

Charter Township of Meridian, Michigan

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2022

**Prepared by:
Department of Finance
Amanda Garber CPA, Finance Director**



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Meridian Township
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Okemos, MI 48864

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Township Board:

Patricia Herring Jackson
Township Supervisor

Deborah Guthrie
Township Clerk

Phil Deschaine
Township Treasurer

Scott Hendrickson
Township Trustee

Kathy Ann Sundland
Township Trustee

Marna Wilson
Township Trustee

Courtney Wisinski
Township Trustee

Frank L. Walsh
Township Manager

May 31, 2023

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

The comprehensive annual financial report of the Charter Township of Meridian (the “Township”) for the year ended December 31, 2022, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require 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, recreational activities, and cultural events.

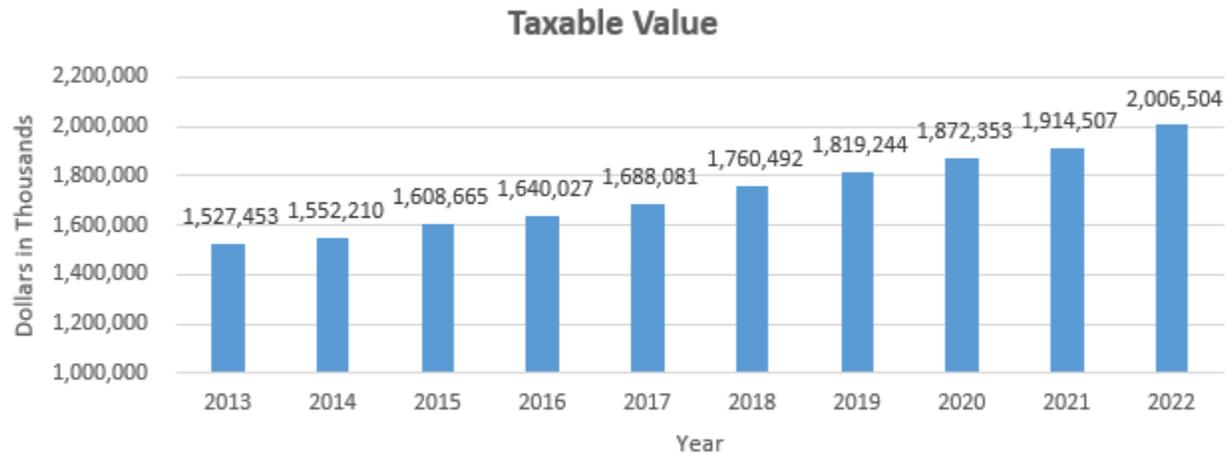
Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Economic Development Corporation and the Downtown Development 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 44,000. 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 Metropolitan 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 2022 taxable value (2023 tax revenue) increased 4.8 percent over 2021 taxable value. This is the ninth consecutive year of growth in taxable value since 2009; the 2022 taxable value is 17.1 percent higher than the 2009 taxable value. The Township weathered the financial storm of the past several years by making changes to its organizational structure, increasing the usage of technology to maintain services to keep up with the demand of increased population and business activity, and monitoring and limiting discretionary spending where possible. The year ending December 31, 2022 was a very challenging year, but the Township continued to grow with new residents and businesses moving into the Township.



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 promote the safety and welfare of its residents, as well as, investing in the infrastructure vital to sustaining quality service delivery.

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

- The year 2022 was a banner year for road improvements in the Township. Honoring our commitment in 2019, 7.93 miles of neighborhood roads were reconstructed in 2022. The work affected many of our residents throughout the summer, and we appreciate their patience and understanding as we completed our third year of the new 10-year road program. In addition to resurfacing work, our preservation program included 16.17 miles of crack sealing and 7.8 miles of cape seal work. This preservation work will allow our roads with a Pavement Surface Evaluation and Rating (PASER) of "good" to "very good" to last longer and realize their full life expectancy. Funding for this preventative maintenance program is provided from the Township General Fund to allow all of the road bond revenue to go towards reconstruction and resurfacing work. The 2022 preservation program has been completed. Our 2027 goal is a PASER rating of 8.
- Township staff worked diligently to update residents, businesses and visitors regarding the Michigan Department of Transportation's (MDOT) Grand River Avenue Project. MDOT was very good at communicating with the Township. In total, the Township published 30 chronological updates throughout the year on our website. The 2022 work involved three different areas:
 1. Asphalt resurfacing east of the Marsh Road intersection to Oak Pointe Court.
 2. Raising Grand River Avenue over 2 feet and updating underground infrastructure at the Okemos Road intersection to alleviate flooding and road closures.
 3. Raising Grand River Avenue over 2 feet and updating underground infrastructure near Nakoma Drive/Playmakers to alleviate flooding and road closures.

The Township successfully completed our water main work in conjunction with the Grand River Avenue construction project at the end of March.

- Township staff worked diligently to update residents, businesses and visitors regarding the Ingham County Road Department's Okemos Road Bridge Project. In total, the Township published 28 chronological updates throughout the year on our website. After delays, construction began in March 2022 and the bridge was completed in April 2023.
- In November of 2022, the Township completed the installation of a solar array on the public safety building carports. This new system consists of 101 solar panels and is a 41 kilowatt (kW) system, producing approximately 47,000 kilowatts per hour (kWh) per year of renewable solar energy, which offsets about 17% of the electrical consumption. The panels have a 25-year power output warranty, but should continue to produce energy even after that time. The amount of energy produced for Meridian Township, over the course of its lifetime, depends on how many years past that 25-year warranty the panels continue to operate. Estimated electric bill savings over the 25-year period is approximately \$319,000 and the system will pay for itself in about 11 years. However, that does not factor in the potential utilization of solar tax incentives under the new Inflation Reduction Act. If the Township is able to utilize the incentive, the 11-year payback period will be reduced significantly. This is the Township's fourth consecutive year of completing a solar project. We also updated the solar project page on our Township's website in 2022 and continue the progress made towards reaching the goals outlined in the Township Sustainability Plan.

- Construction of Phase I of the MSU to Lake Lansing Regional Pathway began in December of 2022 and is anticipated to be completed in July to September of 2023. Construction of Phase II will be completed by year end 2023. After many years of hard work to acquire the land, secure the necessary funding, and design the MSU to Lake Lansing Trail, we are very excited that we will be constructing Phases I and II in 2023. Once Phases I and II are completed this year, users will have an easy, safe, and enjoyable option for non-motorized travel between the MSU Campus and Lake Lansing Park South, along approximately five miles of connected pathways and trails. Phase I is approximately one mile long and starts on the north side of the Hagadorn Road and Shaw Street intersection and concludes at the Grand River Ave. and Park Lake Road intersection. Phase I includes a pedestrian bridge that will take motorists and bicyclists over the Red Cedar River behind the MSU Community Music School. The trail will then take users along the banks of the Red Cedar River to the north side of the CN Railroad tracks. The estimated cost of construction for Phase I is \$3.37 million. Meridian Township successfully obtained a \$1.7 million federal TAP grant for Phase I. The remaining portion of the project will be funded by the Ingham County Trails and Parks Millage and the Township Pathway Millage.
- Meridian Cares functions to ensure that the human infrastructure within the community remains strong and vital. To that end, the program strives to help residents by developing, coordinating, and promoting local resources. Information, referrals, or emergency assistance was provided to Township residents for various services on an as-needed basis. In 2022, total expenditures were \$38,665. This includes funds used for the School Backpacks Program, bulk Redi-Ride pass purchases, and spending through the Emergency Needs Fund. In total, 63 households were assisted in 2022. 51% of these were for rent payments, 32% for utility bills, and 17% other. "Other" includes assistance with transportation, or other essential needs. The human services program received \$27,332 in donations, excluding the Knob Hill apartment fire relief donations. 282 discounted Redi-Ride passes were provided to the community. The Township receives a 40% discount on these passes from Capital Area Transportation Authority.
- 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, 356 deer were culled by volunteer archery hunters and the Meridian Police Department Staff which lead to 7,964 lbs. of venison donated to local food banks. The program took place on 41 township properties and 22 private properties, as the result of collaboration between volunteer residential hunters, Meridian Police Department, Meridian Park and Recreation, and the nonprofit Sportsman Against Hunger.
- The Community Planning and Development Department activity remained high as the construction world finished emerging from the COVID-19 pandemic. On the Planning side, 10 special use permits for 10 different properties and one amendment to previously approved Mixed-Use Planned Unit Development project were processed and reviewed throughout the year. Only one rezoning request was reviewed, which was initiated by Staff to address a zoning text amendment change. There were 19 zoning ordinance amendments processed in 2022, not all of which were adopted, but including the massive overhaul of the sign ordinance, which hadn't been fully reviewed for nearly 50 years. On the Building side, just short of 1,100 building permits were issued, which was just behind 2021 and the second highest number of permits issued in over 25 years. Trades permits were at roughly the same level of 2021, with just under 650 electrical permits, over 1,100 mechanical permits, and 500 plumbing permits issued in the last year. Each one of those permits represents a minimum of a half hour of inspection time and many require several follow ups, creating thousands of hours of inspection time. The rental inspection program continued to ramp back up the COVID-19 pandemic and didn't fully get back to speed until early 2023. 1,163 total new code enforcements were logged throughout the year, a nearly 20% increase, including the continuation of multiple dozens of new and ongoing issues in the Winslow Mobile Home Park.

- Okemos PICA development focuses on the potential Village of Okemos redevelopment project at the intersection of Hamilton and Okemos Road. There are several hurdles when developing two urban commercial blocks outside of the typical development delays. The Village of Okemos submitted an application in May 2022 for \$5M in gap financing to support the workforce housing that this project will create. In August 2022, awards were announced and the Village of Okemos project was not included in the awarded projects. Closing out the year, the development presented an amendment to the approved MUPUD from July 2021 to add six ground floor residential units and two parking decks for each block. In addition, the Township Board reviewed and approved the Village of Okemos 19 year Brownfield Plan. A reimbursement for eligible activities up to \$6.9M was approved in the plan out of a total \$8.4M tax increment revenue created. 73% of the plan is supported by State tax capture, and an approval from the MSF Board is necessary to have all of the Brownfield dollars. The remaining approvals are for the burial of the HVD electrical lines, construction and design of the street improvements, construction and design of the storm water retention.
- 1673 Haslett Road is the development formally introduced to our community as the “Pine Village” mixed used development. It is a four story development with three stories of independent living for 55+ residents. The first floor is commercial space reserved for members of the public, local small businesses and space for the residents of the developments. As of November 2022, Redico, the owner, has approved foundations in the ground, elevator and stair towers, and full approval to commence with construction. The amended Brownfield Plan will take into consideration the addition of 3% or 5% interest back to the developer as an incentive for continuing with the project. Leasing has begun for both commercial and residential units, and we anticipate the project opening in spring of 2024.
- 1655 & 1621 Haslett Road are in process with SP Holding LLC of Holland MI, who began to redevelop the property in May 2021. The Planning and Economic Development Departments goals focused on creating a housing development that encourages mixed commercial establishments, updated interurban trail and access to parking. In order to complete this redevelopment, the developer requested the use of a Commercial Rehabilitation exemption, for 10 years layered with an 11 year Brownfield Plan. The 10 year exemption on the value of the buildings is a performance based incentive. As the developer builds, the exemption on the taxes will allow them the necessary cash flow to complete the seven phase development. The Brownfield Plan at 11 years will support the \$2.4M needed to remove the contaminated soils on the property. At a project valued at \$65M, a total of about \$8.4M in tax incentives is a small cost to the advanced redevelopment outcome. Ownership is a major element to gaining the approvals from the State Tax Commission and MEDC for the two incentives. The developer closed on the property in first quarter of 2023 and will be finalizing both incentives.
- The Township will be fulfilling the promise of enhanced pension payments to MERS by contributing over \$5,217,456 to MERS for the fiscal year 2022. The Township contributed an extra \$ 1,958,100 to the plan, and is using a 5.35% rate of return assumption and not the 7.35% rate of return assumption used by MERS.
- The leadership team submitted project proposals to the Township Board for the first half of the ARPA funds. The Board discussed the projects and took action to obligate \$1.3 million to local road projects, \$970,000 to overhaul the Township IT infrastructure, and about \$260,000 for power cots to be used in Township ambulances. In November 2022, the leadership team submitted additional project proposals for the remaining \$2 million of ARPA funds. At the December 13, 2022 Board meeting, the Board appropriated \$60,000 to digitize building and fire plan review, \$93,000 for wind screens at the Marketplace on the Green, \$135,000 to update the Police Department locker rooms, \$700,000 to local road projects, about \$518,000 to research the feasibility of a Senior & Community Center, \$350,000 towards an affordable housing initiative, and \$150,000 for Meridian Historical Village repairs. Any remaining ARPA funds not expended by June 30, 2025 will automatically rollover to fund Meridian Township local roads.

- During the calendar year 2022, the Meridian Township Treasurer's Office reported a total property taxes collected and processed of \$110,997,504. This is up \$1,866,233, or 1.7% from the \$109,131,271 collected in 2021. In 2020, we collected \$105,219,167, \$102,919,241 in 2019, and \$95,411,904 in 2018. These receipts were distributed to our four local school districts (Okemos, Haslett, East Lansing and Williamston), 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 18% of the tax collection in 2022.
- In 2022, Meridian Township Fire Department responded to 6,081 calls, which is 8% higher than 2021 – 795 fire-related calls and 5,286 emergency medical calls. Training classes were held throughout the year to allow employees to enhance their ice rescue and tech rescue skills and renew their ACLS credentials. In addition, The Department worked in conjunction with other METRO Departments to complete live drills on a vacant building in 2022. This allowed firefighters to practice search and rescue, ventilations, hose advancement, and forcible entry. This training provided simulated fire conditions for crews to make entry and complete fire control, search/rescue of victims, and command/control of the fire scene. Recruitment efforts continued to fill the remaining vacancies, resulting in the hire of two new EMT/firefighters and have sponsored them to a paramedic course concurrent with their first 18 months of employment. In 2022, we started the process of identifying buildings/occupancies and inspection schedules to develop a plan for completing inspections based on high, medium, and low risk occupancies according to national standards and best practices.
- In 2022, the Department received a FEMA Assistance to Firefighters Grant for \$132,327 that will pay for sponsoring new and part-time employees to paramedic training leading to state licensure.
- Purchased a new 2023 Pumper to replace Engine 93 built in 1999. We received our new ladder truck on November 1, 2022.
- The year 2022 marked our eleventh siren installed at Bennett Woods Elementary School. The goal is to finish installation of the remaining four sirens by 2026, providing full geographic coverage to the Township.
- The Meridian Township Police Department (MTPD) is committed to establishing and maintaining partnerships in our community; and with understanding, cooperation and equality we strive to enhance the quality of life and protect the rights of the community. The constant open communication between officers and citizens is the keystone to building a partnership based on understanding and trust. In 2022, there were 18,540 calls for service (excluding 3,340 traffic stops).
- Meridian Township Police Department views traffic safety as a key to keeping the community safe. Working with community members, Ingham County Road Department, and the Michigan Department of Transportation to address concerns related to roadway designs and maintenance is a priority. In 2022, 9 traffic studies and 16 directed patrols were completed.
- In 2022, the six officers were sponsored by the Township through the Mid-Michigan Police Academy. New committees have been formed including a social media committee, a uniform committee, and a health and wellness committee with the goal of incentivizing officers to stay at the Department. A retention committee was also formed that will meet regularly to discuss ideas on how to retain employees. The Department is currently staffed with 36 sworn officers.
- The Police Department had an on-site inspection for re-accreditation in December of 2022. Every three years accredited agencies are inspected by assessors to ensure compliance with the over 100 standards set by the Michigan Law Enforcement Accreditation Commission

(MLEAC). Our agency will be Re-Accredited in February of 2023 after a Michigan Law Enforcement Accreditation Commission review of our assessment.

- The Farmers' Market has grown dramatically since moving to Marketplace on the Green both in vendor participation and customer visits. The Market operated every Saturday May – October, every other Saturday November – April and on Wednesdays from June through August for a total of 64 Market Days. In total, there were 88 returning vendors and 63 new vendors and 94,000 customers served. The Market also hosted many special events in conjunction with the Green Team, solar demonstrations, recycling events, food composting and added a food gleaning program where vendors donate their leftover produce for donations to local food banks. Also, a total of \$42,364 in food assistance transactions occurred throughout the year.
- The Meridian Conservation Corps consists of 238 total members (53 new members in 2022) who volunteered 1,121.5 hours. While removing invasive species is a top stewardship priority, planting native species in their place is just as important. Quick Facts: 174 native trees planted • 59 native species collected • an estimated 534,128 seeds collected from 20 township properties. The Invasive Species Strike Team works hard throughout the season to bring stewardship to as many parks and preserves as possible, removing invasive species to open up habitat for native plants, wildlife, and insects. Quick Facts: • 48 stewardship work days performing litter cleanup, invasive species removal, native planting, native sowing, wetland butter restoration, and floating island installation • 900 native wildflower transplants were implemented at seven parks and preserves.
- In 2022, the Township worked with Brightline IT to complete a renovation plan for the township technology systems. While approximately \$520,000 of the improvements were completed in 2022, over \$250,000 worth of improvements will not be completed until early 2023. The outstanding items include \$75,000 of workstation replacements, \$79,000 for replacement of the servers related to our data continuity plan, including patch management, intrusion prevention, system backups, and significant investments in cloud services to enhance network security at the end-user and core systems. The technology department will continue to invest significant funds for the training of technology staff and end-users across the organization in 2023.
- After a successful effort to educate voters, the Community Service Millage passed with 73% voter approval and will be in effect through 2031. This millage supports Recreation, Meridian Senior Center, and Human Services programs. In 2002, Meridian Township voters approved a .1 mill Community Services millage. The original ballot proposal sought to provide funding for recreation, senior center and human services. The 10-year millage expired in 2012. In 2012, the Township Board chose to seek an increase from .1 to .15 mill, with the additional .05 mill levy dedicated to supporting programming for senior citizens. Again, the voters supported the ballot proposal. Twenty years have passed since the original millage was approved by voters. On December 31, 2021, the current levy expired and had to be reauthorized for this year, December 2022. Manager Walsh asked our team members most affected by the millage (Parks & Recreation Director LuAnn Maisner, Human Services Coordinator Darla Jackson & Senior Center Director Cherie Wisdom) to meet and determine the current funding vs. future needs. The three leaders agreed to recommend a renewal. During the February 15, 2022 meeting, the Board decided to put the Community Services millage up for renewal on the August 2, 2022 ballot.
- For the benefit of our residents and visitors to the Township, we have contracted with the Able Eyes organization to develop a virtual tour of Harris Nature Center. This tour is available on the Able Eyes and Meridian Township websites and provides visitors an opportunity to preview our location prior to visiting. The service is helpful for people with physical disabilities to make sure the site meets their accessibility needs, and also for those with emotional challenges, such as anxiety, to ease the feeling of visiting an area for the first time. Additional locations are planned in the near future.

- We enjoyed a spectacular Juneteenth celebration spanning multiple days, which included opportunities for residents to learn and connect with each other while learning about Juneteenth history while participating in local festivities. Staff were provided an all-employee luncheon with special guest speakers at Marketplace on the Green.
- To align with the Board’s approval to provide sanitary hygiene products in its public restrooms, the Township installed sanitary napkin and tampon dispensers in order to make these products accessible to those who happen to need them while visiting our Township parks and buildings. The DEI Task Force carries on its forward momentum and looks forward to further expansion in recognizing and celebrating our vibrant and diverse community.

Financial Information

Internal Controls: Management of the Township 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.

2022 Financial Condition: The financial condition and results of operations for 2022 are discussed in the Management’s Discussion & Analysis section of the CAFR. 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.

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 2017. Bids are requested every five to seven 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 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2021.

Acknowledgments. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department staff and the Treasurer’s Department.

Respectfully submitted,



Frank L. Walsh
Township Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

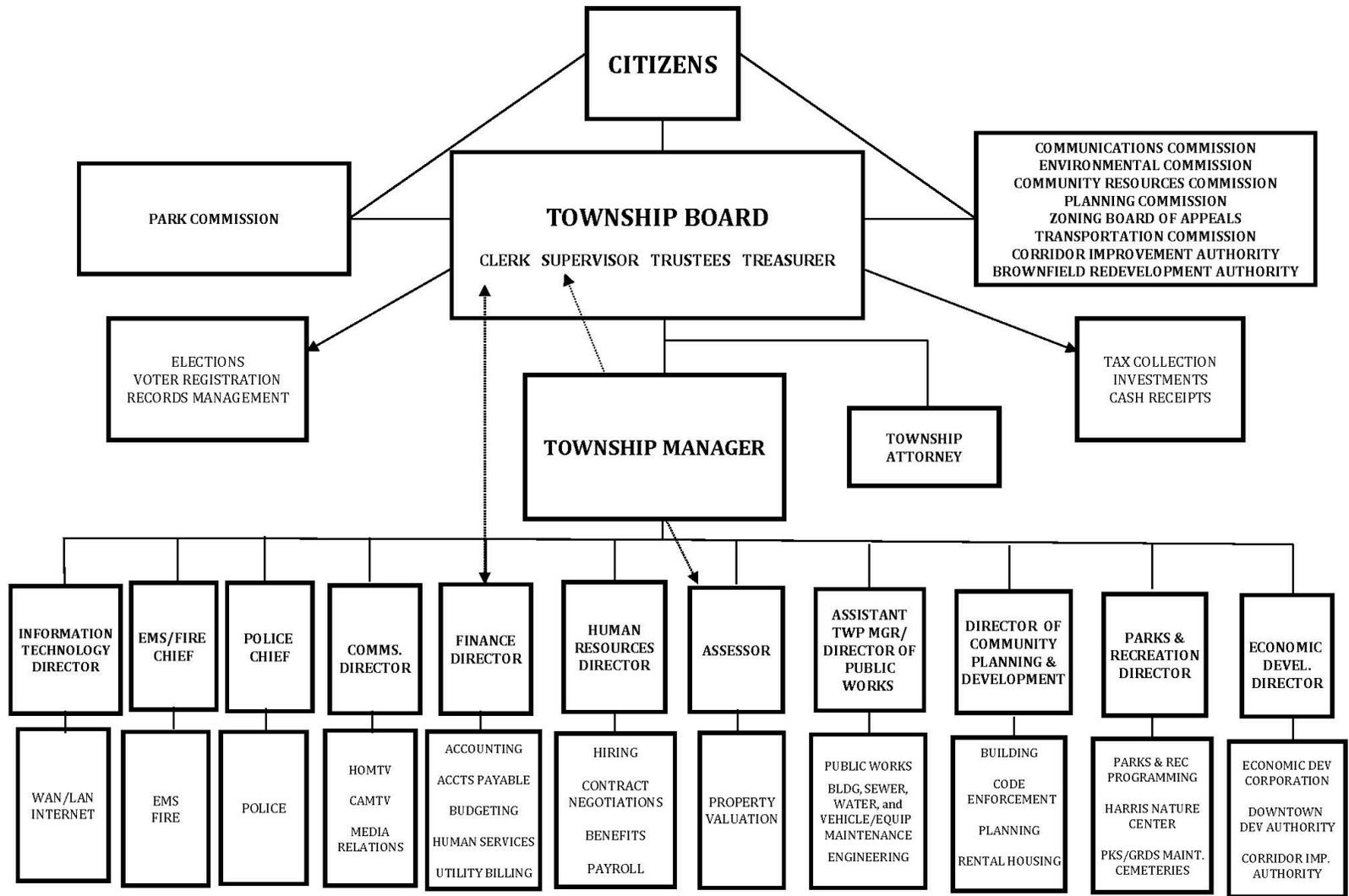
**Charter Township of Meridian
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



Dotted Lines – Denotes Relationship defined by State Statute

Charter Township of Meridian
List of Elected and Appointed Officials
December 31, 2022

Elected Officials

Township Board

Supervisor	Patricia Herring Jackson
Clerk	Deborah Guthrie
Treasurer	Philip Deschaine
Trustee	Scott Hendrickson
Trustee	Kathy Ann Sundland
Trustee	Marna Wilson
Trustee	Courtney Wisinski

Park Commission

Chair	Mary Nardo Farris
Vice Chair	Ami Van Antwerp
Commissioner	Mark Stephens
Commissioner	Michael McDonald
Commissioner	Amanda Lick

Appointed Officials

Manager	Frank Walsh
Human Resources Director	Abby Tithof
Finance Director	Amanda Garber
Parks & Recreation Director	LuAnn Maisner
Assessor	Ashley Winstead
Community Planning and Development Director	Tim Schmitt
Assistant Township Manager and Director of Public Works	Dan Opsommer
Fire Chief	Mike Hamel
Police Chief	Ken Plaga
Communications Manager	Samantha Diehl
Information Technology Director	Stephen Gebes
Economic Development Director	Amber Clark
Director of Project Management and Operations	Melissa Massie

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 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, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Charter Township of Meridian as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the East Lansing – Meridian Water and Sewer Authority, a joint venture, which represents 7.17 percent of the assets of the business-type activities as of December 31, 2022, 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 the East Lansing – Meridian Water and Sewer Authority, a joint venture, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Charter Township of Meridian, 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.

Adoption of New Accounting Standards

As discussed in Note 1 to the financial statements, in 2022 the Charter Township of Meridian adopted new accounting guidance, GASBS No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness Charter Township of Meridian'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 Charter Township of Meridian'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 Charter Township of Meridian'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 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 31, 2023 on our consideration of Charter Township of Meridian'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 Charter Township of Meridian'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 Charter Township of Meridian's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Lansing, Michigan
May 31, 2023

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2022

The Township's Annual Comprehensive Financial Report is presented in the format required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The 2022 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 three other entities in its report: the Downtown Development Authority, the Brownfield Redevelopment Authority, and the Economic Development Corporation. 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.

**Charter Township of Meridian
Management's Discussion and Analysis
December 31, 2022**

Fund Financial Statements (continued)

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.
- **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.

**Charter Township of Meridian
Management's Discussion and Analysis
December 31, 2022**

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	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets	\$ 76,078,119	\$ 59,769,890	\$ 16,430,464	\$ 13,996,763	\$ 92,508,583	\$ 73,766,653
Capital assets	71,999,944	63,411,533	70,133,594	64,805,905	142,133,538	128,217,438
Investment in joint venture	-	-	6,681,438	6,282,032	6,681,438	6,282,032
Total assets	148,078,063	123,181,423	93,245,496	85,084,700	241,323,559	208,266,123
Deferred outflows of resources						
Deferred OPEB	1,184,845	672,140	-	-	1,184,845	672,140
Deferred pension	9,685,652	7,634,647	306,081	228,266	9,991,733	7,862,913
Current liabilities	10,870,497	8,306,787	306,081	228,266	11,176,578	8,535,053
Liabilities						
Current liabilities	4,666,349	3,417,582	948,953	1,040,882	5,615,302	4,458,464
Long-term liabilities	47,213,028	36,275,734	31,048,821	26,460,333	78,261,849	62,736,067
Total liabilities	51,879,377	39,693,316	31,997,774	27,501,215	83,877,151	67,194,531
Deferred inflows of resources						
Property taxes levied for a subsequent period	21,380,298	21,015,517	-	-	21,380,298	21,015,517
Deferred leases receivable	-	-	1,517,379	-	1,517,379	-
Deferred OPEB	890,908	1,904,416	-	-	890,908	1,904,416
Deferred pension	5,171,493	2,641,310	172,133	61,825	5,343,626	2,703,135
Special assessments levied for a subsequent period	489,008	472,985	-	-	489,008	472,985
Total deferred inflows of resources	27,931,707	26,034,228	1,689,512	61,825	29,621,219	26,096,053
Net Position						
Net investment in capital assets	59,496,854	55,087,882	39,833,359	39,140,818	99,330,213	94,228,700
Restricted	15,836,041	13,626,604	-	-	15,836,041	13,626,604
Unrestricted	3,804,581	(2,953,820)	20,030,932	18,609,108	23,835,513	15,655,288
Total net position	\$ 79,137,476	\$ 65,760,666	\$ 59,864,291	\$ 57,749,926	\$ 139,001,767	\$ 123,510,592

**Charter Township of Meridian
Management's Discussion and Analysis
December 31, 2022**

The Charter Township of Meridian had combined net position of \$139.0 Million. Business-type activities comprise \$59.9 million and governmental activities make up \$79.1 million of the total net position. The total net position increased in total by \$15.5 million, or 12.54%. This increase is due to the \$13.9 million increase in capital assets, a \$18.7 million increase in current assets, and an increase of \$15.5 million in Long-term liabilities.

There was a \$2.2 million increase in the restricted net position.

The current ratio (current assets divided by current liabilities) is at 16.47, a decrease from 16.55 in 2021. The decrease in this ratio is related to an increase in current liabilities. The addition is from accounts payable and accrued liabilities. This ratio shows that the Township has adequate current assets to meet its current obligations.

Long-term liabilities of \$78.3 million represent 56.3% of net position; however, \$22.4 million of this is the net pension and OPEB liability. This is an increase of \$15.5 million from 2021. The increase is due to an increase of \$10.9 million in Governmental liabilities and an increase of \$4.6 million in Business liabilities. The Township took on several new bond issuances during the year.

Governmental Activities

Revenues for governmental activities totaled approximately \$39.1 million in 2022. A total of \$21.0 million was in the form of property tax collections, \$6.1 million was charges for services, \$3.3 million was operating grants and contributions, and \$3.1 was capital grants and contributions. Revenue from other sources was fairly consistent with 2021.

Expenses for governmental activities totaled \$25.7 million. A little less than half (45.9 %) of this expense funded public safety in the Township.

Business-type Activities

Business-type activities in the Township include water and sewer services. Revenue for business-type activities totaled \$14.0 million; \$13.0 million was collected from customers and \$0.76 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.

**Charter Township of Meridian
Management's Discussion and Analysis
December 31, 2022**

The following table shows the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Program revenue:						
Charges for services	\$6,107,293	\$5,923,102	\$13,020,765	\$12,864,283	\$19,128,058	\$18,787,385
Operating grants and contributions	3,305,718	855,790	-	-	3,305,718	855,790
Capital grants and contributions	3,090,591	1,535,977	755,345	93,913	3,845,936	1,629,890
General Revenue:						
Property taxes	21,046,529	20,619,681	-	-	21,046,529	20,619,681
State sources	5,657,643	4,332,799	-	-	5,657,643	4,332,799
Unrestricted investment income (loss)	(184,721)	213,544	(139,602)	45,699	(324,323)	259,243
Gain on Sale of capital assets	-	153,641	-	-	-	153,641
Other miscellaneous income	33,217	31,840	399,406	371,954	432,623	403,794
Total revenue	39,056,270	33,666,374	14,035,914	13,375,849	53,092,184	47,042,223
Program Expenses						
General government	6,178,614	5,037,348	-	-	6,178,614	5,037,348
Public safety	11,793,433	11,088,356	-	-	11,793,433	11,088,356
Public works	2,861,014	2,127,485	-	-	2,861,014	2,127,485
Health and welfare	348,573	232,885	-	-	348,573	232,885
Community and economic development	1,161,096	1,554,245	-	-	1,161,096	1,554,245
Recreation and culture	2,800,743	2,944,096	-	-	2,800,743	2,944,096
Interest on long-term debt	535,987	360,208	-	-	535,987	360,208
Water and sewer	-	-	11,921,549	12,241,722	11,921,549	12,241,722
Total program expenses	25,679,460	23,344,623	11,921,549	12,241,722	37,601,009	35,586,345
Change in Net Position	13,376,810	10,321,751	2,114,365	1,134,127	15,491,175	11,455,878
Net Position - beginning of year	65,760,666	55,438,915	57,749,926	56,615,799	123,510,592	112,054,714
Net Position - end of year	\$79,137,476	\$65,760,666	\$59,864,291	\$57,749,926	\$139,001,767	\$123,510,592

**Charter Township of Meridian
Management's Discussion and Analysis
December 31, 2022**

Current Economic Events

The Township continues to experience a relatively healthy economy in the community. This is seen in a relatively stable housing market, as well as some new construction growth. The Township saw an increase in taxable value through 2008. The 2009 taxable value and tax revenues were flat, but in 2010 through 2012 both taxable value and tax revenue experienced decreases. The 2013 taxable value decreased, however the increase of 0.05 mills kept the tax revenue flat for 2013. The 2014 taxable value decreased, however revenue increased due to the addition of 0.2 mills. In 2015, the taxable value increased for the first time since 2008. Looking forward to 2023, we see that the taxable value will continue to increase for the eighth year in a row, bringing us 17.1% above 2009. This, coupled with rising costs, continues to create challenges to maintain existing services levels.

Personnel costs represent approximately 73.4% of the governmental 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 along with payroll taxes, pension, and other personnel costs. Operating efficiencies, organizational restructuring, and improved technology have helped to contain expenditures to available revenue.

Financial Analysis of Township Funds and Budgets

The General Fund ended 2022 with an unassigned fund balance of approximately \$13.1 million (compared with \$10.2 million in 2021). This represents approximately 5 months of annual expenditures, which is within the requirements of policy governance established by the Township's board. The total increase in fund balance is approximately \$2.1 million. The overall increase is a result of an increase of \$1.3 million of State-shared revenue, an increase of \$0.3 million of property taxes, and a reduction of expenses for Community and Economic Development of \$0.4 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.

The Land Preservation Fund continues to maintain a healthy fund balance of \$7.2 million. The fund balance decreased \$.01 million from 2021 mainly attributable to investment loss.

The Local Roads fund has a fund balance of \$14.6 million. The fund balance increased \$9.9 million from 2021 attributed to bond proceeds.

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. 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 are the result of efforts to keep costs below budget. On the revenue side, the largest positive variances occurred in the State-shared revenue and fines and forfeitures related to the Police department. On the expenditure side, the departments

**Charter Township of Meridian
Management's Discussion and Analysis
December 31, 2022**

with the largest variances (expenditures over budget) include Capital Outlay and (expenditures under budget) include Police Department, Fire Department, and Parks Department.

The General fund had significant budget amendments during the year related to an increase in State Shared Revenue and a decrease related to the Meridian Redevelopment Fund.

Capital Assets Activity

There were several small projects in 2022, including installation of solar panels at the public safety building, Okemos library roof, and LED conversion at the public safety building.

Additional information about capital assets is presented in Note 8 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 \$4,845,000 during 2022. Outstanding governmental activities debt at December 31, 2022 including compensated absences was approximately \$25.5 million. The Township added \$12.0 million in new debt for road construction, \$5.2 million for Daniels Drain Project, and \$0.06 million for Remy Chandler Drain Project.

For business-type activities, the Township recorded \$6.1 million of new debt for wastewater system improvements and paid down approximately \$1.5 million of existing debt. Ending business-type debt including compensated absences was approximately \$30.4 million.

More detailed information about long-term liabilities is presented in Note 10 to the financial statements.

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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 40,022,827	\$ 10,449,773	\$ 50,472,600	\$ 366,176
Investments	17,723,959	1,646,820	19,370,779	-
Receivables				
Taxes	13,230,320	-	13,230,320	260,988
Customers	-	2,294,833	2,294,833	-
Special assessments	3,060,185	-	3,060,185	-
Leases	-	1,517,379	1,517,379	-
Other, net of allowance	536,660	-	536,660	-
Due from other units of government	837,645	-	837,645	-
Internal balances	(2,424)	2,424	-	-
Inventories	-	463,275	463,275	-
Prepaid items	668,947	55,960	724,907	-
Investment in joint venture	-	6,681,438	6,681,438	-
Capital assets not being depreciated	37,502,667	636,060	38,138,727	-
Capital assets, net of accumulated depreciation	<u>34,497,277</u>	<u>69,497,534</u>	<u>103,994,811</u>	<u>-</u>
Total assets	<u>148,078,063</u>	<u>93,245,496</u>	<u>241,323,559</u>	<u>627,164</u>
Deferred Outflows of Resources				
Deferred amount related to net OPEB liability	1,184,845	-	1,184,845	-
Deferred amount related to net pension liability	<u>9,685,652</u>	<u>306,081</u>	<u>9,991,733</u>	<u>-</u>
Total deferred outflows of resources	<u>10,870,497</u>	<u>306,081</u>	<u>11,176,578</u>	<u>-</u>
Liabilities				
Accounts payable	1,213,179	105,579	1,318,758	47
Accrued and other liabilities	480,907	524,048	1,004,955	-
Performance bonds and other deposits payable	146,435	319,326	465,761	-
Unearned revenue	2,825,828	-	2,825,828	-
Long-term debt				
Due within one year	4,583,105	2,495,901	7,079,006	-
Due in more than one year	20,888,011	27,897,848	48,785,859	-
Net OPEB liability (due in more than one year)	1,487,756	-	1,487,756	-
Net pension liability (due in more than one year)	<u>20,254,156</u>	<u>655,072</u>	<u>20,909,228</u>	<u>-</u>
Total liabilities	<u>51,879,377</u>	<u>31,997,774</u>	<u>83,877,151</u>	<u>47</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Property taxes levied for a subsequent period	\$ 21,380,298	\$ -	\$ 21,380,298	\$ 260,429
Special assessments levied for a subsequent period	489,008	-	489,008	-
Deferred amount related to leases receivable	-	1,517,379	1,517,379	-
Deferred amount related to net OPEB liability	890,908	-	890,908	-
Deferred amount related to net pension liability	5,171,493	172,133	5,343,626	-
Total deferred inflows of resources	<u>27,931,707</u>	<u>1,689,512</u>	<u>29,621,219</u>	<u>260,429</u>
Net Position				
Net investment in capital assets	59,496,854	39,833,359	99,330,213	-
Restricted for				
Land preservation	7,154,202	-	7,154,202	-
Pedestrian/bike path millage	2,407,480	-	2,407,480	-
Fire	1,677	-	1,677	-
Police	65,303	-	65,303	-
Senior center millage	394,076	-	394,076	-
Cable TV	153,668	-	153,668	-
Community needs	95,862	-	95,862	-
Library	13,603	-	13,603	-
Grants	130,703	-	130,703	-
CATA millage	8,536	-	8,536	-
Local roads	2,413,795	-	2,413,795	-
Park millage	1,072,843	-	1,072,843	-
Road debt service	1,924,293	-	1,924,293	-
Unrestricted	<u>3,804,581</u>	<u>20,030,932</u>	<u>23,835,513</u>	<u>366,688</u>
Total net position	<u>\$ 79,137,476</u>	<u>\$ 59,864,291</u>	<u>\$ 139,001,767</u>	<u>\$ 366,688</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	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			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 6,178,614	\$ 1,440,503	\$ 2,558,813	\$ -	\$ (2,179,298)	\$ -	\$ (2,179,298)	\$ -
Public safety	11,793,433	3,224,465	91,902	-	(8,477,066)	-	(8,477,066)	-
Public works	2,861,014	1,050,000	345,000	2,659,341	1,193,327	-	1,193,327	-
Health and welfare	348,573	-	148,050	-	(200,523)	-	(200,523)	-
Community and economic development	1,161,096	-	-	-	(1,161,096)	-	(1,161,096)	-
Recreation and culture	2,800,743	392,325	161,953	431,250	(1,815,215)	-	(1,815,215)	-
Interest and fiscal charges on long-term debt	535,987	-	-	-	(535,987)	-	(535,987)	-
Total governmental activities	<u>25,679,460</u>	<u>6,107,293</u>	<u>3,305,718</u>	<u>3,090,591</u>	<u>(13,175,858)</u>	<u>-</u>	<u>(13,175,858)</u>	<u>-</u>
Business-type activities								
Sewer	5,412,492	6,662,222	-	58,886	-	1,308,616	1,308,616	-
Water	6,509,057	6,358,543	-	696,459	-	545,945	545,945	-
Total business-type activities	<u>11,921,549</u>	<u>13,020,765</u>	<u>-</u>	<u>755,345</u>	<u>-</u>	<u>1,854,561</u>	<u>1,854,561</u>	<u>-</u>
Total primary government	<u>\$ 37,601,009</u>	<u>\$ 19,128,058</u>	<u>\$ 3,305,718</u>	<u>\$ 3,845,936</u>	<u>(13,175,858)</u>	<u>1,854,561</u>	<u>(11,321,297)</u>	<u>-</u>
Component units								
Downtown Development Authority	\$ 5,881	\$ -	\$ -	\$ -				(5,881)
Brownfield Redevelopment Authority	301,355	-	-	-				(301,355)
Economic Development Corporation	10,151	10,000	6,875	-				6,724
Total component units	<u>\$ 317,387</u>	<u>\$ 10,000</u>	<u>\$ 6,875</u>	<u>\$ -</u>				<u>(300,512)</u>
General revenues								
Property taxes					21,046,529	-	21,046,529	504,814
State-shared revenue (unrestricted)					5,657,643	-	5,657,643	-
Investment income (loss)					(184,721)	(139,602)	(324,323)	76
Miscellaneous					33,217	399,406	432,623	-
Total general revenues					<u>26,552,668</u>	<u>259,804</u>	<u>26,812,472</u>	<u>504,890</u>
Change in net position					13,376,810	2,114,365	15,491,175	204,378
Net position - beginning of year					<u>65,760,666</u>	<u>57,749,926</u>	<u>123,510,592</u>	<u>162,310</u>
Net position - end of year					<u>\$ 79,137,476</u>	<u>\$ 59,864,291</u>	<u>\$ 139,001,767</u>	<u>\$ 366,688</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Governmental Funds
Balance Sheet
December 31, 2022

	General	Special Revenue Funds		Debt	Nonmajor Governmental Funds	Total Governmental Funds
		Local Roads	Land Preservation	Service Fund Road Debt		
Assets						
Cash and cash equivalents	\$ 5,514,870	\$ 15,080,032	\$ 4,644,283	\$ 3,591,330	\$ 10,228,778	\$ 39,059,293
Investments	15,131,651	-	2,592,308	-	-	17,723,959
Receivables						
Taxes	8,870,734	-	123,690	2,413,571	1,822,325	13,230,320
Special assessments	228,751	-	-	-	2,831,434	3,060,185
Other, net of allowance	536,133	-	527	-	-	536,660
Due from other units of government	830,604	-	-	-	7,041	837,645
Prepaid items	538,033	750	28	-	55,708	594,519
Total assets	\$ 31,650,776	\$ 15,080,782	\$ 7,360,836	\$ 6,004,901	\$ 14,945,286	\$ 75,042,581
Liabilities						
Accounts payable	\$ 470,764	\$ 505,670	\$ 4,329	\$ -	\$ 207,806	\$ 1,188,569
Accrued and other liabilities	54,370	-	224	-	8,224	62,818
Due to other funds	2,424	-	-	-	-	2,424
Performance deposits payable	146,435	-	-	-	-	146,435
Unearned revenue	81,550	-	-	-	2,744,278	2,825,828
Total liabilities	755,543	505,670	4,553	-	2,960,308	4,226,074
Deferred Inflows of Resources						
Unavailable revenue - state shared revenue	830,604	-	-	-	-	830,604
Unavailable revenue - special assessments	-	-	-	-	2,751,433	2,751,433
Unavailable revenue - ambulance charges	31,438	-	-	-	-	31,438
Unavailable revenue - federal grant revenue	-	-	-	-	4,958	4,958
Property taxes levied for a subsequent period	14,354,276	1,010	202,081	3,885,712	2,937,219	21,380,298
Special assessments levied for a subsequent period	409,008	-	-	-	80,000	489,008
Total deferred inflows of resources	15,625,326	1,010	202,081	3,885,712	5,773,610	25,487,739

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Governmental Funds
Balance Sheet
December 31, 2022

	General	Special Revenue Funds		Debt	Nonmajor Governmental Funds	Total Governmental Funds
		Local Roads	Land Preservation	Service Fund Road Debt		
Fund Balances						
Non-spendable						
Prepaid items	\$ 538,033	\$ 750	\$ 28	\$ -	\$ 55,708	\$ 594,519
Restricted for						
Land preservation	-	-	7,154,174	-	-	7,154,174
Pedestrian/bike path millage	-	-	-	-	2,407,462	2,407,462
Fire	-	-	-	-	1,677	1,677
Police	-	-	-	-	65,303	65,303
Senior center millage	-	-	-	-	394,076	394,076
Cable TV	-	-	-	-	153,668	153,668
Community needs	-	-	-	-	95,862	95,862
Library	-	-	-	-	13,603	13,603
Grants	-	-	-	-	130,703	130,703
Capital area transportation authority millage	-	-	-	-	8,536	8,536
Local roads	-	2,413,045	-	-	-	2,413,045
Local roads - capital projects	-	12,160,307	-	-	-	12,160,307
Park millage	-	-	-	-	1,072,124	1,072,124
Fire station debt service	-	-	-	-	1,851	1,851
Road debt service	-	-	-	2,119,189	-	2,119,189
Assigned						
Township improvement	-	-	-	-	1,851,979	1,851,979
Subsequent fiscal year budget	1,593,591	-	-	-	-	1,593,591
Unassigned (deficit)	13,138,283	-	-	-	(41,184)	13,097,099
Total fund balances	<u>15,269,907</u>	<u>14,574,102</u>	<u>7,154,202</u>	<u>2,119,189</u>	<u>6,211,368</u>	<u>45,328,768</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,650,776</u>	<u>\$ 15,080,782</u>	<u>\$ 7,360,836</u>	<u>\$ 6,004,901</u>	<u>\$ 14,945,286</u>	<u>\$ 75,042,581</u>

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, 2022

Total fund balances for governmental funds	\$ 45,328,768
Total net position for governmental activities in the statement of net position is different because:	
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	37,502,667
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	31,235,918
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	3,618,433
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(417,491)
Compensated absences	(798,657)
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net OPEB liability	1,184,845
Deferred inflows of resources resulting from net OPEB liability	(890,908)
Deferred outflows of resources resulting from net pension liability	9,640,309
Deferred inflows of resources resulting from net pension liability	(5,145,994)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Bonds payable and other long-term liabilities	(24,663,397)
Net OPEB liability	(1,487,756)
Net pension liability	(20,157,116)
Internal service funds are included as part of governmental activities.	<u>4,187,855</u>
Net position of governmental activities	<u>\$ 79,137,476</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	General	Special Revenue Funds		Debt	Nonmajor Governmental Funds	Total Governmental Funds
		Local Roads	Land Preservation	Service Fund Road Debt		
Revenues						
Taxes	\$ 14,346,847	\$ 1,010	\$ 192,703	\$ 3,707,805	\$ 2,798,164	\$ 21,046,529
Licenses and permits	1,885,717	-	-	-	-	1,885,717
Federal grants	551	-	-	-	1,846,786	1,847,337
State shared revenue	5,402,009	-	-	-	-	5,402,009
State grants	120,317	6,251	848	10,232	48,353	186,001
Local contributions	-	345,000	-	-	120,645	465,645
Charges for services	3,785,897	-	-	-	980,159	4,766,056
Fines and forfeitures	249,611	-	-	-	-	249,611
Investment income (loss)	(227,222)	142,698	(217,182)	11,781	99,786	(190,139)
Rental income	-	-	-	-	-	-
Other revenue	586,727	-	109	-	810,742	1,397,578
Total revenues	26,150,454	494,959	(23,522)	3,729,818	6,704,635	37,056,344
Expenditures						
Current						
General government	11,932,822	-	-	-	-	11,932,822
Public safety	13,706,480	-	-	-	64,526	13,771,006
Public works	-	2,765,242	-	-	860,191	3,625,433
Health and welfare	67,919	-	-	-	270,352	338,271
Community and economic development	1,152,571	-	-	-	-	1,152,571
Recreation and culture	1,113,371	-	140,919	-	1,403,751	2,658,041
Capital outlay	-	-	-	-	1,796,432	1,796,432
Debt service						
Principal retirement	666,386	-	-	3,360,000	820,000	4,846,386
Interest and fiscal charges	171,948	-	-	244,250	45,448	461,646
Bond issuance costs	-	105,600	-	19,982	-	125,582
Total expenditures	28,811,497	2,870,842	140,919	3,624,232	5,260,700	40,708,190
Excess (deficiency) of revenues over expenditures	(2,661,043)	(2,375,883)	(164,441)	105,586	1,443,935	(3,651,846)

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	General	Special Revenue Funds		Debt	Nonmajor Governmental Funds	Total Governmental Funds
		Local Roads	Land Preservation	Service Fund Road Debt		
Other financing sources (uses)						
Transfers in	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ 280,000
Transfers out	(530,000)	-	-	-	-	(530,000)
Issuance of debt	<u>5,295,434</u>	<u>12,000,000</u>	<u>-</u>	<u>1,059,686</u>	<u>-</u>	<u>18,355,120</u>
Total other financing sources (uses)	<u>4,765,434</u>	<u>12,280,000</u>	<u>-</u>	<u>1,059,686</u>	<u>-</u>	<u>18,105,120</u>
Net change in fund balances	2,104,391	9,904,117	(164,441)	1,165,272	1,443,935	14,453,274
Fund balances - beginning of year	<u>13,165,516</u>	<u>4,669,985</u>	<u>7,318,643</u>	<u>953,917</u>	<u>4,767,433</u>	<u>30,875,494</u>
Fund balances - end of year	<u>\$ 15,269,907</u>	<u>\$ 14,574,102</u>	<u>\$ 7,154,202</u>	<u>\$ 2,119,189</u>	<u>\$ 6,211,368</u>	<u>\$ 45,328,768</u>

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, 2022

Net change in fund balances - total governmental funds	\$	14,453,274
Total change in net position reported for governmental activities in the statement of activities is different because:		
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 expense.		
Depreciation expense		(3,229,082)
Capital outlay		10,758,466
Sale of capital assets (net book value)		(57,052)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
State-shared revenue		106,125
Special assessments		1,679,182
Ambulance charges		(12,562)
Federal grant revenue		(3,237)
Expenses are recorded when incurred in the statement of activities.		
Accrued interest		(168,880)
Compensated absences		20,484
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.		
Net change in net pension liability		2,964,037
Net change in the deferred outflow of resources related to the net pension liability		2,034,653
Net change in the deferred inflow of resources related to the net pension liability		(2,512,535)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.		
Net change in net OPEB liability		(1,126,464)
Net change in the deferred outflow of resources related to the net OPEB liability		512,705
Net change in the deferred inflow of resources related to the net OPEB liability		1,013,508
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Debt issued		(18,355,120)
Repayments of long-term debt		4,846,386
Amortization of premiums		220,121
Internal service funds are also included as governmental activities		232,801
Change in net position of governmental activities	\$	<u>13,376,810</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Proprietary Funds
Statement of Net Position
December 31, 2022

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Total	Motor Pool
Assets				
Current assets				
Cash and cash equivalents	\$ 2,723,737	\$ 7,726,036	\$ 10,449,773	\$ 963,534
Investments	1,646,820	-	1,646,820	-
Receivables				
Customers	1,041,777	1,253,056	2,294,833	-
Leases	12,942	-	12,942	-
Due from other funds	881	1,543	2,424	-
Inventories	463,275	-	463,275	-
Prepaid items	29,580	26,380	55,960	74,428
Total current assets	5,919,012	9,007,015	14,926,027	1,037,962
Noncurrent assets				
Leases receivable	1,504,437	-	1,504,437	-
Investment in joint venture	6,681,438	-	6,681,438	-
Capital assets, net of accumulated depreciation	18,517,705	50,979,829	69,497,534	3,261,359
Capital assets not being depreciated	454,530	181,530	636,060	-
Total noncurrent assets	27,158,110	51,161,359	78,319,469	3,261,359
Total assets	33,077,122	60,168,374	93,245,496	4,299,321
Deferred Outflows of Resources				
Deferred amount related to net pension liability	207,238	98,843	306,081	45,343

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Proprietary Funds
Statement of Net Position
December 31, 2022

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Total	Motor Pool
Liabilities				
Current liabilities				
Accounts payable	\$ 79,746	\$ 25,833	\$ 105,579	\$ 24,610
Accrued and other liabilities	115,487	408,561	524,048	598
Performance bonds and other deposits payable	-	319,326	319,326	-
Current portion of noncurrent liabilities	<u>9,262</u>	<u>2,486,639</u>	<u>2,495,901</u>	<u>1,631</u>
Total current liabilities	<u>204,495</u>	<u>3,240,359</u>	<u>3,444,854</u>	<u>26,839</u>
Noncurrent liabilities				
Net pension liability	443,537	211,535	655,072	97,040
Long-term debt net of current portion	<u>42,191</u>	<u>27,855,657</u>	<u>27,897,848</u>	<u>7,431</u>
Total noncurrent liabilities	<u>485,728</u>	<u>28,067,192</u>	<u>28,552,920</u>	<u>104,471</u>
Total liabilities	<u>690,223</u>	<u>31,307,551</u>	<u>31,997,774</u>	<u>131,310</u>
Deferred Inflows of Resources				
Deferred amount related to leases receivable	1,517,379	-	1,517,379	-
Deferred amount related to net pension liability	<u>116,542</u>	<u>55,591</u>	<u>172,133</u>	<u>25,499</u>
Total deferred inflows of resources	<u>1,633,921</u>	<u>55,591</u>	<u>1,689,512</u>	<u>25,499</u>
Net Position				
Net investment in capital assets	18,972,235	20,861,124	39,833,359	3,261,359
Unrestricted	<u>11,987,981</u>	<u>8,042,951</u>	<u>20,030,932</u>	<u>926,496</u>
Total net position	<u>\$ 30,960,216</u>	<u>\$ 28,904,075</u>	<u>\$ 59,864,291</u>	<u>\$ 4,187,855</u>

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, 2022

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Total	Motor Pool
Operating revenue				
Sale of water	\$ 5,563,247	\$ -	\$ 5,563,247	\$ -
Sewage disposal charges	-	6,028,076	6,028,076	-
Charges for services	734,482	633,836	1,368,318	1,151,330
Other revenue	60,814	310	61,124	-
	<u>6,358,543</u>	<u>6,662,222</u>	<u>13,020,765</u>	<u>1,151,330</u>
Total operating revenue				
Operating expenses				
Cost of water purchases	3,429,436	-	3,429,436	-
Cost of sewage treatment	-	1,802,586	1,802,586	-
Operation and maintenance	461,874	320,928	782,802	553,049
General administrative	595,412	625,154	1,220,566	224,660
Personnel services	1,260,654	791,328	2,051,982	-
Depreciation	761,681	1,327,825	2,089,506	621,238
	<u>6,509,057</u>	<u>4,867,821</u>	<u>11,376,878</u>	<u>1,398,947</u>
Total operating expenses				
Operating income (loss)	<u>(150,514)</u>	<u>1,794,401</u>	<u>1,643,887</u>	<u>(247,617)</u>

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, 2022

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Total	Motor Pool
Nonoperating revenue (expenses)				
State grant	\$ -	\$ -	\$ -	\$ 225,000
Investment income (loss)	(240,467)	100,865	(139,602)	5,418
Change in value of joint venture	399,406	-	399,406	-
Interest expense	-	(544,671)	(544,671)	-
 Total nonoperating revenues (expenses)	 <u>158,939</u>	 <u>(443,806)</u>	 <u>(284,867)</u>	 <u>230,418</u>
 Income before contributions and transfers	 8,425	 1,350,595	 1,359,020	 (17,199)
Capital contributions - local	696,459	58,886	755,345	-
Transfers in	-	-	-	<u>250,000</u>
 Change in net position	 704,884	 1,409,481	 2,114,365	 232,801
Net position - beginning of year	<u>30,255,332</u>	<u>27,494,594</u>	<u>57,749,926</u>	<u>3,955,054</u>
Net position - end of year	<u>\$ 30,960,216</u>	<u>\$ 28,904,075</u>	<u>\$ 59,864,291</u>	<u>\$ 4,187,855</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2022

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Total	Motor Pool
Cash flows from operating activities				
Receipts from customers	\$ 6,365,979	\$ 6,731,220	\$ 13,097,199	\$ -
Receipts from interfund users	-	-	-	1,151,330
Payments to suppliers	(4,828,214)	(2,751,355)	(7,579,569)	(606,899)
Payments to employees	(1,125,510)	(801,221)	(1,926,731)	(217,191)
Other receipts	60,814	310	61,124	-
Net cash provided by operating activities	<u>473,069</u>	<u>3,178,954</u>	<u>3,652,023</u>	<u>327,240</u>
Cash flows from noncapital financing activities				
Transfer from other funds	-	-	-	250,000
State grant	-	-	-	225,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,000</u>
Cash flows from capital and related financing activities				
Purchases/construction of capital assets	(511,289)	(44,550)	(555,839)	(1,737,317)
Principal and interest paid on long-term debt	-	(2,064,847)	(2,064,847)	-
Net cash used by capital and related financing activities	<u>(511,289)</u>	<u>(2,109,397)</u>	<u>(2,620,686)</u>	<u>(1,737,317)</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investments	291,740	-	291,740	-
Interest received	(240,467)	100,865	(139,602)	5,418
Net cash provided by investing activities	<u>51,273</u>	<u>100,865</u>	<u>152,138</u>	<u>5,418</u>
Change in cash and cash equivalents	13,053	1,170,422	1,183,475	(929,659)
Cash and cash equivalents - beginning of year	<u>2,710,684</u>	<u>6,555,614</u>	<u>9,266,298</u>	<u>1,893,193</u>
Cash and cash equivalents - end of year	<u>\$ 2,723,737</u>	<u>\$ 7,726,036</u>	<u>\$ 10,449,773</u>	<u>\$ 963,534</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2022

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Total	Motor Pool
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (150,514)	\$ 1,794,401	\$ 1,643,887	\$ (247,617)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization expense	761,681	1,327,825	2,089,506	621,238
Changes in assets and liabilities				
Receivables (net)	68,250	58,611	126,861	-
Due from other funds	13,454	1,970	15,424	-
Inventories	(147,177)	-	(147,177)	-
Prepaid items	1,256	(18,741)	(17,485)	(67,714)
Deferred outflows of resources	(65,819)	(11,996)	(77,815)	(16,352)
Accounts payable	(207,345)	14,614	(192,731)	15,120
Accrued and other liabilities	115,487	23,931	139,418	598
Due to other funds	(1,680)	(530)	(2,210)	(1,256)
Performance bonds and other deposits payable	-	10,697	10,697	-
Deferred inflows of resources	78,243	32,065	110,308	17,648
Net pension liability	4,347	(58,167)	(53,820)	7,010
Compensated absences	2,886	4,274	7,160	(1,435)
Net cash provided by operating activities	<u>\$ 473,069</u>	<u>\$ 3,178,954</u>	<u>\$ 3,652,023</u>	<u>\$ 327,240</u>
Noncash Capital Financing Activities				
Capital assets acquired through contributions from taxpayers	<u>\$ 696,459</u>	<u>\$ 58,886</u>	<u>\$ 755,345</u>	<u>\$ -</u>
Capital assets acquired with long-term debt	<u>\$ -</u>	<u>\$ 6,106,011</u>	<u>\$ 6,106,011</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Tax Collection Fund
Assets		
Cash and cash equivalents	\$ 163,770	\$ 2,888,130
Investments		
Exchange traded funds	929,378	-
Mutual funds	9,650,774	-
Receivables		
Accrued interest	3,741	-
Total assets	10,747,663	2,888,130
Liabilities		
Accounts payable	-	3,616
Due to other units of government	-	2,884,514
Total liabilities	-	2,888,130
Net Position		
Restricted		
Pension benefits	4,120,408	-
Other postemployment benefits	6,627,255	-
Total net position	\$ 10,747,663	\$ -

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Tax Collection Fund
Additions		
Contributions		
Employer	\$ 181,341	\$ -
Investment earnings		
Interest and dividends	116,832	-
Change in fair value	(1,889,346)	-
Investment expenses	(25,338)	-
Net investment loss	(1,797,852)	-
Property tax collections for other governments	-	91,524,787
Total additions	(1,616,511)	91,524,787
Deductions		
Benefits	592,124	-
Other deductions	66,653	-
Payments of property tax to other governments	-	91,524,787
Total deductions	658,777	91,524,787
Change in net position	(2,275,288)	-
Net position - beginning of year	13,022,951	-
Net position - end of year	\$ 10,747,663	\$ -

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Component Units
Statement of Net Position
December 31, 2022

	Downtown Development Authority	Brownfield Redevelopment Authority	Economic Development Corporation	Total
Assets				
Cash and cash equivalents	\$ 102,684	\$ 208,213	\$ 55,279	\$ 366,176
Receivables				
Taxes	<u>40,275</u>	<u>220,713</u>	<u>-</u>	<u>260,988</u>
Total assets	<u>142,959</u>	<u>428,926</u>	<u>55,279</u>	<u>627,164</u>
Liabilities				
Accounts payable	<u>47</u>	<u>-</u>	<u>-</u>	<u>47</u>
Deferred Inflows of Resources				
Property taxes levied for subsequent period	<u>39,809</u>	<u>220,620</u>	<u>-</u>	<u>260,429</u>
Net Position				
Unrestricted	<u>\$ 103,103</u>	<u>\$ 208,306</u>	<u>\$ 55,279</u>	<u>\$ 366,688</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Component Units
Statement of Activities
For the Year Ended December 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Downtown Development Authority	Brownfield Redevelopment Authority	Economic Development Corporation	
Functions/Programs							
Downtown Development Authority	\$ 5,881	\$ -	\$ -	\$ (5,881)	\$ -	\$ -	\$ (5,881)
Brownfield Redevelopment Authority	301,355	-	-	-	(301,355)	-	(301,355)
Economic Development Corporation	10,151	10,000	6,875	-	-	6,724	6,724
Total component units	<u>\$ 317,387</u>	<u>\$ 10,000</u>	<u>\$ 6,875</u>	<u>(5,881)</u>	<u>(301,355)</u>	<u>6,724</u>	<u>(300,512)</u>
General revenues							
Property taxes				42,119	462,695	-	504,814
Investment income				-	-	76	76
Total general revenues				<u>42,119</u>	<u>462,695</u>	<u>76</u>	<u>504,890</u>
Change in net position				36,238	161,340	6,800	204,378
Net position - beginning of year				<u>66,865</u>	<u>46,966</u>	<u>48,479</u>	<u>162,310</u>
Net position - end of year				<u>\$ 103,103</u>	<u>\$ 208,306</u>	<u>\$ 55,279</u>	<u>\$ 366,688</u>

See Accompanying Notes to the Financial Statements

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

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:

Reporting entity

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.

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. In addition, the DDA's budget is subject to approval by the Township board. The DDA does not issue separate financial statements.

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.

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.

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. Government 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.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 45 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: 2021 property taxes, portions of state-shared revenue, and interest associated with the current fiscal period. Conversely, 2022 property taxes, portions of state-shared revenue, certain grants and contracts, and special assessments do not meet the availability criterion because they were not received within the 45 day period of availability or they are levied to support the following year's operations. Receivables have been recorded for these, along with deferred inflows of resources.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 and internal service fund's principal ongoing operations. The principal operating revenues of the Townships proprietary funds relates to 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 proprietary and internal service funds 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.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Accounting

The Township accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenues were used. The various funds are aggregated into three broad fund types:

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The Township reports the following funds as “major” governmental funds:

General Fund – The General Fund contains the records of the ordinary activities of the Township that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue, and other sources.

Local Roads Fund – The Local Roads Fund is used to account for tax revenue that supports local road maintenance.

Land Preservation Funds – The Land Preservation funds are 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.

Road Debt Service Fund – This fund is used to account for tax revenue and debt service related to the 2019 and 2022 bond issuances for road improvements.

Proprietary funds include enterprise funds, (which provide goods or services to users in exchange for charges or fees) and the internal service fund (which provide goods or services to other funds of the Township).

The Township reports the following funds as “major” enterprise funds:

Water Fund – 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.

Sewer Fund – 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.

The Township reports the following fund as an internal service fund:

Motor Pool Fund – 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:

Pension and Other Employee Benefit Trust Funds – 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).

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

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 2021 taxable valuation of the Township totaled approximately \$1.91 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	4.1578	\$ 7.96
Streets debt	1.9429	3.72
Police protection	0.6016	1.15
Fire protection	0.6339	1.21
Police and fire protection	1.4771	2.83
Community services	0.1483	0.28
Bike path	0.3308	0.63
CATA Redi Ride	0.1978	0.38
Park & recreation	0.6597	1.26
Land preservation	0.1000	0.19
Fire station debt	0.2000	0.38

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position or equity

Cash and cash equivalents – Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments – Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. Independent appraisals are obtained to determine the fair value of real estate assets. 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 \$20,959.

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.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 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.

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

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

Deferred outflows of resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has deferred outflows of resources related to the defined benefit pension and OPEB plans, made up of employer contributions made subsequent to the measurement date, the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, changes in assumptions, and experience differences.

Compensated absences (vacation and sick leave) – It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. The government-wide and proprietary fund statements accrue all vacation and personal pay as it is earned, and sick pay as it is used or vested (whichever is earlier). A liability for these amounts is reported in governmental funds as it comes due for payment (when the time is taken off or the employee is terminated).

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.

Pension – The Township offers a defined benefit pension plan to its employees. The Township receives an actuarial valuation to compute the annual required contribution (ARC) 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, deferred inflows of resources

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 Benefit (OPEB) Costs – 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. The General Fund is primarily responsible for liquidating the OPEB liability.

Deferred inflows of resources – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has several types of items that qualify for reporting in this category. The governmental funds report unavailable revenues, which arise only under the modified accrual basis of accounting, from receivables related to special assessments, state-shared revenue, and certain other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts

become available. Deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes and special assessments levied during the year that were intended to finance future periods. Deferred inflow for leases is related to leases receivable and is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease. The Township has deferred inflows of resources related to the defined benefit pension and OPEB plans, consisting of the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings and differences between projected and actual experience, changes in assumptions and experience differences. The component units also report deferred inflows of resources for property taxes levied for a subsequent period.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by the Township board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.

Assigned – Intent to spend resources on specific purposes expressed by the governing body or the Township Manager, who is authorized by resolution approved by the governing body to make assignments.

Unassigned – Amounts that do not fall into any other category above. This is the residual classification for amounts in the

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

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.

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. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a

lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments.

Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Upcoming Accounting and Reporting Changes

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This statement is effective for the year ending December 31, 2023.

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending December 31, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending December 31, 2025.

The Township is evaluating the impact that the above GASB statements will have on its financial reporting. The Township does not believe other GASB statements that have been issued, but not yet

implemented will have a significant impact on the Township's financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

State Construction Code 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		\$ 959,732
Related expenses:		
Direct costs	\$ 637,957	
Estimated indirect costs	117,767	755,724
Current year surplus		204,008
Cumulative shortfall - beginning of year		(6,288,830)
Cumulative shortfall - end of year		\$ (6,084,822)

Fund Deficits

The Township has an accumulated unassigned fund balance deficit in the American Rescue Plan Act Fund in the amount of \$41,184 as of December 31, 2022. The deficit is expected to be eliminated when prepaid expenditures are recorded as expenditures and the related grant revenues are recognized.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

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
Governmental activities	\$ 40,022,827	\$ 17,723,959	\$ 57,746,786
Business-type activities	<u>10,449,773</u>	<u>1,646,820</u>	<u>12,096,593</u>
Total	50,472,600	19,370,779	69,843,379
Fiduciary funds	3,051,900	10,580,152	13,632,052
Component units	<u>366,176</u>	<u>-</u>	<u>366,176</u>
Total	<u>\$ 53,890,676</u>	<u>\$ 29,950,931</u>	<u>\$ 83,841,607</u>

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)	\$ 40,562,971	\$ 2,888,130	\$ 366,176	\$ 43,817,277
Investments in securities, mutual funds and similar vehicles	29,280,008	10,743,922	-	40,023,930
Petty cash and cash on hand	<u>400</u>	<u>-</u>	<u>-</u>	<u>400</u>
	<u>\$ 69,843,379</u>	<u>\$ 13,632,052</u>	<u>\$ 366,176</u>	<u>\$ 83,841,607</u>

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:

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

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

\$52,427,385 and \$51,019,422 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.

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	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	More than 10 Years
Primary Government					
U.S. agency securities	\$ 16,781,880	\$ -	\$ 13,848,296	\$ 2,083,054	\$ 850,530
Money market mutual funds	163,770	163,770	-	-	-
Government investment pool	9,909,229	9,909,229	-	-	-
	<u>\$ 26,854,879</u>				

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
Primary Government			
U.S. agency securities	\$ 16,781,880	Aaa	Moody's
Money market mutual funds	163,770	AAAm	S&P
Government investment pool	9,909,229	AAAm	S&P
	<u>\$ 26,854,879</u>		

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)	\$ 4,539,880
Treasury Securities	12,242,000

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.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Pension Investments

Western Asset Intermediate Bond Fund	\$ 458,983
Federated Hermes International Equity Fund	475,214
Fidelity 500 Index Fund	1,343,892

OPEB Investments

Mission Square II Model Portfolio Conservative Fund	6,627,255
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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, 2022	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Primary Government				
U.S. agency securities				
Residential mortgage backed securities	\$ 4,539,880	\$ -	\$ 4,539,880	\$ -
Treasury securities	12,242,000	-	12,242,000	-
Certificates of deposit	2,588,900	2,588,900	-	-
	<u>19,370,780</u>	<u>2,588,900</u>	<u>16,781,880</u>	<u>-</u>
Fiduciary Funds				
Exchange traded funds	929,378	929,378	-	-
Money market funds	163,770	163,770	-	-
Mutual funds	3,023,519	3,023,519	-	-
	<u>4,116,667</u>	<u>4,116,667</u>	<u>-</u>	<u>-</u>
	23,487,447	\$ 6,705,567	\$ 16,781,880	\$ -
Investments carried at net asset value				
Michigan CLASS government investment pool	9,909,228			
MissionSquare II Model Portfolio Conservative Fund	6,627,255			
	<u>16,536,483</u>			
Total investments	<u>\$ 40,023,930</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.

The net asset value of the Township's investment in Michigan CLASS was \$9,909,228. 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

Charter Township of Meridian
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For the Year Ended December 31, 2022

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 54 days.

The net asset value of the Township's investment in the MissionSquare II Model Portfolio Conservative Fund (Fund) was \$6,627,255. There are no unfunded commitments, specific redemption frequencies or redemption notice periods required. The Fund invests in a combination of MissionSquare Funds Class M and third-party ETFs to seek to obtain exposure to approximately 62% fixed income investments, 34% equity investments, and 4% multi-strategy investments. These asset allocations are referred to as "neutral targets" because they do not reflect decisions that may be made by MissionSquare Investments (MSQI), the investment advisor to the Fund, to overweight or underweight a particular asset class based on market or operational factors. The neutral targets also do not reflect performance differences between the Fund's asset class allocations that will cause temporary deviations from the neutral targets. The actual asset class allocation of the Fund may vary by as much as +/-10 percentage points for the fixed income and equity investments as a result of MSQI's allocation decisions, performance differences between asset classes of the Fund, or some combination thereof, although the multi-strategy investments will generally not exceed 7 percentage points of the Fund's total assets.

Note 5 - Receivables

The only receivables not expected to be collected within one year are as follows:

	Due After One Year	Fund
Primary government		
Special assessments	\$ 80,000	Nonmajor governmental funds

Note 6 - Leases Receivable

The Township has an agreement leasing clock 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 \$13,489 in lease revenue and \$18,153 in related interest income for the year ended December 31, 2022. Monthly payments increase 3% annually. Future monthly payments range from \$2,709 to \$7,401, with an imputed interest rate of 1.3%.

Note 7 - Unearned Revenue

Unearned revenue is reported in connection with resources that have been received but not yet earned. At the end of the current fiscal year, unearned revenue is as follows:

Primary government	
Grants	\$ 2,744,278
Charges for services	81,550
	\$ 2,825,828

**Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022**

Note 8 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and land improvements	\$ 36,186,083	\$ 653,429	\$ 47,800	\$ 36,791,712
Construction in progress	116,458	710,955	116,458	710,955
Total capital assets not being depreciated	<u>36,302,541</u>	<u>1,364,384</u>	<u>164,258</u>	<u>37,502,667</u>
Capital assets being depreciated				
Local roads	14,598,113	3,589,827	119,714	18,068,226
Buildings, additions and improvements	18,868,133	349,256	-	19,217,389
Furniture and equipment	1,633,080	276,023	128,220	1,780,883
Drainage flow rights	8,112,489	5,295,434	-	13,407,923
Total capital assets being depreciated	<u>43,211,815</u>	<u>9,510,540</u>	<u>247,934</u>	<u>52,474,421</u>
Less accumulated depreciation for				
Local roads	8,307,174	2,087,082	119,713	10,274,543
Buildings, additions and improvements	7,403,708	775,397	-	8,179,105
Furniture and equipment	1,087,157	150,791	118,969	1,118,979
Drainage flow rights	1,450,064	215,812	-	1,665,876
Total accumulated depreciation	<u>18,248,103</u>	<u>3,229,082</u>	<u>238,682</u>	<u>21,238,503</u>
Net capital assets being depreciated	<u>24,963,712</u>	<u>6,281,458</u>	<u>9,252</u>	<u>31,235,918</u>
Capital assets, net	<u>\$ 61,266,253</u>	<u>\$ 7,645,842</u>	<u>\$ 173,510</u>	<u>\$ 68,738,585</u>
Internal Service Fund:				
Capital assets being depreciated				
Machinery and equipment	\$ 320,150	\$ 12,486	\$ -	\$ 332,636
Vehicles	5,956,120	1,724,831	-	7,680,951
Total capital assets being depreciated	<u>6,276,270</u>	<u>1,737,317</u>	<u>-</u>	<u>8,013,587</u>
Less accumulated depreciation for				
Machinery and equipment	278,413	17,544	-	295,957
Vehicles	3,852,577	603,694	-	4,456,271
Total accumulated depreciation	<u>4,130,990</u>	<u>621,238</u>	<u>-</u>	<u>4,752,228</u>
Net capital assets being depreciated	<u>2,145,280</u>	<u>1,116,079</u>	<u>-</u>	<u>3,261,359</u>
Capital assets, net	<u>\$ 2,145,280</u>	<u>\$ 1,116,079</u>	<u>\$ -</u>	<u>\$ 3,261,359</u>
Governmental capital assets not being depreciated	\$ 36,302,541	\$ 1,364,384	\$ 164,258	\$ 37,502,667
Net governmental capital assets being depreciated	<u>27,108,992</u>	<u>7,397,537</u>	<u>9,252</u>	<u>34,497,277</u>
Net governmental activities capital assets	<u>\$ 63,411,533</u>	<u>\$ 8,761,921</u>	<u>\$ 173,510</u>	<u>\$ 71,999,944</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 363,060	-	-	\$ 363,060
Construction in progress	-	273,000	-	273,000
Total capital assets not being depreciated	<u>363,060</u>	<u>273,000</u>	<u>-</u>	<u>636,060</u>
Capital assets being depreciated				
Buildings and improvements	3,356,737	-	-	3,356,737
Other tools and equipment	3,997,182	211,515	71,609	4,137,088
Water and sewer mains	72,856,073	826,670	1,251,941	72,430,802
Participation in East Lansing Sewage System	29,355,181	6,106,010	-	35,461,191
Total capital assets being depreciated	<u>109,565,173</u>	<u>7,144,195</u>	<u>1,323,550</u>	<u>115,385,818</u>
Less accumulated depreciation for				
Buildings and improvements	3,275,474	8,992	-	3,284,466
Other tools and equipment	2,992,826	122,520	71,609	3,043,737
Water and sewer mains	36,444,579	1,309,830	1,251,941	36,502,468
Participation in East Lansing Sewage System	2,409,449	648,164	-	3,057,613
Total accumulated depreciation	<u>45,122,328</u>	<u>2,089,506</u>	<u>1,323,550</u>	<u>45,888,284</u>
Net capital assets being depreciated	<u>64,442,845</u>	<u>5,054,689</u>	<u>-</u>	<u>69,497,534</u>
Business-type capital assets, net	<u>\$ 64,805,905</u>	<u>\$ 5,327,689</u>	<u>\$ -</u>	<u>\$ 70,133,594</u>

Depreciation expense was charged to programs of the Township as follows:

Governmental activities	
General government	\$ 420,134
Public safety	293,269
Public works	2,302,895
Health and welfare	15,852
Recreation and culture	196,932
	<u>3,229,082</u>
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	621,238
Total governmental activities	<u>3,850,320</u>

Business-type activities	
Water	761,681
Sewer	1,327,825
Total business-type activities	<u>2,089,506</u>
Total primary government	<u>\$ 5,939,826</u>

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Construction Commitments

The Township entered into a contract for roadway improvements of \$3,351,559. As of December 31, 2022, \$1,132,412 remained outstanding on the contract.

Note 9 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due from/to other funds		
Sewer fund	General fund	\$ 1,543
Water fund	General fund	<u>881</u>
		<u>\$ 2,424</u>

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:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General fund	Local roads fund	(1) \$ 280,000
General fund	Internal service fund	(2) <u>250,000</u>
		<u>\$ 530,000</u>

(1) To support local roads.

(2) To support purchase of public safety vehicles.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 - Long-Term Debt

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 are typically satisfied by the general fund, internal service fund, water fund and sewer fund.

	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	2.00% - 2.60%	\$200,000 - \$250,000	\$ 1,755,000	\$ -	\$ 820,000	\$ 935,000	\$ 240,000
Road Construction Bond	11,100,000	2023	5.00%	\$1,525,000	4,885,000	-	3,360,000	1,525,000	1,525,000
Road Construction Bond	12,000,000	2026	5.00%	\$1,640,000 - \$3,625,000	-	12,000,000	-	12,000,000	1,640,000
Special assessment obligations									
Towar Gardens	1,873,200	2026	4.98%	\$187,320	936,600	-	187,320	749,280	187,320
Towar Snell	251,250	2026	5.40%	\$25,125	125,625	-	25,125	100,500	25,125
Briarwood	211,500	2026	5.33%	\$10,575	52,875	-	10,575	42,300	10,575
Kinawa	190,000	2032	4.19%	\$10,000	110,000	-	10,000	100,000	10,000
Ember Oaks	35,800	2033	5.25%	\$1,790	21,480	-	1,790	19,690	1,790
Smith Consolidated	111,953	2036	3.22%	\$5,598	83,964	-	5,598	78,366	5,598
Nemoka	3,120,000	2040	2.49%	\$156,000	2,964,000	-	156,000	2,808,000	156,000
Daniels	5,238,614	2041	2.00% - 2.125%	\$260,000 - \$265,000	-	5,238,614	258,614	4,980,000	260,000
Remy Chandler	56,820	2026	1.68%	\$11,364	-	56,820	11,364	45,456	11,364
Total					10,934,544	17,295,434	4,846,386	23,383,592	4,072,772
Less deferred amounts									
For issuance premiums					440,240	1,059,686	220,121	1,279,805	364,943
Total					11,374,784	18,355,120	5,066,507	24,663,397	4,437,715
Compensated absences									
Internal service fund obligations									
Compensated absences					819,141	684,674	705,158	798,657	143,759
Total governmental activities									
					\$ 12,204,422	\$ 19,048,222	\$ 5,781,528	\$ 25,471,116	\$ 4,583,105
Business-type activities									
Bonds and notes payable									
Other governmental obligations									
2013 SRF Wastewater Optimization Bonds	\$ 681,738	2033	2.00%	\$32,994 - \$41,410	\$ 472,776	\$ -	\$ 64,766	\$ 408,010	\$ 32,994
2015 SRF Wastewater Optimization Bonds	4,999,500	2036	2.50%	\$226,644 - \$313,297	3,971,267	-	448,289	3,522,978	-
2017 SRF Wastewater Optimization Bonds	5,632,185	2038	2.50%	\$225,474 - \$590,036	8,502,329	35,303	395,537	8,142,095	820,494
2019 SRF Wastewater Optimization Bonds	4,837,994	2040	2.00%	\$382,503 - \$1,160,460	12,623,566	646,954	562,271	12,708,249	1,160,460
2021 SRF Wastewater Optimization Bonds	2,440,234	2023	1.88%	\$442,574 - \$551,612	95,149	5,423,754	-	5,518,903	465,120
Total					25,665,087	6,106,011	1,470,863	30,300,235	2,479,068
Compensated absences									
Water Fund					48,567	13,578	10,692	51,453	9,262
Sewer Fund					37,787	62,970	58,696	42,061	7,571
Total business-type activities									
					\$ 25,751,441	\$ 6,182,559	\$ 1,540,251	\$ 30,393,749	\$ 2,495,901

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending December 31,	Governmental Activities	
	Bonds	
	Principal	Interest
2023	\$ 4,072,772	\$ 970,273
2024	4,327,772	737,453
2025	4,542,772	543,319
2026	4,187,772	338,085
2027	433,388	136,477
2028 - 2032	2,166,940	535,335
2033 - 2037	2,124,176	294,320
2038 - 2041	1,528,000	67,788
	<u>\$ 23,383,592</u>	<u>\$ 3,623,050</u>

Year Ending December 31,	Business-type Activities	
	Bonds	
	Principal	Interest
2023	\$ 2,479,068	\$ 1,186,210
2024	1,767,260	1,125,790
2025	1,805,689	1,063,874
2026	1,844,594	1,003,329
2027	1,883,022	941,429
2028 - 2032	10,051,493	3,711,883
2033 - 2037	8,227,433	1,975,844
2038 - 2040	2,241,676	314,598
	<u>\$ 30,300,235</u>	<u>\$ 11,322,957</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, 2022, there were three series of Limited Obligation Revenue Bonds outstanding, with an aggregate principal amount payable of \$6,075,000.

Note 11 - Net Investment in Capital Assets

The composition of net investment in capital assets as of December 31, 2022, was as follows:

	Governmental Activities	Business-type Activities
Capital assets		
Capital assets not being depreciated	\$ 37,502,667	\$ 636,060
Capital assets, net of accumulated depreciation	<u>34,497,277</u>	<u>69,497,534</u>
Total capital assets	<u>71,999,944</u>	<u>70,133,594</u>
Unspent bond proceeds	<u>12,160,307</u>	<u>-</u>
Related debt		
General obligation bonds	23,383,592	30,300,235
Unamortized bond premiums	<u>1,279,805</u>	<u>-</u>
Total related debt	<u>24,663,397</u>	<u>30,300,235</u>
Net investment in capital assets	<u>\$ 59,496,854</u>	<u>\$ 39,833,359</u>

Note 12 - 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

Charter Township of Meridian
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For the Year Ended December 31, 2022

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.

Note 13 - Employee Retirement Systems

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

Charter Township of Meridian
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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.

- 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

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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.

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.

Charter Township of Meridian
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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, 2022, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to, but not yet receiving benefits	14
Active employees*	-
	55

*The plan is closed to new members.

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, 2022.

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
Domestic equity - large cap	40.00%
Domestic equity - small cap	13.00%
International equity	8.00%
Intermediate bonds - fixed income	32.00%
Real estate	4.00%
Cash or cash equivalents	3.00%
	100.00%

Rate of Return – For the year ended December 31, 2022, the annual money-weighted rate of return on Plan investments, net of investment expense, was (16.28)%. 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.

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Administrative costs of the Plan are financed through investment earnings.

Net Pension Liability – The components of the net pension liability as of December 31, 2022 were as follows:

Total pension liability - ending	\$ 4,693,398
Plan fiduciary net position - ending	4,120,408
Net pension liability	\$ 572,990
 Plan fiduciary net position as a percentage of total pension liability	87.79%

Actuarial Assumptions – The December 31, 2022 total pension liability was determined by an actuarial valuation as of December 31, 2022. The measurement date was December 31, 2022 and all census data provided to the actuary was as of December 31, 2022, therefore no update procedures to roll forward the estimated liability to December 31, 2022 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:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity - large cap	7.35%
Domestic equity - small cap	8.55%
International equity	8.80%
Intermediate bonds - fixed income	3.00%
Real estate	7.05%
Cash or cash equivalents	0.00%

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.

Charter Township of Meridian
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For the Year Ended December 31, 2022

Changes in Net Pension Liability – The components of the change in net pension liability are summarized as follows:

Total Pension Liability	
Interest on the total pension liability	\$ 281,388
Changes in assumptions	-
Benefit payments and refunds	<u>(477,437)</u>
Net change in total pension liability	(235,119)
Total pension liability - beginning	<u>4,928,517</u>
Total pension liability - ending (a)	<u>\$ 4,693,398</u>
Plan Fiduciary Net Position	
Net investment loss	\$ (829,509)
Benefit payments and refunds	<u>(477,437)</u>
Net change in plan fiduciary net position	(1,306,946)
Plan fiduciary net position - beginning	<u>5,427,354</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,120,408</u>
Net pension liability (a-b)	<u>\$ 572,990</u>
Plan fiduciary net position as a percentage of total pension liability	87.79%
Covered payroll	N/A
Net pension liability as a percentage of covered payroll	N/A

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Township, calculated using the discount rate of 6.0%, as well as what the Township's net pension liability 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:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 904,650	\$ 572,990	\$ 280,417

Pension Expense and Deferred Outflows of Resources Related to Pensions – For the year ended December 31, 2022, the Township recognized pension expense of \$8,505. As of December 31, 2022, the Township reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on plan investments	<u>\$ 489,750</u>

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

<u>Year Ending December 31,</u>	
2023	\$ (19,457)
2024	108,155
2025	172,885
2026	<u>228,167</u>
	<u>\$ 489,750</u>

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Municipal Employees' Retirement System of Michigan

Plan Description – The Township participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS), which covers eligible employees of the Township. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

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.

<u>01 - DPW</u>	<u>Closed to new hires</u>
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)

<u>02 - Police Patrol</u>	<u>Closed to new hires</u>
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)

<u>05 - Firefighters</u>	<u>Closed to new hires</u>
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)

<u>10 - Admin Professional</u>	<u>Closed to new hires</u>
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
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<u>11 - Teamsters</u>	<u>Open Division</u>
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)

<u>12 - Admin Professional on/aft 1/1/17</u>	<u>Open Division</u>
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)

<u>13 - DPW on/aft 1/1/17</u>	<u>Open Division</u>
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)

<u>20 - Police Command</u>	<u>Closed to new hires</u>
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)

<u>21 - Command/Patrol on/aft 1/1/20</u>	<u>Open Division</u>
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)

<u>50 - Firefighters IAFF on/aft 1/1/17</u>	<u>Open Division</u>
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)

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Township Board.

Employees Covered by Benefit Terms – As of the December 31, 2021 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	110
Inactive plan members entitled to, but not yet receiving benefits	87
Active employees	<u>105</u>
	<u>302</u>

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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 be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members 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. For the year ended December 31, 2022, the employee and employer contribution rates were as follows:

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

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00% Net of pension plan investment expenses, including inflation

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 used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study in 2016.

The long-term expected rate of return on pension plan investments was determined using a model 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 target allocation and best estimates of arithmetic real rates of return as of December 31, 2021, the measurement date, for each major asset class are summarized in the following table:

	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	3.88%	5.00%
13 - DPW on/aft 1/1/17	3.50%	5.00%
20 - Police Command	-	11.24%
21 - Command/Patrol on/aft 1/1/20	1.35%	8.29%
50 - Fire IAFF on/aft 1/1/17	3.24%	7.76%

Net Pension Liability – The net pension liability reported as of December 31, 2022 was determined using a measure of the total pension liability and the pension net position as of December 31, 2021. The December 31, 2021 total pension liability was determined by an actuarial valuation performed as of that date.

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%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private investments	20.00%	9.75%	1.95%	2.50%	1.45%
	<u>100.00%</u>		<u>7.35%</u>		<u>4.85%</u>

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Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer 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.

Changes in Net Pension Liability – The components of the change in net pension liability are summarized as follows:

Total Pension Liability	
Service cost	\$ 964,989
Interest on the total pension liability	5,709,764
Differences between expected and actual experience	(817,059)
Changes in assumptions	3,259,691
Benefit payments and refunds	<u>(4,136,081)</u>
Net change in total pension liability	4,981,304
Total pension liability - beginning	<u>76,714,010</u>
Total pension liability - ending (a)	<u>\$ 81,695,314</u>
Plan Fiduciary Net Position	
Employer contributions	\$ 4,759,365
Employee contributions	535,007
Net investment income	7,992,331
Benefit payments and refunds	(4,136,081)
Administrative expense	<u>(86,644)</u>
Net change in plan fiduciary net position	9,063,978
Plan fiduciary net position - beginning	<u>52,295,098</u>
Plan fiduciary net position - ending (b)	<u>\$ 61,359,076</u>
Net pension liability (a-b)	<u>\$ 20,336,238</u>
Plan fiduciary net position as a percentage of total pension liability	75.11%
Covered payroll	\$ 6,370,191
Net pension liability as a percentage of covered payroll	319.24%

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Township, calculated using the discount rate of 7.25%, as well as what the Township’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 30,996,520	\$ 20,336,238	\$ 11,578,065

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2022, the Township recognized pension expense of \$2,692,318. As of December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Amount to Amortize</u>
Difference between expected and actual experience	\$ 45,508	\$ (612,794)	\$ (567,286)
Changes in assumptions	4,256,476	-	4,256,476
Net difference between projected and actual earnings on plan investments	-	(4,730,832)	(4,730,832)
Contributions subsequent to the measurement date*	<u>5,199,999</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,501,983</u>	<u>\$ (5,343,626)</u>	<u>\$ (1,041,642)</u>

*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 for the year ending 2023.

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

<u>Year Ending December 31,</u>	
2023	\$ 1,043,124
2024	(567,312)
2025	(722,017)
2026	(795,437)
	<u>\$ (1,041,642)</u>

Financial Statement Reconciliation

	<u>Net Pension Liability</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	\$ 572,990	\$ 489,750	\$ -	\$ 271,843
Municipal Employee's Retirement System of Michigan	<u>20,336,238</u>	<u>9,501,983</u>	<u>(5,343,626)</u>	<u>2,816,153</u>
	<u>\$ 20,909,228</u>	<u>\$ 9,991,733</u>	<u>\$ (5,343,626)</u>	<u>\$ 3,087,996</u>

Note 14 - Defined Contribution Plan Description

Meridian Charter Township Money Purchase Plan

The Township provides pension benefits to its nonunion, professional supervisory, and professional nonsupervisory employees through a defined contribution plan which is administered by MissionSquare. The Township also provides a defined contribution Retirement Health Savings Plan (RHS) for all employees, except the police and fire union personnel, through a plan administered by Vantage Care. In a defined contribution plan, 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 competitive bargaining units. For the defined contribution plan, the Township contributes 10% of employees' gross earnings, while employees contribute 3.5%. For the healthcare plan, the Township contributes 2% of employees' gross earnings, while

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employees contribute 1%. Additionally, when an employee separates or retires from the Township, 0.25% of their unused sick time is contributed to their Retirement Health Savings Plan.

In accordance with these requirements, the Township contributed \$436,808 and \$171,908 during the current year and employees contributed \$117,555 and \$51,062 for the defined contribution and healthcare plans, respectively.

Note 15 - 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) receive 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.

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.

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Employees covered by benefit terms – At December 31, 2022, the plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	33
Inactive plan members entitled to, but not yet receiving benefits	36
Active plan members	59
	128

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, 2022, the Township contributed \$181,341. Plan members are required to contribute 0 percent to the plan.

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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (12.75)%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net OPEB liability – The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The components of the net OPEB liability as of December 31, 2022 were as follows:

Total OPEB liability	\$ 8,115,011
Plan fiduciary net position	(6,627,255)
Net OPEB liability	\$ 1,487,756

Plan fiduciary net position as a percentage of the total OPEB liability is 81.67%.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, 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%, including inflation, net of administrative and investment expenses
Healthcare cost trend rates	Non-medicare: 7.50% in 2021, grading to 3.50% in 2032. Medicare: 6.25% in 2021, grading to 3.50% in 2032.

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

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

mortality improvements are assumed each year using scale MP-2019, 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-2019, as published by the Society of Actuaries.

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-2019, as published by the Society of Actuaries.

Discount rate – A single discount rate of 4.99% was used to measure the total OPEB liability. 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 4.05%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the levels in the actuarial report. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members, which results in the use of a single discount rate.

Changes in Net OPEB Liability

Total OPEB Liability

Service cost	\$ 126,654
Interest	394,891
Differences between expected and actual experience	(171,130)
Changes in assumptions	(10,952)
Benefit payments	<u>(181,341)</u>
Net change in total OPEB liability	158,122
Total OPEB liability - beginning	<u>7,956,889</u>
Total OPEB liability - ending (a)	<u>\$ 8,115,011</u>

Plan Fiduciary Net Position

Employer contributions	\$ 181,341
Net investment loss	(968,342)
Benefit payments and refunds	<u>(181,341)</u>
Net change in plan fiduciary net position	(968,342)
Plan fiduciary net position - beginning	<u>7,595,597</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,627,255</u>

Net OPEB liability (a-b)

	<u>\$ 1,487,756</u>
Plan fiduciary net position as a percentage of total OPEB liability	81.67%
Covered payroll	N/A
Net OPEB liability as a percentage of covered payroll	N/A

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

	1% Decrease 3.99%	Current Discount Rate 4.99%	1% Increase 5.99%
Net OPEB liability	\$ 2,745,884	\$ 1,487,756	\$ 477,206

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

	1% Decrease	Current Healthcare Trend Rate Assumption	1% Increase
Net OPEB liability	\$ 434,966	\$ 1,487,756	\$ 2,807,901

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended December 31, 2022 the employer recognized an OPEB expense of \$218,408. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount to Amortize
Difference between expected and actual experience	\$ 169,682	\$ (861,307)	\$ (691,625)
Changes in assumptions	323,687	(29,601)	294,086
Net difference between projected and actual earnings on plan investments	691,476	-	691,476
Total	\$ 1,184,845	\$ (890,908)	\$ 293,937

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

Year Ending December 31,	
2023	\$ (453,132)
2024	165,448
2025	317,322
2026	274,176
2027	(9,877)
	\$ 293,937

Note 16 - Pension and Other Employee Benefit Trust Funds
Financial Statements

	Pension Trust Fund	Employer Funded Retiree Health Insurance Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 163,770	\$ -	\$ 163,770
Investments			
Exchange traded funds	929,378	-	929,378
Mutual funds	3,023,519	6,627,255	9,650,774
Receivables			
Accrued interest	3,741	-	3,741
Total assets	<u>4,120,408</u>	<u>6,627,255</u>	<u>10,747,663</u>
Net Position			
Restricted - held in trust for pension benefits and other employee benefits	<u>\$ 4,120,408</u>	<u>\$ 6,627,255</u>	<u>\$ 10,747,663</u>
Additions			
Contributions			
Employer	\$ -	\$ 181,341	\$ 181,341
Investment earnings			
Interest and dividends	116,832	-	116,832
Change in fair value	(921,004)	(968,342)	(1,889,346)
Investment expenses	(25,338)	-	(25,338)
Net investment loss	(829,510)	(968,342)	(1,797,852)
Total additions	<u>(829,510)</u>	<u>(787,001)</u>	<u>(1,616,511)</u>
Deductions			
Benefits	410,783	181,341	592,124
Other deductions	66,653	-	66,653
Total deductions	<u>477,436</u>	<u>181,341</u>	<u>658,777</u>
Change in net position	(1,306,946)	(968,342)	(2,275,288)
Net position - beginning of year	<u>5,427,354</u>	<u>7,595,597</u>	<u>13,022,951</u>
Net position - end of year	<u>\$ 4,120,408</u>	<u>\$ 6,627,255</u>	<u>\$ 10,747,663</u>

Charter Township of Meridian
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 17 - 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 \$3,429,436 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, 2022. 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	\$ 15,991,575
Total deferred outflows of resources	186,678
Total liabilities	4,898,774
Total deferred inflows of resources	716,797
Total net position	10,562,682
Total operating revenue	5,218,578
Total operating expenses	4,122,203
Total nonoperating revenue (expense)	(448,070)
Change in net position	648,305

The Township’s equity in this joint venture as of December 31, 2022 is \$6,681,438, which is recorded in the Water Fund.

Note 18 - 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, 2022, the Township’s property tax revenues were reduced by \$124,042 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 19 - 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.

Note 20 - Change in Accounting Principle

As indicated in Note 1, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement enhances the relevance and consistency of information of the Township’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The financial statements include a prior period adjustment for the lease receivable. This adjustment had no effect on the beginning fund balance of the General Fund or beginning net position of the governmental activities since the deferred inflows equal the amount of the lease receivable. Leases receivable and the related deferred inflows of resources of \$1,530,868 were recorded as of January 1, 2022.

Required Supplementary Information

Charter Township of Meridian
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 14,425,000	\$ 14,402,218	\$ 14,346,847	\$ (55,371)
Licenses and permits	1,636,000	1,960,600	1,885,717	(74,883)
Federal grants	-	-	551	551
State-shared revenue	3,700,000	5,200,000	5,402,009	202,009
State grants	100,000	144,682	120,317	(24,365)
Charges for services	3,412,700	3,769,576	3,785,897	16,321
Fines and forfeitures	323,500	231,600	249,611	18,011
Investment income (loss)	100,000	292,950	(227,222)	(520,172)
Other revenue	554,410	583,420	586,727	3,307
Total revenues	<u>24,251,610</u>	<u>26,585,046</u>	<u>26,150,454</u>	<u>(434,592)</u>
Expenditures				
General government	7,890,580	7,800,518	11,932,822	4,132,304
Public safety	13,576,955	14,001,757	13,706,480	(295,277)
Health and welfare	66,385	70,119	67,919	(2,200)
Community and economic development	3,150,130	1,176,284	1,152,571	(23,713)
Recreation and culture	1,246,919	1,320,220	1,113,371	(206,849)
Debt service				
Principal retirement	400,000	666,387	666,386	(1)
Interest and fiscal charges	85,000	171,949	171,948	(1)
Total expenditures	<u>26,415,969</u>	<u>25,207,234</u>	<u>28,811,497</u>	<u>3,604,263</u>
Excess (deficiency) of revenues over expenditures	(2,164,359)	1,377,812	(2,661,043)	(4,038,855)
Other financing sources (uses)				
Transfers out	(530,000)	(530,000)	(530,000)	-
Issuance of debt	-	-	5,295,434	5,295,434
Total other financing sources (uses)	<u>(530,000)</u>	<u>(530,000)</u>	<u>4,765,434</u>	<u>5,295,434</u>
Net change in fund balance	(2,694,359)	847,812	2,104,391	1,256,579
Fund balance - beginning of year	13,165,516	13,165,516	13,165,516	-
Fund balance - end of year	<u>\$ 10,471,157</u>	<u>\$ 14,013,328</u>	<u>\$ 15,269,907</u>	<u>\$ 1,256,579</u>

Charter Township of Meridian
Required Supplementary Information
Budgetary Comparison Schedule
Local Roads Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ -	\$ 1,010	\$ 1,010	\$ -
Other state grants	-	6,250	6,251	1
Local contributions	172,500	345,000	345,000	-
Investment income	50,000	103,350	142,698	39,348
Total revenues	222,500	455,610	494,959	39,349
Expenditures				
Current				
Public works	3,950,000	3,962,700	2,765,242	(1,197,458)
Debt service				
Bond issuance costs	-	-	105,600	105,600
Total expenditures	3,950,000	3,962,700	2,870,842	(1,091,858)
Excess (deficiency) of revenues over expenditures	(3,727,500)	(3,507,090)	(2,375,883)	1,131,207
Other financing sources				
Transfers in	280,000	280,000	280,000	-
Issuance of debt	-	12,000,000	12,000,000	-
Total other financing sources	280,000	12,280,000	12,280,000	-
Net change in fund balance	(3,447,500)	8,772,910	9,904,117	1,131,207
Fund balance - beginning of year	4,669,985	4,669,985	4,669,985	-
Fund balance - end of year	\$ 1,222,485	\$ 13,442,895	\$ 14,574,102	\$ 1,131,207

**Charter Township of Meridian
Required Supplementary Information
Budgetary Comparison Schedule
Land Preservation Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Taxes	\$ 190,400	\$ 192,690	\$ 192,703	\$ 13
Other state grants	-	845	848	3
Investment income (loss)	48,000	83,000	(217,182)	(300,182)
Other revenue	-	-	109	109
	<u>238,400</u>	<u>276,535</u>	<u>(23,522)</u>	<u>(300,057)</u>
Expenditures				
Current				
Recreation and culture	<u>171,375</u>	<u>175,881</u>	<u>140,919</u>	<u>(34,962)</u>
Net change in fund balance	67,025	100,654	(164,441)	(265,095)
Fund balance - beginning of year	<u>7,318,643</u>	<u>7,318,643</u>	<u>7,318,643</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,385,668</u>	<u>\$ 7,419,297</u>	<u>\$ 7,154,202</u>	<u>\$ (265,095)</u>

Charter Township of Meridian
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

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. The legal level of budgetary control is effectively lowered to that level. 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.

A comparison of actual results of operations to all budgets shown in the other supplementary information section is for management analysis and is more detailed than the adopted budget on a functional basis.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Township incurred expenditures that were in excess of the amounts budgeted as follows:

	<u>Appropriations</u>	<u>Actual</u>	<u>Budget Variance</u>
General Fund			
General government	\$ 7,800,518	\$ 11,932,822	\$ 4,132,304
Community Needs Fund	58,700	158,773	100,073
Fire Station Debt Service Fund	275,115	865,448	590,333
Local Roads Fund	-	105,600	105,600
Road Debt Fund	3,604,250	3,624,232	19,982

The unfavorable variances were caused by unanticipated expenditures that became necessary during the year.

Charter Township of Meridian
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Charter Township of Meridian Employee's Retirement Pension Plan
Last Nine Fiscal Years

Fiscal year ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ -	\$ 8,529	\$ 8,064	\$ 7,933	\$ 7,751	\$ 14,978	\$ 14,830	\$ 12,993	\$ 10,867
Interest on the total pension liability	281,388	294,717	297,676	302,038	307,616	318,040	324,025	307,223	302,325
Differences between expected and actual experience	(39,070)	-	120,898	54,195	25,530	(86,411)	(22,387)	(124,938)	131,492
Changes in assumptions	-	(51,802)	(33,084)	-	-	-	-	474,087	-
Benefit payments and refunds	(477,437)	(461,241)	(424,945)	(448,911)	(418,997)	(414,434)	(418,211)	(362,253)	(365,991)
Net change in total pension liability	(235,119)	(209,797)	(31,391)	(84,745)	(78,100)	(167,827)	(101,743)	307,112	78,693
Total pension liability - beginning	4,928,517	5,138,314	5,169,705	5,254,450	5,332,550	5,500,377	5,602,120	5,295,008	5,216,315
Total pension liability - ending (a)	\$ 4,693,398	\$ 4,928,517	\$ 5,138,314	\$ 5,169,705	\$ 5,254,450	\$ 5,332,550	\$ 5,500,377	\$ 5,602,120	\$ 5,295,008
Plan Fiduciary Net Position									
Employer contributions	\$ -	\$ 128,800	\$ 200,000	\$ 200,000	\$ 300,000	\$ 400,000	\$ 400,000	\$ 250,000	\$ 260,000
Net investment income (loss)	(829,509)	577,376	605,038	880,823	(217,924)	593,541	162,002	86,536	296,201
Benefit payments and refunds	(477,437)	(461,241)	(424,945)	(448,911)	(418,997)	(414,434)	(418,211)	(362,253)	(365,991)
Administrative expense	-	-	(50)	(74)	(25)	(46)	(25)	(69,808)	(72,944)
Net change in plan fiduciary net position	(1,306,946)	244,935	380,043	631,838	(336,946)	579,061	143,766	(95,525)	117,266
Plan fiduciary net position - beginning	5,427,354	5,182,419	4,802,376	4,170,538	4,507,484	3,928,423	3,784,657	3,880,182	3,762,916
Plan fiduciary net position - ending (b)	\$ 4,120,408	\$ 5,427,354	\$ 5,182,419	\$ 4,802,376	\$ 4,170,538	\$ 4,507,484	\$ 3,928,423	\$ 3,784,657	\$ 3,880,182
Net pension liability (asset) (a-b)	\$ 572,990	\$ (498,837)	\$ (44,105)	\$ 367,329	\$ 1,083,912	\$ 825,066	\$ 1,571,954	\$ 1,817,463	\$ 1,414,826
Plan fiduciary net position as a percentage of total pension liability	87.79%	110.12%	100.86%	92.89%	79.37%	84.53%	71.42%	67.56%	73.28%
Covered payroll	\$ -	\$ -	\$ 112,521	\$ 106,283	\$ 104,560	\$ 102,156	\$ 100,153	\$ 99,161	\$ 97,050
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	(39.20%)	345.61%	1,036.64%	807.65%	1,569.55%	1,832.84%	1,457.83%

Note: GASB Statement No. 67 was implemented for the fiscal year ended December 31, 2014 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**Charter Township of Meridian
Required Supplementary Information
Schedule of Employer Contributions
Charter Township of Meridian Employee's Retirement Pension Plan
Last Ten Fiscal Years**

Actuarial Valuation Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2013	\$ 457,795	\$ -	\$ 457,795	\$ 85,570	0.00%
12/31/2014	421,346	260,000	161,346	97,050	267.90%
12/31/2015	403,377	250,000	153,377	99,161	252.12%
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

Notes to Schedule of Employer Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

December 31, 2021

Notes

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 normal

Amortization method

Level dollar, closed

Remaining amortization period

5 years

Asset valuation method

4-year smoothed market

Inflation

N/A

Salary increases

N/A

Investment rate of return

6.00%

Retirement age

N/A

Mortality

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

**Charter Township of Meridian
 Required Supplementary Information
 Schedule of Investment Returns
 Charter Township of Meridian Employee's Retirement Pension Plan
 Last Nine Fiscal Years**

Fiscal Year Ending December 31,	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	8.01%
2015	2.23%
2016	4.35%
2017	15.46%
2018	-5.34%
2019	22.46%
2020	13.04%
2021	11.55%
2022	-16.28%

Note: GASB Statement No. 67 was implemented for the fiscal year ended December 31, 2014 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

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

Fiscal year ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 964,989	\$ 983,064	\$ 984,875	\$ 984,557	\$ 1,010,514	\$ 1,000,303	\$ 981,161	\$ 972,200
Interest on the total pension liability	5,709,764	5,347,638	5,226,527	5,023,418	4,901,121	4,711,548	4,473,927	4,260,390
Differences between expected and actual experience	(817,059)	83,960	14,112	(17,758)	(948,982)	(268,400)	(344,829)	-
Changes in assumptions	3,259,691	2,359,578	2,527,677	-	-	-	2,496,029	-
Changes in benefits	-	-	-	-	(201,785)	-	-	-
Other changes	-	-	-	-	(9,031)	-	-	-
Benefit payments and refunds	(4,136,081)	(3,864,734)	(3,575,639)	(3,327,410)	(3,092,898)	(3,064,869)	(2,837,026)	(2,460,442)
Net change in total pension liability	4,981,304	4,909,506	5,177,552	2,662,807	1,658,939	2,378,582	4,769,262	2,772,148
Total pension liability - beginning	76,714,010	71,804,504	66,626,952	63,964,145	62,305,206	59,926,624	55,157,362	52,385,214
Total pension liability - ending (a)	<u>\$ 81,695,314</u>	<u>\$ 76,714,010</u>	<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>	<u>\$ 55,157,362</u>
Plan Fiduciary Net Position								
Employer contributions	\$ 4,759,365	\$ 4,176,804	\$ 3,854,707	\$ 3,802,749	\$ 3,460,367	\$ 2,835,443	\$ 2,065,675	\$ 1,863,475
Employee contributions	535,007	507,808	503,377	500,743	519,853	454,938	434,297	552,292
Net investment income (loss)	7,992,331	6,164,510	5,449,737	(1,638,422)	4,636,217	3,637,926	(517,185)	1,898,696
Benefit payments and refunds	(4,136,081)	(3,864,734)	(3,575,639)	(3,327,410)	(3,092,898)	(3,064,869)	(2,837,026)	(2,460,442)
Administrative expense	(86,644)	(93,507)	(94,307)	(79,386)	(73,113)	(71,256)	(70,405)	(69,906)
Net change in plan fiduciary net position	9,063,978	6,890,881	6,137,875	(741,726)	5,450,426	3,792,182	(924,644)	1,784,115
Plan fiduciary net position - beginning	52,295,098	45,404,217	39,266,342	40,008,068	34,557,642	30,765,460	31,690,104	29,905,989
Plan fiduciary net position - ending (b)	<u>\$ 61,359,076</u>	<u>\$ 52,295,098</u>	<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>	<u>\$ 31,690,104</u>
Net pension liability (a-b)	<u>\$ 20,336,238</u>	<u>\$ 24,418,912</u>	<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>	<u>\$ 23,467,258</u>
Plan fiduciary net position as a percentage of total pension liability	75.11%	68.17%	63.23%	58.93%	62.55%	55.47%	51.34%	57.45%
Covered payroll	\$ 6,370,191	\$ 6,525,085	\$ 6,445,381	\$ 6,473,935	\$ 6,324,075	\$ 6,197,969	\$ 6,122,164	\$ 6,100,190
Net pension liability as a percentage of covered payroll	319.24%	374.23%	409.60%	422.63%	378.81%	447.69%	476.32%	384.70%

Note: GASB Statement No. 68 was implemented for the fiscal year ended December 31, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

Charter Township of Meridian
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Charter Township of Meridian Postemployment Health Benefits
Last Six Fiscal Years

Fiscal year ended December 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 126,654	\$ 77,036	\$ 109,467	\$ 101,169	\$ 190,743	\$ 184,032
Interest	394,891	346,126	336,017	451,588	433,155	422,016
Differences between expected and actual experience	(171,130)	272,930	(74,110)	(3,048,686)	(177,273)	(146,888)
Changes in assumptions	(10,952)	445,576	(29,617)	218,141	(38,069)	49,580
Benefit payments	<u>(181,341)</u>	<u>(165,327)</u>	<u>(162,018)</u>	<u>(136,274)</u>	<u>(126,136)</u>	<u>(123,649)</u>
Net change in total OPEB liability	158,122	976,341	179,739	(2,414,062)	282,420	385,091
Total OPEB liability - beginning	<u>7,956,889</u>	<u>6,980,548</u>	<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>\$ 8,115,011</u>	<u>\$ 7,956,889</u>	<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	\$ 181,341	\$ 190,327	\$ 447,018	\$ 447,774	\$ 450,136	\$ 295,649
Net investment income (loss)	(968,342)	608,510	652,811	724,043	(212,818)	395,193
Benefit payments and refunds	<u>(181,341)</u>	<u>(165,327)</u>	<u>(162,018)</u>	<u>(136,274)</u>	<u>(126,136)</u>	<u>(123,649)</u>
Net change in plan fiduciary net position	(968,342)	633,510	937,811	1,035,543	111,182	567,193
Plan fiduciary net position - beginning	<u>7,595,597</u>	<u>6,962,087</u>	<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>\$ 6,627,255</u>	<u>\$ 7,595,597</u>	<u>\$ 6,962,087</u>	<u>\$ 6,024,276</u>	<u>\$ 4,988,733</u>	<u>\$ 4,877,551</u>
Net OPEB liability (a-b)	<u>\$ 1,487,756</u>	<u>\$ 361,292</u>	<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	81.67%	95.46%	99.74%	88.58%	54.14%	54.60%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: GASB Statement No. 74 was implemented for the fiscal year ended December 31, 2017 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**Charter Township of Meridian
Required Supplementary Information
Schedule of Employer Contributions
Charter Township of Meridian Postemployment Health Benefits
Last Ten Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2013	\$ 461,822	\$ 470,037	\$ (8,215)	N/A	N/A
12/31/2014	283,991	501,000	(217,009)	N/A	N/A
12/31/2015	283,991	500,000	(216,009)	N/A	N/A
12/31/2016	283,991	306,674	(22,683)	N/A	N/A
12/31/2017	453,565	295,649	157,916	N/A	N/A
12/31/2018	449,295	450,136	(841)	N/A	N/A
12/31/2019	207,005	447,774	(240,769)	N/A	N/A
12/31/2020	205,355	447,018	(241,663)	N/A	N/A
12/31/2021	172,422	190,327	(17,905)	N/A	N/A
12/31/2022	167,659	181,341	(13,682)	N/A	N/A

Notes to Schedule of Employer Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date
Notes

December 31, 2020
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. 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
Amortization method
Remaining amortization period
Asset valuation method
Inflation
Salary increases
Investment rate of return
Retirement age
Mortality

Entry-age normal
Level dollar, open
30 years
Market value
2.50%
N/A
5.00%, including inflation, net of administrative and investment expenses
Experience-based tables of rates that are specific to the type of eligibility condition.
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-2019, 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-2019, 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-2019, as published by the Society of Actuaries.

Health care trend rates
Aging factors
Non-Medicare: 7.50% in 2021, grading to 3.50% in 2032. Medicare: 6.25% in 2021, grading to 3.50% in 2032.
The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.

**Charter Township of Meridian
 Required Supplementary Information
 Schedule of Investment Returns
 Charter Township of Meridian Postemployment Health Benefits
 Last Six Fiscal Years**

Fiscal Year Ending December 31,	Annual Money- Weighted Rate of Return, Net of Investment Expense
2017	9.01%
2018	-5.34%
2019	22.46%
2020	10.68%
2021	8.74%
2022	-12.75%

Note: GASB Statement No. 74 was implemented for the fiscal year ended December 31, 2017 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

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.

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

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

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.

Park Millage Fund – This fund is used to account for tax revenue and donations that are used to beautify and maintain the various parks.

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.

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, 2022**

Special Revenue Funds

	Pedestrian/ Bike Path Millage	Fire Restricted/ Designated	Police Restricted/ Designated	Senior Center Millage	Cable TV	Community Needs	Library
Assets							
Cash and cash equivalents	\$ 2,715,101	\$ 2,975	\$ 70,366	\$ 511,622	\$ 169,546	\$ 100,332	\$ 13,603
Receivables							
Taxes	409,538	-	-	102,798	-	-	-
Special assessments	-	-	-	-	-	-	-
Due from other units of government	-	1,705	5,336	-	-	-	-
Prepaid items	18	-	-	-	-	-	-
Total assets	<u>\$ 3,124,657</u>	<u>\$ 4,680</u>	<u>\$ 75,702</u>	<u>\$ 614,420</u>	<u>\$ 169,546</u>	<u>\$ 100,332</u>	<u>\$ 13,603</u>
Liabilities							
Accounts payable	\$ 56,412	\$ -	\$ 4,322	\$ 54,626	\$ 15,878	\$ 4,470	\$ -
Accrued and other liabilities	318	-	2,824	-	-	-	-
Unearned revenue	-	1,298	-	-	-	-	-
Total liabilities	<u>56,730</u>	<u>1,298</u>	<u>7,146</u>	<u>54,626</u>	<u>15,878</u>	<u>4,470</u>	<u>-</u>
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	-	-	-	-	-	-
Unavailable revenue - federal grant revenue	-	1,705	3,253	-	-	-	-
Property taxes levied for a subsequent period	660,447	-	-	165,718	-	-	-
Special assessments levied for a subsequent period	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>660,447</u>	<u>1,705</u>	<u>3,253</u>	<u>165,718</u>	<u>-</u>	<u>-</u>	<u>-</u>

Charter Township of Meridian
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

Special Revenue Funds

	Pedestrian/ Bike Path Millage	Fire Restricted/ Designated	Police Restricted/ Designated	Senior Center Millage	Cable TV	Community Needs	Library
Fund Balances							
Non-spendable							
Prepaid items	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for							
Pedestrian/bike path millage	2,407,462	-	-	-	-	-	-
Fire	-	1,677	-	-	-	-	-
Police	-	-	65,303	-	-	-	-
Senior center millage	-	-	-	394,076	-	-	-
Cable TV	-	-	-	-	153,668	-	-
Community needs	-	-	-	-	-	95,862	-
Library	-	-	-	-	-	-	13,603
Grants	-	-	-	-	-	-	-
Capital area transportation authority millage	-	-	-	-	-	-	-
Park millage	-	-	-	-	-	-	-
Fire station debt service	-	-	-	-	-	-	-
Assigned - township improvement	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>2,407,480</u>	<u>1,677</u>	<u>65,303</u>	<u>394,076</u>	<u>153,668</u>	<u>95,862</u>	<u>13,603</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,124,657</u>	<u>\$ 4,680</u>	<u>\$ 75,702</u>	<u>\$ 614,420</u>	<u>\$ 169,546</u>	<u>\$ 100,332</u>	<u>\$ 13,603</u>

Charter Township of Meridian
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Grants	CATA Millage	Park Millage	American Rescue Plan Act	Fire Station Debt Service	Township Improvement Revolving	
Assets							
Cash and cash equivalents	\$ 130,703	\$ 158,635	\$ 1,591,790	\$ 2,739,676	\$ 153,368	\$ 1,871,061	\$ 10,228,778
Receivables							
Taxes	-	244,813	816,755	-	248,421	-	1,822,325
Special assessments	-	-	-	-	-	2,831,434	2,831,434
Due from other units of government	-	-	-	-	-	-	7,041
Prepaid items	-	-	719	54,971	-	-	55,708
Total assets	<u>\$ 130,703</u>	<u>\$ 403,448</u>	<u>\$ 2,409,264</u>	<u>\$ 2,794,647</u>	<u>\$ 401,789</u>	<u>\$ 4,702,495</u>	<u>\$ 14,945,286</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ 15,135	\$ 37,880	\$ -	\$ 19,083	\$ 207,806
Accrued and other liabilities	-	-	5,082	-	-	-	8,224
Unearned revenue	-	-	-	2,742,980	-	-	2,744,278
Total liabilities	<u>-</u>	<u>-</u>	<u>20,217</u>	<u>2,780,860</u>	<u>-</u>	<u>19,083</u>	<u>2,960,308</u>
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	-	-	-	-	2,751,433	2,751,433
Unavailable revenue - federal grant revenue	-	-	-	-	-	-	4,958
Property taxes levied for a subsequent period	-	394,912	1,316,204	-	399,938	-	2,937,219
Special assessments levied for a subsequent period	-	-	-	-	-	80,000	80,000
Total deferred inflows of resources	<u>-</u>	<u>394,912</u>	<u>1,316,204</u>	<u>-</u>	<u>399,938</u>	<u>2,831,433</u>	<u>5,773,610</u>

**Charter Township of Meridian
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Grants	CATA Millage	Park Millage	American Rescue Plan Act	Fire Station Debt Service	Township Improvement Revolving	
Fund Balances							
Non-spendable							
Prepaid items	\$ -	\$ -	\$ 719	\$ 54,971	\$ -	\$ -	\$ 55,708
Restricted for							
Pedestrian/bike path millage	-	-	-	-	-	-	2,407,462
Fire	-	-	-	-	-	-	1,677
Police	-	-	-	-	-	-	65,303
Senior center millage	-	-	-	-	-	-	394,076
Cable TV	-	-	-	-	-	-	153,668
Community needs	-	-	-	-	-	-	95,862
Library	-	-	-	-	-	-	13,603
Grants	130,703	-	-	-	-	-	130,703
Capital area transportation authority millage	-	8,536	-	-	-	-	8,536
Park millage	-	-	1,072,124	-	-	-	1,072,124
Fire station debt service	-	-	-	-	1,851	-	1,851
Assigned - township improvement	-	-	-	-	-	1,851,979	1,851,979
Unassigned (deficit)	-	-	-	(41,184)	-	-	(41,184)
Total fund balances	<u>130,703</u>	<u>8,536</u>	<u>1,072,843</u>	<u>13,787</u>	<u>1,851</u>	<u>1,851,979</u>	<u>6,211,368</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 130,703</u>	<u>\$ 403,448</u>	<u>\$ 2,409,264</u>	<u>\$ 2,794,647</u>	<u>\$ 401,789</u>	<u>\$ 4,702,495</u>	<u>\$ 14,945,286</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, 2022

	Special Revenue Funds						
	Pedestrian/ Bike Path Millage	Fire Restricted/ Designated	Police Restricted/ Designated	Senior Center Millage	Cable TV	Community Needs	Library
Revenues							
Taxes	\$ 628,920	\$ -	\$ -	\$ 157,811	\$ -	\$ -	\$ -
Federal grants	-	42,522	7,832	-	-	-	-
State grants	2,806	-	4,242	705	-	-	-
Local contributions	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Investment income	16,286	4	220	1,564	571	319	45
Other revenue	431,250	5	1,050	-	-	148,050	-
Total revenues	<u>1,079,262</u>	<u>42,531</u>	<u>13,344</u>	<u>160,080</u>	<u>571</u>	<u>148,369</u>	<u>45</u>
Expenditures							
Current							
Public safety	-	47,247	17,279	-	-	-	-
Public works	711,562	-	-	-	-	-	-
Health and welfare	-	-	-	108,713	-	158,773	-
Recreation and culture	-	-	-	-	63,179	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>711,562</u>	<u>47,247</u>	<u>17,279</u>	<u>108,713</u>	<u>63,179</u>	<u>158,773</u>	<u>-</u>
Net change in fund balances	367,700	(4,716)	(3,935)	51,367	(62,608)	(10,404)	45
Fund balances - beginning of year	<u>2,039,780</u>	<u>6,393</u>	<u>69,238</u>	<u>342,709</u>	<u>216,276</u>	<u>106,266</u>	<u>13,558</u>
Fund balances - end of year	<u>\$ 2,407,480</u>	<u>\$ 1,677</u>	<u>\$ 65,303</u>	<u>\$ 394,076</u>	<u>\$ 153,668</u>	<u>\$ 95,862</u>	<u>\$ 13,603</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, 2022

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Grants	CATA Millage	Park Millage	American Rescue Plan Act	Fire Station Debt Service	Township Improvement Revolving	
Revenues							
Taxes	\$ -	\$ 376,135	\$ 1,253,675	\$ -	\$ 381,623	\$ -	\$ 2,798,164
Federal grants	-	-	-	1,796,432	-	-	1,846,786
State grants	-	1,678	37,847	-	1,075	-	48,353
Local contributions	-	-	120,645	-	-	-	120,645
Charges for services	-	-	-	-	-	980,159	980,159
Investment income	433	657	4,314	13,787	1,699	59,887	99,786
Other revenue	-	-	230,387	-	-	-	810,742
Total revenues	<u>433</u>	<u>378,470</u>	<u>1,646,868</u>	<u>1,810,219</u>	<u>384,397</u>	<u>1,040,046</u>	<u>6,704,635</u>
Expenditures							
Current							
Public safety	-	-	-	-	-	-	64,526
Public works	-	-	-	-	-	148,629	860,191
Health and welfare	2,866	-	-	-	-	-	270,352
Recreation and culture	-	380,000	960,572	-	-	-	1,403,751
Capital outlay	-	-	-	1,796,432	-	-	1,796,432
Debt service							
Principal retirement	-	-	-	-	820,000	-	820,000
Interest and fiscal charges	-	-	-	-	45,448	-	45,448
Total expenditures	<u>2,866</u>	<u>380,000</u>	<u>960,572</u>	<u>1,796,432</u>	<u>865,448</u>	<u>148,629</u>	<u>5,260,700</u>
Net change in fund balances	(2,433)	(1,530)	686,296	13,787	(481,051)	891,417	1,443,935
Fund balances - beginning of year	<u>133,136</u>	<u>10,066</u>	<u>386,547</u>	<u>-</u>	<u>482,902</u>	<u>960,562</u>	<u>4,767,433</u>
Fund balances - end of year	<u>\$ 130,703</u>	<u>\$ 8,536</u>	<u>\$ 1,072,843</u>	<u>\$ 13,787</u>	<u>\$ 1,851</u>	<u>\$ 1,851,979</u>	<u>\$ 6,211,368</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, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Taxes	\$ 628,100	\$ 628,920	\$ 628,920	\$ -
Other state grants	-	2,805	2,806	1
Investment income	2,000	11,600	16,286	4,686
Other revenue	<u>3,337,000</u>	<u>3,337,000</u>	<u>431,250</u>	<u>(2,905,750)</u>
Total revenues	3,967,100	3,980,325	1,079,262	(2,901,063)
Expenditures				
Current				
Public works	<u>4,196,250</u>	<u>4,503,124</u>	<u>711,562</u>	<u>(3,791,562)</u>
Net change in fund balance	(229,150)	(522,799)	367,700	890,499
Fund balance - beginning of year	<u>2,039,780</u>	<u>2,039,780</u>	<u>2,039,780</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,810,630</u>	<u>\$ 1,516,981</u>	<u>\$ 2,407,480</u>	<u>\$ 890,499</u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Fire Restricted / Designated Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Federal grants	\$ -	\$ 43,820	\$ 42,522	\$ (1,298)
Investment income	-	-	4	4
Other revenue	-	-	5	5
	<u>-</u>	<u>43,820</u>	<u>42,531</u>	<u>(1,289)</u>
Total revenues	-	43,820	42,531	(1,289)
Expenditures				
Current				
Public safety	-	48,202	47,247	(955)
	<u>-</u>	<u>48,202</u>	<u>47,247</u>	<u>(955)</u>
Net change in fund balance	-	(4,382)	(4,716)	(334)
Fund balance - beginning of year	<u>6,393</u>	<u>6,393</u>	<u>6,393</u>	<u>-</u>
Fund balance - end of year	<u>\$ 6,393</u>	<u>\$ 2,011</u>	<u>\$ 1,677</u>	<u>\$ (334)</u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Police Restricted/Designated Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Federal grants	\$ 5,000	\$ 10,800	\$ 7,832	\$ (2,968)
Other state grants	7,000	7,000	4,242	(2,758)
Investment income	100	100	220	120
Other revenue	-	-	1,050	1,050
	<u>12,100</u>	<u>17,900</u>	<u>13,344</u>	<u>(4,556)</u>
Expenditures				
Current				
Public safety	<u>12,000</u>	<u>18,900</u>	<u>17,279</u>	<u>(1,621)</u>
Net change in fund balance	100	(1,000)	(3,935)	(2,935)
Fund balance - beginning of year	<u>69,238</u>	<u>69,238</u>	<u>69,238</u>	<u>-</u>
Fund balance - end of year	<u>\$ 69,338</u>	<u>\$ 68,238</u>	<u>\$ 65,303</u>	<u>\$ (2,935)</u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Senior Center Millage Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Taxes	\$ 158,050	\$ 158,050	\$ 157,811	\$ (239)
Other state grants	-	845	705	(140)
Investment income	500	1,000	1,564	564
 Total revenues	 158,550	 159,895	 160,080	 185
Expenditures				
Current				
Health and welfare	118,000	118,000	108,713	(9,287)
 Net change in fund balance	 40,550	 41,895	 51,367	 9,472
Fund balance - beginning of year	342,709	342,709	342,709	-
Fund balance - end of year	\$ 383,259	\$ 384,604	\$ 394,076	\$ 9,472

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Cable TV Fund
For the Year Ended December 31, 2022**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Amended Budget</u>
Revenues				
Investment income	\$ 100	\$ 525	\$ 571	\$ 46
Expenditures				
Current				
Recreation and culture	<u>-</u>	<u>63,400</u>	<u>63,179</u>	<u>(221)</u>
Net change in fund balance	100	(62,875)	(62,608)	267
Fund balance - beginning of year	<u>216,276</u>	<u>216,276</u>	<u>216,276</u>	<u>-</u>
Fund balance - end of year	<u>\$ 216,376</u>	<u>\$ 153,401</u>	<u>\$ 153,668</u>	<u>\$ 267</u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Community Needs Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Investment income	\$ 100	\$ 300	\$ 319	\$ 19
Other revenue	<u>10,900</u>	<u>20,550</u>	<u>148,050</u>	<u>127,500</u>
Total revenues	11,000	20,850	148,369	127,519
Expenditures				
Current				
Health and welfare	<u>50,900</u>	<u>58,700</u>	<u>158,773</u>	<u>100,073</u>
Net change in fund balance	(39,900)	(37,850)	(10,404)	27,446
Fund balance - beginning of year	<u>106,266</u>	<u>106,266</u>	<u>106,266</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 66,366</u></u>	<u><u>\$ 68,416</u></u>	<u><u>\$ 95,862</u></u>	<u><u>\$ 27,446</u></u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Library Fund
For the Year Ended December 31, 2022**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Amended Budget</u>
Revenues				
Investment income	\$ 20	\$ 20	\$ 45	\$ 25
Fund balance - beginning of year	<u>13,558</u>	<u>13,558</u>	<u>13,558</u>	<u>-</u>
Fund balance - end of year	<u>\$ 13,578</u>	<u>\$ 13,578</u>	<u>\$ 13,603</u>	<u>\$ 25</u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Grants Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Investment income	\$ 50	\$ 225	\$ 433	\$ 208
Expenditures				
Current				
Health and welfare	-	2,870	2,866	(4)
Net change in fund balance	50	(2,645)	(2,433)	212
Fund balance - beginning of year	133,136	133,136	133,136	-
Fund balance - end of year	\$ 133,186	\$ 130,491	\$ 130,703	\$ 212

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
CATA Millage Fund
For the Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Taxes	\$ 376,550	\$ 376,550	\$ 376,135	\$ (415)
Other state grants	-	-	1,678	1,678
Investment income	100	100	657	557
	<u>376,650</u>	<u>376,650</u>	<u>378,470</u>	<u>1,820</u>
Expenditures				
Current				
Recreation and culture	<u>380,000</u>	<u>380,000</u>	<u>380,000</u>	<u>-</u>
Net change in fund balance	(3,350)	(3,350)	(1,530)	1,820
Fund balance - beginning of year	<u>10,066</u>	<u>10,066</u>	<u>10,066</u>	<u>-</u>
Fund balance - end of year	<u>\$ 6,716</u>	<u>\$ 6,716</u>	<u>\$ 8,536</u>	<u>\$ 1,820</u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Park Millage Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Taxes	\$ 1,256,250	\$ 1,256,250	\$ 1,253,675	\$ (2,575)
Other state grants	-	37,845	37,847	2
Local contributions	175,000	-	120,645	120,645
Investment income	1,800	4,150	4,314	164
Other revenue	130,000	228,800	230,387	1,587
 Total revenues	 1,563,050	 1,527,045	 1,646,868	 119,823
Expenditures				
Current				
Recreation and culture	1,576,144	1,365,875	960,572	(405,303)
 Net change in fund balance	 (13,094)	 161,170	 686,296	 525,126
 Fund balance - beginning of year	 386,547	 386,547	 386,547	 -
 Fund balance - end of year	 <u>\$ 373,453</u>	 <u>\$ 547,717</u>	 <u>\$ 1,072,843</u>	 <u>\$ 525,126</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, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Federal grants	\$ -	\$ 2,297,103	\$ 1,796,432	\$ (500,671)
Investment income	-	-	13,787	13,787
Total revenues	-	2,297,103	1,810,219	(486,884)
Expenditures				
Capital outlay	-	2,297,103	1,796,432	(500,671)
Net change in fund balance	-	-	13,787	13,787
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 13,787	\$ 13,787

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Fire Station Debt Service Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Taxes	\$ 380,600	\$ 380,600	\$ 381,623	\$ 1,023
Other state grants	-	1,075	1,075	-
Investment income	500	1,400	1,699	299
Total revenues	<u>381,100</u>	<u>383,075</u>	<u>384,397</u>	<u>1,322</u>
Expenditures				
Debt service				
Principal retirement	235,000	235,000	820,000	585,000
Interest and fiscal charges	40,115	40,115	45,448	5,333
Total expenditures	<u>275,115</u>	<u>275,115</u>	<u>865,448</u>	<u>590,333</u>
Net change in fund balance	105,985	107,960	(481,051)	(589,011)
Fund balance - beginning of year	<u>482,902</u>	<u>482,902</u>	<u>482,902</u>	<u>-</u>
Fund balance - end of year	<u>\$ 588,887</u>	<u>\$ 590,862</u>	<u>\$ 1,851</u>	<u>\$ (589,011)</u>

**Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Nonmajor Governmental Fund
Township Improvement Revolving Fund
For the Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Charges for services	\$ 210,000	\$ 967,216	\$ 980,159	\$ 12,943
Investment income	40,000	58,228	59,887	1,659
Total revenues	250,000	1,025,444	1,040,046	14,602
Expenditures				
Current				
Public works	100,000	172,685	148,629	(24,056)
Net change in fund balance	150,000	852,759	891,417	38,658
Fund balance - beginning of year	960,562	960,562	960,562	-
Fund balance - end of year	<u>\$ 1,110,562</u>	<u>\$ 1,813,321</u>	<u>\$ 1,851,979</u>	<u>\$ 38,658</u>

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison Schedule
Major Governmental Fund - Debt Service
Road Debt Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,701,000	\$ 3,706,830	\$ 3,707,805	\$ 975
Other state grants	-	10,230	10,232	2
Investment income	3,000	11,000	11,781	781
Total revenues	<u>3,704,000</u>	<u>3,728,060</u>	<u>3,729,818</u>	<u>1,758</u>
Expenditures				
Debt service				
Principal retirement	3,360,000	3,360,000	3,360,000	-
Interest and fiscal charges	244,250	244,250	244,250	-
Bond issuance costs	-	-	19,982	19,982
Total expenditures	<u>3,604,250</u>	<u>3,604,250</u>	<u>3,624,232</u>	<u>19,982</u>
Excess of revenues over expenditures	99,750	123,810	105,586	(18,224)
Other financing sources				
Issuance of debt	-	1,039,700	1,059,686	19,986
Net change in fund balance	99,750	1,163,510	1,165,272	1,762
Fund balance - beginning of year	<u>953,917</u>	<u>953,917</u>	<u>953,917</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,053,667</u>	<u>\$ 2,117,427</u>	<u>\$ 2,119,189</u>	<u>\$ 1,762</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)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net investment in capital assets	\$ 34,428	\$ 34,416	\$ 36,166	\$ 37,311	\$ 40,613	\$ 42,957	\$ 44,162	\$ 51,739	\$ 55,088	\$ 59,497
Restricted	6,553	7,345	8,400	9,757	9,150	10,204	23,050	12,130	13,627	15,836
Unrestricted	9,018	10,629	(10,661)	(11,611)	(11,910)	(15,183)	(22,274)	(8,430)	(2,954)	3,804
Total net position	<u>\$ 49,999</u>	<u>\$ 52,390</u>	<u>\$ 33,905</u>	<u>\$ 35,457</u>	<u>\$ 37,853</u>	<u>\$ 37,978</u>	<u>\$ 44,938</u>	<u>\$ 55,439</u>	<u>\$ 65,761</u>	<u>\$ 79,137</u>
Business-type Activities:										
Net investment in capital assets	\$ 40,589	\$ 40,452	\$ 39,764	\$ 39,273	\$ 39,865	\$ 39,887	\$ 39,914	\$ 40,505	\$ 39,141	\$ 39,833
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	7,839	8,972	7,433	9,077	10,972	12,615	14,977	16,111	18,609	20,031
Total net position	<u>\$ 48,428</u>	<u>\$ 49,424</u>	<u>\$ 47,197</u>	<u>\$ 48,350</u>	<u>\$ 50,837</u>	<u>\$ 52,502</u>	<u>\$ 54,891</u>	<u>\$ 56,616</u>	<u>\$ 57,750</u>	<u>\$ 59,864</u>
Primary Government:										
Net investment in capital assets	\$ 75,017	\$ 74,868	\$ 75,930	\$ 76,584	\$ 80,478	\$ 82,844	\$ 84,076	\$ 92,244	\$ 94,229	\$ 99,330
Restricted	6,553	7,345	8,400	9,757	9,150	10,204	23,050	12,130	13,627	15,836
Unrestricted	16,857	19,601	(3,228)	(2,534)	(938)	(2,568)	(7,297)	7,681	15,655	23,835
Total net position	<u>\$ 98,427</u>	<u>\$ 101,814</u>	<u>\$ 81,102</u>	<u>\$ 83,807</u>	<u>\$ 88,690</u>	<u>\$ 90,480</u>	<u>\$ 99,829</u>	<u>\$ 112,055</u>	<u>\$ 123,511</u>	<u>\$ 139,001</u>

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

	Fiscal Year Ended December 31									
	(in thousands of dollars)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
General government	\$ 4,284	\$ 3,941	\$ 4,346	\$ 4,347	\$ 4,785	\$ 4,239	\$ 3,789	\$ 5,350	\$ 5,038	\$ 6,179
Public safety	10,922	9,799	10,937	12,247	11,454	12,450	13,146	12,450	11,089	11,793
Public works	1,072	1,277	946	1,230	1,132	1,414	1,070	1,851	2,127	2,861
Health and welfare	169	166	162	159	180	143	273	196	233	349
Community and economic development	-	-	-	-	-	-	-	129	1,554	1,161
Recreation and culture	1,684	2,118	2,258	2,484	3,078	2,514	2,700	1,221	2,944	2,801
Interest on long-term debt	367	221	168	148	138	128	334	400	360	536
Total expenses	18,498	17,522	18,817	20,615	20,767	20,888	21,312	21,597	23,345	25,680
Program revenue:										
Charges for services:										
General government	391	383	416	414	667	699	680	1,440	1,497	1,441
Public safety	3,064	2,658	2,574	2,724	2,895	2,685	2,897	2,421	3,078	3,224
Public works	113	89	121	82	120	204	417	1,231	1,050	1,050
Recreation and culture	307	321	338	346	1,181	1,181	1,203	118	298	392
Total charges for services	3,875	3,451	3,449	3,566	4,863	4,769	5,197	5,210	5,923	6,107
Operating grants and contributions	283	175	127	137	172	121	418	1,460	856	3,306
Capital grants and contributions	-	-	-	-	-	589	-	252	1,536	3,091
Total program revenue	4,158	3,626	3,576	3,703	5,035	5,479	5,615	6,922	8,315	12,504
Excess of expenses over revenue	(14,340)	(13,896)	(15,241)	(16,912)	(15,732)	(15,409)	(15,697)	(14,675)	(15,030)	(13,176)
General revenue:										
Property taxes	11,464	11,710	13,005	13,464	13,695	16,142	16,766	20,099	20,620	21,047
State-shared revenue	2,960	3,085	3,087	3,165	3,496	3,579	3,711	3,728	4,333	5,658
Investment income (loss)	(46)	212	152	128	238	486	748	720	214	(185)
Franchise fees*	822	856	1,021	1,058	-	-	-	-	-	-
Miscellaneous income	533	424	562	694	723	793	1,432	629	-	33
Total general revenue	15,733	16,287	17,827	18,509	18,152	21,000	22,657	25,176	25,167	26,553
Transfers	-	-	-	(45)	(24)	-	-	-	185	-
Change in net position	\$ 1,393	\$ 2,391	\$ 2,586	\$ 1,552	\$ 2,396	\$ 5,591	\$ 6,960	\$ 10,501	\$ 10,322	\$ 13,377

*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)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating revenue:										
Sale of water	\$ 4,026	\$ 4,152	\$ 4,104	\$ 5,320	\$ 5,287	\$ 5,391	\$ 5,677	\$ 5,687	\$ 5,686	\$ 5,563
Sewage disposal charge	3,587	3,800	3,833	4,185	4,580	5,240	5,432	5,896	6,185	6,028
Charges for services	1,150	1,061	887	979	1,335	997	935	900	948	1,368
Other	433	35	42	26	46	48	63	45	45	62
Total operating revenue	9,196	9,048	8,866	10,510	11,248	11,676	12,107	12,528	12,864	13,021
Operating expense:										
Cost of water produced/purchased	2,518	2,458	2,556	2,505	2,852	3,091	3,186	3,281	3,479	3,429
Cost of sewage treatment	1,855	1,789	2,301	2,393	1,870	2,651	1,556	2,311	2,149	1,803
Other operation and maintenance costs	2,541	2,871	2,959	2,685	3,083	752	851	897	1,052	783
Billing and administrative costs	1,076	1,082	1,101	1,160	1,192	2,579	2,619	2,897	2,988	3,272
Depreciation	1,795	1,650	1,680	1,647	1,686	1,600	1,745	1,926	2,002	2,090
Total operating expenses	9,785	9,850	10,597	10,390	10,683	10,673	9,957	11,312	11,670	11,377
Operating income (loss)	(589)	(802)	(1,731)	120	565	1,003	2,150	1,216	1,194	1,644
Nonoperating revenue (expense):										
Investment income (loss)	3	4	3	1	1	1	55	23	46	(140)
Gain (loss) from joint venture	163	234	(31)	300	296	337	348	424	372	399
Grant revenue	-	569	932	402	514	7	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	(271)	-	-
Interest expense	(37)	(12)	(39)	(98)	(126)	(210)	(317)	(509)	(572)	(544)
Total nonoperating revenue (expense)	129	795	865	605	685	135	86	(333)	(154)	(285)
Income (loss) – Before capital contributions and transfer	(460)	(7)	(866)	725	1,250	1,138	2,236	883	1,040	1,359
Capital contributions	418	1,003	195	383	1,213	526	154	1,300	94	755
Transfers from other funds	-	-	-	45	24	-	-	-	-	-
Change in net position	\$ (42)	\$ 996	\$ (671)	\$ 1,153	\$ 2,487	\$ 1,664	\$ 2,390	\$ 2,183	\$ 1,134	\$ 2,114
Change in net position – primary government	\$ 1,351	\$ 3,387	\$ 1,915	\$ 2,705	\$ 4,883	\$ 7,255	\$ 9,350	\$ 12,684	\$ 11,456	\$ 15,491

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

	As of December 31									
	(in thousands of dollars)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 564	\$ 217	\$ 297	\$ 289	\$ 119	\$ 140	\$ 174	\$ 222	\$ 245	\$ 538
Assigned	-	-	-	-	1,111	592	1,812	683	2,694	1,594
Unassigned	6,280	6,896	7,307	7,137	5,627	7,229	8,508	9,301	10,227	13,138
Total general fund	<u>\$ 6,844</u>	<u>\$ 7,113</u>	<u>\$ 7,604</u>	<u>\$ 7,426</u>	<u>\$ 6,857</u>	<u>\$ 7,961</u>	<u>\$ 10,494</u>	<u>\$ 10,206</u>	<u>\$ 13,166</u>	<u>\$ 15,270</u>
All Other Governmental Funds										
Nonspendable	\$ 8	\$ 7	\$ 31	\$ 13	\$ 11	\$ 8	\$ 8	\$ 2	\$ -	\$ 56
Restricted	9,840	10,501	8,368	9,744	9,139	10,197	23,055	18,437	16,749	28,192
Assigned	1,162	1,170	1,131	1,059	1,150	956	1,003	1,033	961	1,852
Unassigned	(349)	(1)	-	-	-	-	-	-	-	(41)
Total all other governmental funds	<u>\$ 10,661</u>	<u>\$ 11,677</u>	<u>\$ 9,530</u>	<u>\$ 10,816</u>	<u>\$ 10,300</u>	<u>\$ 11,161</u>	<u>\$ 24,066</u>	<u>\$ 19,472</u>	<u>\$ 17,710</u>	<u>\$ 30,059</u>

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

	Year Ended December 31									
	(in thousands of dollars)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue										
Property taxes	\$ 11,464	\$ 11,710	\$ 13,005	\$ 13,464	\$ 13,695	\$ 16,142	\$ 16,766	\$ 20,099	\$ 20,620	\$ 21,047
Licenses and permits	1,153	841	737	796	2,280	1,946	2,008	1,480	2,210	1,886
Intergovernmental revenue	3,106	3,229	3,226	3,252	3,555	4,198	3,999	3,943	5,512	7,901
Charges for services	3,641	3,498	3,597	3,624	3,337	3,656	3,695	3,343	3,619	4,766
Investment income (loss)	(46)	212	152	128	236	476	730	713	211	(190)
Other	1,727	1,640	1,902	2,160	1,062	1,149	1,827	1,282	1,879	1,646
Total revenue	21,045	21,130	22,619	23,424	24,165	27,567	29,025	30,860	34,051	37,056
Expenditures										
Current:										
General government	5,030	4,925	5,010	5,208	5,832	5,257	5,595	6,339	5,841	11,431
Public safety	10,172	10,263	10,273	11,287	11,042	12,656	12,552	12,407	12,531	13,106
Public works	328	539	287	519	823	1,205	424	850	658	688
Health and welfare	168	166	161	168	163	123	240	180	214	338
Community and economic development	-	-	-	-	-	-	-	130	1,554	1,124
Recreation and culture	1,771	2,185	2,275	2,711	2,552	2,629	2,700	1,075	2,322	2,441
Capital outlay	1,574	1,019	5,852	1,732	4,003	2,816	3,114	10,404	5,182	6,146
Debt service:										
Principal	262	516	659	480	486	491	491	3,515	3,791	4,846
Interest	212	232	217	155	145	136	124	593	529	462
Debt issuance costs	62	-	-	-	-	-	117	-	-	126
Total expenditures	19,579	19,845	24,734	22,260	25,046	25,313	25,357	35,493	32,622	40,708
Excess of revenues over (under) expenditures	1,466	1,285	(2,115)	1,164	(881)	2,254	3,668	(4,633)	1,429	(3,652)
Other financing sources (uses)										
Proceeds from issuance of long-term debt	3,500	-	-	-	-	-	11,100	-	-	18,355
Premium on issuance of debt	-	-	-	-	-	-	880	-	-	-
Transfers in	137	467	462	190	451	550	400	350	330	280
Transfers out	(137)	(467)	(462)	(247)	(700)	(840)	(610)	(600)	(561)	(530)
Insurance recoveries	-	-	-	-	43	-	-	-	-	-
Sale of capital assets	-	-	459	-	3	-	-	-	-	-
Total other financing sources (uses)	3,500	-	459	(57)	(203)	(290)	11,770	(250)	(231)	18,105
Net change in fund balance	\$ 4,966	\$ 1,285	\$ (1,656)	\$ 1,107	\$ (1,084)	\$ 1,964	\$ 15,438	\$ (4,883)	\$ 1,198	\$ 14,453
Debt service as a percentage of noncapital expenditures	2.64%	3.97%	4.64%	3.09%	3.00%	2.82%	2.73%	16.40%	15.59%	17.72%
Capital outlay as a percentage of total expenditures	8.04%	5.13%	23.66%	7.78%	15.98%	11.12%	12.28%	29.31%	15.88%	15.10%

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
2013	\$ 1,128,124	\$ 399,329	\$ 1,527,453	7.17%	\$ 3,124,917	48.88%
2014	1,151,524	400,686	1,552,210	7.84%	3,209,695	48.36%
2015	1,182,156	426,509	1,608,665	7.84%	3,447,893	46.66%
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%

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)

Millage Rates - Direct Township Taxes					Overlapping Taxes													
Tax Year	General Operating	Debt	Special Purpose	Total Direct Taxes	Ingham County	Lansing Community College	Ingham Intermediate School District	Okemos School - Homestead	Okemos School - Non-Homestead	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
2013	4.20	0.20	2.77	7.17	14.76	3.81	5.99	13.99	31.99	16.36	34.36	15.05	33.05	15.41	33.41			
2014	4.20	0.20	3.44	7.84	15.26	3.81	5.99	13.99	31.99	16.36	34.36	15.73	33.73	15.38	33.38			
2015	4.20	0.20	3.44	7.84	15.09	3.81	5.99	13.99	31.99	16.36	34.36	15.59	33.59	12.74	30.74			
2016	4.18	0.20	3.44	7.82	15.33	3.81	5.99	13.99	31.99	16.35	34.35	15.58	33.58	12.49	30.49			
2017	4.17	0.20	4.64	9.02	15.34	3.81	5.99	13.99	31.99	16.33	34.33	15.57	33.57	14.28	32.28			
2018	4.17	0.20	4.63	9.00	11.34	3.81	6.00	13.99	31.99	16.33	34.33	15.57	33.57	14.28	32.26	0.70	1.56	3.01
2019	4.17	0.20	6.13	10.50	11.34	3.81	6.00	13.99	31.99	16.33	34.33	15.58	33.58	13.50	31.50	0.70	1.56	3.01
2020	4.16	2.14	4.15	10.45	11.91	3.78	6.24	13.99	31.99	16.32	34.32	15.57	33.41	14.00	32.00	0.70	1.56	3.00
2021	4.16	2.14	4.15	10.45	11.98	3.77	6.23	13.99	31.99	16.30	34.30	15.56	33.40	13.80	31.80	0.70	1.55	2.99
2022	4.14	2.14	4.14	10.42	11.31	3.77	6.23	13.99	31.99	16.29	34.29	15.55	33.32	13.63	31.63	0.70	1.56	2.99

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	2022 Taxable Value	Percentage of Total	2013 Taxable Value	Percentage of Total	2013 Rank
1 Consumers Energy	\$ 33,384,021	1.66%	\$ 18,386,333	1.20%	3
2 C150 2929 Hannah Lofts, LLC	22,381,105	1.12%			
3 East Lansing I, LLC	15,399,404	0.77%	14,021,200	0.92%	5
4 Meridian Mall, LP	15,207,600	0.76%	28,513,300	1.87%	2
5 East Lansing Athletic Club, Inc.	10,810,181	0.54%			
6 TEG Central, LLC	10,634,281	0.53%			
7 Brandywine Creek II, LLC	9,318,878	0.46%	8,158,083	0.53%	7
8 TEG Club Meridian, LLC	8,867,655	0.44%			
9 ACC OP, LLC	8,707,289	0.43%			
10 Okemos Pointe, LLC	8,203,485	0.41%			

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
2012	2013	\$ 10,913,178	\$ 10,494,474	96.16%	\$ 9,397	\$ 10,503,871	96.25%
2013	2014	12,158,875	11,843,345	97.40%	10,490	11,853,835	97.49%
2014	2015	12,602,616	12,309,015	97.67%	14,730	12,323,745	97.79%
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%

Source: Charter Township of Meridian Assessor and Treasurer

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
General obligation bonds	\$ 3,500,000	\$ 3,290,000	\$ 3,080,000	\$ 2,865,000	\$ 2,650,000	\$ 2,430,000	\$ 2,210,000	\$ 1,985,000	\$ 1,755,000	\$ 935,000
Installment purchase agreements	225,000	184,000	-	-	-	-	-	-	-	-
Road construction bond	-	-	-	-	-	-	11,100,000	8,050,000	4,885,000	13,525,000
Drain assessments	3,308,821	3,043,384	2,777,947	2,624,463	2,353,428	2,082,394	1,811,360	1,570,952	4,294,544	8,923,592
Unamortized issuance premiums*	-	-	-	-	-	-	880,482	660,361	440,240	1,279,805
Total	7,033,821	6,517,384	5,857,947	5,489,463	5,003,428	4,512,394	16,001,842	12,266,313	11,374,784	24,663,397
Business-type Activities										
Other governmental obligations	427,350	349,450	1,773,094	5,024,672	5,370,166	10,771,821	17,333,107	26,784,161	25,665,087	30,300,235
Total debt of the government	\$ 7,461,171	\$ 6,866,834	\$ 7,631,041	\$ 10,514,135	\$ 10,373,594	\$ 15,284,215	\$ 33,334,949	\$ 39,050,474	\$ 37,039,871	\$ 54,963,632
Total taxable value (\$000s)	\$ 1,527,453	\$ 1,552,210	\$ 1,608,665	\$ 1,640,027	\$ 1,688,081	\$ 1,760,492	\$ 1,819,244	\$ 1,872,353	\$ 1,914,507	\$ 2,006,504
Debt as a Percentage of Taxable Value	0.49%	0.44%	0.47%	0.64%	0.61%	0.87%	1.83%	2.09%	1.93%	2.74%
Total Population	39,688	39,688	39,688	39,688	39,688	39,688	39,688	39,688	43,916	43,916
Total Debt per Capita	\$ 188	\$ 173	\$ 192	\$ 265	\$ 261	\$ 385	\$ 840	\$ 984	\$ 843	\$ 1,252

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	Net General Obligation Debt	Taxable Value (\$000s)	Debt as a Percentage of Actual Taxable Value	Population	Net General Obligation Debt per Capita
2013	\$ -	\$ 3,500,000	\$ -	\$ 3,308,821	\$ 652,350	\$ 7,461,171	\$ 1,527,453	48.85%	39,688	188
2014	-	3,290,000	-	3,043,384	1,215,188	7,548,572	1,552,210	48.63%	39,688	190
2015	-	3,080,000	-	2,777,947	1,773,094	7,631,041	1,608,665	47.44%	39,688	192
2016	-	2,865,000	-	2,624,463	5,024,672	10,514,135	1,640,027	64.11%	39,688	265
2017	-	2,650,000	-	2,353,428	5,370,166	10,373,594	1,688,081	61.45%	39,688	261
2018	-	2,430,000	-	2,082,394	10,771,820	15,284,214	1,760,492	86.82%	39,688	385
2019	11,980,482	2,210,000	-	1,811,360	17,333,107	33,334,949	1,819,244	183.24%	39,688	840
2020	8,710,361	1,985,000	-	1,570,952	26,784,161	39,050,474	1,872,353	208.56%	39,688	984
2021	5,325,240	1,755,000	-	4,294,544	25,665,087	37,039,871	1,914,507	193.47%	43,916	843
2022	14,804,805	935,000	-	8,923,592	30,300,235	54,963,632	2,006,504	273.93%	43,916	1,252

Charter Township of Meridian
Direct and Overlapping Governmental Activities Debt
December 31, 2022
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Ingham County	\$ 97,783,271	21.57%	\$ 21,091,852
East Lansing School District	94,568,377	14.31%	13,532,735
Okemos School District	23,096,460	87.54%	20,218,641
Williamston School District	39,418,012	7.60%	2,995,769
Haslett School District	61,085,040	66.98%	40,914,760
Ingham Intermediate School District	13,323,000	18.26%	2,432,780
Lansing Community College	89,380,000	14.72%	13,156,736
Total overlapping debt			114,343,273
Direct Township debt			24,663,397
Total direct and overlapping debt			\$ 139,006,670

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	Debt Service			Special Assessment Collections	Debt Service			
				Principal	Interest	Coverage		Principal	Interest	Coverage	
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Calculation of Debt Limit										
State equalized valuation	\$ 1,562,458,500	\$ 1,604,386,223	\$ 1,723,946,700	\$ 1,821,053,200	\$ 1,892,356,824	\$ 1,971,995,800	\$ 2,070,653,588	\$ 2,183,150,200	\$ 2,247,176,400	\$ 2,355,846,878
10% of taxable value	156,245,850	160,438,622	172,394,670	182,105,320	189,235,682	197,199,580	207,065,359	218,315,020	224,717,640	235,584,688
Calculation of debt subject to limit										
Total debt	8,273,557	7,637,481	8,330,658	11,298,335	11,196,846	16,130,928	33,303,774	39,336,765	37,955,863	55,864,865
Less debt not subject to limit:										
Special assessment bonds	3,308,821	3,043,384	2,777,947	2,624,463	2,353,428	2,082,395	1,811,360	1,570,952	4,294,544	8,923,592
Contractual adjustment	225,000	241,400	8,200	-	-	-	-	-	-	-
Employee compensated absences	812,386	770,647	699,617	784,200	823,252	846,714	849,305	946,652	915,992	901,233
Total	4,346,207	4,055,431	3,485,764	3,408,663	3,176,680	2,929,109	2,660,665	2,517,604	5,210,536	9,824,825
Net debt subject to limit	\$ 3,927,350	\$ 3,582,050	\$ 4,844,894	\$ 7,889,672	\$ 8,020,166	\$ 13,201,819	\$ 30,643,109	\$ 36,819,161	\$ 32,745,327	\$ 46,040,040
Legal debt margin	\$ 152,318,500	\$ 156,856,572	\$ 167,549,776	\$ 174,215,648	\$ 181,215,516	\$ 183,997,761	\$ 176,422,250	\$ 181,495,859	\$ 191,972,313	\$ 189,544,648
Net debt subject to limit as a percentage debt limit	2.51%	2.23%	2.81%	4.33%	4.24%	6.69%	14.80%	16.87%	14.57%	19.54%

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 2021 Employees	Percentage of Total	Calendar Year 2012 Employees	Percentage of Total	Calendar Year 2012 Rank
1 State of Michigan	13,880	26.58%	N/A	N/A	N/A
2 Michigan State University	10,253	19.63%	N/A	N/A	N/A
3 Sparrow Health System	9,000	17.23%	N/A	N/A	N/A
4 General Motors	4,549	8.71%	N/A	N/A	N/A
5 McLaren Health	3,000	5.74%	N/A	N/A	N/A
6 Auto Owners	2,578	4.94%	N/A	N/A	N/A
7 Peckham	2,510	4.81%	N/A	N/A	N/A
8 Jackson National Life	2,500	4.79%	N/A	N/A	N/A
9 Dart Container	2,000	3.83%	N/A	N/A	N/A
10 Lansing Community College	1,957	3.75%	N/A	N/A	N/A

N/A = Information is not available
 2018 switched source to LEAP
 Source: LEAP Largest Employers Lansing Michigan
 2022 information not yet available

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	39	37	37	39	32	33	33	35	31	35
Public safety:										
Police	45	45	45	45	45	46	46	46	46	46
Fire and EMS	35	34	34	34	35	36	36	36	36	36
Community planning and development	11	11	12	12	16	17	18	13	13	12
Public works	22	22	21	21	20	21	22	21	21	27
Parks and recreation	9	10	10	11	15	15	13	13	13	13
Total	161	159	159	162	163	168	168	164	160	169

Source: Charter Township of Meridian records

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Election data:										
Registered voters	28,947	29,099	29,070	31,257	30,263	30,954	31,106	33,942	33,139	32,599
Voters (at polls or absentee)	5,816	16,513	8,791	22,934	5,625	21,344	7,116	25,798	4,496	22,047
Percent voting	20.1%	56.7%	30.2%	73.4%	18.6%	69.0%	22.9%	76.0%	13.6%	67.6%
Police:										
Physical arrests	864	855	765	700	559	577	563	402	554	503
Traffic violations	2,883	2,618	2,366	2,272	1,752	1,922	2,096	1,517	1,711	1,231
Investigations	256	208	234	366	398	263	222	351	279	171
Fire:										
Fire runs	737	714	623	925	1,181	991	1,217	875	963	795
Emergency medical runs	3,619	3,683	3,884	4,028	3,988	4,226	4,220	4,031	4,627	5,286
Inspections	312	275	205	158	173	285	412	86	203	160
Water										
Number of customers billed	13,000	13,000	13,000	12,310	12,300	12,250	12,300	12,320	12,564	12,344
Total gallons purchased (000s)	1,435,717	1,376,308	1,135,397	1,212,208	1,304,855	1,306,647	1,287,860	1,349,203	1,252,861	1,175,134
Average consumption per year	110	106	87	98	106	107	105	110	100	95
Sewer - Average daily sewage treatment	3,764,964	4,290,875	4,264,226	4,233,669	4,742,521	4,617,594	4,715,567	4,579,664	4,534,271	3,993,802

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (number of officers and sergeants)	36	36	37	35	34	34	38	36	38	40
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Fire response vehicles	4	4	4	4	4	4	4	4	4	5
Emergency response vehicles	4	4	4	4	5	5	5	5	5	5
Pedestrian/Bicycle pathways (miles)	73.55	73.63	74.50	74.50	76.00	76.00	76.00	77.00	77.51	77.69
Parks and recreation:										
Acreage	904	904	911	911	911	911	911	931	933	933
Mowing acres	213	215	219	215	215	215	215	215	215	215
Developed parks/playgrounds	17	17	17	17	17	17	17	17	17	17
Developed fields (soccer, baseball, etc.)	10	13	14	14	14	15	15	16	16	16
Water										
Mains (miles)	166.18	167.74	168.08	168.08	171.66	225.66	226.00	227.60	227.74	228.30
Fire hydrants	1,900	1,900	1,900	1,900	1,900	2,279	2,284	2,299	2,305	2,314
Storage capacity	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Sewer - Miles of sanitary sewers	146.34	147.18	147.18	147.35	148.87	192.54	192.54	193.97	194.03	194.03
Township vehicles/equipment	136	136	136	136	136	136	138	137	140	147

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.