

Charter Township of Meridian
Ingham County, Michigan

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2016

Prepared by:
Department of Finance
Miriam Mattison
Director of Finance



Charter Township of Meridian
Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2016

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Meridian Township
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Okemos, MI 48864

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Township Board:

Ronald J. Styka
Supervisor

Brett Dreyfus
Township Clerk, CMMC

Julie Brixie
Treasurer

Phil Deschaine
Trustee

**Patricia Herring
Jackson**
Trustee

Dan Opsommer
Trustee

Kathy Ann Sundland
Trustee

Frank L. Walsh
Township Manager

June 5, 2017

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, 2016, 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.

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

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

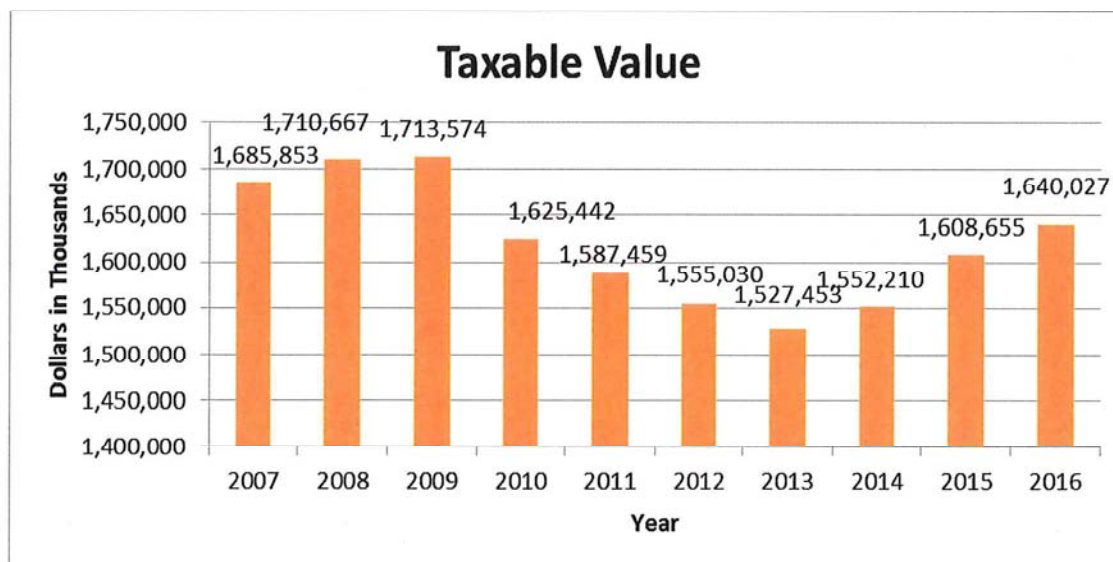
Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government.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

Governmental Structure, Local Economic Condition, and Outlook

The governmental unit, organized in 1842 and chartered in 1959, is approximately 32 square miles in the south-central area of Lower Michigan with a population of approximately 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 2016 taxable value (2017 tax revenue) increased 1.95 percent over 2015 taxable value. This is the third consecutive year of growth in taxable value since 2009; however, the 2016 taxable value is still 4.3 percent lower than the 2009 taxable value. The Township weathered the financial storm of the past several years by making changes to its organizational structure, increasing the usage of technology to maintain services to keep up with the demand of increased population and business activity, and monitoring and limiting discretionary spending where possible. The year ended December 31, 2016 was a very successful year and continued the growth experienced in 2013 and 2014, with many new residents and businesses moving into the Township.



The State of Michigan's economy continued to experience improvement in 2016 resulting in a 1.0% 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:

- Meridian Cares, a fundraising initiative to support the Community Resource Commission's (CRC) Emergency Needs Fund, raised just over \$7,300 and provided assistance to 488 households.
- The Township continued our efforts to formulate a new brand and update our website. A branding committee was formed consisting of several residents in the community including seniors, clergy, students, and park enthusiasts. A new community brand was unveiled in the first quarter of 2017.
- In a continuing effort to protect neighborhoods, the Township responded to more than 1,000 code enforcement issues in the community. It is incumbent that Township staff do whatever it takes to protect neighborhoods. When minor infractions are able to roam free, the neighborhood suffers as those issues multiply.
- Meridian Township continued our efforts to upgrade our 29 parks. In 2016, the Township team cut the ribbon on a new pavilion at Wonch Park and a new Storywalk at Orlando Park. Both additions speak well for our unparalleled park system.
- After several years of hard work, the Township Board and Planning Commission finalized a draft of the Township's new Master Plan. It is the goal of both bodies to have the plan finalized in June of 2017.
- In 2016, the Township continued to grapple with how to fund the \$28 million MERS unfunded pension liability. We worked collectively with our seven bargaining agreements with a goal to settle all agreements to reflect the financial stress brought on by the unfunded pension liability.
- In 2016, we received the following the park grants:
 - Central Meridian Regional Trail Connector-Michigan Natural Resources Trust Fund \$279,500
 - Gateway Footbridge and Restroom Building-Land and Water Conservation Fund \$150,000
 - Trail Surface and Footbridge Improvements and Repair-Ingham County Parks and Trails Millage \$600,000
- The Township managed a community wide brush removal program in the summer of 2016 after several neighborhoods were hit with devastating winds that knocked over trees and broke many branches. Over 7,000 cubic yards of brush was collected from throughout the community.
- The Township continued to build a close-knit relationship with Michigan State University. We maintain an open line of communication with the entire MSU team and continue to work on issues such as expanding pedestrian pathways, student housing, public safety, medical coverage during sporting events, welcoming international students, and the progress of the Grand River Corridor. Meridian Township is fortunate to have this prestigious university as our neighbor and partner.

- The major commercial, office, industrial, multi-family, and institutional buildings receiving building permits in 2016 were as follows:

1.	Holiday Inn Express	2350 Jolly Oak	New Const	\$5,965,000
2.	Chick-Fil-A	2075 Grand River	New Const	\$700,000
3.	Autozone	2649 Grand River	New Const	\$500,000
4.	Lansing Opthamology	5100 Marsh	Remodel	\$480,000
5.	Haslett Eye Care	5700 Marsh	New Const	\$413,000
6.	Rue 21	1982 Grand River	Remodel	\$370,000
7.	Rogers and Holland Jewelers	1982 Grand River	Remodel	\$350,000
8.	Cell Tower Facility	820 Jolly	Remodel	\$300,000
9.	Chili's	5055 Marsh	Remodel	\$260,000
10.	2/42 Church	2600 Bennett	Remodel	\$250,000
11.	Kay Jewelers	1982 Grand River	Remodel	\$180,000
12.	Sparrow Lab	1600 Grand River	Remodel	\$162,000
13.	Grange Acres Community Bldg	6101 Marsh	Remodel	\$150,000
14.	Fast Care	2055 Grand River	Remodel	\$132,000
15.	MSU Physical Medicine & Rehab	4660 Hagadorn	Remodel	\$121,000

- In addition, the Township was also successful in cutting the ribbon on a new Whole Foods store and attracting COSTCO to our community.

Financial Information

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

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

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

Capital Improvements Plan (CIP) – A review of planned public improvements 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.

2016 Financial Condition: The financial condition and results of operations for 2016 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.

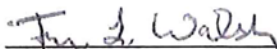
Other Information

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.

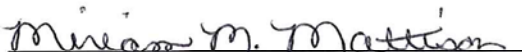
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Charter Township of Meridian for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015.

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

Respectfully submitted,



Frank L. Walsh, Township Manager



Miriam M. Mattison, Director of Finance

Charter Township of Meridian
List of Elected and Appointed Officials
December 31, 2016

Elected Officials

Township Board:

Supervisor

Clerk

Treasurer

Trustee

Trustee

Trustee

Trustee

Ronald J. Styka

Brett Dreyfus

Julie Brixie

Philip Deschaine

Patricia Herring Jackson

Daniel Opsommer

Kathy Ann Sundland

Park Commission:

Chair

Vice Chair

Commissioner

Commissioner

Commissioner

Michael McDonald

Mark Stephens

Richard Baker

Amanda Lick

Annika Schaeztl

Appointed Officials

Manager

Human Resources Director

Finance Director (April 2016)

Parks & Recreation Director

Assessor

Community Planning and Development Director

Assistant Township Manager/ Director of Public Works
and Engineering

Fire Chief

Police Chief

Communications Director

Information Technology Director

Frank Walsh

Joyce Marx

Miriam Mattison

LuAnn Maisner

David Lee

Mark Kieselbach

Derek Perry

Fred Cowper

David Hall

Deborah Guthrie

Stephen Gebes



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

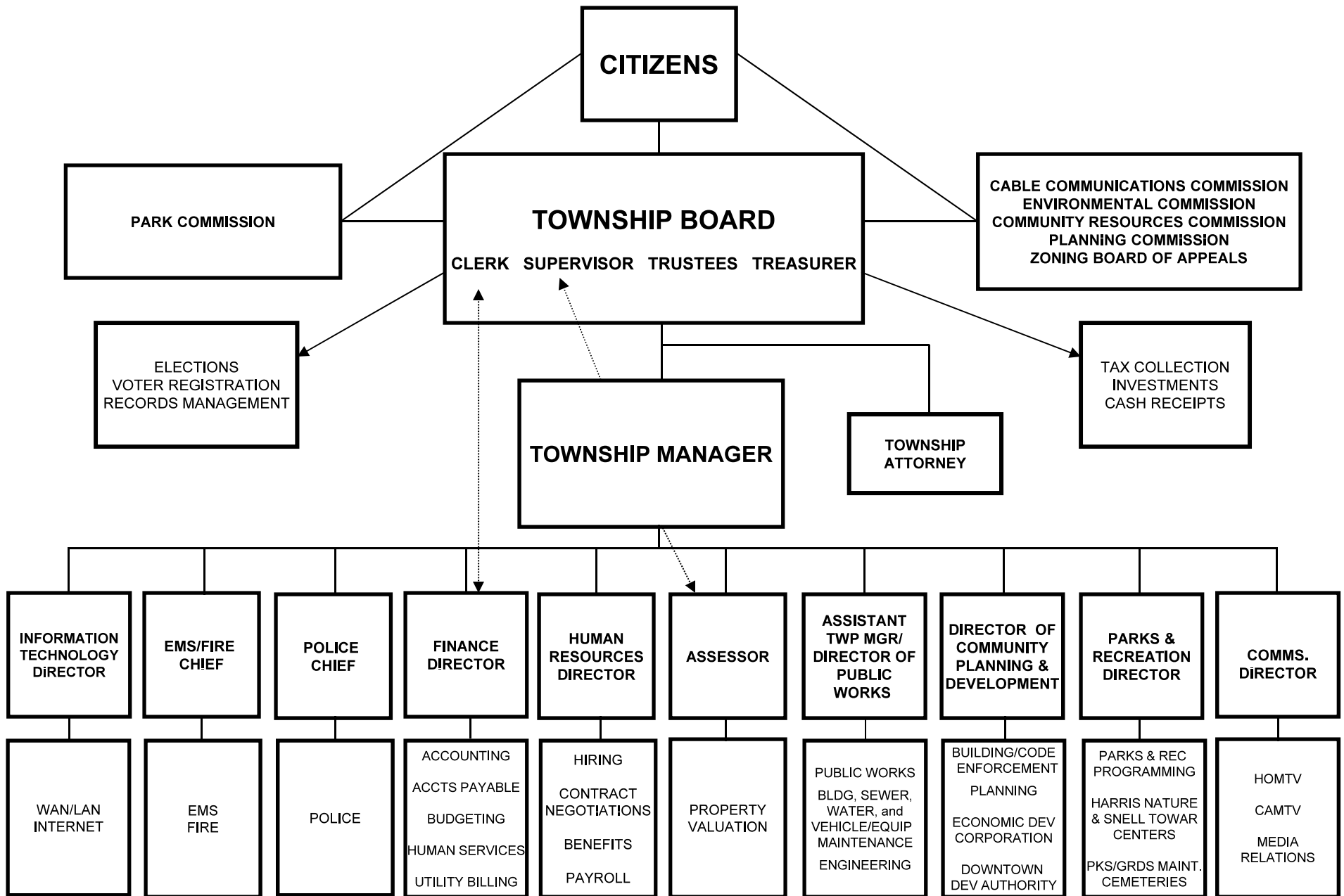
Presented to

**Charter Township of Meridian
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

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 (Township) as of and for the year ended December 31, 2016, 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 auditor's 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, 2016, 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 and the other required supplementary information, as identified in the table of contents, 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 them.

Andrews Hooper Faulstich PLC

Okemos, Michigan
May 24, 2017

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2016

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 2016 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

December 31, 2016

Fund Financial Statements (continued)

The Township has three kinds of funds:

- **Governmental Funds** – Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.
- **Proprietary Funds** – Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.
- **Fiduciary Funds** – The Township is responsible for ensuring that the assets reported in these funds are used for their intended purpose (taxes collected on behalf of other agencies and retirement payments). All of the Township's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2016

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	
	2016	2015	2016	2015	2016	2015
Assets						
Current assets	\$ 35,010,513	\$ 34,923,915	\$ 6,080,660	\$ 4,847,885	\$ 41,091,173	\$ 39,771,800
Capital assets	42,800,172	42,024,248	44,297,563	41,537,146	87,097,735	83,561,394
Net OPEB asset	1,494,235	1,484,658	-	-	1,494,235	1,484,658
Investment in joint venture	-	-	4,504,877	4,205,028	4,504,877	4,205,028
Total assets	79,304,920	78,432,821	54,883,100	50,590,059	134,188,020	129,022,880
Deferred outflows of resources	7,375,746	2,283,453	359,871	132,333	7,735,617	2,415,786
Liabilities						
Current liabilities	1,711,422	2,810,082	409,991	334,628	2,121,413	3,144,710
Long-term liabilities	35,561,276	30,424,913	6,470,176	3,190,466	42,031,452	33,615,379
Total liabilities	37,272,698	33,234,995	6,880,167	3,525,094	44,152,865	36,760,089
Deferred inflows of resources						
Property taxes levied for a subsequent period	13,232,033	13,025,200	-	-	13,232,033	13,025,200
Deferred pension	293,115	45,476	13,065	-	306,180	45,476
Special assessments levied for a subsequent period	425,874	505,874	-	-	425,874	505,874
Total deferred inflows of resources	13,951,022	13,576,550	13,065	-	13,964,087	13,576,550
Net Position						
Invested in capital assets - Net of related debt	37,310,709	36,166,301	39,272,892	39,764,052	76,583,601	75,930,353
Restricted	9,756,780	8,399,280	-	-	9,756,780	8,399,280
Unrestricted	(11,610,543)	(10,660,852)	9,076,847	7,433,246	(2,533,696)	(3,227,606)
Total net position	\$ 35,456,946	\$ 33,904,729	\$ 48,349,739	\$ 47,197,298	\$ 83,806,685	\$ 81,102,027

The Charter Township of Meridian had combined net position of \$83.8 million. Business-type activities comprise \$48.3 million and governmental activities make up \$35.5 million of the total net position. The net position increased in total by \$2.7 million, or 3.3%. This increase is primarily due to the \$0.7 million increase in capital net position and \$1.4 million increase in the restricted net position.

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2016

Financial Overview (continued)

The current ratio (current assets divided by current liabilities) is still healthy at 19.4, an increase from 12.7 in 2015. The increase in this ratio is related to an increase in current assets and a decrease in accounts payable. This ratio shows that the Township has adequate current assets to meet its current obligations.

Long-term liabilities of \$42.0 million represent 50% of net position; however, \$30.7 million of this is the net pension liability. The net pension liability increased \$5.5 million from 2015. The Township is working on reducing these growing pension liabilities through contract changes and additional payments.

Governmental Activities

Revenues for governmental activities totaled approximately \$22.2 million in 2016. A total of \$13.5 million was in the form of property tax collections. Revenue from other sources was very consistent with 2015.

Expenses for governmental activities totaled \$20.6 million. More than half (59%) of this expense funded public safety in the Township.

Business-type Activities

Business-type activities in the Township include water and sewer services. Revenue for business-type activities totaled \$11.6 million; \$10.8 million was collected from customers and \$0.4 million is the value of assets contributed by developers, of which \$0.1 million was funded from the Township Improvement Revolving Fund. The Township purchases water from the East Lansing-Meridian Water Sewer Authority and the Board of Water and Light, and water is distributed by the Township through mains to customers. The Township contracts for sewage treatment from the City of East Lansing Wastewater Treatment Plant. Township residential customers are billed quarterly for water and sewer service based on water consumption. Commercial customers are billed monthly.

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2016

The following table shows the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue						
Program revenue:						
Charges for services	\$ 3,565,849	\$ 3,448,893	\$ 10,809,664	\$ 8,834,550	\$ 14,375,513	\$ 12,283,443
Operating grants and contributions	137,606	126,714	402,061	932,312	539,667	1,059,026
Capital grants and contributions	-	-	383,245	194,813	383,245	194,813
General revenue:						
Property taxes	13,463,805	13,004,615	-	-	13,463,805	13,004,615
State-shared revenue	3,164,543	3,087,200	-	-	3,164,543	3,087,200
Unrestricted investment income (loss)	127,981	151,943	1,055	2,892	129,036	154,835
Franchise fees	1,058,154	1,020,792	-	-	1,058,154	1,020,792
Other miscellaneous income	694,261	562,342	-	-	694,261	562,342
Transfers – internal activities	(45,200)	-	45,200	-	-	-
Total revenue	22,166,999	21,402,499	11,641,225	9,964,567	33,808,224	31,367,066
Program Expenses						
General government	4,346,917	4,346,442	-	-	4,346,917	4,346,442
Public safety	12,246,896	10,936,642	-	-	12,246,896	10,936,642
Public works	1,230,280	946,208	-	-	1,230,280	946,208
Health and welfare	158,932	161,766	-	-	158,932	161,766
Recreation and culture	2,484,032	2,257,559	-	-	2,484,032	2,257,559
Interest on long-term debt	147,725	168,430	-	-	147,725	168,430
Water and sewer	-	-	10,488,784	10,635,104	10,488,784	10,635,104
Total program expenses	20,614,782	18,817,047	10,488,784	10,635,104	31,103,566	29,452,151
Change in Net Position	1,552,217	2,585,452	1,152,441	(670,537)	2,704,658	1,914,915
Net Position – beginning of year	33,904,729	31,319,277	47,197,298	47,867,835	81,102,027	79,187,112
Net Position – end of year	\$ 35,456,946	\$ 33,904,729	\$ 48,349,739	\$ 47,197,298	\$ 83,806,685	\$ 81,102,027

Current Economic Events

The Township continues to experience a relatively healthy economy in the community. This is seen in a relatively stable housing market, as well as some new construction growth. The Township saw an increase in taxable value through 2008. The 2009 taxable value and tax revenues were flat, but in 2010 through 2012 both taxable value and tax revenue experienced decreases. The 2013 taxable value decreased, however the increase of 0.05 mills kept the tax revenue flat for 2013. The 2014 taxable value decreased, however revenue increased due to the addition of 0.2 mills. In 2015, the taxable value increased for the first time since 2008. Looking forward to 2017, we see that the taxable value will continue to increase for the third year in a row, but will continue to lag behind 2008. This, coupled with rising costs, continues to create challenges to maintain existing service levels.

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2016

Current Economic Events (continued)

Personnel costs represent approximately 76% of the governmental operating expenses of the Township. The increasing cost of healthcare and legacy costs continue to be a concern. Changes in programs and employee cost-sharing agreements in the past couple of years have helped to contain healthcare costs; however, they continue to rise along with payroll taxes, pension, and other personnel costs. Operating efficiencies, organizational restructuring, and improved technology have helped to contain expenditures to available revenue.

Financial Analysis of Township Funds and Budgets

The General Fund ended 2016 with an unassigned fund balance of approximately \$7.1 million (compared with \$7.3 million in 2015). This represents approximately 5 months of annual expenditures, which is within the requirements of policy governance established by the Township's board. The total decrease in fund balance is approximately \$0.2 million. The overall decrease is a result of an additional payment into our pension plan. The Township has continued to operate with a balanced budget. This has been accomplished with the dedicated efforts of all employees to work more efficiently, manage expenditures, and enhance revenue whenever possible.

The Land Preservation Fund continues to maintain a healthy fund balance. With the promotion of a part time staff member to full time, the fund balance still increased by \$.5 million. This is mainly attributable to the lower than anticipated land acquisitions and better than anticipated interest income.

The Park Millage Fund balance increased \$.7 million in 2016 bringing the balance \$2.0 million. In 2017 the Park Millage Fund is planning a new park budgeted for \$2.2 million.

Budget Variances

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

The actual vs. budget variances in the General Fund are the result of efforts to keep costs below budget. On the revenue side, the largest positive variances occurred in the tax administrative fee charged to other taxing authorities and charges for services related to the Planning department. On the expenditure side, the departments with the largest variances (expenditures under budget) include Information Technology and Assessing.

Significant budget amendments during the year were primarily to reduce the budget for capital purchases that have been delayed until future years. These include purchases in the following funds: Pedestrian Bike Path Millage Fund, Park Millage Fund, Cable TV Fund, Community Needs Fund, and Revolving Energy Fund.

Charter Township of Meridian

Management's Discussion and Analysis

December 31, 2016

Capital Projects

The largest capital project for the year was the finalization of the construction of the new Central Fire Station, which was funded by a \$3.5 million bond issue in 2014. Several parking lots were rebuilt or resurfaced, including at the Okemos Library, South Central Fire Station, and the Municipal Building. The Historical Village added an addition on to the Barnes House and the Harris Nature Center was waterproofed. The Cable TV upgraded the cameras to HD cameras.

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

Long-term Debt Activity

The Township continued to pay off its debt and made principal payments on the outstanding governmental activities debt of approximately \$480,000 during 2016. Outstanding governmental activities debt at December 31, 2016, including compensated absences, was approximately \$6.2 million. For business-type activities, the Township recorded \$3.4 million of new debt for wastewater system improvements and paid down approximately \$255,000 of existing debt. Ending business-type debt was \$5.1 million.

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, 2016

Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and investments	\$ 23,768,264	\$ 4,015,351	\$ 27,783,615	\$ 154,852
Receivables – net	10,737,097	1,861,080	12,598,177	13,299
Note from component unit	199,500	-	199,500	-
Inventory	-	176,817	176,817	-
Prepaid items and other assets	305,652	27,412	333,064	-
Investment in joint venture	-	4,504,877	4,504,877	-
Capital assets:				
Assets not being depreciated	27,470,549	470,839	27,941,388	-
Assets being depreciated, net	15,329,623	43,826,724	59,156,347	-
Net OPEB asset	1,494,235	-	1,494,235	-
Total assets	79,304,920	54,883,100	134,188,020	168,151
Deferred outflows of resources				
Deferred pension amounts	7,375,746	359,871	7,735,617	-
Liabilities				
Accounts payable	1,001,485	315,496	1,316,981	-
Internal balances	(6,756)	6,756	-	-
Due to other governmental units	612	-	612	-
Performance bonds and other deposits payable	113,625	18,828	132,453	-
Accrued liabilities and other	420,369	68,911	489,280	1,496
Unearned revenue	182,087	-	182,087	10,889
Noncurrent liabilities:				
Due within one year	615,565	235,935	851,500	-
Due in more than one year	5,593,511	4,853,323	10,446,834	199,500
Net pension liability	29,352,200	1,380,918	30,733,118	-
Total liabilities	37,272,698	6,880,167	44,152,865	211,885
Deferred inflows of resources				
Property taxes levied for a subsequent period	13,232,033	-	13,232,033	6,564
Special assessments levied for a subsequent period	425,874	-	425,874	-
Deferred pension amounts	293,115	13,065	306,180	-
Total deferred inflows of resources	13,951,022	13,065	13,964,087	6,564
Net position				
Net investment in capital assets	37,310,709	39,272,892	76,583,601	-
Restricted for:				
Land preservation	6,289,767	-	6,289,767	-
Pedestrian/bike path millage	595,787	-	595,787	-
Cable TV	315,479	-	315,479	-
CATA millage	14,702	-	14,702	-
Park millage	2,013,760	-	2,013,760	-
Police and fire operations	48,214	-	48,214	-
Senior center millage	142,386	-	142,386	-
Library	13,026	-	13,026	-
Grants	131,476	-	131,476	-
Local roads	45,377	-	45,377	-
Fire station construction	47,489	-	47,489	-
Fire station debt service	86,600	-	86,600	-
Community needs	12,717	-	12,717	-
Unrestricted (deficit)	(11,610,543)	9,076,847	(2,533,696)	(50,298)
Total net position (deficit)	\$ 35,456,946	\$ 48,349,739	\$ 83,806,685	\$ (50,298)

See accompanying notes.

Charter Township of Meridian
Statement of Activities
For the Fiscal Year Ended December 31, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,346,917	\$ 414,452	\$ 25,960	\$ -
Public safety	12,246,896	2,723,603	42,541	-
Public works	1,230,280	82,336	-	-
Health and welfare	158,932	-	7,473	-
Recreation and culture	2,484,032	345,458	61,632	-
Interest on long-term debt	147,725	-	-	-
Total governmental activities	20,614,782	3,565,849	137,606	-
Business-type activities:				
Sewer fund	5,341,607	4,637,924	402,061	198,993
Water fund	5,147,177	6,171,740	-	184,252
Total business-type activities	10,488,784	10,809,664	402,061	383,245
Total primary government	\$ 31,103,566	\$ 14,375,513	\$ 539,667	\$ 383,245
Component units:				
Downtown Development Authority	\$ 10,664	\$ -	\$ -	\$ -
Economic Development Corporation	3,842	10,000	-	-
Total component units	\$ 14,506	\$ 10,000	\$ -	\$ -
General revenue:				
Property taxes				
State-shared revenue				
Unrestricted investment income				
Franchise fees				
Other miscellaneous income				
Transfers - internal activities				
Total general revenue and transfers				
Change in net position				
Net position (deficit) - beginning of year				
Net position (deficit) - end of year				

Charter Township of Meridian
Statement of Activities

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,906,505)	\$ -	\$ (3,906,505)	\$ -
(9,480,752)	-	(9,480,752)	-
(1,147,944)	-	(1,147,944)	-
(151,459)	-	(151,459)	-
(2,076,942)	-	(2,076,942)	-
(147,725)	-	(147,725)	-
(16,911,327)	-	(16,911,327)	-
-	(102,629)	(102,629)	-
-	1,208,815	1,208,815	-
-	1,106,186	1,106,186	-
(16,911,327)	1,106,186	(15,805,141)	-
-	-	-	(10,664)
-	-	-	6,158
-	-	-	(4,506)
13,463,805	-	13,463,805	13,471
3,164,543	-	3,164,543	-
127,981	1,055	129,036	102
1,058,154	-	1,058,154	-
694,261	-	694,261	22,221
(45,200)	45,200	-	-
18,463,544	46,255	18,509,799	35,794
1,552,217	1,152,441	2,704,658	31,288
33,904,729	47,197,298	81,102,027	(81,586)
\$ 35,456,946	\$ 48,349,739	\$ 83,806,685	\$ (50,298)

Charter Township of Meridian
Governmental Funds
Balance Sheet
December 31, 2016

	General Fund	Land Preservation Funds	Park Millage Fund	Nonmajor Funds	Total
Assets					
Cash and investments	\$ 10,521,122	\$ 6,468,327	\$ 2,610,164	\$ 3,424,839	\$ 23,024,452
Receivables - net	7,598,383	367,775	1,096,293	1,674,646	10,737,097
Due from component units	199,500	-	-	-	199,500
Due from other funds	28,684	-	-	-	28,684
Prepaid items and other assets	288,702	555	403	11,755	301,415
Total assets	<u>\$ 18,636,391</u>	<u>\$ 6,836,657</u>	<u>\$ 3,706,860</u>	<u>\$ 5,111,240</u>	<u>\$ 34,291,148</u>
Liabilities					
Accounts payable	\$ 281,595	\$ 3,916	\$ 76,121	\$ 604,876	\$ 966,508
Due to other governmental units	612	-	-	-	612
Due to other funds	-	955	3,345	13,824	18,124
Performance deposits payable	113,625	-	-	-	113,625
Accrued liabilities and other	299,981	1,632	10,367	11,901	323,881
Unearned revenue	182,087	-	-	-	182,087
Total liabilities	<u>877,900</u>	<u>6,503</u>	<u>89,833</u>	<u>630,601</u>	<u>1,604,837</u>
Deferred inflows of resources					
Unavailable revenue - state-shared revenue	549,508	-	-	-	549,508
Unavailable revenue - special assessments	-	-	-	237,401	237,401
Property taxes levied for a subsequent period	9,437,405	540,387	1,603,267	1,650,973	13,232,032
Special assessments levied for a subsequent period	345,875	-	-	80,000	425,875
Total deferred inflows of resources	<u>10,332,788</u>	<u>540,387</u>	<u>1,603,267</u>	<u>1,968,374</u>	<u>14,444,816</u>
Fund balances					
Nonspendable:					
Prepays	288,702	555	403	11,755	301,415
Restricted:					
Police	-	-	-	42,248	42,248
Fire	-	-	-	5,966	5,966
Grants	-	-	-	131,476	131,476
Land preservation	-	6,289,212	-	-	6,289,212
Pedestrian/bike path millage	-	-	-	595,787	595,787
Cable TV	-	-	-	303,724	303,724
Park millage	-	-	2,013,357	-	2,013,357
Library	-	-	-	13,026	13,026
Community needs	-	-	-	12,717	12,717
CATA millage	-	-	-	14,702	14,702
Local roads	-	-	-	45,377	45,377
Senior center millage	-	-	-	142,386	142,386
Fire station debt service	-	-	-	86,600	86,600
Fire station construction	-	-	-	47,489	47,489
Assigned:					
Township improvement	-	-	-	1,059,012	1,059,012
Unassigned	7,137,001	-	-	-	7,137,001
Total fund balances	<u>7,425,703</u>	<u>6,289,767</u>	<u>2,013,760</u>	<u>2,512,265</u>	<u>18,241,495</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,636,391</u>	<u>\$ 6,836,657</u>	<u>\$ 3,706,860</u>	<u>\$ 5,111,240</u>	<u>\$ 34,291,148</u>

Charter Township of Meridian
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2016

Total fund balances for governmental funds	\$ 18,241,495
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	41,226,834
Net other postemployment benefit asset is not included as an asset of the funds	1,494,235
Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds:	
Net pension liability	(29,037,673)
Deferred outflows of resources related to pensions	7,293,779
Deferred inflows of resources related to pensions	(290,140)
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	549,508
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(5,489,463)
Accrued interest is not due and payable in the current period and is not reported in the funds	(91,872)
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	(717,118)
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	237,401
Internal service funds are included as part of governmental activities	<u>2,039,960</u>
Net position of governmental activities	<u><u>\$ 35,456,946</u></u>

Charter Township of Meridian
Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2016

	General Fund	Land Preservation Funds	Park Millage Fund	Nonmajor Funds	Total
Revenue					
Property taxes	\$ 9,727,999	\$ 531,818	\$ 1,577,832	\$ 1,626,156	\$ 13,463,805
Licenses and permits	796,334	-	-	-	796,334
Federal grants	2,679	-	-	-	2,679
State-shared revenue and grants	3,223,824	-	-	25,678	3,249,502
Charges for services	3,503,053	-	-	-	3,503,053
Fines and forfeitures	387,669	-	-	3,250	390,919
Investment income	60,576	33,702	10,051	23,652	127,981
Other revenue:					
Special assessments	-	-	-	121,172	121,172
Local donations	100	-	-	178,684	178,784
Franchise fees	288,418	-	-	891,114	1,179,532
Other miscellaneous income	261,058	-	108,412	40,384	409,854
Total revenue	18,251,710	565,520	1,696,295	2,910,090	23,423,615
Expenditures					
Current:					
General government	5,382,780	-	-	-	5,382,780
Public safety	11,509,596	-	-	223,165	11,732,761
Public works	132,327	-	-	1,060,776	1,193,103
Health and welfare	56,802	-	-	111,068	167,870
Recreation and culture	740,081	91,420	1,027,489	1,288,738	3,147,728
Debt service	361,509	-	-	273,818	635,327
Total expenditures	18,183,095	91,420	1,027,489	2,957,565	22,259,569
Excess (deficiency) of revenue over (under) expenditures	68,615	474,100	668,806	(47,475)	1,164,046
Other financing sources (uses)					
Transfers in	-	-	10,600	179,600	190,200
Transfers out	(247,000)	-	-	-	(247,000)
Sale of capital assets	106	-	-	-	106
Total other financing sources (uses)	(246,894)	-	10,600	179,600	(56,694)
Net change in fund balances	(178,279)	474,100	679,406	132,125	1,107,352
Fund balances - beginning of year	7,603,982	5,815,667	1,334,354	2,380,140	17,134,143
Fund balances - end of year	\$ 7,425,703	\$ 6,289,767	\$ 2,013,760	\$ 2,512,265	\$ 18,241,495

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, 2016

Net change in fund balances – total governmental funds	\$	1,107,352
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:</p>		
Capital outlay		1,731,559
Depreciation expense		(1,175,006)
Net book value of assets disposed		(5,063)
<p>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</p>		
		(8,332)
<p>Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)</p>		
		480,437
<p>Changes in accrued interest payable</p>		
		7,165
<p>Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as fund expenditures, including the changes in accruals for:</p>		
Compensated absences		(91,468)
Net pension liability and related deferred amounts		(557,000)
Net other postemployment benefit asset		9,577
<p>Internal service funds are included as part of governmental activities</p>		
		52,996
Change in net position of governmental activities	\$	1,552,217

Charter Township of Meridian
Proprietary Funds
Statement of Net Position
December 31, 2016

	Business-type Activities			Governmental
	Water Fund	Sewer Fund	Total	Activities Motor Pool
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,381,564	\$ 633,787	\$ 4,015,351	\$ 743,812
Receivables – net	971,376	889,704	1,861,080	-
Due from other funds	-	-	-	-
Inventory	176,817	-	176,817	-
Prepaid items	24,829	2,583	27,412	4,237
Total current assets	4,554,586	1,526,074	6,080,660	748,049
Noncurrent assets:				
Investment in East Lansing - Meridian Water and Sewer Authority	4,504,877	-	4,504,877	-
Capital assets	17,724,550	26,573,013	44,297,563	1,573,338
Total noncurrent assets	22,229,427	26,573,013	48,802,440	1,573,338
Total assets	26,784,013	28,099,087	54,883,100	2,321,387
Deferred outflows of resources				
Deferred pension amounts	214,233	145,638	359,871	81,967
Liabilities				
Current liabilities:				
Accounts payable	236,744	78,752	315,496	34,977
Due to other funds	4,085	2,671	6,756	3,804
Performance bonds and other deposits payable	-	18,828	18,828	-
Accrued liabilities and other	23,136	45,775	68,911	4,616
Current portion of compensated absences	6,845	4,781	11,626	449
Current portion of long-term debt	-	224,309	224,309	-
Total current liabilities	270,810	375,116	645,926	43,846
Noncurrent liabilities:				
Compensated absences – net of current portion	31,182	21,779	52,961	2,046
Long-term debt – net of current portion	-	4,800,362	4,800,362	-
Net pension liability	822,065	558,853	1,380,918	314,527
Total liabilities	1,124,057	5,756,110	6,880,167	360,419
Deferred inflows of resources				
Deferred pension amounts	7,777	5,288	13,065	2,975
Net Position				
Net investment in capital assets	17,724,550	21,548,342	39,272,892	1,573,338
Unrestricted	8,141,862	934,985	9,076,847	466,622
Total net position	\$ 25,866,412	\$ 22,483,327	\$ 48,349,739	\$ 2,039,960

Charter Township of Meridian
Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2016

	Business-type Activities			Governmental
	Water Fund	Sewer Fund	Total	Activities Motor Pool
Operating revenue				
Sale of water	\$ 5,319,613	\$ -	\$ 5,319,613	\$ -
Sewage disposal charges	-	4,184,612	4,184,612	-
Other operating revenues	26,263	465	26,728	8,612
Charges for services	526,015	452,847	978,862	1,147,535
Total operating revenue	5,871,891	4,637,924	10,509,815	1,156,147
Operating expenses				
Purchase of water from East Lansing - Meridian				
Water and Sewer Authority	2,504,589	-	2,504,589	-
Cost of sewage treatment	-	2,393,308	2,393,308	-
Operation and maintenance	360,589	917,223	1,277,812	394,620
General administrative	603,358	557,041	1,160,399	212,154
Personal services	831,250	576,139	1,407,389	-
Depreciation	847,391	799,451	1,646,842	451,271
Total operating expenses	5,147,177	5,243,162	10,390,339	1,058,045
Operating income (loss)	724,714	(605,238)	119,476	98,102
Nonoperating revenue (expenses)				
Grant revenue	-	402,061	402,061	-
Investment income	488	567	1,055	702
Interest expense	-	(98,445)	(98,445)	-
Gain from joint venture	299,849	-	299,849	-
Loss on sale of assets	-	-	-	(57,408)
Total nonoperating revenue (expenses)	300,337	304,183	604,520	(56,706)
Gain (loss) – before capital contributions and transfers	1,025,051	(301,055)	723,996	41,396
Capital contributions – donated lines	184,252	198,993	383,245	-
Transfers in	27,800	17,400	45,200	11,600
Change in net position	1,237,103	(84,662)	1,152,441	52,996
Net position – beginning of year	24,629,309	22,567,989	47,197,298	1,986,964
Net position – end of year	\$ 25,866,412	\$ 22,483,327	\$ 48,349,739	\$ 2,039,960

Charter Township of Meridian
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2016

	Business-type Activities			Governmental
	Water Fund	Sewer Fund	Total	Activities Motor Pool
Cash flows from operating activities				
Receipts from customers	\$ 5,771,410	\$ 4,564,651	\$ 10,336,061	\$ -
Receipts from interfund services and reimbursements	-	-	-	1,156,147
Payments to suppliers	(3,291,315)	(3,969,439)	(7,260,754)	(403,647)
Payments to employees	(911,383)	(682,346)	(1,593,729)	(198,899)
Net cash from operating activities	1,568,712	(87,134)	1,481,578	553,601
Cash flows from noncapital financing activities				
Transfers from other funds	27,800	17,400	45,200	11,600
Receipts of grants	-	540,859	540,859	-
Net cash from noncapital financing activities	27,800	558,259	586,059	11,600
Cash flows from capital and related financing activities				
Proceeds from sales of capital assets	-	-	-	13,221
Purchase of capital assets	(355,354)	(231,055)	(586,409)	(634,381)
Principal and interest paid on long-term debt	-	(284,473)	(284,473)	-
Net cash from capital and related financing activities	(355,354)	(515,528)	(870,882)	(621,160)
Cash flows from investing activities				
Interest received on investments	488	567	1,055	702
Net proceeds from sale and maturity of investments	-	-	-	-
Net cash from investing activities	488	567	1,055	702
Net change in cash and cash equivalents	1,241,646	(43,836)	1,197,810	(55,257)
Cash and cash equivalents – beginning of year	2,139,918	677,623	2,817,541	799,069
Cash and cash equivalents – end of year	<u>\$ 3,381,564</u>	<u>\$ 633,787</u>	<u>\$ 4,015,351</u>	<u>\$ 743,812</u>

Reconciliation of operating income (loss) to net cash from operating activities

Operating income (loss)	\$ 724,714	\$ (605,238)	\$ 119,476	\$ 98,102
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	847,391	799,451	1,646,842	451,271
Changes in assets and liabilities:				
Receivables	(100,481)	(65,061)	(165,542)	-
Due from other funds	-	53,210	53,210	-
Inventory	(17,229)	-	(17,229)	-
Prepaid items	5,726	3,282	9,008	(243)
Accounts payable	179,066	(125,036)	54,030	(12,588)
Due to other funds	3,759	2,486	6,245	3,804
Performance bonds and other deposits payable	-	(61,422)	(61,422)	-
Accrued and other liabilities	6,547	12,345	18,892	(947)
Net pension liability	(80,781)	(101,151)	(181,932)	14,202
Net cash from operating activities	<u>\$ 1,568,712</u>	<u>\$ (87,134)</u>	<u>\$ 1,481,578</u>	<u>\$ 553,601</u>

Supplemental cash flow information

During the year ended December 31, 2016, \$383,245 of water and sewer lines were contributed to the Township from private developers, of that \$116,680 was funded from the Township Improvement Revolving Fund.

During the year ended December 31, 2016, the Township recognized a gain of \$299,849 related to the investment in East Lansing - Meridian Water and Sewer Authority.

During the year ended December 31, 2016, the sewer fund acquired capital assets in the amount of \$3,437,605 which were financed with debt.

Charter Township of Meridian
 Fiduciary Funds
 Statement of Fiduciary Net Position
 December 31, 2016

	Pension Trust Fund	Employer Funded Retiree Health Insurance Trust Fund	Tax Collection Fund
Assets			
Cash and cash equivalents	\$ 74,148	\$ -	\$ 7,281,276
Investments:			
Stocks	828,361	-	-
Mutual funds	3,022,895	4,310,358	-
Accrued interest	3,019	-	-
Total assets	3,928,423	4,310,358	7,281,276
Liabilities			
Accounts payable	-	-	3,556
Due to other governmental units	-	-	7,277,720
Total liabilities	-	-	7,281,276
Net position – restricted for pension and other employee benefits			
	\$ 3,928,423	\$ 4,310,358	\$ -

Charter Township of Meridian
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2016

	Pension Trust Fund	Employer Funded Retiree Health Insurance Trust Fund
	Fund	Trust Fund
Additions		
Investment income:		
Interest and dividends	\$ 62,519	\$ -
Net increase in fair value of investments	110,612	221,493
Investment-related expenses	(11,378)	-
Contributions – employer contributions	400,000	306,674
Other miscellaneous income (expense)	249	(359)
Total additions	562,002	527,808
Deductions		
Benefit payments	355,935	137,616
Other deductions	62,301	-
Total deductions	418,236	137,616
Change in net position	143,766	390,192
Net position – beginning of year	3,784,657	3,920,166
Net position – end of year	\$ 3,928,423	\$ 4,310,358

Charter Township of Meridian
Component Units
Statement of Net Position
December 31, 2016

	Downtown Development Authority	Economic Development Corporation	Total
Assets			
Cash and investments	\$ 82,354	\$ 72,498	\$ 154,852
Receivables – net	13,299	-	13,299
Total assets	95,653	72,498	168,151
Liabilities			
Accrued liabilities and other	1,496	-	1,496
Unearned revenue	10,889	-	10,889
Noncurrent liabilities:			
Due in more than one year	199,500	-	199,500
Total liabilities	211,885	-	211,885
Deferred inflows of resources			
Property taxes levied for a subsequent period	6,564	-	6,564
Net position (deficit) – unrestricted	\$ (122,796)	\$ 72,498	\$ (50,298)

Charter Township of Meridian
Component Units
Statement of Activities
For the Fiscal Year Ended December 31, 2016

	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	\$ 4,679	\$ -	\$ -	\$ (4,679)	\$ -	\$ (4,679)
Debt service	5,985	-	-	(5,985)	-	(5,985)
Total Downtown Development Authority	10,664	-	-	(10,664)	-	(10,664)
Economic Development Corporation	3,842	10,000	-	-	6,158	6,158
Total component units	<u>\$ 14,506</u>	<u>\$ 10,000</u>	<u>\$ -</u>	(10,664)	6,158	(4,506)
General revenue:						
Property taxes				13,471	-	13,471
Unrestricted investment income				-	102	102
Other miscellaneous income				22,221	-	22,221
Total general revenue				35,692	102	35,794
Change in net position				25,028	6,260	31,288
Net position (deficit) - beginning of year				(147,824)	66,238	(81,586)
Net position (deficit) - end of year				<u>\$ (122,796)</u>	<u>\$ 72,498</u>	<u>\$ (50,298)</u>

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

December 31, 2016

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 availability criterion: 2015 property taxes, portions of state-shared revenue, and interest associated with the current fiscal period.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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

Conversely, 2016 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 Funds – The Land Preservation funds are used to account for tax revenue which will be used to purchase land and/or an interest in land for the permanent preservation of open green spaces and natural features throughout the Township.

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

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.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

December 31, 2016

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 2015 taxable valuation of the Township totaled \$1,607,795,695, on which ad valorem taxes levied consisted of 4.2002 mills for the Township's operating purposes and 3.6396 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

December 31, 2016

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. Due to the implementation of GASB Statement No. 68, the Township has deferred outflows of resources related to the defined benefit pension plan, made up of employer contributions made subsequent to the measurement date, the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, and changes in assumptions related to economic and demographic factors.

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. 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. Due to the implementation of GASB Statement No. 68, the Township has deferred inflows of resources related to the defined benefit pension plan, consisting of the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings and differences between projected and actual experience. The component units also report deferred inflows of resources for property taxes levied for a subsequent period.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

Long-term Obligations – In the government-wide financial statements and 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 – The Township offers a defined benefit pension plan to its employees. The Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan’s fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Township’s pension plan and additions to/deductions from the pension plan’s fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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

Other Postemployment Benefit Costs – The Township offers retiree healthcare benefits to retirees. The Township uses the alternative measurement method to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, 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:

- Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed – Amounts that have been formally set aside by the Township board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- Assigned – Intent to spend resources on specific purposes expressed by the 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.

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.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

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, 2016		\$ (7,969,181)
Current year permit revenue	\$ 746,704	
Related expenses:		
Direct costs	465,306	
Estimated indirect costs	78,060	
Total construction code expense	<u>543,366</u>	
Current year surplus		<u>203,338</u>
Cumulative shortfall as of December 31, 2016		<u>\$ (7,765,843)</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.

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

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 3 – Deposits and Investments (continued)

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 \$33,652,511 and \$31,995,809 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:

Investment	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	More than 10 Years
Primary Government: U.S. agency securities	\$ 1,799,864	\$ -	\$ 330,000	\$ 500,000	\$ 1,000,000
Pension – Mutual funds	3,022,895	N/A	N/A	N/A	N/A
Employer Funded Retiree Health Insurance Trust Fund	4,310,358	N/A	N/A	N/A	N/A

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:

Investment	Fair Value	Rating	Rating Organization
U.S. agency securities	\$ 1,799,864	AA+	S+P
Mutual funds (Pension)	3,022,895	Not Rated	Not Rated
Mutual funds (OPEB)	4,310,358	Not Rated	Not Rated

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 3 – Deposits and Investments (continued)

Concentration of Credit Risk

Government-wide

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

More than 5% of the Township's government-wide investments are in Multi-Bank Securities – Federal National Mortgage at \$1,799,864 and CLASS at \$7,275,573. These investments are 100% of the Township's total government-wide investments (not including certificates of deposit or money market funds).

Pension and Similar Trust Funds

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

More than 5% of the Township's pension and similar trust funds' investments are in PNC fixed income mutual funds at \$1,214,867, PNC equity mutual funds at \$821,916, BlackRock equity mutual funds at \$846,536, and Vantagepointe Milestone Retirement Fund at \$4,310,358. These investments are 98% of the Township's total fiduciary investments (not including stocks).

Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

The Township has the following recurring fair value measurements as of December 31, 2016:

- Investments in U.S. agency securities totaling \$1,799,864 as of December 31, 2016 are valued using prices quoted in active markets for those securities (Level 1 inputs).
- Investments in stocks and mutual funds held by the Pension Trust Fund and the Employer Funded Retiree Health Insurance Trust Fund totaling \$8,161,614 as of December 31, 2016 are valued using prices quoted in active markets for those securities (Level 1 inputs).

The Township's other investments meet the criteria to be valued at cost.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

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:

	Governmental Activities	Business-type Activities
Receivables:		
Property taxes	\$ 9,260,890	\$ -
Special assessments	317,401	10,478
Customer	602,829	1,850,602
Due from other governmental units	549,508	-
Other receivables	6,469	-
Net receivables	<u>\$ 10,737,097</u>	<u>\$ 1,861,080</u>

Note 5 – Capital Assets

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

	Balance January 1, 2016	Additions	Disposals and Adjustments	Balance December 31, 2016
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 27,198,564	\$ 262,598	\$ (5,063)	\$ 27,456,099
Construction in process	3,277,895	-	(3,263,445)	14,450
Total	30,476,459	262,598	(3,268,508)	27,470,549
Capital assets being depreciated:				
Roads and improvements	5,129,445	544,152	-	5,673,597
Buildings and improvements	8,323,952	3,819,108	-	12,143,060
Vehicles	4,270,134	645,381	(195,003)	4,720,512
Drainage flow rights	4,880,536	111,953	-	4,992,489
Furniture and equipment	7,825,964	369,146	-	8,195,110
Subtotal	30,430,031	5,489,740	(195,003)	35,724,768
Accumulated depreciation:				
Roads and improvements	3,473,532	610,861	-	4,084,393
Buildings and improvements	4,590,092	294,364	-	4,884,456
Vehicles	2,809,277	451,271	(113,374)	3,147,174
Drainage flow rights	817,235	99,338	-	916,573
Furniture and equipment	7,192,106	170,443	-	7,362,549
Subtotal – accumulated depreciation	18,882,242	1,626,277	(113,374)	20,395,145
Net capital assets being depreciated	11,547,789	3,863,463	(81,629)	15,329,623
Net capital assets	<u>\$ 42,024,248</u>	<u>\$ 4,126,061</u>	<u>\$ (3,350,137)</u>	<u>\$ 42,800,172</u>

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 5 – Capital Assets (continued)

	Balance January 1, 2016	Additions	Disposals	Balance December 31, 2016
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 363,060	\$ -	\$ -	\$ 363,060
Construction in process	422,644	94,974	(409,839)	107,779
Total	785,704	94,974	(409,839)	470,839
Capital assets being depreciated:				
Water and sewer mains	65,532,220	1,176,626	-	66,708,846
Buildings and improvements	4,086,250	-	-	4,086,250
Other tools and equipment	3,090,747	107,893	-	3,198,640
Participation in East Lansing Sewage System	3,365,078	3,437,605	-	6,802,683
Subtotal	76,074,295	4,722,124	-	80,796,419
Accumulated depreciation:				
Water and sewer mains	29,006,591	1,209,925	-	30,216,516
Buildings and improvements	3,388,621	137,051	-	3,525,672
Other tools and equipment	2,376,258	198,188	-	2,574,446
Participation in East Lansing Sewage System	551,383	101,678	-	653,061
Subtotal – accumulated depreciation	35,322,853	1,646,842	-	36,969,695
Net capital assets being depreciated	40,751,442	3,075,282	-	43,826,724
Net capital assets	\$ 41,537,146	\$ 3,170,256	\$ (409,839)	\$ 44,297,563

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

Governmental activities:	
General government	\$ 202,332
Public safety	159,811
Public works	710,200
Recreation and culture	102,663
Internal Service Fund depreciation is charged to the various functions based on their usage of the asset	451,271
	<u>\$1,626,277</u>
Business-type activities:	
Water	\$ 847,391
Sewer	799,451
	<u>\$1,646,842</u>

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

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>
Due to/from Other Funds		
General Fund	Sewer Fund	\$ 2,671
General Fund	Water Fund	4,085
		<u>6,756</u>
General Fund	Motor Pool	3,804
General Fund	Park Millage Fund	3,345
General Fund	Land Preservation Fund	955
General Fund	Nonmajor Governmental Funds	13,824
	Total	<u>\$ 28,684</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	\$ 175,000
General Fund	Sewer Fund	17,400
General Fund	Water Fund	27,800
General Fund	Motor Pool	11,600
General Fund	Nonmajor governmental fund – Pedestrian Bikepath	1,400
General Fund	Park Millage Fund	10,600
General Fund	Nonmajor governmental fund – Cable TV	3,200
	Total	<u>\$ 247,000</u>

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

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.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 7 – Long-term Debt (continued)

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Bonded debt –							
Fire Station Construction Bond:							
Amount of issue – \$3,500,000 maturing through 2028	1.0% - 2.80%	\$210,000 – \$270,000	\$ 3,080,000	\$ -	\$ (215,000)	\$ 2,865,000	\$ 215,000
Other long-term obligations -							
Towar/Towar II/Snell/ Briarwood/ Kinawa/Smith/ Ember Oaks drain assessments	1.92% - 5.40%	\$1,790 - \$187,320	2,777,947	111,953	(265,437)	2,624,463	271,034
Compensated absences:							
General Fund			568,535	605,110	(520,842)	652,803	117,505
Internal service fund			4,972	6,046	(8,523)	2,495	449
Nonmajor and other funds			57,115	42,219	(35,019)	64,315	11,577
Total governmental activities			<u>\$6,488,569</u>	<u>\$ 765,328</u>	<u>\$(1,044,821)</u>	<u>\$ 6,209,076</u>	<u>\$ 615,565</u>
Business-type Activities							
Sewer – Wastewater optimization bonds	3.63% – 4.45%	\$128,700 – \$148,500	\$ 148,500	\$ -	\$ (148,500)	\$ -	\$ -
Sewer – SRF Wastewater optimization bonds 2013	2.00%	\$28,106 – \$51,434	624,304	-	(29,328)	594,976	29,328
Sewer – SRF Wastewater optimization bonds 2015	2.50%	\$194,981 – \$313,301	992,090	3,437,605	-	4,429,695	194,981
Champion Woods Sewer Liability	0.00%	\$8,200 – \$49,200	8,200	-	(8,200)	-	-
Other long-term obligations – compensated absences:							
Water Fund			37,379	38,731	(38,083)	38,027	6,845
Sewer Fund			31,616	26,116	(31,172)	26,560	4,781
Total business-type activities			<u>\$1,842,089</u>	<u>\$3,502,452</u>	<u>\$(255,283)</u>	<u>\$5,089,258</u>	<u>\$235,935</u>
Component Unit Activities							
Notes payable	3.00%	\$24,500 - \$25,000	\$ 199,500	\$ -	\$ -	\$ 199,500	\$ -

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

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
2017	\$ 486,034	\$ 145,166	\$ 631,200	\$ 224,309	\$ 119,374	\$ 343,683	\$ -	\$ 5,985	\$ 5,985
2018	491,034	136,079	627,113	230,530	114,681	345,211	-	5,985	5,985
2019	491,034	124,328	615,362	235,530	109,008	344,538	-	5,985	5,985
2020	465,408	112,265	577,673	243,418	103,189	346,607	25,000	5,423	30,423
2021	470,408	100,038	570,446	248,417	97,201	345,618	25,000	4,673	29,673
2022-2026	2,427,038	298,488	2,725,526	1,335,964	391,240	1,727,204	125,000	12,111	137,111
2027-2031	616,938	32,798	649,736	2,018,082	218,542	2,236,624	24,500	184	24,684
2032-2036	41,569	3,409	44,978	488,421	39,763	528,184	-	-	-
Total	<u>\$5,489,463</u>	<u>\$ 952,571</u>	<u>\$6,442,034</u>	<u>\$5,024,671</u>	<u>\$ 1,192,998</u>	<u>\$ 6,217,669</u>	<u>\$ 199,500</u>	<u>\$ 40,346</u>	<u>\$ 239,846</u>

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

As of December 31, 2016, there were three series of Limited Obligation Revenue Bonds outstanding, with an aggregate principal amount payable of \$10,335,000.

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

December 31, 2016

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** – 1.0% of final average compensation not in excess of \$1,725, plus 1.4% of final average compensation in excess of \$1,725, multiplied by years of benefit credited service.
 - b) **Professional Supervisory and Non-Supervisory Union Employees** – Effective January 1, 1988, 1.11% of final average compensation multiplied by years of benefit credited service.
 - c) **Firefighters Union Employees** – Effective January 1, 1988, 1.5% of final average compensation multiplied by years of benefit credited service. Effective October 14, 1991, 1.6% of final average compensation multiplied by years of benefit credited service. Effective April 30, 1996, 1.8% of final average compensation multiplied by years of benefit credited service.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees' Retirement System (continued)

- d) **Police Supervisory Union Employees** – Effective January 1, 1988, 1.6% of final average compensation multiplied by years of benefit credited service. Effective July 1, 1994, 2.16% of final average compensation multiplied by years of benefit credited service. Effective December 31, 1996, 2.25% of final average compensation multiplied by years of benefit credited service.
 - e) **Police Non-Supervisory Union Employees** – Effective January 1, 1987, 1.48% of final average compensation multiplied by years of benefit credited service. Effective December 31, 1991, 1.6% of final average compensation multiplied by years of benefit credited service. Effective January 1, 1995, 1.8% of final average compensation multiplied by years of benefit credited service.
 - f) **Public Works/Physical Plant Union Employees** – 1.25% of final average compensation multiplied by years of benefit credited service.
 - g) **Clerical and Secretarial Union Employees** – 1.05% of final average compensation multiplied by years of benefit credited service.
 - h) **For Any Active Participant Who is an Employee of the Township as of May 1, 2000** – 1.5% of final average compensation multiplied by years of benefit credited service. Effective January 1, 2009, the benefit multiplier of 1.5% shall be increased to 1.8% for a participant who is an active non-union employee hired prior to February 1, 1980.
- 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

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees' Retirement System (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%) 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

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees' Retirement System (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 % for each of the first 60 months and 5/18ths of one % for each additional month that the date on which the participant’s early retirement benefit commences precedes his or her normal retirement date.

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

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

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees' Retirement System (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 – As of December 31, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	45
Inactive plan members entitled to but not yet receiving benefits	21
Active plan members*	<u>1</u>
Total	<u><u>67</u></u>

*The plan is closed to new members.

Contributions – Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year are to be funded during that year. Accordingly, the Township retains an independent actuary to determine the annual contribution, and the Township considers this during the budget process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Plan does not call for any employee contributions to the Plan. For the year ended December 31, 2016, the Township contributed \$400,000, or 399% of 2016 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 Plan's asset allocation policy is shown on the following pages.

Concentrations – As of December 31, 2016 the Plan did not hold investments that represent 5% or more of the Plan's fiduciary net position.

Rate of Return – For the year ended December 31, 2016, the annual money-weighted rate of return on Plan investments, net of investment expense, was 4.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees' Retirement System (continued)

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% funded in 2008. The Township suspended contributions, so as to not overfund the Plan. The subsequent economic downturn resulted in the Plan dropping to 76% funded at the time of the January 1, 2011 actuarial valuation. Township management made the decision to resume funding the Plan in 2012. The Township once again suspended contributions for 2013. The Plan was funded at 66.9% at the time of the January 1, 2014 actuarial valuation and 65.9% at the time of the January 1, 2013 actuarial valuation. The Township resumed contributions for the years ended December 31, 2014 through 2016. Administrative costs of the Plan are financed through investment earnings.

Net Pension Liability – The components of the net pension liability as of December 31, 2016 were as follows:

Total pension liability	\$ 5,500,377
Plan fiduciary net position	<u>3,928,423</u>
Township's net pension liability	<u>\$1,571,954</u>
Plan fiduciary net position, as a percentage of the total pension liability	71.42%

Actuarial Assumptions – The December 31, 2016 total pension liability was determined by an actuarial valuation as of December 31, 2016. The measurement date was December 31, 2016 and all census data provided to the actuary was as of December 31, 2016, therefore no update procedures to roll forward the estimated liability to December 31, 2016 were needed. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.5%
Salary increases	4.5% Average, including inflation
Investment rate of return	6.0% Net of pension plan investment expense, including inflation

Mortality rates were based on the fully generational RP-2014 Healthy Annuitant Tables after adjustment to the base year 2006 for males and females with MP-2015 mortality improvement scales.

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

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees' Retirement System (continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity – Large Cap	40.00%	7.35%
Domestic equity – Small Cap	13.00%	8.55%
International equity	8.00%	8.80%
Intermediate bonds – Fixed Income	32.00%	3.00%
Real estate	4.00%	7.05%
Cash or cash equivalents	3.00%	0.00%

Discount Rate – The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees' Retirement System (continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2015	\$ 5,602,120	\$ 3,784,657	\$ 1,817,463
Service cost	14,830	-	14,830
Interest	324,025	-	324,025
Differences between expected and actual experience	(22,387)	-	(22,387)
Changes in assumptions	-	-	-
Contributions – Employer	-	400,000	(400,000)
Contributions – Employee	-	-	-
Net investment income	-	162,002	(162,002)
Benefit payments, including refunds	(418,211)	(418,211)	-
Administrative expenses	-	(25)	25
Net changes	(101,743)	143,766	(245,509)
Balance as of December 31, 2016	\$ 5,500,377	\$ 3,928,423	\$ 1,571,954

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

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Township's net pension liability	\$ 2,042,283	\$ 1,571,954	\$ 1,163,096

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Charter Township of Meridian Employees’ Retirement System (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2016, the Township recognized pension expense of \$115,872, all related to governmental activities. As of December 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 136,111	\$ 30,317
Total	<u>\$ 136,111</u>	<u>\$ 30,317</u>

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

Year Ending December 31	Amount
2017	\$ 25,910
2018	25,910
2019	41,068
2020	12,906

Municipal Employees’ Retirement System of Michigan

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

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

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Municipal Employees' Retirement System of Michigan (continued)

<u>01 – AFSCME</u>	<u>Open Division</u>
Benefit Multiplier	2.25% Multiplier (80% max)
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/20
Early Retirement (Reduced)	50/25 or 55/15
Final Average Compensation	5 years
Employee Contributions	2.30%
Act 88	Yes (Adopted 7/10/2001)
<u>02 – Police POAM</u>	<u>Open Division</u>
Benefit Multiplier	2.75% Multiplier (80% max)
Normal Retirement Age	60
Vesting	10 years
Early Retirement (Unreduced)	50/25
Early Retirement (Reduced)	55/15
Final Average Compensation	3 years
Employee Contributions	8.29%
D-2	D-2 (25%)
Act 88	Yes (Adopted 7/10/2001)
<u>05 – Firefighters IAFF</u>	<u>Open Division</u>
Benefit Multiplier	2.75% Multiplier (80% max)
Normal Retirement Age	60
Vesting	10 years
Early Retirement (Unreduced)	50/25
Early Retirement (Reduced)	55/15
Final Average Compensation	3 years
COLA for Future Retirees	2.50% (Non-Compound)
Employee Contributions	7.76%
D-2	D-2 (25%)
Act 88	Yes (Adopted 7/10/2001)

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Municipal Employees’ Retirement System of Michigan (continued)

<u>10 – Clerical</u>	<u>Open Division</u>
Benefit Multiplier	2.50% Multiplier (80% max)
Normal Retirement Age	60
Vesting	10 years
Early Retirement (Unreduced)	55/25
Early Retirement (Reduced)	50/25 or 55/15
Final Average Compensation	5 years
Employee Contributions	3.90%
Act 88	Yes (Adopted 7/10/2001)
<u>11 – Teamsters</u>	<u>Open Division</u>
Benefit Multiplier	2.00% Multiplier (no max)
Normal Retirement Age	60
Vesting	6 years
Early Retirement (Unreduced)	55/20
Early Retirement (Reduced)	50/25 or 55/15
Final Average Compensation	5 years
Employee Contributions	2.00%
Act 88	Yes (Adopted 7/10/2001)
<u>20 – Police Command</u>	<u>Open Division</u>
Benefit Multiplier	2.75% Multiplier (80% max)
Normal Retirement Age	60
Vesting	10 years
Early Retirement (Unreduced)	50/25
Early Retirement (Reduced)	55/15
Final Average Compensation	3 years
COLA for Future Retirees	2.50% (Non-Compound)
Employee Contributions	11.24%
D-2	D-2 (25%)
Act 88	Yes (Adopted 7/10/2001)

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

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Municipal Employees’ Retirement System of Michigan (continued)

Employees Covered by Benefit Terms – As of the December 31, 2015 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	80
Inactive plan members entitled to but not yet receiving benefits	24
Active plan members	<u>108</u>
Total	<u><u>212</u></u>

Contributions – Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2016, the employee and employer contribution rates were as follows:

	<u>Percentage of Payroll</u>	
	<u>Employer</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>
01 – AFSCME	12.08%	2.30%
02 – Police POAM	20.72%	8.29%
05 – Firefighters IAFF	49.38%	7.76%
10 – Clerical	17.51%	3.90%
11 – Teamsters	58.89%	2.00%
20 – Police Command	49.49%	11.24%

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Municipal Employees' Retirement System of Michigan (continued)

Net Pension Liability – The net pension liability reported as of December 31, 2016 was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

Actuarial Assumptions – The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.75%
Investment rate of return	8.0% Gross of pension plan investment expense, including inflation

Mortality rates were based on a 50% female/ 50% male blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male – 50% Female blend of RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of the most recent actuarial experience study in 2015. The investment rate of return was changed for the December 31, 2015 valuation from 8.25% to 8.00%.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2015, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	57.5%	5.0%
Global fixed income	20.0%	2.2%
Real assets	12.5%	4.2%
Diversifying strategies	10.0%	6.6%

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Municipal Employees’ Retirement System of Michigan (continued)

Discount Rate – The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2014	\$ 55,157,362	\$ 31,690,104	\$ 23,467,258
Service cost	981,161	-	981,161
Interest	4,473,927	-	4,473,927
Differences between expected and actual experiences	(344,829)	-	(344,829)
Changes in assumptions	2,496,029	-	2,496,029
Contributions - Employer	-	1,852,078	(1,852,078)
Other – Prepaid employer contributions	-	213,597	(213,597)
Contributions – Employee	-	434,297	(434,297)
Net investment income (loss)	-	(517,185)	517,185
Benefit payments, including refunds	(2,837,026)	(2,837,026)	-
Administrative expenses	-	(70,405)	70,405
Net changes	4,769,262	(924,644)	5,693,906
Balance as of December 31, 2015	\$ 59,926,624	\$ 30,765,460	\$ 29,161,164

Included in the net pension liability is \$27,780,246 related to governmental activities and \$1,380,918 related to business-type activities.

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 8.0%, as well as what the Township’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net pension liability of the Township	\$ 36,968,337	\$ 29,161,164	\$ 22,680,236

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 9 – Defined Benefit Pension Plan (continued)

Municipal Employees’ Retirement System of Michigan (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2016, the Township recognized pension expense of \$3,722,510, of which \$3,758,861 is related to governmental activities and a credit of \$36,351 is related to business-type activities. As of December 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 275,863
Changes in assumptions	1,996,823	-
Net difference between projected and actual investment earnings on pension plan investments	2,767,168	-
Employer contributions to the plan subsequent to the measurement date	2,835,515	-
Total	<u>\$ 7,599,506</u>	<u>\$ 275,863</u>

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

Year Ending December 31	Amount
2017	\$1,150,223
2018	1,150,223
2019	1,150,223
2020	1,037,459

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the Plan’s fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the Plan. The Plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

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% of employees' gross earnings, while employees contribute 3.5%. For the healthcare plan, the Township contributes 2% of employees' gross earnings, while employees contribute 1%. Additionally, when an employee separates or retires from the Township, 0.25% of their unused sick time is contributed to their Retirement Health Savings Plan.

In accordance with these requirements, the Township contributed \$213,908 and \$111,944 during the current year and employees contributed \$86,382 and \$41,904 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, 46 retirees are eligible. The Township includes pre-Medicare and post-Medicare retirees and their dependents in its healthcare plan, with a 50% 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, 2016, the Township made payments for postemployment health benefit premiums of \$137,616.

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 \$137,616, plus it contributed \$169,058 into a prefunded retiree healthcare trust fund, which is reported in these financial statements 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

December 31, 2016

Note 11 – Other Postemployment Benefits (continued)

Funding Progress – For the year ended December 31, 2016, 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	(118,773)
Adjustment to annual required contribution	131,879
Annual OPEB cost	<u>297,097</u>
Amounts contributed:	
Payments of current premiums	(137,616)
Advance funding	(169,058)
Increase in net OPEB asset	(9,577)
OPEB (asset) – beginning of year	(1,484,658)
OPEB (asset) – end of year	<u><u>\$ (1,494,235)</u></u>

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Asset
12/31/14	1/1/14	\$ 293,458	170.7%	\$ 1,279,948
12/31/15	1/1/14	295,290	169.3%	1,484,658
12/31/16	1/1/14	297,097	103.2%	1,494,235

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%

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 11 – Other Postemployment Benefits (continued)

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 on the previous page, 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.

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% investment rate of return, calculated based on the funded level of the plan at the valuation date, an annual Medicare inflation rate of 5%, and an annual wage inflation rate of 5%. 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, 2016 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 \$2,504,589 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.

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 12 – Joint Venture (continued)

The following financial information of the joint venture is obtained from audited financial statements as of June 30, 2016. Complete financial statements for the East Lansing – Meridian Water and Sewer Authority can be obtained from the administrative office at 410 Abbot Road, East Lansing, Michigan.

Total assets	\$ 8,549,009
Total liabilities	1,988,995
Total net position	6,948,660
Total operating revenue	4,062,221
Total operating expenses	3,287,954
Increase in net position	521,401

The Township's equity in this joint venture as of December 31, 2016 is \$4,504,877, which is recorded in the Water Fund.

Note 13 – Operating Lease

During 2014, the Township entered into a noncancelable operating lease for office equipment. Required monthly payments throughout 2016 and through the remaining term of the lease are \$1,083. Rent expenditures were \$12,996 for the year ended December 31, 2016.

Future minimum lease payments are as follows:

2017	\$ 12,996
2018	12,996
2019	6,962
2020	1,640
Total	<u>\$ 34,594</u>

Charter Township of Meridian

Notes to Financial Statements

December 31, 2016

Note 14 – Tax Abatements

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

For the fiscal year ended December 31, 2016, the Township's property tax revenues were reduced by \$17,721 under these programs. These long-term agreements expire in varying years with one agreement expiring only when the property ceases to be used for the purpose specified in the abatement agreement.

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

Note 15 – Upcoming Reporting Changes

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

The primary objective of this Statement is to improve accounting and financial reporting for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating liabilities, deferred outflows of resources, deferred inflows of resources, and expense. The requirements of this Statement are effective for fiscal years beginning after June 1, 2017. The Township is currently evaluating the impact this Statement will have on the financial statements when adopted; however the Township believes that the impact will be material.

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pensions

The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2016. This Statement will be adopted for the Township for the year ending December 31, 2017.

Required Supplementary Information

Charter Township of Meridian
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 9,640,790	\$ 9,640,790	\$ 9,727,999	\$ 87,209
Licenses and permits	757,200	773,200	796,334	23,134
Federal grants	-	-	2,679	2,679
State-shared revenue and grants	3,325,000	3,198,000	3,223,824	25,824
Charges for services	3,388,100	3,412,350	3,503,053	90,703
Fines and forfeitures	375,000	388,000	387,669	(331)
Investment income	20,985	50,985	60,576	9,591
Other revenue:				
Local donations	5,000	5,000	100	(4,900)
Franchise fees	295,000	295,000	288,418	(6,582)
Other miscellaneous income	162,460	162,460	261,058	98,598
Total revenue	17,969,535	17,925,785	18,251,710	325,925
Expenditures				
Current:				
General government	6,717,173	6,103,837	5,382,780	721,057
Public safety	10,890,892	11,675,361	11,509,596	165,765
Public works	138,934	100,234	132,327	(32,093)
Health and welfare	54,488	55,904	56,802	(898)
Recreation and culture	710,286	727,172	740,081	(12,909)
Debt service	400,329	361,529	361,509	20
Total expenditures	18,912,102	19,024,037	18,183,095	840,942
Excess (deficiency) of revenue over (under) expenditures	(942,567)	(1,098,252)	68,615	1,166,867
Other financing sources (uses)				
Transfers out	(175,000)	(175,000)	(247,000)	(72,000)
Sale of capital assets	-	-	106	106
Total other financing sources (uses)	(175,000)	(175,000)	(246,894)	(71,894)
Net change in fund balance	(1,117,567)	(1,273,252)	(178,279)	1,094,973
Fund balance – beginning of year	7,603,982	7,603,982	7,603,982	-
Fund balance – end of year	\$ 6,486,415	\$ 6,330,730	\$ 7,425,703	\$ 1,094,973

Charter Township of Meridian
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Land Preservation Funds
 For the Fiscal Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 528,060	\$ 528,060	\$ 531,818	\$ 3,758
Investment income	32,000	32,000	33,702	1,702
Total revenue	560,060	560,060	565,520	5,460
Expenditures				
Current:				
Recreation and culture	181,311	243,811	91,420	152,391
Total expenditures	181,311	243,811	91,420	152,391
Net change in fund balance	378,749	316,249	474,100	157,851
Fund balance – beginning of year	5,815,667	5,815,667	5,815,667	-
Fund balance – end of year	\$ 6,194,416	\$ 6,131,916	\$ 6,289,767	\$ 157,851

Charter Township of Meridian
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Park Millage Fund
 For the Fiscal Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,573,600	\$ 1,573,600	\$ 1,577,832	\$ 4,232
Federal grants	-	-	-	-
Investment income	1,500	1,500	10,051	8,551
Other revenue				
Local donations	12,000	12,000	-	(12,000)
Other miscellaneous income	95,000	128,000	108,412	(19,588)
Total revenue	1,682,100	1,715,100	1,696,295	(18,805)
Expenditures				
Current:				
Recreation and culture	1,593,678	1,637,278	1,027,489	609,789
Excess of revenue over expenditures	88,422	77,822	668,806	590,984
Other financing sources				
Transfers in	-	-	10,600	10,600
Net change in fund balance	88,422	77,822	679,406	601,584
Fund balance – beginning of year	1,334,354	1,334,354	1,334,354	-
Fund balance – end of year	\$ 1,422,776	\$ 1,412,176	\$ 2,013,760	\$ 601,584

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

	2016	2015	2014	2013*	2012*	2011*	2010*	2009*	2008*	2007*
Total pension liability										
Service cost	\$ 14,830	\$ 12,993	\$ 10,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	324,025	307,223	302,325	-	-	-	-	-	-	-
Differences between expected and actual experience	(22,387)	(124,938)	131,492	-	-	-	-	-	-	-
Changes in assumptions	-	474,087	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(418,211)	(362,253)	(365,991)	-	-	-	-	-	-	-
Net change in total pension liability	(101,743)	307,112	78,693	-	-	-	-	-	-	-
Total pension liability – beginning of year	5,602,120	5,295,008	5,216,315	-	-	-	-	-	-	-
Total pension liability – end of year	\$ 5,500,377	\$ 5,602,120	\$ 5,295,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position										
Contributions – employer	\$ 400,000	\$ 250,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions – member	-	-	-	-	-	-	-	-	-	-
Net investment income	162,002	86,536	296,201	-	-	-	-	-	-	-
Benefit payments, including refunds	(418,211)	(362,253)	(365,991)	-	-	-	-	-	-	-
Administrative expenses	(25)	(69,808)	(72,944)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	143,766	(95,525)	117,266	-	-	-	-	-	-	-
Plan fiduciary net position – beginning of year	3,784,657	3,880,182	3,762,916	-	-	-	-	-	-	-
Plan fiduciary net position – end of year	\$ 3,928,423	\$ 3,784,657	\$ 3,880,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Township's net pension liability – ending	\$ 1,571,954	\$ 1,817,463	\$ 1,414,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a % of total pension liability	71.42%	67.56%	73.28%							
Covered employee payroll	\$ 100,153	\$ 99,161	\$ 97,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Township's net pension liability as a % of covered employee payroll	1569.55%	1832.84%	1457.83%							

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

Notes to Schedule

There were no changes in benefit provisions or assumptions reflected in the total pension liability as of December 31, 2016.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008*	2007*
Actuarially determined contribution	\$ 430,449	\$ 403,377	\$ 421,346	\$ 457,795	\$ 437,567	\$ 311,763	\$ 167,461	\$ 92,821	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	400,000	250,000	260,000	-	450,808	-	-	-	-	-
Contribution deficiency (excess)	\$ 30,449	\$ 153,377	\$ 161,346	\$ 457,795	\$ (13,241)	\$ 311,763	\$ 167,461	\$ 92,821	\$ -	\$ -
Covered employee payroll	\$ 100,153	\$ 99,161	\$ 97,050	\$ 85,570	\$ 138,984	\$ 138,975	\$ 137,872	\$ 136,602	\$ 133,075	\$ 129,245
Contributions as a percentage of covered employee payroll	399.39%	252.12%	267.90%	-	324.36%	-	-	-	-	-

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

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2015
Notes	Actuarially determined contribution rates are calculated as of December 31 which is 1 day prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual Entry-age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	5 years
Asset valuation method	4-year smoothed market
Wage inflation	4.50%
Salary increases	4.50%
Investment rate of return	6.00%
Retirement age	The final active member is assumed to retire at age 65.
Mortality	Fully generational RP-2014 Healthy Annuitant Tables after adjustment to the base year 2006 for males and females with MP-2015 mortality improvement scales.
Other information	None

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

	2016	2015	2014	2013*	2012*	2011*	2010*	2009*	2008*	2007*
Annual money-weighted rate of return, net of investment expense	4.35%	2.23%	8.01%	-	-	-	-	-	-	-

* 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 Changes in the Township's Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2016	2015	2014*	2013*	2012*	2011*	2010*	2009*	2008*	2007*
Total pension liability										
Service cost	\$ 981,161	\$ 972,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	4,473,927	4,260,390	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(344,829)	-	-	-	-	-	-	-	-	-
Changes in assumptions	2,496,029	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(2,837,026)	(2,460,442)	-	-	-	-	-	-	-	-
Net change in total pension liability	4,769,262	2,772,148	-	-	-	-	-	-	-	-
Total pension liability – beginning of year	55,157,362	52,385,214	-	-	-	-	-	-	-	-
Total pension liability – end of year	\$ 59,926,624	\$ 55,157,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position										
Contributions – employer	\$ 1,852,078	\$ 1,863,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions – member	434,297	552,292	-	-	-	-	-	-	-	-
Net investment income (loss)	(517,185)	1,898,696	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(2,837,026)	(2,460,442)	-	-	-	-	-	-	-	-
Administrative expenses	(70,405)	(69,906)	-	-	-	-	-	-	-	-
Other - prepaid employer contribution	213,597	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(924,644)	1,784,115	-	-	-	-	-	-	-	-
Plan fiduciary net position – beginning of year	31,690,104	29,905,989	-	-	-	-	-	-	-	-
Plan fiduciary net position – end of year	\$ 30,765,460	\$ 31,690,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Township's net pension liability – ending	\$ 29,161,164	\$ 23,467,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a % of total pension liability	51.34%	57.45%								
Covered employee payroll	\$ 6,122,164	\$ 6,100,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Township's net pension liability as a % of covered employee payroll	476.32%	384.70%								

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

Notes to Schedule

There were no changes in benefit provisions reflected in the total pension liability as of December 31, 2016. Assumption changes include an update in mortality tables; a reduction of the assumed annual rate of investment return, net of all expenses, from 8% to 7.75%; a change in the asset smoothing period from 10 years to 5 years, effective in 2016; and other actuarial assumption revisions which had a smaller impact than the changes previously mentioned.

Charter Township of Meridian
 Required Supplementary Information
 Municipal Employees' Retirement System of Michigan
 Schedule of Township Contributions
 Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007*
Actuarially determined contribution	\$ 2,001,384	\$ 1,917,900	\$ 1,799,256	\$ 1,691,100	\$ 1,550,208	\$ 1,608,084	\$ 1,646,820	\$ 1,417,956	\$ 1,349,486	\$ -
Contributions in relation to the actuarially determined contribution	3,049,113	1,852,078	1,863,475	1,724,094	1,684,217	1,909,606	1,586,436	1,507,669	1,441,370	-
Contribution deficiency (excess)	\$ (1,047,729)	\$ 65,822	\$ (64,219)	\$ (32,994)	\$ (134,009)	\$ (301,522)	\$ 60,384	\$ (89,713)	\$ (91,884)	\$ -
Covered employee payroll	\$ 6,122,164	\$ 6,100,190	\$ 6,444,197	\$ 6,166,430	\$ 6,268,267	\$ 6,469,114	\$ 7,235,612	\$ 6,983,958	\$ 6,972,586	\$ -
Contributions as a percentage of covered employee payroll	49.80%	30.36%	28.92%	27.96%	26.87%	29.52%	21.93%	21.59%	20.67%	-

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

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age
 Amortization method Level percentage of pay, open
 Remaining amortization period 24 years
 Asset valuation method 10-year smoothed
 Wage inflation 2.50%
 Salary increases 3.75%
 Investment rate of return 7.75%
 Retirement age 60 years
 Mortality 50% Female/50% Male blend of RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables
 Other information 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 Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll	UAAL as 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
12/31/2012	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%
12/31/2015	1/1/2014	283,991	176.1%
12/31/2016	1/1/2014	283,991	108.0%

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, 2016

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, 2016 is not significant. Unexpended appropriations lapse at year end.

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

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

Excess of Expenditures Over Appropriations in Budgeted Funds – The Charter Township of Meridian did not have significant expenditure budget variances. Public works expenditures in the general fund were over budget in 2016 by \$32,093 due to unexpected drain charges from Ingham County. Recreation and culture expenditures in the general fund were over budget in 2016 by \$12,909 due to the library paving project being budgeted in general government expenditures whereas the actual expenditures were recorded in recreation and culture expenditures.

Other Supplementary Information

Description of Funds

Nonmajor Governmental Funds

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

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

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

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

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

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

Library 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, 2016

	Special Revenue Funds				
	Pedestrian/ Bike Path Millage Fund	Fire Restricted/ Designated Fund	Police Restricted/ Designated Fund	Senior Center Millage Fund	Cable TV Fund
Assets					
Cash and investments	\$ 745,112	\$ 5,966	\$ 54,413	\$ 232,345	\$ 112,041
Receivables – net	309,079	-	-	93,572	229,284
Prepaid items and other assets	-	-	-	-	11,755
Total assets	\$ 1,054,191	\$ 5,966	\$ 54,413	\$ 325,917	\$ 353,080
Liabilities					
Accounts payable	\$ 4,485	\$ -	\$ -	\$ 46,571	\$ 25,940
Due to other governmental units	-	-	-	-	-
Due to other funds	390	-	9,291	-	3,381
Accrued liabilities and other	747	-	2,874	-	8,280
Total liabilities	5,622	-	12,165	46,571	37,601
Deferred inflows of resources					
Unavailable revenue – special assessments	-	-	-	-	-
Property taxes levied for a subsequent period	452,782	-	-	136,960	-
Special assessments levied for a subsequent period	-	-	-	-	-
Total deferred inflows of resources	452,782	-	-	136,960	-
Fund balances					
Nonspendable – prepaids	-	-	-	-	11,755
Restricted	595,787	5,966	42,248	142,386	303,724
Assigned	-	-	-	-	-
Total fund balances	595,787	5,966	42,248	142,386	315,479
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,054,191	\$ 5,966	\$ 54,413	\$ 325,917	\$ 353,080

Charter Township of Meridian
Combining Balance Sheet
Nonmajor Governmental Funds

Special Revenue Funds					Debt Service Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
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		
\$ 12,516	\$ 13,026	\$ 133,376	\$ 118,299	\$ 697,681	\$ 189,731	\$ -	\$ 47,489	\$ 1,062,844	\$ 3,424,839	
319	-	-	222,873	278,558	223,560	-	-	317,401	1,674,646	
-	-	-	-	-	-	-	-	-	11,755	
\$ 12,835	\$ 13,026	\$ 133,376	\$ 341,172	\$ 976,239	\$ 413,291	\$ -	\$ 47,489	\$ 1,380,245	\$ 5,111,240	
\$ -	\$ -	\$ 1,900	\$ -	\$ 522,792	\$ -	\$ -	\$ -	\$ 3,188	\$ 604,876	
-	-	-	-	-	-	-	-	-	-	
118	-	-	-	-	-	-	-	644	13,824	
-	-	-	-	-	-	-	-	-	11,901	
118	-	1,900	-	522,792	-	-	-	3,832	630,601	
-	-	-	-	-	-	-	-	237,401	237,401	
-	-	-	326,470	408,070	326,691	-	-	-	1,650,973	
-	-	-	-	-	-	-	-	80,000	80,000	
-	-	-	326,470	408,070	326,691	-	-	317,401	1,968,374	
-	-	-	-	-	-	-	-	-	11,755	
12,717	13,026	131,476	14,702	45,377	86,600	-	47,489	-	1,441,498	
-	-	-	-	-	-	-	-	1,059,012	1,059,012	
12,717	13,026	131,476	14,702	45,377	86,600	-	47,489	1,059,012	2,512,265	
\$ 12,835	\$ 13,026	\$ 133,376	\$ 341,172	\$ 976,239	\$ 413,291	\$ -	\$ 47,489	\$ 1,380,245	\$ 5,111,240	

Charter Township of Meridian
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2016

	Special Revenue Funds				
	Pedestrian/ Bike Path Millage Fund	Fire Restricted/ Designated Fund	Police Restricted/ Designated/ Fund	Senior Center Millage Fund	Cable TV Fund
Revenue					
Property taxes	\$ 445,695	\$ -	\$ -	\$ 134,945	\$ -
Federal grants	-	-	-	-	-
State-shared revenue and grants	-	-	7,304	-	-
Fines and forfeitures	-	-	3,250	-	-
Investment income	730	5	52	235	143
Other revenue:					
Special assessments	-	-	-	-	-
Local donations	165,750	51	12,883	-	-
Franchise fees	-	-	-	-	891,114
Other miscellaneous income	28,260	-	-	-	2,000
Total revenue	640,435	56	23,489	135,180	893,257
Expenditures					
Current:					
Public safety	-	-	20,764	-	-
Public works	302,454	-	-	-	-
Health and welfare	-	-	-	93,736	-
Recreation and culture	-	-	-	-	968,738
Debt service	-	-	-	-	-
Total expenditures	302,454	-	20,764	93,736	968,738
Excess (deficiency) of revenue over (under) expenditures	337,981	56	2,725	41,444	(75,481)
Other financing sources					
Transfers in	1,400	-	-	-	3,200
Net change in fund balances	339,381	56	2,725	41,444	(72,281)
Fund balances (deficit) - beginning of year	256,406	5,910	39,523	100,942	387,760
Fund balances - end of year	\$ 595,787	\$ 5,966	\$ 42,248	\$ 142,386	\$ 315,479

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 Nonmajor Governmental Funds
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		
\$ -	\$ -	\$ -	\$ 321,298	\$ 401,656	\$ 322,562	\$ -	\$ -	\$ -	\$ 1,626,156	
-	-	-	-	-	-	-	-	-	-	
-	-	18,374	-	-	-	-	-	-	25,678	
-	-	-	-	-	-	-	-	-	3,250	
14	15	164	199	679	133	-	157	21,126	23,652	
-	-	-	-	-	-	-	-	121,172	121,172	
-	-	-	-	-	-	-	-	-	178,684	
-	-	-	-	-	-	-	-	-	891,114	
7,473	-	2,648	-	-	-	-	-	3	40,384	
7,487	15	21,186	321,497	402,335	322,695	-	157	142,301	2,910,090	
-	-	18,374	-	-	-	-	184,027	-	223,165	
-	-	-	-	544,152	-	-	-	214,170	1,060,776	
10,504	-	6,828	-	-	-	-	-	-	111,068	
-	-	-	320,000	-	-	-	-	-	1,288,738	
-	-	-	-	-	273,818	-	-	-	273,818	
10,504	-	25,202	320,000	544,152	273,818	-	184,027	214,170	2,957,565	
(3,017)	15	(4,016)	1,497	(141,817)	48,877	-	(183,870)	(71,869)	(47,475)	
-	-	-	-	175,000	-	-	-	-	179,600	
(3,017)	15	(4,016)	1,497	33,183	48,877	-	(183,870)	(71,869)	132,125	
15,734	13,011	135,492	13,205	12,194	37,723	-	231,359	1,130,881	2,380,140	
\$ 12,717	\$ 13,026	\$ 131,476	\$ 14,702	\$ 45,377	\$ 86,600	\$ -	\$ 47,489	\$ 1,059,012	\$ 2,512,265	

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Pedestrian/Bike Path Millage Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 443,870	\$ 443,870	\$ 445,695	\$ 1,825
Investment income	-	-	730	730
Other revenue:				
Local donations	-	-	165,750	165,750
Other miscellaneous income	-	-	28,260	28,260
Total revenue	443,870	443,870	640,435	196,565
Expenditures				
Current:				
Public works	453,749	455,149	302,454	152,695
Excess of revenue over (under) expenditures	(9,879)	(11,279)	337,981	349,260
Other financing sources				
Transfers in	-	-	1,400	1,400
Net change in fund balance	(9,879)	(11,279)	339,381	350,660
Fund balance – beginning of year	256,406	256,406	256,406	-
Fund balance – end of year	\$ 246,527	\$ 245,127	\$ 595,787	\$ 350,660

Charter Township of Meridian
 Other Supplementary Information
 Budgetary Comparison
 For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Fire Restricted/Designated Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ -	\$ -	\$ 5	\$ 5
Other revenue:				
Local donations	-	-	51	51
Total revenue	-	-	56	56
Net change in fund balance	-	-	56	56
Fund balance – beginning of year	5,910	5,910	5,910	-
Fund balance – end of year	\$ 5,910	\$ 5,910	\$ 5,966	\$ 56

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Police Restricted/Designated Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
State-shared revenue and grants	7,000	7,000	7,304	304
Fines and forfeitures	12,500	12,500	3,250	(9,250)
Investment income	-	-	52	52
Other revenue:				
Local donations	5,000	5,000	12,883	7,883
Other miscellaneous income	100	100	-	(100)
Total revenue	26,100	26,100	23,489	(2,611)
Expenditures				
Current:				
Public safety	26,000	26,000	20,764	5,236
Net change in fund balance	100	100	2,725	2,625
Fund balance – beginning of year	39,523	39,523	39,523	-
Fund balance – end of year	\$ 39,623	\$ 39,623	\$ 42,248	\$ 2,625

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Senior Center Millage Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 136,060	\$ 136,060	\$ 134,945	\$ (1,115)
Investment income	-	-	235	235
Total revenue	136,060	136,060	135,180	(880)
Expenditures				
Current:				
Health and welfare	100,000	100,000	93,736	6,264
Net change in fund balance	36,060	36,060	41,444	5,384
Fund balance – beginning of year	100,942	100,942	100,942	-
Fund balance – end of year	\$ 137,002	\$ 137,002	\$ 142,386	\$ 5,384

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Cable TV Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ -	\$ -	\$ 143	\$ 143
Other revenue:				
Franchise fees	880,200	880,200	891,114	10,914
Other miscellaneous income	-	-	2,000	2,000
Total revenue	880,200	880,200	893,257	13,057
Expenditures				
Current:				
Recreation and culture	952,856	986,956	968,738	18,218
Excess of revenue over (under) expenditures	(72,656)	(106,756)	(75,481)	31,275
Other financing sources				
Transfers in	-	-	3,200	3,200
Net change in fund balance	(72,656)	(106,756)	(72,281)	34,475
Fund balance – beginning of year	387,760	387,760	387,760	-
Fund balance – end of year	\$ 315,104	\$ 281,004	\$ 315,479	\$ 34,475

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Community Needs Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ -	\$ -	\$ 14	\$ 14
Other revenue:				
Other miscellaneous income	8,000	8,000	7,473	(527)
Total revenue	8,000	8,000	7,487	(513)
Expenditures				
Current:				
Health and welfare	8,000	14,000	10,504	3,496
Net change in fund balance	-	(6,000)	(3,017)	2,983
Fund balance – beginning of year	15,734	15,734	15,734	-
Fund balance – end of year	\$ 15,734	\$ 9,734	\$ 12,717	\$ 2,983

Charter Township of Meridian
 Other Supplementary Information
 Budgetary Comparison
 For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Library Restricted Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ -	\$ -	\$ 15	\$ 15
Net change in fund balance	-	-	15	15
Fund balance – beginning of year	13,011	13,011	13,011	-
Fund balance – end of year	\$ 13,011	\$ 13,011	\$ 13,026	\$ 15

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Grants Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ -	\$ -	\$ -	\$ -
State-shared revenue and grants	21,000	21,000	18,374	(2,626)
Investment income	-	-	164	164
Other revenue:				
Other miscellaneous income	-	2,600	2,648	48
Total revenue	21,000	23,600	21,186	(2,414)
Expenditures				
Current:				
Public safety	21,000	21,000	18,374	2,626
Health and welfare	6,000	6,750	6,828	(78)
Total expenditures	27,000	27,750	25,202	2,548
Net change in fund balance	(6,000)	(4,150)	(4,016)	134
Fund balance – beginning of year	135,492	135,492	135,492	-
Fund balance – end of year	\$ 129,492	\$ 131,342	\$ 131,476	\$ 134

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - CATA Millage Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 320,000	\$ 320,000	\$ 321,298	\$ 1,298
Investment income	-	-	199	199
Total revenue	320,000	320,000	321,497	1,497
Expenditures				
Current:				
Recreation and culture	320,000	320,000	320,000	-
Net change in fund balance	-	-	1,497	1,497
Fund balance – beginning of year	13,205	13,205	13,205	-
Fund balance – end of year	\$ 13,205	\$ 13,205	\$ 14,702	\$ 1,497

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Special Revenue Fund - Local Roads Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 399,900	\$ 399,900	\$ 401,656	\$ 1,756
Investment income	-	-	679	679
Total revenue	399,900	399,900	402,335	2,435
Expenditures				
Current:				
Public works	574,000	574,000	544,152	29,848
Excess of revenue over (under) expenditures	(174,100)	(174,100)	(141,817)	32,283
Other financing sources				
Transfers in	175,000	175,000	175,000	-
Net change in fund balance	900	900	33,183	32,283
Fund balance - beginning of year	12,194	12,194	12,194	-
Fund balance - end of year	<u>\$ 13,094</u>	<u>\$ 13,094</u>	<u>\$ 45,377</u>	<u>\$ 32,283</u>

Charter Township of Meridian
 Other Supplementary Information
 Budgetary Comparison
 For the Fiscal Year Ended December 31, 2016

Debt Service Fund - Fire Station Debt Service Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 320,033	\$ 320,033	\$ 322,562	\$ 2,529
Investment income	-	-	133	133
Total revenue	320,033	320,033	322,695	2,662
Expenditures				
Debt service	273,818	273,818	273,818	-
Net change in fund balance	46,215	46,215	48,877	2,662
Fund balance (deficit) - beginning of year	37,723	37,723	37,723	-
Fund balance - end of year	\$ 83,938	\$ 83,938	\$ 86,600	\$ 2,662

Charter Township of Meridian
 Other Supplementary Information
 Budgetary Comparison
 For the Fiscal Year Ended December 31, 2016

Capital Projects Fund - Fire Station Construction Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ -	\$ -	\$ 157	\$ 157
Expenditures				
Current:				
Public safety	-	210,274	184,027	26,247
Net change in fund balance	-	(210,274)	(183,870)	26,404
Fund balance – beginning of year	231,359	231,359	231,359	-
Fund balance – end of year	\$ 231,359	\$ 21,085	\$ 47,489	\$ 26,404

Charter Township of Meridian
Other Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended December 31, 2016

Capital Projects Fund - Township Improvement Revolving Fund

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ 15,500	\$ 15,500	\$ 21,126	\$ 5,626
Other revenue:				
Special assessments	140,000	140,000	121,172	(18,828)
Other miscellaneous income	-	-	3	3
Total revenue	155,500	155,500	142,301	(13,199)
Expenditures				
Current:				
Public works	80,000	295,000	214,170	80,830
Net change in fund balance	75,500	(139,500)	(71,869)	67,631
Fund balance – beginning of year	1,130,881	1,130,881	1,130,881	-
Fund balance – end of year	\$ 1,206,381	\$ 991,381	\$ 1,059,012	\$ 67,631

Charter Township of Meridian
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016
Tax Collection Fund				
Assets				
Cash and cash equivalents	\$ 11,919,751	\$ 137,319,042	\$ (141,957,517)	\$ 7,281,276
Liabilities				
Accounts payable	\$ 3,556	\$ 38,083,677	\$ (38,083,677)	\$ 3,556
Due to other governmental units	11,916,195	67,704,965	(72,343,440)	7,277,720
Total liabilities	\$ 11,919,751	\$ 105,788,642	\$ (110,427,117)	\$ 7,281,276

Charter Township of Meridian
Component Unit - Downtown Development Authority
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2016

	Downtown Development Authority	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 82,354	\$ -	\$ 82,354
Receivables – net	13,299	-	13,299
Prepaid items	-	-	-
Total assets	\$ 95,653	\$ -	\$ 95,653
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities and other	1,496	-	1,496
Unearned revenue	10,889	-	10,889
Noncurrent liabilities:			
Due in more than one year	-	199,500	199,500
Total liabilities	12,385	199,500	211,885
Deferred inflows of resources			
Property taxes levied for a subsequent period	6,564	-	6,564
Fund balance – restricted for economic development	76,704	(76,704)	-
Net position (deficit) – unrestricted	-	(122,796)	(122,796)
Total liabilities, deferred inflows of resources, and fund balance/net position	\$ 95,653	\$ -	\$ 95,653

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, 2016

	Downtown Development Authority	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 13,471	\$ -	\$ 13,471
Local grants and donations	-	-	-
Other miscellaneous income	22,221	-	22,221
Total revenue	35,692	-	35,692
Expenditures			
Other current services	4,679	-	4,679
Debt service	5,985	-	5,985
Total expenditures	10,664	-	10,664
Change in fund balance/net position	25,028	-	25,028
Fund balance/net position (deficit) – beginning of year	51,676	(199,500)	(147,824)
Fund balance/net position (deficit) – end of year	\$ 76,704	\$ (199,500)	\$ (122,796)

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 – These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.
- Revenue capacity – These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.
- Debt capacity – These schedules contain information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.
- Demographic and economic information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.
- Operating information – These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the 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

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

	December 31									
	(in thousands of dollars)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net investment										
in capital assets	\$ 23,810	\$ 24,694	\$ 26,991	\$ 30,393	\$ 33,401	\$ 33,781	\$ 34,428	\$ 34,416	\$ 36,166	\$ 37,311
Restricted	3,723	5,353	6,960	6,385	5,580	5,948	6,553	7,345	8,400	9,757
Unrestricted	6,652	6,616	6,169	7,134	8,060	8,877	9,018	10,629	(10,661)	(11,611)
Total net position	<u>\$ 34,185</u>	<u>\$ 36,663</u>	<u>\$ 40,120</u>	<u>\$ 43,912</u>	<u>\$ 47,041</u>	<u>\$ 48,606</u>	<u>\$ 49,999</u>	<u>\$ 52,390</u>	<u>\$ 33,905</u>	<u>\$ 35,457</u>
Business-type Activities:										
Net investment										
in capital assets	\$ 37,862	\$ 39,220	\$ 40,006	\$ 41,805	\$ 42,339	\$ 41,380	\$ 40,589	\$ 40,452	\$ 39,764	\$ 39,273
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	11,399	11,343	9,947	7,387	6,070	7,090	7,839	8,972	7,433	9,077
Total net position	<u>\$ 49,261</u>	<u>\$ 50,563</u>	<u>\$ 49,953</u>	<u>\$ 49,192</u>	<u>\$ 48,409</u>	<u>\$ 48,470</u>	<u>\$ 48,428</u>	<u>\$ 49,424</u>	<u>\$ 47,197</u>	<u>\$ 48,350</u>
Primary Government:										
Net investment										
in capital assets	\$ 61,672	\$ 63,914	\$ 66,997	\$ 72,198	\$ 75,740	\$ 75,161	\$ 75,017	\$ 74,868	\$ 75,930	\$ 76,584
Restricted	3,723	5,353	6,960	6,385	5,580	5,948	6,553	7,345	8,400	9,757
Unrestricted	18,051	17,959	16,116	14,521	14,130	15,967	16,857	19,601	(3,228)	(2,534)
Total net position	<u>\$ 83,446</u>	<u>\$ 87,226</u>	<u>\$ 90,073</u>	<u>\$ 93,104</u>	<u>\$ 95,450</u>	<u>\$ 97,076</u>	<u>\$ 98,427</u>	<u>\$ 101,814</u>	<u>\$ 81,102</u>	<u>\$ 83,807</u>

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

	Fiscal Year Ended December 31									
	(in thousands of dollars)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
General government	\$ 3,681	\$ 4,181	\$ 3,965	\$ 3,254	\$ 3,371	\$ 4,244	\$ 4,284	\$ 3,941	\$ 4,346	\$ 4,347
Public safety	10,493	10,549	10,583	10,416	10,048	9,901	10,922	9,799	10,937	12,247
Public works	838	1,139	1,292	830	708	1,072	1,072	1,277	946	1,230
Health and welfare	82	80	84	68	55	63	169	166	162	159
Recreation and culture	1,856	2,168	2,043	1,946	2,256	2,071	1,684	2,118	2,258	2,484
Interest on long-term debt	327	313	293	276	244	183	367	221	168	148
Total expenses	17,277	18,430	18,260	16,790	16,682	17,534	18,498	17,522	18,817	20,615
Program revenue:										
Charges for services:										
General government	81	90	50	60	55	415	391	383	416	414
Public safety	2,045	2,429	2,071	2,676	2,790	2,352	3,064	2,658	2,574	2,724
Public works	8	153	1,049	17	87	105	113	89	121	82
Recreation and culture	185	160	146	151	218	325	307	321	338	346
Total charges for services	2,319	2,832	3,316	2,904	3,150	3,197	3,875	3,451	3,449	3,566
Operating grants and contributions	143	104	113	367	475	163	283	175	127	137
Capital grants and contributions	23	59	-	-	-	-	-	-	-	-
Total program revenue	2,485	2,995	3,429	3,271	3,625	3,360	4,158	3,626	3,576	3,703
Excess of expenses over revenue	(14,792)	(15,435)	(14,831)	(13,519)	(13,057)	(14,174)	(14,340)	(13,896)	(15,241)	(16,912)
General revenue:										
Property taxes	12,385	12,964	13,580	13,365	11,981	11,488	11,464	11,710	13,005	13,464
State-shared revenue	2,969	3,469	2,541	2,495	2,819	2,891	2,960	3,085	3,087	3,165
Investment income (loss)	885	548	166	372	184	98	(46)	212	152	128
Franchise fees	643	616	699	802	819	873	822	856	1,021	1,058
Miscellaneous income	53	351	333	277	383	389	533	424	562	694
Total general revenue	16,935	17,948	17,319	17,311	16,186	15,739	15,733	16,287	17,827	18,509
Transfers	(55)	(35)	-	-	-	-	-	-	-	(45)
Change in net position	\$ 2,088	\$ 2,478	\$ 2,488	\$ 3,792	\$ 3,129	\$ 1,565	\$ 1,393	\$ 2,391	\$ 2,586	\$ 1,552

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

	Fiscal Year Ended December 31									
	(in thousands of dollars)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating revenue:										
Sale of water	\$ 3,582	\$ 3,561	\$ 3,288	\$ 3,369	\$ 3,421	\$ 4,055	\$ 4,026	\$ 4,152	\$ 4,104	\$ 5,320
Sewage disposal charge	3,058	3,074	2,931	3,052	2,993	3,479	3,587	3,800	3,833	4,185
Charges for services	850	669	630	956	736	974	1,150	1,061	887	979
Other	74	79	133	196	92	246	433	35	42	26
Total operating revenue	7,564	7,383	6,982	7,573	7,242	8,754	9,196	9,048	8,866	10,510
Operating expense:										
Cost of water produced/purchased	1,682	1,787	1,920	2,033	2,211	2,595	2,518	2,458	2,556	2,505
Cost of sewage treatment	1,505	1,646	1,642	1,455	1,433	1,430	1,855	1,789	2,301	2,393
Other operation and maintenance costs	2,102	2,072	2,230	2,082	2,068	2,278	2,541	2,871	2,959	2,685
Billing and administrative costs	1,174	1,179	1,177	1,167	1,160	1,161	1,076	1,082	1,101	1,160
Depreciation	1,363	1,397	1,480	1,563	1,619	1,654	1,795	1,650	1,680	1,647
Total operating expenses	7,826	8,081	8,449	8,300	8,491	9,118	9,785	9,850	10,597	10,390
Operating income (loss)	(262)	(698)	(1,467)	(727)	(1,249)	(364)	(589)	(802)	(1,731)	120
Nonoperating revenue (expense):										
Investment income	333	209	76	31	9	3	3	4	3	1
Gain (loss) from joint venture	(106)	(286)	(203)	(174)	(158)	179	163	234	(31)	300
Grant revenue	-	-	-	-	-	-	-	569	932	402
Interest expense	(6)	(2)	41	(41)	(32)	(29)	(37)	(12)	(39)	(98)
Total nonoperating revenue (expense)	221	(79)	(86)	(184)	(181)	153	129	795	865	605
Income (loss) – Before capital contributions and transfers	(41)	(777)	(1,553)	(911)	(1,430)	(211)	(460)	(7)	(866)	725
Capital contributions	1,339	2,044	510	150	647	272	418	1,003	195	383
Transfers from other funds	255	35	-	-	-	-	-	-	-	45
Transfers to other funds	(200)	-	-	-	-	-	-	-	-	-
Change in net position	\$ 1,353	\$ 1,302	\$ (1,043)	\$ (761)	\$ (783)	\$ 61	\$ (42)	\$ 996	\$ (671)	\$ 1,153
Change in net position – primary government	\$ 3,441	\$ 3,780	\$ 1,445	\$ 3,031	\$ 2,346	\$ 1,626	\$ 1,351	\$ 3,387	\$ 1,915	\$ 2,705

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

	As of December 31									
	(in thousands of dollars)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Post-GASB No. 54:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 692	\$ 675	\$ 564	\$ 217	\$ 297	\$ 289
Unassigned	-	-	-	-	4,901	5,281	6,280	6,896	7,307	7,137
Pre-GASB No. 54:										
Reserved	4	2	7	442	-	-	-	-	-	-
Unreserved – undesignated	5,228	4,456	3,841	4,805	-	-	-	-	-	-
Total general fund	\$ 5,232	\$ 4,458	\$ 3,848	\$ 5,247	\$ 5,593	\$ 5,956	\$ 6,844	\$ 7,113	\$ 7,604	\$ 7,426
All Other Governmental Funds										
Post-GASB No. 54:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 160	\$ 150	\$ 8	\$ 7	\$ 31	\$ 13
Restricted	-	-	-	-	5,418	5,798	9,840	10,501	8,368	9,744
Assigned	-	-	-	-	993	1,041	1,162	1,170	1,131	1,059
Unassigned	-	-	-	-	(401)	(407)	(349)	(1)	-	-
Pre-GASB No. 54:										
Reserved – Special Revenue Fund	160	309	-	190	-	-	-	-	-	-
Unreserved and undesignated –										
Reported in:										
Special revenue funds	4,945	5,456	6,667	5,834	-	-	-	-	-	-
Debt service funds	34	14	357	329	-	-	-	-	-	-
Total all other governmental funds	\$ 5,139	\$ 5,779	\$ 7,024	\$ 6,353	\$ 6,170	\$ 6,582	\$ 10,661	\$ 11,677	\$ 9,530	\$ 10,816

* 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)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue										
Property taxes	\$ 12,385	\$ 12,965	\$ 13,580	\$ 13,365	\$ 11,981	\$ 11,488	\$ 11,464	\$ 11,710	\$ 13,005	\$ 13,464
Licenses and permits	358	668	248	662	536	618	1,153	841	737	796
Intergovernmental revenue	3,215	3,064	2,718	2,840	3,282	3,021	3,106	3,229	3,226	3,253
Special assessments	90	122	144	339	195	225	238	134	163	121
Charges for services	3,390	2,921	2,923	3,353	3,297	3,363	3,403	3,364	3,434	3,503
Investment income (loss)	885	548	166	372	184	98	(46)	212	152	128
Other	409	1,157	1,229	1,302	1,561	1,514	1,727	1,640	1,902	2,159
Total revenue	20,732	21,445	21,008	22,233	21,036	20,327	21,045	21,130	22,619	23,424
Expenditures										
Current:										
General government	5,052	4,472	4,698	4,505	4,059	5,391	5,030	4,925	5,010	5,373
Public safety	10,391	10,958	10,574	10,250	10,060	9,766	10,172	10,263	10,273	11,380
Public works	290	1,333	269	364	265	511	328	539	287	519
Health and welfare	79	82	84	68	54	62	168	166	161	157
Recreation and culture	1,823	2,285	2,012	1,909	2,257	2,083	1,771	2,185	2,275	2,464
Capital outlay	1,000	1,441	1,769	3,730	2,600	1,224	1,574	1,019	5,852	1,732
Debt service:										
Principal	618	656	655	414	1,333	332	262	516	659	480
Interest	133	317	297	266	244	184	212	232	217	155
Total expenditures	19,386	21,544	20,358	21,506	20,872	19,553	19,517	19,845	24,734	22,260
Excess of revenues over (under) expenditures	1,346	(99)	650	727	164	774	1,528	1,285	(2,115)	1,164
Other financing sources (uses)										
Proceeds from issuance of long-term debt	-	-	-	-	-	-	3,500	-	-	-
Debt issuance costs	-	-	-	-	-	-	(62)	-	-	-
Transfers in	129	276	(651)	(272)	(1,471)	141	137	467	462	190
Transfers out	(184)	(310)	651	272	1,471	(141)	(137)	(467)	(462)	(247)
Sale of capital assets	-	-	-	-	-	-	-	-	459	-
Total other financing sources (uses)	(55)	(34)	-	-	-	-	3,438	-	459	(57)
Net change in fund balance	\$ 1,291	\$ (133)	\$ 650	\$ 727	\$ 164	\$ 774	\$ 4,966	\$ 1,285	\$ (1,656)	\$ 1,107
Debt service as a percentage of noncapital expenditures	4.08%	4.84%	5.12%	3.83%	8.63%	2.82%	2.64%	3.97%	4.64%	3.09%
Capital outlay as a percentage of total expenditures	5.16%	6.69%	8.69%	17.34%	12.46%	6.26%	8.06%	5.13%	23.66%	7.78%

Revenue Capacity

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
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%
2015	1,182,156	426,509	1,608,665	7.84%	3,447,893	46.66%
2016	1,206,787	433,240	1,640,027	7.84%	3,642,106	45.03%

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
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
2015	4.20	0.20	3.44	7.84	15.09	3.81	5.99	13.99	31.99	16.36	34.36	15.59	33.59	12.74	30.74
2016	4.20	0.20	3.44	7.84	15.33	3.81	5.99	13.99	31.99	16.35	34.35	15.58	33.58	12.49	30.49

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	2016 Taxable Value	Percentage of Total	2007 Taxable Value	Percentage of Total	2007 Rank
1	Meridian Mall, LP	\$ 31,029,528	1.89%	\$ 27,169,870	2.47%	2
2	C150 2929 Hannah Lofts, LLC	20,632,512	1.26%	-	0.00%	-
3	Consumers Energy	20,103,943	1.23%	16,699,237	1.48%	3
4	East Lansing I, LLC	13,676,491	0.83%	-	0.00%	-
5	East Lansing Athletic Club, Inc.	9,935,900	0.61%	-	0.00%	-
6	Michigan Properties III, LLC	9,352,514	0.57%	11,009,506	0.68%	5
7	Eyde Companies	9,029,478	0.55%	36,902,796	2.95%	1
8	Brandywine Creek II, LLC	8,276,270	0.50%	8,146,778	0.74%	6
9	ACC OP, LLC	7,734,879	0.47%	-	0.00%	-
10	Club Meridian Louis Eyde, LLC	7,112,647	0.43%	-	0.00%	-

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
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
2014	2015	12,602,616	12,309,015	97.67	14,730	12,323,745	97.79
2015	2016	12,796,999	12,599,883	98.46	10,960	12,610,843	98.55

Source: Charter Township of Meridian Assessor and Treasurer

Debt Capacity

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
General obligation bonds	\$ 500,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000	\$ 3,290,000	\$ 3,080,000	\$ 2,865,000
Installment purchase agreements	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	2,777,947	2,624,463
Total	6,677,740	5,990,085	5,301,878	4,863,650	3,494,726	3,386,280	7,033,821	6,517,384	5,857,947	5,489,463
Business-type Activities										
Installment purchase agreements	56,331	-	912,450	798,600	679,800	556,050	427,350	349,450	1,773,094	5,024,671
Total debt of the government	\$ 6,734,071	\$ 5,990,085	\$ 6,214,328	\$ 5,662,250	\$ 4,174,526	\$ 3,942,330	\$ 7,461,171	\$ 6,866,834	\$ 7,631,041	\$ 10,514,134
Total taxable value (\$000s)	\$ 1,685,853	\$ 1,710,667	\$ 1,713,574	\$ 1,625,442	\$ 1,587,459	\$ 1,555,030	\$ 1,527,453	\$ 1,552,210	\$ 1,608,665	\$ 1,640,027
Debt as a Percentage of Taxable Value	0.40%	0.35%	0.36%	0.35%	0.26%	0.25%	0.49%	0.44%	0.47%	0.64%
Total Population	39,125	39,125	39,125	39,688	39,688	39,688	39,688	39,688	39,688	39,688
Total Debt per Capita	\$ 172	\$ 153	\$ 159	\$ 143	\$ 105	\$ 99	\$ 188	\$ 173	\$ 192	\$ 265

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 (\$000s)	Debt as a Percentage of Actual Taxable Value	Population	Net General Obligation Debt per Capita
2006	\$ 500,000	\$ -	\$ 500,000	\$ 2,163,380	\$ 2,163,380	\$ 1,685,853	0.128	39,125	55
2007	250,000	-	250,000	1,959,082	1,959,082	1,710,667	0.115	39,125	50
2008	-	-	-	1,743,895	1,743,895	1,713,574	0.102	39,125	45
2009	-	-	-	1,518,350	1,518,350	1,625,442	0.093	39,688	38
2010	-	-	-	372,446	372,446	1,587,459	0.023	39,688	9
2011	-	-	-	264,000	264,000	1,555,030	0.017	39,688	7
2012	-	3,500,000	-	225,000	3,725,000	1,527,453	0.244	39,688	94
2013	-	3,290,000	-	184,000	3,474,000	1,552,210	0.224	39,688	88
2015	-	3,080,000	-	-	3,080,000	1,608,665	0.191	39,688	78
2016	-	2,865,000	-	-	2,865,000	1,640,027	0.175	39,688	72

Charter Township of Meridian
 Direct and Overlapping Governmental Activities Debt
 December 31, 2016

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Ingham County	\$ 27,425,896	22.39%	\$ 6,140,658
East Lansing School District	37,858,377	15.07%	5,705,257
Okemos School District	15,947,905	89.31%	14,243,074
Williamston School District	49,816,018	7.73%	3,850,778
Haslett School District	48,231,392	90.12%	43,466,130
Ingham Intermediate School District	1,670,000	19.24%	321,308
Lansing Community College	68,125,000	15.70%	10,695,625
Total overlapping debt			84,422,830
Direct Township debt			5,489,463
Total direct and overlapping debt			<u>\$ 89,912,293</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			
				Principal	Interest			Principal	Interest	Coverage	
2007	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Calculation of Debt Limit										
State equalized valuation	\$ 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	\$ 1,723,946,700	\$ 1,821,053,200
10% of taxable value	197,351,180	194,194,400	186,271,180	171,010,211	165,518,100	159,939,840	156,245,850	160,438,622	172,394,670	182,105,320
Calculation of debt subject to limit										
Total debt	3,665,701	6,914,925	7,190,267	6,625,676	5,014,421	4,770,392	8,273,557	7,637,481	8,330,658	11,298,334
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	2,777,947	2,624,463
Contractual adjustment	2,219,711	1,959,082	1,743,895	1,518,350	372,446	264,000	225,000	241,400	8,200	-
Employee compensated absences	945,990	924,840	975,939	963,426	839,895	828,062	812,386	770,647	699,617	784,200
Total	3,165,701	6,664,925	6,277,817	5,827,076	4,334,621	4,214,342	4,346,207	4,055,431	3,485,764	3,408,663
Net debt subject to limit	\$ 500,000	\$ 250,000	\$ 912,450	\$ 798,600	\$ 679,800	\$ 556,050	\$ 3,927,350	\$ 3,582,050	\$ 4,844,894	\$ 7,889,671
Legal debt margin	\$ 196,851,180	\$ 193,944,400	\$ 185,358,730	\$ 170,211,611	\$ 164,838,300	\$ 159,383,790	\$ 152,318,500	\$ 156,856,572	\$ 167,549,776	\$ 174,215,649
Net debt subject to limit as a percentage debt limit	0.25%	0.13%	0.49%	0.47%	0.41%	0.35%	2.51%	2.23%	2.81%	4.33%

Demographic and Economic Information

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	Calendar 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

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	42.2	43.9	37.6	39.2	38.5	37.8	38.8	37.2	37.3	38.7
Public safety:										
Police	56.5	56.5	54.5	48.5	44.5	44.5	44.5	44.5	44.5	44.5
Fire and EMS	42.0	42.0	41.0	39.6	35.6	34.6	34.6	34.0	34.0	34.0
Community planning and development	13.3	13.3	12.3	11.3	10.8	11.3	11.3	11.3	11.9	11.9
Public works	21.7	22.0	25.3	22.3	23.0	23.0	22.0	22.0	21.0	21.0
Parks and recreation	10.1	10.1	9.8	9.8	9.3	8.8	8.7	10.3	9.7	11.3
Total	185.8	187.8	180.5	170.7	161.7	160.0	159.9	159.3	158.4	161.4

Source: Charter Township of Meridian records

Charter Township of Meridian
Operating Indicators
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Election data:										
Registered voters	29,743	31,204	27,703	27,758	29,128	29,664	28,947	29,099	29,070	31,257
Voters (at polls or absentee)	5,800	22,822	6,310	16,076	3,701	21,640	5,816	16,513	8,791	22,934
Percent voting	19.5%	73.1%	22.8%	57.9%	12.7%	73.0%	20.1%	56.7%	30.2%	73.4%
Police:										
Physical arrests	1,398	1,270	1,259	932	978	975	864	855	765	700
Traffic violations	6,918	5,235	5,528	4,622	3,666	3,789	2,883	2,618	2,366	2,272
Investigations	442	442	493	490	430	305	256	208	234	366
Fire:										
Fire runs	544	605	568	612	532	600	737	714	623	925
Emergency medical runs	3,236	3,169	3,082	3,490	3,711	3,842	3,619	3,683	3,884	4,028
Inspections	323	333	413	233	125	348	312	275	205	158
Water										
Number of customers billed	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	12,310
Total gallons purchased (000s)	1,324,171	1,466,113	1,324,569	1,276,306	1,374,163	1,405,345	1,435,717	1,376,308	1,135,397	1,212,208
Average consumption per year	102	113	102	98	106	108	110	106	87	98
Sewer - Average daily sewage treatment	4,365,867	4,289,151	4,670,226	4,018,086	3,496,729	3,863,859	3,764,964	4,290,875	4,264,226	4,233,669

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (number of officers and sergeants)	41	41	41	39	36	35	36	36	37	35
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)	69.78	69.78	71.00	72.62	72.79	73.30	73.55	73.63	74.50	74.50
Parks and recreation:										
Acreage	904	904	904	904	904	904	904	904	911	911
Mowing acres	241	241	208	208	213	213	213	215	219	215
Developed parks/playgrounds	17	17	17	17	17	17	17	17	22	22
Developed fields (soccer, baseball, etc.)	10	10	10	10	10	10	10	13	14	14
Water										
Mains (miles)	158.00	158.00	163.50	164.00	165.00	165.61	166.18	167.74	168.08	168.08
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	138.00	138.00	142.60	143.00	143.00	146.18	146.34	147.18	147.18	147.35
Township vehicles/equipment	180	163	136	136	136	132	136	136	136	136

Source: Charter Township of Meridian records