

**CHARTER TOWNSHIP OF YPSILANTI
Washtenaw County, Michigan**

AUDITED FINANCIAL REPORT

**For the Fiscal Year Ended
December 31, 2019**

CHARTER TOWNSHIP OF YPSILANTI
For the Year Ended December 31, 2019

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Independent Auditor's Report

June 19, 2020

To the Board of Trustees
Charter Township of Ypsilanti, Michigan

Report on the Financial Statements

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 Ypsilanti, Michigan, as of and for the year ended December 31, 2019, 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.

Auditor's 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 of 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 Ypsilanti, Michigan, as of December 31, 2019, 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

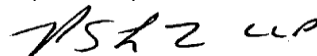
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension trend information, and the major fund budgetary comparison 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 Ypsilanti, Michigan's basic financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling information directly to underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully,

A handwritten signature in black ink, appearing to read "PSLZ LLP", is written over the printed name.

PSLZ LLP
Certified Public Accountants
Plymouth, Michigan

Management's Discussion and Analysis

As management of the Charter Township of Ypsilanti, we offer readers of the Charter Township of Ypsilanti's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Ypsilanti for the fiscal year ended December 31, 2019.

Financial Highlights

- The assets of the Charter Township of Ypsilanti exceeded its liabilities at the close of the most recent fiscal year by \$22,339,622 (*net position*).
- As of the close of the current fiscal year, the Charter Township of Ypsilanti's governmental funds reported combined ending fund balances of \$14,406,232, an increase of \$1,314,447 in comparison with the prior year. Approximately 44 percent of this amount, \$6,375,480 is *available for spending* at the government's discretion (*unrestricted fund balance*).
- The Charter Township of Ypsilanti's total long-term bonded debt decreased by \$1,495,000 during the current fiscal year, which reflects annual debt service payments made.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Charter Township of Ypsilanti's basic financial statements. The Charter Township of Ypsilanti's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Charter Township of Ypsilanti's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Charter Township of Ypsilanti's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Charter Township of Ypsilanti is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Charter Township of Ypsilanti that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Charter Township of Ypsilanti include general government, public safety, public works, community and economic development, and recreation and culture. The business-type activities of the Charter Township of Ypsilanti include the golf course and the compost center.

The government-wide financial statements include not only the Charter Township of Ypsilanti (the primary government), but also the Local Development Finance Authority and the Ypsilanti Township Economic Development Corporation which are separate legal entities for which the Charter Township of Ypsilanti is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 11-13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter Township of Ypsilanti, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Charter Township of Ypsilanti can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Charter Township of Ypsilanti maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Department Fund, Environmental Services Fund, and the Law Enforcement Fund all of which are considered to be major funds. Data from the other governmental funds are combined into aggregated presentations by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

A budgetary comparison statement has been provided for the major budgetary funds to demonstrate compliance with the annual appropriated budget.

Proprietary funds. The Charter Township of Ypsilanti maintains three proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Charter Township of Ypsilanti uses enterprise funds to account for its Golf Course and its Compost Center. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the Charter Township of Ypsilanti's various functions. The Township uses an internal service fund to account for its fleet of vehicles. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Golf Course and Compost Center both of which are considered to be nonmajor funds of the Charter Township of Ypsilanti.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Charter Township of Ypsilanti's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 70-80 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Charter Township of Ypsilanti, assets exceeded liabilities by \$22,339,622 at the close of the most recent fiscal year.

A significant portion of the Charter Township of Ypsilanti's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Charter Township of Ypsilanti used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Charter Township of Ypsilanti's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Charter Township of Ypsilanti's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 39,169,851	\$ 36,822,347	\$ 971,136	\$ 934,323	\$ 40,140,987	\$ 37,756,670
Capital Assets	39,848,557	39,687,544	3,055,661	3,040,549	42,904,218	42,728,093
Total Assets	<u>79,018,408</u>	<u>76,509,891</u>	<u>4,026,797</u>	<u>3,974,872</u>	<u>83,045,205</u>	<u>80,484,763</u>
Deferred Outflows	<u>4,139,631</u>	<u>5,987,944</u>	<u>-</u>	<u>-</u>	<u>4,139,631</u>	<u>5,987,944</u>
Long-term Liabilities						
Outstanding	39,141,110	34,489,501	14,967	9,264	39,156,077	34,498,765
Other Liabilities	2,443,190	2,990,220	21,387	20,990	2,464,577	3,011,210
Total Liabilities	<u>41,584,300</u>	<u>37,479,721</u>	<u>36,354</u>	<u>30,254</u>	<u>41,620,654</u>	<u>37,509,975</u>
Deferred Inflows	<u>23,224,560</u>	<u>21,410,959</u>	<u>-</u>	<u>-</u>	<u>23,224,560</u>	<u>21,410,959</u>
Net Position:						
Net Investment						
in Capital Assets	35,978,557	35,037,544	3,055,661	3,040,549	39,034,218	38,078,093
Restricted	7,464,059	6,445,628	-	-	7,464,059	6,445,628
Unrestricted(Deficit)	<u>(25,093,437)</u>	<u>(17,876,017)</u>	<u>934,782</u>	<u>904,069</u>	<u>(24,158,655)</u>	<u>(16,971,948)</u>
Total Net Position	<u>\$ 18,349,179</u>	<u>\$ 23,607,155</u>	<u>\$ 3,990,443</u>	<u>\$ 3,944,618</u>	<u>\$ 22,339,622</u>	<u>\$ 27,551,773</u>

An additional portion of the Charter Township of Ypsilanti's net position (33 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the Charter Township of Ypsilanti governmental net position decreased by \$5,257,976 during the current fiscal year and the business-type net position increased by \$45,825, as presented:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for Services	\$ 4,405,991	\$ 4,914,923	\$ 1,215,671	\$ 954,734	\$ 5,621,662	\$ 5,869,657
Operating Grants & Contrib.	525,665	362,279	-	-	525,665	362,279
Capital Grants & Contrib.	593,522	29,015	-	-	593,522	29,015
General Revenues:						
Property Taxes	19,908,413	17,903,046	-	-	19,908,413	17,903,046
State Shared Revenues	5,196,506	5,004,151	-	-	5,196,506	5,004,151
Franchise Fees	711,093	731,923	-	-	711,093	731,923
Investment Earnings	456,330	273,596	18,093	12,363	474,423	285,959
Total Revenues	<u>31,797,520</u>	<u>29,218,933</u>	<u>1,233,764</u>	<u>967,097</u>	<u>33,031,284</u>	<u>30,186,030</u>
Program Expenses:						
General Government	10,485,985	6,164,799	-	-	10,485,985	6,164,799
Public Safety	17,470,041	14,895,250	-	-	17,470,041	14,895,250
Public Works	5,032,583	4,413,019	-	-	5,032,583	4,413,019
Comm. and Econ. Dev.	1,405,937	1,420,305	-	-	1,405,937	1,420,305
Recreation and Cultural	2,429,410	1,819,650	-	-	2,429,410	1,819,650
Interest on Long-Term Debt	106,540	129,252	-	-	106,540	129,252
Golf Course	-	-	735,880	698,707	735,880	698,707
Compost	-	-	577,059	500,745	577,059	500,745
Total Expenses	<u>36,930,496</u>	<u>28,842,275</u>	<u>1,312,939</u>	<u>1,199,452</u>	<u>38,243,435</u>	<u>30,041,727</u>
Excess(Deficiency) before transfers	(5,132,976)	376,658	(79,175)	(232,355)	(5,212,151)	144,303
Transfers in (out)	<u>(125,000)</u>	<u>(190,000)</u>	<u>125,000</u>	<u>190,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	(5,257,976)	186,658	45,825	(42,355)	(5,212,151)	144,303
Net Position, Beg. of year	<u>23,607,155</u>	<u>23,420,497</u>	<u>3,944,618</u>	<u>3,986,973</u>	<u>27,551,773</u>	<u>27,407,470</u>
Net Position, End of year	<u>\$ 18,349,179</u>	<u>\$ 23,607,155</u>	<u>\$ 3,990,443</u>	<u>\$ 3,944,618</u>	<u>\$ 22,339,622</u>	<u>\$ 27,551,773</u>

Governmental activities. Property tax revenues increased from \$17,903,046 to \$19,908,413, an increase of \$2,005,367. This was due to the overall taxable value increase from the 2017 tax roll to the 2018 tax roll of 6.61%. The taxes levied in 2018 are the revenues for 2019. State shared revenue is \$5,196,506 for the current period, an increase of \$192,355 or 3.8% from the prior year.

Capital Grants and Contributions were \$593,522 in the current year, as compared to \$29,015 in the prior year. The current year includes a \$311,598 Washtenaw County Connecting grant, \$158,780 in federal grants, \$64,683 County grants, \$40,000 local School contribution for pathway, and \$18,461 State grant.

Business-type activities. This represents the municipal-owned Green Oaks Golf Course and the Township Compost Center. The General Operations Fund transferred \$1250,000 to Green Oaks Golf Course during the current year for operations. This was a decrease from the prior year's transfer of \$190,000. Fee revenues increased from \$485,381 in the prior year to \$570,304 in the current year.

The Compost Fund had an increase in net position from \$1,868,911 in 2018 to \$1,939,952 in 2019. Revenue for services also increased from \$463,205 in 2018 to \$591,676.

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Charter Township of Ypsilanti's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing The Charter Township of Ypsilanti's financing requirements and may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Charter Township of Ypsilanti's governmental funds reported combined ending fund balances of \$14,406,232, an increase of \$1,314,447 in comparison with the prior year. The *unrestricted fund balance*, which is the amount available for spending at the government's discretion, represents 44% of the total fund balance. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed to uphold contracts or bond agreements.

The General Fund is the chief operating fund of the Charter Township of Ypsilanti. The unassigned fund balance at the end of the current fiscal year was \$2,801,886. The General Fund's fund balance increased by \$300,036 in the current fiscal year as compared to a decrease of \$308,029 in the prior year. The 2019 capital improvements and debt expenditures are as follows: \$447,903 for road improvements and calming devices, \$483,074 for the purchase of a fire truck to be paid back in 2020 by the Fire Capital Fund, \$37,060 for LED conversion and installation of street lights, \$19,632 for the Neighborhood Camera Systems, \$268,516 roof improvements and HV upgrade, \$118,962 for technology improvements, \$321,000 transferred to the BSRll Fund for a portion of the principal and interest payment of the Road Improvement bond. Total expenditures (not including the transferred amounts) increased from \$8,349,000 in the prior year to \$8,933,621 in the current year.

Proprietary funds. The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds comprised of the Enterprise Funds (the Golf Course and the Compost Site) was \$934,782 and the Internal Service Fund (Motor Pool) was \$264,543 at the end of the year. Other factors concerning the finances of this fund have already been addressed in the discussion of the Charter Township of Ypsilanti's business-type activities.

General Fund Budgetary Highlights

There is a difference between the beginning and final budgets which represent an increase in budgeted expenditures of \$2,123,785. The amount requested by budget

amendments approved by the Board from prior year fund balance was only \$1,768,270; the remaining \$355,515 had grant reimbursements. No funds had to be drawn from the approved budget amendments from prior year's fund balance at the end of the fiscal year. This was due to the positive net change in fund balance of \$300,036. Here is a summary of the Board approved budget amendments to the General Fund. The budget amendment increases include a total of \$1,966,869 for capital improvements as follows: \$500,000 for a fire truck; \$954,053 for Roads, Calming Devices and Streetlights; \$246,434 for Equipment and Software; and \$306,682 Building & Ground Improvements. A total of \$116,616 for other non-capital amendments as follows: \$50,000 for legal services for nuisance abatement, prosecution and domestic violence; \$46,616 for wage and fringe benefit coverage changes; and \$20,000 for planning consultant.

Capital Asset and Debt Administration

Capital assets. The Charter Township of Ypsilanti's investment in capital assets for its governmental and business type activities as of December 31, 2019, amounts to \$42,904,218 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and system improvements, machinery and equipment, infrastructure, park facilities, and roads and streets. New assets total \$3,057,134 with depreciation expense of \$2,880,819, resulting in a net increase of \$176,125. Disposal of obsolete assets for 2019 was \$426,645. Major capital assets constructed or acquired during the year were:

Road improvements & Streetlights	\$ 484,963
Building Improvements	\$ 347,978
Computer & Communication Equipment	\$ 144,816
Vehicles – Fire Trucks	\$1,006,073
Equipment	\$ 365,321
Infrastructure	\$ 375,269
Vehicles – Non Motor Pool	\$ 48,003
Vehicles & Equipment – Motor Pool	\$ 20,740
Vehicles & Heavy Equipment – Compost	\$ 258,051
Equipment – Golf Course	\$ 5,920

Long-term debt. At the end of the current fiscal year, the Charter Township of Ypsilanti had long term indebtedness outstanding of \$5,200,807. This represents \$2,070,000 of a general obligation bond, \$1,800,000 of transportation notes payable, and \$1,330,807 of compensated absences. All of the Charter Township of Ypsilanti's debt represents general obligation debt backed by the full faith and credit of the Charter Township of Ypsilanti. The Township reduced the amount of notes and bonded debt in 2019 by \$780,000 as a result of annual debt service payments. Additional information on the Charter Township of Ypsilanti's long-term debt can be found in note III. E. on page 41 of this report.

Economic Factors and Next Year's Budgets and Rates

The uncertain economic factors related to the COVID-19 Pandemic will adversely affect the Township's State Shared Revenue. The projected constitutional share for 2020 is \$4,508,574 and 2021 is \$4,295,432 which is a percentage change decrease of 4.7%. These projected numbers were last updated by the State on May 15, 2020 and could change as more data is received. The rates are based on the sales tax collected by the State. We are currently anticipating a loss of 1 million for 2020 into 2021 and this is higher than currently projected, however we would like to be ultra conservative. The CVTRS (City, Village, Township, and Revenue Share) Program is projected to increase in 2020 from \$521,985 to \$535,035 in 2021.

According to the United States Department of Labor, Bureau of Labor Statistics, the annual average unemployment rate for the State of Michigan from December 2019 to April 2020 has risen from 3.9 to 24.0, respectively. The unemployment rate for the Ann Arbor, Michigan Metropolitan area for the same period as above increased from 2.1 to 14.9.

The Constitutional and City, Village, and Township Revenue Sharing (CVTRS) State shared revenue percentage change from 2018 to 2019 shows an increase of 4.9% and the projected percentage change increase from 2019 to 2020 shows an increase of 3.2%.

The Township's taxable values minus Renaissance Zone for 2018 at \$1,275,187,218 (2019 revenue); for 2019 at \$1,380,345,266 (2020 revenue); and for 2020 at \$1,421,901,034 (2021 revenue) shows an increased percentage change of 8.2% from 2018 to 2019 and 3.1% from 2019 to 2020. There is a Headlee Millage Reduction Fraction of .9899 for 2019 and .9972 for 2020 taxable values, which lowers the Township millage rates to be collected in the 2020 and 2021 revenues. The exception will be the Pension PA345 millage rate.

The Township has adopted a balanced budget in the General Fund for 2020.

Requests for Information

This financial report is designed to provide a general overview of the Charter Township of Ypsilanti's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Supervisor, 7200 South Huron River Drive, Ypsilanti, MI 48197.

BASIC FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF YPSILANTI**Statement of Net Position****December 31, 2019**

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
<u>ASSETS</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 13,778,240	\$ 938,397	\$ 14,716,637	\$ 97,611
Receivables, net	25,031,119	11,526	25,042,645	246,751
Inventories	8,815	8,765	17,580	-
Prepaid Expenditures	351,677	12,448	364,125	-
Total Current Assets	39,169,851	971,136	40,140,987	344,362
Noncurrent Assets:				
Capital Assets Not Being Depreciated	9,623,049	1,277,618	10,900,667	-
Capital Assets Being Depreciated, Net	30,225,508	1,778,043	32,003,551	-
Total Noncurrent Assets	39,848,557	3,055,661	42,904,218	-
TOTAL ASSETS	79,018,408	4,026,797	83,045,205	344,362
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Outflows related to Pensions	4,139,631	-	4,139,631	-
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	956,314	13,962	970,276	-
Accrued Liabilities	472,594	7,425	480,019	18,680
Due to Other Governmental Units	105,198	-	105,198	-
Unearned Revenue	909,084	-	909,084	-
Current Portion of Compensated Absences	221,801	-	221,801	-
Current Portion of Long-term Debt	785,000	-	785,000	-
Total Current Liabilities	3,449,991	21,387	3,471,378	18,680
Noncurrent Liabilities:				
Net Pension Liability	18,055,655	-	18,055,655	-
Net OPEB Liability	15,884,648	-	15,884,648	-
Noncurrent Portion of Compensated Absences	1,109,006	14,967	1,123,973	-
Noncurrent Portion of Long-term Debt	3,085,000	-	3,085,000	-
Total Noncurrent Liabilities	38,134,309	14,967	38,149,276	-
TOTAL LIABILITIES	41,584,300	36,354	41,620,654	18,680
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows related to Pensions	1,073,589	-	1,073,589	-
Property Taxes Levied for the following year	22,150,971	-	22,150,971	246,751
TOTAL DEFERRED INFLOWS	23,224,560	-	23,224,560	246,751
<u>NET POSITION</u>				
Net Investment in Capital Assets	35,978,557	3,055,661	39,034,218	-
Restricted	7,464,059	-	7,464,059	-
Unrestricted	(25,093,437)	934,782	(24,158,655)	78,931
TOTAL NET POSITION	\$ 18,349,179	\$ 3,990,443	\$ 22,339,622	\$ 78,931

CHARTER TOWNSHIP OF YPSILANTI
Statement of Activities
For the Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 10,485,985	\$ 1,968,522	\$ 221,514	\$ 154,280
Public Safety	17,470,041	1,418,083	22,615	-
Public Works	5,032,583	701,823	52,241	423,242
Community and Economic Development	1,405,937	17,476	225,270	-
Recreation and Cultural	2,429,410	300,087	4,025	16,000
Interest Expense	106,540	-	-	-
Total Governmental Activities	<u>36,930,496</u>	<u>4,405,991</u>	<u>525,665</u>	<u>593,522</u>
Business-type Activities:				
Golf Course	735,880	583,498	-	-
Compost	577,059	632,173	-	-
Total Business-type Activities	<u>1,312,939</u>	<u>1,215,671</u>	<u>-</u>	<u>-</u>
Total Primary Government	\$ <u>38,243,435</u>	\$ <u>5,621,662</u>	\$ <u>525,665</u>	\$ <u>593,522</u>
Component Units:				
Local Development Finance Authority	225,270	-	-	-
Economic Development Corp	-	-	-	-
Total Component Units	\$ <u>225,270</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

General Revenues:
Property Taxes
State Shared Revenue
Franchise Fees
Investment Earnings
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (8,141,669)	\$ -	\$ (8,141,669)	\$ -
(16,029,343)	-	(16,029,343)	-
(3,855,277)	-	(3,855,277)	-
(1,163,191)	-	(1,163,191)	-
(2,109,298)	-	(2,109,298)	-
(106,540)	-	(106,540)	-
<u>(31,405,318)</u>	<u>-</u>	<u>(31,405,318)</u>	<u>-</u>
-	(152,382)	(152,382)	-
-	55,114	55,114	-
-	<u>(97,268)</u>	<u>(97,268)</u>	<u>-</u>
<u>(31,405,318)</u>	<u>(97,268)</u>	<u>(31,502,586)</u>	<u>-</u>
-	-	-	(225,270)
-	-	-	-
-	-	-	<u>(225,270)</u>
19,908,413	-	19,908,413	231,126
5,196,506	-	5,196,506	-
711,093	-	711,093	-
456,330	18,093	474,423	2,792
(125,000)	125,000	-	-
<u>26,147,342</u>	<u>143,093</u>	<u>26,290,435</u>	<u>233,918</u>
(5,257,976)	45,825	(5,212,151)	8,648
<u>23,607,155</u>	<u>3,944,618</u>	<u>27,551,773</u>	<u>70,283</u>
\$ <u>18,349,179</u>	\$ <u>3,990,443</u>	\$ <u>22,339,622</u>	\$ <u>78,931</u>

CHARTER TOWNSHIP OF YPSILANTI**Balance Sheet****Governmental Funds****December 31, 2019**

	General Fund	Fire Department Fund	Environmental Services Fund	Law Enforcement Fund
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 5,935,132	\$ 53,713	\$ 1,294,431	\$ 2,847,519
Receivables:				
Accounts	1,128,299	719,345	-	-
Taxes	2,151,096	6,736,752	2,911,802	8,039,796
Special Assessments	1,772,554	-	-	66,628
Advance to Other Funds	215,215	-	-	-
Prepaid Expenditures	155,107	128,618	9,346	13,875
Total Assets	<u>\$ 11,357,403</u>	<u>\$ 7,638,428</u>	<u>\$ 4,215,579</u>	<u>\$ 10,967,818</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 443,794	\$ 15,946	\$ 186,943	\$ 209,447
Accrued Liabilities	113,293	57,568	8,115	48,052
Due to Other Governmental Units	17,433	-	-	-
Unearned Revenue	1,000,207	-	-	-
Total Liabilities	<u>1,574,727</u>	<u>73,514</u>	<u>195,058</u>	<u>257,499</u>
Deferred Inflows of Resources:				
Property Taxes Levied for the following year	<u>3,036,874</u>	<u>6,736,754</u>	<u>2,911,802</u>	<u>8,106,425</u>
Fund Balances:				
Nonspendable	370,322	128,618	9,346	13,875
Restricted	-	699,542	1,099,373	2,590,019
Assigned	3,573,594	-	-	-
Unassigned	2,801,886	-	-	-
Total Fund Balances	<u>6,745,802</u>	<u>828,160</u>	<u>1,108,719</u>	<u>2,603,894</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,357,403</u>	<u>\$ 7,638,428</u>	<u>\$ 4,215,579</u>	<u>\$ 10,967,818</u>

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, therefore, are not reported in the funds.

Internal Service Funds are used by management to charge the costs of motor pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Long-term receivables (unearned revenue) are not available to pay for current period expenditures and therefore deferred in the funds.

Net Deferred Outflows and Inflows related to Pensions

Net Pension Liabilities are not reported in the funds

Net OPEB Liabilities are not reported in the funds

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net Position of Governmental Activities

Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,390,767	\$ 13,521,562
126,401	1,974,045
1,359,116	21,198,562
19,330	1,858,512
-	215,215
<u>44,532</u>	<u>351,478</u>
\$ <u>4,940,146</u>	\$ <u>39,119,374</u>

\$ 99,260	\$ 955,390
245,341	472,369
87,765	105,198
<u>29,007</u>	<u>1,029,214</u>
<u>461,373</u>	<u>2,562,171</u>

<u>1,359,116</u>	<u>22,150,971</u>
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44,532	566,693
3,075,125	7,464,059
-	3,573,594
<u>-</u>	<u>2,801,886</u>
<u>3,119,657</u>	<u>14,406,232</u>

\$ 4,940,146

39,143,185

754,700

120,130
3,066,042
(18,055,655)
(15,884,648)

(5,200,807)

\$ 18,349,179

CHARTER TOWNSHIP OF YPSILANTI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Fire Department Fund	Environmental Services Fund	Law Enforcement Fund
<u>Revenues</u>				
Property Taxes	\$ 2,239,575	\$ 5,646,192	\$ 2,694,185	\$ 7,449,013
Licenses and Permits	17,423	-	-	-
Intergovernmental	5,403,903	-	-	22,615
Charges for Services	445,724	1,945	11,225	1,150
Franchise Fees	711,093	-	-	-
Interest and Rent	457,236	42,290	23,053	86,084
Other	182,838	10,606	10,542	59,687
Total Revenues	<u>9,457,792</u>	<u>5,701,033</u>	<u>2,739,005</u>	<u>7,618,549</u>
<u>Expenditures</u>				
Current:				
General Government	4,539,728	-	-	-
Public Safety	-	5,459,585	-	7,104,741
Public Works	732,482	-	2,810,630	-
Community and Economic Development	1,405,937	-	-	-
Recreation and Cultural	750,571	-	-	-
Other	715,340	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fees	-	-	-	-
Capital Outlay	789,563	-	61,597	-
Total Expenditures	<u>8,933,621</u>	<u>5,459,585</u>	<u>2,872,227</u>	<u>7,104,741</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>524,171</u>	<u>241,448</u>	<u>(133,222)</u>	<u>513,808</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	181,865	-	-	-
Transfers Out	(406,000)	-	-	(181,865)
Total Other Financing Sources (Uses)	<u>(224,135)</u>	<u>-</u>	<u>-</u>	<u>(181,865)</u>
Net Change in Fund Balances	300,036	241,448	(133,222)	331,943
Fund Balances - Beginning	<u>6,445,766</u>	<u>586,712</u>	<u>1,241,941</u>	<u>2,271,951</u>
Fund Balances - Ending	\$ <u><u>6,745,802</u></u>	\$ <u><u>828,160</u></u>	\$ <u><u>1,108,719</u></u>	\$ <u><u>2,603,894</u></u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,879,448	\$ 19,908,413
921,870	939,293
791,206	6,217,724
2,607,768	3,067,812
-	711,093
63,885	672,548
13,115	276,788
<u>6,277,292</u>	<u>31,793,671</u>
1,659,320	6,199,048
1,073,524	13,637,850
394,149	3,937,261
-	1,405,937
933,611	1,684,182
-	715,340
780,000	780,000
106,540	106,540
<u>1,036,906</u>	<u>1,888,066</u>
<u>5,984,050</u>	<u>30,354,224</u>
<u>293,242</u>	<u>1,439,447</u>
881,000	1,062,865
<u>(600,000)</u>	<u>(1,187,865)</u>
<u>281,000</u>	<u>(125,000)</u>
574,242	1,314,447
<u>2,545,415</u>	<u>13,091,785</u>
\$ <u><u>3,119,657</u></u>	\$ <u><u>14,406,232</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	1,314,447
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital Outlay	1,888,066
Capital Outlay within departments	884,167
Depreciation	(2,493,966)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments	780,000
Increase in Compensated Absences	(73,768)

Change in Net Pension Liability	(6,403,223)
Change in Net OPEB Liability	(1,170,617)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(24,123)
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Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

41,041

Change in net position in governmental activities	\$	<u><u>(5,257,976)</u></u>
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CHARTER TOWNSHIP OF YPSILANTI**Statement of Net Position****Proprietary Funds****December 31, 2019**

	Business Type Activity Enterprise Fund			Governmental Activities - Internal Service Fund Motor Pool
	Golf Course	Compost	Total	
<u>ASSETS</u>				
Current Assets				
Cash and Cash Equivalents	\$ 133,267	\$ 805,130	\$ 938,397	\$ 256,678
Accounts Receivable	-	11,526	11,526	-
Inventory	8,765	-	8,765	8,815
Prepaid Expense	7,988	4,460	12,448	199
Total Current Assets	150,020	821,116	971,136	265,692
Noncurrent Assets				
Capital Assets not Being Depreciated	1,277,618	-	1,277,618	-
Capital Assets, net of Accumulated Depreciation	637,284	1,140,759	1,778,043	705,372
Total Noncurrent Assets	1,914,902	1,140,759	3,055,661	705,372
Total Assets	\$ 2,064,922	\$ 1,961,875	\$ 4,026,797	\$ 971,064
<u>LIABILITIES AND NET POSITION</u>				
Current Liabilities:				
Accounts Payable	\$ 9,847	\$ 4,115	\$ 13,962	\$ 924
Accrued Liabilities	4,182	3,243	7,425	225
Total Current Liabilities	14,029	7,358	21,387	1,149
Noncurrent Liabilities:				
Compensated Absences	402	14,565	14,967	-
Advance from Other Funds	-	-	-	215,215
Total Noncurrent Liabilities	402	14,565	14,967	215,215
Total Liabilities	14,431	21,923	36,354	216,364
Net Position:				
Net Investment in Capital Assets	1,914,902	1,140,759	3,055,661	490,157
Unrestricted	135,589	799,193	934,782	264,543
Total Net Position	2,050,491	1,939,952	3,990,443	754,700
Total Liabilities and Net Position	\$ 2,064,922	\$ 1,961,875	\$ 4,026,797	\$ 971,064

CHARTER TOWNSHIP OF YPSILANTI
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business Type Activity Enterprise Fund			Governmental Activities - Internal Service Fund Motor Pool
	Golf Course	Compost	Total	
<u>Operating Revenues:</u>				
Charges for Services	\$ 570,304	\$ 631,676	\$ 1,201,980	\$ 264,319
Other Income	13,194	497	13,691	635
Total Operating Revenues	583,498	632,173	1,215,671	264,954
<u>Operating Expenses:</u>				
Salaries and Wages	284,818	192,044	476,862	11,388
Fringe Benefits	124,239	89,906	214,145	4,135
Fuel and Utilities	36,897	25,612	62,509	34,109
Operating Supplies	127,616	4,583	132,199	1,382
Contractual Services	3,262	42,208	45,470	38,754
Insurance	12,245	6,055	18,300	-
Repairs and Maintenance	45,449	29,663	75,112	-
Administrative	18,220	9,251	27,471	-
Other	11,763	249	12,012	-
Depreciation	71,371	177,488	248,859	137,994
Total Operating Expenses	735,880	577,059	1,312,939	227,762
Operating Income (Loss)	(152,382)	55,114	(97,268)	37,192
<u>Non-Operating Revenues (Expenses):</u>				
Interest Earned	2,166	15,927	18,093	3,849
Net Income (Loss) before Transfers	(150,216)	71,041	(79,175)	41,041
<u>Operating Transfers:</u>				
Operating Transfers In	125,000	-	125,000	-
Change in Net Position	(25,216)	71,041	45,825	41,041
Net Position, Beginning	2,075,707	1,868,911	3,944,618	713,659
Net Position, Ending	\$ 2,050,491	\$ 1,939,952	\$ 3,990,443	\$ 754,700

CHARTER TOWNSHIP OF YPSILANTI**Statement of Cash Flows****Proprietary Funds****For the Year December 31, 2019**

	Business Type Activity Enterprise Fund			Governmental Activities - Internal Service Funds
	Golf Course	Compost	Total	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers and users	\$ 583,498	\$ 639,291	\$ 1,222,789	\$ 264,954
Payments to suppliers	(248,583)	(121,016)	(369,599)	(79,628)
Payments to employees	(408,476)	(276,649)	(685,125)	(15,495)
Net Cash Provided by Operating Activities	(73,561)	241,626	168,065	169,831
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchases of Capital Assets	(5,920)	(258,051)	(263,971)	(20,740)
Operating Transfer In	125,000	-	125,000	-
Long Term Advance-General Fund	-	-	-	(60,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	119,080	(258,051)	(138,971)	(80,740)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Earned	2,166	15,927	18,093	3,849
Net Cash Provided (Used) by Investing Activities	2,166	15,927	18,093	3,849
Net Increase (Decrease) in Cash and Cash Equivalents	47,685	(498)	47,187	92,940
Cash and Cash Equivalents, Beginning	85,582	805,628	891,210	163,738
Cash and Cash Equivalents, Ending	\$ 133,267	\$ 805,130	\$ 938,397	\$ 256,678
<u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$ (152,382)	\$ 55,114	(97,268)	37,192
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization Expense	71,371	177,488	248,859	137,994
(Increase) Decrease in Receivables	-	7,118	7,118	-
(Increase) Decrease in Inventory	3,039	-	3,039	(1,351)
(Increase) Decrease in Prepaid Expenses	92	125	217	(5)
Increase (Decrease) in Accounts Payable	3,738	(3,411)	327	(4,027)
Increase (Decrease) in Accrued Liabilities	179	(109)	70	28
Increase (Decrease) in Compensated Absences	402	5,301	5,703	-
Net Cash Provided by Operating Activities	\$ (73,561)	\$ 241,626	\$ 168,065	\$ 169,831

CHARTER TOWNSHIP OF YPSILANTI

Statement of Net Position

Fiduciary Funds

December 31, 2019

	<u>Pension and Employee Benefit Trusts</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,332,647	\$ 16,757,458
Investments	43,241,403	-
Accrued Interest	62,940	-
Due from Fire Healthcare Trust fund	18,000	-
Due from Individuals and Agencies	-	1,149
	<u>-</u>	<u>1,149</u>
Total Assets	\$ <u>44,654,990</u>	\$ <u>16,758,607</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,222,456	\$ -
Due to Other Governmental Units	-	15,415,095
Due to Fire Pension Trust Fund	18,000	-
Due to Individuals and Agencies	-	1,343,512
	<u>-</u>	<u>1,343,512</u>
Total Liabilities	1,240,456	16,758,607
<u>NET POSITION</u>		
Held in Trust For Pension and Employee Benefits	<u>43,414,534</u>	<u>-</u>
Total Liabilities and Net Position	\$ <u>44,654,990</u>	\$ <u>16,758,607</u>

CHARTER TOWNSHIP OF YPSILANTI
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2019

	Pension and Employee Benefit Trusts
<u>ADDITIONS</u>	
Investment Income	
Interest and Dividends	\$ 954,681
Net Appreciation (Depreciation) in Fair Value of Investments	5,592,774
Contributions:	
Employer	2,430,578
Employee	146,579
Other	23,617
	<hr/>
Total Additions	9,148,229
	<hr/>
<u>DEDUCTIONS</u>	
Benefits Paid	2,187,399
Retirees Insurance	1,195,457
Administrative Costs	180,406
	<hr/>
Total Deductions	3,563,262
	<hr/>
Change in Net Position	5,584,967
Net Position, Beginning of the Year	37,829,567
	<hr/>
Net Position, End of the Year	\$ 43,414,534
	<hr/> <hr/>

CHARTER TOWNSHIP OF YPSILANTI
Combining Statement of Net Position
Component Units
For the Year Ended December 31, 2019

	Local Development Finance Authority Fund	Economic Development Corporation	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 27,399	70,212	\$ 97,611
Taxes Receivable	246,751	-	246,751
Total Assets	<u>274,150</u>	<u>70,212</u>	<u>344,362</u>
<u>LIABILITIES</u>			
Accrued Liabilities	<u>18,680</u>	-	<u>18,680</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Taxes Levied for the following year	<u>246,751</u>	-	<u>246,751</u>
<u>NET POSITION</u>			
Unrestricted	\$ <u>8,719</u>	\$ <u>70,212</u>	\$ <u>78,931</u>

CHARTER TOWNSHIP OF YPSILANTI
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2019

	Local Development Finance Authority Fund	Economic Development Corporation	Total
<u>Program Expenses:</u>			
Local Development Finance Authority	\$ 225,270	\$ -	\$ 225,270
Economic Development Corporation	-	-	-
Total Program Expenses	<u>225,270</u>	<u>-</u>	<u>225,270</u>
<u>General Revenues:</u>			
Property Taxes	231,126	-	231,126
Investment Earnings	1,460	1,332	2,792
Total General Revenues	<u>232,586</u>	<u>1,332</u>	<u>233,918</u>
Change in Net Position	7,316	1,332	8,648
Net Position, Beginning of the Year	<u>1,403</u>	<u>68,880</u>	<u>70,283</u>
Net Position, End of the Year	\$ <u>8,719</u>	\$ <u>70,212</u>	\$ <u>78,931</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Charter Township of Ypsilanti, Michigan was organized as a Township under provisions of the constitution and general law of the State of Michigan. Ypsilanti Township became a Charter Township on May 15, 1979 by Board resolution. The Township operates under an elected Township Board which consists of the Supervisor, Clerk, Treasurer and four Trustees, and provides the following services as permitted by law: public safety (police and fire), community development, recreation and culture, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Charter Township of Ypsilanti and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Each blended and discretely presented component unit has a December 31, 2019 year end.

Discretely Presented Component Units

The component units are reported in a separate column to emphasize that, while legally separate, the Charter Township of Ypsilanti remains financially accountable for these entities.

The governing body of the Local Development Finance Authority (LDFA) is appointed by the Township Board. The Authority was established for the collection of tax increment revenues, the issuance and repayment of debt, the construction of public facilities, and the promotion and facilitation of economic growth in the development district. The Authority's budget and debt issuance is subject to the approval of the Township Board.

The Charter Township of Ypsilanti Economic Development Corporation (EDC) was established pursuant to the provisions of Public Act 338 of 1974, as amended. The EDC is governed by a nine (9) member board appointed by the Township Board. The EDC may not issue debt without approval from the Township Board. Additionally, the annual operating budget and any amendments must be approved by the Township Board. The Township Board must approve all developmental and financing plans of the EDC.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

Joint Venture

The Township is a participant in the Ypsilanti Community Utilities Authority (Y.C.U.A.) which was created under Act 233, P.A. of 1955 by the City of Ypsilanti and the Charter Township of Ypsilanti, in 1974. All activities necessary to provide water and sewer services to residents of the City, Township, and other communities serviced by Y.C.U.A., are accounted for by the Authority. The Township has financial responsibility as follows:

- Township Board has the ability to reject or approve water rates for customers in its service district.
- Some obligations of the Authority are supported by pledges of the Township's full faith and credit, subject to constitutional limitations. These obligations are described in more detail further in these notes.
- Financial statements may be obtained by contacting Y.C.U.A. at 2777 State Street, Ypsilanti, MI 48198.

B. Government-Wide and Fund Financial Statements

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

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Government-Wide and Fund Financial Statements – Continued

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 revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not required to be presented as program revenues are general revenues. This includes taxes, interest, unrestricted State shared revenue payments, franchise fees, and other general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Governmental Funds

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Department Fund is a special revenue fund used to account for the voter approved property taxes used to support fire protection, and related services.

The Environmental Services Fund is a special revenue fund used to account for the voter approved property tax revenues used to support solid waste, recycling and yard waste collection activities.

The Law Enforcement Fund is a special revenue fund used to account for the voter approved property taxes for law enforcement activities.

Additionally, the Township reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Township Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Township's enterprise funds are the Golf Course Fund and the Compost Fund, which are reported as nonmajor funds.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Proprietary Funds – Continued

Internal Service Funds account for operations that provide services to other departments or agencies of the Township on a cost reimbursement basis. As these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental* activities in the government-wide financial statements. The Township uses an internal service fund to account for the management of a motor pool.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity by the Township or as an agent on behalf of others. Fiduciary funds include the following fund types:

Pension Trust Funds – The pension trust funds accounts for the activities of the employee benefit plan that accumulates resources for pension and other post employment benefit payments to qualified employees.

The Agency Funds are used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a nation or international exchange are valued at the last reported sales price at current exchange rates.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventory and Prepaids

Inventories are valued at cost using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures as used. Prepaid items represent payments made to vendors for goods and services applicable to future years. Inventories and prepaids are offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of current net position.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed. Capital assets of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	7-40
Machinery & Equipment	5-25
Vehicles	3-15
Infrastructure	20-50

5. Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Township, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Position.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

6. Long-term Obligations – Continued

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

7. Fund Equity

In the fund financial statements, governmental funds report the following components of fund balance:

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 Board for use for a specific purpose. 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 Township Board.

Unassigned – This is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Township is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The Township follows these requirements in establishing the budgetary data reflected in these financial statements:

1. In accordance with State law, prior to September 1, the Supervisor submits a proposed operating budget for the fiscal year commencing the following January 1 to the Township Board. The operating budget includes proposed expenditures and means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to December 15, the budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General, Special Revenue and Debt Service Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Proprietary Fund budgets are prepared on a non-GAAP method.
6. Budget appropriations lapse at year end.
7. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
8. Budgeted amounts are reported as originally adopted, and as amended by the Township Board.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of December 31, 2019.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

The budgets for the General and Special Revenue Funds are adopted at the activity level. None of the funds have expenditures in excess of budget appropriations at year end.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS

A. 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. The Township 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; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature 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; and investment pools of financial institutions.

The pension trust fund and retiree health care fund are also authorized by Michigan Public Act 55 of 1982, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles.

The Township has designated several banks for the deposit of funds. The investment policy adopted by the Township Board in accordance with Public Act 196 of 1997 authorized all investments permitted by PA 20. The Charter Township of Ypsilanti, Michigan's deposit and investment policies are in accordance with statutory authorities.

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. Deposits of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. At year end, the Township had \$24,018,085 of bank deposits (checking and savings accounts) of which \$2,052,705 was uninsured and uncollateralized. The component units had book and bank balances totaling \$97,611, all of which was FDIC insured.

The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

Interest Rate Risk

Interest rate risk is the risk that the value of investments or deposits will decrease as a result of a rise in interest rates. The Township's investment policy minimizes interest rate risk by structuring the portfolio to meet requirements and by investing funds in shorter-term securities, money market mutual funds or similar investment pools. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day maturity. The weighted average maturity is based on maturity date or contracted modified maturity date as applicable. At year end, the average maturities of investments are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity</u>
Pension Fixed Income:		
US Govt Obligations	\$ 2,065,677	1-5 years
	703,749	6-10 years
	90,145	11-15 years
	2,702,567	16 or more years
Corporate Bonds	40,003	Less than 1 year
	1,644,128	1-5 years
	1,136,742	6-10 years
	64,274	11-15 years
	1,554	16 or more years
Other	54,174	1-5 years
	130,863	6-10 years
	-	11-15 years
	1,512,890	16 or more years

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations at the time of purchase. The Township's investment policy limits investments to the safest types of securities. Financial institutions, broker/dealers, intermediaries and advisers need to be pre-qualified to do business with the Township. The policy also states that the investment portfolio will be diversified to minimize potential losses on individual securities. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Pension:			
U.S. Agency Obligations	\$ 5,562,138	n/a	n/a
Corporate Bonds	2,142,195	Aaa	Moody's
	36,033	Aa2	Moody's
	21,324	Aa3	Moody's
	213,312	A1	Moody's

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Township places no limit on the amount that may be invested in any one issuer. As of year end, the Township did not have investments that exceeded 5 percent of the total portfolio.

Fair Value Measurements

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

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

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

The Township has the following recurring fair value measurements as of December 31, 2019:

Assets Measured at Fair Value on a Recurring Basis

	Balance at Dec. 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Government Bonds	\$ 2,357,775	\$ 2,357,775	\$ -	\$ -
Corporate Bonds	2,882,265	2,882,265	-	-
Total Debt Securities	<u>5,240,040</u>	<u>5,240,040</u>	<u>-</u>	<u>-</u>
Equity Securities:				
Mutual Funds	20,969,753	20,969,753	-	-
Common Stock	7,204,502	7,204,502	-	-
Real Estate	2,704,309	-	-	2,704,309
Other Equity	7,122,799	-	-	7,122,799
Total Equity Securities	<u>38,001,363</u>	<u>28,174,255</u>	<u>-</u>	<u>9,827,108</u>
Total Investments by Fair Value Level	<u>\$ 43,241,403</u>	<u>\$ 33,414,295</u>	<u>\$ -</u>	<u>\$ 9,827,108</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Receivables and Deferred Inflows, and Unearned Revenue

Receivables as of year end for the Township's individual major funds and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire Department	Environmental Services	Law Enforcement	Nonmajor Governmental
Receivables:					
Accounts	\$ 1,128,299	\$ 719,345	\$ -	\$ -	\$ 126,401
Taxes	2,155,679	6,756,774	2,921,400	8,066,296	1,363,596
Special Assessments	1,772,554	-	-	66,628	19,330
	<u>5,056,532</u>	<u>7,476,119</u>	<u>2,921,400</u>	<u>8,132,924</u>	<u>1,509,327</u>
Less: Allowance for Doubtful Accounts	<u>(4,583)</u>	<u>(20,022)</u>	<u>(9,598)</u>	<u>(26,500)</u>	<u>(4,480)</u>
Net Receivables	<u>\$ 5,051,949</u>	<u>\$ 7,456,097</u>	<u>\$ 2,911,802</u>	<u>\$ 8,106,424</u>	<u>\$ 1,504,847</u>

Governmental funds report unearned revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. The deferred inflows in the governmental activities represents property taxes levied on December 1, 2019, but recognized revenue in the year ending December 31, 2020, when the proceeds of the levy are budgeted and available for financing operations. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue are as follows:

Governmental Funds:	
Property Taxes Levied for the following year – Deferred Inflows	<u>\$22,150,971</u>
Deposits and Escrows – Unearned Revenue	<u>\$ 909,084</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not depreciated:				
Land	<u>\$ 9,623,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,623,049</u>
Capital Assets, being depreciated:				
Buildings	16,219,623	347,978	-	16,567,601
Machinery and Equipment	8,277,703	1,564,213	(425,232)	9,416,684
Infrastructure	43,910,652	860,232	-	44,770,884
Internal Service Fund - Motor Pool	<u>1,880,275</u>	<u>20,740</u>	<u>-</u>	<u>1,901,015</u>
	<u>70,288,253</u>	<u>2,793,163</u>	<u>(425,232)</u>	<u>72,656,184</u>
Less: Accumulated Depreciation:				
Buildings	(9,838,086)	(505,584)	-	(10,343,670)
Machinery and Equipment	(6,335,095)	(368,764)	425,042	(6,278,817)
Infrastructure	(22,992,928)	(1,619,618)	-	(24,612,546)
Internal Service Fund - Motor Pool	<u>(1,057,649)</u>	<u>(137,994)</u>	<u>-</u>	<u>(1,195,643)</u>
	<u>(40,223,758)</u>	<u>(2,631,960)</u>	<u>425,042</u>	<u>(42,430,676)</u>
Governmental Activities				
Capital Assets, net	<u>\$39,687,544</u>	<u>\$ 161,203</u>	<u>\$ (190)</u>	<u>\$39,848,557</u>

Depreciation expense was charged to the following governmental activities:

General Government	\$ 791,440
Public Safety	313,882
Public Works	903,589
Recreation and Cultural	485,055
Charged through Internal Service Fund	<u>137,994</u>
	<u>\$ 2,631,960</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 1,277,618	\$ -	\$ -	\$ 1,277,618
Capital Assets, being depreciated:				
Land and Building Improvements	2,069,603	-	-	2,069,603
Machinery and Equipment	2,124,472	263,971	(1,413)	2,387,030
	<u>4,194,075</u>	<u>263,971</u>	<u>(1,413)</u>	<u>4,456,633</u>
Less: Accumulated Depreciation:				
Land and Building Improvements	(1,124,567)	(70,245)	-	(1,194,812)
Machinery and Equipment	(1,306,577)	(178,614)	1,413	(1,483,778)
	<u>(2,431,144)</u>	<u>(248,859)</u>	<u>1,413</u>	<u>(2,678,590)</u>
Business-type Activities Capital Assets, net	<u>\$ 3,040,549</u>	<u>\$ 15,112</u>	<u>\$ -</u>	<u>\$ 3,055,661</u>

D. Interfund Receivables, Payables and Transfers

1. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2019, is as follows:

<u>Advance Receivable</u>	<u>Advance Payable</u>	
General Fund	Motor Pool Fund	\$ 215,215

The General Fund advanced funds to the Motor Pool Fund for the purchase of equipment. The principal is to be repaid over 10 years.

2. Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	
Bike Path, Sidewalk, Rec., Roads	General Fund	\$ 327,000
General Fund	Law Enforcement Fund	181,865
Recreation Fund	Bike Path, Sidewalk, Rec., Roads	475,000
Golf Course Fund	Bike Path, Sidewalk, Rec., Roads	125,000
Hydro Station Fund	General Fund	79,000
		<u>\$ 1,187,865</u>

Transfers include operating transfers for debt service payments.

The General Fund and the Bike Path, Sidewalk, Rec., Roads Fund made operating transfers to augment specific projects.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

E. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended December 31, 2019:

	Balance Jan 1, 2019	Additions	Reductions	Balance Dec 31, 2019	Due Within One Year
Governmental Activities:					
2012 Transportation Note	\$ 2,400,000	\$ -	\$ 600,000	\$ 1,800,000	\$ 600,000
2013 G.O. Refunding Bonds	2,250,000	-	180,000	2,070,000	185,000
	4,650,000	-	780,000	3,870,000	785,000
Compensated Absences	1,257,039	73,768	-	1,330,807	221,801
	<u>\$ 5,907,039</u>	<u>\$ 73,768</u>	<u>\$ 780,000</u>	<u>\$ 5,200,807</u>	<u>\$ 1,006,801</u>
Business-type Activities:					
Compensated Absences	<u>\$ 9,264</u>	<u>\$ 5,703</u>	<u>\$ -</u>	<u>\$ 14,967</u>	<u>\$ -</u>

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2019:

	Number of Issues	Interest Rate	Maturing Through	Principal Outstanding
Governmental Activities:				
General Obligation Bonds	1	3.75%-4.50%	2029	\$ 2,070,000
Transportation Notes	1	1.00%-4.50%	2022	1,800,000
				<u>\$ 3,870,000</u>

The annual debt service requirements to maturity for debt outstanding as of December 31, 2019 is as follows:

Year Ended	Governmental Activities	
	Principal	Interest
2020	\$ 785,000	\$ 89,460
2021	790,000	72,960
2022	795,000	53,340
2023	200,000	33,600
2024	205,000	28,740
2025-2029	1,095,000	67,020
	<u>\$ 3,870,000</u>	<u>\$ 345,120</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

F. Fund Balance Classifications

A detailed description of fund balance classifications (for all governmental fund types) at December 31, 2019, is presented below:

<u>Fund Balance</u>	<u>General Fund</u>	<u>Fire Department</u>	<u>Environmental Services</u>	<u>Law Enforcement</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:						
Prepays & Inventory	\$ 155,107	\$ 128,618	\$ 9,346	\$ 13,875	\$ 44,532	\$ 351,478
Advance to Other Funds	215,215	-	-	-	-	215,215
Total Nonspendable	<u>370,322</u>	<u>128,618</u>	<u>9,346</u>	<u>13,875</u>	<u>44,532</u>	<u>566,693</u>
Restricted:						
Fire	-	783,735	-	-	-	783,735
Environmental Serv.	-	-	1,099,373	-	-	1,099,373
Law Enforcement	-	-	-	2,590,019	-	2,590,019
Parks	-	-	-	-	37,062	37,062
Bike Path, Sidewalk, Recreation, Roads	-	-	-	-	354,287	354,287
Recreation	-	-	-	-	45,263	45,263
District Court	-	-	-	-	128,605	128,605
Bldg Rental Inspect.	-	-	-	-	248,833	248,833
Building Dept.	-	-	-	-	1,374,224	1,374,224
Hydro Station	-	-	-	-	498,170	498,170
Nuisance Abatement	-	-	-	-	84,026	84,026
Debt Service	-	-	-	-	220,462	220,462
Total Restricted	<u>-</u>	<u>783,735</u>	<u>1,099,373</u>	<u>2,590,019</u>	<u>2,990,932</u>	<u>7,464,059</u>
Assigned:						
Covid Contingencies	1,500,000	-	-	-	-	1,500,000
Covid Supplies	40,000	-	-	-	-	40,000
Capital Improvements	1,907,594	-	-	-	-	1,907,594
Road Improvements	80,000	-	-	-	-	80,000
PTO for Employees	41,000	-	-	-	-	41,000
Grant Match	5,000	-	-	-	-	5,000
Total Assigned	<u>3,573,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,573,594</u>
Unassigned	<u>2,801,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,801,886</u>
Total Fund Balance	<u>\$ 6,745,802</u>	<u>\$ 912,353</u>	<u>\$ 1,108,719</u>	<u>\$ 2,603,894</u>	<u>\$ 3,035,464</u>	<u>\$ 14,406,232</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

III. DETAILED NOTES ON ALL FUNDS – Continued

G. Property Taxes

Property taxes are assessed as of each December 31. The Township tax levy is billed on December 1 of the following year, and payable through February. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levy for the Township are detailed below for the 2018 tax roll:

Purpose	Authorization	Pre- Rollback Auth. Rate	Post Rollback Auth. Rate	Rate Levied
Operating	State Law	1.1160	1.0167	1.0167
Fire Protection	Voter Approved	3.1250	3.0962	3.0962
Fire Capital	Voter Approved	0.5000	0.5000	0.5000
Solid Waste	Voter Approved	2.1550	2.1351	2.1351
Police	Voter Approved	5.9500	5.8952	5.8952
Recreational	Voter Approved	1.0059	0.9966	0.9966
Fire Pension	State Law	-	1.3712	1.3712
			<u>15.0110</u>	<u>15.0110</u>

IV. OTHER INFORMATION

A. Firefighters Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

The Charter Township of Ypsilanti Police and Firefighters Retirement System Pension Board administers the Charter Township of Ypsilanti Police and Firefighters Pension Plan, which is a single employer defined benefit pension plan that provides retirement, disability, and death benefits for all eligible firefighters and their beneficiaries. Benefit terms have been established by Township policy and contractual agreements authorized by the Township Board and may be amended by Township Board action.

Management of the Plan is vested in a pension board, which consist of five members – two elected, two appointed by the Township Board and the Township Treasurer.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

A. Firefighters Defined Benefit Pension Plan – Continued

Benefits Provided

The Pension Plan provides retirement, disability, and death benefits to eligible plan members. Retirement benefits are computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the date of termination of membership times the final average compensation (FAC).

Plan Membership

As of December 31, 2018, pension plan membership consisted of the following:

Inactive Plan members currently receiving benefits	61
Inactive Plan members entitled to but not receiving benefits	3
Active Members	<u>24</u>
Total Plan Members	<u>88</u>

Contributions

The authority to amend contribution requirements rests with the Pension Board, which establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimate 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. Covered employees are required to contribute 6% of their pay. The Township is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended December 31, 2018 the Township contributed \$786,578.

Pension Reserves

In accordance with Public Act 345 as amended, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the Plan maintains a record of the amount contributed by each employee, and credits interest annually at a rate of 2.0 percent. For any employee who terminates before vesting in the plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve is used to account for the residual net position balance in the pension plan after funding the retiree reserve and the employee reserve.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

A. Firefighters Defined Benefit Pension Plan – Continued

The balances of the reserve accounts at December 31, 2018 are as follows:

	<u>Required Reserve</u>	<u>Amount Funded</u>
Retiree Reserve	\$ 30,525,768	\$ 30,525,768
Employee Reserve	933,014	933,014
Employer Reserve	-	<u>(3,187,551)</u>
		<u>\$ 28,271,231</u>

Investment Policy

The pension plans' 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 pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2018.

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	30%
International equity	20%
Fixed income	40%
Real estate	<u>10%</u>
Total	<u>100%</u>

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments 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 weighing 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 is 6.50%.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

A. Firefighters Defined Benefit Pension Plan – Continued

Net Pension Liability

The net pension liability reported at December 31, 2019 was determined using a measure of the total pension liability and the plan net position as of December 31, 2018. The December 31, 2018 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at January 1, 2018	\$ <u>36,152,816</u>	\$ <u>28,029,742</u>	\$ <u>8,123,074</u>
Service Cost	439,577	-	439,577
Interest	2,314,312	-	2,314,312
Contributions-Employer	-	786,578	(786,578)
Contributions-Employee	-	102,184	(102,184)
Net Investment Income(Loss)	-	(800,839)	800,839
Differences between Expected and Actual Experience	(54,733)	-	(54,733)
Change in Assumptions	(78,337)	-	(78,337)
Benefit Payments, including refunds	(2,305,353)	(2,305,353)	-
Administrative Expenses	-	(18,731)	18,731
Other	165,080	-	165,080
Net Changes	<u>480,546</u>	<u>(2,236,161)</u>	<u>2,716,707</u>
Balance at December 31, 2018	\$ <u><u>36,633,362</u></u>	\$ <u><u>25,793,581</u></u>	\$ <u><u>10,839,781</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

A. Firefighters Defined Benefit Pension Plan – Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Township reported deferred outflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,111,000	\$ -
Differences between expected and actual experience	-	18,245
Changes in assumptions	-	26,113
Employer contributions to the plan subsequent to the measurement date	998,711	-
Total	<u>\$ 3,109,711</u>	<u>\$ 44,358</u>

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

Years Ending Dec. 31	Amount
2020	\$ 667,931
2021	479,622
2022	403,864
2023	515,225

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.50%
Salary increases	3.00%
Inflation	2.50%

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table projected 5 years to 2019.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

A. Firefighters Defined Benefit Pension Plan – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Township, calculated using the discount rate of 6.50 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	\$ <u>14,999,336</u>	\$ <u>10,839,781</u>	\$ <u>7,358,133</u>

B. Municipal Employee Retirement System Defined Benefit Plan

Plan Description

The Township contributes to the Municipal Employees' Retirement System of Michigan (MERS), which is an agent multiple-employer defined benefit pension plan that covers all full time employees of the Township except elected officials and firefighters. MERS was established by the Michigan Legislature in 1945 and is administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained at mersofmich.com.

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries, as established by Public Act 427 of 1984, as amended. The Plan covers all full-time employees at the Township except elected officials and firefighters. Benefits are calculated as 2.5 percent of the employee's five-year final average compensation times the employee's years of service with a maximum of 80 percent of final average compensation. Normal retirement age is 60. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred if the member had remained an employee. Benefit terms, within the guidelines established by MERS, are generally established and amended by authority of the Township Board.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

B. Municipal Employee Retirement System Defined Benefit Plan – Continued

Employees Covered by Benefit Terms

At the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	63
Inactive plan members entitled to but not yet receiving benefits	30
Active Plan Members	<u>75</u>
Total Employees covered by MERS	<u>168</u>

Contributions

The State of Michigan Constitution, Article 9, Section 24, requires that financial benefits arising on account of employee services 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, 2018, the average active employee contribution rate was 8.3% percent of gross wages for all employees.

Net Pension Liability

The net pension liability reported at December 31, 2019 was determined using a measure of the total pension liability and the plan net position as of December 31, 2018. The December 31, 2018 total pension liability was determined by an actuarial valuation performed as of that date.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

B. Municipal Employee Retirement System Defined Benefit Plan – Continued

Changes in the net pension liability during the measurement year were as follows:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2017	\$ <u>22,174,971</u>	\$ <u>16,429,614</u>	\$ <u>5,745,357</u>
Service Cost	495,236	-	495,236
Interest	1,744,866	-	1,744,866
Contributions-Employer	-	601,417	(601,417)
Contributions-Employee	-	319,472	(319,472)
Net Investment Income(loss)	-	(638,945)	638,945
Change in Benefits	8,181	-	8,181
Differences between Actual and Expected Experience	(527,543)	-	(527,543)
Benefit Payments, including refunds	(1,223,508)	(1,223,508)	-
Administrative Expenses	-	(31,721)	31,721
Net Changes	<u>497,232</u>	<u>(973,285)</u>	<u>1,470,517</u>
Balance at December 31, 2018	\$ <u><u>22,672,203</u></u>	\$ <u><u>15,456,329</u></u>	\$ <u><u>7,215,874</u></u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Township reported deferred outflows of resources related to pensions from the following sources:

<u>Source</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 665,746
Changes in assumptions related to economic and demographic factors	307,792	-
Net difference between projected and actual experience	-	363,485
Employer contributions to the plan subsequent to the measurement date	722,128	-
Total	\$ <u><u>1,029,920</u></u>	\$ <u><u>1,029,231</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

B. Municipal Employee Retirement System Defined Benefit Plan – Continued

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$647,414), which will impact the net pension liability in fiscal year 2019, rather than pension expense.

Years Ending Dec. 31	Amount
2020	\$ (84,055)
2021	(47,571)
2022	(212,547)
2023	(377,266)

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%

Mortality rates were based on the RP=2014 Healthy Annuitant Mortality Tables of a 50 percent male and 50 percent female blend with rates multiplied by 105%. For disabled retirees, the 50% Male and 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study in 2015.

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. 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.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

B. Municipal Employee Retirement System Defined Benefit Plan – Continued

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments 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, 2018, 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	58%	5.0%
Global Fixed Income	20%	2.2%
Real Assets	12%	4.2%
Diversifying strategies	10%	6.6%

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 8.00 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	\$ 9,554,634	\$ 7,215,874	\$ 5,212,374

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

B. Municipal Employee Retirement System Defined Benefit Plan – Continued

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purposes 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.

C. Post-Employment Health Care Benefits

1. General Township Employee Plan

Plan Description

In addition to providing pension benefits, the Township provides certain health care benefits to all full time employees of the Township. The Township Board established by resolution the general Township employees' Health Care Plan, a single-employer defined benefit post-employment health care plan. The plan is designed to accumulate resources to pay for post-employment health, dental, and vision insurance for retired general township employees and is administered through the Michigan Municipal Employees Retirement System (MERS). The plan is included in the Township's financial statements as a fiduciary fund. The plan was established under the Authority of Public Act 169 of 1999. The plan does not issue separate stand-alone statements.

Employees Covered by Benefit Terms

At the December 31, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	44
Inactive plan members entitled to but not yet receiving benefits	1
Active Plan Members	<u>49</u>
Total	<u>94</u>

Contributions

The Plan's funding policy provides for periodic contributions by the Township at actuarially determined rates expressed as a percentage of annual covered payroll. The actuarially determined contribution (ADC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

C. Post-Employment Health Care Benefits - Continued

1. General Township Employee Plan - Continued

Summary of Significant Accounting Policies

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB (if applicable), and OPEB expenses, have been determined on the same basis as they are reported for the Township. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization	28 years
Investment Rate of Return	7.00%
Salary increases	3.50%-16.50%, including inflation
Mortality	RP-2014 Healthy Annuitant Tables for males and female; Projected to 2019 with MP-2014
Health care trend rates	Trend rates starting at 9.0% and gradually decreasing to an ultimate trend rate of 3.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% based on the average effective rate consisting of long term return on assets and 20 year Aa Municipal Bond Rate.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

C. Post-Employment Health Care Benefits - Continued

1. General Township Employee Plan - Continued

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

<u>Changes in Net OPEB Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at January 1, 2018	\$ <u>12,767,474</u>	\$ <u>6,593,903</u>	\$ <u>6,173,571</u>
Service Cost	162,626	-	162,626
Interest Cost	501,914	-	501,914
Employer Contributions	-	633,569	(633,569)
Net Investment Income	-	(260,070)	260,070
Benefit Payments	(483,932)	(483,932)	-
Administrative Expenses	-	(17,032)	17,032
Net Changes	<u>180,608</u>	<u>(127,465)</u>	<u>308,073</u>
Balance at December 31, 2018	\$ <u><u>12,948,082</u></u>	\$ <u><u>6,466,438</u></u>	\$ <u><u>6,481,644</u></u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, calculated using the discount rate of 7.00 percent, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net OPEB Liability	\$ <u><u>8,014,569</u></u>	\$ <u><u>6,481,644</u></u>	\$ <u><u>5,191,861</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

C. Post-Employment Health Care Benefits - Continued

1. General Township Employee Plan - Continued

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using healthcare trends rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ <u>5,493,645</u>	\$ <u>6,481,644</u>	\$ <u>7,787,567</u>

2. FireFighter's Health Care Plan

Plan Description

The Township Board established by resolution the Firefighter's Health Care Plan, a single-employer defined benefit post-employment health care plan. The plan is designed to accumulate resources to pay for post-employment health, dental, vision, and life insurance for retired firefighters and is administered through The Vanguard Group. The plan was established under the authority of P.A. 169 of 1999 and is included in the Township's financial statements as a fiduciary fund. The plan does not issue stand-alone financial statements.

Employees Covered by Benefit Terms

At the December 31, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	-
Active Plan Members	<u>18</u>
Total	<u>61</u>

Contributions

The Plan's funding policy provides for periodic contributions by the Township at actuarially determined rates expressed as a percentage of annual covered payroll. Plan members were required to contribute 1% through September 2012, and thereafter are required to contribute 4% of their annual covered salary. Administrative costs of the plan are financed through investment earnings. The actuarially determined contribution (ADC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

C. Post-Employment Health Care Benefits - Continued

2. FireFighter's Health Care Plan - Continued

Summary of Significant Accounting Policies

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB (if applicable), and OPEB expenses, have been determined on the same basis as they are reported for the Township. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization	28 years
Investment Rate of Return	6.50%
Salary increases	3.50%-7.00%, including inflation
Mortality	RP-2014 Healthy Annuitant Tables for males and female; Projected to 2019 with MP-2014
Health care trend rates	Trend rates starting at 9.0% and gradually decreasing to an ultimate trend rate of 3.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50% based on the average effective rate consisting of long term return on assets and 20 year Aa Municipal Bond Rate.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

C. Post-Employment Health Care Benefits - Continued

2. FireFighter's Health Care Plan - Continued

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

<u>Changes in Net OPEB Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at January 1, 2018	\$ 14,535,293	\$ 5,994,833	\$ 8,540,460
Service Cost	137,922	-	137,922
Interest Cost	931,661	-	931,661
Differences between Actual and Expected Experience	58,494	-	58,494
Employer Contributions	-	625,958	(625,958)
Employee Contributions	-	50,783	(50,783)
Net Investment Income	-	(363,105)	363,105
Benefit Payments	(690,818)	(719,979)	29,161
Administrative Expenses	-	(18,942)	18,942
Net Changes	<u>437,259</u>	<u>(425,285)</u>	<u>862,544</u>
Balance at December 31, 2018	\$ <u>14,972,552</u>	\$ <u>5,569,548</u>	\$ <u>9,403,004</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, calculated using the discount rate of 6.50 percent, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net OPEB Liability	\$ <u>11,137,592</u>	\$ <u>9,403,004</u>	\$ <u>7,953,129</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

C. Post-Employment Health Care Benefits - Continued

2. Firefighter's Health Care Plan

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using healthcare trends rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ <u>8,348,431</u>	\$ <u>9,403,004</u>	\$ <u>10,822,492</u>

D. Risk Management

The Township participates in a pool, the Michigan Municipal League Liability and Property Pool purchases insurance coverage through traditional means. The Township's property and liability and workers compensation coverages are on file in the Risk Manager's office.

E. Contingencies

1. Consent Judgment

The Township entered into a settlement agreement with the City of Ypsilanti relative to dissolution of the Joint Ypsilanti Recreation Organization (JYRO). Under the settlement, all properties previously owned and managed by JYRO were conveyed to the Township in exchange for the following contingent payments from the Township to the City:

- a. 10% of gross revenues, for fifty years, from the operation of the Ford Lake Dam. Gross revenues are defined as revenues from dam operations less 20% reserve for capital improvements, until \$300,000 is accumulated.
- b. 50% of residual funds available after Dam, Park Operations, royalties and reserve requirements are paid from Dam revenues.

For 2019, the Township paid the City of Ypsilanti \$54,428 under this agreement.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

E. Contingencies - Continued

2. Ypsilanti Community Utility Debt

The Township participates in a joint venture with the City of Ypsilanti, known as the Ypsilanti Community Utilities Authority. The Authority issues bonds that are backed by the full faith and credit (subject to constitutional limitations) of the City or Township. The proceeds of these bonds are used to construct the various infrastructure projects, and the recipient of these obligations have been made by the revenues of the Authority. As of August 31, 2019, (the latest audited information of the Authority) the total amount of these obligations was \$42,093,261.

F. Tax Abatements

The Charter Township of Ypsilanti granted Industrial Facilities Tax exemptions (P.A. 198 of 1974) to properties within the Township. Industrial Facility Exemptions are intended to promote construction of new industrial facilities or to rehabilitate facilities. Under the industrial facility exemption program, the Township's millage is reduced by 50 percent on that parcel. As of December 31, 2019, the Township's property tax revenue was reduced by \$10,927 under this tax abatement program.

G. Subsequent Event

In March 2020, the Township temporarily closed its offices in accordance with the Governor's Stay Home, Stay Safe Executive Order as a result of the global coronavirus pandemic. Essential services such as law enforcement and fire protection remain unaffected. The Township has decreased both operating revenues and expenditures during this time due to the temporary closure. Currently, it is not possible to determine the negative financial impact on the Township due to the pandemic as the circumstances have been changing daily. Accordingly, there have been no adjustments to the financial statements as a result of this subsequent event.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2019

IV. OTHER INFORMATION – Continued

H. Upcoming Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 84, *Fiduciary Activities*, which establishes specific criteria for identifying activities that should be reported as fiduciary activities. The Township is currently evaluating the impact of this standard on its financial statements. The Statement is effective beginning with the Township's fiscal year ending December 31, 2020.

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement is based on the principle that leases are financings of the right to use an underlying asset. The Township is currently evaluating the impact of this standard on its financial statements. The Statement is effective beginning with the Township's fiscal year ending December 31, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
MERS Defined Benefit Plan
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2019	2018	2017	2016	2015
Total Pension Liability:					
Service Cost	\$ 495,236	\$ 462,844	\$ 438,417	\$ 447,997	\$ 399,446
Interest	1,744,866	1,685,571	1,659,008	1,552,248	1,490,791
Change in assumptions	-	-	-	879,408	-
Change in benefits	8,181	-	(19,037)	-	-
Differences between actual and expected experience	(527,543)	(229,595)	(613,520)	184,979	-
Benefit payments, including refunds	(1,223,508)	(1,164,141)	(1,125,954)	(1,148,769)	(1,190,376)
Net Change in Total Pension Liability	497,232	754,679	338,914	1,915,863	699,861
Total Pension Liability, Beginning of year	22,174,971	21,420,292	21,081,378	19,165,515	18,465,654
Total Pension Liability, End of year	<u>\$ 22,672,203</u>	<u>\$ 22,174,971</u>	<u>\$ 21,420,292</u>	<u>\$ 21,081,378</u>	<u>\$ 19,165,515</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 601,417	\$ 609,995	\$ 468,622	\$ 469,553	\$ 476,460
Contributions - Employee	319,472	309,739	270,090	336,587	240,477
Net Investment Income(Loss)	(638,945)	1,946,071	1,540,006	(212,813)	868,126
Administrative Expenses	(31,721)	(30,808)	(30,402)	(30,969)	(31,810)
Benefit payments, including refunds	(1,223,508)	(1,164,141)	(1,125,954)	(1,148,769)	(1,190,376)
Net Change in Plan Fiduciary Net Position	(973,285)	1,670,856	1,122,362	(586,411)	362,877
Plan Fiduciary Net Position, Beginning of year	16,429,614	14,758,758	13,636,396	14,222,807	13,859,930
Plan Fiduciary Net Position, End of year	<u>\$ 15,456,329</u>	<u>\$ 16,429,614</u>	<u>\$ 14,758,758</u>	<u>\$ 13,636,396</u>	<u>\$ 14,222,807</u>
Township's Net Pension Liability - Ending	<u>\$ 7,215,874</u>	<u>\$ 5,745,357</u>	<u>\$ 6,661,534</u>	<u>\$ 7,444,982</u>	<u>\$ 4,942,708</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	68.2%	74.1%	68.9%	64.7%	74.2%
Covered Employee Payroll	\$ 3,980,690	\$ 3,619,620	\$ 3,482,631	\$ 3,612,939	\$ 3,182,195
Township's Net Pension Liability as a Percent of Covered Employee Payroll	181.3%	158.7%	191.3%	206.1%	155.3%

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Firefighters Defined Benefit Plan
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2019	2018	2017	2016	2015
Total Pension Liability:					
Service Cost	\$ 439,577	\$ 436,506	\$ 428,537	\$ 420,489	\$ 456,943
Interest	2,314,312	2,275,323	2,396,058	2,271,936	2,248,934
Difference between Expected and Actual Experience	(54,733)	511,876	-	(713,882)	153,446
Assumption Changes	(78,337)	2,787,409	-	-	(96,959)
Other	165,080	-	-	-	-
Benefit payments, including refunds	(2,305,353)	(2,542,308)	(2,134,526)	(2,222,807)	(2,630,932)
Net Change in Total Pension Liability	480,546	3,468,806	690,069	(244,264)	131,432
Total Pension Liability, Beginning of year	36,152,816	32,684,010	31,993,941	32,238,205	32,106,773
Total Pension Liability, End of year	<u>\$ 36,633,362</u>	<u>\$ 36,152,816</u>	<u>\$ 32,684,010</u>	<u>\$ 31,993,941</u>	<u>\$ 32,238,205</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 786,578	\$ 763,874	\$ 789,018	\$ 737,867	\$ 759,462
Contributions - Employee	102,184	106,038	101,436	99,333	102,044
Net Investment Income(Loss)	(800,839)	2,583,283	1,661,187	927,627	1,542,487
Administrative Expenses	(18,731)	(129,525)	(146,940)	(138,612)	(94,626)
Benefit payments, including refunds	(2,305,353)	(2,542,308)	(2,134,526)	(2,222,807)	(2,630,932)
Net Change in Plan Fiduciary Net Position	(2,236,161)	781,362	270,175	(596,592)	(321,565)
Plan Fiduciary Net Position, Beginning of year	28,029,742	27,248,380	26,978,205	27,574,797	27,896,362
Plan Fiduciary Net Position, End of year	<u>\$ 25,793,581</u>	<u>\$ 28,029,742</u>	<u>\$ 27,248,380</u>	<u>\$ 26,978,205</u>	<u>\$ 27,574,797</u>
Township's Net Pension Liability - Ending	<u>\$ 10,839,781</u>	<u>\$ 8,123,074</u>	<u>\$ 5,435,630</u>	<u>\$ 5,015,736</u>	<u>\$ 4,663,408</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	70.4%	77.5%	83.4%	84.3%	85.5%
Covered Employee Payroll	\$ 1,793,006	\$ 1,968,592	\$ 1,758,735	\$ 1,709,517	\$ 1,706,096
Township's Net Pension Liability as a Percent of Covered Employee Payroll	604.6%	412.6%	309.1%	293.4%	273.3%

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Township OPEB Benefit Plan
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	<u>2019</u>	<u>2018</u>
Total Pension Liability:		
Service Cost	\$ 162,626	\$ 175,863
Interest	501,914	797,509
Change in assumptions	-	630,904
Differences between actual and expected experience	-	93,424
Benefit payments, including refunds	(483,932)	(470,566)
Net Change in Total Pension Liability	<u>180,608</u>	<u>1,227,134</u>
Total Pension Liability, Beginning of year	<u>12,767,474</u>	<u>11,540,340</u>
Total Pension Liability, End of year	<u><u>\$ 12,948,082</u></u>	<u><u>\$ 12,767,474</u></u>
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 633,569	\$ 646,163
Contributions - Employee	-	-
Net Investment Income	(260,070)	794,526
Administrative Expenses	(17,032)	(15,238)
Benefit payments, including refunds	(483,932)	(470,566)
Net Change in Plan Fiduciary Net Position	<u>(127,465)</u>	<u>954,885</u>
Plan Fiduciary Net Position, Beginning of year	<u>6,593,903</u>	<u>5,639,018</u>
Plan Fiduciary Net Position, End of year	<u><u>\$ 6,466,438</u></u>	<u><u>\$ 6,593,903</u></u>
Township's Net Pension Liability - Ending	<u><u>\$ 6,481,644</u></u>	<u><u>\$ 6,173,571</u></u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	49.9%	51.6%
Covered Employee Payroll	\$ 2,659,708	\$ 2,665,488
Township's Net Pension Liability as a Percent of Covered Employee Payroll	243.7%	231.6%

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Firefighters OPEB Plan
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2019	2018
Total Pension Liability:		
Service Cost	\$ 137,922	\$ 138,294
Interest	931,661	842,858
Difference between Expected and Actual Experience	58,494	169,008
Assumption Changes	-	1,730,520
Benefit payments, including refunds	(690,818)	(634,137)
Net Change in Total Pension Liability	437,259	2,246,543
Total Pension Liability, Beginning of year	14,535,293	12,288,750
Total Pension Liability, End of year	\$ 14,972,552	\$ 14,535,293
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 625,958	\$ 629,226
Contributions - Employee	50,783	52,989
Net Investment Income	(363,105)	715,512
Administrative Expenses	(18,942)	-
Benefit payments, including refunds	(719,979)	(634,137)
Net Change in Plan Fiduciary Net Position	(425,285)	763,590
Plan Fiduciary Net Position, Beginning of year	5,994,833	5,231,243
Plan Fiduciary Net Position, End of year	\$ 5,569,548	\$ 5,994,833
Township's Net Pension Liability - Ending	\$ 9,403,004	\$ 8,540,460
Plan Fiduciary Net Position as a Percent of Total Pension Liability	37.2%	41.2%
Covered Employee Payroll	\$ 1,476,413	\$ 1,433,411
Township's Net Pension Liability as a Percent of Covered Employee Payroll	636.9%	595.8%

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Township Pension Contributions-MERS
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 577,321	\$ 551,417	\$ 543,730	\$ 468,622	\$ 469,556	\$ 476,460	\$ 424,589	\$ 355,165	\$ 326,560	\$ 314,267
Contributions in relation to the actuarially determined contribution	717,321	601,417	609,995	468,622	469,556	476,460	424,589	355,165	326,560	314,267
Contribution Excess (Deficiency)	\$ 140,000	\$ 50,000	\$ 66,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,980,690	\$ 3,619,620	\$ 3,482,631	\$ 3,612,939	\$ 3,584,143	\$ 3,182,195	\$ 3,281,486	\$ 3,321,529	\$ 3,303,571	\$ 3,425,467
Contributions as a Percentage of Covered Employee Payroll	18.0%	16.6%	17.5%	13.0%	13.1%	15.0%	12.9%	10.7%	9.9%	9.2%

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal cost
Amortization Method	Level percent
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	3.75% including inflation
Investment Rate of Return	7.75%
Cost of living adjustments	None
Mortality	50% Male - 50% Female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Township Pension Contributions-Fire Pension
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 859,971	\$ 786,578	\$ 763,874	\$ 789,018	\$ 737,867	\$ 750,163	\$ 687,878	\$ 472,337	\$ 421,895	\$ 304,525
Contributions in relation to the										
actuarially determined contribution	859,971	786,578	763,874	789,018	737,867	750,163	687,878	472,337	421,895	304,525
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	1,968,592	1,826,564	1,934,576	2,016,307	1,768,793	1,967,312	2,046,691	1,879,944	2,669,178	2,641,821
Contributions as a Percentage of										
Covered Employee Payroll	43.7%	43.1%	39.5%	39.1%	41.7%	38.1%	33.6%	25.1%	15.8%	11.5%

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal cost
Amortization Method	Level Percentage of Payroll, Closed
Amortization Period	14-15 years
Asset Valuation Method	5 Year smoothed market
Investment Rate of Return	7.25%
Projected Salary Increases	4.0%-7.0% including inflation at 3.50%
Mortality Table	RP-2014 Mortality Tables for males and females projected five years to 2019 with MP-2014.

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Township OPEB Contributions-MERS
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 664,540	\$ 633,568	\$ 646,163	\$ 654,245	\$ 667,540	\$ 607,523	\$ 832,309	\$ 861,391	\$ 824,297	\$ 785,052
Contributions in relation to the actuarially determined contribution	664,540	633,568	646,163	654,245	667,540	607,523	832,309	861,391	824,297	785,052
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a Percentage of Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Actuarial valuation information relative to the determination of contributions:

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry age normal cost

Amortization Method Level percent

Remaining Amortization Period 28 years

Asset Valuation Method Market Value

Inflation 3.50%

Salary Increases 3.50%-16.50% including inflation

Investment Rate of Return 7.00%

Mortality Table

RP-2014 Mortality Tables for males and females projected five years to 2019 with MP-2014.

Health Care Trend Rates

Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of 3.5%

CHARTER TOWNSHIP OF YPSILANTI
Required Supplemental Information
Schedule of Township OPEB Contributions-Fire
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 767,327	\$ 625,958	\$ 629,226	\$ 587,148	\$ 590,744	\$ 487,768	\$ 684,431	\$ 839,610	\$ 803,454	\$ 801,714
Contributions in relation to the										
actuarially determined contribution	767,327	625,958	629,226	587,148	590,744	487,768	684,431	839,610	803,454	801,714
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a Percentage of										
Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal cost
Amortization Method	Level Percentage of Payroll, Closed
Amortization Period	28 years
Asset Valuation Method	Market value
Investment Rate of Return	6.50%
Projected Salary Increases	3.5%-7.0% including inflation of 3.5%
Mortality Table	RP-2014 Mortality Tables for males and females projected five years to 2019 with MP-2014.
Health Care Trend Rates	Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of 3.5%

CHARTER TOWNSHIP OF YPSILANTI
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 2,242,189	\$ 2,242,189	\$ 2,239,575	\$ (2,614)
Licenses and Permits	14,750	14,750	17,423	2,673
Federal Grants	-	253,905	174,682	(79,223)
Intergovernmental - State	5,052,441	5,052,441	5,214,967	162,526
Intergovernmental - County	-	15,000	14,254	(746)
Charges for Services	430,844	430,844	445,724	14,880
Franchise Fees	725,000	725,000	711,093	(13,907)
Interest	42,000	42,000	237,169	195,169
Rents	238,900	238,900	220,067	(18,833)
Other	3,500	90,110	182,838	92,728
Total Revenues	<u>8,749,624</u>	<u>9,105,139</u>	<u>9,457,792</u>	<u>352,653</u>
Expenditures:				
General Government:				
Legislative	158,065	158,065	145,516	12,549
District Court	355,000	355,000	354,991	9
Supervisor	327,735	328,518	297,678	30,840
Clerk	522,795	578,178	557,621	20,557
Treasurer	435,931	439,719	415,310	24,409
Assessor	431,952	436,244	412,615	23,629
Board of Review	2,038	2,038	1,572	466
Accounting Department	367,188	372,710	350,454	22,256
Human Resources	327,712	330,039	255,627	74,412
Building and Grounds	685,363	693,774	629,053	64,721
Legal Services	250,000	300,000	293,997	6,003
Computer Support	704,449	747,636	670,848	76,788
General Services	156,900	157,399	154,446	2,953
Total General Government	<u>4,725,128</u>	<u>4,899,320</u>	<u>4,539,728</u>	<u>359,592</u>
Public Works:				
Highways and Streets	291,112	1,188,066	647,138	540,928
Street Lighting & Cameras	165,500	187,563	85,344	102,219
Total Public Works	<u>456,612</u>	<u>1,375,629</u>	<u>732,482</u>	<u>643,147</u>
Community and Economic Development:				
Community Development	215,595	236,738	222,279	14,459
Planning Commission	6,873	6,873	4,317	2,556
Zoning Board of Appeals	3,345	3,345	1,698	1,647
Economic Development	101,462	101,462	54,015	47,447
Community Stabilization	1,135,000	1,150,690	1,123,628	27,062
Total Community and Economic Dev.	<u>1,462,275</u>	<u>1,499,108</u>	<u>1,405,937</u>	<u>93,171</u>
Recreation and Cultural:				
Parks and Grounds	786,298	954,013	725,873	228,140
Administration	65,846	65,846	24,698	41,148
Total Recreation and Cultural	<u>852,144</u>	<u>1,019,859</u>	<u>750,571</u>	<u>269,288</u>
Other Functions:				
Storm Water Management	28,000	28,000	17,024	10,976
Fringe Benefits	10,150	10,150	6,826	3,324
Retirement	441,688	441,688	441,554	134
Insurance	130,607	130,607	124,069	6,538
Other	137,500	152,499	125,867	26,632
Total Other Functions	<u>747,945</u>	<u>762,944</u>	<u>715,340</u>	<u>47,604</u>
Capital Outlay	<u>243,000</u>	<u>1,054,029</u>	<u>789,563</u>	<u>264,466</u>
Total Expenditures	<u>8,487,104</u>	<u>10,610,889</u>	<u>8,933,621</u>	<u>1,677,268</u>

(continued)

CHARTER TOWNSHIP OF YPSILANTI
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>262,520</u>	\$ <u>(1,505,750)</u>	\$ <u>524,171</u>	\$ <u>2,029,921</u>
Other Financing Sources (Uses):				
Operating Transfers In	181,865	181,865	181,865	-
Operating Transfers Out	<u>(406,000)</u>	<u>(406,000)</u>	<u>(406,000)</u>	-
Total Other Financing Sources (Uses)	<u>(224,135)</u>	<u>(224,135)</u>	<u>(224,135)</u>	-
Change in Fund Balance	38,385	(1,729,885)	300,036	2,029,921
Fund Balance - January 1	<u>6,753,795</u>	<u>6,753,795</u>	<u>6,445,766</u>	<u>308,029</u>
Fund Balance - December 31	\$ <u><u>6,792,180</u></u>	\$ <u><u>5,023,910</u></u>	\$ <u><u>6,745,802</u></u>	\$ <u><u>2,337,950</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Fire Department Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 6,397,635	\$ 6,397,635	\$ 5,646,192	\$ (751,443)
Charges for Services	2,950	2,950	1,945	(1,005)
Interest Income	-	-	42,290	42,290
Other	2,000	2,000	10,606	8,606
Total Revenues	<u>6,402,585</u>	<u>6,402,585</u>	<u>5,701,033</u>	<u>(701,552)</u>
Expenditures:				
Public Safety	5,519,960	5,594,365	5,459,585	134,780
Capital Outlay	<u>675,000</u>	<u>675,000</u>	<u>-</u>	<u>675,000</u>
Total Expenditures	<u>6,194,960</u>	<u>6,269,365</u>	<u>5,459,585</u>	<u>809,780</u>
Excess (Deficiency) of Revenues Over Expenditures	207,625	133,220	241,448	108,228
Fund Balance - January 1	<u>586,712</u>	<u>586,712</u>	<u>586,712</u>	<u>-</u>
Fund Balance - December 31	\$ <u><u>794,337</u></u>	\$ <u><u>719,932</u></u>	\$ <u><u>828,160</u></u>	\$ <u><u>108,228</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Environmental Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 2,749,847	\$ 2,749,847	\$ 2,694,185	\$ (55,662)
Charges for Services	9,500	9,500	11,225	1,725
Interest	15,000	15,000	23,053	8,053
Other	-	-	10,542	10,542
Total Revenues	<u>2,774,347</u>	<u>2,774,347</u>	<u>2,739,005</u>	<u>(35,342)</u>
Expenditures:				
Public Works	2,907,029	2,879,529	2,810,630	68,899
Capital Outlay	110,000	151,494	61,597	89,897
Total Expenditures	<u>3,017,029</u>	<u>3,031,023</u>	<u>2,872,227</u>	<u>158,796</u>
Excess (Deficiency) of Revenues Over Expenditures	(242,682)	(256,676)	(133,222)	123,454
Fund Balance - January 1	<u>1,241,941</u>	<u>1,241,941</u>	<u>1,241,941</u>	<u>-</u>
Fund Balance - December 31	\$ <u>999,259</u>	\$ <u>985,265</u>	\$ <u>1,108,719</u>	\$ <u>123,454</u>

CHARTER TOWNSHIP OF YPSILANTI
Law Enforcement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 7,604,376	\$ 7,604,376	\$ 7,449,013	\$ (155,363)
Intergovernmental-State	23,000	23,000	22,615	(385)
Charges for Services	1,200	1,200	1,150	(50)
Interest	35,000	35,000	86,084	51,084
Other	-	-	59,687	59,687
Total Revenues	<u>7,663,576</u>	<u>7,663,576</u>	<u>7,618,549</u>	<u>(45,027)</u>
Expenditures:				
Public Safety	<u>7,478,841</u>	<u>7,655,690</u>	<u>7,104,741</u>	<u>550,949</u>
Excess (Deficiency) of Revenues Over Expenditures	184,735	7,886	513,808	505,922
Other Financing Uses:				
Operating Transfers Out	<u>(181,865)</u>	<u>(181,865)</u>	<u>(181,865)</u>	<u>-</u>
Change in Fund Balance	2,870	(173,979)	331,943	505,922
Fund Balance - January 1	<u>2,271,951</u>	<u>2,271,951</u>	<u>2,271,951</u>	<u>-</u>
Fund Balance - December 31	\$ <u><u>2,274,821</u></u>	\$ <u><u>2,097,972</u></u>	\$ <u><u>2,603,894</u></u>	\$ <u><u>505,922</u></u>

OTHER SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF YPSILANTI
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	<u>Special Revenue</u>	<u>2013 GO Refunding Bond Debt</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,170,305	\$ 220,462	\$ 3,390,767
Receivables:			
Accounts	126,401	-	126,401
Taxes	1,359,116	-	1,359,116
Special Assessments	19,330	-	19,330
Prepaid Expenditures	<u>44,532</u>	<u>-</u>	<u>44,532</u>
Total Assets	<u>\$ 4,719,684</u>	<u>\$ 220,462</u>	<u>\$ 4,940,146</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ 99,260	\$ -	\$ 99,260
Accrued Liabilities	245,341	-	245,341
Due to Other Governmental Funds	87,765	-	87,765
Unearned Revenue	<u>29,007</u>	<u>-</u>	<u>29,007</u>
Total Liabilities	<u>461,373</u>	<u>-</u>	<u>461,373</u>
Deferred Inflows of Resources:			
Property Taxes Levied for the following year	<u>1,359,116</u>	<u>-</u>	<u>1,359,116</u>
Fund Balance:			
Nonspendable	44,532	-	44,532
Restricted	<u>2,854,663</u>	<u>220,462</u>	<u>3,075,125</u>
Total Fund Balance	<u>2,899,195</u>	<u>220,462</u>	<u>3,119,657</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 4,719,684</u>	<u>\$ 220,462</u>	<u>\$ 4,940,146</u>

CHARTER TOWNSHIP OF YPSILANTI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	<u>Special Revenue</u>	<u>2013 GO Refunding Bond Debt</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues:</u>			
Property Taxes	\$ 1,879,448	\$ -	\$ 1,879,448
Licenses and Permits	921,870	-	921,870
Intergovernmental	565,936	225,270	791,206
Charges for Services	2,607,768	-	2,607,768
Interest	60,471	3,414	63,885
Other	13,115	-	13,115
Total Revenues	<u>6,048,608</u>	<u>228,684</u>	<u>6,277,292</u>
<u>Expenditures:</u>			
General Government	1,659,320	#REF!	#REF!
Public Safety	1,616,886	-	1,616,886
Public Works	394,149	-	394,149
Recreation and Cultural	933,611	-	933,611
Debt Service:			
Principal	600,000	180,000	780,000
Interest and Fees	54,250	52,290	106,540
Capital Outlay	493,544	-	493,544
Total Expenditures	<u>5,751,760</u>	<u>#REF!</u>	<u>#REF!</u>
Over Expenditures	<u>296,848</u>	<u>#REF!</u>	<u>#REF!</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	881,000	-	881,000
Operating Transfers Out	<u>(600,000)</u>	-	<u>(600,000)</u>
Total Other Financing Sources (Uses)	<u>281,000</u>	<u>-</u>	<u>281,000</u>
Net Change in Fund Balance	577,848	#REF!	#REF!
Fund Balance, January 1	<u>2,321,347</u>	<u>224,068</u>	<u>2,545,415</u>
Fund Balance, December 31	\$ <u><u>2,899,195</u></u>	\$ <u><u>#REF!</u></u>	\$ <u><u>#REF!</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2019

	<u>Fire Capital</u>	<u>Parks</u>	<u>Bike Path, Sidewalk, Recreation, Roads & General Operations</u>	<u>Recreation</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 84,193	\$ 37,062	363,769	\$ 57,539
Receivables:				
Accounts	-	-	5,223	12,894
Taxes	-	-	1,359,116	-
Special Assessments	-	-	-	-
Prepaid Expenditures	-	-	-	10,710
Total Assets	<u>\$ 84,193</u>	<u>\$ 37,062</u>	<u>1,728,108</u>	<u>\$ 81,143</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	13,092	\$ 10,168
Accrued Liabilities	-	-	1,613	5,325
Due to Other Governmental Units	-	-	-	-
Unearned Revenue	-	-	-	9,677
Total Liabilities	<u>-</u>	<u>-</u>	<u>14,705</u>	<u>25,170</u>
Deferred Inflows of Resources:				
Property Taxes Levied for the following year	-	-	1,359,116	-
Fund Balance:				
Nonspendable	-	-	-	10,710
Restricted	84,193	37,062	354,287	45,263
Total Fund Balance	<u>84,193</u>	<u>37,062</u>	<u>354,287</u>	<u>55,973</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 84,193</u>	<u>\$ 37,062</u>	<u>1,728,108</u>	<u>\$ 81,143</u>

<u>14B District Court</u>	<u>Building Rental Inspection</u>	<u>Building Department</u>	<u>Hydro Station</u>	<u>Nuisance Abatement</u>	<u>Total</u>
\$ 339,776	\$ 249,281	\$ 1,388,595	\$ 565,655	\$ 84,435	\$ 3,170,305
-	-	-	108,284	-	126,401
-	-	-	-	-	1,359,116
-	-	-	-	19,330	19,330
<u>18,275</u>	<u>601</u>	<u>9,527</u>	<u>5,419</u>	<u>-</u>	<u>44,532</u>
<u>\$ 358,051</u>	<u>\$ 249,882</u>	<u>\$ 1,398,122</u>	<u>\$ 679,358</u>	<u>\$ 103,765</u>	<u>\$ 4,719,684</u>
\$ 66,696	\$ 448	\$ 6,050	\$ 2,397	\$ 409	\$ 99,260
111,138	-	8,321	118,944	-	245,341
33,337	-	-	54,428	-	87,765
-	-	-	-	19,330	29,007
<u>211,171</u>	<u>448</u>	<u>14,371</u>	<u>175,769</u>	<u>19,739</u>	<u>461,373</u>
-	-	-	-	-	1,359,116
18,275	601	9,527	5,419	-	44,532
128,605	248,833	1,374,224	498,170	84,026	2,854,663
<u>146,880</u>	<u>249,434</u>	<u>1,383,751</u>	<u>503,589</u>	<u>84,026</u>	<u>2,899,195</u>
<u>\$ 358,051</u>	<u>\$ 249,882</u>	<u>\$ 1,398,122</u>	<u>\$ 679,358</u>	<u>\$ 103,765</u>	<u>\$ 4,719,684</u>

CHARTER TOWNSHIP OF YPSILANTI
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2019

	Fire Capital	Parks	Bike Path, Sidewalk, Recreation, Roads & General Operations	Recreation
<u>Revenues:</u>				
Property Taxes	\$ 627,555	\$ -	1,251,893	\$ -
Licenses and Permits	-	-	15,671	-
Intergovernmental	-	-	396,133	16,000
Charges for Services	-	6,106	-	292,291
Interest	-	573	13,661	1,908
Other	-	-	-	5,715
Total Revenues	<u>627,555</u>	<u>6,679</u>	<u>1,677,358</u>	<u>315,914</u>
<u>Expenditures:</u>				
General Government	-	-	-	-
Public Safety	543,362	-	-	-
Public Works	-	-	-	-
Recreation and Cultural	-	4,096	159,846	769,669
Debt Service:				
Principal	-	-	600,000	-
Interest and Fees	-	-	54,250	-
Capital Outlay	-	-	493,544	-
Total Expenditures	<u>543,362</u>	<u>4,096</u>	<u>1,307,640</u>	<u>769,669</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>84,193</u>	<u>2,583</u>	<u>369,718</u>	<u>(453,755)</u>
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	-	-	327,000	475,000
Operating Transfers Out	-	-	(600,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(273,000)</u>	<u>475,000</u>
Net Change in Fund Balance	84,193	2,583	96,718	21,245
Fund Balance, January 1	<u>-</u>	<u>34,479</u>	<u>257,569</u>	<u>34,728</u>
Fund Balance, December 31	\$ <u>84,193</u>	\$ <u>37,062</u>	<u>354,287</u>	\$ <u>55,973</u>

<u>14B District Court</u>	<u>Building Rental Inspection</u>	<u>Building Department</u>	<u>Hydro Station</u>	<u>Nuisance Abatement</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,879,448
-	-	906,199	-	-	921,870
153,803	-	-	-	-	565,936
1,328,037	376,823	17,020	544,279	43,212	2,607,768
4,089	3,580	25,971	9,082	1,607	60,471
1,315	352	1,089	4,644	-	13,115
<u>1,487,244</u>	<u>380,755</u>	<u>950,279</u>	<u>558,005</u>	<u>44,819</u>	<u>6,048,608</u>
1,659,320	-	-	-	-	1,659,320
-	282,724	754,667	-	36,133	1,616,886
-	-	-	394,149	-	394,149
-	-	-	-	-	933,611
-	-	-	-	-	600,000
-	-	-	-	-	54,250
-	-	-	-	-	493,544
<u>1,659,320</u>	<u>282,724</u>	<u>754,667</u>	<u>394,149</u>	<u>36,133</u>	<u>5,751,760</u>
<u>(172,076)</u>	<u>98,031</u>	<u>195,612</u>	<u>163,856</u>	<u>8,686</u>	<u>296,848</u>
-	-	-	79,000	-	881,000
-	-	-	-	-	(600,000)
-	-	-	79,000	-	281,000
(172,076)	98,031	195,612	242,856	8,686	577,848
<u>318,956</u>	<u>151,403</u>	<u>1,188,139</u>	<u>260,733</u>	<u>75,340</u>	<u>2,321,347</u>
\$ <u>146,880</u>	\$ <u>249,434</u>	\$ <u>1,383,751</u>	\$ <u>503,589</u>	\$ <u>84,026</u>	\$ <u>2,899,195</u>

CHARTER TOWNSHIP OF YPSILANTI
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
December 31, 2019

		General Tax Collection	Current Tax Collection Fund	Imprest Payroll Fund	Receiving Fund	Bonds and Escrow Fund	Fire Bonds and Escrow Fund	Total
<u>ASSETS</u>								
Cash and Cash Equivalents	\$	32,824	\$ 15,282,566	\$ 108,532	\$ 199,202	\$ 1,082,345	\$ 51,989	\$ 16,757,458
Due from Other		-	-	-	798	351	-	1,149
Total Assets	\$	<u>32,824</u>	<u>\$ 15,282,566</u>	<u>\$ 108,532</u>	<u>\$ 200,000</u>	<u>\$ 1,082,696</u>	<u>\$ 51,989</u>	<u>\$ 16,758,607</u>

<u>LIABILITIES</u>								
Due to Governmental Units	\$	32,824	\$ 15,271,815	\$ 107,992	\$ -	\$ 2,464	\$ -	\$ 15,415,095
Due to Other		-	10,751	540	200,000	1,080,232	51,989	1,343,512
Total Liabilities	\$	<u>32,824</u>	<u>\$ 15,282,566</u>	<u>\$ 108,532</u>	<u>\$ 200,000</u>	<u>\$ 1,082,696</u>	<u>\$ 51,989</u>	<u>\$ 16,758,607</u>

CHARTER TOWNSHIP OF YPSILANTI
Pension and Employee Benefit Trust Funds
Combining Balance Sheet
December 31, 2019

	General Township Employees' Healthcare Trust Fund	Firefighters' Healthcare Trust Fund	Police and Firefighters' Pension Trust Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ 820,149	\$ 512,498	\$ 1,332,647
Investments	8,059,344	6,865,801	28,316,258	43,241,403
Accrued Interest	-	-	62,940	62,940
Due from Fire Healthcare Trust Fund	-	-	18,000	18,000
Total Assets	\$ <u>8,059,344</u>	\$ <u>7,685,950</u>	\$ <u>28,909,696</u>	<u>44,654,990</u>
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Accounts Payable	\$ 479,234	\$ 719,343	\$ 23,879	\$ 1,222,456
Due to Fire Pension Trust Fund	-	18,000	-	18,000
Total Liabilities	<u>479,234</u>	<u>737,343</u>	<u>23,879</u>	<u>1,240,456</u>
Net Position:				
Held in Trust for Pension and Employee Benefits	<u>7,580,110</u>	<u>6,948,607</u>	<u>28,885,817</u>	<u>43,414,534</u>
Total Liabilities and Net Position	\$ <u>8,059,344</u>	\$ <u>7,685,950</u>	\$ <u>28,909,696</u>	<u>44,654,990</u>

CHARTER TOWNSHIP OF YPSILANTI
Pension and Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2019

	General Township Employees' Healthcare Trust Fund	Firefighters' Healthcare Trust Fund	Police and Firefighters' Pension Trust Fund	Total
<u>Additions</u>				
Investment Income:				
Interest and Dividends	\$ -	\$ 155,525	\$ 799,156	\$ 954,681
Net Increase (Decrease) in Fair Value of Investments	941,453	1,144,808	3,506,513	5,592,774
Total Investment Income	941,453	1,300,333	4,305,669	6,547,455
Contributions:				
Employer	664,540	767,327	998,711	2,430,578
Employee	-	48,742	97,837	146,579
Total Contributions	664,540	816,069	1,096,548	2,577,157
Other	-	-	23,617	23,617
Total Additions	1,605,993	2,116,402	5,425,834	9,148,229
<u>Deductions</u>				
Benefit Payments	-	-	2,187,399	2,187,399
Retirees Insurance	479,234	716,223	-	1,195,457
Administrative Expenses	13,087	21,120	146,199	180,406
Total Deductions	492,321	737,343	2,333,598	3,563,262
Total Change in Net Position	1,113,672	1,379,059	3,092,236	5,584,967
Net Position, January 1	6,466,438	5,569,548	25,793,581	37,829,567
Net Position, December 31	\$ 7,580,110	\$ 6,948,607	\$ 28,885,817	\$ 43,414,534