

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

AUDITED FINANCIAL REPORT

**For the Fiscal Year Ended
December 31, 2020**

CHARTER TOWNSHIP OF YPSILANTI
For the Year Ended December 31, 2020

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FINANCIAL SECTION

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Independent Auditor's Report

June 21, 2021

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, 2020, 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, 2020, 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,



PSLZ PLLC
Certified Public Accountants

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, 2020.

Financial Highlights

- The assets of the Charter Township of Ypsilanti exceeded its liabilities at the close of the most recent fiscal year by \$29,633,138 (*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 \$16,591,811, an increase of \$2,185,579 in comparison with the prior year. Approximately 43 percent of this amount, \$7,111,515 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 \$785,000 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 12-14 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 70-82 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 \$29,633,138 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	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 43,771,673	\$ 39,169,851	\$ 1,107,359	\$ 971,136	\$ 44,879,032	\$ 40,140,987
Capital Assets	38,700,624	39,848,557	3,105,873	3,055,661	41,806,497	42,904,218
Total Assets	<u>82,472,297</u>	<u>79,018,408</u>	<u>4,213,232</u>	<u>4,026,797</u>	<u>86,685,529</u>	<u>83,045,205</u>
Deferred Outflows	<u>4,346,708</u>	<u>4,139,631</u>	<u>-</u>	<u>-</u>	<u>4,346,708</u>	<u>4,139,631</u>
Long-term Liabilities						
Outstanding	31,635,910	39,141,110	224,185	14,967	31,860,095	39,156,077
Other Liabilities	4,216,657	2,443,190	24,481	21,387	4,241,138	2,464,577
Total Liabilities	<u>35,852,567</u>	<u>41,584,300</u>	<u>248,666</u>	<u>36,354</u>	<u>36,101,233</u>	<u>41,620,654</u>
Deferred Inflows	<u>25,297,866</u>	<u>23,224,560</u>	<u>-</u>	<u>-</u>	<u>25,297,866</u>	<u>23,224,560</u>
Net Position:						
Net Investment						
in Capital Assets	35,615,624	35,978,557	2,898,873	3,055,661	38,514,497	39,034,218
Restricted	9,023,154	7,464,059	-	-	9,023,154	7,464,059
Unrestricted(Deficit)	<u>(18,970,206)</u>	<u>(25,093,437)</u>	<u>1,065,693</u>	<u>934,782</u>	<u>(17,904,513)</u>	<u>(24,158,655)</u>
Total Net Position	<u>\$ 25,668,572</u>	<u>\$ 18,349,179</u>	<u>\$ 3,964,566</u>	<u>\$ 3,990,443</u>	<u>\$ 29,633,138</u>	<u>\$ 22,339,622</u>

An additional portion of the Charter Township of Ypsilanti's net position (30 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 increased by \$7,319,393 during the current fiscal year and the business-type net position decreased by \$25,877, as presented:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	\$ 3,979,739	\$ 4,405,991	\$ 1,245,696	\$ 1,215,671	\$ 5,225,435	\$ 5,621,662
Operating Grants & Contrib.	872,183	525,665	-	-	872,183	525,665
Capital Grants & Contrib.	660,035	593,522	-	-	660,035	593,522
General Revenues:						
Property Taxes	21,384,917	19,908,413	-	-	21,384,917	19,908,413
State Shared Revenues	5,178,147	5,196,506	-	-	5,178,147	5,196,506
Franchise Fees	692,005	711,093	-	-	692,005	711,093
Investment Earnings	98,333	456,330	10,919	18,093	109,252	474,423
Total Revenues	<u>32,865,359</u>	<u>31,797,520</u>	<u>1,256,615</u>	<u>1,233,764</u>	<u>34,121,974</u>	<u>33,031,284</u>
Program Expenses:						
General Government	5,240,439	10,485,985	-	-	5,240,439	10,485,985
Public Safety	12,310,833	17,470,041	-	-	12,310,833	17,470,041
Public Works	4,664,824	5,032,583	-	-	4,664,824	5,032,583
Comm. and Econ. Dev.	1,354,287	1,405,937	-	-	1,354,287	1,405,937
Recreation and Cultural	1,750,423	2,429,410	-	-	1,750,423	2,429,410
Interest on Long-Term Debt	90,160	106,540	-	-	90,160	106,540
Golf Course	-	-	761,732	735,880	761,732	735,880
Compost	-	-	655,760	577,059	655,760	577,059
Total Expenses	<u>25,410,966</u>	<u>36,930,496</u>	<u>1,417,492</u>	<u>1,312,939</u>	<u>26,828,458</u>	<u>38,243,435</u>
Excess(Deficiency) before transfers	7,454,393	(5,132,976)	(160,877)	(79,175)	7,293,516	(5,212,151)
Transfers in (out)	<u>(135,000)</u>	<u>(125,000)</u>	<u>135,000</u>	<u>125,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	7,319,393	(5,257,976)	(25,877)	45,825	7,293,516	(5,212,151)
Net Position, Beg. 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>
Net Position, End of year	<u>\$ 25,668,572</u>	<u>\$ 18,349,179</u>	<u>\$ 3,964,566</u>	<u>\$ 3,990,443</u>	<u>\$ 29,633,138</u>	<u>\$ 22,339,622</u>

Governmental activities. Property tax revenues increased from \$19,908,413 to \$21,384,917, an increase of \$1,476,504. This was due to the overall taxable value increase from the 2018 tax roll to the 2019 tax roll of 8.23%. The taxes levied in 2019 are the revenues for 2020. State shared revenue is \$5,178,147 for the current period, a decrease of \$18,359 from the prior year.

Capital Grants and Contributions were \$660,035 in the current year, as compared to \$593,522 in the prior year. The current year includes a \$259,827 Washtenaw County grant, \$201,525 in federal grants, \$20,662 State grant and \$178,021 contribution for streetlights and cameras.

Business-type activities. This represents the municipal-owned Green Oaks Golf Course and the Township Compost Center. The General Operations Fund transferred \$135,000 to Green Oaks Golf Course during the current year for operations. This was an increase from the prior year's transfer of \$125,000. Fee revenues increased from \$570,304 in the prior year to \$601,652 in the current year.

The Compost Fund had a decrease in net position from \$1,939,952 in 2019 to \$1,909,714 in 2020. Revenue for services decreased from \$631,676 in 2019 to \$622,779.

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 \$16,591,811, an increase of \$2,185,579 in comparison with the prior year. The *unrestricted fund balance*, which is the amount available for spending at the government's discretion, represents 43% 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 \$2,871,068. The General Fund's fund balance increased by \$659,670 in the current fiscal year as compared to an increase of \$300,036 in the prior year. The 2020 capital improvements, debt expenditures and transfers to other funds are as follows: \$259,691 for LED conversion and installation of street lights, \$9,596 for the Neighborhood Camera Systems, \$66,053 for grounds and park equipment, \$207,073 for Schooner Cove Bus Shelter, \$64,174 for road improvements, \$34,228 for building improvement and furnishings, \$321,000 transferred to the BSRll Fund for a portion of the principal and interest payment of the Road Improvement bond, \$81,000 to the Hydro Dam Fund and \$510,000 to the 14B District Court for operation related to the COVID-19 pandemic revenue shortfall. Total expenditures (not including the transferred amounts) decreased from \$8,933,621 in the prior year to \$8,658,228 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 \$1,065,693 and the Internal Service Fund (Motor Pool) was \$316,150 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 \$884,796. The budget amendment requests approved by the Board using prior year fund balance was \$498,850 the remaining \$385,946 was grant reimbursements and contributions. 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 \$659,670. The following is a summary of the Board approved budget amendments to the General Fund. The total budget amendment increases include \$509,761 for capital improvements as follows: \$464,585 for Roads, Calming Devices, Bus Shelter and Streetlights; \$23,176 for Equipment and Software; and \$22,000 Building & Ground Improvements. A total of \$375,035 for other non-capital amendments as follows: of operational funds to Recreation; \$60,000 For COVID-19 prevention and supplies; \$136,500 for legal services for nuisance abatement, prosecution and domestic violence; \$67,764 for wage and fringe benefit coverage changes; \$79,081 election related wage and supplies; \$31,690 for consultant for Region 2 grant program.

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, 2020, amounts to \$41,806,497 (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 \$1,646,988 with depreciation expense of \$2,744,709, resulting in a net decrease of \$1,097,721. Disposal of fully depreciated obsolete assets for 2020 was \$52,745. Major capital assets constructed or acquired during the year were:

Road improvements, Paths & Streetlights	\$ 578,035
Building Improvements	\$ 31,407
Computer & Communication Equipment	\$ 33,353
Land Improvement	\$ 473,528
Equipment	\$ 166,734
Vehicles – Motor Pool	\$ 39,876
Land Improvement – Compost	\$ 117,055
Equipment Lease– Golf Course	\$ 207,000

Long-term debt. At the end of the current fiscal year, the Charter Township of Ypsilanti had long term indebtedness outstanding of \$4,441,322. This represents \$1,885,000 of a general obligation bond, \$1,200,000 of transportation notes payable, and \$1,356,322 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 2020 by \$785,000 as a result of annual debt service payments and added \$207,000 in leases payable for the Golf Course. Additional information on the Charter Township of Ypsilanti's long-term debt can be found in note III. E. on page 42 of this report.

Economic Factors and Next Year's Budgets and Rates

The 2020 year was an unprecedented year both financially and emotionally for our country due to the COVID-19 Pandemic. This terrible virus took thousands of loved ones and challenged our essential responders to the max. We had to try and service the public remotely, conducted meetings virtually, collected tax revenues during building closures and oversaw three elections including a record-breaking presidential election. We learned to work amidst state mandated office closures and to continue serving the residents in our community. Our essential staff continued communication and service with vendors, professional service clients and the public by utilizing telecommunications and scheduling walk-in appointments. Our emergency first responders, our Fire Department, worked diligently every day not missing a beat to help our community and answer the call to duty. The main objective during this time was to serve our residents to the best of our ability without losing essential service in the safest way possible. We are proud of our staff and their efforts to service the community.

Last year at this time we were faced with uncertain economic factors related to the COVID-19 Pandemic with initial State shared revenue losses projected at over 1 million dollars. The actual constitutional shares received for 2019 and 2020 was \$4,682,345 and \$4,743,162 respectively. The percentage change increase was 1.3%. The projected amount for 2021 is \$4,961,540 which is a percentage change increase of 4.7%. These projected numbers were last updated by the State on February 11, 2021 and could change as more data is received. The rates are based on the sales tax collected by the State. The CVTRS (City, Village, Township, and Revenue Share) Program actual 2019 and 2020 amounts received were \$485,418 and \$434,985 respectively with a percentage change decrease of 10.4%. The projected 2021 amount is \$525,465 a percentage change increase of 20.8% over 2020.

The Township received three Federal Grants in 2020 for our emergency first responders as follows: First Responder Hazard Pay Premiums Program in the amount of \$27,000; Public Safety and Public Health Payroll Reimbursement Program \$306,085; and Coronavirus Relief Local Government Grant \$135,232. Accepted Federal grants for 2021 are as follows: Public Safety and Public Health Payroll Reimbursement \$95,528. Federal grants for 2021 are as follows: FEMA grant for reimbursement of personal protection equipment (PPE) of \$27,585 and the first half of the American Rescue Plan Act Grant (ARPA) in the amount of \$4,719,512. The second half is due the Township in 2022. The allowable uses for the ARPA Grant funds are very restricted. The Township Board will be reviewing the allowable uses and most effective ways to help our community.

According to the United States Department of Labor, Bureau of Labor Statistics, the annual average unemployment rate for the State of Michigan for three years was as follows: April 2019 at 4.2%, April 2020 at 23.6% and April 2021 at 4.9%. The unemployment rate for the Ann Arbor, Michigan Metropolitan area for the last three years are as follows: April 2019 at 2.6%, April 2020 at 14.8% and April 2021 at 4.0%. The 2021 numbers are preliminary, however the decreases for both State and our area from 2020 to 2021 are substantial and bring us closer to pre pandemic unemployment numbers.

The Constitutional portion and City, Village, and Township (CVT) portion of the State Shared Revenue showed the percentage change from 2019 to 2020 as a decrease of

1.6%, the projected percentage change from 2020 to 2021 an increase of 11.4% and the projected percentage change from 2021 to 2022 a decrease of 2.6%.

The Township's taxable values minus the Renaissance Zone for 2019 is \$1,380,345,266, for 2020 is \$1,421,901,034 and for 2021 is \$1,479,661,885. The increased percentage change from 2019 to 2020 is 3.1% and from 2020 to 2021 is 4%. There is a Headlee Millage Reduction Fraction of .9899 for 2019, .9972 for 2020 and .9891 for 2021 taxable values, which lowers the Township millage rates to be collected in the 2021 and 2022 revenues. The exception will be the Pension PA345 millage rate.

The Township has adopted a balanced budget in the General Fund for 2021.

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 17,692,704	\$ 1,075,089	\$ 18,767,793	\$ 90,446
Receivables, net	25,771,564	8,868	25,780,432	78,572
Inventories	5,280	9,300	14,580	-
Prepaid Expenditures	302,125	14,102	316,227	-
Total Current Assets	<u>43,771,673</u>	<u>1,107,359</u>	<u>44,879,032</u>	<u>169,018</u>
Noncurrent Assets:				
Capital Assets Not Being Depreciated	9,623,049	1,277,618	10,900,667	-
Capital Assets Being Depreciated, Net	29,077,575	1,828,255	30,905,830	-
Total Noncurrent Assets	<u>38,700,624</u>	<u>3,105,873</u>	<u>41,806,497</u>	<u>-</u>
 TOTAL ASSETS	 <u>82,472,297</u>	 <u>4,213,232</u>	 <u>86,685,529</u>	 <u>169,018</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows related to Pensions	<u>4,346,708</u>	<u>-</u>	<u>4,346,708</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	926,809	6,884	933,693	-
Accrued Liabilities	810,857	17,597	828,454	18,680
Due to Other Governmental Units	99,997	-	99,997	-
Deposits and Escrows	1,537,749	-	1,537,749	-
Unearned Revenue	841,245	-	841,245	-
Current Portion of Compensated Absences	226,054	-	226,054	-
Current Portion of Long-term Debt	790,000	41,400	831,400	-
Total Current Liabilities	<u>5,232,711</u>	<u>65,881</u>	<u>5,298,592</u>	<u>18,680</u>
Noncurrent Liabilities:				
Net Pension Liability	15,712,981	-	15,712,981	-
Net OPEB Liability	11,481,607	-	11,481,607	-
Noncurrent Portion of Compensated Absences	1,130,268	17,185	1,147,453	-
Noncurrent Portion of Long-term Debt	2,295,000	165,600	2,460,600	-
Total Noncurrent Liabilities	<u>30,619,856</u>	<u>182,785</u>	<u>30,802,641</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>35,852,567</u>	 <u>248,666</u>	 <u>36,101,233</u>	 <u>18,680</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows related to Pensions	2,585,479	-	2,585,479	-
Property Taxes Levied for the following year	22,712,387	-	22,712,387	78,572
TOTAL DEFERRED INFLOWS	<u>25,297,866</u>	<u>-</u>	<u>25,297,866</u>	<u>78,572</u>
NET POSITION				
Net Investment in Capital Assets	35,615,624	2,898,873	38,514,497	-
Restricted	9,023,154	-	9,023,154	-
Unrestricted	(18,970,206)	1,065,693	(17,904,513)	71,766
TOTAL NET POSITION	<u>\$ 25,668,572</u>	<u>\$ 3,964,566</u>	<u>\$ 29,633,138</u>	<u>\$ 71,766</u>

CHARTER TOWNSHIP OF YPSILANTI
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Functions/Programs</u>				
Primary Government:				
Governmental Activities:				
General Government	\$ 5,240,439	\$ 1,966,853	\$ 236,039	\$ 378,046
Public Safety	12,310,833	1,199,138	490,017	-
Public Works	4,664,824	700,496	15,461	281,989
Community and Economic Development	1,354,287	12,900	129,164	-
Recreation and Cultural	1,750,423	100,352	1,502	-
Interest Expense	90,160	-	-	-
Total Governmental Activities	25,410,966	3,979,739	872,183	660,035
Business-type Activities:				
Golf Course	761,732	622,763	-	-
Compost	655,760	622,933	-	-
Total Business-type Activities	1,417,492	1,245,696	-	-
Total Primary Government	\$ 26,828,458	\$ 5,225,435	\$ 872,183	\$ 660,035
Component Units:				
Local Development Finance Authority	129,164	-	-	-
Economic Development Corp	-	-	-	-
Total Component Units	\$ 129,164	\$ -	\$ -	\$ -

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
\$ (2,659,501)	\$ -	\$ (2,659,501)	\$ -
(10,621,678)	-	(10,621,678)	-
(3,666,878)	-	(3,666,878)	-
(1,212,223)	-	(1,212,223)	-
(1,648,569)	-	(1,648,569)	-
(90,160)	-	(90,160)	-
<u>(19,899,009)</u>	<u>-</u>	<u>(19,899,009)</u>	<u>-</u>
-	(138,969)	(138,969)	-
-	(32,827)	(32,827)	-
-	(171,796)	(171,796)	-
<u>(19,899,009)</u>	<u>(171,796)</u>	<u>(20,070,805)</u>	<u>-</u>
-	-	-	(129,164)
-	-	-	-
-	-	-	<u>(129,164)</u>
21,384,917	-	21,384,917	121,664
5,178,147	-	5,178,147	-
692,005	-	692,005	-
98,333	10,919	109,252	335
(135,000)	135,000	-	-
<u>27,218,402</u>	<u>145,919</u>	<u>27,364,321</u>	<u>121,999</u>
7,319,393	(25,877)	7,293,516	(7,165)
<u>18,349,179</u>	<u>3,990,443</u>	<u>22,339,622</u>	<u>78,931</u>
<u>\$ 25,668,572</u>	<u>\$ 3,964,566</u>	<u>\$ 29,633,138</u>	<u>\$ 71,766</u>

CHARTER TOWNSHIP OF YPSILANTI

Balance Sheet

Governmental Funds

December 31, 2020

	<u>General Fund</u>	<u>Fire Department Fund</u>	<u>Environmental Services Fund</u>	<u>Law Enforcement Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 6,970,156	\$ 635,498	\$ 1,282,184	\$ 3,927,065
Receivables:				
Accounts	1,051,791	698,122	-	118,832
Taxes	2,217,715	6,939,933	2,997,235	8,275,927
Special Assessments	1,696,654	-	-	11,724
Advance to Other Funds	155,215	-	-	-
Prepaid Expenditures	138,742	110,294	6,932	12,352
Total Assets	<u>\$ 12,230,273</u>	<u>\$ 8,383,847</u>	<u>\$ 4,286,351</u>	<u>\$ 12,345,900</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 485,317	\$ 30,465	\$ 204,527	\$ 18,444
Accrued Liabilities	341,705	88,720	17,547	47,652
Due to Other Governmental Units	17,433	-	-	-
Deposits and Escrows	-	131,051	-	-
Unearned Revenue	891,771	-	-	-
Total Liabilities	<u>1,736,226</u>	<u>250,236</u>	<u>222,074</u>	<u>66,096</u>
Deferred Inflows of Resources:				
Property Taxes Levied for the following year	<u>3,088,575</u>	<u>6,939,933</u>	<u>2,997,235</u>	<u>8,287,650</u>
Fund Balances:				
Nonspendable	293,957	110,294	6,932	12,352
Restricted	-	1,083,384	1,060,110	3,979,802
Assigned	4,240,447	-	-	-
Unassigned	2,871,068	-	-	-
Total Fund Balances	<u>7,405,472</u>	<u>1,193,678</u>	<u>1,067,042</u>	<u>3,992,154</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,230,273</u>	<u>\$ 8,383,847</u>	<u>\$ 4,286,351</u>	<u>\$ 12,345,900</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

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,565,310	\$ 17,380,213
334,999	2,203,744
1,398,994	21,829,804
29,638	1,738,016
-	155,215
<u>33,607</u>	<u>301,927</u>
<u>\$ 6,362,548</u>	<u>\$ 43,608,919</u>

\$ 186,430	\$ 925,183
315,040	810,664
82,564	99,997
1,406,698	1,537,749
<u>39,357</u>	<u>931,128</u>
<u>2,030,089</u>	<u>4,304,721</u>

<u>1,398,994</u>	<u>22,712,387</u>
------------------	-------------------

33,607	457,142
2,899,858	9,023,154
-	4,240,447
-	<u>2,871,068</u>
<u>2,933,465</u>	<u>16,591,811</u>

\$ 6,362,548

38,083,163

778,396

89,883
1,761,229
(15,712,981)
(11,481,607)

(4,441,322)

\$ 25,668,572

CHARTER TOWNSHIP OF YPSILANTI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	<u>General</u>	<u>Fire Department Fund</u>	<u>Environmental Services Fund</u>	<u>Law Enforcement Fund</u>
<u>Revenues</u>				
Property Taxes	\$ 2,407,982	\$ 6,037,488	\$ 2,899,167	\$ 8,013,881
Licenses and Permits	13,634	-	-	-
Intergovernmental	5,398,834	468,317	-	21,700
Charges for Services	895,238	1,045	9,766	254,262
Franchise Fees	692,005	-	-	-
Interest and Rent	293,405	1,501	3,249	9,189
Other	346,935	4,502	11,528	126,240
Total Revenues	<u>10,048,033</u>	<u>6,512,853</u>	<u>2,923,710</u>	<u>8,425,272</u>
<u>Expenditures</u>				
Current:				
General Government	5,275,513	-	-	-
Public Safety	-	6,147,335	-	7,080,824
Public Works	678,300	-	2,965,387	-
Community and Economic Development	1,354,287	-	-	-
Recreation and Cultural	656,688	-	-	-
Other	665,696	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fees	-	-	-	-
Capital Outlay	27,744	-	-	23,757
Total Expenditures	<u>8,658,228</u>	<u>6,147,335</u>	<u>2,965,387</u>	<u>7,104,581</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,389,805</u>	<u>365,518</u>	<u>(41,677)</u>	<u>1,320,691</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	181,865	-	-	249,434
Transfers Out	<u>(912,000)</u>	<u>-</u>	<u>-</u>	<u>(181,865)</u>
Total Other Financing Sources (Uses)	<u>(730,135)</u>	<u>-</u>	<u>-</u>	<u>67,569</u>
Net Change in Fund Balances	659,670	365,518	(41,677)	1,388,260
Fund Balances - Beginning	<u>6,745,802</u>	<u>828,160</u>	<u>1,108,719</u>	<u>2,603,894</u>
Fund Balances - Ending	<u>\$ 7,405,472</u>	<u>\$ 1,193,678</u>	<u>\$ 1,067,042</u>	<u>\$ 3,992,154</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,026,399	\$ 21,384,917
783,551	797,185
554,725	6,443,576
1,565,979	2,726,290
-	692,005
10,211	317,555
13,847	503,052
<u>4,954,712</u>	<u>32,864,580</u>
1,682,211	6,957,724
784,925	14,013,084
397,159	4,040,846
-	1,354,287
697,459	1,354,147
-	665,696
785,000	785,000
90,160	90,160
1,231,556	1,283,057
<u>5,668,470</u>	<u>30,544,001</u>
<u>(713,758)</u>	<u>2,320,579</u>
1,380,519	1,811,818
<u>(852,953)</u>	<u>(1,946,818)</u>
<u>527,566</u>	<u>(135,000)</u>
(186,192)	2,185,579
<u>3,119,657</u>	<u>14,406,232</u>
\$ <u>2,933,465</u>	\$ <u>16,591,811</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, 2020

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

Net change in fund balances - total governmental funds	\$	2,185,579
<p>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.</p>		
Capital Outlay		1,283,057
Depreciation		(2,343,079)
<p>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.</p>		
Principal Repayments		785,000
Increase in Compensated Absences		(25,515)
Change in Net Pension Liability		1,037,861
Change in Net OPEB Liability		4,403,041
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(30,247)
<p>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.</p>		
		<u>23,696</u>
Change in net position in governmental activities	\$	<u><u>7,319,393</u></u>

CHARTER TOWNSHIP OF YPSILANTI

Statement of Net Position

Proprietary Funds

December 31, 2020

	<u>Business Type Activity Enterprise Fund</u>			Governmental Activities - Internal Service Fund Motor Pool
	<u>Golf Course</u>	<u>Compost</u>	<u>Total</u>	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 211,504	\$ 863,585	\$ 1,075,089	\$ 312,491
Accounts Receivable	-	8,868	8,868	-
Inventory	9,300	-	9,300	5,280
Prepaid Expense	7,737	6,365	14,102	198
Total Current Assets	<u>228,541</u>	<u>878,818</u>	<u>1,107,359</u>	<u>317,969</u>
Noncurrent Assets				
Capital Assets not Being Depreciated	1,277,618	-	1,277,618	-
Capital Assets, net of Accumulated Depreciation	772,940	1,055,315	1,828,255	617,461
Total Noncurrent Assets	<u>2,050,558</u>	<u>1,055,315</u>	<u>3,105,873</u>	<u>617,461</u>
Total Assets	\$ <u>2,279,099</u>	\$ <u>1,934,133</u>	\$ <u>4,213,232</u>	\$ <u>935,430</u>
LIABILITIES AND NET POSITION				
Current Liabilities:				
Accounts Payable	\$ 3,090	\$ 3,794	\$ 6,884	\$ 1,626
Accrued Liabilities	14,157	3,440	17,597	193
Current Portion of Lease Payable	41,400	-	41,400	-
Total Current Liabilities	<u>58,647</u>	<u>7,234</u>	<u>65,881</u>	<u>1,819</u>
Noncurrent Liabilities:				
Lease Payable	165,600	-	165,600	-
Compensated Absences	-	17,185	17,185	-
Advance from Other Funds	-	-	-	155,215
Total Noncurrent Liabilities	<u>165,600</u>	<u>17,185</u>	<u>182,785</u>	<u>155,215</u>
Total Liabilities	<u>224,247</u>	<u>24,419</u>	<u>248,666</u>	<u>157,034</u>
Net Position:				
Net Investment in Capital Assets	1,843,558	1,055,315	2,898,873	462,246
Unrestricted	211,294	854,399	1,065,693	316,150
Total Net Position	<u>2,054,852</u>	<u>1,909,714</u>	<u>3,964,566</u>	<u>778,396</u>
Total Liabilities and Net Position	\$ <u>2,279,099</u>	\$ <u>1,934,133</u>	\$ <u>4,213,232</u>	\$ <u>935,430</u>

CHARTER TOWNSHIP OF YPSILANTI
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Business Type Activity Enterprise Fund</u>			Governmental Activities - Internal Service Fund Motor Pool
	<u>Golf Course</u>	<u>Compost</u>	<u>Total</u>	
<u>Operating Revenues:</u>				
Charges for Services	\$ 601,652	\$ 622,779	\$ 1,224,431	\$ 225,292
Other Income	21,111	154	21,265	-
Total Operating Revenues	<u>622,763</u>	<u>622,933</u>	<u>1,245,696</u>	<u>225,292</u>
<u>Operating Expenses:</u>				
Salaries and Wages	279,819	200,634	480,453	11,748
Fringe Benefits	130,268	87,950	218,218	4,089
Fuel and Utilities	31,589	15,736	47,325	26,639
Operating Supplies	128,497	4,099	132,596	913
Contractual Services	19,970	86,625	106,595	30,680
Insurance	12,515	5,838	18,353	-
Repairs and Maintenance	54,381	40,602	94,983	518
Administrative	18,241	11,657	29,898	-
Other	15,108	120	15,228	-
Depreciation	71,344	202,499	273,843	127,787
Total Operating Expenses	<u>761,732</u>	<u>655,760</u>	<u>1,417,492</u>	<u>202,374</u>
Operating Income (Loss)	<u>(138,969)</u>	<u>(32,827)</u>	<u>(171,796)</u>	<u>22,918</u>
<u>Non-Operating Revenues (Expenses):</u>				
Interest Earned	8,330	2,589	10,919	778
Net Income (Loss) before Transfers	<u>(130,639)</u>	<u>(30,238)</u>	<u>(160,877)</u>	<u>23,696</u>
<u>Operating Transfers:</u>				
Operating Transfers In	135,000	-	135,000	-
Change in Net Position	4,361	(30,238)	(25,877)	23,696
Net Position, Beginning	2,050,491	1,939,952	3,990,443	754,700
Net Position, Ending	<u>\$ 2,054,852</u>	<u>\$ 1,909,714</u>	<u>\$ 3,964,566</u>	<u>\$ 778,396</u>

CHARTER TOWNSHIP OF YPSILANTI

Statement of Cash Flows

Proprietary Funds

For the Year December 31, 2020

	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	\$ 622,763	\$ 625,591	\$ 1,248,354	\$ 225,292
Payments to suppliers	(287,342)	(166,706)	(454,048)	(54,512)
Payments to employees	(400,514)	(285,964)	(686,478)	(15,869)
Net Cash Provided by Operating Activities	(65,093)	172,921	107,828	154,911
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchases of Capital Assets	(207,000)	(117,055)	(324,055)	(39,876)
Proceeds from Lease Payable	207,000	-	207,000	-
Operating Transfer In	135,000	-	135,000	-
Long Term Advance-General Fund	-	-	-	(60,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	135,000	(117,055)	17,945	(99,876)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest Earned	8,330	2,589	10,919	778
Net Cash Provided (Used) by Investing Activities	8,330	2,589	10,919	778
Net Increase (Decrease) in Cash and Cash Equivalents	78,237	58,455	136,692	55,813
Cash and Cash Equivalents, Beginning	133,267	805,130	938,397	256,678
Cash and Cash Equivalents, Ending	\$ 211,504	\$ 863,585	\$ 1,075,089	\$ 312,491
<u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$ (138,969)	\$ (32,827)	(171,796)	22,918
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization Expense	71,344	202,499	273,843	127,787
(Increase) Decrease in Receivables	-	2,658	2,658	-
(Increase) Decrease in Inventory	(535)	-	(535)	3,535
(Increase) Decrease in Prepaid Expenses	251	(1,905)	(1,654)	1
Increase (Decrease) in Accounts Payable	(6,757)	(321)	(7,078)	702
Increase (Decrease) in Accrued Liabilities	9,975	197	10,172	(32)
Increase (Decrease) in Compensated Absences	(402)	2,620	2,218	-
Net Cash Provided by Operating Activities	\$ (65,093)	\$ 172,921	\$ 107,828	\$ 154,911

CHARTER TOWNSHIP OF YPSILANTI

Statement of Net Position

Fiduciary Funds

December 31, 2020

	<u>Pension and Employee Benefit Trusts</u>	<u>Custodial Funds</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,384,183	\$ 17,101,461
Investments	47,976,055	-
Accrued Interest	52,716	-
Due from Fire Healthcare Trust fund	465,317	-
Due from Individuals and Agencies	-	-
	<hr/>	<hr/>
Total Assets	\$ <u>49,878,271</u>	\$ <u>17,101,461</u>
 <u>LIABILITIES</u>		
Accounts Payable	\$ 1,204,319	\$ -
Due to Other Governmental Units	-	17,078,815
Due to Fire Pension Trust Fund	24,000	-
Due to Individuals and Agencies	-	22,646
	<hr/>	<hr/>
Total Liabilities	1,228,319	17,101,461
 <u>NET POSITION</u>		
Held in Trust For Pension and Employee Benefits	<hr/> 48,649,952	<hr/> -
	<hr/>	<hr/>
Total Liabilities and Net Position	\$ <u>49,878,271</u>	\$ <u>17,101,461</u>

CHARTER TOWNSHIP OF YPSILANTI
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	<u>Pension and Employee Benefit Trusts</u>
<u>ADDITIONS</u>	
Investment Income	
Interest and Dividends	\$ 740,330
Net Appreciation (Depreciation) in Fair Value of Investments	4,983,563
Contributions:	
Employer	2,906,907
Employee	145,043
Other	24,034
Taxes Collected for Other Governments	<u>-</u>
Total Additions	<u>8,799,877</u>
 <u>DEDUCTIONS</u>	
Benefits Paid	2,194,302
Retirees Insurance	1,180,814
Administrative Costs	189,343
Payment of Taxes to Other Governments	<u>-</u>
Total Deductions	<u>3,564,459</u>
 Change in Net Position	 5,235,418
Net Position, Beginning of the Year	<u>43,414,534</u>
Net Position, End of the Year	<u>\$ 48,649,952</u>

CHARTER TOWNSHIP OF YPSILANTI
Combining Statement of Net Position
Component Units
For the Year Ended December 31, 2020

	Local Development Finance Authority Fund	Economic Development Corporation	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 19,994	70,452	\$ 90,446
Taxes Receivable	78,572	-	78,572
Total Assets	<u>98,566</u>	<u>70,452</u>	<u>169,018</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>78,572</u>	-	<u>78,572</u>
<u>NET POSITION</u>			
Unrestricted	\$ <u>1,314</u>	\$ <u>70,452</u>	\$ <u>71,766</u>

CHARTER TOWNSHIP OF YPSILANTI
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2020

	Local Development Finance Authority Fund	Economic Development Corporation	Total
<u>Program Expenses:</u>			
Local Development Finance Authority	\$ 129,164	\$ -	\$ 129,164
Economic Development Corporation	-	-	-
Total Program Expenses	<u>129,164</u>	<u>-</u>	<u>129,164</u>
<u>General Revenues:</u>			
Property Taxes	121,664	-	121,664
Investment Earnings	95	240	335
Total General Revenues	<u>121,759</u>	<u>240</u>	<u>121,999</u>
Change in Net Position	(7,405)	240	(7,165)
Net Position, Beginning of the Year	<u>8,719</u>	<u>70,212</u>	<u>78,931</u>
Net Position, End of the Year	\$ <u>1,314</u>	\$ <u>70,452</u>	\$ <u>71,766</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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, 2020 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, 2020

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, 2020

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, 2020

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, 2020

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 Township in a trustee capacity 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 Custodial Funds are used to account for assets that the Township holds for others in a custodial capacity.

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020.

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, 2020

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 \$34,885,928 of bank deposits (checking and savings accounts) of which \$1,777,727 was uninsured and uncollateralized. The component units had book and bank balances totaling \$90,446, 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, 2020

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	\$ 1,261,377	1-5 years
	257,063	6-10 years
	71,880	11-15 years
	1,991,890	16 or more years
Corporate Bonds	101,889	Less than 1 year
	2,349,299	1-5 years
	1,502,258	6-10 years
	786	11-15 years
Other	42,745	1-5 years
	-	6-10 years
	-	11-15 years
	607,377	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, 2020

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	\$ 5,869,797	n/a	n/a
Corporate Bonds			
	1,568,072	Aaa	Moody's
	37,181	Aa2	Moody's
	162,947	A1	Moody's
	548,567	A2	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, 2020

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, 2020:

Assets Measured at Fair Value on a Recurring Basis

	Balance at Dec. 31, 2020	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	\$ 6,256,790	\$ 6,256,790	\$ -	\$ -
Corporate Bonds	4,604,355	4,604,355	-	-
Total Debt Securities	<u>10,861,145</u>	<u>10,861,145</u>	<u>-</u>	<u>-</u>
Equity Securities:				
Mutual Funds	27,474,360	27,474,360	-	-
Common Stock	6,931,874	6,931,874	-	-
Real Estate	2,708,676	-	-	2,708,676
Total Equity Securities	<u>37,114,910</u>	<u>34,406,234</u>	<u>-</u>	<u>2,708,676</u>
Total Investments by Fair Value Level	<u>\$ 47,976,055</u>	<u>\$ 45,267,379</u>	<u>\$ -</u>	<u>\$ 2,708,676</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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:

	<u>General Fund</u>	<u>Fire Department</u>	<u>Environmental Services</u>	<u>Law Enforcement</u>	<u>Nonmajor Governmental</u>
Receivables:					
Accounts	\$ 1,051,791	\$ 698,122	\$ -	\$ 118,832	\$ 334,999
Taxes	2,223,269	6,964,869	3,008,875	8,308,068	1,404,427
Special Assessments	1,696,654	-	-	11,724	29,638
	<u>4,971,714</u>	<u>7,662,991</u>	<u>3,008,875</u>	<u>8,438,624</u>	<u>1,769,064</u>
Less: Allowance for Doubtful Accounts	<u>(5,554)</u>	<u>(24,936)</u>	<u>(11,640)</u>	<u>(32,141)</u>	<u>(5,433)</u>
Net Receivables	<u>\$ 4,966,160</u>	<u>\$ 7,638,055</u>	<u>\$ 2,997,235</u>	<u>\$ 8,406,483</u>	<u>\$ 1,763,631</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, 2020, but recognized revenue in the year ending December 31, 2021, 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>\$22,712,387</u>
Unearned Revenue	<u>\$ 841,245</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not depreciated:				
Land	\$ 9,623,049	\$ -	\$ -	\$ 9,623,049
Capital Assets, being depreciated:				
Buildings	16,567,601	31,407	(51,332)	16,547,676
Machinery and Equipment	9,416,684	147,917	-	9,564,601
Infrastructure	44,770,884	1,103,733	-	45,874,617
Internal Service Fund - Motor Pool	1,901,015	39,876	-	1,940,891
	<u>72,656,184</u>	<u>1,322,933</u>	<u>(51,332)</u>	<u>73,927,785</u>
Less: Accumulated Depreciation:				
Buildings	(10,343,670)	(430,357)	51,332	(10,722,695)
Machinery and Equipment	(6,278,817)	(487,909)	-	(6,766,726)
Infrastructure	(24,612,546)	(1,424,813)	-	(26,037,359)
Internal Service Fund - Motor Pool	(1,195,643)	(127,787)	-	(1,323,430)
	<u>(42,430,676)</u>	<u>(2,470,866)</u>	<u>51,332</u>	<u>(44,850,210)</u>
Governmental Activities				
Capital Assets, net	<u>\$ 39,848,557</u>	<u>\$ (1,147,933)</u>	<u>\$ -</u>	<u>\$ 38,700,624</u>

Depreciation expense was charged to the following governmental activities:

General Government	\$ 699,212
Public Safety	319,042
Public Works	771,735
Recreation and Cultural	553,090
Charged through Internal Service Fund	127,787
	<u>\$ 2,470,866</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Capital Assets – Continued

Business-type Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not depreciated:				
Land	\$ 1,277,618	\$ -	\$ -	\$ 1,277,618
Capital Assets, being depreciated:				
Land and Building Improvements	2,069,603	117,055	-	2,186,658
Machinery and Equipment	2,387,030	207,000	(1,413)	2,592,617
	<u>4,456,633</u>	<u>324,055</u>	<u>(1,413)</u>	<u>4,779,275</u>
Less: Accumulated Depreciation:				
Land and Building Improvements	(1,194,812)	(70,177)	-	(1,264,989)
Machinery and Equipment	(1,483,778)	(203,666)	1,413	(1,686,031)
	<u>(2,678,590)</u>	<u>(273,843)</u>	<u>1,413</u>	<u>(2,951,020)</u>
Business-type Activities Capital Assets, net	<u>\$ 3,055,661</u>	<u>\$ 50,212</u>	<u>\$ -</u>	<u>\$ 3,105,873</u>

D. Interfund Receivables, Payables and Transfers

1. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2020, is as follows:

<u>Advance Receivable</u>	<u>Advance Payable</u>	
General Fund	Motor Pool Fund	\$ 155,215

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	\$ 321,000
District Court Fund	General Fund	510,000
Law Enforcement Fund	Building Rental Inspection Fund	249,434
General Fund	Law Enforcement Fund	181,865
Recreation Fund	Bike Path, Sidewalk, Rec., Roads	468,519
Golf Course Fund	Bike Path, Sidewalk, Rec., Roads	135,000
Hydro Station Fund	General Fund	81,000
		<u>\$ 1,946,818</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.

Transfer to closeout Building Rental Inspection Fund.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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, 2020:

	Balance Jan 1, 2020	Additions	Reductions	Balance Dec 31, 2020	Due Within One Year
Governmental Activities:					
2012 Transportation Note	\$ 1,800,000	\$ -	\$ 600,000	\$ 1,200,000	\$ 600,000
2013 G.O. Refunding Bonds	2,070,000	-	185,000	1,885,000	190,000
	<u>3,870,000</u>	<u>-</u>	<u>785,000</u>	<u>3,085,000</u>	<u>790,000</u>
Compensated Absences	1,330,807	25,515	-	1,356,322	226,054
	<u>\$ 5,200,807</u>	<u>\$ 25,515</u>	<u>\$ 785,000</u>	<u>\$ 4,441,322</u>	<u>\$ 1,016,054</u>
Business-type Activities:					
Lease Payable	\$ -	\$ 207,000	\$ -	\$ 207,000	\$ 41,400
Compensated Absences	14,967	2,218	-	17,185	-
	<u>\$ 14,967</u>	<u>\$ 209,218</u>	<u>\$ -</u>	<u>\$ 224,185</u>	<u>\$ 41,400</u>

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2020:

	Number of Issues	Interest Rate	Maturing Through	Principal Outstanding
Governmental Activities:				
General Obligation Bonds	1	3.75%-4.50%	2029	\$ 1,885,000
Transportation Notes	1	1.00%-4.50%	2022	1,200,000
				<u>\$ 3,085,000</u>

The annual debt service requirements to maturity for debt outstanding as of December 31, 2020 is as follows:

Year Ended	Governmental Activities	
	Principal	Interest
2021	\$ 790,000	\$ 72,960
2022	795,000	53,340
2023	200,000	33,600
2024	205,000	28,740
2025	210,000	23,760
2026-2029	885,000	43,260
	<u>\$ 3,085,000</u>	<u>\$ 255,660</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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, 2020, is presented below:

<u>Fund Balance</u>	<u>General</u> <u>Fund</u>	<u>Fire</u> <u>Department</u>	<u>Environmental</u> <u>Services</u>	<u>Law</u> <u>Enforcement</u>	<u>Other</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Nonspendable:						
Prepays & Inventory	\$ 138,742	\$ 110,294	\$ 6,932	\$ 12,352	\$ 33,607	\$ 301,927
Advance to Other Funds	<u>155,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,215</u>
Total Nonspendable	<u>293,957</u>	<u>110,294</u>	<u>6,932</u>	<u>12,352</u>	<u>33,607</u>	<u>457,142</u>
Restricted:						
Fire	-	1,083,384	-	-	-	1,083,384
Fire Capital	-	-	-	-	199,201	199,201
Environmental Serv.	-	-	1,060,110	-	-	1,060,110
Law Enforcement	-	-	-	3,979,802	-	3,979,802
Parks	-	-	-	-	34,892	34,892
Bike Path, Sidewalk, Recreation, Roads	-	-	-	-	388,031	388,031
Recreation	-	-	-	-	36,216	36,216
District Court	-	-	-	-	724	724
Building Dept.	-	-	-	-	1,427,142	1,427,142
Hydro Station	-	-	-	-	631,815	631,815
Nuisance Abatement	-	-	-	-	64,432	64,432
Debt Service	-	-	-	-	117,405	117,405
Total Restricted	<u>-</u>	<u>1,083,384</u>	<u>1,060,110</u>	<u>3,979,802</u>	<u>2,899,858</u>	<u>9,023,154</u>
Assigned:						
Capital Improvements	2,893,804	-	-	-	-	2,893,804
Community Stabilization	200,000	-	-	-	-	200,000
Court Revenue Loss	500,000	-	-	-	-	500,000
Rec & Golf Revenue Loss	250,000	-	-	-	-	250,000
Road Improvements	346,643	-	-	-	-	346,643
PTO for Employees	20,000	-	-	-	-	20,000
Covid Supplies	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Total Assigned	<u>4,240,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,240,447</u>
Unassigned	<u>2,871,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,871,068</u>
Total Fund Balance	<u>\$ 7,405,472</u>	<u>\$ 1,193,678</u>	<u>\$ 1,067,042</u>	<u>\$ 3,992,154</u>	<u>\$ 2,933,465</u>	<u>\$ 16,591,811</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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 2019 tax roll:

<u>Purpose</u>	<u>Authorization</u>	Pre- Rollback Auth. Rate	Post Rollback Auth. Rate	Rate Levied
Operating	State Law	1.1160	1.0064	1.0064
Fire Protection	Voter Approved	3.1250	3.0649	3.0649
Fire Capital	Voter Approved	0.5000	0.4949	0.4949
Solid Waste	Voter Approved	2.1550	2.1135	2.1135
Police	Voter Approved	5.9500	5.8356	5.8356
Recreational	Voter Approved	1.0059	0.9865	0.9865
Fire Pension	State Law	-	1.3300	1.3300
			<u>14.8318</u>	<u>14.8318</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, 2020

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, 2019, pension plan membership consisted of the following:

Inactive Plan members currently receiving benefits	66
Inactive Plan members entitled to but not receiving benefits	-
Active Members	<u>21</u>
Total Plan Members	<u>87</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, 2019 the Township contributed \$998,711.

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, 2020

IV. OTHER INFORMATION – Continued

A. Firefighters Defined Benefit Pension Plan – Continued

The balances of the reserve accounts at December 31, 2019 are as follows:

	<u>Required</u> <u>Reserve</u>	<u>Amount</u> <u>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, 2019.

<u>Asset Class</u>	<u>Target</u> <u>Allocation</u>	<u>Long-term</u> <u>Expected Real</u> <u>Rate of Return</u>
Equities	51%	6.70%
Fixed Income	37%	2.30%
Real Estate	9%	5.50%
Cash	3%	-

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, 2020

IV. OTHER INFORMATION – Continued

A. Firefighters Defined Benefit Pension Plan – Continued

Net Pension Liability

The net pension liability reported at December 31, 2020 was determined using a measure of the total pension liability and the plan net position as of December 31, 2019. The December 31, 2019 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, 2019	\$ 36,633,362	\$ 25,793,581	\$ 10,839,781
Service Cost	491,476	-	491,476
Interest	2,342,024	-	2,342,024
Contributions-Employer	-	998,711	(998,711)
Contributions-Employee	-	97,837	(97,837)
Net Investment Income(Loss)	-	4,200,535	(4,200,535)
Differences between Expected and Actual Experience	60,466	-	60,466
Change in Assumptions	365,397	-	365,397
Benefit Payments, including refunds	(2,187,399)	(2,187,399)	-
Administrative Expenses	-	(17,448)	17,448
Net Changes	<u>1,071,964</u>	<u>3,092,236</u>	<u>(2,020,272)</u>
Balance at December 31, 2019	<u>\$ 37,705,326</u>	<u>\$ 28,885,817</u>	<u>\$ 8,819,509</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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, 2020, 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	\$ 1,621,432	\$ 2,270,702
Differences between expected and actual experience	40,311	18,245
Changes in assumptions	243,598	26,113
Employer contributions to the plan subsequent to the measurement date	<u>1,067,076</u>	<u>-</u>
Total	<u>\$ 2,972,417</u>	<u>\$ 2,315,060</u>

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

<u>Years Ending Dec. 31</u>	<u>Amount</u>
2021	\$ 65,224
2022	33,823
2023	3,230
2024	(511,996)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.50%
Salary increases	3.50% to 6.50%
Inflation	2.50%

Mortality rates were based on the PubS-2010 Mortality with generational improvements projected beginning in 2010 based on the SOA Scale MP-19.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Net Pension Liability	\$ <u>12,979,064</u>	\$ <u>8,819,509</u>	\$ <u>5,337,861</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, 2020

IV. OTHER INFORMATION – Continued

B. Municipal Employee Retirement System Defined Benefit Plan – Continued

Employees Covered by Benefit Terms

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	65
Inactive plan members entitled to but not yet receiving benefits	32
Active Plan Members	<u>77</u>
Total Employees covered by MERS	<u>174</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, 2019, the average active employee contribution rate was 8.0% percent of gross wages for all employees.

Net Pension Liability

The net pension liability reported at December 31, 2020 was determined using a measure of the total pension liability and the plan net position as of December 31, 2019. The December 31, 2019 total pension liability was determined by an actuarial valuation performed as of that date.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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 January 1, 2019	\$ 22,672,203	\$ 15,456,329	\$ 7,215,874
Service Cost	517,130	-	517,130
Interest	1,782,512	-	1,782,512
Contributions-Employer	-	717,321	(717,321)
Contributions-Employee	-	340,540	(340,540)
Net Investment Income(loss)	-	2,089,847	(2,089,847)
Change in Assumptions	680,063	-	680,063
Differences between Actual and Expected Experience	(190,412)	-	(190,412)
Benefit Payments, including refunds	(1,298,712)	(1,298,712)	-
Administrative Expenses	-	(36,013)	36,013
Net Changes	<u>1,490,581</u>	<u>1,812,983</u>	<u>(322,402)</u>
Balance at December 31, 2019	<u>\$ 24,162,784</u>	<u>\$ 17,269,312</u>	<u>\$ 6,893,472</u>

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

At December 31, 2020, 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	\$ 131,521	\$ -
Changes in assumptions related to economic and demographic factors	607,272	-
Net difference between projected and actual experience	-	270,419
Employer contributions to the plan subsequent to the measurement date	<u>635,498</u>	<u>-</u>
Total	<u>\$ 1,374,291</u>	<u>\$ 270,419</u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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 (\$635,498), which will impact the net pension liability in fiscal year 2021, rather than pension expense.

Years Ending	
<u>Dec. 31</u>	<u>Amount</u>
2021	\$ 310,477
2022	145,501
2023	(182,435)
2024	194,831

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%

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, 2019 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 7.60 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, 2020

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, 2019, the measurement date, for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	60%	3.15%
Global Fixed Income	20%	0.25%
Private Investments	20%	1.45%

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

The following presents the net pension liability of the Township, calculated using the discount rate of 7.60 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:

	<u>1% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
Net Pension Liability	\$ 9,432,498	\$ 6,893,472	\$ 4,722,150

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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, 2019 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, 2020

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, 2019. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Amortization Method	Level Dollar, closed
Remaining Amortization	24 years
Investment Rate of Return	7.00%
Salary increases	3.0%-16.0%, including inflation
Mortality	RP-2014 Healthy Annuitant Tables for males and female; Projected to 2020 with MP-2017
Health care trend rates	Trend rates starting at 8.25% and gradually decreasing to an ultimate trend rate of 3.50% over 15 years.

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, 2020

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, 2019	\$ <u>12,948,082</u>	\$ <u>6,466,438</u>	\$ <u>6,481,644</u>
Service Cost	157,670	-	157,670
Interest Cost	344,941	-	344,941
Change in Assumptions	(888,039)	-	(888,039)
Employer Contributions	-	664,540	(664,540)
Net Investment Income	-	941,452	(941,452)
Benefit Payments	(479,234)	(479,234)	-
Administrative Expenses	-	(13,086)	13,086
Net Changes	<u>(864,662)</u>	<u>1,113,672</u>	<u>(1,978,334)</u>
Balance at December 31, 2019	\$ <u><u>12,083,420</u></u>	\$ <u><u>7,580,110</u></u>	\$ <u><u>4,503,310</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>6,036,235</u></u>	\$ <u><u>4,503,310</u></u>	\$ <u><u>3,213,527</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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>3,515,311</u>	\$ <u>4,503,310</u>	\$ <u>5,809,233</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, 2019 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	-
Active Plan Members	<u>27</u>
Total	<u>71</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, 2020

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, 2019. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization	26 years
Investment Rate of Return	6.50%
Salary increases	3.50%-6.50%, including inflation of 3.0%
Mortality	RPH-2019 Total Dataset Fully Generational Mortality Table using Scale MP-2019.
Health care trend rates	Trend rates starting at 8.0% and gradually decreasing by .5% annually to an ultimate rate of 4.50%.

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, 2020

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, 2019	\$ <u>14,972,552</u>	\$ <u>5,569,548</u>	\$ <u>9,403,004</u>
Service Cost	142,749	-	142,749
Interest Cost	959,584	-	959,584
Differences between Actual and Expected Experience	(2,152,449)	-	(2,152,449)
Change in Assumptions	720,691	-	720,691
Employer Contributions	-	767,327	(767,327)
Employee Contributions	-	48,742	(48,742)
Net Investment Income	-	1,300,333	(1,300,333)
Benefit Payments	(716,223)	(716,223)	-
Administrative Expenses	-	(21,120)	21,120
Net Changes	<u>(1,045,648)</u>	<u>1,379,059</u>	<u>(2,424,707)</u>
Balance at December 31, 2019	\$ <u><u>13,926,904</u></u>	\$ <u><u>6,948,607</u></u>	\$ <u><u>6,978,297</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 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><u>8,712,885</u></u>	\$ <u><u>6,978,297</u></u>	\$ <u><u>5,528,422</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ <u>5,923,724</u>	\$ <u>6,978,297</u>	\$ <u>8,397,785</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 2020, the Township paid the City of Ypsilanti \$54,575 under this agreement.

CHARTER TOWNSHIP OF YPSILANTI
Notes to Financial Statements
December 31, 2020

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, 2020, (the latest audited information of the Authority) the total amount of these obligations was \$46,376,628.

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, 2020, the Township's property tax revenue was reduced by \$15,195 under this tax abatement program.

G. Upcoming Accounting Pronouncements

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 when adopted. The Statement was effective beginning with the Township's fiscal year ending December 31, 2020, but was extended to December 31, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

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)

	2020	2019	2018	2017	2016	2015
Total Pension Liability:						
Service Cost	\$ 517,130	\$ 495,236	\$ 462,844	\$ 438,417	\$ 447,997	\$ 399,446
Interest	1,782,512	1,744,866	1,685,571	1,659,008	1,552,248	1,490,791
Change in assumptions	680,063	-	-	-	879,408	-
Change in benefits	-	8,181	-	(19,037)	-	-
Differences between actual and expected experience	(190,412)	(527,543)	(229,595)	(613,520)	184,979	-
Benefit payments, including refunds	(1,298,712)	(1,223,508)	(1,164,141)	(1,125,954)	(1,148,769)	(1,190,376)
Net Change in Total Pension Liability	1,490,581	497,232	754,679	338,914	1,915,863	699,861
Total Pension Liability, Beginning of year	22,672,203	22,174,971	21,420,292	21,081,378	19,165,515	18,465,654
Total Pension Liability, End of year	\$ 24,162,784	\$ 22,672,203	\$ 22,174,971	\$ 21,420,292	\$ 21,081,378	\$ 19,165,515
Plan Fiduciary Net Position:						
Contributions - Employer	\$ 717,321	\$ 601,417	\$ 609,995	\$ 468,622	\$ 469,553	\$ 476,460
Contributions - Employee	340,540	319,472	309,739	270,090	336,587	240,477
Net Investment Income(Loss)	2,089,847	(638,945)	1,946,071	1,540,006	(212,813)	868,126
Administrative Expenses	(36,013)	(31,721)	(30,808)	(30,402)	(30,969)	(31,810)
Benefit payments, including refunds	(1,298,712)	(1,223,508)	(1,164,141)	(1,125,954)	(1,148,769)	(1,190,376)
Net Change in Plan Fiduciary Net Position	1,812,983	(973,285)	1,670,856	1,122,362	(586,411)	362,877
Plan Fiduciary Net Position, Beg. of year	15,456,329	16,429,614	14,758,758	13,636,396	14,222,807	13,859,930
Plan Fiduciary Net Position, End of year	\$ 17,269,312	\$ 15,456,329	\$ 16,429,614	\$ 14,758,758	\$ 13,636,396	\$ 14,222,807
Township's Net Pension Liability - Ending	\$ 6,893,472	\$ 7,215,874	\$ 5,745,357	\$ 6,661,534	\$ 7,444,982	\$ 4,942,708
Plan Fiduciary Net Position as a Percent of Total Pension Liability	71.5%	68.2%	74.1%	68.9%	64.7%	74.2%
Covered Employee Payroll	\$ 4,215,276	\$ 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	163.5%	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)

	2020	2019	2018	2017	2016	2015
Total Pension Liability:						
Service Cost	\$ 491,476	\$ 439,577	\$ 436,506	\$ 428,537	\$ 420,489	\$ 456,943
Interest	2,342,024	2,314,312	2,275,323	2,396,058	2,271,936	2,248,934
Difference between Expected and Actual Experience	60,466	(54,733)	511,876	-	(713,882)	153,446
Assumption Changes	365,397	(78,337)	2,787,409	-	-	(96,959)
Other	-	165,080	-	-	-	-
Benefit payments, including refunds	(2,187,399)	(2,305,353)	(2,542,308)	(2,134,526)	(2,222,807)	(2,630,932)
Net Change in Total Pension Liability	1,071,964	480,546	3,468,806	690,069	(244,264)	131,432
Total Pension Liability, Beginning of year	36,633,362	36,152,816	32,684,010	31,993,941	32,238,205	32,106,773
Total Pension Liability, End of year	<u>\$ 37,705,326</u>	<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	\$ 998,711	\$ 786,578	\$ 763,874	\$ 789,018	\$ 737,867	\$ 759,462
Contributions - Employee	97,837	102,184	106,038	101,436	99,333	102,044
Net Investment Income(Loss)	4,200,535	(800,839)	2,583,283	1,661,187	927,627	1,542,487
Administrative Expenses	(17,448)	(18,731)	(129,525)	(146,940)	(138,612)	(94,626)
Benefit payments, including refunds	(2,187,399)	(2,305,353)	(2,542,308)	(2,134,526)	(2,222,807)	(2,630,932)
Net Change in Plan Fiduciary Net Position	3,092,236	(2,236,161)	781,362	270,175	(596,592)	(321,565)
Plan Fiduciary Net Position, Beg. of year	25,793,581	28,029,742	27,248,380	26,978,205	27,574,797	27,896,362
Plan Fiduciary Net Position, End of year	<u>\$ 28,885,817</u>	<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>\$ 8,819,509</u>	<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	76.6%	70.4%	77.5%	83.4%	84.3%	85.5%
Covered Employee Payroll	\$ 1,594,043	\$ 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	553.3%	604.6%	412.6%	309.1%	293.4%	273.3%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:			
Service Cost	\$ 157,670	\$ 162,626	\$ 175,863
Interest	344,941	501,914	797,509
Change in assumptions	(888,039)	-	630,904
Differences between actual and expected experience	-	-	93,424
Benefit payments, including refunds	(479,234)	(483,932)	(470,566)
Net Change in Total OPEB Liability	<u>(864,662)</u>	<u>180,608</u>	<u>1,227,134</u>
Total OPEB Liability, Beginning of year	<u>12,948,082</u>	<u>12,767,474</u>	<u>11,540,340</u>
Total OPEB Liability, End of year	<u>\$ 12,083,420</u>	<u>\$ 12,948,082</u>	<u>\$ 12,767,474</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 664,540	\$ 633,569	\$ 646,163
Contributions - Employee	-	-	-
Net Investment Income	941,452	(260,070)	794,526
Administrative Expenses	(13,086)	(17,032)	(15,238)
Benefit payments, including refunds	(479,234)	(483,932)	(470,566)
Net Change in Plan Fiduciary Net Position	<u>1,113,672</u>	<u>(127,465)</u>	<u>954,885</u>
Plan Fiduciary Net Position, Beginning of year	<u>6,466,438</u>	<u>6,593,903</u>	<u>5,639,018</u>
Plan Fiduciary Net Position, End of year	<u>\$ 7,580,110</u>	<u>\$ 6,466,438</u>	<u>\$ 6,593,903</u>
Township's Net OPEB Liability - Ending	<u>\$ 4,503,310</u>	<u>\$ 6,481,644</u>	<u>\$ 6,173,571</u>
Plan Fiduciary Net Position as a Percent of Total OPEB Liability	62.7%	49.9%	51.6%
Covered Employee Payroll	\$ 2,768,409	\$ 2,659,708	\$ 2,665,488
Township's Net OPEB Liability as a Percent of Covered Employee Payroll	162.7%	243.7%	231.6%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:			
Service Cost	\$ 142,749	\$ 137,922	\$ 138,294
Interest	959,584	931,661	842,858
Difference between Expected and Actual Experience	(2,152,449)	58,494	169,008
Assumption Changes	720,691	-	1,730,520
Benefit payments, including refunds	(716,223)	(690,818)	(634,137)
Net Change in Total Pension Liability	<u>(1,045,648)</u>	<u>437,259</u>	<u>2,246,543</u>
Total OPEB Liability, Beginning of year	<u>14,972,552</u>	<u>14,535,293</u>	<u>12,288,750</u>
Total OPEB Liability, End of year	<u>\$ 13,926,904</u>	<u>\$ 14,972,552</u>	<u>\$ 14,535,293</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 767,327	\$ 625,958	\$ 629,226
Contributions - Employee	48,742	50,783	52,989
Net Investment Income	1,300,333	(363,105)	715,512
Administrative Expenses	(21,120)	(18,942)	-
Benefit payments, including refunds	(716,223)	(719,979)	(634,137)
Net Change in Plan Fiduciary Net Position	<u>1,379,059</u>	<u>(425,285)</u>	<u>763,590</u>
Plan Fiduciary Net Position, Beginning of year	<u>5,569,548</u>	<u>5,994,833</u>	<u>5,231,243</u>
Plan Fiduciary Net Position, End of year	<u>\$ 6,948,607</u>	<u>\$ 5,569,548</u>	<u>\$ 5,994,833</u>
Township's Net OPEB Liability - Ending	<u>\$ 6,978,297</u>	<u>\$ 9,403,004</u>	<u>\$ 8,540,460</u>
Plan Fiduciary Net Position as a Percent of Total OPEB Liability	49.9%	37.2%	41.2%
Covered Employee Payroll	\$ 2,163,061	\$ 1,476,413	\$ 1,433,411
Township's Net OPEB Liability as a Percent of Covered Employee Payroll	322.6%	636.9%	595.8%

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 634,649	\$ 577,321	\$ 551,417	\$ 543,730	\$ 468,622	\$ 469,556	\$ 476,460	\$ 424,589	\$ 355,165	\$ 326,560
Contributions in relation to the actuarially determined contribution	635,497	717,321	601,417	609,995	468,622	469,556	476,460	424,589	355,165	326,560
Contribution Excess (Deficiency)	\$ 848	\$ 140,000	\$ 50,000	\$ 66,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 4,215,276	\$ 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
Contributions as a Percentage of Covered Employee Payroll	15.1%	18.0%	16.6%	17.5%	13.0%	13.1%	15.0%	12.9%	10.7%	9.9%

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 19 years
 Asset Valuation Method 5-year smoothed market
 Inflation 2.50%
 Salary Increases 3.00% including inflation
 Investment Rate of Return 7.35%
 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,067,076	\$ 998,711	\$ 786,578	\$ 763,874	\$ 789,018	\$ 737,867	\$ 750,163	\$ 687,878	\$ 472,337	\$ 421,895
Contributions in relation to the										
actuarially determined contribution	1,508,393	998,711	786,578	763,874	789,018	737,867	750,163	687,878	472,337	421,895
Contribution Excess (Deficiency)	\$ 441,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	1,676,175	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
Contributions as a Percentage of										
Covered Employee Payroll	63.7%	50.7%	43.1%	39.5%	39.1%	41.7%	38.1%	33.6%	25.1%	15.8%

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	18 year
Asset Valuation Method	5 Year smoothed market
Investment Rate of Return	6.50%
Projected Salary Increases	3.0%
Mortality Table	Pubs-2010 Mortality with generational improvements projected beginning in 2010 based on the SOA Scale MP-19.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 644,897	\$ 664,540	\$ 633,568	\$ 646,163	\$ 654,245	\$ 667,540	\$ 607,523	\$ 832,309	\$ 861,391	\$ 824,297
Contributions in relation to the actuarially determined contribution	644,897	664,540	633,568	646,163	654,245	667,540	607,523	832,309	861,391	824,297
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 dollar, closed
 Remaining Amortization Period 24 years
 Asset Valuation Method Market Value
 Salary Increases 3.00%-16.00% 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 8.25% and gradually decreasing to an ultimate trend rate of 3.5% over 15 years.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 753,617	\$ 767,327	\$ 625,958	\$ 629,226	\$ 587,148	\$ 590,744	\$ 487,768	\$ 684,431	\$ 839,610	\$ 803,454
Contributions in relation to the actuarially determined contribution	753,617	767,327	625,958	629,226	587,148	590,744	487,768	684,431	839,610	803,454
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	26 years
Asset Valuation Method	Market value
Investment Rate of Return	6.50%
Projected Salary Increases	3.5%-6.50% including inflation of 3.0%
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 8.0% and gradually decreasing to an ultimate trend rate of 4.5%

CHARTER TOWNSHIP OF YPSILANTI
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 2,300,409	\$ 2,300,409	\$ 2,407,982	\$ 107,573
Licenses and Permits	14,250	14,250	13,634	(616)
Federal Grants	-	207,077	200,025	(7,052)
Intergovernmental - State	5,230,815	5,230,815	5,198,809	(32,006)
Charges for Services	436,371	436,371	895,238	458,867
Franchise Fees	715,000	715,000	692,005	(22,995)
Interest	90,000	90,000	73,405	(16,595)
Rents	220,000	220,000	220,000	-
Other	47,500	295,000	346,935	51,935
Total Revenues	<u>9,054,345</u>	<u>9,508,922</u>	<u>10,048,033</u>	<u>539,111</u>
Expenditures:				
General Government:				
Legislative	169,126	169,126	155,748	13,378
District Court	447,140	447,140	446,706	434
Supervisor	298,942	310,760	285,952	24,808
Clerk	730,997	829,682	827,443	2,239
Treasurer	448,626	463,716	414,302	49,414
Assessor	437,399	440,332	431,322	9,010
Board of Review	3,083	3,083	2,304	779
Accounting Department	375,976	383,235	370,776	12,459
Human Resources	412,647	417,430	302,597	114,833
Building and Grounds	674,023	679,063	603,766	75,297
Legal Services	265,000	324,500	323,483	1,017
Computer Support	788,114	803,389	675,045	128,344
General Services	180,400	240,400	212,916	27,484
Total General Government	<u>5,231,473</u>	<u>5,511,856</u>	<u>5,052,360</u>	<u>459,496</u>
Public Works:				
Highways and Streets	343,994	423,179	259,490	163,689
Street Lighting & Cameras	236,318	399,650	418,810	(19,160)
Total Public Works	<u>580,312</u>	<u>822,829</u>	<u>678,300</u>	<u>144,529</u>
Community and Economic Development:				
Community Development	294,792	295,130	232,578	62,552
Planning Commission	10,110	10,110	5,016	5,094
Zoning Board of Appeals	4,874	4,874	1,937	2,937
Economic Development	124,394	124,394	-	124,394
Community Stabilization	1,055,000	1,163,690	1,114,756	48,934
Total Community and Economic Dev.	<u>1,489,170</u>	<u>1,598,198</u>	<u>1,354,287</u>	<u>243,911</u>
Recreation and Cultural:				
Parks and Grounds	765,776	774,576	656,688	117,888
Administration	-	-	-	-
Total Recreation and Cultural	<u>765,776</u>	<u>774,576</u>	<u>656,688</u>	<u>117,888</u>
Other Functions:				
Storm Water Management	28,000	28,000	13,452	14,548
Fringe Benefits	10,800	22,650	6,837	15,813
Retirement	430,436	430,436	430,284	152
Insurance	130,367	135,454	133,815	1,639
Other	146,500	129,563	81,308	48,255
Total Other Functions	<u>746,103</u>	<u>746,103</u>	<u>665,696</u>	<u>80,407</u>
Capital Outlay	60,000	304,068	250,897	53,171
Total Expenditures	<u>8,872,834</u>	<u>9,757,630</u>	<u>8,658,228</u>	<u>1,099,402</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 181,511	\$ (248,708)	\$ 1,389,805	\$ 1,638,513
Other Financing Sources (Uses):				
Operating Transfers In	181,865	181,865	181,865	-
Operating Transfers Out	<u>(402,000)</u>	<u>(1,182,000)</u>	<u>(912,000)</u>	270,000
Total Other Financing Sources (Uses)	<u>(220,135)</u>	<u>(1,000,135)</u>	<u>(730,135)</u>	<u>270,000</u>
Change in Fund Balance	(38,624)	(1,248,843)	659,670	1,908,513
Fund Balance - January 1	<u>6,745,802</u>	<u>6,745,802</u>	<u>6,745,802</u>	-
Fund Balance - December 31	<u>\$ 6,707,178</u>	<u>\$ 5,496,959</u>	<u>\$ 7,405,472</u>	<u>\$ 1,908,513</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 5,848,579	\$ 5,848,579	\$ 6,037,488	\$ 188,909
Grants	-	468,317	468,317	-
Charges for Services	2,950	2,950	1,045	(1,905)
Interest Income	15,000	15,000	1,501	(13,499)
Other	2,000	2,000	4,502	2,502
Total Revenues	<u>5,868,529</u>	<u>6,336,846</u>	<u>6,512,853</u>	<u>176,007</u>
Expenditures:				
Public Safety	<u>5,832,905</u>	<u>6,389,891</u>	<u>6,147,335</u>	<u>242,556</u>
Excess (Deficiency) of Revenues Over Expenditures	35,624	(53,045)	365,518	418,563
Fund Balance - January 1	<u>828,160</u>	<u>828,160</u>	<u>828,160</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 863,784</u>	<u>\$ 775,115</u>	<u>\$ 1,193,678</u>	<u>\$ 418,563</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 2,792,722	\$ 2,792,722	\$ 2,899,167	\$ 106,445
Charges for Services	9,500	9,500	9,766	266
Interest	15,000	15,000	3,249	(11,751)
Other	-	-	11,528	11,528
Total Revenues	<u>2,817,222</u>	<u>2,817,222</u>	<u>2,923,710</u>	<u>106,488</u>
Expenditures:				
Public Works	<u>2,950,521</u>	<u>3,256,471</u>	<u>2,965,387</u>	<u>291,084</u>
Excess (Deficiency) of Revenues Over Expenditures	(133,299)	(439,249)	(41,677)	(184,596)
Fund Balance - January 1	<u>1,108,719</u>	<u>1,108,719</u>	<u>1,108,719</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 975,420</u>	<u>\$ 669,470</u>	<u>\$ 1,067,042</u>	<u>\$ (184,596)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 7,720,006	\$ 7,720,006	\$ 8,013,881	\$ 293,875
Intergovernmental-State	24,000	24,000	21,700	(2,300)
Charges for Services	299,500	299,500	254,262	(45,238)
Interest	75,000	75,000	9,189	(65,811)
Other	-	-	126,240	126,240
Total Revenues	<u>8,118,506</u>	<u>8,118,506</u>	<u>8,425,272</u>	<u>306,766</u>
Expenditures:				
Public Safety	7,781,155	7,787,172	7,056,267	730,905
Capital Outlay	55,000	55,000	48,314	6,686
Total Expenditures	<u>7,836,155</u>	<u>7,842,172</u>	<u>7,104,581</u>	<u>737,591</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>282,351</u>	<u>276,334</u>	<u>1,320,691</u>	<u>1,044,357</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	249,434	249,434
Operating Transfers Out	(181,865)	(181,865)	(181,865)	-
Total Other Financing Sources (Uses)	<u>(181,865)</u>	<u>(181,865)</u>	<u>67,569</u>	<u>249,434</u>
Change in Fund Balance	100,486	94,469	1,388,260	1,293,791
Fund Balance - January 1	<u>2,603,894</u>	<u>2,603,894</u>	<u>2,603,894</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 2,704,380</u>	<u>\$ 2,698,363</u>	<u>\$ 3,992,154</u>	<u>\$ 1,293,791</u>

OTHER SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF YPSILANTI
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue	2013 GO Refunding Bond Debt	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,447,905	\$ 117,405	\$ 4,565,310
Receivables:			
Accounts	334,999	-	334,999
Taxes	1,398,994	-	1,398,994
Special Assessments	29,638	-	29,638
Prepaid Expenditures	33,607	-	33,607
Total Assets	\$ 6,245,143	\$ 117,405	\$ 6,362,548
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ 186,430	\$ -	\$ 186,430
Accrued Liabilities	315,040	-	315,040
Due to Other Governmental Funds	82,564	-	82,564
Deposits and Escrow	1,406,698	-	1,406,698
Unearned Revenue	39,357	-	39,357
Total Liabilities	2,030,089	-	2,030,089
Deferred Inflows of Resources:			
Property Taxes Levied for the following year	1,398,994	-	1,398,994
Fund Balance:			
Nonspendable	33,607	-	33,607
Restricted	2,782,453	117,405	2,899,858
Total Fund Balance	2,816,060	117,405	2,933,465
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,245,143	\$ 117,405	\$ 6,362,548

CHARTER TOWNSHIP OF YPSILANTI
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	<u>Special Revenue</u>	<u>2013 GO Refunding Bond Debt</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues:</u>			
Property Taxes	\$ 2,026,399	\$ -	\$ 2,026,399
Licenses and Permits	783,551	-	783,551
Intergovernmental	425,561	129,164	554,725
Charges for Services	1,565,979	-	1,565,979
Interest	9,522	689	10,211
Other	13,847	-	13,847
Total Revenues	<u>4,824,859</u>	<u>129,853</u>	<u>4,954,712</u>
<u>Expenditures:</u>			
General Government	1,682,211	-	1,682,211
Public Safety	784,925	-	784,925
Public Works	397,159	-	397,159
Recreation and Cultural	697,459	-	697,459
Debt Service:			
Principal	600,000	185,000	785,000
Interest and Fees	42,250	47,910	90,160
Capital Outlay	1,231,556	-	1,231,556
Total Expenditures	<u>5,435,560</u>	<u>232,910</u>	<u>5,668,470</u>
Over Expenditures	<u>(610,701)</u>	<u>(103,057)</u>	<u>(713,758)</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,380,519	-	1,380,519
Operating Transfers Out	<u>(852,953)</u>	-	<u>(852,953)</u>
Total Other Financing Sources (Uses)	<u>527,566</u>	<u>-</u>	<u>527,566</u>
Net Change in Fund Balance	(83,135)	(103,057)	(186,192)
Fund Balance, January 1	<u>2,899,195</u>	<u>220,462</u>	<u>3,119,657</u>
Fund Balance, December 31	\$ <u><u>2,816,060</u></u>	\$ <u><u>117,405</u></u>	\$ <u><u>2,933,465</u></u>

CHARTER TOWNSHIP OF YPSILANTI
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2020

	<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	\$ 199,201	\$ 34,892	\$ 310,270	\$ 56,134
Receivables:				
Accounts	-	-	249,827	4,000
Taxes	-	-	1,398,994	-
Special Assessments	-	-	-	-
Prepaid Expenditures	-	-	-	10,037
Total Assets	<u>\$ 199,201</u>	<u>\$ 34,892</u>	<u>1,959,091</u>	<u>\$ 70,171</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 165,611	\$ 9,808
Accrued Liabilities	-	-	6,455	4,391
Due to Other Governmental Units	-	-	-	-
Deposits and Escrow	-	-	-	-
Unearned Revenue	-	-	-	9,719
Total Liabilities	<u>-</u>	<u>-</u>	<u>172,066</u>	<u>23,918</u>
Deferred Inflows of Resources:				
Property Taxes Levied for the following year	-	-	1,398,994	-
Fund Balance:				
Nonspendable	-	-	-	10,037
Restricted	199,201	34,892	388,031	36,216
Total Fund Balance	<u>199,201</u>	<u>34,892</u>	<u>388,031</u>	<u>46,253</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 199,201</u>	<u>\$ 34,892</u>	<u>\$ 1,959,091</u>	<u>\$ 70,171</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>
\$ 198,810	\$ -	\$ 2,848,010	\$ 733,771	\$ 66,817	\$ 4,447,905
-	-	-	81,172	-	334,999
-	-	-	-	-	1,398,994
-	-	-	-	29,638	29,638
<u>9,622</u>	<u>-</u>	<u>9,521</u>	<u>4,427</u>	<u>-</u>	<u>33,607</u>
<u>\$ 208,432</u>	<u>\$ -</u>	<u>\$ 2,857,531</u>	<u>\$ 819,370</u>	<u>\$ 96,455</u>	<u>\$ 6,245,143</u>
\$ 2,024	\$ -	\$ 5,577	\$ 1,025	\$ 2,385	\$ 186,430
168,073	-	8,593	127,528	-	315,040
27,989	-	-	54,575	-	82,564
-	-	1,406,698	-	-	1,406,698
-	-	-	-	29,638	39,357
<u>198,086</u>	<u>-</u>	<u>1,420,868</u>	<u>183,128</u>	<u>32,023</u>	<u>2,030,089</u>
-	-	-	-	-	1,398,994
9,622	-	9,521	4,427	-	33,607
724	-	1,427,142	631,815	64,432	2,782,453
<u>10,346</u>	<u>-</u>	<u>1,436,663</u>	<u>636,242</u>	<u>64,432</u>	<u>2,816,060</u>
<u>\$ 208,432</u>	<u>\$ -</u>	<u>\$ 2,857,531</u>	<u>\$ 819,370</u>	<u>\$ 96,455</u>	<u>\$ 6,245,143</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, 2020

	<u>Fire Capital</u>	<u>Parks</u>	<u>Bike Path, Sidewalk, Recreation, Roads & General Operations</u>	<u>Recreation</u>
<u>Revenues:</u>				
Property Taxes	\$ 677,147	\$ -	\$ 1,349,252	\$ -
Licenses and Permits	-	-	15,894	-
Intergovernmental	-	-	265,812	2,864
Charges for Services	-	2,556	-	94,446
Interest	-	93	1,384	258
Other	-	-	10,976	1,988
Total Revenues	<u>677,147</u>	<u>2,649</u>	<u>1,643,318</u>	<u>99,556</u>
<u>Expenditures:</u>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Recreation and Cultural	-	4,819	114,845	577,795
Debt Service:				
Principal	-	-	600,000	-
Interest and Fees	-	-	42,250	-
Capital Outlay	562,139	-	569,960	-
Total Expenditures	<u>562,139</u>	<u>4,819</u>	<u>1,327,055</u>	<u>577,795</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>115,008</u>	<u>(2,170)</u>	<u>316,263</u>	<u>(478,239)</u>
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	-	-	321,000	468,519
Operating Transfers Out	-	-	(603,519)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(282,519)</u>	<u>468,519</u>
Net Change in Fund Balance	115,008	(2,170)	33,744	(9,720)
Fund Balance, January 1	<u>84,193</u>	<u>37,062</u>	<u>354,287</u>	<u>55,973</u>
Fund Balance, December 31	<u>\$ 199,201</u>	<u>\$ 34,892</u>	<u>\$ 388,031</u>	<u>\$ 46,253</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,026,399
-	-	767,657	-	-	783,551
156,885	-	-	-	-	425,561
877,926	-	5,766	545,747	39,538	1,565,979
265	-	4,869	2,368	285	9,522
601	-	128	154	-	13,847
<u>1,035,677</u>	<u>-</u>	<u>778,420</u>	<u>548,269</u>	<u>39,823</u>	<u>4,824,859</u>
1,682,211	-	-	-	-	1,682,211
-	-	725,508	-	59,417	784,925
-	-	-	397,159	-	397,159
-	-	-	-	-	697,459
-	-	-	-	-	600,000
-	-	-	-	-	42,250
-	-	-	99,457	-	1,231,556
<u>1,682,211</u>	<u>-</u>	<u>725,508</u>	<u>496,616</u>	<u>59,417</u>	<u>5,435,560</u>
<u>(646,534)</u>	<u>-</u>	<u>52,912</u>	<u>51,653</u>	<u>(19,594)</u>	<u>(610,701)</u>
510,000	-	-	81,000	-	1,380,519
-	(249,434)	-	-	-	(852,953)
<u>510,000</u>	<u>(249,434)</u>	<u>-</u>	<u>81,000</u>	<u>-</u>	<u>527,566</u>
(136,534)	(249,434)	52,912	132,653	(19,594)	(83,135)
<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>\$ 10,346</u>	<u>\$ -</u>	<u>\$ 1,436,663</u>	<u>\$ 636,242</u>	<u>\$ 64,432</u>	<u>\$ 2,816,060</u>

CHARTER TOWNSHIP OF YPSILANTI
Pension and Employee Benefit Trust Funds
Combining Balance Sheet
December 31, 2020

	General Township Employees' Healthcare Trust Fund	Firefighters' Healthcare Trust Fund	Police and Firefighters' Pension Trust Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ -	\$ 885,967	\$ 498,216	\$ 1,384,183
Investments	9,291,669	8,380,288	30,304,098	47,976,055
Accrued Interest	-	-	52,716	52,716
Due from Fire Healthcare Trust Fund	-	-	465,317	465,317
Total Assets	\$ 9,291,669	\$ 9,266,255	\$ 31,320,347	\$ 49,878,271
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Accounts Payable	\$ 482,687	\$ 698,127	\$ 23,505	\$ 1,204,319
Due to Fire Pension Trust Fund	-	24,000	-	24,000
Total Liabilities	482,687	722,127	23,505	1,228,319
Net Position:				
Held in Trust for Pension and Employee Benefits	8,808,982	8,544,128	31,296,842	48,649,952
Total Liabilities and Net Position	\$ 9,291,669	\$ 9,266,255	\$ 31,320,347	\$ 49,878,271

CHARTER TOWNSHIP OF YPSILANTI
Pension and Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

	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	\$ -	\$ 130,395	\$ 609,935	\$ 740,330
Net Increase (Decrease) in Fair Value of Investments	1,080,979	1,389,795	2,512,789	4,983,563
Total Investment Income	<u>1,080,979</u>	<u>1,520,190</u>	<u>3,122,724</u>	<u>5,723,893</u>
Contributions:				
Employer	644,897	753,617	1,508,393	2,906,907
Employee	-	43,841	101,202	145,043
Total Contributions	<u>644,897</u>	<u>797,458</u>	<u>1,609,595</u>	<u>3,051,950</u>
Other	-	-	24,034	24,034
Total Additions	<u>1,725,876</u>	<u>2,317,648</u>	<u>4,756,353</u>	<u>8,799,877</u>
<u>Deductions</u>				
Benefit Payments	-	-	2,194,302	2,194,302
Retirees Insurance	482,687	698,127	-	1,180,814
Administrative Expenses	14,317	24,000	151,026	189,343
Total Deductions	<u>497,004</u>	<u>722,127</u>	<u>2,345,328</u>	<u>3,564,459</u>
Total Change in Net Position	1,228,872	1,595,521	2,411,025	5,235,418
Net Position, January 1	<u>7,580,110</u>	<u>6,948,607</u>	<u>28,885,817</u>	<u>43,414,534</u>
Net Position, December 31	\$ <u><u>8,808,982</u></u>	\$ <u><u>8,544,128</u></u>	\$ <u><u>31,296,842</u></u>	\$ <u><u>48,649,952</u></u>