

Charter Township of Meridian  
Ingham County, Michigan

Comprehensive Annual Financial Report

*Fiscal Year Ended December 31, 2014*

Prepared by:  
Department of Finance  
Gretchen Gomolka, CPA  
Director of Finance



Charter Township of Meridian  
Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2014

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# CHARTER TOWNSHIP OF MERIDIAN

Elizabeth Ann LeGoff  
Brett Dreyfus  
Julie Brixie  
Frank L. Walsh

Supervisor  
Clerk  
Treasurer  
Manager



Milton L. Scales  
Ronald J. Styka  
John Veenstra  
Angela Wilson

Trustee  
Trustee  
Trustee  
Trustee

May 5, 2015

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, 2014, 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 are 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.

The Comprehensive Annual Financial Report (CAFR) was prepared in accordance with Statement No. 34 of the Government Accounting Standards Board (GASB No. 34) entitled *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*. Prior to 2003, the financial statements only provided information about individual funds of the Township. These funds established by the Township show restrictions on planned use of resources or to measure, in the short term, the revenues and expenditures arising from municipal activities. While some of the statements in the CAFR are still on an individual fund basis, GASB No. 34 requires new government-wide financial statements, which were prepared using accrual accounting for all government activities. These statements at the government-wide level will help readers assess the finances of the government in its entirety, determine if the Township’s overall financial position improved or deteriorated, and see how the Township invested in capital assets like water mains, sewers, parks, etc. The government-wide statements are aimed at looking at the Township as a whole and how it looks in the long term. Please review the section called Management’s Discussion and Analysis, which is intended to give an easily readable analysis of the Township’s financial performance for the year.

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,

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[www.meridian.mi.us](http://www.meridian.mi.us)



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**

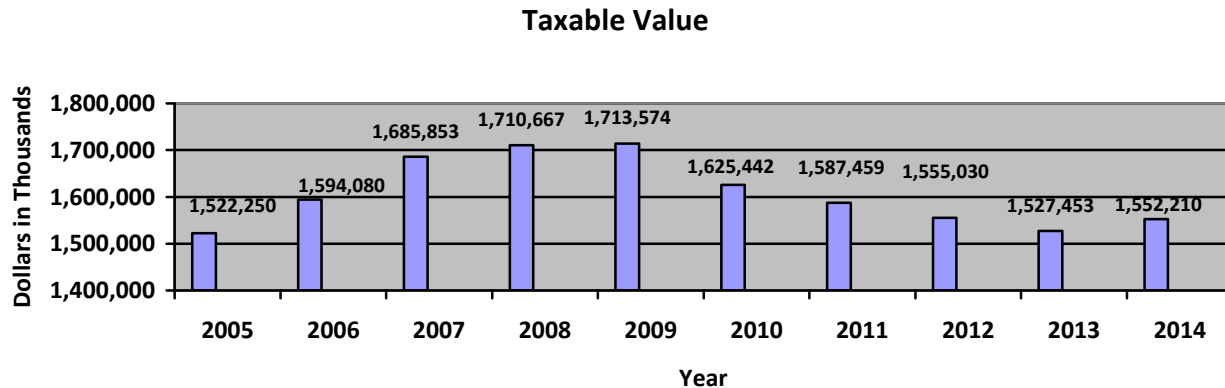
The governmental unit, organized in 1842 and chartered in 1959, is approximately 32 square miles in the south-central area of Lower Michigan with a population of approximately 40,000. The municipality is a largely residential area located east of Lansing, the State Capital, and immediately adjacent to 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 2014 taxable value (2015 tax revenue) increased 1.6 percent over 2013 taxable value. This is the first year of growth in taxable value since 2009; however, the 2014 taxable value is still 9.4 percent lower than the 2009 taxable value. The recent trend downward combined with a relatively constant tax rate has required reductions in expenses, changes in organizational structure, and increased reliance on technology to maintain services to keep up with the demand of increased population and business activity. The year ended December 31, 2014 was a very successful year and continued the growth experienced in 2013, with many new residents and businesses moving into the Township. The number of building permits issued in 2014 was comparable to those issued in 2013; however, the value of new construction decreased by 32.0 percent. This decrease is due to the fact that there were no multi-family permits issued in 2014, compared to five in 2013 valued at \$27.8 million. This year continued an upward trend that started in 2013 after several years of an experienced downward trend. The activity in residential development was higher than anticipated for 2014 and while we expect continued growth, it is expected to remain low over the next several years. Commercial development continues to be enhanced by the addition of the Mixed Use Planned Unit Development Ordinance. We

expect to see continued growth in this area, albeit at slower rates than experienced in 2013 and 2014.

Michigan's economy experienced improvement in 2014 resulting in a 3.1% increase in State-Shared Revenue to the Township, which has been slowly increasing since 2011. Prior to that, it had been declining for five years.



### 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:

- Implemented Meridian Cares, a fundraising initiative to support the Community Resource Commission's (CRC) Emergency Needs Fund. Due to changes at the State, the funding demand for those in need unexpectedly increased during the summer months of 2014 to a level higher than experienced in any prior year, effectively draining the remaining available funds. This initiative raised in excess of \$8,000 for the fund, which will enable the CRC to help meet the increased demand.
- Launched a new employee health and wellness program in the form of a "Biggest Loser" competition. At the end of the six month competition in May 2015, each participant will donate food to a local food bank in an amount equivalent to pounds of weight lost.
- Continued the employee recognition program which included an employee summer picnic, holiday luncheon, administrative staff luncheon, and an incentive bonus payout to all full-time permanent staff.

- The Township Board voted for the General Fund to forgive \$320,000 of debt owed from the Local Roads Fund. This freed up \$80,000 of annual principal payments through 2017 in the Local Roads Fund to be spent on road repair.
- Applied for and was awarded a \$20,000 grant for school safety technology enhancements. This enabled us to install wireless alert systems in both Haslett and Okemos school buildings.
- Applied for and was awarded a \$45,000 grant that, along with a \$15,000 Township match, was used to complete an eight foot wide paved pathway loop around the perimeter of Wonch Park as well as a paved access path to the existing playground.
- The Township administered the fourth annual deer harvest as part of the Deer Management Program. The harvest took place on 20 Township-owned parcels, Lake Lansing North, and Delta Dental. A total of 150 deer were harvested, resulting in 1,650 pounds of venison being donated to local food banks – providing over 8,250 meals.
- The Township completed the storm debris brush clean-up program in response to the December 2013 ice storm. Clean-up began on April 14<sup>th</sup> and went through May 30<sup>th</sup>. We were the recipients of a state grant of \$76,831 that reimbursed us approximately 53 percent of our cost.
- The Central Fire Station was closed in February 2014 due to health and safety concerns. A temporary station was constructed inside the Township’s Service Center approximately 60 days later. This temporary station will continue to be open to serve residents until the opening of the new Central Fire Station in December 2015.
- The Cable Communications Commission responded to Comcast’s Transfer of Control request with legal representation and a financial auditor. Negotiations went on through early 2015, and the Township received a settlement from Comcast in the amount of \$12,500 in April.
- The Communications Director initiated and coordinated a multi-jurisdictional AT&T franchise fee audit that included over a dozen other communities in Michigan. The audit wrapped up in early 2015 and resulted in the retention of approximately \$15,000 in annual franchise fee revenue for the Township that would have otherwise been lost.
- Facing significant increases in healthcare costs, the Human Resources Director put out an RFP for benefit consulting services. The firm selected, Ballard Benefit Works, Inc., was able to assist the Township in obtaining a healthcare policy renewal with substantially lower increases than originally anticipated.

## **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 in 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, updated annually.

Park Maintenance Plan – A five-year plan for maintaining the Township parks, updated annually.

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

***2014 Financial Condition:*** The financial condition and results of operations for 2014 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.

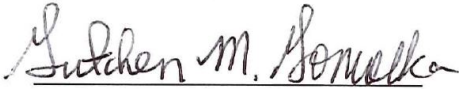
## Other Information

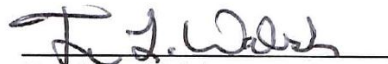
***Independent Audit.*** An annual audit, required by state statute, of accounts, financial records, and transactions has been completed by the independent certified public accounting firm of Andrews Hooper Pavlik PLC. The firm was appointed by the Township through an open bid process in 2012. Bids are 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, 2013.

***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,

  
Gretchen M. Gomolka, CPA  
Director of Finance

  
Frank L. Walsh  
Township Manager

Charter Township of Meridian  
List of Elected and Appointed Officials  
December 31, 2014

Elected Officials

Township Board:

Supervisor

Elizabeth LeGoff

Clerk

Brett Dreyfus

Treasurer

Julie Brixie

Trustee

Milton L. Scales

Trustee

Ronald J. Styka

Trustee

John Veenstra

Trustee

Angela Wilson

Park Commission:

Chair

Todd Wilson

Vice Chair

Michael McDonald

Commissioner

Philip Deschaine

Commissioner

Melanie Jaramillo

Commissioner

Mark Stephens

Appointed Officials

Manager

Frank Walsh

Human Resources Director

Joyce Marx

Finance Director

Gretchen Gomolka

Parks & Recreation Director

LuAnn Maisner

Assessor

David Lee

Community Planning and Development Director

Mark Kieselbach

Director of Public Works and Engineering

Ray Severy

Fire Chief

Fred Cowper

Police Chief

David Hall

Communications Director

Deborah Guthrie

Information Technology Director

Stephen Gebes



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

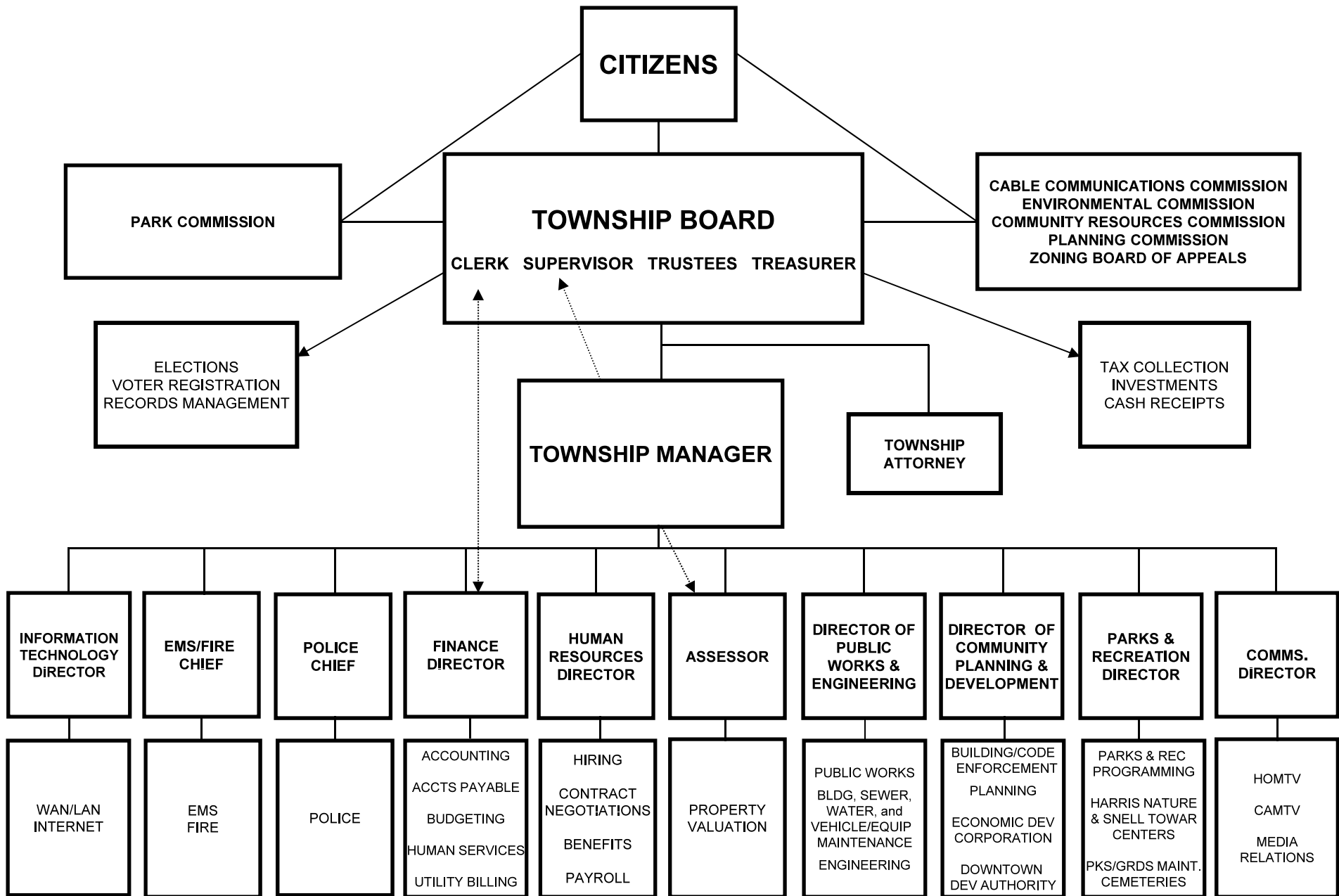
Presented to

**Charter Township of Meridian  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO



Dotted Lines – Denotes Relationship defined by State Statute

## Report of Independent Auditors

Township Board  
Charter Township of Meridian, Ingham County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Meridian, Ingham County, Michigan as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Meridian, Ingham County, Michigan, as of December 31, 2014, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the pension plan schedules of funding progress, employer contributions, changes in the Township's net pension liability and related ratios, Township contributions, and investment returns; the other postemployment benefit plan schedules of funding progress and employer contributions; and the budgetary comparison schedules for the General Fund and each major special revenue fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Meridian, Ingham County, Michigan's basic financial statements. The other budgetary comparison schedules, combining statements, agency fund statements of changes in assets and liabilities, and component unit statements, as identified in the table of contents as other supplementary information, and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other budgetary comparison schedules, combining statements, agency fund statements of changes in assets and liabilities, and component unit statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other budgetary comparison schedules, combining statements, agency fund statements of changes in assets and liabilities, and component unit statements, as identified in the table of contents as other supplementary information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Andrews Hooper Pavlik PLC*

Okemos, Michigan  
May 5, 2015

# Charter Township of Meridian

## Management's Discussion and Analysis

December 31, 2014

The Township's Comprehensive Annual Financial Report (CAFR) is presented in the format required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The 2014 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 fiduciary 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 liabilities. 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 liabilities, 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 two other entities in its report: the Economic Development Corporation and the Downtown Development Authority. Although legally separate, these "component units" are important because the Township is financially accountable for them.

### **Fund Financial Statements**

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

## Charter Township of Meridian

### Management's Discussion and Analysis (continued)

#### **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 (continued)

#### 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	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current assets	\$34,881,188	\$31,814,791	\$ 5,043,968	\$ 4,166,066	\$ 39,925,156	\$35,980,857
Capital assets	37,770,664	38,166,222	40,800,978	41,016,294	78,571,642	79,182,516
Net OPEB and pension asset	2,669,581	1,954,943	-	-	2,669,581	1,954,943
Investment in joint venture	-	-	4,235,864	4,002,299	4,235,864	4,002,299
Total assets	75,321,433	71,935,956	50,080,810	49,184,659	125,402,243	121,120,615
<b>Liabilities</b>						
Current liabilities	1,778,996	1,445,586	205,350	221,685	1,984,346	1,667,271
Long-term liabilities	7,999,430	8,531,740	451,849	534,972	8,451,279	9,066,712
Total liabilities	9,778,426	9,977,326	657,199	756,657	10,435,625	10,733,983
<b>Deferred inflows of resources</b>						
Property taxes levied for a subsequent period	12,563,695	11,288,780	-	-	12,563,695	11,288,780
Special assessments levied for a subsequent period	588,953	670,680	-	-	588,953	670,680
Total deferred inflows of resources	13,152,648	11,959,460	-	-	13,152,648	11,959,460
<b>Net Position</b>						
Invested in capital assets -						
Net of related debt	34,416,587	34,428,336	40,451,528	40,588,944	74,868,115	75,017,280
Restricted	7,344,590	6,552,471	-	-	7,344,590	6,552,471
Unrestricted	10,629,182	9,018,363	8,972,083	7,839,058	19,601,265	16,857,421
Total net position	\$ 52,390,359	\$49,999,170	\$49,423,611	\$48,428,002	\$101,813,970	\$98,427,172

The Charter Township of Meridian had combined net position of \$101.8 million. Business-type activities comprise \$49.4 million and governmental activities make up \$52.4 million of the total net position. The net position increased in total by \$3.4 million, or 3.4 percent. This increase is the net effect of decreasing capital net position by \$0.1 million and increasing restricted and unrestricted net position by \$0.8 million and \$2.7 million, respectively.

The current ratio (current assets divided by current liabilities) is healthy at 20.12, a decrease from 21.58 in 2013. This ratio shows that the Township has adequate current assets to meet its current liabilities. Long-term liabilities of \$8.5 million represent only 8.3 percent of net position, an indication that debt is not a burden to current or future revenue. Additionally, \$3,290,000 of the outstanding debt will be paid off with proceeds from a voter supported tax millage.

## Charter Township of Meridian

### Management's Discussion and Analysis (continued)

#### Financial Overview (continued)

The following table shows the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 3,450,958	\$3,875,146	\$9,282,167	\$9,358,823	\$ 12,733,125	\$13,233,969
Operating grants and contributions	174,464	283,023	-	-	174,464	283,023
Capital grants and contributions	-	-	1,571,692	418,374	1,571,692	418,374
General Revenue:						
Property taxes	11,709,679	11,463,530	-	-	11,709,679	11,463,530
State-shared revenue	3,084,843	2,960,188	-	-	3,084,843	2,960,188
Unrestricted investment income (loss)	212,446	(45,770)	3,904	2,476	216,350	(43,294)
Franchise fees	856,271	822,331	-	-	856,271	822,331
Other miscellaneous income	424,039	532,838	-	-	424,039	532,838
<b>Total revenue</b>	<b>19,912,700</b>	<b>19,891,286</b>	<b>10,857,763</b>	<b>9,779,673</b>	<b>30,770,463</b>	<b>29,670,959</b>
<b>Program Expenses</b>						
General government	3,940,549	4,284,218	-	-	3,940,549	4,284,218
Public safety	9,798,580	10,921,899	-	-	9,798,580	10,921,899
Public works	1,277,130	1,072,006	-	-	1,277,130	1,072,006
Health and welfare	166,242	169,157	-	-	166,242	169,157
Recreation and culture	2,118,264	1,684,075	-	-	2,118,264	1,684,075
Interest on long-term debt	220,746	366,459	-	-	220,746	366,459
Water and sewer	-	-	9,862,154	9,821,916	9,862,154	9,821,916
<b>Total program expenses</b>	<b>17,521,511</b>	<b>18,497,814</b>	<b>9,862,154</b>	<b>9,821,916</b>	<b>27,383,665</b>	<b>28,319,730</b>
<b>Change in Net Position</b>	<b>2,391,189</b>	<b>1,393,472</b>	<b>995,609</b>	<b>(42,243)</b>	<b>3,386,798</b>	<b>1,351,229</b>
Net Position – beginning of year	49,999,170	48,605,698	48,428,002	48,470,245	98,427,172	97,075,943
<b>Net Position – end of year</b>	<b>\$52,390,359</b>	<b>\$49,999,170</b>	<b>\$ 49,423,611</b>	<b>\$48,428,002</b>	<b>\$101,813,970</b>	<b>\$98,427,172</b>

#### Governmental Activities

Revenues for governmental activities totaled approximately \$19.9 million in 2014. A total of \$11.7 million was in the form of property tax collections, which reflects the addition of a new debt service millage of 0.2 mills, partially offset by a decrease of approximately \$27.6 million in taxable value, or 1.8 percent. State-shared revenue increased by \$124,600 or 4.2 percent. Charges for services generated \$3.5 million.

Expenses for governmental activities totaled \$17.5 million. More than half (56 percent) of this expense funded public safety in the Township.

## Charter Township of Meridian

### Management's Discussion and Analysis (continued)

#### **Business-type Activities**

Business-type activities in the Township include water and sewer services. Revenue for business-type activities totaled \$10.9 million; \$9.3 million was collected from customers and \$1.6 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.

#### **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. Looking forward to 2015 we see that the taxable value will increase for the first time since 2008. The significant decrease in the past several years coupled with rising costs, continues to create challenges to maintain existing services levels.

Personnel costs represent approximately 73.5 percent of the governmental operating expenses of the Township. Wage rates were increased by 1 percent at the beginning of 2014. The Township's cost of healthcare increased by just over 7 percent from 2013 to 2014, and 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 2014 with an unassigned fund balance of approximately \$6.9 million (compared with \$6.3 million in 2013). 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 \$0.3 million. The increase in the unrestricted fund balance is due in part to the decrease in nonspendable fund balance of \$320,000 related to a loan receivable to the Local Roads Fund that was forgiven during 2014. The overall increase is a result of reduced expenditures throughout all departments and vacancies in various departments throughout the year, partially offset by a slight decrease in overall revenue. Due to a decrease in expenditures and a smaller decrease in revenue, the

## Charter Township of Meridian

### Management's Discussion and Analysis (continued)

#### **Financial Analysis of Township Funds and Budgets (continued)**

Township has successfully operated 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.

#### **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. The larger variances are a result of several factors, including higher than anticipated ambulance runs and revenue, several information technology projects being postponed until 2015, the retirement and resulting savings from the vacancy and/or replacement of several employees, and operational efficiencies of the staff. All General Fund departments ended the year under budgeted expenditures.

The original budget of the Land Preservation Fund was amended during the year to account for more staff time than originally budgeted as well as higher than budgeted interest income. The original budget of the Pedestrian/Bike Path Millage Fund was amended during the year to account for projects budgeted in 2013 that were not completed until 2014. The original budget of the Park Millage fund was amended during the year to carryover budgeted items from 2013 related to Legg Park improvements that were completed in 2014. The original budget of the Police Restricted/Designated Fund was amended during the year to account for new forfeiture and community activities that were not included in the original budget. The original budget of the Cable TV Fund was amended during the year to account for the completion of a capital project that was budgeted in 2013, salaries for two employees who were omitted from the original budget in error, and increased legal fees due to ongoing issues related to Comcast transfer of control. The original budget of the Community Needs Fund was amended during the year to account for increased fundraising and needs in the community. The original budget of the Grants Funds was amended during the year for grants activity that was not included in the original budget. The original budget of the Local Roads Fund was amended to account for the debt forgiveness of debt from the General Fund. The original budget of the Fire Station Construction Fund was amended to reflect the delay in construction, which will be completed in 2015. The original budget of the Township Improvement Revolving Fund was amended during the year to adjust for higher than anticipated costs of the Perry Road project. In some cases the projects were not completed during the year, so the actual expenditures were closer to the original budget than the amended budget.

## Charter Township of Meridian

### Management's Discussion and Analysis (continued)

#### **Capital Projects**

The Township made improvements to 2.65 miles of road throughout the Township under the ongoing pavement preservation program, which is expected to extend the life by 7 to 10 years. Additionally, 0.67 miles of Franklin Street from Marsh Road to Hallendale Road was pulverized and reconstructed because the road condition was too poor for the preservation techniques. These repairs extend the life by 10-20 years.

The following section of pathway was constructed by Township contractors during 2014:

- 457' of 7' wide concrete pathway gap along Jolly Oak Road frontage at 2300 Jolly Road

The Township completed improvements at Wonch, Legg, and Newton Parks during 2014.

The Township replaced 900 feet of existing 8" main that was fraught with corrosion and pipe failure along the west side of Shaw Lane between Haslett Road and Lake Drive.

The Township completed phase II of the Wildwood lift station upgrade project, which included the replacement of the pump station control panel, installation of a new standby generator, and installation of new sonic level-detection equipment.

In addition, the Public Works Department has an ongoing water and sewer main maintenance program. The Township also has ongoing programs to maintain pathways and improve technology.

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

#### **Long-term Debt Activity**

The Township continued to pay off its debt and made principal payments on the outstanding governmental activities debt of approximately \$516,000 during 2014. Outstanding governmental activities debt at December 31, 2014 including compensated absences was approximately \$7.2 million. Debt for business-type activities was reduced by approximately \$83,000 to \$452,000.

More detailed information about long-term liabilities is presented in Note 7 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, 2014

	<u>Primary Government</u>			
	Governmental Activities	Business-type Activities	Total	Component Units
<b>Assets</b>				
Cash and investments	\$ 24,050,591	\$ 3,080,363	\$ 27,130,954	\$ 74,505
Receivables - net	10,404,145	1,741,267	12,145,412	11,489
Note from component unit	199,500	-	199,500	-
Inventory	-	181,175	181,175	-
Prepaid expenses and other assets	226,952	41,163	268,115	2,100
Investment in joint venture	-	4,235,864	4,235,864	-
Capital assets:				
Assets not being depreciated	25,956,834	363,060	26,319,894	-
Assets being depreciated, net	11,813,830	40,437,918	52,251,748	-
Net OPEB asset	1,279,948	-	1,279,948	-
Net pension asset	1,389,633	-	1,389,633	-
<b>Total assets</b>	<b>75,321,433</b>	<b>50,080,810</b>	<b>125,402,243</b>	<b>88,094</b>
<b>Liabilities</b>				
Accounts payable	1,201,220	165,085	1,366,305	1,177
Internal balances	2,247	(2,247)	-	-
Due to other governmental units	4,656	-	4,656	-
Performance bonds and other deposits payable	178,126	-	178,126	-
Accrued liabilities and other	282,634	42,512	325,146	1,496
Unearned revenue	110,113	-	110,113	5,751
Noncurrent liabilities:				
Due within one year	638,722	211,182	849,904	-
Due in more than one year	6,546,910	240,667	6,787,577	199,500
Net pension obligation	813,798	-	813,798	-
<b>Total liabilities</b>	<b>9,778,426</b>	<b>657,199</b>	<b>10,435,625</b>	<b>207,924</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for a subsequent period	12,563,695	-	12,563,695	10,655
Special assessments levied for a subsequent period	588,953	-	588,953	-
<b>Total deferred inflows of resources</b>	<b>13,152,648</b>	<b>-</b>	<b>13,152,648</b>	<b>10,655</b>
<b>Net position</b>				
Invested in capital assets - net of related debt	34,416,587	40,451,528	74,868,115	-
Restricted for:				
Land preservation	5,288,499	-	5,288,499	-
Pedestrian/bike path millage	914,122	-	914,122	-
Cable TV	295,815	-	295,815	-
CATA millage	13,022	-	13,022	-
Park millage	576,455	-	576,455	-
Police and fire operations	41,605	-	41,605	-
Senior center millage	59,571	-	59,571	-
Library	13,000	-	13,000	-
Grants	120,606	-	120,606	-
Local roads	11,036	-	11,036	-
Community needs	10,859	-	10,859	-
Unrestricted (deficit)	10,629,182	8,972,083	19,601,265	(130,485)
<b>Total net position (deficit)</b>	<b>\$ 52,390,359</b>	<b>\$ 49,423,611</b>	<b>\$ 101,813,970</b>	<b>\$ (130,485)</b>

See accompanying notes.

Charter Township of Meridian  
Statement of Activities  
For the Fiscal Year Ended December 31, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,940,549	\$ 383,142	\$ 21,886	\$ -
Public safety	9,798,580	2,657,609	56,100	-
Public works	1,277,130	88,829	-	-
Health and welfare	166,242	-	27,917	-
Recreation and culture	2,118,264	321,378	68,561	-
Interest on long-term debt	220,746	-	-	-
Total governmental activities	17,521,511	3,450,958	174,464	-
Business-type activities:				
Sewer fund	4,760,707	4,305,282	-	968,383
Water fund	5,101,447	4,976,885	-	603,309
Total business-type activities	9,862,154	9,282,167	-	1,571,692
Total primary government	\$ 27,383,665	\$ 12,733,125	\$ 174,464	\$ 1,571,692
Component units:				
Downtown Development Authority	\$ 39,534	\$ -	\$ 5,000	\$ -
Economic Development Corporation	5,280	-	-	-
Total component units	\$ 44,814	\$ -	\$ 5,000	\$ -
General revenue:				
Property taxes				
State-shared revenue				
Unrestricted investment income				
Franchise fees				
Other miscellaneous income				
Total general revenue				
<b>Change in net position</b>				
<b>Net position (deficit) - beginning of year</b>				
<b>Net position (deficit) - end of year</b>				

See accompanying notes.

Charter Township of Meridian  
Statement of Activities

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,535,521)	\$ -	\$ (3,535,521)	\$ -
(7,084,871)	-	(7,084,871)	-
(1,188,301)	-	(1,188,301)	-
(138,325)	-	(138,325)	-
(1,728,325)	-	(1,728,325)	-
(220,746)	-	(220,746)	-
(13,896,089)	-	(13,896,089)	-
-	512,958	512,958	-
-	478,747	478,747	-
-	991,705	991,705	-
(13,896,089)	991,705	(12,904,384)	-
-	-	-	(34,534)
-	-	-	(5,280)
-	-	-	(39,814)
11,709,679	-	11,709,679	21,533
3,084,843	-	3,084,843	-
212,446	3,904	216,350	316
856,271	-	856,271	-
424,039	-	424,039	26,111
16,287,278	3,904	16,291,182	47,960
2,391,189	995,609	3,386,798	8,146
49,999,170	48,428,002	98,427,172	(138,631)
\$ 52,390,359	\$ 49,423,611	\$ 101,813,970	\$ (130,485)

See accompanying notes.

Charter Township of Meridian  
Governmental Funds  
Balance Sheet  
December 31, 2014

	General Fund	Land Preservation Funds	Nonmajor Funds	Total
<b>Assets</b>				
Cash and investments	\$ 10,270,706	\$ 5,459,371	\$ 7,824,676	\$ 23,554,753
Receivables - net	7,197,828	343,972	2,862,345	10,404,145
Due from component units	199,500	-	-	199,500
Due from other funds	11,401	-	7	11,408
Prepaid expenses and other assets	216,522	259	7,246	224,027
Total assets	<u>\$ 17,895,957</u>	<u>\$ 5,803,602</u>	<u>\$ 10,694,274</u>	<u>\$ 34,393,833</u>
<b>Liabilities</b>				
Accounts payable	\$ 523,427	\$ 53	\$ 629,331	\$ 1,152,811
Due to other governmental units	-	-	4,656	4,656
Due to other funds	1,567	20	12,018	13,605
Performance deposits payable	178,126	-	-	178,126
Accrued liabilities and other	121,369	1,570	11,408	134,347
Unearned revenue	110,113	-	-	110,113
Total liabilities	<u>934,602</u>	<u>1,643</u>	<u>657,413</u>	<u>1,593,658</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - state shared revenue	534,311	-	-	534,311
Unavailable revenue - special assessments	-	-	317,736	317,736
Unavailable revenue - grants	4,500	-	-	4,500
Unavailable revenue - fire revenue	1,239	-	-	1,239
Property taxes levied for a subsequent period	8,959,322	513,460	3,090,913	12,563,695
Special assessments levied for a subsequent period	348,953	-	240,000	588,953
Total deferred inflows of resources	<u>9,848,325</u>	<u>513,460</u>	<u>3,648,649</u>	<u>14,010,434</u>
<b>Fund balances</b>				
Nonspendable:				
Prepays	216,522	259	7,246	224,027
Restricted:				
Police	-	-	37,574	37,574
Fire	-	-	4,031	4,031
Grants	-	-	120,606	120,606
Land preservation	-	5,288,240	-	5,288,240
Pedestrian/bike path millage	-	-	913,827	913,827
Cable TV	-	-	292,419	292,419
Park millage	-	-	572,900	572,900
Library	-	-	13,000	13,000
Community needs	-	-	10,859	10,859
CATA millage	-	-	13,022	13,022
Local roads	-	-	11,036	11,036
Senior center millage	-	-	59,571	59,571
Fire station construction	-	-	3,163,307	3,163,307
Assigned:				
Property acquisition	-	-	145,320	145,320
Township improvement	-	-	1,024,387	1,024,387
Unassigned (deficit)	6,896,508	-	(893)	6,895,615
Total fund balances	<u>7,113,030</u>	<u>5,288,499</u>	<u>6,388,212</u>	<u>18,789,741</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,895,957</u>	<u>\$ 5,803,602</u>	<u>\$ 10,694,274</u>	<u>\$ 34,393,833</u>

See accompanying notes.

Charter Township of Meridian  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 December 31, 2014

<b>Total fund balances for governmental funds</b>	<b>\$ 18,789,741</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	36,265,342
Net other postemployment benefit asset is not included as an asset of the funds	1,279,948
Net pension asset is not included as an asset of the funds	1,389,633
Net pension obligation is not included as a liability of the funds	(813,798)
Receivables that are unavailable at year end, such that they are not available to pay bills outstanding as of year end, are not recognized as revenue in the funds	535,550
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(6,517,384)
Accrued interest is not due and payable in the current period and is not reported in the funds	(147,118)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(663,343)
Grant revenues for which all eligibility requirements have been met but funds have not been received are not recognized as revenue in the funds	4,500
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	317,736
Internal service funds are included as part of governmental activities	1,949,552
<b>Net position of governmental activities</b>	<b>\$ 52,390,359</b>

*See accompanying notes.*

Charter Township of Meridian  
Governmental Funds  
Statement of Revenue, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2014

	General Fund	Land Preservation Funds	Nonmajor Funds	Total
<b>Revenue</b>				
Property taxes	\$ 9,190,404	\$ 502,823	\$ 2,016,452	\$ 11,709,679
Licenses and permits	840,723	-	-	840,723
Federal grants	-	-	56,781	56,781
State-shared revenue and grants	3,165,154	-	7,092	3,172,246
Charges for services	3,363,918	-	-	3,363,918
Fines and forfeitures	352,633	-	9,524	362,157
Investment income	56,646	118,969	36,831	212,446
Other revenue:				
Special assessments	-	-	134,083	134,083
Local donations	7,000	1,315	12,567	20,882
Franchise fee	270,016	-	706,255	976,271
Other miscellaneous income	153,666	-	126,802	280,468
Total revenue	17,400,160	623,107	3,106,387	21,129,654
<b>Expenditures</b>				
Current:				
General government	5,017,827	-	-	5,017,827
Public safety	10,228,295	-	213,160	10,441,455
Public works	237,433	-	883,742	1,121,175
Health and welfare	51,215	-	114,730	165,945
Recreation and culture	705,088	74,342	1,570,789	2,350,219
Debt service	423,827	-	324,258	748,085
Total expenditures	16,663,685	74,342	3,106,679	19,844,706
<b>Excess (deficiency) of revenue over (under) expenditures</b>	736,475	548,765	(292)	1,284,948
<b>Other financing sources (uses)</b>				
Transfers in	-	-	467,480	467,480
Transfers out	(467,480)	-	-	(467,480)
Total other financing sources (uses)	(467,480)	-	467,480	-
<b>Net change in fund balances</b>	268,995	548,765	467,188	1,284,948
<b>Fund balances - beginning of year</b>	6,844,035	4,739,734	5,921,024	17,504,793
<b>Fund balances - end of year</b>	\$ 7,113,030	\$ 5,288,499	\$ 6,388,212	\$ 18,789,741

See accompanying notes.

Charter Township of Meridian  
 Reconciliation of the Statement of Revenue, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2014

<b>Net change in fund balances - total governmental funds</b>	\$	1,284,948
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Capital outlay		1,019,341
Depreciation expense		(1,120,207)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 45 days of year end		
		(124,960)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)		
		516,437
Changes in accrued interest payable		
		10,902
Changes in the net pension asset, net pension obligation, and the net other postemployment benefit asset are recorded in the statement of activities		
		693,995
Decreases in accumulated employee sick and vacation pay are recorded when earned in the statement of activities as they use current resources; however, they were recorded in the government-wide statements when they were earned		
		31,773
Internal service funds are included as part of governmental activities		
		78,960
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>2,391,189</b>

Charter Township of Meridian  
Proprietary Funds  
Statement of Net Position  
December 31, 2014

	Business-type Activities			Governmental
	Water Fund	Sewer Fund	Total	Motor Pool
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 1,509,356	\$ 1,066,163	\$ 2,575,519	\$ 495,838
Investments	504,834	10	504,844	-
Receivables - net	819,877	921,390	1,741,267	-
Due from other funds	918	1,336	2,254	-
Inventory	181,175	-	181,175	-
Prepaid expenses	34,981	6,182	41,163	2,925
Total current assets	3,051,141	1,995,081	5,046,222	498,763
Noncurrent assets:				
Investment in East Lansing - Meridian Water and Sewer Authority	4,235,864	-	4,235,864	-
Capital assets	18,674,948	22,126,030	40,800,978	1,505,322
Total noncurrent assets	22,910,812	22,126,030	45,036,842	1,505,322
Total assets	25,961,953	24,121,111	50,083,064	2,004,085
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	25,344	139,741	165,085	48,409
Due to other funds	7	-	7	50
Accrued liabilities and other	25,830	16,682	42,512	1,169
Current portion of compensated absences	9,090	9,342	18,432	883
Current portion of long-term debt	-	192,750	192,750	-
Total current liabilities	60,271	358,515	418,786	50,511
Noncurrent liabilities:				
Compensated absences - net of current portion	41,410	42,557	83,967	4,022
Long-term debt - net of current portion	-	156,700	156,700	-
Total liabilities	101,681	557,772	659,453	54,533
<b>Net Position</b>				
Invested in capital assets - net of related debt	18,674,948	21,776,580	40,451,528	1,505,322
Unrestricted	7,185,324	1,786,759	8,972,083	444,230
Total net position	\$ 25,860,272	\$ 23,563,339	\$ 49,423,611	\$ 1,949,552

See accompanying notes.

Charter Township of Meridian  
Proprietary Funds  
Statement of Revenue, Expenses, and Changes in Net Position  
For the Fiscal Year Ended December 31, 2014

	Business-type Activities			Governmental
	Water Fund	Sewer Fund	Total	Activities Motor Pool
<b>Operating revenue</b>				
Sale of water	\$ 4,152,030	\$ -	\$ 4,152,030	\$ -
Sewage disposal charges	-	3,799,730	3,799,730	-
Other operating revenues	35,601	735	36,336	31,525
Grant revenue	-	568,802	568,802	-
Charges for services	555,689	504,817	1,060,506	1,123,173
Total operating revenue	4,743,320	4,874,084	9,617,404	1,154,698
<b>Operating expenses</b>				
Purchase of water from East Lansing - Meridian				
Water and Sewer Authority	2,457,980	-	2,457,980	-
Cost of sewage treatment	-	1,789,469	1,789,469	-
Operation and maintenance	251,337	924,625	1,175,962	521,582
General administrative	558,953	523,227	1,082,180	188,515
Personal services	956,459	738,099	1,694,558	-
Depreciation	876,718	773,133	1,649,851	368,680
Total operating expenses	5,101,447	4,748,553	9,850,000	1,078,777
<b>Operating income (loss)</b>	(358,127)	125,531	(232,596)	75,921
<b>Nonoperating revenue (expenses)</b>				
Investment income	2,868	1,036	3,904	-
Interest expense	-	(12,154)	(12,154)	-
Gain from joint venture	233,565	-	233,565	-
Gain on sale of assets	-	-	-	3,039
Total nonoperating revenue (expenses)	236,433	(11,118)	225,315	3,039
<b>Gain (loss) - before capital contributions</b>	(121,694)	114,413	(7,281)	78,960
<b>Capital contributions - lines donated by developers</b>	603,309	399,581	1,002,890	-
<b>Change in net position</b>	481,615	513,994	995,609	78,960
<b>Net position - beginning of year</b>	25,378,657	23,049,345	48,428,002	1,870,592
<b>Net position - end of year</b>	\$ 25,860,272	\$ 23,563,339	\$ 49,423,611	\$ 1,949,552

See accompanying notes.

Charter Township of Meridian  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended December 31, 2014

	Business-type Activities			Governmental
	Water Fund	Sewer Fund	Total	Activities Motor Pool
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 4,730,083	\$ 4,808,720	\$ 9,538,803	\$ -
Receipts from interfund services and reimbursements	-	-	-	1,154,698
Payments to suppliers	(3,322,574)	(3,206,729)	(6,529,303)	(458,821)
Payments to employees	(960,631)	(739,150)	(1,699,781)	(192,879)
Net cash from operating activities	446,878	862,841	1,309,719	502,998
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sales of capital assets	-	-	-	5,117
Purchase of capital assets	(174,046)	(257,599)	(431,645)	(76,066)
Principal and interest paid on long-term debt	-	(90,054)	(90,054)	-
Net cash from capital and related financing activities	(174,046)	(347,653)	(521,699)	(70,949)
<b>Cash flows from investing activities</b>				
Interest received on investments	2,868	1,036	3,904	-
Net purchases of investment securities	(1,508)	-	(1,508)	-
Net cash from investing activities	1,360	1,036	2,396	-
<b>Net change in cash and cash equivalents</b>	274,192	516,224	790,416	432,049
<b>Cash and cash equivalents - beginning of year</b>	1,235,164	549,939	1,785,103	63,789
<b>Cash and cash equivalents - end of year</b>	\$ 1,509,356	\$ 1,066,163	\$ 2,575,519	\$ 495,838
<b>Reconciliation of operating income (loss) to net cash from operating activities</b>				
Operating income (loss)	\$ (358,127)	\$ 125,531	\$ (232,596)	\$ 75,921
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	876,718	773,133	1,649,851	368,680
Changes in assets and liabilities:				
Receivables	(12,319)	(64,028)	(76,347)	24
Due from other funds	(918)	(1,336)	(2,254)	-
Inventory	(18,844)	-	(18,844)	-
Prepaid expenses	1,394	7,819	9,213	61,094
Accounts payable	(56,575)	25,863	(30,712)	1,593
Due to other funds	7	-	7	50
Accrued and other liabilities	15,542	(4,141)	11,401	(4,364)
Net cash from operating activities	\$ 446,878	\$ 862,841	\$ 1,309,719	\$ 502,998

**Supplemental cash flow information**

During the year ended December 31, 2014, \$1,002,890 of water and sewer lines were donated to the Township from private developers.

During the year ended December 31, 2014, the Township recognized a gain of \$233,565 related to the investment in East Lansing - Meridian Water and Sewer Authority.

Charter Township of Meridian  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 December 31, 2014

		<b>Employer Funded Retiree Health</b>	
	<b>Pension Trust Fund</b>	<b>Insurance Trust Fund</b>	<b>Tax Collection Fund</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 131,093	\$ -	\$ 4,521,824
Investments:			
Stocks	1,550,299	-	-
Mutual funds	2,195,329	3,634,100	-
Accrued interest	3,461	-	-
Total assets	3,880,182	3,634,100	4,521,824
<b>Liabilities</b>			
Accounts payable	-	-	4,161
Due to other governmental units	-	-	4,517,663
Total liabilities	-	-	4,521,824
<b>Net position</b> - held in trust for pension and other employee benefits	\$ 3,880,182	\$ 3,634,100	\$ -

Charter Township of Meridian  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended December 31, 2014

	<b>Pension Trust Fund</b>	<b>Employer Funded Retiree Health Insurance Trust Fund</b>
	<hr/>	<hr/>
<b>Additions</b>		
Investment income:		
Interest and dividends	\$ 62,672	\$ 114,596
Net increase in fair value of investments	245,795	-
Investment-related expenses	(12,465)	-
Contributions - employer contributions	260,000	501,000
Other miscellaneous income	199	-
Total additions	<hr/> 556,201	<hr/> 615,596
 <b>Deductions</b>		
Benefit payments	365,991	138,855
Other deductions	72,944	6,000
Total deductions	<hr/> 438,935	<hr/> 144,855
<b>Net increase in net position held in trust</b>	117,266	470,741
<b>Net position</b> - beginning of year	3,762,916	3,163,359
<b>Net position</b> - end of year	<hr/> <hr/> \$ 3,880,182	<hr/> <hr/> \$ 3,634,100

Charter Township of Meridian  
Component Units  
Statement of Net Position  
December 31, 2014

	<b>Downtown Development Authority</b>	<b>Economic Development Corporation</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 32,069	\$ 42,436	\$ 74,505
Receivables - net	11,489	-	11,489
Prepaid expenses	2,100	-	2,100
Total assets	<u>45,658</u>	<u>42,436</u>	<u>88,094</u>
<b>Liabilities</b>			
Accounts payable	1,177	-	1,177
Accrued liabilities and other	1,496	-	1,496
Unearned revenue	5,751	-	5,751
Noncurrent liabilities:			
Due within one year	-	-	-
Due in more than one year	199,500	-	199,500
Total liabilities	<u>207,924</u>	<u>-</u>	<u>207,924</u>
<b>Deferred inflows of resources</b>			
Property taxes levied for a subsequent period	10,655	-	10,655
<b>Net position (deficit) - unrestricted</b>	<u>\$ (172,921)</u>	<u>\$ 42,436</u>	<u>\$ (130,485)</u>

Charter Township of Meridian  
Component Units  
Statement of Activities  
For the Fiscal Year Ended December 31, 2014

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Downtown Development Authority	Economic Development Corporation	Total
Downtown Development Authority						
General government	\$ 33,549	\$ -	\$ 5,000	\$ (28,549)	\$ -	\$ (28,549)
Debt service	5,985	-	-	(5,985)	-	(5,985)
Total Downtown Development Authority	39,534	-	5,000	(34,534)	-	(34,534)
Economic Development Corporation	5,280	-	-	-	(5,280)	(5,280)
Total component units	\$ 44,814	\$ -	\$ 5,000	(34,534)	(5,280)	(39,814)
General revenue:						
Property taxes				21,533	-	21,533
Unrestricted investment income				-	316	316
Other miscellaneous income				26,111	-	26,111
Total general revenue				47,644	316	47,960
<b>Change in net position</b>				13,110	(4,964)	8,146
<b>Net position (deficit) - beginning of year</b>				(186,031)	47,400	(138,631)
<b>Net position (deficit) - end of year</b>				\$ (172,921)	\$ 42,436	\$ (130,485)

See accompanying notes.

# Charter Township of Meridian

## Notes to Financial Statements

December 31, 2014

### **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 Unit** – 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.
- **Economic Development Corporation** – The Economic Development Corporation 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 Economic Development Corporation's governing body by the Township supervisor, and can impose its will. The Economic Development Corporation's financial report can be obtained at the Township clerk's office.

# Charter Township of Meridian

## Notes to Financial Statements (continued)

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally 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 the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (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 revenue.

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, fiduciary fund, and component unit financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected 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

# Charter Township of Meridian

## Notes to Financial Statements (continued)

### Note 1 – Summary of Significant Accounting Policies (continued)

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

availability criterion: 2013 property taxes, portions of state-shared revenue, and interest associated with the current fiscal period. Conversely, 2014 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.

Agency funds do not have a measurement focus, although they are reported using the accrual basis of accounting.

The Township reports the following 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.

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

The Township reports the following major proprietary 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.

Additionally, the Township reports the following internal service and fiduciary activities:

**Motor Pool Internal Service 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.

**Pension Trust Fund** – The Pension Trust Fund accounts for the assets of the Township employees' pension plan.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 1 – Summary of Significant Accounting Policies (continued)

##### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**Employer Funded Retiree Health Insurance Fund** – The Employer Funded Retiree Health Insurance Fund accounts for the assets and expenses of the Township retirees' other postemployment benefits (OPEB).

**Tax Collection Fund** – The Tax Collection Fund accounts for assets held by the Township in a trustee capacity. Tax collection funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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.

Amounts reported as program revenue 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 revenue rather than as program revenue. Likewise, general revenue includes all taxes.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Township's policy is to first apply restricted resources. When an expense is incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used, it is the Township's policy to spend funds in this order: committed, assigned, and unassigned.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Township's proprietary funds relates to charges to customers for sales and services. The Water and Sewer Funds also recognize the portion of tap fees intended to recover current cost (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### **Note 1 – Summary of Significant Accounting Policies (continued)**

##### **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 2013 taxable valuation of the Township totaled \$1,521,273,366, on which ad valorem taxes levied consisted of 4.2002 mills for the Township's operating purposes and 2.9729 mills for special voted millages.

##### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**Bank Deposits and Investments** – Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. 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 market 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 lending/borrowing arrangements 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.”

**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 consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

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

# Charter Township of Meridian

## Notes to Financial Statements (continued)

### Note 1 – Summary of Significant Accounting Policies (continued)

#### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)**

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

Water and sewer mains	10 to 50 years
Drainage flow rights	50 years
Buildings and building improvements	10 to 30 years
Vehicles	5 to 10 years
Furniture and equipment	5 to 10 years
Other tools and equipment	5 to 20 years
Roads and improvements	5 years

#### **Deferred Outflows and Inflows 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 position 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 no items that qualify for reporting in this category.

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 position 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. In addition, 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. The component units also report deferred inflows of resources for property taxes levied for a subsequent period.

**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).

# Charter Township of Meridian

## Notes to Financial Statements (continued)

### Note 1 – Summary of Significant Accounting Policies (continued)

#### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)**

**Long-term Obligations** – In the government-wide financial statements and the 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 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 are reported as other financing uses.

**Pension and OPEB Costs** – The Township offers both pension and retiree healthcare benefits to retirees. 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 and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and “adjustment to the ARC” on the beginning of year underpaid amount, if any.

**Fund Equity** – The Township’s fund balances are classified into the following categories:

- Nondisposable – 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 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.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 1 – Summary of Significant Accounting Policies (continued)

##### Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

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

#### Note 2 – Stewardship, Compliance, and Accountability

Construction Code Fees – 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:

Shortfall as of January 1, 2014		\$ (6,991,474)
Current year permit revenue	\$ 806,978	
Related expenses:		
Direct costs	420,168	
Estimated indirect costs	1,514,856	
Total construction code expense	<u>1,935,024</u>	
Current year shortfall		<u>(1,128,046)</u>
Cumulative shortfall as of December 31, 2014		<u>\$ (8,119,520)</u>

#### Note 3 – Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. 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 agency fund’s investment earnings are allocated to the General Fund.

Charter Township of Meridian

Notes to Financial Statements (continued)

**Note 3 – Deposits and Investments (continued)**

The Township has designated 13 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 cash and investments are subject to several types of risk, which are examined in more detail below:

**Custodial Credit Risk of Bank Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the 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 \$31,673,372 and \$29,176,235 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 not restrict 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:

<b>Investment</b>	<b>Fair Value</b>	<b>Less than One Year</b>	<b>1 to 5 Years</b>	<b>6 to 10 Years</b>	<b>More than 10 Years</b>
Primary Government:					
U.S. agency securities	\$ 1,155,000	\$ -	\$ -	\$330,000	\$ 825,000
Money market funds	613,348	613,348	-	-	-
Pension – Mutual funds	2,195,329	2,195,329	-	-	-
Employer Funded Retiree Health Insurance Trust Fund	3,634,100	3,634,100	-	-	-

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 3 – Deposits and Investments (continued)

**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 the U.S. government) are as follows:

<b>Investment</b>	<b>Fair Value</b>	<b>Rating</b>	<b>Rating Organization</b>
U.S. agency securities	\$ 1,155,000	AA+	S&P
Money market	613,348	AAA/m	S&P
Mutual funds (Pension)	2,195,329	Not rated	N/A
Mutual funds (OPEB)	3,634,100	Not rated	N/A

#### **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 percent of the Township's government-wide investments are in Multi-Bank Securities – Federal National Mortgage at \$250,000, Multi-Bank securities – Federal Home Loan at \$905,000, and MBIA CLASS at \$613,348. These investments are 100 percent of the Township's total government-wide investments (not including certificates of deposit).

##### **Pension and Similar Trust Funds**

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

More than 5 percent of the Township's pension and similar trust funds' investments are in PNC fixed income mutual funds at \$1,220,658, PNC equity mutual funds at \$788,815, and Vantagepointe Milestone Retirement Fund at \$3,634,100. These investments are 97 percent of the Township's total fiduciary investments (not including stocks).

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 4 – Receivables

Receivables as of year-end for the Township’s governmental and business-type activities in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Receivables:		
Property taxes	\$ 8,667,066	\$ -
Special assessments	557,735	28,603
Customer	583,912	1,712,664
Due from other governmental units	579,311	-
Other receivables	16,121	-
Net receivables	\$ 10,404,145	\$ 1,741,267

#### Note 5 – Capital Assets

Capital asset activity of the Township’s governmental and business-type activities is as follows:

	<b>Balance January 1, 2014</b>	<b>Additions</b>	<b>Disposals and Adjustments</b>	<b>Balance December 31, 2014</b>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 25,470,109	\$ 195,668	\$ -	\$ 25,665,777
Construction in process	595,008	149,555	(453,506)	291,057
Total	26,065,117	345,223	(453,506)	25,956,834
Capital assets being depreciated:				
Roads and improvements	3,696,919	629,273	-	4,326,192
Buildings and improvements	8,397,472	357,365	-	8,754,837
Vehicles	4,018,200	76,066	(40,595)	4,053,671
Drainage flow rights	4,880,536	-	-	4,880,536
Furniture and equipment	7,937,473	140,986	(400,136)	7,678,323
Subtotal	28,930,600	1,203,690	(440,731)	29,693,559
Accumulated depreciation:				
Roads and improvements	2,274,951	639,790	-	2,914,741
Buildings and improvements	4,424,619	229,017	-	4,653,636
Vehicles	2,218,185	368,680	(38,516)	2,548,349
Drainage flow rights	620,797	98,219	-	719,016
Furniture and equipment	7,290,943	153,180	(400,136)	7,043,987
Subtotal – accumulated depreciation	16,829,495	1,488,886	(438,652)	17,879,729
Net capital assets being depreciated	12,101,105	(285,196)	(2,079)	11,813,830
Net capital assets	\$ 38,166,222	\$ 60,027	\$ (455,585)	\$ 37,770,664

Charter Township of Meridian

Notes to Financial Statements (continued)

**Note 5 – Capital Assets (continued)**

	<b>Balance January 1, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance December 31, 2014</b>
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 363,060	\$ -	\$ -	\$ 363,060
Capital assets being depreciated:				
Water and sewer mains	63,995,134	1,342,273	-	65,337,407
Buildings and improvements	4,021,908	34,288	-	4,056,196
Other tools and equipment	2,917,481	57,974	-	2,975,455
Participation in East Lansing Sewage System	1,691,250	-	-	1,691,250
Subtotal	<u>72,625,773</u>	<u>1,434,535</u>	<u>-</u>	<u>74,060,308</u>
Accumulated depreciation:				
Water and sewer mains	26,498,630	1,250,359	-	27,748,989
Buildings and improvements	3,116,305	135,766	-	3,252,071
Other tools and equipment	1,917,879	229,901	-	2,147,780
Participation in East Lansing Sewage System	439,725	33,825	-	473,550
Subtotal – accumulated depreciation	<u>31,972,539</u>	<u>1,649,851</u>	<u>-</u>	<u>33,622,390</u>
Net capital assets being depreciated	<u>40,653,234</u>	<u>(215,316)</u>	<u>-</u>	<u>40,437,918</u>
Net capital assets	<u>\$ 41,016,294</u>	<u>\$ (215,316)</u>	<u>\$ -</u>	<u>\$ 40,800,978</u>

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

Governmental activities:	
General government	\$ 196,353
Public safety	122,281
Public works	738,009
Recreation and culture	63,563
Internal Service Fund depreciation is charged to the various functions based on their usage of the asset	<u>368,680</u>
	<u>\$ 1,488,886</u>
Business-type activities:	
Water	\$ 876,718
Sewer	<u>773,133</u>
	<u>\$ 1,649,851</u>

Charter Township of Meridian

Notes to Financial Statements (continued)

**Note 6 – Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Due to/from Other Funds</b>		
General Fund	Nonmajor governmental fund – Fire Station Debt Service Fund	\$ 1,000
General Fund	Nonmajor governmental fund – Grants Fund	10,401
		<u>11,401</u>
Nonmajor governmental fund – Pedestrian Bike Path Millage Fund	Water Fund	7
Sewer Fund	Nonmajor governmental fund – Park Millage Fund	404
Sewer Fund	General Fund	932
		<u>1,336</u>
Water Fund	Nonmajor governmental fund – Park Millage Fund	166
Water Fund	Land Preservation Fund	20
Water Fund	Nonmajor governmental fund – Cable TV Fund	47
Water Fund	Internal service fund – Motor Pool	50
Water Fund	General Fund	635
		<u>918</u>
	Total	<u>\$ 13,662</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
General Fund	Nonmajor governmental fund – Local Roads Fund	\$ 445,400
General Fund	Nonmajor governmental fund – Grants Fund	22,080
	Total	<u>\$ 467,480</u>

Transfers provided funding for local road maintenance, capital acquisitions, and debt services.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 7 – 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. Installment purchase agreements are also general obligations of the government. The majority of compensated absences are typically satisfied by the General Fund.

Long-term obligation activity can be summarized as follows:

	<b>Interest Rate Ranges</b>	<b>Principal Maturity Ranges</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>							
Bonded debt –							
Fire Station Construction Bond:							
Amount of issue - \$3,500,000	1.00% -	\$210,000 -					
maturing through 2028	2.80%	\$270,000	\$3,500,000	\$ -	\$ (210,000)	\$3,290,000	\$ 210,000
Installment purchase agreement -							
Activity Center Building:							
Amount of issue - \$550,000		\$43,000 -					
maturing through 2018	4.54%	\$49,000	225,000	-	(41,000)	184,000	43,000
Other long-term obligations -							
Towar/Towar II/Snell/Briarwood/ Kinawa/Ember Oaks drain assessments							
	1.92% -	\$1,790 -					
	5.40%	\$265,437	3,308,821	-	(265,437)	3,043,384	265,437
Compensated absences:							
General Fund			653,471	497,234	(544,397)	606,308	109,136
Internal service fund			9,648	7,819	(12,562)	4,905	883
Nonmajor and other funds			41,645	51,993	(36,603)	57,035	10,266
Total governmental activities			<u>\$7,738,585</u>	<u>\$ 557,046</u>	<u>\$ (1,109,999)</u>	<u>\$7,185,632</u>	<u>\$ 638,722</u>
<b>Business-type Activities</b>							
Sewer – Wastewater optimization bonds							
	3.63% -	\$143,550 -					
	4.45%	\$148,500	\$ 427,350	\$ -	\$ (135,300)	\$ 292,050	\$ 143,550
Champion Woods Sewer Liability							
	0.00%	\$8,200 - \$49,200	-	105,200	(47,800)	57,400	49,200
Other long-term obligations – compensated absences:							
Water Fund			54,672	21,289	(25,461)	50,500	9,090
Sewer Fund			52,950	45,659	(46,710)	51,899	9,342
Total business-type activities			<u>\$ 534,972</u>	<u>\$ 172,148</u>	<u>\$ (255,271)</u>	<u>\$ 451,849</u>	<u>\$ 211,182</u>
<b>Component Unit Activities</b>							
Notes payable	3.00%	\$24,500 - \$25,000	\$ 199,500	\$ -	\$ -	\$ 199,500	\$ -

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 7 – Long-term Debt (continued)

Annual debt service requirements (excluding compensated absences) to maturity for the above bonds and note obligations in the governmental activities and component units are as follows:

Year Ending December 31	Governmental Activities			Business-type Activities			Component Unit Activities		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 518,437	\$ 216,537	\$ 734,974	\$ 192,750	\$ 12,288	\$ 205,038	\$ -	\$ 5,985	\$ 5,985
2016	525,437	200,109	725,546	156,700	5,391	162,091	-	5,985	5,985
2017	527,437	183,568	711,005	-	-	-	-	5,985	5,985
2018	534,437	166,635	701,072	-	-	-	-	5,985	5,985
2019	485,436	149,312	634,748	-	-	-	-	5,985	5,985
2020-2024	2,349,050	508,188	2,857,238	-	-	-	125,000	19,612	144,612
2025-2029	1,539,990	106,557	1,646,547	-	-	-	74,500	2,779	77,279
2030-2033	37,160	3,454	40,614	-	-	-	-	-	-
<b>Total</b>	<b>\$6,517,384</b>	<b>\$ 1,534,360</b>	<b>\$ 8,051,744</b>	<b>\$ 349,450</b>	<b>\$ 17,679</b>	<b>\$ 367,129</b>	<b>\$ 199,500</b>	<b>\$ 52,316</b>	<b>\$ 251,816</b>

**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, 2014, there were three series of Limited Obligation Revenue Bonds outstanding, with an aggregate principal amount payable of \$11,645,000.

#### Note 8 – Risk Management

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

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

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 9 – Defined Benefit Pension Plan

##### 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.

**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** – One percent of final average compensation not in excess of \$1,725, plus 1.4 percent 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 percent of final average compensation multiplied by years of benefit credited service.
  - c) **Firefighters Union Employees** – Effective January 1, 1988, 1.5 percent of final average compensation multiplied by years of benefit credited service. Effective October 14, 1991, 1.6 percent of final average compensation multiplied by years of benefit credited service. Effective April 30, 1996, 1.8 percent of final average compensation multiplied by years of benefit credited service.
  - d) **Police Supervisory Union Employees** – Effective January 1, 1988, 1.6 percent of final average compensation multiplied by years of benefit credited service. Effective July 1, 1994, 2.16 percent of final average compensation multiplied by years of benefit credited service. Effective December 31, 1996, 2.25 percent of final average compensation multiplied by years of benefit credited service.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 9 – Defined Benefit Pension Plan (continued)

- e) **Police Non-Supervisory Union Employees** – Effective January 1, 1987, 1.48 percent of final average compensation multiplied by years of benefit credited service. Effective December 31, 1991, 1.6 percent of final average compensation multiplied by years of benefit credited service. Effective January 1, 1995, 1.8 percent of final average compensation multiplied by years of benefit credited service.
  - f) **Public Works/Physical Plant Union Employees** – 1.25 percent of final average compensation multiplied by years of benefit credited service.
  - g) **Clerical and Secretarial Union Employees** – 1.05 percent 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 percent 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.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### **Note 9 – Defined Benefit Pension Plan (continued)**

**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 percent) of such monthly benefit, as specified by the participant, continued to the participant's eligible spouse until his or her death and continued to the participant's designated beneficiary after the eligible spouse's death.

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

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### **Note 9 – Defined Benefit Pension Plan (continued)**

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 percent for each of the first 60 months and 5/18ths of one percent 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

Notes to Financial Statements (continued)

**Note 9 – Defined Benefit Pension Plan (continued)**

**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** – At December 31, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	44
Inactive plan members entitled to but not yet receiving benefits	25
Active plan members*	1
Total	<u>70</u>

\*The plan is closed to new members.

**Contributions** – Article 9, Section 24 of the State of Michigan constitution requires the financial benefits arising on account of employee service rendered in each year 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. For the year ended December 31, 2014, the Township contributed \$260,000, or 268 percent of 2014 annual payroll.

**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 following was the Board’s adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity – Large Cap	40%
Domestic equity – Small Cap	8%
International equity	13%
Intermediate bonds – fixed income	32%
Real estate	4%
Cash or cash equivalents	3%
Total	<u>100%</u>

# Charter Township of Meridian

## Notes to Financial Statements (continued)

### Note 9 – Defined Benefit Pension Plan (continued)

**Concentrations** – At December 31, 2014 the Plan did not hold investments that represent 5 percent or more of the Plan’s fiduciary net position.

**Rate of return** – For the year ended December 31, 2014, the annual money-weighted rate of return on Plan investments, net of investment expense, was 8.01 percent. 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 only one active employee that was over 100 percent funded in 2008. The Township suspended contributions, so as to not overfund the Plan. The subsequent economic downturn resulted in the fund dropping to 76 percent 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 percent at the time of the January 1, 2014 actuarial valuation and 65.9 percent at the time of the January 1, 2013 actuarial valuation. The Township resumed contributions for the year ended December 31, 2014. Administrative costs of the plan are financed through investment earnings.

### Annual Pension Cost and Net Pension Obligation

Annual required contribution	\$ 421,346
Interest on net pension obligation	47,589
Adjustment to annual required contribution	<u>(188,292)</u>
Annual pension cost (APC)	280,643
Contributions made	<u>260,000</u>
Increase in net pension obligation	20,643
Net pension obligation – beginning of year	<u>793,155</u>
Net pension obligation – end of year	<u>\$ 813,798</u>

**Annual Pension Cost** – The annual required contribution was determined as part of an actuarial valuation at January 1, 2014, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 6 percent investment rate of return, (b) projected salary increases of 4.5 percent per year, and (c) no postretirement benefit increases. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as level dollar on an open basis. The remaining amortization period is five years.

Charter Township of Meridian

Notes to Financial Statements (continued)

**Note 9 – Defined Benefit Pension Plan (continued)**

For the years ended December 31, 2014, 2013, and 2012, the annual pension cost was \$280,643, \$382,230, and \$348,283, respectively. Additionally, the percentage of the APC contributed over each of the previous three years was 92.6 percent, 0 percent, and 129.3 percent, respectively. The recorded net pension obligation as of December 31, 2014, 2013, and 2012 was \$813,798, \$793,155, and \$410,925, respectively.

	<b>Actuarial Valuation as of January 1</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Actuarial value of assets	\$ 3,487,230	\$ 3,635,800	\$ 3,337,945
Actuarial accrued liability (entry age)	5,216,315	5,520,108	5,084,292
Under (Over) funded AAL	1,729,085	1,884,308	1,746,347
Funded ratio	66.9%	65.9%	65.7%
Covered payroll	87,281	85,570	138,984
UAAL as a percentage of covered payroll	1,981.1%	2,202.1%	1,256.5%
Annual required contribution	421,346	457,795	437,567

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

**Net Pension Liability of the Township** – The Township reports pension expense based on funding requirements, as directed by GASB No. 27. Beginning in 2015, the Township will adopt GASB No. 68, which will require the measurement of pension expense as it is earned, rather than as it is funded. The net pension liability of the Township has been measured as of December 31, 2014, and is composed of the following:

Total pension liability	\$ 5,295,008
Plan fiduciary net position	<u>3,880,182</u>
Township's net pension liability	<u>\$ 1,414,826</u>
Plan fiduciary net position, as a percentage of the total pension liability	73.28%

# Charter Township of Meridian

## Notes to Financial Statements (continued)

### Note 9 – Defined Benefit Pension Plan (continued)

**Actuarial Assumptions** – The December 31, 2014 total pension liability was determined by an actuarial valuation as of December 31, 2014. The measurement date was December 31, 2014 and all census data provided to the actuary was as of December 31, 2014, therefore no update procedures to roll forward the estimated liability to December 31, 2014 were needed. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.5 percent
Salary increases	4.5 percent, average, including inflation
Investment rate of return	6.0 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the 1983 Group Annuity Mortality Table for men and women, as appropriate.

The actuarial assumptions are generally based on past experience, modified for projected changes in conditions.

**Discount Rate** – The discount rate used to measure the total pension liability was 6.0 percent. 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.

The long-term expected rate of return on pension plan investments of 6.0 percent 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:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity – Large Cap	8.15%
Domestic equity – Small Cap	9.10%
International equity	8.70%
Intermediate bonds – fixed income	2.60%
Real estate	6.65%
Cash or cash equivalents	0.00%

Charter Township of Meridian

Notes to Financial Statements (continued)

**Note 9 – Defined Benefit Pension Plan (continued)**

**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 percent, 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 percent) or 1-percentage-point higher (7.0 percent) than the current rate:

	<b>1% Decrease (5.0%)</b>	<b>Current Discount Rate (6.0%)</b>	<b>1% Increase (7.0%)</b>
Township’s net pension liability	\$ 1,850,168	\$ 1,414,826	\$ 1,033,649

**Municipal Employees’ Retirement System of Michigan**

**Plan Description** – The Township participates in the Municipal Employees’ Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers all public works (American Federation of State, County, and Municipal Employees (AFSCME)), the police nonsupervisory, clerical unit, police supervisory employees, firefighters, and Teamsters employees of the Township. MERS provides retirement, disability, and death benefits to plan members and their beneficiaries. The Municipal Employees’ Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplemental information for MERS. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

**Funding Policy** – The obligation to contribute to and maintain MERS for these employees was established by negotiation with the Township’s competitive bargaining units and requires a contribution from the employees of 2.00 percent to 11.24 percent of gross wages for the various groups.

Annual required contribution	\$ 1,799,256
Interest on net pension asset	(70,603)
Adjustment to annual required contribution	<u>73,145</u>
Annual pension cost	1,801,798
Contributions made	<u>(2,308,894)</u>
Increase in net pension asset	(507,096)
Net pension (asset) – beginning of year	<u>(882,537)</u>
Net pension (asset) – end of year	<u><u>\$(1,389,633)</u></u>

Charter Township of Meridian

Notes to Financial Statements (continued)

**Note 9 – Defined Benefit Pension Plan (continued)**

**Annual Pension Cost** – The annual required contribution was determined as part of an actuarial valuation at December 31, 2012, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return including an inflation rate of 4.5 percent, (b) projected salary increases of 1.0 percent per year through 2014, 2.0 percent for 2015, and 3.0 percent for 2016, (c) additional projected salary increases ranging from 0 percent to 13 percent per year, depending on age, attributable to seniority/merit, and (d) no postretirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a 10 year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period is 25 years.

	<b>Fiscal Year Ended December 31</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Annual pension cost	\$ 1,801,798	\$ 1,692,667	\$ 1,551,531
Percentage of APC contributed	128.1%	101.9%	108.6%
Net pension asset	1,389,633	882,537	851,110

	<b>Actuarial Valuation as of December 31</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Actuarial value of assets	\$ 31,755,375	\$29,899,316	\$28,635,470
Actuarial accrued liability (AAL) (entry age)	53,345,909	50,274,592	48,645,859
Unfunded AAL (UAAL)	21,590,534	20,375,276	20,010,389
Funded ratio	59.5%	59.5%	58.9%
Covered payroll	6,444,197	6,166,430	6,268,267
UAAL as a percentage of covered payroll	335.0%	330.4%	319.2%

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### **Note 10 – 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 ICMA. 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 pension plan, the Township contributes 8.5 percent of employees' gross earnings, while employees contribute 3.5 percent. For the healthcare plan, the Township contributes 2 percent of employees' gross earnings, while employees contribute 1 percent. Additionally, when an employee separates or retires from the Township, 0.25 percent of their unused sick time is contributed to their Retirement Health Savings Plan.

In accordance with these requirements, the Township contributed \$202,433 and \$106,775 during the current year and employees contributed \$83,354 and \$43,384 for the pension and healthcare plans, respectively.

#### **Note 11 – Other Postemployment Benefits**

**Plan Description** – The Township provides healthcare benefits to police officers and firefighters upon retirement, in accordance with labor contracts. Currently, 32 retirees are eligible. The Township includes pre-Medicare and post-Medicare retirees and their dependents in its healthcare plan, with a 50 percent contribution required by the participant. Benefits and refunds of the postemployment defined benefit plan are recognized when due and payable in accordance with the terms of the plan. Expenditures for postemployment healthcare benefits are recognized as the insurance premiums become due. For the year ended December 31, 2014, the Township made payments for postemployment health benefit premiums of \$138,855.

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.

**Funding Policy** – Retiree healthcare costs are recognized when paid by the Township on a "pay-as-you-go" basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. In the current year, the Township paid postemployment healthcare premiums of \$138,855, plus it contributed \$362,145 into a prefunded retiree healthcare trust fund, which is reported in this financial statement as a Pension and Other Employee Benefit Trust Fund type. It is the intention of the Township to contribute the actuarially determined required amount.

Charter Township of Meridian

Notes to Financial Statements (continued)

**Note 11 – Other Postemployment Benefits (continued)**

**Funding Progress** – For the year ended December 31, 2014, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2014. The valuation computes an annual required contribution which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The valuation’s computed contribution and actual funding are summarized as follows:

Annual required contribution	\$ 283,991
Interest earned on advance funding	(85,792)
Adjustment to annual required contribution	95,259
Annual OPEB cost	<u>293,458</u>
Amounts contributed:	
Payments of current premiums	(138,855)
Advance funding	(362,145)
Increase in net OPEB asset	(207,542)
OPEB (asset) – beginning of year	(1,072,406)
OPEB (asset) – end of year	<u><u>\$ (1,279,948)</u></u>

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Asset
12/31/12	1/1/11	\$ 402,424	160.3%	\$ 985,362
12/31/13	1/1/11	382,993	122.7%	1,072,406
12/31/14	1/1/14	293,458	170.7%	1,279,948

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/14	\$ 3,163,359	\$ 4,915,374	\$ 1,752,015	64.4%	\$ 4,387,938	39.9%

**Actuarial Methods and Assumptions** – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown above, will, in future years, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### **Note 11 – Other Postemployment Benefits (continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included an 8 percent investment rate of return, calculated based on the funded level of the plan at the valuation date, and annual Medicare inflation rate of 5 percent, and an annual wage inflation rate of 5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

#### **Note 12 – 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 \$2,457,980 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, 2014. Complete financial statements for the East Lansing – Meridian Water and Sewer Authority can be obtained from the administrative office at 410 Abbott Road, East Lansing, Michigan.

Total assets	\$ 7,505,804
Total liabilities	1,009,615
Total net position	6,496,189
Total operating revenue	3,890,750
Total operating expenses	3,238,529
Increase in net position	404,611

The Township's equity in this joint venture as of December 31, 2014 is \$4,235,864, which is recorded in the Water Fund.

## Charter Township of Meridian

### Notes to Financial Statements (continued)

#### Note 13 – Operating Lease

During 2014, the Township entered into a noncancelable operating lease for office equipment. The lease requires 60 monthly payments of \$862 beginning in June 2014. The lease was amended December 2014 to add additional equipment, which will change the monthly payment amount to \$954 beginning in February 2015. Rent expenditures were \$6,034 for the year ended December 31, 2014.

Future minimum lease payments are as follows:

2015	\$	11,356
2016		11,448
2017		11,448
2018		11,448
2019		5,414
2020		92
Total	\$	<u>51,206</u>

#### Note 14 – Upcoming Reporting Changes

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for years beginning after June 15, 2014 and will be adopted for the Township for the year ending December 31, 2015.

In November 2013, the GASB issued GASB statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement No. 71 amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68.

## Required Supplementary Information

Charter Township of Meridian  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended December 31, 2014

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 9,239,300	\$ 9,168,450	\$ 9,190,404	\$ 21,954
Licenses and permits	662,000	802,000	840,723	38,723
State-shared revenue and grants	3,040,685	3,085,685	3,165,154	79,469
Charges for services	3,218,200	3,174,030	3,363,918	189,888
Fines and forfeitures	371,000	331,000	352,633	21,633
Investment income	18,000	28,000	56,646	28,646
Other revenue:				
Local donations	-	5,000	7,000	2,000
Franchise fee	240,000	240,000	270,016	30,016
Other miscellaneous income	143,700	137,700	153,666	15,966
Proceeds from sale of assets	120,000	-	-	-
<b>Total revenue</b>	<b>17,052,885</b>	<b>16,971,865</b>	<b>17,400,160</b>	<b>428,295</b>
<b>Expenditures</b>				
Current:				
General government	5,446,134	5,484,862	5,017,827	467,035
Public safety	10,395,483	10,549,229	10,228,295	320,934
Public works	115,500	243,574	237,433	6,141
Health and welfare	48,100	52,499	51,215	1,284
Recreation and culture	673,121	744,958	705,088	39,870
Debt service	387,220	423,827	423,827	-
<b>Total expenditures</b>	<b>17,065,558</b>	<b>17,498,949</b>	<b>16,663,685</b>	<b>835,264</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>(12,673)</b>	<b>(527,084)</b>	<b>736,475</b>	<b>1,263,559</b>
<b>Other financing uses</b>				
Transfers out	(125,400)	(467,480)	(467,480)	-
<b>Net change in fund balance</b>	<b>(138,073)</b>	<b>(994,564)</b>	<b>268,995</b>	<b>1,263,559</b>
<b>Fund balance - beginning of year</b>	<b>6,844,035</b>	<b>6,844,035</b>	<b>6,844,035</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ 6,705,962</b>	<b>\$ 5,849,471</b>	<b>\$ 7,113,030</b>	<b>\$ 1,263,559</b>

Charter Township of Meridian  
 Budgetary Comparison Schedule - Major Special Revenue Funds  
 Land Preservation Funds  
 For the Fiscal Year Ended December 31, 2014

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 509,500	\$ 509,500	\$ 502,823	\$ (6,677)
Investment income	18,500	23,500	118,969	95,469
Other revenue:				
Local donations	-	-	1,315	1,315
<b>Total revenue</b>	<b>528,000</b>	<b>533,000</b>	<b>623,107</b>	<b>90,107</b>
<b>Expenditures</b>				
Current:				
Recreation and culture	580,061	590,061	74,342	515,719
<b>Total expenditures</b>	<b>580,061</b>	<b>590,061</b>	<b>74,342</b>	<b>515,719</b>
<b>Net change in fund balance</b>	<b>(52,061)</b>	<b>(57,061)</b>	<b>548,765</b>	<b>605,826</b>
<b>Fund balance - beginning of year</b>	<b>4,739,734</b>	<b>4,739,734</b>	<b>4,739,734</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ 4,687,673</b>	<b>\$ 4,682,673</b>	<b>\$ 5,288,499</b>	<b>\$ 605,826</b>



**Charter Township of Meridian**  
**Required Supplementary Information**  
**Charter Township of Meridian Employees' Retirement Pension Plan**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years**

	2014	2013*	2012*	2011*	2010*	2009*	2008*	2007*	2006*	2005*
<b>Total pension liability</b>										
Service cost	\$ 10,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	302,325	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	131,492	-	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(365,991)	-	-	-	-	-	-	-	-	-
Net change in total pension liability	78,693	-	-	-	-	-	-	-	-	-
Total pension liability – beginning of year	5,216,315	-	-	-	-	-	-	-	-	-
Total pension liability – end of year	<u>\$ 5,295,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan fiduciary net position</b>										
Contributions – employer	260,000	-	-	-	-	-	-	-	-	-
Contributions – member	-	-	-	-	-	-	-	-	-	-
Net investment income	296,201	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(365,991)	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other	(72,944)	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	117,266	-	-	-	-	-	-	-	-	-
Plan fiduciary net position – beginning of year	3,762,916	-	-	-	-	-	-	-	-	-
Plan fiduciary net position – end of year	<u>\$ 3,880,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's net pension liability – ending	<u>\$ 1,414,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a % of total pension liability	73.28%									
Covered employee payroll	\$ 97,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Township's net pension liability as a % of covered employee payroll	1457.83%									

Note: There have been no changes in benefit terms or assumptions.

\*GASB Statement No. 67 was implemented for 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 information is available.

Charter Township of Meridian  
 Required Supplementary Information  
 Charter Township of Meridan Employees' Retirement Pension Plan  
 Schedule of Township Contributions  
 Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008*	2007*	2006*	2005*
Actuarially determined contribution	\$421,346	\$457,795	\$437,567	\$311,763	\$167,461	\$92,821	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	260,000	-	450,808	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ 161,346	\$ 457,795	\$ (13,241)	\$ 311,763	\$ 167,461	\$ 92,821	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$97,050	\$85,570	\$138,984	\$138,975	\$137,872	\$136,602	\$133,075	\$129,245	\$125,956	\$165,434
Contributions as a percentage of covered employee payroll	267.90%	-	324.36%	-	-	-	-	-	-	-

Note: There have been no changes in benefit terms or assumptions.

\*GASB Statement No. 67 was implemented for 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 information is available.

Charter Township of Meridian  
 Required Supplementary Information  
 Charter Township of Meridian Employees' Retirement Pension Plan  
 Schedule of Investment Returns  
 Last Ten Fiscal Years

	2014	2013*	2012*	2011*	2010*	2009*	2008*	2007*	2006*	2005*
Annual money-weighted rate of return, net of investment expense	8.01%	-	-	-	-	-	-	-	-	-

Note: There have been no changes in benefit terms or assumptions.

\*GASB Statement No. 67 was implemented for 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 information is available.

Charter Township of Meridian  
 Required Supplementary Information  
 Municipal Employees' Retirement System of Michigan

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31,	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
12/31/2009	\$ 25,330,637	\$ 43,641,255	\$ 18,310,618	58.0%	\$ 7,235,612	253.1%
12/31/2010	27,192,819	45,576,292	18,383,473	59.7%	6,469,114	284.2%
12/31/2011	28,635,470	48,645,859	20,010,389	58.9%	6,268,267	319.2%
12/31/2012	29,899,316	50,274,592	20,375,276	59.5%	6,166,430	330.4%
12/31/2013	31,755,375	53,345,909	21,590,534	59.5%	6,444,197	335.0%

**Schedule of Employer Contributions**

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
12/31/2010	12/31/2008	\$ 1,646,820	96.3%
12/31/2011	12/31/2009	1,608,084	118.8%
12/31/2012	12/31/2010	1,550,208	108.6%
12/31/2013	12/31/2011	1,691,100	102.0%
12/31/2014	12/31/2012	1,799,256	128.3%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Amortization method	Level percent of payroll, open
Amortization period (perpetual)	25 years
Asset valuation method	10-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Salary increases	1.0%
Inflation	4.5%
Cost of living adjustments	None

Charter Township of Meridian  
 Required Supplementary Information  
 Other Postemployment Benefit Plan

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial	Unfunded	Funded Ratio (Percent) (a/b)	Covered Payroll	UAAL as a
		Liability (AAL) (b)	AAL (UAAL) (b-a)			Percentage of Covered Payroll
1/1/2008	\$ 1,000,000	\$ 4,338,574	\$ 3,338,574	23.0%	4,838,647	69.0%
1/1/2011	1,749,919	5,402,173	3,652,254	32.4%	4,369,008	83.6%
1/1/2014	3,163,359	4,915,374	1,752,015	64.4%	4,387,938	39.9%

**Schedule of Employer Contributions**

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
12/31/2010	1/1/2008	\$ 349,708	96.5%
12/31/2011	1/1/2011	461,822	74.0%
12/31/2012	1/1/2011	461,822	139.7%
12/31/2013	1/1/2011	461,822	101.8%
12/31/2014	1/1/2014	283,991	176.4%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of the most recent actuarial valuation date follows:

Amortization method	Level dollar, open
Amortization period (perpetual)	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Salary increases	5.0%
Medicare inflation rate	5.0%
Cost of living adjustments	None

## Charter Township of Meridian

### Note to Required Supplementary Information

December 31, 2014

**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. The Township manager has authority to amend the budget up to \$1,500. Any budget amendments greater than \$1,500 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, 2014 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.

**Accumulated Fund Balance Deficit** –The Fire Station Debt Service Fund has a fund deficit of \$893. This deficit will be eliminated over the next year through future collections of tax revenue from the debt service millage.

**Deficit Adopted Budget** – The Township adopted a 2014 budget for its Local Roads Fund, which resulted in a deficit fund balance position. A budget deficit elimination plan to eliminate the debt by December 31, 2017 had previously been adopted by the Township. During the year, the Township took action to eliminate the debt, and the budget was amended to reflect a positive fund balance position.

**Excess of Expenditures Over Appropriations in Budgeted Funds** – The Charter Township of Meridian did not have significant expenditure budget variances.

## Other Supplementary Information

## Nonmajor Governmental Funds

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

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

**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 the 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 Restricted 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.

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

**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.

**Property Acquisition Fund** – This fund accounts for a land contract that was entered into to purchase a parcel of land. The debt payments will be funded by the General Fund.

**Fire Station Construction Fund** – This fund is used to account for expenditures 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  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014

	<b>Special Revenue Funds</b>					
	Pedestrian/ Bike Path Millage Fund	Park Millage Fund	Fire Restricted/ Designated Fund	Police Restricted/ Designated Fund	Senior Center Millage Fund	Cable TV Fund
<b>Assets</b>						
Cash and investments	\$ 1,071,222	\$ 1,096,623	\$ 4,031	\$ 39,138	\$ 140,676	\$ 134,228
Receivables - net	289,135	1,025,728	-	2,345	87,547	215,775
Due from other funds	7	-	-	-	-	-
Prepaid expenses and other assets	295	3,555	-	-	-	3,396
<b>Total assets</b>	<b>\$ 1,360,659</b>	<b>\$ 2,125,906</b>	<b>\$ 4,031</b>	<b>\$ 41,483</b>	<b>\$ 228,223</b>	<b>\$ 353,399</b>
<b>Liabilities</b>						
Accounts payable	\$ 15,264	\$ 20,156	\$ -	\$ 3,859	\$ 38,259	\$ 54,827
Due to other governmental units	-	-	-	-	-	-
Due to other funds	-	570	-	-	-	47
Accrued liabilities and other	1,032	5,539	-	50	238	2,710
<b>Total liabilities</b>	<b>16,296</b>	<b>26,265</b>	<b>-</b>	<b>3,909</b>	<b>38,497</b>	<b>57,584</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue - special assessments	-	-	-	-	-	-
Property taxes levied for a subsequent period	430,241	1,523,186	-	-	130,155	-
Special assessments levied for subsequent period	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>430,241</b>	<b>1,523,186</b>	<b>-</b>	<b>-</b>	<b>130,155</b>	<b>-</b>
<b>Fund balances</b>						
Nonspendable - prepaids	295	3,555	-	-	-	3,396
Restricted	913,827	572,900	4,031	37,574	59,571	292,419
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>914,122</b>	<b>576,455</b>	<b>4,031</b>	<b>37,574</b>	<b>59,571</b>	<b>295,815</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,360,659</b>	<b>\$ 2,125,906</b>	<b>\$ 4,031</b>	<b>\$ 41,483</b>	<b>\$ 228,223</b>	<b>\$ 353,399</b>

Charter Township of Meridian  
Combining Balance Sheet  
Nonmajor Governmental Funds

Special Revenue Funds					Debt Service Funds		Capital Projects Funds			Total
Community Needs Fund	Library Restricted Fund	Grants Fund	CATA Millage Fund	Local Roads Fund	Fire Station Debt Service Fund	Property Acquisition Fund	Fire Station Construction Fund	Township Improvement Revolving Fund	Nonmajor Governmental Funds	
\$ 10,609	\$ 13,000	\$ 129,633	\$ 115,300	\$ 632,330	\$ 101,602	\$ 145,320	\$ 3,163,307	\$ 1,027,657	\$ 7,824,676	
530	-	6,030	208,468	260,583	208,468	-	-	557,736	2,862,345	
-	-	-	-	-	-	-	-	-	7	
-	-	-	-	-	-	-	-	-	7,246	
<b>\$ 11,139</b>	<b>\$ 13,000</b>	<b>\$ 135,663</b>	<b>\$ 323,768</b>	<b>\$ 892,913</b>	<b>\$ 310,070</b>	<b>\$ 145,320</b>	<b>\$ 3,163,307</b>	<b>\$ 1,585,393</b>	<b>\$ 10,694,274</b>	
\$ 280	\$ -	\$ -	\$ -	\$ 493,416	\$ -	\$ -	\$ -	\$ 3,270	\$ 629,331	
-	-	4,656	-	-	-	-	-	-	4,656	
-	-	10,401	-	-	1,000	-	-	-	12,018	
-	-	-	566	707	566	-	-	-	11,408	
280	-	15,057	566	494,123	1,566	-	-	3,270	657,413	
-	-	-	-	-	-	-	-	317,736	317,736	
-	-	-	310,180	387,754	309,397	-	-	-	3,090,913	
-	-	-	-	-	-	-	-	240,000	240,000	
-	-	-	310,180	387,754	309,397	-	-	557,736	3,648,649	
-	-	-	-	-	-	-	-	-	7,246	
10,859	13,000	120,606	13,022	11,036	-	-	3,163,307	-	5,212,152	
-	-	-	-	-	-	145,320	-	1,024,387	1,169,707	
-	-	-	-	-	(893)	-	-	-	(893)	
10,859	13,000	120,606	13,022	11,036	(893)	145,320	3,163,307	1,024,387	6,388,212	
<b>\$ 11,139</b>	<b>\$ 13,000</b>	<b>\$ 135,663</b>	<b>\$ 323,768</b>	<b>\$ 892,913</b>	<b>\$ 310,070</b>	<b>\$ 145,320</b>	<b>\$ 3,163,307</b>	<b>\$ 1,585,393</b>	<b>\$ 10,694,274</b>	

Charter Township of Meridian  
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2014

	<b>Special Revenue Funds</b>					
	Pedestrian/ Bike Path Millage Fund	Park Millage Fund	Fire Restricted/ Designated Fund	Police Restricted/ Designated Fund	Senior Center Millage Fund	Cable TV Fund
<b>Revenue</b>						
Property taxes	\$ 421,326	\$ 481,443	\$ -	\$ -	\$ 127,451	\$ -
Federal grants	-	-	-	2,197	-	6,000
State-shared revenue and grants	-	-	-	7,092	-	-
Fines and forfeitures	-	-	-	9,524	-	-
Investment income	9	1,874	-	-	-	-
Other revenue:						
Special assessments	-	-	-	-	-	-
Local donations	-	7,611	-	4,956	-	-
Franchise fee	-	-	-	-	-	706,255
Other miscellaneous income	22,965	87,773	417	95	-	126
<b>Total revenue</b>	<b>444,300</b>	<b>578,701</b>	<b>417</b>	<b>23,864</b>	<b>127,451</b>	<b>712,381</b>
<b>Expenditures</b>						
Current:						
Public safety	-	-	18,500	16,393	-	-
Public works	288,139	-	-	-	-	-
Health and welfare	-	-	-	-	88,090	-
Recreation and culture	-	589,531	-	-	-	688,728
Debt service	-	-	-	-	-	-
<b>Total expenditures</b>	<b>288,139</b>	<b>589,531</b>	<b>18,500</b>	<b>16,393</b>	<b>88,090</b>	<b>688,728</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>156,161</b>	<b>(10,830)</b>	<b>(18,083)</b>	<b>7,471</b>	<b>39,361</b>	<b>23,653</b>
<b>Other financing sources</b>						
Transfers in	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>156,161</b>	<b>(10,830)</b>	<b>(18,083)</b>	<b>7,471</b>	<b>39,361</b>	<b>23,653</b>
<b>Fund balances (deficit) - beginning of year</b>	<b>757,961</b>	<b>587,285</b>	<b>22,114</b>	<b>30,103</b>	<b>20,210</b>	<b>272,162</b>
<b>Fund balances (deficit) - end of year</b>	<b>\$ 914,122</b>	<b>\$ 576,455</b>	<b>\$ 4,031</b>	<b>\$ 37,574</b>	<b>\$ 59,571</b>	<b>\$ 295,815</b>

Charter Township of Meridian  
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds

Special Revenue Funds					Debt Service Funds		Capital Projects Funds			Total
Community Needs Fund	Library Restricted Fund	Grants Fund	CATA Millage Fund	Local Roads Fund	Fire Station Debt Service Fund	Property Acquisition Fund	Fire Station Construction Fund	Township Improvement Revolving Fund	Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 303,758	\$ 379,702	\$ 302,772	\$ -	\$ -	\$ -	\$ 2,016,452	
-	-	48,584	-	-	-	-	-	-	56,781	
-	-	-	-	-	-	-	-	-	7,092	
-	-	-	-	-	-	-	-	-	9,524	
-	-	-	-	-	-	-	9,546	25,402	36,831	
-	-	-	-	-	-	-	-	134,083	134,083	
-	-	-	-	-	-	-	-	-	12,567	
-	-	-	-	-	-	-	-	-	706,255	
15,426	-	-	-	-	-	-	-	-	126,802	
15,426	-	48,584	303,758	379,702	302,772	-	9,546	159,485	3,106,387	
-	-	36,093	-	-	-	-	142,174	-	213,160	
-	-	-	-	495,267	-	-	-	100,336	883,742	
12,099	-	14,541	-	-	-	-	-	-	114,730	
-	-	-	292,530	-	-	-	-	-	1,570,789	
-	-	-	-	-	273,043	51,215	-	-	324,258	
12,099	-	50,634	292,530	495,267	273,043	51,215	142,174	100,336	3,106,679	
3,327	-	(2,050)	11,228	(115,565)	29,729	(51,215)	(132,628)	59,149	(292)	
-	-	22,080	-	445,400	-	-	-	-	467,480	
3,327	-	20,030	11,228	329,835	29,729	(51,215)	(132,628)	59,149	467,188	
7,532	13,000	100,576	1,794	(318,799)	(30,622)	196,535	3,295,935	965,238	5,921,024	
\$ 10,859	\$ 13,000	\$ 120,606	\$ 13,022	\$ 11,036	\$ (893)	\$ 145,320	\$ 3,163,307	\$ 1,024,387	\$ 6,388,212	

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Pedestrian/Bike Path Millage Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 425,500	\$ 425,500	\$ 421,326	\$ (4,174)
Investment income	-	-	9	9
Other revenue:				
Other miscellaneous income	-	22,965	22,965	-
Total revenue	425,500	448,465	444,300	(4,165)
<b>Expenditures</b>				
Current:				
Public works	496,361	524,961	288,139	236,822
<b>Net change in fund balance</b>	(70,861)	(76,496)	156,161	232,657
<b>Fund balance - beginning of year</b>	757,961	757,961	757,961	-
<b>Fund balance - end of year</b>	\$ 687,100	\$ 681,465	\$ 914,122	\$ 232,657

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Park Millage Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 485,500	\$ 485,500	\$ 481,443	\$ (4,057)
Investment income	-	-	1,874	1,874
Other revenue				
Local donations	12,000	12,000	7,611	(4,389)
Other miscellaneous income	81,200	81,200	87,773	6,573
Total revenue	578,700	578,700	578,701	1
<b>Expenditures</b>				
Current:				
Recreation and culture	598,242	726,002	589,531	136,471
<b>Net change in fund balance</b>	(19,542)	(147,302)	(10,830)	136,472
<b>Fund balance - beginning of year</b>	587,285	587,285	587,285	-
<b>Fund balance - end of year</b>	\$ 567,743	\$ 439,983	\$ 576,455	\$ 136,472

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Fire Restricted/Designated Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Other revenue:				
Other miscellaneous income	\$ -	\$ -	\$ 417	\$ 417
<b>Expenditures</b>				
Current:				
Public safety	20,000	20,000	18,500	1,500
<b>Net change in fund balance</b>	(20,000)	(20,000)	(18,083)	1,917
<b>Fund balance - beginning of year</b>	22,114	22,114	22,114	-
<b>Fund balance - end of year</b>	\$ 2,114	\$ 2,114	\$ 4,031	\$ 1,917

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Police Restricted/Designated Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Federal grants	\$ 5,000	\$ 2,197	\$ 2,197	\$ -
State-shared revenue and grants	9,000	9,000	7,092	(1,908)
Fines and forfeitures	-	12,000	9,524	(2,476)
Other revenue:				
Local donations	-	5,000	4,956	(44)
Other miscellaneous income	-	-	95	95
Total revenue	14,000	28,197	23,864	(4,333)
<b>Expenditures</b>				
Current:				
Public safety	22,466	29,338	16,393	12,945
<b>Net change in fund balance</b>	(8,466)	(1,141)	7,471	8,612
<b>Fund balance - beginning of year</b>	30,103	30,103	30,103	-
<b>Fund balance - end of year</b>	\$ 21,637	\$ 28,962	\$ 37,574	\$ 8,612

Charter Township of Meridian  
 Other Supplementary Information  
 Budgetary Comparison  
 For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Senior Center Millage Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 129,100	\$ 129,100	\$ 127,451	\$ (1,649)
<b>Expenditures</b>				
Current:				
Health and welfare	120,000	120,000	88,090	31,910
<b>Net change in fund balance</b>	9,100	9,100	39,361	30,261
<b>Fund balance - beginning of year</b>	20,210	20,210	20,210	-
<b>Fund balance - end of year</b>	\$ 29,310	\$ 29,310	\$ 59,571	\$ 30,261

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Cable TV Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Federal grants	\$ -	\$ -	\$ 6,000	\$ 6,000
Other revenue:				
Franchise fee	664,200	674,200	706,255	32,055
Other miscellaneous income	-	-	126	126
<b>Total revenue</b>	<b>664,200</b>	<b>674,200</b>	<b>712,381</b>	<b>38,181</b>
<b>Expenditures</b>				
Current:				
Recreation and culture	659,479	742,147	688,728	53,419
<b>Net change in fund balance</b>	<b>4,721</b>	<b>(67,947)</b>	<b>23,653</b>	<b>91,600</b>
<b>Fund balance - beginning of year</b>	<b>272,162</b>	<b>272,162</b>	<b>272,162</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ 276,883</b>	<b>\$ 204,215</b>	<b>\$ 295,815</b>	<b>\$ 91,600</b>

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Community Needs Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Other revenue:				
Other miscellaneous income	\$ 11,000	\$ 14,000	\$ 15,426	\$ 1,426
Total revenue	11,000	14,000	15,426	1,426
<b>Expenditures</b>				
Current:				
Health and welfare	11,000	18,500	12,099	6,401
<b>Net change in fund balance</b>	-	(4,500)	3,327	7,827
<b>Fund balance - beginning of year</b>	7,532	7,532	7,532	-
<b>Fund balance - end of year</b>	\$ 7,532	\$ 3,032	\$ 10,859	\$ 7,827

Charter Township of Meridian  
 Other Supplementary Information  
 Budgetary Comparison  
 For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Library Restricted Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Other revenue:				
Local donations	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
Recreation and culture	-	-	-	-
<b>Net change in fund balance</b>	-	-	-	-
<b>Fund balance - beginning of year</b>	13,000	13,000	13,000	-
<b>Fund balance - end of year</b>	\$ 13,000	\$ 13,000	\$ 13,000	\$ -

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Grants Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Federal grants	\$ 24,844	\$ 48,563	\$ 48,584	\$ 21
<b>Expenditures</b>				
Current:				
Public safety	11,000	34,719	36,093	(1,374)
Health and welfare	3,650	20,984	14,541	6,443
Total expenditures	14,650	55,703	50,634	5,069
<b>Excess of expenditures over (under) revenue</b>	10,194	(7,140)	(2,050)	5,090
<b>Other financing sources</b>				
Transfers in	10,000	22,080	22,080	-
<b>Net change in fund balance</b>	20,194	14,940	20,030	5,090
<b>Fund balance - beginning of year</b>	100,576	100,576	100,576	-
<b>Fund balance - end of year</b>	\$ 120,770	\$ 115,516	\$ 120,606	\$ 5,090

Charter Township of Meridian  
 Other Supplementary Information  
 Budgetary Comparison  
 For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - CATA Millage Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 305,300	\$ 305,300	\$ 303,758	\$ (1,542)
<b>Expenditures</b>				
Current:				
Recreation and culture	303,600	303,600	292,530	11,070
<b>Net change in fund balance</b>	1,700	1,700	11,228	9,528
<b>Fund balance - beginning of year</b>	1,794	1,794	1,794	-
<b>Fund balance - end of year</b>	<u>\$ 3,494</u>	<u>\$ 3,494</u>	<u>\$ 13,022</u>	<u>\$ 9,528</u>

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Special Revenue Fund - Local Roads Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 384,300	\$ 384,300	\$ 379,702	\$ (4,598)
<b>Expenditures</b>				
Current:				
Public works	429,087	509,087	495,267	13,820
Debt service	80,000	-	-	-
Total expenditures	509,087	509,087	495,267	13,820
<b>Excess of revenue over (under) expenditures</b>	(124,787)	(124,787)	(115,565)	9,222
<b>Other financing sources</b>				
Transfers in	125,400	445,400	445,400	-
<b>Net change in fund balance</b>	613	320,613	329,835	9,222
<b>Fund balance (deficit) - beginning of year</b>	(318,799)	(318,799)	(318,799)	-
<b>Fund balance (deficit) - end of year</b>	\$ (318,186)	\$ 1,814	\$ 11,036	\$ 9,222

Charter Township of Meridian  
 Other Supplementary Information  
 Budgetary Comparison  
 For the Fiscal Year Ended December 31, 2014

**Debt Service Fund - Fire Station Debt Service Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$ 303,665	\$ 303,665	\$ 302,772	\$ (893)
<b>Expenditures</b>				
Debt service	273,043	273,043	273,043	-
<b>Net change in fund balance</b>	30,622	30,622	29,729	(893)
<b>Fund balance - beginning of year</b>	(30,622)	(30,622)	(30,622)	-
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ (893)	\$ (893)

Charter Township of Meridian  
 Other Supplementary Information  
 Budgetary Comparison  
 For the Fiscal Year Ended December 31, 2014

**Debt Service Fund - Property Acquisition Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Expenditures</b>				
Debt service	\$ 51,216	\$ 51,216	\$ 51,215	\$ 1
<b>Net change in fund balance</b>	(51,216)	(51,216)	(51,215)	1
<b>Fund balance - beginning of year</b>	196,535	196,535	196,535	-
<b>Fund balance - end of year</b>	<u>\$ 145,319</u>	<u>\$ 145,319</u>	<u>\$ 145,320</u>	<u>\$ 1</u>

Charter Township of Meridian  
 Other Supplementary Information  
 Budgetary Comparison  
 For the Fiscal Year Ended December 31, 2014

**Capital Projects Fund - Fire Station Construction Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Investment income	\$ -	\$ 8,700	\$ 9,546	\$ 846
<b>Expenditures</b>				
Current:				
Public safety	2,759,000	151,000	142,174	8,826
<b>Net change in fund balance</b>	(2,759,000)	(142,300)	(132,628)	9,672
<b>Fund balance - beginning of year</b>	3,295,935	3,295,935	3,295,935	-
<b>Fund balance - end of year</b>	<u>\$ 536,935</u>	<u>\$ 3,153,635</u>	<u>\$ 3,163,307</u>	<u>\$ 9,672</u>

Charter Township of Meridian  
Other Supplementary Information  
Budgetary Comparison  
For the Fiscal Year Ended December 31, 2014

**Capital Projects Fund - Township Improvement Revolving Fund**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Investment income	\$ 26,600	\$ 26,600	\$ 25,402	\$ (1,198)
Other revenue:				
Special assessments	140,000	140,000	134,083	(5,917)
Total revenue	166,600	166,600	159,485	(7,115)
<b>Expenditures</b>				
Current:				
Public works	125,000	149,000	100,336	48,664
<b>Net change in fund balance</b>	41,600	17,600	59,149	41,549
<b>Fund balance - beginning of year</b>	965,238	965,238	965,238	-
<b>Fund balance - end of year</b>	<u>\$ 1,006,838</u>	<u>\$ 982,838</u>	<u>\$ 1,024,387</u>	<u>\$ 41,549</u>

Charter Township of Meridian  
Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2014

	<b>Balance</b>			<b>Balance</b>
	<b>January 1, 2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>December 31, 2014</b>
<b>Tax Collection Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 12,047,859	\$ 87,270,332	\$ (94,796,367)	\$ 4,521,824
<b>Liabilities</b>				
Accounts payable	\$ 3,556	\$ 605	\$ -	\$ 4,161
Due to other governmental units	12,044,303	67,473,649	(75,000,289)	4,517,663
Total liabilities	<u>\$ 12,047,859</u>	<u>\$ 67,474,254</u>	<u>\$ (75,000,289)</u>	<u>\$ 4,521,824</u>

Charter Township of Meridian  
Component Unit - Downtown Development Authority  
Statement of Net Position and Governmental Fund Balance Sheet  
December 31, 2014

	<b>Downtown Development Authority</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>			
Cash and investments	\$ 32,069	\$ -	\$ 32,069
Receivables - net	11,489	-	11,489
Prepaid expenses	2,100	-	2,100
<b>Total assets</b>	<b>\$ 45,658</b>	<b>\$ -</b>	<b>\$ 45,658</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,177	\$ -	\$ 1,177
Accrued liabilities and other	1,496	-	1,496
Unearned revenue	5,751	-	5,751
Noncurrent liabilities:			
Due in more than one year	-	199,500	199,500
<b>Total liabilities</b>	<b>8,424</b>	<b>199,500</b>	<b>207,924</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for a subsequent period	10,655	-	10,655
Fund balance - restricted for economic development	26,579	(26,579)	-
Net position - unrestricted (deficit)	-	(172,921)	(172,921)
<b>Total liabilities, deferred inflows of resources, and fund balance/net position (deficit)</b>	<b>\$ 45,658</b>	<b>\$ -</b>	<b>\$ 45,658</b>

Charter Township of Meridian  
 Component Unit - Downtown Development Authority  
 Statement of Activities and Governmental Fund Statement of Revenue,  
 Expenditures, and Changes in Fund Balance  
 For the Fiscal Year Ended December 31, 2014

	<b>Downtown Development Authority</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenue</b>			
Property taxes	\$ 21,533	\$ -	\$ 21,533
Local grants and donations	5,000	-	5,000
Other miscellaneous income	26,111	-	26,111
Total revenue	52,644	-	52,644
<b>Expenditures</b>			
Other current services	33,549	-	33,549
Debt service	5,985	-	5,985
Total expenditures	39,534	-	39,534
<b>Change in fund balance/net position</b>	13,110	-	13,110
<b>Fund balance/net position (deficit) - beginning of year</b>	13,469	(199,500)	(186,031)
<b>Fund balance/net position (deficit) - end of year</b>	\$ 26,579	\$ (199,500)	\$ (172,921)

## Statistical Section

This part of the Comprehensive Annual 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
- Revenue capacity
- Debt capacity
- Demographic and economic information
- Operating information

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Township implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

## 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.

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

	December 31									
	(in thousands of dollars)									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities:</b>										
Invested in capital assets -										
net of related debt	\$ 18,876	\$ 23,014	\$ 23,810	\$ 24,694	\$ 26,991	\$ 30,393	\$ 33,401	\$ 33,781	\$ 34,428	\$ 34,416
Restricted	3,463	1,563	3,723	5,353	6,960	6,385	5,580	5,948	6,553	7,345
Unrestricted	7,148	7,520	6,652	6,616	6,169	7,134	8,060	8,877	9,018	10,629
Total net position	\$ 29,487	\$ 32,097	\$ 34,185	\$ 36,663	\$ 40,120	\$ 43,912	\$ 47,041	\$ 48,606	\$ 49,999	\$ 52,390
<b>Business-type Activities:</b>										
Invested in capital assets -										
net of related debt	\$ 33,998	\$ 35,653	\$ 37,862	\$ 39,220	\$ 40,006	\$ 41,805	\$ 42,339	\$ 41,380	\$ 40,589	\$ 40,452
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,476	12,255	11,399	11,343	9,947	7,387	6,070	7,090	7,839	8,972
Total net position	\$ 46,474	\$ 47,908	\$ 49,261	\$ 50,563	\$ 49,953	\$ 49,192	\$ 48,409	\$ 48,470	\$ 48,428	\$ 49,424
<b>Primary Government:</b>										
Invested in capital assets -										
net of related debt	\$ 52,874	\$ 58,667	\$ 61,672	\$ 63,914	\$ 66,997	\$ 72,198	\$ 75,740	\$ 75,161	\$ 75,017	\$ 74,868
Restricted	3,463	1,563	3,723	5,353	6,960	6,385	5,580	5,948	6,553	7,345
Unrestricted	19,624	19,775	18,051	17,959	16,116	14,521	14,130	15,967	16,857	19,601
Total net position	\$ 75,961	\$ 80,005	\$ 83,446	\$ 87,226	\$ 90,073	\$ 93,104	\$ 95,450	\$ 97,076	\$ 98,427	\$ 101,814

**Charter Township of Meridian**  
**Changes in Governmental**  
**Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year Ended December 31									
	(in thousands of dollars)									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses:</b>										
General government	\$ 3,738	\$ 3,920	\$ 3,681	\$ 4,181	\$ 3,965	\$ 3,254	\$ 3,371	\$ 4,244	\$ 4,284	\$ 3,941
Public safety	10,211	10,999	10,493	10,549	10,583	10,416	10,048	9,901	10,922	9,799
Public works	377	348	838	1,139	1,292	830	708	1,072	1,072	1,277
Health and welfare	70	76	82	80	84	68	55	63	169	166
Recreation and culture	1,700	1,852	1,856	2,168	2,043	1,946	2,256	2,071	1,684	2,118
Interest on long-term debt	260	182	327	313	293	276	244	183	367	221
<b>Total expenses</b>	<b>16,356</b>	<b>17,377</b>	<b>17,277</b>	<b>18,430</b>	<b>18,260</b>	<b>16,790</b>	<b>16,682</b>	<b>17,534</b>	<b>18,498</b>	<b>17,522</b>
<b>Program revenue:</b>										
Charges for services:										
General government	185	208	81	90	50	60	55	415	391	383
Public safety	2,447	2,843	2,045	2,429	2,071	2,676	2,790	2,352	3,064	2,658
Public works	73	143	8	153	1,049	17	87	105	113	89
Recreation and culture	268	320	185	160	146	151	218	325	307	321
<b>Total charges for services</b>	<b>2,973</b>	<b>3,514</b>	<b>2,319</b>	<b>2,832</b>	<b>3,316</b>	<b>2,904</b>	<b>3,150</b>	<b>3,197</b>	<b>3,875</b>	<b>3,451</b>
Operating grants and contributions	140	76	143	104	113	367	475	163	283	175
Capital grants and contributions	444	-	23	59	-	-	-	-	-	-
<b>Total program revenue</b>	<b>3,557</b>	<b>3,590</b>	<b>2,485</b>	<b>2,995</b>	<b>3,429</b>	<b>3,271</b>	<b>3,625</b>	<b>3,360</b>	<b>4,158</b>	<b>3,626</b>
<b>Excess of expenses over revenue</b>	<b>(12,799)</b>	<b>(13,787)</b>	<b>(14,792)</b>	<b>(15,435)</b>	<b>(14,831)</b>	<b>(13,519)</b>	<b>(13,057)</b>	<b>(14,174)</b>	<b>(14,340)</b>	<b>(13,896)</b>
<b>General revenue:</b>										
Property taxes	11,295	11,787	12,385	12,964	13,580	13,365	11,981	11,488	11,464	11,710
State-shared revenue	3,066	3,010	2,969	3,469	2,541	2,495	2,819	2,891	2,960	3,085
Investment income (loss)	490	747	885	548	166	372	184	98	(46)	212
Franchise fees	537	602	643	616	699	802	819	873	822	856
Miscellaneous income	244	306	53	351	333	277	383	389	533	424
<b>Total general revenue</b>	<b>15,632</b>	<b>16,452</b>	<b>16,935</b>	<b>17,948</b>	<b>17,319</b>	<b>17,311</b>	<b>16,186</b>	<b>15,739</b>	<b>15,733</b>	<b>16,287</b>
<b>Transfers</b>	<b>(55)</b>	<b>(55)</b>	<b>(55)</b>	<b>(35)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>\$ 2,778</b>	<b>\$ 2,610</b>	<b>\$ 2,088</b>	<b>\$ 2,478</b>	<b>\$ 2,488</b>	<b>\$ 3,792</b>	<b>\$ 3,129</b>	<b>\$ 1,565</b>	<b>\$ 1,393</b>	<b>\$ 2,391</b>

**Charter Township of Meridian**  
**Changes in Business-type**  
**Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year Ended December 31									
	(in thousands of dollars)									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Operating revenue:</b>										
Sale of water	\$ 3,625	\$ 3,433	\$ 3,582	\$ 3,561	\$ 3,288	\$ 3,369	\$ 3,421	\$ 4,055	\$ 4,026	\$ 4,152
Sewage disposal charge	3,027	2,943	3,058	3,074	2,931	3,052	2,993	3,479	3,587	3,800
Charges for services	1,244	1,041	850	669	630	956	736	974	1,150	1,061
Other	61	119	74	79	133	196	92	246	433	604
Total operating revenue	7,957	7,536	7,564	7,383	6,982	7,573	7,242	8,754	9,196	9,617
<b>Operating expense:</b>										
Cost of water produced/purchased	1,426	1,598	1,682	1,787	1,920	2,033	2,211	2,595	2,518	2,458
Cost of sewage treatment	1,407	1,475	1,505	1,646	1,642	1,455	1,433	1,430	1,855	1,789
Other operation and maintenance costs	1,856	1,952	2,102	2,072	2,230	2,082	2,068	2,278	2,541	2,871
Billing and administrative costs	1,001	1,045	1,174	1,179	1,177	1,167	1,160	1,161	1,076	1,082
Depreciation	1,216	1,253	1,363	1,397	1,480	1,563	1,619	1,654	1,795	1,650
Total operating expenses	6,906	7,323	7,826	8,081	8,449	8,300	8,491	9,118	9,785	9,850
<b>Operating income (loss)</b>	1,051	213	(262)	(698)	(1,467)	(727)	(1,249)	(364)	(589)	(233)
<b>Nonoperating revenue (expense):</b>										
Investment income	175	253	333	209	76	31	9	3	3	4
Gain (loss) from joint venture	(490)	(316)	(106)	(286)	(203)	(174)	(158)	179	163	234
Interest expense	(13)	(10)	(6)	(2)	41	(41)	(32)	(29)	(37)	(12)
Total nonoperating revenue (expense)	(328)	(73)	221	(79)	(86)	(184)	(181)	153	129	226
<b>Income (loss) - Before capital contributions and transfer</b>	723	140	(41)	(777)	(1,553)	(911)	(1,430)	(211)	(460)	(7)
<b>Capital contributions</b>	3,172	1,239	1,339	2,044	510	150	647	272	418	1,003
<b>Transfers from other funds</b>	55	455	255	35	-	-	-	-	-	-
<b>Transfers to other funds</b>	-	(400)	(200)	-	-	-	-	-	-	-
<b>Change in net position</b>	\$ 3,950	\$ 1,434	\$ 1,353	\$ 1,302	\$ (1,043)	\$ (761)	\$ (783)	\$ 61	\$ (42)	\$ 996
<b>Change in net position - primary government</b>	\$ 6,728	\$ 4,044	\$ 3,441	\$ 3,780	\$ 1,445	\$ 3,031	\$ 2,346	\$ 1,626	\$ 1,351	\$ 3,387

Charter Township of Meridian  
Fund Balances  
Governmental Funds  
Last Ten Fiscal Years

	As of December 31									
	(in thousands of dollars)									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Post-GASB No. 54:										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692	\$ 675	\$ 564	\$ 217
Unassigned	-	-	-	-	-	-	4,901	5,281	6,280	6,896
Pre-GASB No. 54:										
Reserved	108	3	4	2	7	442	-	-	-	-
Unreserved - undesignated	4,532	4,986	5,228	4,456	3,841	4,805	-	-	-	-
<b>Total general fund</b>	<b>\$ 4,640</b>	<b>\$ 4,989</b>	<b>\$ 5,232</b>	<b>\$ 4,458</b>	<b>\$ 3,848</b>	<b>\$ 5,247</b>	<b>\$ 5,593</b>	<b>\$ 5,956</b>	<b>\$ 6,844</b>	<b>\$ 7,113</b>
<b>All Other Governmental Funds</b>										
Post-GASB No. 54:										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160	\$ 150	\$ 8	\$ 7
Restricted	-	-	-	-	-	-	5,418	5,798	9,840	10,501
Assigned	-	-	-	-	-	-	993	1,041	1,162	1,170
Unassigned	-	-	-	-	-	-	(401)	(407)	(349)	(1)
Pre-GASB No. 54:										
Reserved - Special Revenue Fund	-	-	160	309	-	190	-	-	-	-
Unreserved and undesignated -										
Reported in:										
Special revenue funds	6,017	4,054	4,945	5,456	6,667	5,834	-	-	-	-
Debt service funds	11	37	34	14	357	329	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 6,028</b>	<b>\$ 4,091</b>	<b>\$ 5,139</b>	<b>\$ 5,779</b>	<b>\$ 7,024</b>	<b>\$ 6,353</b>	<b>\$ 6,170</b>	<b>\$ 6,582</b>	<b>\$ 10,661</b>	<b>\$ 11,677</b>

\* During the year ended December 31, 2011, the Township adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions.

Charter Township of Meridian  
Changes in Fund Balances  
Governmental Funds  
Last Ten Fiscal Years

	Year Ended December 31									
	(in thousands of dollars)									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenue</b>										
Property taxes	\$ 11,294	\$ 11,787	\$ 12,385	\$ 12,965	\$ 13,580	\$ 13,365	\$ 11,981	\$ 11,488	\$ 11,464	\$ 11,710
Licenses and permits	352	416	358	668	248	662	536	618	1,153	841
Intergovernmental revenue	-	-	3,215	3,064	2,718	2,840	3,282	3,021	3,106	3,229
Special assessments	107	112	90	122	144	339	195	225	238	134
Charges for services	2,866	3,232	3,390	2,921	2,923	3,353	3,297	3,363	3,403	3,364
Investment income (loss)	489	716	885	548	166	372	184	98	(46)	212
Other	405	554	409	1,157	1,229	1,302	1,561	1,514	1,727	1,640
<b>Total revenue</b>	<b>15,513</b>	<b>16,817</b>	<b>20,732</b>	<b>21,445</b>	<b>21,008</b>	<b>22,233</b>	<b>21,036</b>	<b>20,327</b>	<b>21,045</b>	<b>21,130</b>
<b>Expenditures</b>										
Current:										
General government	4,182	4,392	5,052	4,472	4,698	4,505	4,059	5,391	5,030	4,925
Public safety	9,328	10,079	10,391	10,958	10,574	10,250	10,060	9,766	10,172	10,263
Public works	287	295	290	1,333	269	364	265	511	328	539
Health and welfare	69	76	79	82	84	68	54	62	168	166
Recreation and culture	1,539	1,651	1,823	2,285	2,012	1,909	2,257	2,083	1,771	2,185
Capital outlay	3,643	3,661	1,000	1,441	1,769	3,730	2,600	1,224	1,574	1,019
Debt service:										
Principal	642	1,164	618	656	655	414	1,333	332	262	516
Interest	157	169	133	317	297	266	244	184	212	232
<b>Total expenditures</b>	<b>19,847</b>	<b>21,487</b>	<b>19,386</b>	<b>21,544</b>	<b>20,358</b>	<b>21,506</b>	<b>20,872</b>	<b>19,553</b>	<b>19,517</b>	<b>19,845</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(4,334)</b>	<b>(4,670)</b>	<b>1,346</b>	<b>(99)</b>	<b>650</b>	<b>727</b>	<b>164</b>	<b>774</b>	<b>1,528</b>	<b>1,285</b>
<b>Other financing sources (uses)</b>										
Proceeds from issuance of long-term debt	2,209	-	-	-	-	-	-	-	3,500	-
Debt issuance costs	-	-	-	-	-	-	-	-	(62)	-
Transfers in	106	132	129	276	(651)	(272)	(1,471)	141	137	467
Transfers out	(161)	(187)	(184)	(310)	651	272	1,471	(141)	(137)	(467)
<b>Total other financing sources (uses)</b>	<b>2,154</b>	<b>(55)</b>	<b>(55)</b>	<b>(34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,438</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (2,180)</b>	<b>\$ (4,725)</b>	<b>\$ 1,291</b>	<b>\$ (133)</b>	<b>\$ 650</b>	<b>\$ 727</b>	<b>\$ 164</b>	<b>\$ 774</b>	<b>\$ 4,966</b>	<b>\$ 1,285</b>
Debt service as a percentage of noncapital expenditures	4.93%	7.48%	4.08%	4.84%	5.12%	3.83%	8.63%	2.82%	2.64%	3.97%
Capital outlay as a percentage of total expenditures	18.36%	17.04%	5.16%	6.69%	8.69%	17.34%	12.46%	6.26%	8.06%	5.13%

## Revenue Capacity

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

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

Taxable Value by Property Type (\$000s)

Tax Year	Residential	Commercial, Industrial, Agricultural, and Other	Total Value	Tax Rate (Mills)	Estimated Actual Value (\$000s)	Taxable Value as a Percent of Actual
2005	\$ 1,117,485	\$ 404,765	\$ 1,522,250	7.26%	\$ 3,671,652	41.46%
2006	1,182,037	412,043	1,594,080	7.26%	3,812,547	41.81%
2007	1,250,469	435,384	1,685,853	7.22%	3,974,024	42.42%
2008	1,276,794	433,873	1,710,667	7.45%	3,883,888	44.05%
2009	1,269,416	444,158	1,713,574	7.32%	3,725,424	46.00%
2010	1,192,662	432,780	1,625,442	6.92%	3,420,119	47.53%
2011	1,166,537	420,922	1,587,459	6.92%	3,310,277	47.96%
2012	1,159,890	395,140	1,555,030	6.97%	3,198,797	48.61%
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%

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

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
2005	4.21	0.18	2.87	7.26	12.26	3.81	5.99	11.73	29.73	15.12	33.12	13.30	31.30	15.15	32.29
2006	4.21	0.18	2.87	7.26	13.17	3.81	5.99	11.73	29.73	15.12	33.12	13.30	31.30	15.08	32.29
2007	4.20	0.15	2.87	7.22	13.15	3.81	5.99	13.12	31.12	15.11	33.00	13.30	31.30	15.06	32.29
2008	4.20	0.13	3.12	7.45	14.10	3.81	5.99	13.24	31.12	15.11	33.11	13.30	31.30	14.99	32.29
2009	4.20	-	3.12	7.32	14.08	3.81	5.99	12.99	30.99	15.11	33.10	14.05	32.05	14.99	32.29
2010	4.20	-	2.72	6.92	14.07	3.81	5.99	13.53	31.53	15.11	33.11	14.05	32.05	15.05	32.29
2011	4.20	-	2.72	6.92	14.11	3.81	5.99	13.99	31.99	15.11	33.11	14.05	32.05	14.28	32.29
2012	4.20	-	2.77	6.97	14.75	3.81	5.99	13.99	31.99	15.11	33.11	14.05	32.05	14.29	32.29
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

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

Taxpayer	2014 Taxable Value	Percentage of Total	2005 Taxable Value	Percentage of Total	2005 Rank
1 Eyde Companies	\$ 31,909,822	2.09%	\$ 38,407,424	2.47%	1
2 Meridian Mall, LP	28,645,100	1.88%	25,422,529	1.63%	2
3 Consumers Energy	18,608,435	1.22%	14,477,025	0.93%	3
4 C150 2929 Hannah Lofts, LLC	15,892,900	1.04%	-	0.00%	-
5 East Lansing I, LLC	14,703,485	0.96%	-	0.00%	-
6 Sparrow Development, Inc.	11,176,935	0.73%	13,774,464	0.89%	4
7 Michigan Properties III, LLC	9,177,700	0.60%	6,943,377	0.45%	8
8 Brandywine Creek II, LLC	8,157,629	0.53%	7,683,060	0.49%	6
9 ACC OP, LLC	7,590,300	0.50%	-	0.00%	-
10 Meijer Thrifty Acres	6,282,079	0.41%	6,676,941	0.43%	9

Source: Charter Township of Meridian Assessor

Charter Township of Meridian  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Tax Year	Fiscal Year Ended December 31	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2004	2005	\$ 10,574,466	\$ 10,190,545	96.37	\$ 17,481	\$ 10,208,026	96.53
2005	2006	11,037,375	10,691,974	96.87	15,026	10,707,000	97.01
2006	2007	12,147,156	11,632,082	95.76	14,103	11,646,185	95.88
2007	2008	12,736,435	12,187,602	95.69	11,799	12,199,401	95.78
2008	2009	12,552,432	12,064,210	96.11	16,547	12,080,757	96.24
2009	2010	11,242,675	10,832,317	96.35	17,451	10,849,768	96.51
2010	2011	10,950,422	10,579,279	96.61	14,587	10,593,866	96.74
2011	2012	10,779,268	10,476,566	97.19	11,671	10,488,237	97.30
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

Source: Charter Township of Meridian Assessor and Treasurer

## 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.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
General obligation bonds	\$ 945,000	\$ 750,000	\$ 500,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000	\$ 3,290,000
Installment purchase agreements	2,956,623	1,971,706	2,163,380	1,959,082	1,743,895	1,518,350	372,446	264,000	225,000	184,000
Drain assessments	-	-	4,014,360	3,781,003	3,557,983	3,345,300	3,122,280	3,122,280	3,308,821	3,043,384
<b>Total</b>	<b>3,901,623</b>	<b>2,721,706</b>	<b>6,677,740</b>	<b>5,990,085</b>	<b>5,301,878</b>	<b>4,863,650</b>	<b>3,494,726</b>	<b>3,386,280</b>	<b>7,033,821</b>	<b>6,517,384</b>
<b>Business-type Activities</b>										
Installment purchase agreements	233,019	141,428	56,331	-	912,450	798,600	679,800	556,050	427,350	349,450
<b>Total debt of the government</b>	<b>\$ 4,134,642</b>	<b>\$ 2,863,134</b>	<b>\$ 6,734,071</b>	<b>\$ 5,990,085</b>	<b>\$ 6,214,328</b>	<b>\$ 5,662,250</b>	<b>\$ 4,174,526</b>	<b>\$ 3,942,330</b>	<b>\$ 7,461,171</b>	<b>\$ 6,866,834</b>
<b>Total taxable value (\$000s)</b>	<b>\$ 1,522,250</b>	<b>\$ 1,594,080</b>	<b>\$ 1,685,853</b>	<b>\$ 1,710,667</b>	<b>\$ 1,713,574</b>	<b>\$ 1,625,442</b>	<b>\$ 1,587,459</b>	<b>\$ 1,555,030</b>	<b>\$ 1,527,453</b>	<b>\$ 1,552,210</b>
<b>Debt as a Percentage of Taxable Value</b>	<b>0.27%</b>	<b>0.18%</b>	<b>0.40%</b>	<b>0.35%</b>	<b>0.36%</b>	<b>0.35%</b>	<b>0.26%</b>	<b>0.25%</b>	<b>0.49%</b>	<b>0.44%</b>
<b>Total Population</b>	<b>39,125</b>	<b>39,125</b>	<b>39,125</b>	<b>39,125</b>	<b>39,125</b>	<b>39,688</b>	<b>39,688</b>	<b>39,688</b>	<b>39,688</b>	<b>39,688</b>
<b>Total Debt per Capita</b>	<b>\$ 106</b>	<b>\$ 73</b>	<b>\$ 172</b>	<b>\$ 153</b>	<b>\$ 159</b>	<b>\$ 143</b>	<b>\$ 105</b>	<b>\$ 99</b>	<b>\$ 188</b>	<b>\$ 173</b>

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

Fiscal Year	Tax-limited General Obligation Bonds (LTGO)	Tax Supported Bonds (UTGO)	Less Pledged Debt Service Funds	Other General Obligation Debt	Net General Obligation Debt	Taxable Value	Debt as a Percentage of Actual Taxable Value	Population	Net General Obligation Debt per Capita
2005	\$ 945,000	\$ -	\$ 945,000	\$ 2,929,600	\$ 2,929,600	\$ 1,522,250	0.192	39,125	75
2006	750,000	-	750,000	1,971,706	1,971,706	1,594,080	0.124	39,125	50
2007	500,000	-	500,000	2,163,380	2,163,380	1,685,853	0.128	39,125	55
2008	250,000	-	250,000	1,959,082	1,959,082	1,710,667	0.115	39,125	50
2009	-	-	-	1,743,895	1,743,895	1,713,574	0.102	39,125	45
2010	-	-	-	1,518,350	1,518,350	1,625,442	0.093	39,688	38
2011	-	-	-	372,446	372,446	1,587,459	0.023	39,688	9
2012	-	-	-	264,000	264,000	1,555,030	0.017	39,688	7
2013	-	3,500,000	-	225,000	3,725,000	1,527,453	0.244	39,688	94
2014	-	3,290,000	-	184,000	3,474,000	1,552,210	0.224	39,688	88

Charter Township of Meridian  
 Direct and Overlapping Governmental Activities Debt  
 December 31, 2014

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Ingham County	\$ 33,826,356	22.17%	\$ 7,499,303
East Lansing School District	53,465,231	15.24%	8,148,101
Okemos School District	20,656,000	89.56%	18,499,514
Williamston School District	52,211,230	8.03%	4,192,562
Haslett School District	55,154,890	67.59%	37,279,190
Ingham Intermediate School District	2,002,000	18.68%	373,974
Lansing Community College	77,855,000	15.32%	<u>11,927,386</u>
Total overlapping debt			87,920,030
Direct Township debt			<u>6,517,384</u>
Total direct and overlapping debt			<u><u>\$ 94,437,414</u></u>

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

Fiscal Year	Water and Sewer Revenue Bonds						Special Assessment Bonds			
	Gross Revenue	Applicable Expenses	Net Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2005	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-

**Charter Township of Meridian  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Calculation of Debt Limit</b>										
State equalized valuation	\$ 1,835,826,000	\$ 1,906,273,500	\$ 1,973,511,800	\$ 1,941,944,000	\$ 1,862,711,800	\$ 1,710,102,110	\$ 1,655,181,000	\$ 1,599,398,400	\$ 1,562,458,500	\$ 1,604,386,223
10% of taxable value	183,582,600	190,627,350	197,351,180	194,194,400	186,271,180	171,010,211	165,518,100	159,939,840	156,245,850	160,438,622
<b>Calculation of debt subject to limit</b>										
Total debt	4,622,242	3,515,434	3,665,701	6,914,925	7,190,267	6,625,676	5,014,421	4,770,392	8,273,557	7,637,481
Less debt not subject to limit:										
Special assessment bonds	-	-	-	3,781,003	3,557,983	3,345,300	3,122,280	3,122,280	3,308,821	3,043,384
Contractual adjustment	2,929,600	1,971,706	2,219,711	1,959,082	1,743,895	1,518,350	372,446	264,000	225,000	241,400
Employee compensated absences	747,642	793,728	945,990	924,840	975,939	963,426	839,895	828,062	812,386	770,647
Total	3,677,242	2,765,434	3,165,701	6,664,925	6,277,817	5,827,076	4,334,621	4,214,342	4,346,207	4,055,431
Net debt subject to limit	\$ 945,000	\$ 750,000	\$ 500,000	\$ 250,000	\$ 912,450	\$ 798,600	\$ 679,800	\$ 556,050	\$ 3,927,350	\$ 3,582,050
<b>Legal debt margin</b>	\$ 182,637,600	\$ 189,877,350	\$ 196,851,180	\$ 193,944,400	\$ 185,358,730	\$ 170,211,611	\$ 164,838,300	\$ 159,383,790	\$ 152,318,500	\$ 156,856,572
<b>Net debt subject to limit as a percentage debt limit</b>	0.51%	0.39%	0.25%	0.13%	0.49%	0.47%	0.41%	0.35%	2.51%	2.23%

## 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.

Charter Township of Meridian  
 Demographic and Economic Information  
 Demographic and Economic Statistics

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%

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  
Demographic and Economic Information  
Principal Employers

Employer	Calender Year 2005 Employees	Percentage of Total	Calendar Year 1996 Employees	Percentage of Total	Calendar Year 1996 Rank
1 State of Michigan	14,041	25.05%	N/A	N/A	N/A
2 General Motors	11,000	19.63%	N/A	N/A	N/A
3 Michigan State University	10,000	17.84%	N/A	N/A	N/A
4 Sparrow Health System	8,000	14.27%	N/A	N/A	N/A
5 Lansing School District	3,500	6.25%	N/A	N/A	N/A
6 Ingham Regional Medical	2,450	4.37%	N/A	N/A	N/A
7 Lansing Community College	2,200	3.93%	N/A	N/A	N/A
8 Meijer, Inc.	2,175	3.88%	N/A	N/A	N/A
9 Jackson National Life	1,385	2.47%	N/A	N/A	N/A
10 City of Lansing	1,292	2.31%	N/A	N/A	N/A

N/A = Information is not available

2005 is the most current data available

Source: Regional Economic Information System, Bureau of Economic Analysis, and U.S. Department of Commerce

## 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.

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	39.2	42.0	42.2	43.9	37.6	39.2	38.5	37.8	38.8	37.2
Public safety:										
Police	57.0	56.5	56.5	56.5	54.5	48.5	44.5	44.5	44.5	44.5
Fire and EMS	42.0	42.0	42.0	42.0	41.0	39.6	35.6	34.6	34.6	34.0
Community planning and development	13.3	13.3	13.3	13.3	12.3	11.3	10.8	11.3	11.3	11.3
Public works	22.2	21.3	21.7	22.0	25.3	22.3	23.0	23.0	22.0	22.0
Parks and recreation	8.9	9.2	10.1	10.1	9.8	9.8	9.3	8.8	8.7	10.3
Total	182.6	184.3	185.8	187.8	180.5	170.7	161.7	160.0	159.9	159.3

Source: Charter Township of Meridian records

Charter Township of Meridian  
 Operating Indicators  
 Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Election data:										
Registered voters	30,500	30,140	29,743	31,204	27,703	27,758	29,128	29,664	28,947	29,099
Voters (at polls or absentee)	20,000	18,190	5,800	22,822	6,310	16,076	3,701	21,640	5,816	16,513
Percent voting	65.6%	60.4%	19.5%	73.1%	22.8%	57.9%	12.7%	73.0%	20.1%	56.7%
Police:										
Physical arrests	1,579	1,564	1,398	1,270	1,259	932	978	975	864	855
Traffic violations	7,661	9,770	6,918	5,235	5,528	4,622	3,666	3,789	2,883	2,618
Investigations	342	317	442	442	493	490	430	305	256	208
Fire:										
Fire runs	589	546	544	605	568	612	532	600	737	714
Emergency medical runs	2,752	2,811	3,236	3,169	3,082	3,490	3,711	3,842	3,619	3,683
Inspections	305	310	323	333	413	233	125	348	312	275
Water										
Number of customers billed	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Total gallons purchased (000s)	1,391,084	1,355,983	1,324,171	1,466,113	1,324,569	1,276,306	1,374,163	1,405,345	1,435,717	1,376,308
Average consumption per year	107	104	102	113	102	98	106	108	110	106
Sewer - Average daily sewage treatment	4,525,900	4,443,800	4,365,867	4,289,151	4,670,226	4,018,086	3,496,729	3,863,859	3,764,964	4,290,875

N/A = Information is not available

Source: Charter Township of Meridian records

Charter Township of Meridian  
Capital Asset Statistics  
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (number of officers and sergeants)	41	41	41	41	41	39	36	35	36	36
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Fire response vehicles	4	4	4	4	4	4	4	4	4	4
Emergency response vehicles	4	4	4	4	4	4	4	4	4	4
Pedestrian/Bicycle pathways (miles)	68.29	69.03	69.78	69.78	71.00	72.62	72.79	73.30	73.55	73.63
Parks and recreation:										
Acreage	885	904	904	904	904	904	904	904	904	904
Mowing acres	224	229	241	241	208	208	213	213	213	215
Developed parks/playgrounds	17	17	17	17	17	17	17	17	17	17
Developed fields (soccer, baseball, etc.)	10	10	10	10	10	10	10	10	10	13
Water										
Mains (miles)	138.00	158.00	158.00	158.00	163.50	164.00	165.00	165.61	166.18	167.74
Fire hydrants	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
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	130.00	138.00	138.00	138.00	142.60	143.00	143.00	146.18	146.34	147.18
Township vehicles/equipment	180	180	180	163	136	136	136	132	136	136

Source: Charter Township of Meridian records