,578 |
| Other changes | - | - | - | - | - |
| Benefit payments and refunds | <u>(5,014,029)</u> | <u>(4,737,004)</u> | <u>(4,382,602)</u> | <u>(4,136,081)</u> | <u>(3,864,734)</u> |
| Net change in total pension liability | 4,362,370 | 5,838,995 | 3,259,960 | 4,981,304 | 4,909,506 |
| Total pension liability - beginning | <u>90,794,269</u> | <u>84,955,274</u> | <u>81,695,314</u> | <u>76,714,010</u> | <u>71,804,504</u> |
| Total pension liability - ending (a) | <u>\$ 95,156,639</u> | <u>\$ 90,794,269</u> | <u>\$ 84,955,274</u> | <u>\$ 81,695,314</u> | <u>\$ 76,714,010</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 5,423,036 | \$ 5,339,460 | \$ 5,199,999 | \$ 4,759,365 | \$ 4,176,804 |
| Employee contributions | 809,941 | 769,299 | 525,344 | 535,007 | 507,808 |
| Net investment income (loss) | 4,779,467 | 6,359,617 | (6,861,125) | 7,992,331 | 6,164,510 |
| Benefit payments and refunds | (5,014,029) | (4,737,004) | (4,382,602) | (4,136,081) | (3,864,734) |
| Administrative expense | <u>(142,455)</u> | <u>(131,570)</u> | <u>(114,855)</u> | <u>(86,644)</u> | <u>(93,507)</u> |
| Net change in plan fiduciary net position | 5,855,960 | 7,599,802 | (5,633,239) | 9,063,978 | 6,890,881 |
| Plan fiduciary net position - beginning | <u>63,325,639</u> | <u>55,725,837</u> | <u>61,359,076</u> | <u>52,295,098</u> | <u>45,404,217</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 69,181,599</u> | <u>\$ 63,325,639</u> | <u>\$ 55,725,837</u> | <u>\$ 61,359,076</u> | <u>\$ 52,295,098</u> |
| Net pension liability (a-b) | <u>\$ 25,975,040</u> | <u>\$ 27,468,630</u> | <u>\$ 29,229,437</u> | <u>\$ 20,336,238</u> | <u>\$ 24,418,912</u> |
| Plan fiduciary net position as a percentage | | | | | |
| of total pension liability | 72.70% | 69.75% | 65.59% | 75.11% | 68.17% |
| Covered payroll | \$ 8,627,033 | \$ 7,365,056 | \$ 6,867,923 | \$ 6,370,191 | \$ 6,525,085 |
| Net pension liability as a percentage of covered payroll | 301.09% | 372.96% | 425.59% | 319.24% | 374.23% |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

| Fiscal year ended December 31, | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 984,875 | \$ 984,557 | \$ 1,010,514 | \$ 1,000,303 | \$ 981,161 |
| Interest | 5,226,527 | 5,023,418 | 4,901,121 | 4,711,548 | 4,473,927 |
| Changes of benefit terms | - | - | (201,785) | - | - |
| Experience differences | 14,112 | (17,758) | (948,982) | (268,400) | (344,829) |
| Changes in assumptions | 2,527,677 | - | - | - | 2,496,029 |
| Other changes | - | - | (9,031) | - | - |
| Benefit payments and refunds | <u>(3,575,639)</u> | <u>(3,327,410)</u> | <u>(3,092,898)</u> | <u>(3,064,869)</u> | <u>(2,837,026)</u> |
| Net change in total pension liability | 5,177,552 | 2,662,807 | 1,658,939 | 2,378,582 | 4,769,262 |
| Total pension liability - beginning | <u>66,626,952</u> | <u>63,964,145</u> | <u>62,305,206</u> | <u>59,926,624</u> | <u>55,157,362</u> |
| Total pension liability - ending (a) | <u>\$ 71,804,504</u> | <u>\$ 66,626,952</u> | <u>\$ 63,964,145</u> | <u>\$ 62,305,206</u> | <u>\$ 59,926,624</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 3,854,707 | \$ 3,802,749 | \$ 3,460,367 | \$ 2,835,443 | \$ 2,065,675 |
| Employee contributions | 503,377 | 500,743 | 519,853 | 454,938 | 434,297 |
| Net investment income (loss) | 5,449,737 | (1,638,422) | 4,636,217 | 3,637,926 | (517,185) |
| Benefit payments and refunds | (3,575,639) | (3,327,410) | (3,092,898) | (3,064,869) | (2,837,026) |
| Administrative expense | <u>(94,307)</u> | <u>(79,386)</u> | <u>(73,113)</u> | <u>(71,256)</u> | <u>(70,405)</u> |
| Net change in plan fiduciary net position | 6,137,875 | (741,726) | 5,450,426 | 3,792,182 | (924,644) |
| Plan fiduciary net position - beginning | <u>39,266,342</u> | <u>40,008,068</u> | <u>34,557,642</u> | <u>30,765,460</u> | <u>31,690,104</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 45,404,217</u> | <u>\$ 39,266,342</u> | <u>\$ 40,008,068</u> | <u>\$ 34,557,642</u> | <u>\$ 30,765,460</u> |
| Net pension liability (a-b) | <u>\$ 26,400,287</u> | <u>\$ 27,360,610</u> | <u>\$ 23,956,077</u> | <u>\$ 27,747,564</u> | <u>\$ 29,161,164</u> |
| Plan fiduciary net position as a percentage of total pension liability | 63.23% | 58.93% | 62.55% | 55.47% | 51.34% |
| Covered payroll | \$ 6,445,381 | \$ 6,473,935 | \$ 6,324,075 | \$ 6,197,969 | \$ 6,122,164 |
| Net pension liability as a percentage of covered payroll | 409.60% | 422.63% | 378.81% | 447.69% | 476.32% |

See Accompanying Notes to Required Supplementary Information

**Charter Township of Meridian
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions**

| Fiscal Year Ended | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|----------------------|---|------------------------|--|--------------------|--|
| 12/31/2016 | \$ 1,835,443 | \$ 2,835,443 | \$ (1,000,000) | \$ 6,197,969 | 45.75% |
| 12/31/2017 | 2,318,478 | 3,460,368 | (1,141,890) | 6,324,075 | 54.72% |
| 12/31/2018 | 2,302,708 | 3,802,749 | (1,500,041) | 6,453,286 | 58.93% |
| 12/31/2019 | 2,264,527 | 3,854,707 | (1,590,180) | 6,586,586 | 58.52% |
| 12/31/2020 | 2,472,037 | 4,176,804 | (1,704,767) | 6,434,228 | 64.92% |
| 12/31/2021 | 3,009,366 | 4,759,366 | (1,750,000) | 6,460,360 | 73.67% |
| 12/31/2022 | 3,265,891 | 5,199,999 | (1,934,108) | 7,432,637 | 69.96% |
| 12/31/2023 | 3,153,463 | 5,339,460 | (2,185,997) | 6,126,422 | 87.15% |
| 12/31/2024 | 4,048,036 | 5,423,036 | (1,375,000) | 7,668,690 | 70.72% |
| 12/31/2025 | 3,983,270 | 5,483,270 | (1,500,000) | 8,874,827 | 61.78% |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
For the Year Ended December 31, 2025

| Fiscal year ended December 31, | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 89,924 | \$ 109,852 | \$ 102,366 | \$ 126,654 | \$ 77,036 |
| Interest | 407,736 | 402,168 | 403,044 | 394,891 | 346,126 |
| Other changes | - | - | 44,925 | - | - |
| Experience differences | (922,494) | (210,949) | (693,185) | (171,130) | 272,930 |
| Changes in assumptions | 745,281 | - | 278,012 | (10,952) | 445,576 |
| Benefit payments and refunds | <u>(192,739)</u> | <u>(166,789)</u> | <u>(178,337)</u> | <u>(181,341)</u> | <u>(165,327)</u> |
| Net change in total OPEB liability | 127,708 | 134,282 | (43,175) | 158,122 | 976,341 |
| Total OPEB liability - beginning | <u>8,206,118</u> | <u>8,071,836</u> | <u>8,115,011</u> | <u>7,956,889</u> | <u>6,980,548</u> |
| Total OPEB liability - ending (a) | <u>\$ 8,333,826</u> | <u>\$ 8,206,118</u> | <u>\$ 8,071,836</u> | <u>\$ 8,115,011</u> | <u>\$ 7,956,889</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 192,739 | \$ 166,789 | \$ 178,337 | \$ 181,341 | \$ 190,327 |
| Net investment income (loss) | 1,180,253 | 652,005 | 775,025 | (968,342) | 608,510 |
| Benefit payments and refunds | <u>(192,739)</u> | <u>(166,789)</u> | <u>(178,337)</u> | <u>(181,341)</u> | <u>(165,327)</u> |
| Net change in plan fiduciary net position | 1,180,253 | 652,005 | 775,025 | (968,342) | 633,510 |
| Plan fiduciary net position - beginning | <u>8,054,285</u> | <u>7,402,280</u> | <u>6,627,255</u> | <u>7,595,597</u> | <u>6,962,087</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 9,234,538</u> | <u>\$ 8,054,285</u> | <u>\$ 7,402,280</u> | <u>\$ 6,627,255</u> | <u>\$ 7,595,597</u> |
| Net OPEB liability (asset) (a-b) | <u>\$ (900,712)</u> | <u>\$ 151,833</u> | <u>\$ 669,556</u> | <u>\$ 1,487,756</u> | <u>\$ 361,292</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 110.81% | 98.15% | 91.71% | 81.67% | 95.46% |
| Covered payroll | N/A | N/A | N/A | N/A | N/A |
| Net OPEB liability (asset) as a percentage of covered payroll | N/A | N/A | N/A | N/A | N/A |

Data will be added as information is available until 10 years of such data is available.

Charter Township of Meridian
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
For the Year Ended December 31, 2025

| Fiscal year ended December 31, | 2020 | 2019 | 2018 | 2017 |
|---|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 109,467 | \$ 101,169 | \$ 190,743 | \$ 184,032 |
| Interest | 336,017 | 451,588 | 433,155 | 422,016 |
| Other changes | - | - | - | - |
| Experience differences | (74,110) | (3,048,686) | (177,273) | (146,888) |
| Changes in assumptions | (29,617) | 218,141 | (38,069) | 49,580 |
| Benefit payments and refunds | <u>(162,018)</u> | <u>(136,274)</u> | <u>(126,136)</u> | <u>(123,649)</u> |
| Net change in total OPEB liability | 179,739 | (2,414,062) | 282,420 | 385,091 |
| Total OPEB liability - beginning | <u>6,800,809</u> | <u>9,214,871</u> | <u>8,932,451</u> | <u>8,547,360</u> |
| Total OPEB liability - ending (a) | <u>\$ 6,980,548</u> | <u>\$ 6,800,809</u> | <u>\$ 9,214,871</u> | <u>\$ 8,932,451</u> |
| Plan fiduciary net position | | | | |
| Employer contributions | \$ 447,018 | \$ 447,774 | \$ 450,136 | \$ 295,649 |
| Net investment income (loss) | 652,811 | 724,043 | (212,818) | 395,193 |
| Benefit payments and refunds | <u>(162,018)</u> | <u>(136,274)</u> | <u>(126,136)</u> | <u>(123,649)</u> |
| Net change in plan fiduciary net position | 937,811 | 1,035,543 | 111,182 | 567,193 |
| Plan fiduciary net position - beginning | <u>6,024,276</u> | <u>4,988,733</u> | <u>4,877,551</u> | <u>4,310,358</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 6,962,087</u> | <u>\$ 6,024,276</u> | <u>\$ 4,988,733</u> | <u>\$ 4,877,551</u> |
| Net OPEB liability (asset) (a-b) | <u>\$ 18,461</u> | <u>\$ 776,533</u> | <u>\$ 4,226,138</u> | <u>\$ 4,054,900</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 99.74% | 88.58% | 54.14% | 54.60% |
| Covered payroll | N/A | N/A | N/A | N/A |
| Net OPEB liability (asset) as a percentage of covered payroll | N/A | N/A | N/A | N/A |

Data will be added as information is available until 10 years of such data is available.

**Charter Township of Meridian
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions**

| Fiscal Year Ending December 31, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---------------------------------------|---|------------------------|--|--------------------|--|
| 2016 | \$ 283,991 | \$ 306,674 | \$ (22,683) | N/A | N/A |
| 2017 | 453,565 | 295,649 | 157,916 | N/A | N/A |
| 2018 | 449,295 | 450,136 | (841) | N/A | N/A |
| 2019 | 207,005 | 447,774 | (240,769) | N/A | N/A |
| 2020 | 205,355 | 447,018 | (241,663) | N/A | N/A |
| 2021 | 172,422 | 190,327 | (17,905) | N/A | N/A |
| 2022 | 167,659 | 181,341 | (13,682) | N/A | N/A |
| 2023 | 190,086 | 178,337 | 11,749 | N/A | N/A |
| 2024 | 186,412 | 166,789 | 19,623 | N/A | N/A |
| 2025 | 107,683 | 192,739 | (85,056) | N/A | N/A |

See Accompanying Notes to Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

| Fiscal Year Ended December 31, | Money-weighted Rate of Return |
|--------------------------------------|----------------------------------|
| 2017 | 9.01% |
| 2018 | -5.34% |
| 2019 | 22.46% |
| 2020 | 10.68% |
| 2021 | 8.74% |
| 2022 | -12.75% |
| 2023 | 11.69% |
| 2024 | 8.81% |
| 2025 | 13.39% |

Charter Township of Meridian
Notes to the Required Supplementary Information
December 31, 2025

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The Township adopts a formal budget for the General Fund, special revenue fund types, and debt service fund types. By mid-June of each year, all department heads submit spending requests to the director of finance so that a budget may be prepared. Before September 1, the proposed budget is submitted by the Township manager to the Township board for review. Public hearings are held, and a final budget is adopted no later than November 1. Any budget amendments must be approved by the Township board. During the year, the budget was amended in a legally permissible manner.

The budget is adopted on a functional basis. Although spending estimates are produced for each line item, budgetary control is exercised at the department level for internal control purposes. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. Encumbrances are not included as expenditures or liabilities; the amount of encumbrances outstanding at December 31, is not significant. Unexpended appropriations lapse at year end.

The budgetary comparison schedules for the General Fund and major special revenue funds are presented on the same basis of accounting used in preparing the adopted budgets.

Excess of Expenditures Over Appropriations in Budgeted Funds

| | Appropriations | Actual | Budget Variance |
|--------------|----------------|--------------|--------------------|
| General Fund | | | |
| Debt service | \$ 882,938 | \$ 1,097,615 | \$ 214,677 |

Pension Information – Charter Township of Meridian Employees’ Retirement System

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios

There were no changes in assumptions for the year ending December 31, 2025.

Notes to the Schedule of Employer Contributions

- Valuation date: December 31, 2025
- Actuarially determined contribution rates are calculated as of December 31 each year, which is 1 day prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution (ADC) included in this schedule is calculated as the normal cost payment plus the amortized portion of the unfunded actuarial accrued liability.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Individual entry-age
- Amortization method: Level dollar, closed
- Remaining amortization period: 5 years
- Asset valuation method: 3-year smoothed market
- Inflation: N/A
- Salary increase: N/A
- Investment rate of return: 6 percent

Charter Township of Meridian
Notes to the Required Supplementary Information
December 31, 2025

- Mortality rates: Fully generational Pub-2010 amount-weighted General Mortality Tables for males and females with MP-2019 mortality improvement scales.

Pension Information – Municipal Employees’ Retirement System of Michigan

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios

The following assumption changes were reflected in the 2024 valuation:

- Changes to assumptions as a result of the experience study for the period from 2019 through 2023. The changes related to mortality, retirement, disability, and termination rates.
- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.00% to 6.93%.

The following assumption changes were reflected in the 2023 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.25% to 7.18%.

The following assumption changes were reflected in the 2022 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.60% to 7.25%.

The following assumption changes were reflected in the 2020 valuation:

- Changes to demographic assumptions as a result of the experience study for the period from 2013 through 2018. The changes related to mortality, retirement, disability, and termination rates.

The following assumption changes were reflected in the 2019 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.75% to 7.60%.
- The rate of wage inflation was changed from 3.75% to 3.00%.

Notes to the Schedule of Employer Contributions

- Valuation date: December 31, 2024
- Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Township’s fiscal year ended December 31, 2025 were determined based on the actuarial valuation as of December 31, 2023.
- The actuarially determined contribution (ADC) included in this schedule is calculated as the normal cost payment plus the amortized portion of the unfunded actuarial accrued liability.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age
- Amortization method: Level percentage of pay, open
- Remaining amortization period: 16 years
- Asset valuation method: 5 years smoothed
- Inflation: 2.5 percent
- Salary increase: 3.0 percent, plus merit and longevity
- Investment rate of return: 6.93 percent net of pension plan investment expense, including inflation
- Mortality rates: Fully generational Pub-2010 amount-weighted General Mortality Tables for males and females with MP-2019 mortality improvement scales.

Charter Township of Meridian
Notes to the Required Supplementary Information
December 31, 2025

OPEB Information – Meridian Charter Township Money Purchase Plan

Notes to the Schedule of Changes in Total Net OPEB and Related Ratios

The December 31, 2025 changes in assumptions are due to the following:

- Mortality tables were changed from using scale MP-2019 to scale MP-2021.

The December 31, 2024 changes in assumptions are due to the following:

- The discount rate was increased from 4.99% to 5.00%.

Notes to the Schedule of Employer Contributions

- Valuation date: December 31, 2024
- Actuarially determined contribution rates are calculated as of December 31 of even numbered years, which is 1 day prior to the beginning of the fiscal year biennium in which contributions are reported.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal level percent of pay
- Amortization method: Level dollar, closed
- Remaining amortization period: 27 years
- Asset valuation method: Market value
- Inflation: 2.5 percent
- Salary increase: N/A
- Investment rate of return: 5 percent net of administrative and investment expense, including inflation
- Mortality:
 - Post-Retirement: Sex distinct Pub-2010 General Healthy Retiree tables scaled by a factor of 106%. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2021, as published by the Society of Actuaries.
 - Disabled Retirement: Sex distinct PubNS-2010 Disabled tables without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2021, as published by the Society of Actuaries.
 - Pre-Retirement: Sex distinct Pub-2010 General Employees table without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2021, as published by the Society of Actuaries.
- Health Care Trend Rates: Non-Medicare: 7.75% in 2025, grading to 3.50% in 2039. Medicare: 6.50% in 2025, grading to 3.50% in 2039.
- Aging Factors: The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.

Other Supplementary Information

Charter Township of Meridian Description of Funds Nonmajor Governmental Funds

Pedestrian/Bike Path Millage Fund – This fund is used to account for the design and construction of the Township’s millage-supported pedestrian/bicycle pathway system.

Park Millage Fund – This fund is used to account for tax revenue that supports local park maintenance and improvements.

Fire Fund – This fund is used to account for donations that are restricted and designated for fire-related activities.

Police Fund – This fund is used to account for donations, forfeitures, and State of Michigan funds that are specifically used to aid law enforcement.

Land Preservation Fund – This fund is used to account for tax revenue which will be used to purchase land and/or an interest in land for the permanent preservation of open green spaces and natural features throughout the Township.

Senior Center Millage Fund – This fund is used to account for tax revenue and donations that are used to support the Meridian Senior Center.

Cable TV Fund – This fund is used to account for the operations of government access channels, which provide news and information about the Township’s government activities and the community it serves. Funds for operations are derived from cable franchise fees.

Community Needs Fund – This fund is used to account for donations that provide emergency funds to needy Township residents.

Library Fund – This fund is used to account for donations for improvements to the local libraries.

Grants Fund – This fund is used to account for various federal grant awards.

CATA Millage Fund – This fund is used to account for tax revenue that supports increased public transportation.

Opioid Settlement Fund – This fund is used to account for revenues received through opioid settlements and the related expenditures on opioid remediation.

American Rescue Plan Act Fund – This fund is used to account for funding received for pandemic relief and the related expenditures.

Fire Station Debt Service Fund – This fund is used to account for tax revenue and debt service related to the 2013 bond issuance to construct a new central fire station.

Capital Projects Fund – This fund is used to account for the activity of the Township’s capital projects.

Township Improvement Revolving Fund – This fund is used to account for advances from the General Fund and reimbursements from special assessments for specific public improvements.

Charter Township of Meridian
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

| | Special Revenue Funds | | | | | | |
|--|---------------------------------|---------------------|-----------------|-------------------|----------------------|--------------------------|-------------------|
| | Pedestrian/Bike Path Millage | Park Millage | Fire | Police | Land Preservation | Senior Center Millage | Cable TV |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 810,151 | \$ 1,542,516 | \$ 3,412 | \$ 105,451 | \$ 621,418 | \$ 243,328 | \$ 117,523 |
| Investments | 2,197,974 | 1,593,146 | - | 2,225 | 7,754,601 | 529,808 | 96,259 |
| Receivables | | | | | | | |
| Accounts | 8,017 | - | 307 | - | - | - | 21,114 |
| Taxes | 507,924 | 1,013,094 | - | - | 153,279 | 127,419 | - |
| Special assessments | - | - | - | - | - | - | - |
| Due from other units of government | - | - | - | 2,084 | - | - | - |
| Due from other funds | - | 788 | - | - | - | - | - |
| Prepaid items | - | 4,595 | - | - | 573 | - | - |
| Total assets | \$ 3,524,066 | \$ 4,154,139 | \$ 3,719 | \$ 109,760 | \$ 8,529,871 | \$ 900,555 | \$ 234,896 |
| Liabilities | | | | | | | |
| Accounts payable | \$ 44,966 | \$ 44,219 | \$ - | \$ 3,561 | \$ 8,389 | \$ 64,597 | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Due to other units of government | - | - | - | - | - | - | - |
| Payroll and other liabilities | 1,772 | 16,743 | - | 2,824 | 1,381 | 87 | - |
| Customer deposits | - | 100 | - | - | - | - | - |
| Unearned revenue | - | - | - | 36,000 | - | - | - |
| Total liabilities | 46,738 | 61,062 | - | 42,385 | 9,770 | 64,684 | - |
| Deferred inflows of resources | | | | | | | |
| Unavailable revenue - special assessments | - | - | - | - | - | - | - |
| Unavailable revenue - charges for services | 8,017 | - | 307 | - | - | - | - |
| Unavailable revenue - other revenue | - | - | - | - | - | - | - |
| Property taxes levied for a subsequent period | 780,399 | 1,555,617 | - | - | 238,117 | 195,711 | - |
| Special assessments levied for a subsequent period | - | - | - | - | - | - | - |
| Total deferred inflows of resources | 788,416 | 1,555,617 | 307 | - | 238,117 | 195,711 | - |
| Fund balances | | | | | | | |
| Non-spendable | | | | | | | |
| Prepaid items | - | 4,595 | - | - | 573 | - | - |
| Restricted for | | | | | | | |
| Pedestrian/bike path millage | 2,688,912 | - | - | - | - | - | - |
| Park Millage | - | 2,532,865 | - | - | - | - | - |
| Fire | - | - | 3,412 | - | - | - | - |
| Police | - | - | - | 67,375 | - | - | - |
| Senior center millage | - | - | - | - | - | 640,160 | - |
| Cable TV | - | - | - | - | - | - | 234,896 |
| Community needs | - | - | - | - | - | - | - |
| Library | - | - | - | - | - | - | - |
| Grants | - | - | - | - | - | - | - |
| Capital area transportation authority millage | - | - | - | - | - | - | - |
| Opioid remediation | - | - | - | - | - | - | - |
| Land preservation | - | - | - | - | 8,281,411 | - | - |
| Fire station debt service | - | - | - | - | - | - | - |
| Assigned | | | | | | | |
| American Rescue Plan Act | - | - | - | - | - | - | - |
| Township improvement | - | - | - | - | - | - | - |
| Total fund balances | 2,688,912 | 2,537,460 | 3,412 | 67,375 | 8,281,984 | 640,160 | 234,896 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 3,524,066 | \$ 4,154,139 | \$ 3,719 | \$ 109,760 | \$ 8,529,871 | \$ 900,555 | \$ 234,896 |

Charter Township of Meridian
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

Special Revenue Funds

| | Community Needs | Library | Grants | CATA Millage | Opioid Settlement | American Rescue Plan Act |
|--|--------------------|------------------|-------------------|------------------|----------------------|-----------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 63,572 | \$ 27 | \$ - | \$ 27,970 | \$ 19,716 | \$ 142,024 |
| Investments | 46,094 | 15,675 | 149,395 | 14,695 | 28,081 | 5,732 |
| Receivables | | | | | | |
| Accounts | - | - | - | - | 171,765 | - |
| Taxes | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Due from other units of government | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | 19,558 |
| Total assets | \$ 109,666 | \$ 15,702 | \$ 149,395 | \$ 42,665 | \$ 219,562 | \$ 167,314 |
| Liabilities | | | | | | |
| Accounts payable | \$ 10,579 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | 601 | - | - | - |
| Due to other units of government | - | - | - | - | - | - |
| Payroll and other liabilities | - | - | - | - | - | - |
| Customer deposits | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - |
| Total liabilities | 10,579 | - | 601 | - | - | - |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue - special assessments | - | - | - | - | - | - |
| Unavailable revenue - charges for services | - | - | - | - | - | - |
| Unavailable revenue - other revenue | - | - | - | - | 171,765 | - |
| Property taxes levied for a subsequent period | - | - | - | 784 | - | - |
| Special assessments levied for a subsequent period | - | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | 784 | 171,765 | - |
| Fund balances | | | | | | |
| Non-spendable | | | | | | |
| Prepaid items | - | - | - | - | - | 19,558 |
| Restricted for | | | | | | |
| Pedestrian/bike path millage | - | - | - | - | - | - |
| Park Millage | - | - | - | - | - | - |
| Fire | - | - | - | - | - | - |
| Police | - | - | - | - | - | - |
| Senior center millage | - | - | - | - | - | - |
| Cable TV | - | - | - | - | - | - |
| Community needs | 99,087 | - | - | - | - | - |
| Library | - | 15,702 | - | - | - | - |
| Grants | - | - | 148,794 | - | - | - |
| Capital area transportation authority millage | - | - | - | 41,881 | - | - |
| Opioid remediation | - | - | - | - | 47,797 | - |
| Park millage | - | - | - | - | - | - |
| Fire station debt service | - | - | - | - | - | - |
| Assigned | | | | | | |
| American Rescue Plan Act | - | - | - | - | - | 147,756 |
| Township improvement | - | - | - | - | - | - |
| Total fund balances | 99,087 | 15,702 | 148,794 | 41,881 | 47,797 | 167,314 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 109,666 | \$ 15,702 | \$ 149,395 | \$ 42,665 | \$ 219,562 | \$ 167,314 |

Charter Township of Meridian
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

| | Debt | | Capital | | Total Nonmajor Governmental Funds |
|--|------------------------------|---------------------|--------------------------------------|----------------------|---|
| | Service Fund | | Projects Funds | | |
| | Fire Station Debt Service | Capital Projects | Township Improvement Revolving | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 13,502 | \$ - | \$ 934,443 | \$ 4,645,053 | |
| Investments | - | 2,088,286 | 1,972,869 | 16,494,840 | |
| Receivables | | | | | |
| Accounts | - | - | 8,993 | 210,196 | |
| Taxes | - | - | - | 1,801,716 | |
| Special assessments | - | - | 1,934,350 | 1,934,350 | |
| Due from other units of government | - | - | - | 2,084 | |
| Due from other funds | - | - | - | 788 | |
| Prepaid items | - | - | - | 24,726 | |
| Total assets | <u>\$ 13,502</u> | <u>\$ 2,088,286</u> | <u>\$ 4,850,655</u> | <u>\$ 25,113,753</u> | |
| Liabilities | | | | | |
| Accounts payable | - | 63,465 | 1,385 | 241,161 | |
| Due to other funds | - | 550,101 | - | 550,702 | |
| Due to other units of government | - | - | 7 | 7 | |
| Payroll and other liabilities | 37 | - | - | 22,844 | |
| Customer deposits | - | - | - | 100 | |
| Unearned revenue | - | - | - | 36,000 | |
| Total liabilities | <u>37</u> | <u>613,566</u> | <u>1,392</u> | <u>850,814</u> | |
| Deferred inflows of resources | | | | | |
| Unavailable revenue - special assessments | - | - | 1,854,755 | 1,854,755 | |
| Unavailable revenue - charges for services | - | - | 2,000 | 10,324 | |
| Unavailable revenue - other revenue | - | - | - | 171,765 | |
| Property taxes levied for a subsequent period | - | - | - | 2,770,628 | |
| Special assessments levied for a subsequent period | - | - | 80,000 | 80,000 | |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>1,936,755</u> | <u>4,887,472</u> | |
| Fund balances | | | | | |
| Non-spendable | | | | | |
| Prepaid items | - | - | - | 24,726 | |
| Restricted for | | | | | |
| Pedestrian/bike path millage | - | - | - | 2,688,912 | |
| Park Millage | - | - | - | 2,532,865 | |
| Fire | - | - | - | 3,412 | |
| Police | - | - | - | 67,375 | |
| Senior center millage | - | - | - | 640,160 | |
| Cable TV | - | - | - | 234,896 | |
| Community needs | - | - | - | 99,087 | |
| Library | - | - | - | 15,702 | |
| Grants | - | - | - | 148,794 | |
| Capital area transportation authority millage | - | - | - | 41,881 | |
| Opioid remediation | - | - | - | 47,797 | |
| Park millage | - | - | - | 8,281,411 | |
| Fire station debt service | 13,465 | - | - | 13,465 | |
| Assigned | | | | | |
| American Rescue Plan Act | - | - | - | 147,756 | |
| Township improvement | - | 1,474,720 | 2,912,508 | 4,387,228 | |
| Total fund balances | <u>13,465</u> | <u>1,474,720</u> | <u>2,912,508</u> | <u>19,375,467</u> | |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 13,502</u> | <u>\$ 2,088,286</u> | <u>\$ 4,850,655</u> | <u>\$ 25,113,753</u> | |

Charter Township of Meridian
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

| | Special Revenue Funds | | | | | | |
|---|-----------------------|------------------|--------------|---------------|----------------|----------------|----------------|
| | Pedestrian/Bike | | Fire | Police | Land | | Senior Center |
| | Path Millage | Park Millage | | | Preservation | Millage | |
| Revenues | | | | | | | |
| Taxes | \$ 736,999 | \$ 1,468,854 | \$ - | \$ - | \$ 225,065 | \$ 184,846 | \$ - |
| Licenses and permits | - | - | - | - | - | - | 114,105 |
| Federal grants | - | - | - | 365 | - | - | - |
| State grants | 5,082 | 10,136 | - | 13,801 | 1,535 | 1,276 | - |
| Local contributions | 284,166 | 78,000 | - | - | - | - | - |
| Charges for services | 700 | - | - | - | - | - | - |
| Investment income | 125,724 | 114,761 | 130 | 1,875 | 383,153 | 29,267 | 6,706 |
| Other revenue | - | 304,080 | 4,763 | 50,449 | - | - | - |
| Total revenues | 1,152,671 | 1,975,831 | 4,893 | 66,490 | 609,753 | 215,389 | 120,811 |
| Expenditures | | | | | | | |
| Current | | | | | | | |
| Public safety | - | - | 4,562 | 40,403 | - | - | - |
| Public works | 1,131,725 | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | 120,917 | - |
| Recreation and culture | - | 1,120,384 | - | - | 196,937 | - | 399 |
| Capital outlay | - | - | - | - | - | - | - |
| Debt service | | | | | | | |
| Principal retirement | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - |
| Total expenditures | 1,131,725 | 1,120,384 | 4,562 | 40,403 | 196,937 | 120,917 | 399 |
| Excess (deficiency) of revenues over expenditures | 20,946 | 855,447 | 331 | 26,087 | 412,816 | 94,472 | 120,412 |
| Other financing sources (uses) | | | | | | | |
| Transfers out | - | - | - | - | - | - | - |
| Net change in fund balances | 20,946 | 855,447 | 331 | 26,087 | 412,816 | 94,472 | 120,412 |
| Fund balances - beginning of year | 2,667,966 | 1,682,013 | 3,081 | 41,288 | 7,869,168 | 545,688 | 114,484 |
| Fund balances - end of year | \$ 2,688,912 | \$ 2,537,460 | \$ 3,412 | \$ 67,375 | \$ 8,281,984 | \$ 640,160 | \$ 234,896 |

Charter Township of Meridian
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

| | Special Revenue Funds | | | | | |
|--|-----------------------|------------------|-------------------|------------------|------------------|-----------------------------|
| | Community | | Grants | CATA Millage | Opioid | |
| | Needs | Library | | | Settlement | American Rescue Plan Act |
| Revenues | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 885 | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - |
| Federal grants | - | - | 6,416 | - | - | 106,176 |
| State grants | - | - | - | 3,038 | - | - |
| Local contributions | 40,000 | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Investment income | 3,003 | 658 | 6,308 | 1,501 | 2,290 | 11,937 |
| Other revenue | 56,161 | - | - | - | 15,586 | - |
| Total revenues | <u>99,164</u> | <u>658</u> | <u>12,724</u> | <u>5,424</u> | <u>17,876</u> | <u>118,113</u> |
| Expenditures | | | | | | |
| Current | | | | | | |
| Public safety | 2,364 | - | 6,413 | - | 44,077 | - |
| Public works | - | - | - | - | - | - |
| Health and welfare | 72,428 | - | - | - | - | - |
| Recreation and culture | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | 111,101 |
| Debt service | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Total expenditures | <u>74,792</u> | <u>-</u> | <u>6,413</u> | <u>-</u> | <u>44,077</u> | <u>111,101</u> |
| Excess (deficiency) of revenues over expenditures | 24,372 | 658 | 6,311 | 5,424 | (26,201) | 7,012 |
| Other financing sources (uses) | | | | | | |
| Transfers out | - | - | - | - | - | - |
| Net change in fund balances | 24,372 | 658 | 6,311 | 5,424 | (26,201) | 7,012 |
| Fund balances - beginning of year | <u>74,715</u> | <u>15,044</u> | <u>142,483</u> | <u>36,457</u> | <u>73,998</u> | <u>160,302</u> |
| Fund balances - end of year | <u>\$ 99,087</u> | <u>\$ 15,702</u> | <u>\$ 148,794</u> | <u>\$ 41,881</u> | <u>\$ 47,797</u> | <u>\$ 167,314</u> |

Charter Township of Meridian
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

| | Debt Service | | Capital Projects Funds | | Total Nonmajor Governmental Funds |
|--|-------------------|---------------------|-------------------------|-------------|---|
| | Fire Station Debt | Capital Projects | Township Improvement | Revolving | |
| | Service | | Revolving | | |
| Revenues | | | | | |
| Taxes | \$ 141,363 | \$ - | \$ - | \$ - | \$ 2,758,012 |
| Licenses and permits | - | - | - | - | 114,105 |
| Federal grants | - | - | - | - | 112,957 |
| State grants | 2,190 | - | - | - | 37,058 |
| Local contributions | - | - | - | - | 402,166 |
| Charges for services | - | - | 283,440 | - | 284,140 |
| Investment income | 5,772 | 89,477 | 154,251 | - | 936,813 |
| Other revenue | - | - | 2,389 | - | 433,428 |
| Total revenues | <u>149,325</u> | <u>89,477</u> | <u>440,080</u> | <u>-</u> | <u>5,078,679</u> |
| Expenditures | | | | | |
| Current | | | | | |
| Public safety | - | - | - | - | 97,819 |
| Public works | - | - | 108,199 | - | 1,239,924 |
| Health and welfare | - | - | - | - | 193,345 |
| Recreation and culture | - | - | - | - | 1,317,720 |
| Capital outlay | - | 438,780 | - | - | 549,881 |
| Debt service | | | | | |
| Principal retirement | 450,000 | - | - | - | 450,000 |
| Interest and fiscal charges | 9,336 | - | - | - | 9,336 |
| Total expenditures | <u>459,336</u> | <u>438,780</u> | <u>108,199</u> | <u>-</u> | <u>3,858,025</u> |
| Excess (deficiency) of revenues over expenditures | (310,011) | (349,303) | 331,881 | - | 1,220,654 |
| Other financing sources (uses) | | | | | |
| Transfers out | - | (280,000) | - | - | (280,000) |
| Net change in fund balances | (310,011) | (629,303) | 331,881 | - | 940,654 |
| Fund balances - beginning of year | <u>323,476</u> | <u>2,104,023</u> | <u>2,580,627</u> | <u>-</u> | <u>18,434,813</u> |
| Fund balances - end of year | <u>\$ 13,465</u> | <u>\$ 1,474,720</u> | <u>\$ 2,912,508</u> | <u>\$ -</u> | <u>\$ 19,375,467</u> |

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Pedestrian/Bike Path Millage Fund
For the Year Ended December 31, 2025**

| | Budgeted Amounts | | Actual | Actual Over (Under) |
|----------------------------------|---------------------|---------------------|---------------------|------------------------|
| | Original | Final | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 732,952 | \$ 738,681 | \$ 736,999 | \$ (1,682) |
| State grants | 3,750 | 5,087 | 5,082 | (5) |
| Local contributions | 2,025,000 | 284,167 | 284,166 | (1) |
| Charges for services | - | 700 | 700 | - |
| Investment income | <u>75,000</u> | <u>129,500</u> | <u>125,724</u> | <u>(3,776)</u> |
| Total revenues | 2,836,702 | 1,158,135 | 1,152,671 | (5,464) |
| Expenditures | | | | |
| Current | | | | |
| Public works | <u>3,056,510</u> | <u>1,565,056</u> | <u>1,131,725</u> | <u>(433,331)</u> |
| Net change in fund balance | (219,808) | (406,921) | 20,946 | 427,867 |
| Fund balance - beginning of year | <u>2,667,966</u> | <u>2,667,966</u> | <u>2,667,966</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 2,448,158</u> | <u>\$ 2,261,045</u> | <u>\$ 2,688,912</u> | <u>\$ 427,867</u> |

Charter Township of Meridian
Required Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Park Millage Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|---------------------|---------------------|---------------------|-------------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 1,462,536 | \$ 1,469,338 | \$ 1,468,854 | \$ (484) |
| State grants | 6,500 | 10,137 | 10,136 | (1) |
| Local contributions | - | 53,000 | 78,000 | 25,000 |
| Investment income | 38,000 | 118,100 | 114,761 | (3,339) |
| Other revenue | <u>222,500</u> | <u>313,017</u> | <u>304,080</u> | <u>(8,937)</u> |
| Total revenues | 1,729,536 | 1,963,592 | 1,975,831 | 12,239 |
| Expenditures | | | | |
| Current | | | | |
| Recreation and culture | <u>1,824,805</u> | <u>1,713,954</u> | <u>1,120,384</u> | <u>(593,570)</u> |
| Net change in fund balance | (95,269) | 249,638 | 855,447 | 605,809 |
| Fund balance - beginning of year | <u>1,682,013</u> | <u>1,682,013</u> | <u>1,682,013</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 1,586,744</u> | <u>\$ 1,931,651</u> | <u>\$ 2,537,460</u> | <u>\$ 605,809</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Fire Fund

For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual Over (Under) Final Budget |
|----------------------------------|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ 5 | \$ 130 | \$ 130 | \$ - |
| Other revenue | - | 5,070 | 4,763 | (307) |
| Total revenues | 5 | 5,200 | 4,893 | (307) |
| Expenditures | | | | |
| Current | | | | |
| Public safety | - | 4,600 | 4,562 | (38) |
| Net change in fund balance | 5 | 600 | 331 | (269) |
| Fund balance - beginning of year | 3,081 | 3,081 | 3,081 | - |
| Fund balance - end of year | \$ 3,086 | \$ 3,681 | \$ 3,412 | \$ (269) |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Police Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual Over (Under) |
|----------------------------------|------------------|------------------|------------------|------------------------|
| | Original | Final | | Final Budget |
| Revenues | | | | |
| Federal grants | \$ 4,000 | \$ 4,000 | \$ 365 | \$ (3,635) |
| State grants | 7,000 | 13,800 | 13,801 | 1 |
| Investment income | 500 | 1,800 | 1,875 | 75 |
| Other revenue | <u>41,000</u> | <u>41,949</u> | <u>50,449</u> | <u>8,500</u> |
| Total revenues | 52,500 | 61,549 | 66,490 | 4,941 |
| Expenditures | | | | |
| Current | | | | |
| Public safety | <u>11,000</u> | <u>43,250</u> | <u>40,403</u> | <u>(2,847)</u> |
| Net change in fund balance | 41,500 | 18,299 | 26,087 | 7,788 |
| Fund balance - beginning of year | <u>41,288</u> | <u>41,288</u> | <u>41,288</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 82,788</u> | <u>\$ 59,587</u> | <u>\$ 67,375</u> | <u>\$ 7,788</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Land Preservation Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|---------------------|---------------------|---------------------|-------------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 221,483 | \$ 225,122 | \$ 225,065 | \$ (57) |
| State grants | 1,000 | 1,537 | 1,535 | (2) |
| Investment income | <u>160,000</u> | <u>310,700</u> | <u>383,153</u> | <u>72,453</u> |
| Total revenues | 382,483 | 537,359 | 609,753 | 72,394 |
| Expenditures | | | | |
| Current | | | | |
| Recreation and culture | <u>261,458</u> | <u>265,514</u> | <u>196,937</u> | <u>(68,577)</u> |
| Net change in fund balance | 121,025 | 271,845 | 412,816 | 140,971 |
| Fund balance - beginning of year | <u>7,869,168</u> | <u>7,869,168</u> | <u>7,869,168</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 7,990,193</u> | <u>\$ 8,141,013</u> | <u>\$ 8,281,984</u> | <u>\$ 140,971</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Senior Center Millage Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 184,126 | \$ 184,935 | \$ 184,846 | \$ (89) |
| State grants | 1,050 | 1,316 | 1,276 | (40) |
| Investment income | <u>15,000</u> | <u>29,700</u> | <u>29,267</u> | <u>(433)</u> |
| Total revenues | 200,176 | 215,951 | 215,389 | (562) |
| Expenditures | | | | |
| Current | | | | |
| Health and welfare | <u>155,000</u> | <u>155,000</u> | <u>120,917</u> | <u>(34,083)</u> |
| Net change in fund balance | 45,176 | 60,951 | 94,472 | 33,521 |
| Fund balance - beginning of year | <u>545,688</u> | <u>545,688</u> | <u>545,688</u> | - |
| Fund balance - end of year | <u>\$ 590,864</u> | <u>\$ 606,639</u> | <u>\$ 640,160</u> | <u>\$ 33,521</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Cable TV Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|------------------|------------|------------|-----------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Licenses and permits | \$ 125,000 | \$ 93,000 | \$ 114,105 | \$ 21,105 |
| Investment income | 3,000 | 6,500 | 6,706 | 206 |
| Total revenues | 128,000 | 99,500 | 120,811 | 21,311 |
| Expenditures | | | | |
| Current | | | | |
| Recreation and culture | 12,000 | 12,000 | 399 | (11,601) |
| Net change in fund balance | 116,000 | 87,500 | 120,412 | 32,912 |
| Fund balance - beginning of year | 114,484 | 114,484 | 114,484 | - |
| Fund balance - end of year | \$ 230,484 | \$ 201,984 | \$ 234,896 | \$ 32,912 |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Community Needs Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|------------------|------------------|------------------|-----------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Local contributions | \$ - | \$ 40,000 | \$ 40,000 | \$ - |
| Investment income | 1,000 | 3,900 | 3,003 | (897) |
| Other revenue | <u>20,950</u> | <u>48,760</u> | <u>56,161</u> | <u>7,401</u> |
| Total revenues | <u>21,950</u> | <u>92,660</u> | <u>99,164</u> | <u>6,504</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | - | 2,915 | 2,364 | (551) |
| Health and welfare | <u>56,550</u> | <u>65,000</u> | <u>72,428</u> | <u>7,428</u> |
| Total expenditures | <u>56,550</u> | <u>67,915</u> | <u>74,792</u> | <u>6,877</u> |
| Net change in fund balance | (34,600) | 24,745 | 24,372 | (373) |
| Fund balance - beginning of year | <u>74,715</u> | <u>74,715</u> | <u>74,715</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 40,115</u> | <u>\$ 99,460</u> | <u>\$ 99,087</u> | <u>\$ (373)</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Library Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|------------------|-----------|-----------|--------------|
| | Original | Final | | Over (Under) |
| Revenues | | | | Final |
| | Original | Final | Actual | Budget |
| Investment income | \$ 250 | \$ 665 | \$ 658 | \$ (7) |
| Fund balance - beginning of year | 15,044 | 15,044 | 15,044 | - |
| Fund balance - end of year | \$ 15,294 | \$ 15,709 | \$ 15,702 | \$ (7) |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Grants Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|-------------------|-------------------|-------------------|-----------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Federal grants | \$ - | \$ 6,416 | \$ 6,416 | \$ - |
| Investment income | 3,000 | 5,200 | 6,308 | 1,108 |
| Total revenues | <u>3,000</u> | <u>11,616</u> | <u>12,724</u> | <u>1,108</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | - | 6,414 | 6,413 | (1) |
| Health and welfare | <u>5,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>5,000</u> | <u>6,414</u> | <u>6,413</u> | <u>(1)</u> |
| Net change in fund balance | (2,000) | 5,202 | 6,311 | 1,109 |
| Fund balance - beginning of year | <u>142,483</u> | <u>142,483</u> | <u>142,483</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 140,483</u> | <u>\$ 147,685</u> | <u>\$ 148,794</u> | <u>\$ 1,109</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
CATA Millage Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual Over (Under) |
|----------------------------------|------------------|----------|-----------|------------------------|
| | Original | Final | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 438,100 | \$ 1,100 | \$ 885 | \$ (215) |
| State grants | 1,500 | 3,030 | 3,038 | 8 |
| Investment income | 250 | 1,500 | 1,501 | 1 |
| Total revenues | 439,850 | 5,630 | 5,424 | (206) |
| Expenditures | | | | |
| Current | | | | |
| Recreation and culture | 471,000 | 36,780 | - | (36,780) |
| Net change in fund balance | (31,150) | (31,150) | 5,424 | 36,574 |
| Fund balance - beginning of year | 36,457 | 36,457 | 36,457 | - |
| Fund balance - end of year | \$ 5,307 | \$ 5,307 | \$ 41,881 | \$ 36,574 |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Opioid Settlement Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|----------------------------------|------------------|------------------|------------------|-----------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Investment income | \$ 750 | \$ 2,400 | \$ 2,290 | \$ (110) |
| Other revenue | <u>15,869</u> | <u>15,869</u> | <u>15,586</u> | <u>(283)</u> |
| Total revenues | 16,619 | 18,269 | 17,876 | (393) |
| Expenditures | | | | |
| Current | | | | |
| Public safety | <u>-</u> | <u>44,000</u> | <u>44,077</u> | <u>77</u> |
| Net change in fund balance | 16,619 | (25,731) | (26,201) | (470) |
| Fund balance - beginning of year | <u>73,998</u> | <u>73,998</u> | <u>73,998</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 90,617</u> | <u>\$ 48,267</u> | <u>\$ 47,797</u> | <u>\$ (470)</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
American Rescue Plan Act Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|--------------------------------------|------------------|--------------|------------|-----------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Federal grants | \$ 503,486 | \$ 503,486 | \$ 106,176 | \$ (397,310) |
| Investment income | 15,000 | 13,000 | 11,937 | (1,063) |
| Total revenues | 518,486 | 516,486 | 118,113 | (398,373) |
| Expenditures | | | | |
| Capital outlay | 646,893 | 777,893 | 111,101 | (666,792) |
| Net change in fund balance | (128,407) | (261,407) | 7,012 | 268,419 |
| Fund balance - beginning of year | 160,302 | 160,302 | 160,302 | - |
| Fund balance - end of year (deficit) | \$ 31,895 | \$ (101,105) | \$ 167,314 | \$ 268,419 |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Fire Station Debt Service Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|--------------------------------------|------------------|------------------|------------------|--------------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 139,133 | \$ 141,400 | \$ 141,363 | \$ (37) |
| State grants | 1,100 | 24,340 | 2,190 | (22,150) |
| Investment income | 200 | 6,900 | 5,772 | (1,128) |
| Total revenues | <u>140,433</u> | <u>172,640</u> | <u>149,325</u> | <u>(23,315)</u> |
| Expenditures | | | | |
| Debt service | | | | |
| Principal retirement | 450,000 | 450,500 | 450,000 | (500) |
| Interest and fiscal charges | 5,600 | 9,000 | 9,336 | 336 |
| Total expenditures | <u>455,600</u> | <u>459,500</u> | <u>459,336</u> | <u>(164)</u> |
| Net change in fund balance | (315,167) | (286,860) | (310,011) | (23,151) |
| Fund balance - beginning of year | <u>323,476</u> | <u>323,476</u> | <u>323,476</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 8,309</u> | <u>\$ 36,616</u> | <u>\$ 13,465</u> | <u>\$ (23,151)</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Capital Project Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual |
|---|---------------------|---------------------|---------------------|-------------------|
| | Original | Final | | Over (Under) |
| | | | | Final Budget |
| Revenues | | | | |
| Investment income | \$ 50,000 | \$ 90,000 | \$ 89,477 | \$ (523) |
| Expenditures | | | | |
| Capital outlay | 405,000 | 569,040 | 438,780 | (130,260) |
| Excess of revenues (deficiency) over expenditures | (355,000) | (479,040) | (349,303) | 129,737 |
| Other financing sources (uses) | | | | |
| Transfers out | (280,000) | (280,000) | (280,000) | - |
| Net change in fund balance | (635,000) | (759,040) | (629,303) | 129,737 |
| Fund balance - beginning of year | 2,104,023 | 2,104,023 | 2,104,023 | - |
| Fund balance - end of year | <u>\$ 1,469,023</u> | <u>\$ 1,344,983</u> | <u>\$ 1,474,720</u> | <u>\$ 129,737</u> |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Township Improvement Revolving Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual Over (Under) |
|----------------------------------|------------------|--------------|--------------|------------------------|
| | Original | Final | | Final Budget |
| Revenues | | | | |
| Charges for services | \$ 322,000 | \$ 260,020 | \$ 283,440 | \$ 23,420 |
| Investment income | 172,000 | 152,200 | 154,251 | 2,051 |
| Other revenue | - | 2,586 | 2,389 | (197) |
| Total revenues | 494,000 | 414,806 | 440,080 | 25,274 |
| Expenditures | | | | |
| Current | | | | |
| Public works | 160,000 | 120,000 | 108,199 | (11,801) |
| Net change in fund balance | 334,000 | 294,806 | 331,881 | 37,075 |
| Fund balance - beginning of year | 2,580,627 | 2,580,627 | 2,580,627 | - |
| Fund balance - end of year | \$ 2,914,627 | \$ 2,875,433 | \$ 2,912,508 | \$ 37,075 |

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Major Governmental Fund - Debt Service
Road Debt Fund
For the Year Ended December 31, 2025

| | Budgeted Amounts | | Actual | Actual Over (Under) |
|----------------------------------|---------------------|-------------------|-------------------|------------------------|
| | Original | Final | | Final Budget |
| Revenues | | | | |
| Taxes | \$ 4,332,569 | \$ 4,402,226 | \$ 4,401,072 | \$ (1,154) |
| State grants | 11,000 | 29,953 | 29,952 | (1) |
| Investment income | 10,000 | 139,000 | 117,749 | (21,251) |
| Total revenues | <u>4,353,569</u> | <u>4,571,179</u> | <u>4,548,773</u> | <u>(22,406)</u> |
| Expenditures | | | | |
| Debt service | | | | |
| Principal retirement | 3,625,000 | 5,885,000 | 5,885,000 | - |
| Interest and fiscal charges | <u>347,250</u> | <u>725,326</u> | <u>725,326</u> | <u>-</u> |
| Total expenditures | <u>3,972,250</u> | <u>6,610,326</u> | <u>6,610,326</u> | <u>-</u> |
| Net change in fund balance | 381,319 | (2,039,147) | (2,061,553) | (22,406) |
| Fund balance - beginning of year | <u>2,545,085</u> | <u>2,545,085</u> | <u>2,545,085</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 2,926,404</u> | <u>\$ 505,938</u> | <u>\$ 483,532</u> | <u>\$ (22,406)</u> |

Statistical Section

Charter Township of Meridian Statistical Section

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

The statistical section is organized into the following main categories:

Financial trends – These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

Revenue capacity – These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.

Debt capacity – These schedules contain information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.

Demographic and economic information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.

Operating information – These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Charter Township of Meridian
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

| | December 31 | | | | |
|----------------------------------|---------------------------|------------------|------------------|------------------|-------------------|
| | (in thousands of dollars) | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental Activities: | | | | | |
| Net investment in capital assets | \$ 37,311 | \$ 40,613 | \$ 42,957 | \$ 44,162 | \$ 51,739 |
| Restricted | 9,757 | 9,150 | 10,204 | 23,050 | 12,130 |
| Unrestricted | (11,611) | (11,910) | (15,183) | (22,274) | (8,430) |
| Total net position | <u>\$ 35,457</u> | <u>\$ 37,853</u> | <u>\$ 37,978</u> | <u>\$ 44,938</u> | <u>\$ 55,439</u> |
| Business-type Activities: | | | | | |
| Net investment in capital assets | \$ 39,273 | \$ 39,865 | \$ 39,887 | \$ 39,914 | \$ 40,505 |
| Restricted | - | - | - | - | - |
| Unrestricted | 9,077 | 10,972 | 12,615 | 14,977 | 16,111 |
| Total net position | <u>\$ 48,350</u> | <u>\$ 50,837</u> | <u>\$ 52,502</u> | <u>\$ 54,891</u> | <u>\$ 56,616</u> |
| Primary Government: | | | | | |
| Net investment in capital assets | \$ 76,584 | \$ 80,478 | \$ 82,844 | \$ 84,076 | \$ 92,244 |
| Restricted | 9,757 | 9,150 | 10,204 | 23,050 | 12,130 |
| Unrestricted | (2,534) | (938) | (2,568) | (7,297) | 7,681 |
| Total net position | <u>\$ 83,807</u> | <u>\$ 88,690</u> | <u>\$ 90,480</u> | <u>\$ 99,829</u> | <u>\$ 112,055</u> |

Charter Township of Meridian
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

| | December 31 | | | | |
|----------------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | (in thousands of dollars) | | | | |
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Governmental Activities: | | | | | |
| Net investment in capital assets | \$ 55,088 | \$ 59,497 | \$ 62,620 | \$ 64,110 | \$ 65,950 |
| Restricted | 13,627 | 15,836 | 24,703 | 20,427 | 21,653 |
| Unrestricted | (2,954) | 3,804 | 419 | 8,554 | 8,310 |
| Total net position | <u>\$ 65,761</u> | <u>\$ 79,137</u> | <u>\$ 87,742</u> | <u>\$ 93,091</u> | <u>\$ 95,913</u> |
| Business-type Activities: | | | | | |
| Net investment in capital assets | \$ 39,141 | \$ 39,833 | \$ 42,912 | \$ 47,051 | \$ 50,347 |
| Restricted | - | - | - | - | - |
| Unrestricted | 18,609 | 20,031 | 20,657 | 24,079 | 28,559 |
| Total net position | <u>\$ 57,750</u> | <u>\$ 59,864</u> | <u>\$ 63,569</u> | <u>\$ 71,130</u> | <u>\$ 78,906</u> |
| Primary Government: | | | | | |
| Net investment in capital assets | \$ 94,229 | \$ 99,330 | \$ 105,532 | \$ 111,161 | \$ 116,297 |
| Restricted | 13,627 | 15,836 | 24,703 | 20,427 | 21,653 |
| Unrestricted | 15,655 | 23,835 | 21,076 | 32,633 | 36,869 |
| Total net position | <u>\$ 123,511</u> | <u>\$ 139,001</u> | <u>\$ 151,311</u> | <u>\$ 164,221</u> | <u>\$ 174,819</u> |

Charter Township of Meridian
Changes in Governmental Net Position
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|--|-------------------------------|-----------------|-----------------|-----------------|------------------|
| | (in thousands of dollars) | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses: | | | | | |
| General government | \$ 4,347 | \$ 4,785 | \$ 4,239 | \$ 3,789 | \$ 5,350 |
| Public safety | 12,247 | 11,454 | 12,450 | 13,146 | 12,450 |
| Public works | 1,230 | 1,132 | 1,414 | 1,070 | 1,851 |
| Health and welfare | 159 | 180 | 143 | 273 | 196 |
| Community and economic development | - | - | - | - | 129 |
| Recreation and culture | 2,484 | 3,078 | 2,514 | 2,700 | 1,221 |
| Interest on long-term debt | 148 | 138 | 128 | 334 | 400 |
| Total expenses | 20,615 | 20,767 | 20,888 | 21,312 | 21,597 |
| Program revenue: | | | | | |
| Charges for services: | | | | | |
| General government | 414 | 667 | 699 | 680 | 1,440 |
| Public safety | 2,724 | 2,895 | 2,685 | 2,897 | 2,421 |
| Public works | 82 | 120 | 204 | 417 | 1,231 |
| Community and economic development | - | - | - | - | - |
| Recreation and culture | 346 | 1,181 | 1,181 | 1,203 | 118 |
| Total charges for services | 3,566 | 4,863 | 4,769 | 5,197 | 5,210 |
| Operating grants and contributions | 137 | 172 | 121 | 418 | 1,460 |
| Capital grants and contributions | - | - | 589 | - | 252 |
| Total program revenue | 3,703 | 5,035 | 5,479 | 5,615 | 6,922 |
| Excess of expenses over revenue | (16,912) | (15,732) | (15,409) | (15,697) | (14,675) |
| General revenue: | | | | | |
| Property taxes | 13,464 | 13,695 | 16,142 | 16,766 | 20,099 |
| State-shared revenue | 3,165 | 3,496 | 3,579 | 3,711 | 3,728 |
| Investment income (loss) | 128 | 238 | 486 | 748 | 720 |
| Franchise fees* | 1,058 | - | - | - | - |
| Miscellaneous income | 694 | 723 | 793 | 1,432 | 629 |
| Total general revenue | 18,509 | 18,152 | 21,000 | 22,657 | 25,176 |
| Transfers | (45) | (24) | - | - | - |
| Change in accounting principle | - | - | - | - | - |
| Change in net position | \$ 1,552 | \$ 2,396 | \$ 5,591 | \$ 6,960 | \$ 10,501 |

*Franchise fees were included in charges for services beginning in 2017 to comply with the State of Michigan's chart of accounts requirements.

Charter Township of Meridian
Changes in Governmental Net Position
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|--|-------------------------------|------------------|-----------------|-----------------|-----------------|
| | (in thousands of dollars) | | | | |
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Expenses: | | | | | |
| General government | \$ 5,038 | \$ 6,179 | \$ 6,032 | \$ 8,181 | \$ 7,949 |
| Public safety | 11,089 | 11,793 | 14,830 | 16,293 | 17,297 |
| Public works | 2,127 | 2,861 | 5,469 | 5,664 | 6,962 |
| Health and welfare | 233 | 349 | 262 | 271 | 284 |
| Community and economic development | 1,554 | 1,161 | 1,262 | 1,407 | 1,144 |
| Recreation and culture | 2,944 | 2,801 | 3,013 | 2,552 | 3,269 |
| Interest on long-term debt | 360 | 536 | 452 | 517 | 841 |
| Total expenses | <u>23,345</u> | <u>25,680</u> | <u>31,320</u> | <u>34,885</u> | <u>37,746</u> |
| Program revenue: | | | | | |
| Charges for services: | | | | | |
| General government | 1,497 | 1,441 | 1,407 | 1,499 | 1,481 |
| Public safety | 3,078 | 3,224 | 3,560 | 3,702 | 3,976 |
| Public works | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 |
| Community and economic development | - | - | - | - | 24 |
| Recreation and culture | 298 | 392 | 443 | 433 | 523 |
| Total charges for services | <u>5,923</u> | <u>6,107</u> | <u>6,460</u> | <u>6,684</u> | <u>7,054</u> |
| Operating grants and contributions | 856 | 3,306 | 2,747 | 3,033 | 1,121 |
| Capital grants and contributions | 1,536 | 3,091 | 1,034 | 1,013 | 646 |
| Total program revenue | <u>8,315</u> | <u>12,504</u> | <u>10,241</u> | <u>10,730</u> | <u>8,821</u> |
| Excess of expenses over revenue | (15,030) | (13,176) | (21,079) | (24,155) | (28,925) |
| General revenue: | | | | | |
| Property taxes | 20,620 | 21,047 | 21,932 | 22,781 | 23,717 |
| State-shared revenue | 4,333 | 5,658 | 5,067 | 5,068 | 5,238 |
| Investment income (loss) | 214 | (185) | 2,290 | 2,272 | 2,739 |
| Franchise fees* | - | - | - | - | - |
| Miscellaneous income | - | 33 | 394 | 294 | 53 |
| Total general revenue | <u>25,167</u> | <u>26,553</u> | <u>29,683</u> | <u>30,415</u> | <u>31,747</u> |
| Transfers | 185 | - | - | - | - |
| Change in accounting principle | - | - | - | (912) | - |
| Change in net position | <u>\$ 10,322</u> | <u>\$ 13,377</u> | <u>\$ 8,604</u> | <u>\$ 5,348</u> | <u>\$ 2,822</u> |

*Franchise fees were included in charges for services beginning in 2017 to comply with the State of Michigan's chart of accounts requirements.

Charter Township of Meridian
Changes in Business-type Net Position
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|---|-------------------------------|-----------------|-----------------|-----------------|------------------|
| | (in thousands of dollars) | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses: | | | | | |
| Sewer | \$ 5,342 | \$ 5,200 | \$ 5,293 | \$ 4,365 | \$ 5,776 |
| Water | 5,147 | 5,609 | 5,591 | 5,911 | 6,316 |
| Total expenses | <u>10,489</u> | <u>10,809</u> | <u>10,884</u> | <u>10,276</u> | <u>12,092</u> |
| Program revenue: | | | | | |
| Charges for services: | | | | | |
| Sewer | 4,638 | 5,227 | 5,626 | 5,896 | 6,335 |
| Water | 6,172 | 6,317 | 6,388 | 6,559 | 6,617 |
| Total charges for services | <u>10,810</u> | <u>11,544</u> | <u>12,014</u> | <u>12,455</u> | <u>12,952</u> |
| Operating grants and contributions | 403 | - | - | - | - |
| Capital grants and contributions | 383 | 1,213 | 526 | 155 | 1,300 |
| Total program revenue | <u>11,596</u> | <u>12,757</u> | <u>12,540</u> | <u>12,610</u> | <u>14,252</u> |
| Excess (deficiency) of expenses over revenue | 1,107 | 1,948 | 1,656 | 2,334 | 2,160 |
| General revenue: | | | | | |
| Investment income (loss) | 1 | 1 | 1 | 56 | 23 |
| Gain (loss) on sale of assets | - | - | 7 | - | - |
| State-shared revenue | - | 514 | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total general revenue | <u>1</u> | <u>515</u> | <u>8</u> | <u>56</u> | <u>23</u> |
| Transfers | 45 | 24 | - | - | - |
| Change in accounting principle | - | - | - | - | - |
| Change in net position | <u>\$ 1,153</u> | <u>\$ 2,487</u> | <u>\$ 1,664</u> | <u>\$ 2,390</u> | <u>\$ 2,183</u> |
| Change in net position – primary government | <u>\$ 2,705</u> | <u>\$ 4,883</u> | <u>\$ 7,255</u> | <u>\$ 9,350</u> | <u>\$ 12,684</u> |

Charter Township of Meridian
Changes in Business-type Net Position
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|--|-------------------------------|------------------|------------------|------------------|------------------|
| | (in thousands of dollars) | | | | |
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Expenses: | | | | | |
| Sewer | \$ 5,680 | \$ 5,412 | \$ 6,125 | \$ 6,323 | \$ 6,533 |
| Water | 6,562 | 6,509 | 5,982 | 4,859 | 8,209 |
| Total expenses | <u>12,242</u> | <u>11,921</u> | <u>12,107</u> | <u>11,182</u> | <u>14,742</u> |
| Program revenue: | | | | | |
| Charges for services: | | | | | |
| Sewer | 6,650 | 6,662 | 7,401 | 8,773 | 10,255 |
| Water | 6,214 | 6,359 | 7,028 | 8,470 | 9,935 |
| Total charges for services | <u>12,864</u> | <u>13,021</u> | <u>14,429</u> | <u>17,243</u> | <u>20,190</u> |
| Operating grants and contributions | - | - | - | - | - |
| Capital grants and contributions | 94 | 755 | 826 | 1,104 | 1,882 |
| Total program revenue | <u>12,958</u> | <u>13,776</u> | <u>15,255</u> | <u>18,347</u> | <u>22,072</u> |
| Excess of expenses over revenue | 716 | 1,855 | 3,148 | 7,165 | 7,330 |
| General revenue: | | | | | |
| Investment income (loss) | 46 | (140) | 557 | 480 | 446 |
| Gain (loss) on sale of assets | - | - | - | - | - |
| State-shared revenue | - | - | - | - | - |
| Miscellaneous | 372 | 399 | - | - | - |
| Total general revenue | <u>418</u> | <u>259</u> | <u>557</u> | <u>480</u> | <u>446</u> |
| Transfers | - | - | - | - | - |
| Change in accounting principle | - | - | - | (84) | - |
| Change in net position | <u>\$ 1,134</u> | <u>\$ 2,114</u> | <u>\$ 3,705</u> | <u>\$ 7,561</u> | <u>\$ 7,776</u> |
| Change in net position – primary government | <u>\$ 11,456</u> | <u>\$ 15,491</u> | <u>\$ 12,309</u> | <u>\$ 12,909</u> | <u>\$ 10,598</u> |

Charter Township of Meridian
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|-------------------------------------|-------------------------------|------------------|------------------|------------------|------------------|
| | (in thousands of dollars) | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Fund | | | | | |
| Nonspendable | \$ 289 | \$ 119 | \$ 140 | \$ 174 | \$ 222 |
| Committed | - | - | - | - | - |
| Assigned | - | 1,111 | 592 | 1,812 | 683 |
| Unassigned | 7,137 | 5,627 | 7,229 | 8,508 | 9,301 |
| Total general fund | <u>\$ 7,426</u> | <u>\$ 6,857</u> | <u>\$ 7,961</u> | <u>\$ 10,494</u> | <u>\$ 10,206</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable | \$ 13 | \$ 11 | \$ 8 | \$ 8 | \$ 2 |
| Restricted | 9,744 | 9,139 | 10,197 | 23,055 | 18,437 |
| Assigned | 1,059 | 1,150 | 956 | 1,003 | 1,033 |
| Unassigned (deficit) | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 10,816</u> | <u>\$ 10,300</u> | <u>\$ 11,161</u> | <u>\$ 24,066</u> | <u>\$ 19,472</u> |

Charter Township of Meridian
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|-------------------------------------|-------------------------------|------------------|------------------|------------------|------------------|
| | (in thousands of dollars) | | | | |
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| General Fund | | | | | |
| Nonspendable | \$ 245 | \$ 538 | \$ 317 | \$ 157 | \$ 621 |
| Committed | - | - | 2,099 | 2,212 | 2,309 |
| Assigned | 2,694 | 1,594 | - | - | 332 |
| Unassigned | 10,227 | 13,138 | 12,036 | 12,653 | 15,415 |
| Total general fund | <u>\$ 13,166</u> | <u>\$ 15,270</u> | <u>\$ 14,452</u> | <u>\$ 15,022</u> | <u>\$ 18,677</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable | \$ - | \$ 56 | \$ 32 | \$ 138 | \$ 26 |
| Restricted | 16,749 | 28,192 | 24,597 | 30,853 | 25,680 |
| Assigned | 961 | 1,852 | 4,798 | 4,712 | 4,535 |
| Unassigned (deficit) | - | (41) | - | - | - |
| Total all other governmental funds | <u>\$ 17,710</u> | <u>\$ 30,059</u> | <u>\$ 29,427</u> | <u>\$ 35,703</u> | <u>\$ 30,241</u> |

Charter Township of Meridian
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|---|-------------------------------|-------------------|-----------------|------------------|-------------------|
| | (in thousands of dollars) | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue | | | | | |
| Property taxes | \$ 13,464 | \$ 13,695 | \$ 16,142 | \$ 16,766 | \$ 20,099 |
| Licenses and permits | 796 | 2,280 | 1,946 | 2,008 | 1,480 |
| Intergovernmental revenue | 3,252 | 3,555 | 4,198 | 3,999 | 3,943 |
| Charges for services | 3,624 | 3,337 | 3,656 | 3,695 | 3,343 |
| Investment income (loss) | 128 | 236 | 476 | 730 | 713 |
| Other | 2,160 | 1,062 | 1,149 | 1,827 | 1,282 |
| Total revenue | <u>23,424</u> | <u>24,165</u> | <u>27,567</u> | <u>29,025</u> | <u>30,860</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 5,208 | 5,832 | 5,257 | 5,595 | 6,339 |
| Public safety | 11,287 | 11,042 | 12,656 | 12,552 | 12,407 |
| Public works | 519 | 823 | 1,205 | 424 | 850 |
| Health and welfare | 168 | 163 | 123 | 240 | 180 |
| Community and economic development | - | - | - | - | 130 |
| Recreation and culture | 2,711 | 2,552 | 2,629 | 2,700 | 1,075 |
| Capital outlay | 1,732 | 4,003 | 2,816 | 3,114 | 10,404 |
| Debt service: | | | | | |
| Principal | 480 | 486 | 491 | 491 | 3,515 |
| Interest | 155 | 145 | 136 | 124 | 593 |
| Debt issuance costs | - | - | - | 117 | - |
| Total expenditures | <u>22,260</u> | <u>25,046</u> | <u>25,313</u> | <u>25,357</u> | <u>35,493</u> |
| Excess of revenues over (under) expenditures | 1,164 | (881) | 2,254 | 3,668 | (4,633) |
| Other financing sources (uses) | | | | | |
| Proceeds from issuance of long-term debt | - | - | - | 11,100 | - |
| Premium on issuance of debt | - | - | - | 880 | - |
| Transfers in | 190 | 451 | 550 | 400 | 350 |
| Transfers out | (247) | (700) | (840) | (610) | (600) |
| Insurance recoveries | - | 43 | - | - | - |
| Sale of capital assets | - | 3 | - | - | - |
| Total other financing sources (uses) | <u>(57)</u> | <u>(203)</u> | <u>(290)</u> | <u>11,770</u> | <u>(250)</u> |
| Net change in fund balance | <u>\$ 1,107</u> | <u>\$ (1,084)</u> | <u>\$ 1,964</u> | <u>\$ 15,438</u> | <u>\$ (4,883)</u> |
| Debt service as a percentage of noncapital expenditures | 3.09% | 3.00% | 2.82% | 2.73% | 16.40% |
| Capital outlay as a percentage of total expenditures | 7.78% | 15.98% | 11.12% | 12.28% | 29.31% |

Charter Township of Meridian
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended December 31 | | | | |
|---|-------------------------------|------------------|-------------------|-----------------|-------------------|
| | (in thousands of dollars) | | | | |
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Revenue | | | | | |
| Property taxes | \$ 20,620 | \$ 21,047 | \$ 21,951 | \$ 23,378 | \$ 23,997 |
| Licenses and permits | 2,210 | 1,886 | 1,742 | 1,983 | 2,269 |
| Intergovernmental revenue | 5,512 | 7,901 | 6,790 | 8,579 | 7,358 |
| Charges for services | 3,619 | 4,766 | 4,424 | 4,606 | 4,538 |
| Investment income (loss) | 211 | (190) | 2,251 | 2,231 | 2,713 |
| Other | 1,879 | 1,646 | 2,312 | 725 | 855 |
| Total revenue | <u>34,051</u> | <u>37,056</u> | <u>39,470</u> | <u>41,502</u> | <u>41,730</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 5,841 | 11,431 | 6,096 | 7,596 | 7,346 |
| Public safety | 12,531 | 13,106 | 14,558 | 18,411 | 16,980 |
| Public works | 658 | 688 | 6,087 | 7,759 | 6,325 |
| Health and welfare | 214 | 338 | 225 | 256 | 269 |
| Community and economic development | 1,554 | 1,124 | 1,242 | 1,307 | 1,136 |
| Recreation and culture | 2,322 | 2,441 | 2,652 | 3,627 | 2,635 |
| Capital outlay | 5,182 | 6,146 | 4,784 | 1,406 | 551 |
| Debt service: | | | | | |
| Principal | 3,791 | 4,846 | 4,073 | 4,535 | 7,201 |
| Interest | 529 | 462 | 954 | 778 | 967 |
| Debt issuance costs | - | 126 | - | 68 | - |
| Total expenditures | <u>32,622</u> | <u>40,708</u> | <u>40,671</u> | <u>45,743</u> | <u>43,410</u> |
| Excess of revenues over (under) expenditures | 1,429 | (3,652) | (1,201) | (4,241) | (1,680) |
| Other financing sources (uses) | | | | | |
| Proceeds from issuance of long-term debt | - | 18,355 | - | 12,162 | - |
| Premium on issuance of debt | - | - | - | - | - |
| Transfers in | 330 | 280 | 4,080 | 456 | 280 |
| Transfers out | (561) | (530) | (4,330) | (1,531) | (407) |
| Insurance recoveries | - | - | - | - | - |
| Sale of capital assets | - | - | 1 | - | - |
| Total other financing sources (uses) | <u>(231)</u> | <u>18,105</u> | <u>(249)</u> | <u>11,087</u> | <u>(127)</u> |
| Net change in fund balance | <u>\$ 1,198</u> | <u>\$ 14,453</u> | <u>\$ (1,450)</u> | <u>\$ 6,846</u> | <u>\$ (1,807)</u> |
| Debt service as a percentage of noncapital expenditures | 15.59% | 17.72% | 13.20% | 15.28% | 22.25% |
| Capital outlay as a percentage of total expenditures | 15.88% | 15.10% | 11.76% | 3.07% | 1.27% |

Charter Township of Meridian
Taxable Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

| <u>Taxable Value by Property Type (\$000s)</u> | | | | | | |
|--|--------------|--|--------------|---------------------|---------------------------------------|---|
| Tax Year | Residential | Commercial, Industrial, Agricultural, and Other | Total Value | Tax Rate (Mills) | Estimated Actual Value (\$000s) | Taxable Value as a Percent of Actual |
| 2016 | \$ 1,206,787 | \$ 433,240 | \$ 1,640,027 | 7.82 | \$ 3,642,106 | 45.03% |
| 2017 | 1,242,176 | 445,905 | 1,688,081 | 9.02 | 3,784,714 | 44.60% |
| 2018 | 1,290,897 | 469,595 | 1,760,492 | 9.00 | 3,943,992 | 44.64% |
| 2019 | 1,346,089 | 473,155 | 1,819,244 | 10.50 | 4,141,308 | 43.93% |
| 2020 | 1,391,098 | 481,255 | 1,872,353 | 10.45 | 4,366,300 | 42.88% |
| 2021 | 1,427,589 | 486,918 | 1,914,507 | 10.45 | 4,494,352 | 42.60% |
| 2022 | 1,498,553 | 507,951 | 2,006,504 | 10.42 | 4,711,694 | 42.59% |
| 2023 | 1,606,522 | 542,854 | 2,149,376 | 10.42 | 5,098,188 | 42.16% |
| 2024 | 1,721,509 | 560,342 | 2,281,851 | 10.07 | 5,536,402 | 41.22% |
| 2025 | 1,807,372 | 596,388 | 2,403,760 | 9.96 | 5,952,102 | 40.39% |

Note: Under Michigan law, the revenue base is referred to as "taxable value." This amount represents assessed value (50 percent of true cash value), limited for each property by the lower of 5 percent or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Charter Township of Meridian Assessor

Charter Township of Meridian
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

| Tax Year | Millage Rates - Direct Township Taxes | | | | Overlapping Taxes | | | | |
|----------|---------------------------------------|--------|-----------------|--------------------|-------------------|---------------------------|-------------------------------------|---------------------------|-------------------------------|
| | General Operating | Debt | Special Purpose | Total Direct Taxes | Ingham County | Lansing Community College | Ingham Intermediate School District | Okemos School - Homestead | Okemos School - Non-Homestead |
| 2016 | 4.1763 | 0.2000 | 3.4400 | 7.8163 | 15.3333 | 3.8072 | 5.9881 | 13.9888 | 31.9888 |
| 2017 | 4.1741 | 0.2000 | 4.6421 | 9.0162 | 15.3402 | 3.8072 | 5.9881 | 13.9886 | 31.9886 |
| 2018 | 4.1700 | 0.2000 | 4.6300 | 9.0000 | 11.3400 | 3.8072 | 6.0000 | 13.9886 | 31.9886 |
| 2019 | 4.1700 | 0.2000 | 6.1300 | 10.5000 | 11.3400 | 3.8072 | 6.0000 | 13.9886 | 31.9886 |
| 2020 | 4.1600 | 2.1400 | 4.1500 | 10.4500 | 11.9100 | 3.7800 | 6.2400 | 13.9900 | 31.9886 |
| 2021 | 4.1600 | 2.1400 | 4.1500 | 10.4500 | 11.9800 | 3.7700 | 6.2300 | 13.9900 | 31.9900 |
| 2022 | 4.1400 | 2.1400 | 4.1400 | 10.4200 | 11.3100 | 3.7700 | 6.2300 | 13.9900 | 31.9900 |
| 2023 | 4.1444 | 2.1429 | 4.1354 | 10.4227 | 11.3115 | 3.7692 | 6.2290 | 13.9850 | 31.9850 |
| 2024 | 4.1344 | 2.0053 | 3.9285 | 10.0682 | 12.3921 | 3.7692 | 6.2290 | 13.9850 | 31.9850 |
| 2025 | 4.1116 | 1.9429 | 3.9065 | 9.9610 | 12.4421 | 3.7611 | 6.2284 | 13.9850 | 31.9850 |

Note: The Township has multiple overlapping tax districts due to 425 agreements, additional school districts, and TIF plans. The tax rates shown above relate to the Township's tax for the Ingham, Okemos, Haslett, Williamston, and East Lansing School Districts. Information relating to other overlapping tax districts can be obtained from the Finance Department at Township Hall.

Source: Charter Township of Meridian Treasurer

Charter Township of Meridian
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

| Overlapping Taxes | | | | | | | | | |
|-------------------|----------------------------------|--|--------------------------------------|--|--|--|---|-------------------------------------|--------------------------------------|
| Tax Year | Haslett School - Homestead | Haslett School - Non- Homestead | Williamston School - Homestead | Williamston School - Non- Homestead | East Lansing School - Homestead | East Lansing School - Non- Homestead | Capital Regional Airport Authority | Capital Area District Library | Capital Area Transit Authority |
| 2016 | 16.3453 | 34.3453 | 15.5824 | 33.5824 | 12.4910 | 30.4910 | | | |
| 2017 | 16.3339 | 34.3339 | 15.5740 | 33.5740 | 14.2804 | 32.2804 | | | |
| 2018 | 16.3339 | 34.3339 | 15.5740 | 33.5740 | 14.2804 | 32.2600 | 0.7000 | 1.5600 | 3.0100 |
| 2019 | 16.3339 | 34.3339 | 15.5819 | 33.5819 | 13.5000 | 31.5000 | 0.7000 | 1.5600 | 3.0100 |
| 2020 | 16.3200 | 34.3200 | 15.5700 | 33.4100 | 14.0000 | 32.0000 | 0.7000 | 1.5600 | 3.0000 |
| 2021 | 16.3000 | 34.3000 | 15.5600 | 33.4000 | 13.8000 | 31.8000 | 0.7000 | 1.5500 | 2.9900 |
| 2022 | 16.2900 | 34.2900 | 15.5500 | 33.3200 | 13.6300 | 31.6300 | 0.7000 | 1.5600 | 2.9900 |
| 2023 | 16.2969 | 34.2969 | 15.5513 | 33.3215 | 13.2972 | 31.2972 | 0.6990 | 1.5600 | 2.9895 |
| 2024 | 16.2828 | 34.2828 | 15.5533 | 33.5533 | 13.2956 | 31.2956 | 0.6990 | 1.5590 | 2.9895 |
| 2025 | 16.2616 | 34.2616 | 15.5458 | 33.5458 | 13.2956 | 31.2956 | 0.6990 | 1.5586 | 2.9886 |

Note: The Township has multiple overlapping tax districts due to 425 agreements, additional school districts, and TIF plans. The tax rates shown above relate to the Township's tax for the Ingham, Okemos, Haslett, Williamston, and East Lansing School Districts. Information relating to other overlapping tax districts can be obtained from the Finance Department at Township Hall.

Source: Charter Township of Meridian Treasurer

**Charter Township of Meridian
Principal Property Taxpayers
(Unaudited)**

| Taxpayer | 2025 Taxable Value | Percentage of Total | 2016 Taxable Value | Percentage of Total | 2016 Rank |
|------------------------------------|--------------------|---------------------|--------------------|---------------------|-----------|
| 1 Consumers Energy | \$38,001,786 | 1.58% | \$20,103,943 | 1.23% | 3 |
| 2 C150 2929 Hannah Lofts, LLC | 24,070,502 | 1.00% | 20,632,512 | 1.26% | 2 |
| 3 East Lansing I, LLC | 17,504,155 | 0.73% | 13,676,491 | 0.83% | 4 |
| 4 Meridian Mall, LP | 15,959,918 | 0.66% | 31,029,528 | 1.89% | 1 |
| 5 TEG Central, LLC | 12,087,747 | 0.50% | | | |
| 6 GC Club Meridian Apartments LLC | 11,988,158 | 0.50% | | | |
| 7 East Lansing Athletic Club, Inc. | 11,365,616 | 0.47% | 9,352,514 | 0.57% | 5 |
| 8 Brandywine Creek II, LLC | 10,592,556 | 0.44% | 8,276,270 | 0.50% | 8 |
| 9 ACC OP, LLC | 9,899,651 | 0.41% | 7,734,879 | 0.47% | 9 |
| 10 Okemos Pointe, LLC | 9,324,715 | 0.39% | | | |

Source: Charter Township of Meridian Assessor

**Charter Township of Meridian
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

| Tax Year | Fiscal Year Ended December 31 | Total Levy | Current Collections | Percent Collected | Delinquent Collections | Total Tax Collections | Percent of Levy Collected |
|----------|-------------------------------------|---------------|------------------------|----------------------|---------------------------|--------------------------|------------------------------|
| 2015 | 2016 | \$ 12,797,544 | \$ 12,513,915 | 97.78% | \$ 11,080 | \$ 12,524,995 | 97.87% |
| 2016 | 2017 | 15,189,137 | 14,838,327 | 97.69% | 7,355 | 14,845,682 | 97.74% |
| 2017 | 2018 | 15,745,273 | 15,479,066 | 98.31% | 21,849 | 15,500,915 | 98.45% |
| 2018 | 2019 | 19,000,536 | 18,647,722 | 98.14% | 7,166 | 18,654,888 | 98.18% |
| 2019 | 2020 | 19,465,284 | 19,033,079 | 97.78% | 8,130 | 19,041,209 | 97.82% |
| 2020 | 2021 | 19,971,703 | 19,649,465 | 98.39% | 3,834 | 19,653,299 | 98.41% |
| 2021 | 2022 | 20,874,637 | 20,465,242 | 98.04% | 10,611 | 20,475,853 | 98.09% |
| 2022 | 2023 | 22,256,351 | 21,818,727 | 98.03% | 14,868 | 21,833,595 | 98.10% |
| 2023 | 2024 | 22,846,665 | 22,390,446 | 98.00% | 9,487 | 22,399,933 | 98.04% |
| 2024 | 2025 | 23,769,801 | 23,293,322 | 98.00% | 13,592 | 23,306,914 | 98.05% |

Source: Charter Township of Meridian Assessor and Treasurer

Charter Township of Meridian
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | |
| General obligation bonds | \$ 2,865,000 | \$ 2,650,000 | \$ 2,430,000 | \$ 2,210,000 | \$ 1,985,000 |
| Installment purchase agreements | - | - | - | - | - |
| Road construction bond | - | - | - | 11,100,000 | 8,050,000 |
| Drain assessments | 2,624,463 | 2,353,428 | 2,082,394 | 1,811,360 | 1,570,952 |
| Leases | - | - | - | - | - |
| Unamortized issuance premiums* | - | - | - | 880,482 | 660,361 |
| Total | 5,489,463 | 5,003,428 | 4,512,394 | 16,001,842 | 12,266,313 |
| Business-type Activities | | | | | |
| Other governmental obligations | 5,024,672 | 5,370,166 | 10,771,821 | 17,333,107 | 26,784,161 |
| Total debt of the government | <u>\$ 10,514,135</u> | <u>\$ 10,373,594</u> | <u>\$ 15,284,215</u> | <u>\$ 33,334,949</u> | <u>\$ 39,050,474</u> |
| Total taxable value (\$000s) | \$ 1,640,027 | \$ 1,688,081 | \$ 1,760,492 | \$ 1,819,244 | \$ 1,872,353 |
| Debt as a Percentage of Taxable Value | 0.64% | 0.61% | 0.87% | 1.83% | 2.09% |
| Total Population | 39,688 | 39,688 | 39,688 | 39,688 | 39,688 |
| Total Debt per Capita | \$ 265 | \$ 261 | \$ 385 | \$ 840 | \$ 984 |

*Unamortized issuance premiums were added to this schedule beginning with fiscal year 2019

Charter Township of Meridian
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | |
| General obligation bonds | \$ 1,755,000 | \$ 935,000 | \$ 695,000 | \$ 450,000 | \$ - |
| Installment purchase agreements | - | - | - | - | - |
| Road construction bond | 4,885,000 | 13,525,000 | 10,360,000 | 16,780,000 | 10,895,000 |
| Drain assessments | 4,294,544 | 8,923,592 | 8,255,820 | 7,867,048 | 7,168,276 |
| Leases | - | - | - | 1,701,923 | 1,534,680 |
| Unamortized issuance premiums* | 440,240 | 1,279,805 | 914,862 | 1,063,149 | 685,764 |
| Total | 11,374,784 | 24,663,397 | 20,225,682 | 27,862,120 | 20,283,720 |
| Business-type Activities | | | | | |
| Other governmental obligations | 25,665,087 | 30,300,235 | 29,802,087 | 31,148,270 | 30,935,467 |
| Total debt of the government | <u>\$ 37,039,871</u> | <u>\$ 54,963,632</u> | <u>\$ 50,027,769</u> | <u>\$ 59,010,390</u> | <u>\$ 51,219,187</u> |
| Total taxable value (\$000s) | \$ 1,914,507 | \$ 2,006,504 | \$ 2,149,376 | \$ 2,768,201 | \$ 2,976,051 |
| Debt as a Percentage of Taxable Value | 1.93% | 2.74% | 2.33% | 2.13% | 1.72% |
| Total Population | 43,916 | 43,916 | 43,916 | 43,916 | 43,916 |
| Total Debt per Capita | \$ 843 | \$ 1,252 | \$ 1,139 | \$ 1,344 | \$ 1,166 |

*Unamortized issuance premiums were added to this schedule beginning with fiscal year 2019

Charter Township of Meridian
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | Tax-limited General Obligation Bonds (LTGO) | Tax Supported Bonds (UTGO) | Less Pledged Debt Service Funds | Special Assessment Obligations | Other General Obligation Debt |
|-------------|---|-------------------------------------|---------------------------------------|--------------------------------------|----------------------------------|
| 2016 | \$ - | \$ 2,865,000 | \$ - | \$ 2,624,463 | \$ 5,024,672 |
| 2017 | - | 2,650,000 | - | 2,353,428 | 5,370,166 |
| 2018 | - | 2,430,000 | - | 2,082,394 | 10,771,820 |
| 2019 | 11,980,482 | 2,210,000 | - | 1,811,360 | 17,333,107 |
| 2020 | 8,710,361 | 1,985,000 | - | 1,570,952 | 26,784,161 |
| 2021 | 5,325,240 | 1,755,000 | - | 4,294,544 | 25,665,087 |
| 2022 | 14,804,805 | 935,000 | - | 8,923,592 | 30,300,235 |
| 2023 | 11,274,862 | 695,000 | - | 8,255,820 | 29,802,087 |
| 2024 | 17,843,149 | 450,000 | - | 7,867,048 | 31,148,270 |
| 2025 | 11,833,511 | - | - | 7,168,276 | 30,682,720 |

Charter Township of Meridian
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | Net General Obligation Debt | Net Position Restricted for Debt Service | Taxable Value (\$000s) | Debt as a Percentage of Actual Taxable Value | Population | Net General Obligation Debt per Capita |
|-------------|-----------------------------|--|------------------------|--|------------|--|
| 2016 | \$ 10,514,135 | \$ - | \$ 1,640,027 | 0.64% | 39,688 | \$ 265 |
| 2017 | 10,373,594 | - | 1,688,081 | 0.61% | 39,688 | 261 |
| 2018 | 15,284,214 | - | 1,760,492 | 0.87% | 39,688 | 385 |
| 2019 | 33,334,949 | - | 1,819,244 | 1.83% | 39,688 | 840 |
| 2020 | 39,050,474 | - | 1,872,353 | 2.09% | 39,688 | 984 |
| 2021 | 37,039,871 | - | 1,914,507 | 1.93% | 43,916 | 843 |
| 2022 | 54,963,632 | 1,924,293 | 2,006,504 | 2.74% | 43,916 | 1,208 |
| 2023 | 50,027,769 | 2,087,277 | 2,149,376 | 2.33% | 43,916 | 1,092 |
| 2024 | 57,308,467 | 2,724,726 | 2,281,851 | 2.51% | 43,916 | 1,243 |
| 2025 | 49,684,507 | 384,208 | 2,403,760 | 2.07% | 43,916 | 1,123 |

Charter Township of Meridian
Direct and Overlapping Governmental Activities Debt
December 31, 2025
(Unaudited)

| Governmental Unit | Debt Outstanding | Estimated Percent Applicable | Estimated Share of Overlapping Debt |
|-------------------------------------|---------------------|------------------------------------|---|
| Ingham County | \$110,584,138 | 21.12% | \$ 23,355,370 |
| East Lansing School District | 101,898,377 | 13.85% | 14,112,925 |
| Okemos School District | 82,491,460 | 87.62% | 72,279,017 |
| Williamston School District | 64,936,498 | 7.47% | 4,850,756 |
| Haslett School District | 50,745,494 | 67.55% | 34,278,581 |
| Ingham Intermediate School District | 8,257,000 | 18.04% | 1,489,563 |
| Lansing Community College | 59,500,000 | 14.56% | 8,663,200 |
| Total overlapping debt | | | 159,029,412 |
| Direct Township debt | | | 20,283,720 |
| Total direct and overlapping debt | | | \$ 179,313,132 |

Source: The overlapping debt is calculated by the Municipal Advisory Council of Michigan (MAC). MAC's method is to take the outstanding debt for all municipalities in its geographic region except for the State of Michigan and the federal government and multiply that by the estimated percent applicable, which is based on the relative taxable value in each municipality.

**Charter Township of Meridian
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

| Fiscal Year | Water and Sewer Revenue Bonds | | | | | | Special Assessment Bonds | | | | |
|-------------|-------------------------------|---------------------|-------------|-----------|----------|----------|--------------------------------|-----------|----------|----------|--|
| | Gross Revenue | Applicable Expenses | Net Revenue | Principal | Interest | Coverage | Special Assessment Collections | Principal | Interest | Coverage | |
| 2016 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 2017 | - | - | - | - | - | - | - | - | - | - | |
| 2018 | - | - | - | - | - | - | - | - | - | - | |
| 2019 | - | - | - | - | - | - | - | - | - | - | |
| 2020 | - | - | - | - | - | - | - | - | - | - | |
| 2021 | - | - | - | - | - | - | - | - | - | - | |
| 2022 | - | - | - | - | - | - | - | - | - | - | |
| 2023 | - | - | - | - | - | - | - | - | - | - | |
| 2024 | - | - | - | - | - | - | - | - | - | - | |
| 2025 | - | - | - | - | - | - | - | - | - | - | |

Charter Township of Meridian
Legal Debt Margin
Last Ten Fiscal Years
(Unaudited)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|
| Calculation of Debt Limit | | | | | |
| State equalized valuation | \$ 1,821,053,200 | \$ 1,892,356,824 | \$ 1,971,995,800 | \$ 2,070,653,588 | \$ 2,183,150,200 |
| 10% of taxable value | 182,105,320 | 189,235,682 | 197,199,580 | 207,065,359 | 218,315,020 |
| Calculation of debt subject to limit | | | | | |
| Total debt | 11,298,335 | 11,196,846 | 16,130,928 | 33,303,774 | 39,336,765 |
| Less debt not subject to limit: | | | | | |
| Special assessment bonds | 2,624,463 | 2,353,428 | 2,082,395 | 1,811,360 | 1,570,952 |
| Contractual adjustment | - | - | - | - | - |
| Employee compensated absences | 784,200 | 823,252 | 846,714 | 849,305 | 946,652 |
| Total | 3,408,663 | 3,176,680 | 2,929,109 | 2,660,665 | 2,517,604 |
| Net debt subject to limit | <u>\$ 7,889,672</u> | <u>\$ 8,020,166</u> | <u>\$ 13,201,819</u> | <u>\$ 30,643,109</u> | <u>\$ 36,819,161</u> |
| Legal debt margin | \$ 174,215,648 | \$ 181,215,516 | \$ 183,997,761 | \$ 176,422,250 | \$ 181,495,859 |
| Net debt subject to limit as a percentage debt limit | 4.33% | 4.24% | 6.69% | 14.80% | 16.87% |

Charter Township of Meridian
Legal Debt Margin
Last Ten Fiscal Years
(Unaudited)

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Calculation of Debt Limit | | | | | |
| State equalized valuation | \$ 2,247,176,400 | \$ 2,355,846,878 | \$ 2,549,094,366 | \$ 2,768,200,643 | \$ 2,976,051,000 |
| 10% of taxable value | 224,717,640 | 235,584,688 | 254,909,437 | 276,820,064 | 297,605,100 |
| Calculation of debt subject to limit | | | | | |
| Total debt | 37,955,863 | 55,864,865 | 50,964,755 | 60,898,772 | 53,297,183 |
| Less debt not subject to limit: | | | | | |
| Special assessment bonds | 4,294,544 | 8,923,592 | 8,255,821 | 7,867,048 | 7,168,276 |
| Contractual adjustment | - | - | - | - | - |
| Employee compensated absences | 915,992 | 901,233 | 1,072,072 | 1,888,382 | 2,077,996 |
| Total | 5,210,536 | 9,824,825 | 9,327,893 | 9,755,430 | 9,246,272 |
| Net debt subject to limit | <u>\$ 32,745,327</u> | <u>\$ 46,040,040</u> | <u>\$ 41,636,862</u> | <u>\$ 51,143,342</u> | <u>\$ 44,050,911</u> |
| Legal debt margin | \$ 191,972,313 | \$ 189,544,648 | \$ 213,272,575 | \$ 225,676,722 | \$ 253,554,189 |
| Net debt subject to limit as a percentage debt limit | 14.57% | 19.54% | 16.33% | 18.48% | 14.80% |

**Charter Township of Meridian
Demographic and Economic Statistics
(Unaudited)**

| Calendar Year | Population | Personal Income (in thousands) | Per Capita Personal Income | Township's Unemployment Rate |
|---------------|------------|-----------------------------------|-------------------------------|------------------------------------|
| 1970 | 23,827 | \$ 103,933 | \$ 4,362 | 5.70% |
| 1980 | 28,735 | 308,815 | 10,747 | 6.20% |
| 1990 | 35,644 | 594,506 | 16,679 | 3.10% |
| 2000 | 39,125 | 1,259,434 | 32,190 | 1.80% |
| 2010 | 39,688 | 1,483,180 | 37,371 | 6.00% |
| 2020 | 43,916 | 2,034,409 | 46,325 | 3.30% |

Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce and U.S. Census Bureau, Charter Township of Meridian Department of Planning and Community Development

**Charter Township of Meridian
Principal Employers
(Unaudited)**

| Employer | Calendar Year 2025 Employees | Percentage of Total | Calendar Year 2016 Employees | Percentage of Total | Calendar Year 2016 Rank |
|------------------------------------|------------------------------------|------------------------|------------------------------------|------------------------|-------------------------------|
| 1 State of Michigan | 13,880 | 25.74% | 15,000 | 33.32% | 1 |
| 2 Michigan State University | 11,118 | 20.62% | 12,100 | 26.88% | 2 |
| 3 University of Michigan - Sparrow | 9,000 | 16.69% | - | 0.00% | N/A |
| 4 Auto-Owners Insurance Group | 5,943 | 11.02% | 3,700 | 8.22% | 5 |
| 5 General Motors | 4,183 | 7.76% | 5,153 | 11.45% | 4 |
| 6 Jackson National Life Ins Co | 2,907 | 5.39% | 1,929 | 4.28% | 10 |
| 7 Peckham Inc | 2,200 | 4.08% | 2,510 | 5.58% | 6 |
| 8 Lansing Community College | 1,800 | 3.34% | 2,500 | 5.55% | 7 |
| 9 Lansing School District | 1,490 | 2.76% | 2,130 | 4.73% | 8 |
| 10 McLaren Health | 1,401 | 2.60% | - | 0.00% | N/A |

N/A = Information is not available
2018 switched source to LEAP
Source: LEAP Largest Employers Lansing Michigan

Charter Township of Meridian
Full-time Equivalent Government Employees
Last Ten Fiscal Years
(Unaudited)

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General government | 39 | 32 | 33 | 33 | 35 | 31 | 35 | 39 | 39 | 38 |
| Public safety: | | | | | | | | | | |
| Police | 45 | 45 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 |
| Fire and EMS | 34 | 35 | 36 | 36 | 36 | 36 | 36 | 38 | 40 | 40 |
| Community planning and development | 12 | 16 | 17 | 18 | 13 | 13 | 12 | 12 | 12 | 12 |
| Public works | 21 | 20 | 21 | 22 | 21 | 21 | 27 | 22 | 22 | 24 |
| Parks and recreation | 11 | 15 | 15 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Total | 162 | 163 | 168 | 168 | 164 | 160 | 169 | 170 | 172 | 173 |

Source: Charter Township of Meridian records

**Charter Township of Meridian
Operating Indicators
Last Ten Fiscal Years
(Unaudited)**

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-----------|-----------|-----------|-----------|-----------|
| Election data: | | | | | |
| Registered voters | 31,257 | 30,263 | 30,954 | 31,106 | 33,942 |
| Voters (at polls or absentee) | 22,934 | 5,625 | 21,344 | 7,116 | 25,798 |
| Percent voting | 73.4% | 18.6% | 69.0% | 22.9% | 76.0% |
| Police: | | | | | |
| Physical arrests | 700 | 559 | 577 | 563 | 402 |
| Traffic violations | 2,272 | 1,752 | 1,922 | 2,096 | 1,517 |
| Investigations | 366 | 398 | 263 | 222 | 351 |
| Fire: | | | | | |
| Fire runs | 925 | 1,181 | 991 | 1,217 | 875 |
| Emergency medical runs | 4,028 | 3,988 | 4,226 | 4,220 | 4,031 |
| Inspections | 158 | 173 | 285 | 412 | 86 |
| Water | | | | | |
| Number of customers billed | 12,310 | 12,300 | 12,250 | 12,300 | 12,320 |
| Total gallons purchased (000s) | 1,212,208 | 1,304,855 | 1,306,647 | 1,287,860 | 1,349,203 |
| Average consumption per year | 98 | 106 | 107 | 105 | 110 |
| Sewer - Average daily sewage treatment | 4,233,669 | 4,742,521 | 4,617,594 | 4,715,567 | 4,579,664 |

N/A = Information is not available

Source: Charter Township of Meridian records

**Charter Township of Meridian
Operating Indicators
Last Ten Fiscal Years
(Unaudited)**

| Function/Program | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-----------|-----------|-----------|-----------|-----------|
| Election data: | | | | | |
| Registered voters | 33,139 | 32,599 | 33,304 | 32,318 | 33,012 |
| Voters (at polls or absentee) | 4,496 | 22,047 | - | 25,903 | 8,953 |
| Percent voting | 13.6% | 67.6% | 0.0% | 80.2% | 27.1% |
| Police: | | | | | |
| Physical arrests | 554 | 503 | 441 | 460 | 637 |
| Traffic violations | 1,711 | 1,231 | 736 | 2,647 | 2,934 |
| Investigations | 279 | 171 | 292 | 281 | 310 |
| Fire: | | | | | |
| Fire runs | 963 | 795 | 883 | 878 | 1,020 |
| Emergency medical runs | 4,627 | 5,286 | 5,424 | 5,483 | 5,785 |
| Inspections | 203 | 160 | 93 | 131 | 163 |
| Water | | | | | |
| Number of customers billed | 12,564 | 12,344 | 12,475 | 12,374 | 12,421 |
| Total gallons purchased (000s) | 1,252,861 | 1,175,134 | 1,172,580 | 1,300,329 | 1,159,788 |
| Average consumption per year | 100 | 95 | 94 | 95 | 93 |
| Sewer - Average daily sewage treatment | 4,534,271 | 3,993,802 | 3,394,374 | 4,393,182 | 3,794,263 |

N/A = Information is not available

Source: Charter Township of Meridian records

**Charter Township of Meridian
Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)**

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-----------|-----------|-----------|-----------|-----------|
| Police: | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Patrol units (number of officers and sergeants) | 35 | 34 | 34 | 38 | 36 |
| Fire: | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 |
| Fire response vehicles | 4 | 4 | 4 | 4 | 4 |
| Emergency response vehicles | 4 | 5 | 5 | 5 | 5 |
| Pedestrian/Bicycle pathways (miles) | 74.50 | 76.00 | 76.00 | 76.00 | 77.00 |
| Parks and recreation: | | | | | |
| Acreage | 911 | 911 | 911 | 911 | 931 |
| Mowing acres | 215 | 215 | 215 | 215 | 215 |
| Developed parks/playgrounds | 17 | 17 | 17 | 17 | 17 |
| Developed fields (soccer, baseball, etc.) | 14 | 14 | 15 | 15 | 16 |
| Water | | | | | |
| Mains (miles) | 168.08 | 171.66 | 225.66 | 226.00 | 227.60 |
| Fire hydrants | 1,900 | 1,900 | 2,279 | 2,284 | 2,299 |
| Storage capacity | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Sewer - Miles of sanitary sewers | 147.35 | 148.87 | 192.54 | 192.54 | 193.97 |
| Township vehicles/equipment | 136 | 136 | 136 | 138 | 137 |

Source: Charter Township of Meridian records

Note: In 2018 an asset management study was done resulting in significant increases in fire hydrants, water main miles and sanitary sewer miles.

**Charter Township of Meridian
Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)**

| Function/Program | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------|-----------|-----------|-----------|-----------|
| Police: | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Patrol units (number of officers and sergeants) | 38 | 40 | 32 | 39 | 40 |
| Fire: | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 |
| Fire response vehicles | 4 | 5 | 5 | 5 | 5 |
| Emergency response vehicles | 5 | 5 | 5 | 5 | 5 |
| Pedestrian/Bicycle pathways (miles) | 77.51 | 77.69 | 78.84 | 78.84 | 88.59 |
| Parks and recreation: | | | | | |
| Acreage | 933 | 933 | 933 | 933 | 933 |
| Mowing acres | 215 | 215 | 215 | 215 | 215 |
| Developed parks/playgrounds | 17 | 17 | 17 | 17 | 18 |
| Developed fields (soccer, baseball, etc.) | 16 | 16 | 16 | 16 | 16 |
| Water | | | | | |
| Mains (miles) | 227.74 | 228.30 | 237.05 | 239.20 | 237.61 |
| Fire hydrants | 2,305 | 2,314 | 2,332 | 2,340 | 2,364 |
| Storage capacity | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Sewer - Miles of sanitary sewers | 194.03 | 194.03 | 196.53 | 197.26 | 198.37 |
| Township vehicles/equipment | 140 | 147 | 147 | 149 | 150 |

Source: Charter Township of Meridian records

Note: In 2018 an asset management study was done resulting in significant increases in fire hydrants, water main miles and sanitary sewer miles.