

## Memorandum

**To:** The Honorable Members of the Township Board

**From:** Pam Hill, Partner, CPA  
Chris Gilbert, Manager, CPA

**Date:** May 28, 2026

**Re:** Results of 2025 Financial Statement Audit

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Dear Board Members:

The Charter Township of Vienna (the "Township") received an unmodified opinion, often referred to as a "clean" opinion, on the financial statements for the year ended December 31, 2025. This is the highest level of assurance we can provide on the financial statements.

Key highlights of the financial statements are as follows:

### **General Fund**

- The General Fund ended the year with total fund balance of \$7,495,256, of which \$7,418,417 was unassigned.
- The unassigned fund balance represents a strong financial position relative to annual expenditures and provides the Township with flexibility to respond to future needs.
- Property taxes remain the Township's largest revenue source and increased by approximately \$80,000 (5 percent), while state-shared revenue and other state revenue increased by approximately \$42,000 (2.9 percent) compared to the prior year.
- Overall, the General Fund showed a positive change in fund balance of approximately \$1.2 million during the year.

### **Sewer and Water Funds**

- The operating income on the statement of revenue, expenses, and changes in net position identifies whether the Township is charging residents fees that are sufficient to cover the full cost of providing the services to the residents (including depreciation and other noncash items).
- For 2025, the Sewer Fund reported operating income of approximately \$234,000 (\$343,000 when backing out depreciation expense), and the Water Fund reported operating income of approximately \$26,000 (\$99,000 when backing out depreciation expense).
- The overall increase in net position for the Sewer Fund was approximately \$358,000, and the overall increase in net position for the Water Fund was approximately \$154,000.
- Both funds are in good financial health; however, the Township should continue to evaluate rates to ensure that current rates are sufficient to cover operating costs while also providing for future capital needs for the Sewer and Water funds.

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***Legacy Costs***

- The Township has a defined benefit pension plan through MERS, which is measured on a one-year lag from the balance sheet date. As of the fiscal year ended December 31, 2025 (December 31, 2024 measurement date), the Township had a net pension liability of \$311,479, and the plan was approximately 86 percent funded. The Township has been contributing more than the actuarially determined contribution amount over the past several years to help fund this liability.
- The Township has a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions for certain retirees. As of the fiscal year ended December 31, 2025, the Township had a net OPEB liability of \$547,520, and the plan was approximately 70 percent funded. The Township has been contributing more than the actuarially determined contribution amount over the past several years to address the underfunded status of this plan.
- These balances represent a snapshot in time based on actuarial assumptions and measurement dates and can fluctuate from year to year; however, both plans have shown improvement in funding levels compared to the prior year, driven by continued contributions exceeding actuarially determined amounts and favorable investment market performance.

If you have any questions, feel free to contact any member of your audit team, including Pam (810-766-6022) and Chris (810-766-6008).